



# Jenny Aitchison MP

## Member for Maitland

Thursday 21 January 2016

### **JENNY AITCHISON BACKS PRIMARY PRODUCERS ON FLOOD RELIEF**

Member for Maitland, Jenny Aitchison, has called for more assistance for farmers in the wake of a second major flood event in nine months.

After a meeting with local farmers Luke Dunford from Morpeth and Michelle Viola from Maitland today, Ms Aitchison said the Government is failing to help farmers who have been struggling to recover from the April 2015 floods. "The State Government has been dragging their feet on natural disaster declarations and applications to the Federal Government for Category C Funding in relation to the January storm."

"I have written to the Premier and the Minister for Emergency Services regarding the urgency for Category C funding, but am yet to receive a response", said Ms Aitchison. "This time it took the Government over a week to make the initial Natural Disaster Declaration."

"This has been an extraordinarily difficult year for primary producers in the Hunter. While January's weather did not cause the electrical and telecommunications outages, and tree damage of the April storms, it was just as devastating in its impact on farms that have been flooded twice in 9 months."

"It is the cumulative impact that is hurting. Some farmers had only just replanted feed following the April storms, and will now have to start again."

Mrs Viola said "We live on a flood plain, so we accept this can happen and had put money aside. However we've spent all our money on the first disaster, and with no income from the farm in the last nine months, there's just nothing left in the kitty."

Category C funding must be approved by the Federal Government and allows primary producers to gain one-off grants of up to \$15,000 to replace fencing, seeds or other repairs. Much of the assistance covers costs that are generally unable to be insured. To qualify, at least 51% of a primary producers' income needs to come from the farm.

Ms Aitchison says the Category C Funding should be reviewed to ensure smaller farms are able to access the assistance.

"I have met with a number of farmers, many of whom were ineligible last time, because the majority of their income does not come from their farms and it appears to depend on how primary producers are structuring their farm assets and income in determining eligibility."

"The government is obviously trying to stop hobby farmers from accessing the payment, but in some cases second and third generation primary producers who have just taken on their own farm, or farmers transitioning to retirement have not been able to generate enough farm income to be eligible." said Ms Aitchison.

"The government needs to understand that farms are businesses, and as such in bad times, the owners are paid last. To have an assistance package based on income in a year like this is definitely

not fair to smaller primary producers.”

Ms Viola said she and her husband had done the numbers in their business plan and it was a bleak outlook. “Without government assistance it will take seven years for us to get back to the position we were in as at March 2015, and that’s assuming there are no more disasters, which given the last nine months is optimistic”.

The only option some primary producers have had is to further reduce their farming activities. Ms Aitchison said “I have been told by a number of primary producers that they have halved their stock levels since the April storms. Consequently less of their income has come from farm based activities, making it even harder for them to satisfy the eligibility criteria”

Mr Dunford who still has nearly half of his 85 acres of land under water, said primary producers need to be careful, and “not just go for knee-jerk sales as record cattle prices will make it harder to restock. With the market now paying \$3 per kilo for live weight calves, up from \$1.50 a year ago, it is harder to get back in once you have sold. The Government needs to step up and help these people get back in the saddle”.

Mr Dunford said that “At an industry briefing recently, we were told of an expected shortage of cattle in 2017 that will see beef prices continue to rise. Other countries such as Brazil will take over more and more of the international market if we don’t support our primary producers.”

Ms Aitchison said we needed to ensure that capacity across the primary producers in the Hunter needed to be maintained: “Many of the farms in the Hunter are small farms, and we need to look after them. It appears that the unintended consequence of the eligibility criteria is to force small primary producers out of the industry.”

“Even on a local level, if all of our smaller producers halve their stock levels it will create a severe economic impact on sale yards, abattoirs and associated industries in the Maitland area as well as general retailers.”

“The Government needs to ensure that our local rural industries remain viable.”