

SE Early General News
HD Hay forum 'shares' a point

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IT is important to explore collaborative farming practices to ensure young people have a profitable and productive future in the fodder industry, according to Freeling farmer and hay producer Tom Shanahan.

The fifth-generation farmer was a guest speaker at the Australian Fodder Industry Association's Gen Ag event at Kapunda on Friday.

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"When I started out we used to supply dairy farms and chaff mills, and there was a very big demand for hay," he said.

"We moved on to producing bedding straw, and there is a strong market for that product."

Mr Shanahan said hay fitted in well with his overall farm program, especially as a way to keep on top of chemical resistance issues in ryegrass.

"I look at ryegrass as a numbers game the more ways we can take it out, the better," he said.

But, with the cost of land at between \$9880 and \$12,350 a hectare in the highly productive Lower North region, ensuring profitability can be a challenge.

"If you look around Freeling, and the cost of land, you've got to have it making money," he said.

Mr Shanahan said with major capital outlays such as significant shedding important for success in the fodder industry, joining together to pool resources could be a way forward for young farmers.

"My suggestion to a lot of people standing back from the industry is that hay can be a great fit on your farm, especially for ryegrass control, but who wants to spend \$1.5 million to set yourself up with all the latest gear?" he said.

"That's why I think collaborative farming is something the next generation of farmers is going to have to get their heads around, if they want to ensure their farm's survival going into the future.

"It gives the ability to buy the latest equipment at an affordable rate.

"Capital outlay is what I believe is killing farmers today. We need to get smart for our survival."

Mr Shanahan said the ability to produce a high quality product was crucial.

"If you grow a consistent quality product, you go from being a price taker to a price maker," he said.

"There's an exciting future in the industry but it's the overheads that will kill you."

JT Johnson & Sons director Robbie Johnson was another guest speaker at the event. The company hosted the event at its Kapunda office, and included a tour of its export hay facility.

Robbie and his brother Mark are the fourth generation in the Johnson family.

"We need growers to build our **business**," he said.

"We believe the market is growing, including the Middle East market, although that is a price-orientated market."

JT Johnson & Sons sales coordinator Corey Ryan said while Japan remained the major market for Australian hay, **China** was looming as a major player.

"In 2014, Australia has been exporting hay to Japan for 25 years," he said.

"It started out with about 2000 tonnes of hay in late 1988.

"The market has matured and our Japanese customers know exactly what they want."

In 2013, there were 616,298t of hay exported from Australia each month. Japan remained the biggest market, on 385,000t, Korea was stable at 140,000t and **China** was smaller but growing at 45,000t.

Smaller markets such the United Arab Emirates accounted for 40,000t.

"The exciting market at the moment is **China**. It has a huge demand for **milk** and **milk**-related products," Mr Ryan said.

For the straw market, Japan was the major buyer, with 155,108t exported from Australia each month. But Mr Ryan said their market was likely to shrink in future.

"In Japan, cattle numbers are shrinking, year-on-year. There's been a 4 per cent decline in **dairy** cattle numbers and the average age of Japanese farmers is 75 years," he said.

Mr Ryan said the Korean free trade agreement signed off recently could see an increase in demand.

"As long as we keep doing a good job, and maintaining strong relationships with our customers, they'll continue to keep buying from us," he said.

AFIA executive officer Darren Keating said Gen Ag was the association's network of young people with an interest in the fodder industry.

"In the past, Gen Ag has hosted fodder tours and workshops, and maintains a facebook page targeted at the next generation of fodder farmers," he said.

"In 2014, AFIA will continue to provide young people with some insight into what the fodder industry is about through events like the Gen Ag BBQ at Kapunda.

"The fodder industry is a quiet achiever in Australian agriculture. The sector has seen good growth over the past few years and we think this is set to continue."

Details: Follow AFIA on twitter at @AusFodder or facebook at Ausfodder.

CO	ausfia : Australian Fodder Industry Association
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