

**Submission  
No 65**

**INQUIRY INTO LONG-TERM SUSTAINABILITY OF THE  
DAIRY INDUSTRY IN NEW SOUTH WALES**

**Name:** Jan Kendall  
**Date Received:** 25 September 2020

---

**Inquiry into the long-term sustainability of the dairy industry  
in New South Wales**

**SUBMISSION**

	<b>Page</b>
<b>Animal welfare in the dairy industry</b>	<b>2</b>
<b>What consumers think about the dairy industry</b>	<b>3</b>
<b>Change is afoot – more ethical, compassionate (and sustainable) dairy farming</b>	<b>6</b>
<b>Dairy farms transitioning to plant-based products</b>	<b>9</b>
<b>The environment and the dairy industry</b>	<b>10</b>
<b>Does dairy farming have a future?</b>	<b>12</b>
<b>Conclusion</b>	<b>13</b>
<b>Photo of Jane and Jan circa 1962</b>	<b>14</b>

Thank you for the opportunity of making a submission.

I grew up on a dairy farm in northern Victoria from 1951-1982 when dairying was able to provide a good living for farmers. I have hands on experience of how a dairy property is run and the importance of cow welfare. Our farm was much smaller than today's intensive farms. Whereas we had cows who were grandmothers, had individual names and enjoyed pastures and fresh air, today's huge, high-tech dairies are often computerised and sometimes even automatic, with cows having just a number. It should never be forgotten that cows are sentient beings who deserve compassion.

My comments focus on the two terms of reference below.

**(b) the impact of external influences on the dairy industry, including but not limited to drought**

**(d) the role of government in addressing key economic challenges to the industry,**

I will focus on specific 'external influences' such as growing animal welfare awareness among consumers, the rising popularity of plant-based alternatives, and the environmental concerns, which all represent serious economic challenges to the dairy industry.

## **Animal welfare in the dairy industry**

Every year 450,000 calves are sent to slaughter as what the industry calls 'wastage'. These are mainly male calves aged 5 days old, who are trucked many miles to abattoirs, because they do not grow up to produce milk.

Welfare issues that I have witnessed during my years on the farm include mother-calf separation, bobby calf and cattle transport and sales, disbudding and dehorning, mastitis, lameness, artificial insemination and live export.

- Live export of dairy cows – a welfare issue that reflects adversely on the industry and all dairy products in the mind of consumers

During the 1960s some of our prize heifers were exported live. My father had no idea back then of the horrors brought about by live export and the fate that farm animals, including dairy cows, suffer in developing countries. Not surprisingly, having witnessed sheep loading for export at Portland, Victoria, and having seen, on television and in the media, revelations about the continuing appalling disasters associated with the live trade, he was opposed to it.

The horror of what can happen to dairy cows was vividly brought to light with the sinking of *Gulf Livestock1* in early September 2020 with the death of more than 40 people including Australians and New Zealanders - and almost 6000 dairy cows. See link below:

[https://www.abc.net.au/news/2020-09-05/missing-ship-gulf-livestock-1-japan-what-we-know-so-far/12629082?utm\\_source=abc\\_news&utm\\_medium=content\\_shared&utm\\_content=mail&utm\\_campaign=abc\\_news](https://www.abc.net.au/news/2020-09-05/missing-ship-gulf-livestock-1-japan-what-we-know-so-far/12629082?utm_source=abc_news&utm_medium=content_shared&utm_content=mail&utm_campaign=abc_news)

Given that ship's history, it is not surprising it capsized. Several maritime reports logged over the past two years showed the ship had defects and deficiencies. In 2019 *Gulf Livestock1* was detained for three days by Australian maritime authorities because of issues related to its navigation and other issues. See link below.

<https://www.smh.com.au/world/asia/records-reveal-defects-with-livestock-ship-sunk-off-japan-20200904-p55sl5.html>

Instability is a common fault with these converted 630 teu boxships (former container ships) like *Gulf Livestock1*. On 22 November 2018, *MV Jawan*, carrying 4327 dairy cattle, was rocking dangerously after leaving Portland, Victoria, and was denied permission to sail by maritime authorities. Yet, our federal government allows live export on such ships to continue. See link below.

<https://www.thedcn.com.au/footage-of-mv-jawan-rocking-distributed/>

- Exporter Supply Chain of Assurance (ESCAS) and live export of dairy cattle

A loophole in the Exporter Supply Chain of Assurance Scheme (ESCAS), a scheme which was introduced to protect and trace animals after the cruel roping slaughter we saw on the ABC's *A Bloody Business* in 2011, does not extend its protection to dairy breeder cattle. **So, once cows no longer produce milk in these developing countries, they endure the same cruel slaughter practices - without prior stunning - that are regularly portrayed in the media.** See link below:

<https://www.smh.com.au/politics/federal/barbaric-footage-shows-australian-cattle-slaughtered-illegally-in-indonesia-20200818-p55mnt.html>

The link below details the extremely cruel treatment suffered by Australian dairy cattle in Sri Lankan farms.

<https://www.farmonline.com.au/story/5994719/sri-lanka-says-dairy-cows-from-down-under-are-duds/>

Clearly the entire Australian dairy industry is thoroughly tainted with the innate cruelty associated with all aspects of live export. Australian consumers see this in the media – and they turn away from dairy products in favour of almond, soy and other non-dairy alternatives.

## **What consumers think about the dairy industry**

The article I quote below illustrates the direction huge numbers of Americans are heading. 'Plants will rule' is an extract from the US *Wall Street Journal* (republished at p. 12 of *The Australian* of 15 September 2020 as 'I'll take Manhattan right off the menu'). It states:

The shift away from animal protein isn't a fad but, rather, a far-reaching cultural phenomenon. **Plant-based meat and dairy substitutes will improve and proliferate...** [My emphasis]

Animal welfare is an important challenge to the sustainability of the dairy industry. The community is taking a closer look at where its food comes from; research shows that consumers do not want farm animals to suffer to put food on their plates.

This was confirmed in 2018 by a report commissioned by the federal government entitled *Commodity or Sentient Being: Australia's Shifting Mindset on Farm Animal Welfare*. See a copy of the report in the link below:

<https://www.sheepcentral.com/wp-content/uploads/2019/05/190129-Commodity-or-Sentient-Being-Australias-Shifting-Mindset-on-Farm-Animal-Welfare-v.-7.0.pdf>

Farm Weekly had this to say about the Futureeye report, and I quote below relevant excerpts from its website in the link below:

<https://www.farmweekly.com.au/story/5940516/farmers-need-to-control-the-narrative/>

'Farm Weekly' reports that the survey found:

... there's distrust of government agencies charged with regulating farm animal welfare, and the livestock industry is too secretive about on-farm activities.

These factors are driving growing outrage about farm animal welfare.

That sounds like the report's authors surveyed activist groups and echoed their views.

But the report isn't referring to the views of activists but the results of national surveys and focus groups of everyday Australians.

**And, in a wake-up call for producers, the report found a growing section of the public sympathises with activists.** [My emphasis]

Indeed, 76 per cent of Australians say whistleblowing by activists about farm animal welfare should be encouraged, with 20pc undecided and only 4pc disagreeing with the whistle blowing.

Australians are taking a keener interest than ever before in what happens to animals on farms.

The website further states:

The increase in animal-based activism is part of a global trend and shows no sign of abating. [My emphasis]

The links below contain similar reports about Australians' shifting mindset about the importance of farm animal welfare.

<http://theconversation.com/not-just-activists-9-out-of-10-people-are-concerned-about-animal-welfare-in-australian-farming-117077>

<https://www.sheepcentral.com/activists-aside-how-does-the-general-public-view-farm-animal-welfare/>

The Futureye report found that 95% of the community view farm animal welfare to be a concern and 91% want reform to address those concerns. The concerns are spread evenly across states and territories, and between capital cities, regional towns and rural areas. They are not therefore just the concerns of those who some would term the inner city 'caffé-latte' set.

I quote below some snippets from the Futureye report, which go to issues of trust and transparency. Futureye found that secrecy, 'ag-gag' laws, jail terms and higher penalties for trespass will further inflame community outrage and adversely affect farmers:

There is a gap between societal expectations and the regulatory reality.

Animals are seen as sentient beings that have capabilities, rights, and freedoms.

There is a high alignment with activist views on the treatment of animals.

The public is demanding stricter regulation and effective solutions.

There is a high level of concern about the treatment of farm animals and current regulation.

The majority of the public is concerned about how farm animals are treated.

The public's distrust of the industry and government, and the perceived lack of transparency are driving outrage on farm animal welfare.

... as the younger generations mature they are likely to become highly involved around issues of animal welfare ... and thus demand significant reform.

Public has clear expectation for effective regulation to uphold these systems and expect highly transparent practices, regulation and enforcement.

'Browsers' are watching issues develop through news or online media ... watching how 'highly involved' and 'attentive' stakeholders are treated and often will decide to get further involved if they perceive this treatment as poor or not sufficiently addressing their concerns.

Page 10 'Working with animals has changed my perception of them. I see them as sentient ... and having a will to live'.

Page 11 Because regulation of farm animals is less strict than for companion animals, there is higher concern about the treatment of farm animals ...

**The Futureye report says in 2018 vegetarianism and veganism emerged as the fastest growing lifestyles worldwide.**

Increasing the size of dairy farms or government subsidies will not change this trend. Far from it. In 2015 a study by Voiceless produced a report *The Life of the Dairy Cow*. Increasing demand for cheap milk has forced most Australian dairy farmers to maximise the productive output of their cows. As I have noted, intensive milk production often has a serious impact on dairy cow welfare. At page 74, under the heading 'Changing Industry and Attitudes', the report has prepared a useful possible baseline of welfare standards for a proposed dairy assurance scheme. See the link below to the publication.

<https://voiceless.org.au/reading-list-item/the-life-of-the-dairy-cow/>

The link below describes an example of the animal welfare risks associated with large scale intensive dairy farming and what is described as a 'mutiny' by senior farm staff.

<https://www.abc.net.au/news/rural/2019-06-27/vdl-dairy-in-mutiny-amid-animal-welfare-concerns/11243876>

The link below is a 2017 CSIRO paper 'Public concerns about dairy-cow welfare: how should the industry respond? It concludes with a discussion:

... of how policy efforts by the dairy industry can be used to ensure compliance with commonly accepted standards, and more ambitiously, develop a common vision of dairying that positions the industry as a leader in animal welfare. [My emphasis]

<https://www.publish.csiro.au/an/Fulltext/an16680>

## **Change is afoot - More ethical, compassionate (and sustainable) dairy farming methods**

After observing the changing mindset of consumers towards farm animal welfare and wanting to adopt compassionate practices, some enterprising farmers have taken a different approach, and they have created successful and sustainable businesses with vastly improved animal welfare. An example is How Now Dairy.

### **How Now Dairy**

Cathy Palmer is a compassionate dairy farmer who wants to stop the 'wastage' of bobby calves. She uses artificial insemination (AI) technology to ensure she breeds only females. I acknowledge that some welfare advocates reject AI outright. However, I believe Ms Palmer's approach delivers superior animal welfare and is thus more sustainable. More dairy farmers would become sustainable by adopting this model. See the link to her website for more information.

<https://hownowdairy.com.au/>

I have quoted in full the article in the link below about How Now Dairy's philosophy and success:

<https://www.smh.com.au/business/small-business/killing-it-with-kind-milk-20190325-p51782.html>

Cathy Palmer had an overwhelming urge to shake up Australia's dairy industry, writes Kate Jones.

What would make anyone join the ultra-competitive, notoriously low-revenue space that is Australia's dairy industry?

For Victorian micro-farmer Cathy Palmer it was an overwhelming urge to shake the whole thing up.

Palmer's How Now milk is produced without 'bobby calves' or male calves, which are typically separated from their mothers and sent to slaughter within 30 days.

The RSPCA estimates 450,000 of these bobby calves are killed each year.

Instead of breeding male calves, Palmer and her partner Dr Les Sandles use artificial insemination technology to ensure their 30 cows only give birth to females. These female calves remain with their mothers and eventually become part of the milking herd.

Palmer says it's the way dairy should be done and so far, their ethical approach is paying dividends. Their milk is winning awards and demand and revenue are rising.

"Every dairy knows the time is coming where the consumer is going to rip the Band-Aid off and say, 'We all know what the truth is about dairy'," Palmer says. "There's lots of concerns about bobby calves and what we can do to make it better to appease consumers. They're under a fire now."

Asked if How Now was the way of the future for the dairy industry, a Dairy Australia spokeswoman said it was just one way of doing things differently.

"Australian dairy farming systems are diverse and adapted to local conditions, the farmers' operations and processor requirements for the products and markets they supply," she said.

"How Now's farming practice is just one approach to farming."

Palmer gave up a career in music publishing to set up How Now in the small town of Wunghu, near Shepparton in northern Victoria. It was the result of two years of tossing the idea around with Sandles, a third-generation dairy farmer.

"So, after we talked about it and did a million budgets we went and bought 18 cows and decided to just trial it in 2016," she explains.



“We did a little cold calling to kick sales off and went to several farmers markets, and processed and sold 300 litres in our first week. It wasn’t much, but it was a start.

“I had a firm belief that if people knew the truth about bobby calves, they wouldn’t choose that way and that they would pay more for their milk.”

“We pay less for milk than we do for water in the supermarkets. I don’t think anyone needs to consume two litres of milk a day.

“To me milk is something that should be treated as a premium.”

The pair spent \$100,000 on setting up their farm and found a processing plant where they could additionally produce cream and cheese.

Within just a couple of months of starting they won the Delicious Produce Award 2017 for the best tasting milk in Victoria.

Pitted against much bigger dairies, they impressively won the same gong again in 2018 and received a silver medal at the Australian Food Awards 2018.

How Now’s turnover in 2016-17 and 2017-18 was \$250,000 respectively. This year it’s projected to hit \$287,500 as word of How Now spreads. Today the business produces 3000 litres per week and the milk is sold in 24 IGAs and produce stores.

Supermarket wars saw milk prices slashed to \$1 per litre in 2011, however Woolworths and Coles recently moved to raise prices after lobbying from drought-weary farmers who blamed cheap milk for decreasing farm-gate prices.

Sold for between \$6.50 and \$7.50 for two litres, How Now is far from competitively priced. But Palmer has her eyes on the long game and says her ultimate goal is to teach other farmers how to produce milk ethically.

“For our business to succeed, we’re not looking to upscale,” she explains.

“We’re never going to have 100 cows. For us, it’s scaling up in a different way. We’re looking to replicate.

“So as we get to 100 cows, which is about 30-35 cows in the dairy at a time, the plan is to replicate by finding somebody else who wants to do what we do and then supply us with milk.”

Palmer is planning to launch an equity crowdfunding campaign with Pledge Me, selling 20 per cent of How Now in the hopes of raising \$1 million.

...

Growing consumer awareness of the fat content in milk had led to more people turning to soy and almond milk, plus a predicted decline in milk consumption.

It's opened the door to niche businesses entering the industry and pushed up industry employment numbers in the past five years. [My emphasis throughout]

How Now is proving that dairying can be sustainable, indeed lucrative, when it practices high animal welfare. Other dairy producers I found who have ethical practices include, Elgaar Farm, in Tasmania; Mother Cow Dairy; and Barambah Organics in Queensland.

On the Barambah Organics website, Ian Campbell, described as an expert Rural Scientist and Animal Nutritionist, explains how **dairy farming can be sustainable, with the right kind of management and respect for the environment.** The website says Barambah does not consider its calves to be waste products, and they are raised. The website lists a range of products including cheeses, milk, cream yoghurt, quark, smoothies etc. Besides selling its products around Australia, since 2013, Barambah has exported to Hong Kong, Singapore, Kuala Lumpur, Brunei and Fiji. It has won international prizes. See links below:

<https://www.barambahorganics.com.au/>

<https://www.goondiwindiargus.com.au/story/6457418/worlds-best-cheese/>

## **Dairy farmers transitioning to plant-based products**

One dairy farmer in the UK decided he could no longer bear to send his cows to the slaughterhouse. He transitioned to oat milk and is helping other dairy farmers to make the change for a sustainable future. According to the link below the farmer –

... is working with Refarm'd, an organization that helps dairy farmers transition to producing plant-based milk to transform Bradley Nook Farm in Ashbury, UK. According to Refarm'd's website, "By uniting together with farmers and providing them with the tools they need to move away from the dairy trade, we're offering a viable new opportunity for their businesses to be part of the growing plant-based movement".

<https://thebeet.com/dairy-farmer-pivots-from-cows-milk-to-oat-milk-for-ethical-reasons/>

## The Environment and the Dairy Industry

As well as unacceptable animal welfare practices, environmental issues are causing more and more consumers to turn to non-dairy substitutes.

The dairy industry

- uses a lot of water – 800 litres of water to produce 1 litre of milk
- is responsible for deforestation and land degradation
- and produces 19% of Australia's greenhouse gas emissions.

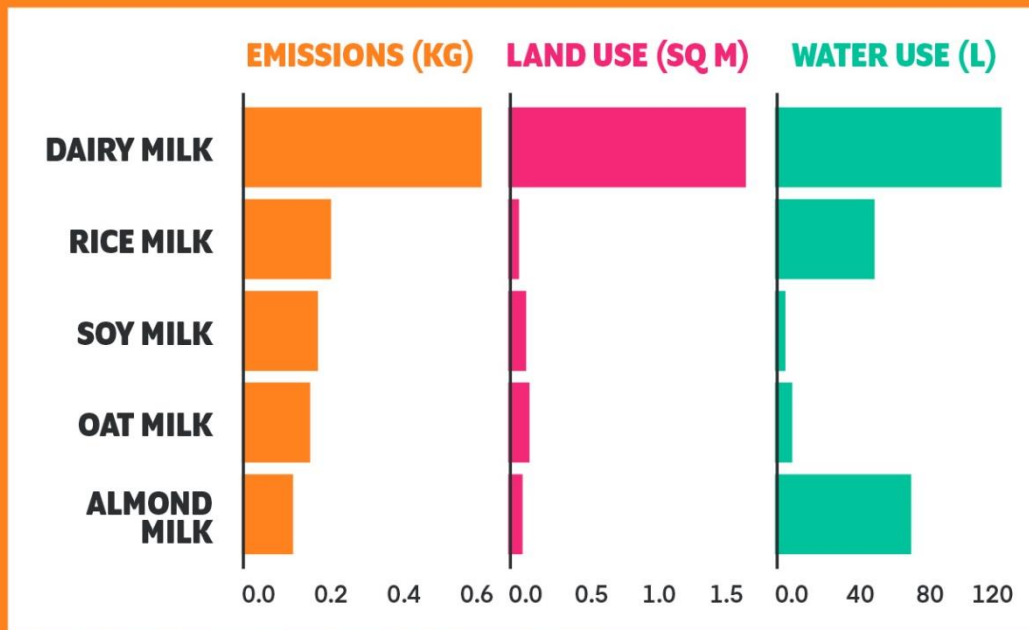
As can be seen from the table below, all four plant milks are significantly better for the environment than cows' milk.

Cows' dung, burps and farts all release **methane**, contributing to the 3.2 kg of CO<sub>2</sub> eq **emissions** produced when making 200 ml of cows' milk.

**Land** is needed to grow feed for cows, as well as for grazing. So 9m<sup>2</sup> of land is needed for every 200 ml of cows' milk

**Water** - Cows need drinking water and dairies need to be washed down. Water is also required to irrigate cows' grass and grow feed. It takes 628 litres of water for a 200 ml glass of cows' milk

# ENVIRONMENTAL IMPACT OF ONE GLASS (200ML) OF DIFFERENT MILKS



Source: Poore & Nemeck (2018), Science. Additional calculations, J. Poore

## TRY VEGAN THIS MONTH



### Emissions

In terms of greenhouse gas emissions, almond milk comes up trumps. It's responsible for 0.14kg of CO<sub>2</sub>eq per 200ml. Rice milk is the worst of the bunch at 0.23kg per 200ml.

### Land Use

The four crops are very close in terms of land used. Rice milk is marginally the best using 0.3m<sup>2</sup> per 200ml. Oat milk uses the most land with 0.8m<sup>2</sup> for a 200ml glass.

### Water Use

Despite being the best in terms of emissions, almond milk has a very high water footprint with 371 litres required to produce a 200ml glass. Soy milk uses only 28 litres.

[Source: 2018 Oxford University study compared the various ways milks impact our planet. Veganuary 2020]

<https://www.bbc.com/news/science-environment-46654042>

A 2018 Oxford University Study, published in *Science*, found that avoiding meat and dairy is the single biggest thing we can do to reduce impact on the earth. The link below states:

The new research shows that without meat and dairy consumption, global farmland use could be reduced by more than 75% — an area equivalent to the US, China, European Union and Australia combined — and still feed the world. Loss of wild areas to agriculture is the leading cause of the current mass extinction of wildlife.

The new analysis shows that while meat and dairy provide just 18% of calories and 37% of protein, it uses the vast majority — 83% — of farmland and produces 60% of agriculture's greenhouse gas emissions.

<https://www.theguardian.com/environment/2018/may/31/avoiding-meat-and-dairy-is-single-biggest-way-to-reduce-your-impact-on-earth>

### **Does dairy farming have a future?**

Unless animal welfare improvements are made, I believe dairying farming has no future. The link below from NSW Farmers describes how many inquiries have been held into the dairy industry, including by the ACCC. The link says that despite \$1-a-litre milk ending, it may be too late for the dairy industry as it faces market pressures beyond its control that make dairying unsustainable:

[https://www.nswfarmers.org.au/NSWFA/Posts/The\\_Farmer/Business/Dairy\\_farmers\\_in\\_danger\\_of\\_disappearing\\_from\\_industry.aspx](https://www.nswfarmers.org.au/NSWFA/Posts/The_Farmer/Business/Dairy_farmers_in_danger_of_disappearing_from_industry.aspx)

The Dairy Australia website (see links below) contains information about the dairy situation and its outlook.

<https://www.dairyaustralia.com.au/industry/dairy-situation-and-outlook>

<https://www.dairyaustralia.com.au/industry/farm-facts/cows-and-farms>

The link below describes the dairy industry in Queensland in an article entitled 'Urgent overhaul of Australian dairy industry is needed'. Queensland now has fewer than 300 dairy farms left. Queensland dairy farmers battle low farmgate milk prices, ongoing drought, and increased costs of production – as do many of the country's dairy farmers.

<http://www.dairypage.com.au/qcl-columns/tag/dairy+farmers+left+in+queensland>

Over many years, countless inquiries have been held into the problems overtaking the dairy industry, but no solutions have been found. I believe the solution lies with the dairy industry promoting transparency and making major improvements to farm animal welfare.

## Conclusion

My family has not eaten dairy products for many years.

Without doubt, market forces, high overheads and getting a fair price for milk are a problem. But dairying's animal welfare, environment and human health issues are turning more and more customers to plant-based alternatives. This worldwide trend should not be ignored when talking about dairying's sustainability. This rejection at the market-place comes on top of the industry having to struggle with the drought and the effects of climate change.

Government subsidies are not the answer; nor is the imposition of a minimum milk price in supermarkets. Taxpayers should not fund the dairy industry in a vain effort to keep it afloat when more and more people are transitioning to more ethical and sustainable plant alternatives. Subsidising the dairy industry is just putting off the inevitable.

Dairying's situation can be likened to the way consumers have turned away from cage eggs in favour of free range. This is tangible proof that consumers are increasingly prepared to pay more for food that adopts sound animal welfare practices. And supermarkets – large and small – have shown that they will accommodate the demands of consumers by stocking products with high animal welfare.

The popularity of free-range eggs with consumers, and the success achieved by the compassionate businesses such as those I mentioned above, show that the dairy industry can become more sustainable if dairy farmers adopt compassionate farming practices. This would go some way to stem the consumer demand for plant-based alternatives. But, I believe, as the world's population continues to grow, concern about animal welfare and environmental issues will bring about a paradigm shift with the widespread adoption worldwide of plant-based products. Subsidising the dairy industry is just putting off its inevitable demise.

Jan Kendall

September 2020

