

Cluster Farm Project

Over the past 10 years, successive difficult seasons across the Murray Dairy region has resulted in a decline in milk production and a decline in the number of active dairy farms in the region. However, much of the land, the water and the human resources that were once used by the dairy industry could again come on line to profitably produce more milk.

The Gardiner Foundation has provided Murray Dairy with funding to investigate the formation of Cluster Farms in the dairy industry in the Murray Dairy region. Cameron Smith of Farmanco Pty Ltd has been appointed to manage the project which aims at coming up with innovative ways in which to bring unused or idle resources back into production.

A Cluster Farm is any vehicle that brings together the land, water, livestock, machinery and human resources from more than one farm which increases the resources available for milk production in the Murray Dairy region.

At its most complex a Cluster Farm may bring together the various resources (land, water, livestock, machinery and human resources) from a number of properties under one management umbrella.

At its simplest a Cluster Farm may be one neighbour who is committed to continuing in the dairy industry leasing the farm next door that is currently being under utilised.

“We know that there are resources such as land and associated infrastructure that are sitting dormant or being underutilised” said Cameron. “In terms of innovation, it’s about getting the idea out there that there are opportunities for owners of existing operating farms to join forces with owners who have dormant land” he said. “In the recent past farmers on this underutilised land may have got through by trading water, selling hay or taking on some agistment – however that opportunity is not providing adequate returns this year.”

The Cluster farms project is identifying benefits to all individuals involved, such as continued land ownership and future capital gains. If they are able to hold on to their land, water and infrastructure then this has flow on effects to the local community and the businesses that are supplying services to these farms. The project is a perfect way to bring enthusiastic farmers together with farming capital. This in turn stimulates activity on the land and in turn benefits everybody in the community.

Additional benefits associated with being involved in a successful Cluster Farm may be that land owners pick up work in the new structure; for example, after leasing their land to a neighbour they may contribute labour to the new business, which could range from management expertise to providing some relief milking on the property.

Another benefit associated with being involved in a successful Cluster Farm may mean that a property that has been out of operation for a number of seasons and is somewhat run down may turn into a more saleable entity after being actively farmed for a number of seasons which may suit someone who is thinking of selling in the medium term.

While the project is still being developed, resources will be developed that will allow for interested people to make connections to grow their farm businesses and for other people to retain their land whilst earning an income.