

DAIRY INDUSTRY, OVERSEAS FARMERS AND INVESTORS

271. Hon JIM SCOTT to the Minister for Agriculture, Forestry and Fisheries:

Further to the minister's answer to the question asked by Hon Barry House regarding the proposal to attract overseas dairy farmers and investors -

- (1) Will the expanded milk production be based on irrigation?
- (2) If so, what studies have been carried out on the water requirements and its availability for irrigation?
- (3) Have any incentives been offered to overseas dairy farmers and investors to relocate to Western Australia?

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Hon KIM CHANCE replied:

I thank Hon Jim Scott for this question and, in particular, the third part because Hon Barry House asked me if I could provide that information earlier and this allows me to do so.

- (1) Generically, not in the main. Some expansion will be based on irrigation, which I will deal with in the next part of the answer. We have encouraged these people to consider dairying on the edges of traditional dairy land. Without a doubt, opportunities for dairying exist outside the fairly narrowly constrained milk belt within the south west region of Western Australia, much of which is concentrated on irrigated land. Although there has been some expansion into the summer damp and high rainfall country in the more traditional south west region and running along the south coast and east as far as Albany, potential areas for dairying exist there and up a little into the great southern region, provided no minimal premium is applied on the time of the year for milk production. It is obviously cheap and easy to produce large quantities of milk almost anywhere at the right time of the year. If need be, one could produce milk at Cue at the right time of the year. The cost is in producing a consistent flow for 12 months, which is why irrigation has been so important to the industry.

As the industry moves from its domestic supply principle task to an export supply principle task, the premium available for 12-month production of milk will fall and the disadvantage of being a seasonal producer will somewhat lessen, although there will always be a premium for milk in the months of poor supply. However, it is that factor more than anything else that drives the production of milk to occur in non-traditional dairying areas.

- (2) The member has raised the question of irrigation and whether it will be examined to determine its environmental sustainability. It is true that some production will occur on irrigated areas that are not currently thought of as such; in other words, on areas running novel irrigation projects. That is something that has started, to some extent, locally rather than with overseas farmers. People are considering the possibilities of irrigation in the central west coast and mid west coast region based on centre pivot irrigation. Obviously that would cause major changes in the agricultural use of those areas, which are currently dry land farming areas. All of the necessary environmental impact studies would need to take place that would be expected in those circumstances.
- (3) As far as I am aware there are no incentives in the classical form made available to either the dairy farmers or the pig farmers, who have also been approached by us in Britain, the Netherlands and Denmark in this current scheme. We have provided them with a number of services from the Department of Agriculture, particularly through our animal divisions and AGWEST International, the department's international trading arm. The farmers have been provided with staff time, and some associated costs have arisen from that, such as the welcoming function that I attended last night. There may even be some vehicle hire costs; I am unsure - we may have provided a bus. Apart from that there is no financial incentive that I am aware of without principally providing information to the people who might want to follow up on our offer.