



AUSTRALIAN DAIRY CONFERENCE LTD

Australia's premier dairy conference

The ADC event is managed by Esther Price Promotions | PO Box 341, Mundijong WA 6123 | 08 9525 9222 | 0418 931 938

February 2, 2012

Australian Dairy Conference discussion to explore if co-ops really are the key to dairy price

Giant dairy co-operative Murray Goulburn – not supermarkets - is the most important factor to Australian dairyfarmers getting higher milk prices over time, according to a study to be released later this month.

While the performance of the largest co-op is an issue pertinent to all dairy farmers, the co-op's farmer shareholders will determine whether the company is properly structured and managed to maximise performance.

At least this is the opinion of dairy consultant Steve Spencer, who has been commissioned to present this provocative paper at the Australian Dairy Conference at Warragul, Vic on February 22.

Mr Spencer said there was no doubt Murray Goulburn sets the value of milk in the Australian market.

His specially commissioned presentation will look at how co-operatives in various dairy countries are responding to changes to ensure they are best equipped to deal with the future. The work looks at various ways in which farmer-ownership models are being flexed – some better than others.

Mr Spencer said the success of co-ops at maximising returns from the market depended on the willingness of their farmer shareholders in recognising and acting on such changes affecting dairy companies.

He said co-ops throughout the world had adjusted to these in different ways and there no doubt some lessons from those experiences.

Mr Spencer's thought-provoking presentation will also look at other ways in which farmers can optimise their returns.

This includes the choices they make about which market and milk company they wish to supply and how they respond to the fluctuating price signals from those milk companies.

“But while there was no magic bullet”, he said, “there's a lot that most can change within their own control. Tradition is the biggest barrier to better success in milk production”.

Warragul, Victoria

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www.australiandairyconference.com.au



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Two visiting dairy academics – Prof David Hughes and Prof John Ikerd, who are also presenting papers at the conference, have been invited to critique the body of work and will join Mr Spencer on stage as part of the presentation.

The Australian Dairy Conference will be held at Warragul, Vic, from February 22-23 with pre and post tours also planned.

The conference, which is run by a group of dairyfarmers, commissioned Mr Spencer to tackle the question of how farmers could optimise their returns from the market.

To register for the conference, phone (08) 9525 9222 or go to website www.australiandairyconference.com.au.

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