

# ARTHY RURAL SERVICES

*'Specialised Services to the Rural Sector Since 1972'*

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Agricultural Competitiveness Taskforce  
Department of the Prime Minister and Cabinet  
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To Whom It May Concern,

Re: Agricultural Competitiveness White Paper Submission

Our company has been involved in specialised services to the rural sector for over 40 years. One service we provide has been the haulage and supply of bulk molasses to beef and dairy farmers for both drought feeding and as a regular feed supplement. Over many years, supply has diminished to the extent that it is now almost impossible to maintain this service effectively.

This latest drought has reinforced our opinion that molasses can no longer be viewed as a reliable economical year-round feed source. Industrial demands such as yeast and ethanol production, decline in sugar production, cost of end product and the volume of liquid feeds used all year round in feedlots have reduced the availability of raw molasses.

As a method of helping to alleviate the feed shortages associated with droughts and to create another income stream for farmers, we would like to submit the following proposal.

We envisage the establishment of many strategically placed 'fodder banks.' These fodder banks may need to be controlled by licensed operators. The amount of infrastructure required would be influenced by the site chosen, but we estimate a weighbridge, storage sheds, silage pits, site office, loaders etc would be required for each site.

Because of our knowledge and expertise of silage production and storage, we have based our ideas on this source, but the same concept could apply to other products, such as hay and grain etc.

How a fodder bank would work:

The 'bank' would buy excess product or else the farmer could specifically grow a crop for storage in the fodder bank. Records of tonnages, quality and shrinkage would have to be taken into consideration. The grower would be paid commercial rates for the product put in storage. When drought or demand arises, the product would then be available to sell. Distribution and sale of product needs to be further fine tuned.

Ways of financing:

1. End users could pay for and reserve a quantity of feed;
2. It may attract external investors;
3. Government funding could subsidise operations as a more cost-effective and sustainable alternative to drought relief.

There will undoubtedly be other suggestions on financing and / or running the fodder banks but we wanted to get the concept out there for possible further discussion.

We welcome the opportunity to discuss this proposal further and look forward to hearing from you soon.

Kind regards

Ray Arthy  
ARTHY RURAL SERVICES