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If we don't know the price of milk, how can we tell if farmers get a fair deal?

'The Australian agricultural statistics system is not adequate to even report on basic questions such as the prices farmers receive for their milk, and needs to be significantly reformed' said Mick Keogh, Executive Director of the Australian Farm Institute.

The Institute has just released its latest research report entitled 'Is counting farmers harder than counting sheep?'. The research has examined the adequacy of the agricultural statistics system currently operating in Australia, and compared it to those in the United States (US) and France.

While it is easy to overlook the importance of objective and robust statistics for the agriculture sector, a simple example such as the current debate about milk prices in Australia provides an example of why good agricultural statistics are so important.

There has been an ongoing debate about the fairness of milk prices in Australia for some time. In 2011 the Australian Competition and Consumer Commission (ACCC) found that supermarkets' low milk price policies 'seemed' to have only reduced retail margins and not impacted on prices paid to farmers. However, when the ACCC was asked what data had been used to reach that conclusion, the response was that it was confidential and could not be released. Consequently, debates about milk prices have continued and intensified in Australia.

Contrast that with the situation in both the US and France. In the case of milk prices, both the US and French statistical agencies collect weekly and monthly farmgate milk price and other supply chain data, which is publicly available.

'In fact France has recently set up a margin surveillance program for the entire milk industry which provides regular information about changing prices and margins through the entire supply chain from farmer to consumer. As part of this process, farmers, processors and retailers have all agreed on the calculation criteria and to provide data, with the result being a much more transparent and open market for milk,' explained Gaétane Potard, Research Officer at the Australian Farm Institute.

'Milk prices and margins are just one type of data that the Australian agricultural statistics system fails to address adequately. This research also explores the quality of the data behind agricultural forecasts, agricultural water, climate change, and the demographics of the Australian farm sector,' said Gaétane Potard.

'The research concludes that the current Australian agricultural statistics system is failing the industry and policy-makers badly, and is in urgent need of substantial reform. The first and most important reform is the need for the Australian Bureau of Statistics (ABS) to hand responsibility for the entire agricultural statistics system and associated budget resources to the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) so that the system is operated and managed by personnel who have expertise in agriculture.' Without such a change, the adequacy of the agricultural statistics system in Australia is likely to decline even further, and disputes about the fairness of milk prices and the extent of overseas ownership of agricultural land are likely to get much worse, rather than ever be resolved,' said Mick Keogh, Executive Director of the Australian Farm Institute.

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Media contact: Mick Keogh or Gaétane Potard – (02) 9690 1388 or 0418 256 066

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If you have any questions, please contact us directly by [email](#) or by phone: (02) 9690 1388