



Community Engagement Interview Summary Prepared for the NSW Drought Hub.

The people interviewed for the Riverine Plains Community Engagement Survey were all family farmers or agribusiness professionals based in Southern New South Wales. Diversity of business was deliberate to ensure we covered the community and received well rounded information to present to the Hub. Most operations had 2 generations of family active in the business and included a mix of dairy, summer and winter cropping, sheep, cattle and potato farmers. The age of interviewees ranged from 28 to 60 and included an even split of male and female owner operators. All participants had small children or adult children who had returned to work within the business.

The major challenges facing these farmers include:

- Mitigating risks of external factors – global commodity markets, availability of inputs (such as chemical, fertiliser, fuel) and the impact water policy has a farmer's ability to plan for crop and fodder production as well as predicting profitability year on year.
- Sourcing and maintaining labour given the seasonality of peak periods on-farm and the time commitment required of farming staff. This has been exacerbated with our community being on the border with cross jurisdictional differences.
- Time management is a major stressor due to the demands of commercial farming operations and business management.
- Phone and internet accessibility plays a huge role in a farm businesses ability to operate.

The consensus amongst participants is they deal with these challenges in-house and rely upon each other's experience or education to problem solve. However, external advice and support are often sourced from agronomists, accountants and bank managers as they have an established understanding of the farming businesses. Farmers that utilised these networks often had long standing relationships with these professionals that provide key support.

Drought resilience is considered a farmer's ability to survive an economic downturn due to drought and be flexible in generating income and managing the business in a way that means you are viable post drought. It was highlighted that drought resilience has a lot to do with how you farm in good years and that you plan for an impending drought by putting aside reserves of fodder, cash and water when possible. The youngest interviewee believed drought resilience meant keeping a sound mindset and making rational decisions despite

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stress points making it difficult. The experience of drought itself seems to be the greatest example of learning on the job as many participants have now implemented many changes to their business to increase their drought preparedness.

In Drought 2018/19

Below is a summary of farmers experience of the 2018/19 drought. It is worth noting that most participants enjoyed the process of analysing what the drought meant to them as a person and a business owner. Whilst it was a painful reminder of a tough time, there was an air of pride in their retelling of how they handled the circumstances and are now more prepared and able to farm in the next drought.

- Economic

Cash is a serious concern for farmers during a drought as they must create alternative income streams or be funding payments to maintain their original income with dairy farmers buying in feed at all costs and potato farmers buying in water to save crops. Mixed farmers can diversify and focus on feedlotting livestock when the prices are favourable whereas cropping operators move into contract hay baling, silage production and contract freight.

During the drought creditor terms are extended, stock mortgages are utilised, FMD's are used, succession payments are delayed, crop inputs are scaled back, wages are not drawn, upgrades are put on hold and budgeting becomes paramount. Servicing debt is vital to a farm recovering from the drought hence the huge importance placed on cutting costs and generating income against seasonal odds.

- Political

There was government support available for farmers during the 2018/19 drought, the most popular being the Rural Assistance Authority (RAA) Freight Subsidy, Emergency Water Infrastructure Rebate and Farm Innovation Fund. These programs helped farmers with cashflow and assisted in the establishment of water points for stock and grain storage. The Regional Investment Corporation (RIC) offered Drought Loans and AgriStarter Loans that were highly sort after but most users had a very negative experience in trying to access these loans. They either applied and are still waiting to receive funds or they were bamboozled by the process and didn't attempt to apply, despite being eligible. This needs fixing.

Water policy played a major role in the severity of the 2018/19 drought in Southern NSW as many interview participants are part of the Murray Irrigation Limited footprint or the West Corugan Private Irrigators. As NSW Murray general security water owners, they experienced a 0% allocation during the drought despite the river system and storages being full. With irrigation infrastructure in place on farms and businesses geared towards summer and winter cropping and grazing programs, the financial hit was great as two years of failed crops still incur the cost of water access.

- Social

The mental and physical wellbeing of farmers was at risk during the drought because of the pressures of getting the job done and keeping afloat financially. Impacts included, burnout, sleep deprivation, marriage strain, depression, and never-ending stress. People considered

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themselves in 'survival mode' which was not sustainable and it was noted that if drought is to become more regular then self care needed to become a priority.

Before & After Drought

Management decisions will dictate how a farm business will enter and emerge from a drought hence the stress placed on farmers regardless of the season as the next drought is on its way. Below is a summary of farmers experience before and after the 2018/19 drought;

- **Economic**

A sense of complacency was identified as the reason why farmers were not prepared for the 2018/19 drought. Those who needed fodder didn't have enough and those who rely on growing crops to grain were unprepared to make and sell hay. Farmers believed they had to make quick decisions and pivot their existing business to adapt to the dry conditions and still operate sustainably and economically.

Those who invested in more land, machinery upgrades and infrastructure such as water storage, silos and sheds felt that the drought had a less severe impact on them because they were able to farm more efficiently and diversify meaning their business was still viable after the drought.

- **Environmental**

Farm land is a farm businesses number one asset meaning sustainable land management is a priority of farmers. Ensuring the lime and gypsum programs go ahead when cashflow allows means that the soil will have better water use efficiency in drier years. Water utilisation can also include upgrading technology such as irrigators and moisture measuring technologies as well.

- **Social**

Mental health needs to be addressed in good years, whether its implementing healthy habits, like farmer gym groups or social tennis, if the framework is in place before a drought there will be a support network in hard years. When the drought does break there's an element of hope amongst farmers and a sense of pride in the fact they have managed the risks and survived.

DROUGHT HUB

1. Forms of Support

The following is a summary of the types of support or access to knowledge that farmers would benefit from not only during a drought but in years between drought;

- Farm Management Loans to assist with drought operations (low or 0% interest rates)
- Emergency livestock trading facility to assist with trading (low or 0% interest rates)
- More dedicated counsellors to facilitate what support is available and how farmers can access it, similar to the Rural Financial Counselling Service.

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- Economic (& mental) health check ins during drought to assist farmers in focusing on farm business management requirements and Drought Reminder calls to remind farmers to prepare for drought in good years.
- Tax benefits, beyond FMD's, to assist farmers manage cash surplus in good years
- Extension of the RAA grants outside of drought years so farmers can pursue infrastructure upgrades when they have the time and the mental space to do so.
- Agronomic expertise on dual purpose crops, dry tolerant species, crop grazing and hay making recommendations in drought.
- Upskill farmers with agronomic and financial management strategies.
- Empower women to manage ag software programs to help with budgeting.
- Use the HUB in wet years to catch up on delivering staff training, safety, chemical users, working at heights, machinery licenses as during drought this doesn't happen.
- Mentoring program to support young farmers gain a broader wealth of knowledge

2. Extension

In order for the Drought HUB to be a success, it was stressed that it must be accessible and farmers must be aware of what knowledge and support the Drought HUB offers. Below is a list of suggestions from farmers about how the HUB could operate best:

- Communicate clearly and often with no fluff.
- Use existing networks in place such as farming systems groups such as Riverine Plains, local councils, schools, banks, agronomists and accountants to create awareness of the HUB.
- Whatever assistance is available it must be easily accessible to people who are already stressed, time poor and need help yesterday. One interviewee made the observation that, 'droughts move at a rapid pace, governments do not.'
- A centralised platform could be created where farmers can register themselves as a primary producer and upload all relevant financial information during good years so when a drought does occur, farmers can simply apply for whatever support is relevant to them without starting from scratch with multiple applications.
- Farmers are snowed under with regulation and industry information, therefore the Drought HUB must streamline everything that is available out there (be it commercial or government) and become the renowned, reputable source of assistance for farmers.
- By nature, farmers do not ask for help therefore HUB staff must be able to communicate easily with farmers and ensure there's a level of respect in place so that the customer experience is positive meaning word of mouth will work in the HUB and the farmers favour.
- Localised support can make a huge difference to how people view a service. Whether that's the coordination of a local farmer led support group or a location people can attend, farmers tend to balk at the idea of a centralised point of contact for assistance.

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