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Submission to the ACCC inquiry into the dairy industry

Vegan Australia welcomes the opportunity to make this submission to the Australian Competition and Consumer Commission's Dairy Inquiry. We hope this submission assists the ACCC in setting priorities for the future of the industry.

Vegan Australia is a national organisation that informs the public about animal rights and veganism and also presents a strong voice for veganism to government, institutions, corporations and the media. Vegan Australia envisions a world where all animals live free from human use and ownership. The foundation of Vegan Australia is justice and compassion, for animals as well as for people and the planet. The first step each of us should take to put this compassion into action is to become vegan and to encourage others to do the same. Veganism is a rejection of the exploitation involved in commodifying and using sentient beings.

While the focus of this inquiry is on "the competitiveness of prices, trading practices and the supply chain in the Australian dairy industry", it also provides the opportunity to reflect on the intrinsic suffering of animals in the dairy industry. While the industry enjoys significant support from the community, this largely stems from the community's ignorance of standard practice on dairy farms.

Vegan Australia hopes that this submission will demonstrate that the negative impact of the dairy industry on non-human animals is considerable, and this should be considered when pondering the future of the industry; that the market for dairy, both in Australia and globally, is at a crossroads, and will soon be in a decline; and that both current dairy farmers and Australia as a nation would improve long term financial stability by moving away from dairy and into plant-based agriculture.

The impact of the dairy industry on non-human animals

It is the position of Vegan Australia that any animal exploitation, including the exploitation occurring in the dairy industry, is inherently unfair. While examining the competitiveness of this industry, it is important not to lose sight of the fact that the competitiveness of the dairy industry is predicated on the mistreatment and suffering of animals. Narrowing the scope of any inquiry to ignore this reality does a disservice not only to the non-human victims of the industry, but also to society as a whole.

Cows are social animals who form close personal relationships with other cows. When they are paired with their friends they are less agitated and have a lower heart rate than when they are paired with a random individual^[1]. When separated from their friends for an extended period of time, they show significant behavioural and psychological

changes^[1]. Cows, and calves, not only form friendships with others, they have also been observed to develop a dislike for other individuals and bear grudges^[2]. Cows also display great inquisitiveness for their surroundings^[2], and display emotional reactions upon having solved problems^[3].

Many standard practices of the dairy industry would be perceived as abhorrent to the general population if they were widely known about:

- Over the last 50 years, dairy cows have been selectively bred to double their milk production and ensure increased profitability to the farmer at the expense of the wellbeing of the cow^[4]. This level of milk production is exhausting; it is the equivalent of a human jogging for six hours per day, seven days per week^[5].
- Dairy cows, like all mammals, must give birth before they are able to produce milk. They are, therefore, impregnated every 13 months to ensure maximum milk production^[6]. Cows have a strong maternal instinct^[7], yet Dairy Australia recommends that calves are separated from their mother within 12 hours of their birth. This has a significant stressing effect on both the mother^[8] and the calf^[9].
- Most of the male calves born into the dairy industry are considered wastage^[10]. Each year, 800,000 male calves are slaughtered, either on-farm or at commercial slaughter, within five days of birth^[11]. The methods of slaughter can be disturbing. Agriculture Victoria, for example, allows the use of a hammer to slaughter calves in their first day of life^[12].
- The constant milking and repeated impregnation of dairy cows places an extreme physical burden on the cows who are routinely slaughtered after seven or eight years despite having a natural lifespan of over 20 years^[13].
- Dairy cows are frequently subjected to mutilation practices such as tail docking, disbudding, and dehorning which cause severe pain and distress^[14]. These operations are done without pain relief.

For a more complete picture of the impact of the dairy industry on animals in Australia, it is recommended that the Commission read "The Life of the Dairy Cow" prepared by Voiceless, the animal protection institute^[15].

While Vegan Australia believes that the dairy industry should ultimately be phased out in Australia, in the intervening period, in the interests of transparency, the public has both a right and a responsibility to understand the realities of production of dairy products they consume. To this end, mandatory labelling of all dairy products sold in Australia should be introduced to educate the public on the effect of the dairy industry on animals. Such a label should include the significant relevant types of suffering endured by the animals, to allow consumers to make an informed choice. An example of information that should be provided is:

- The milk in this carton was taken from a dairy cow.
- She had her horns removed without pain relief.
- She is forcefully made pregnant every year.
- She is a deeply maternal animal, but she is separated from her calves soon after birth, causing both great distress.
- The milk she produces to feed her calf is taken from her.
- She has been selectively bred to produce such a huge volume of milk that her health is compromised.
- She has a one in five chance of becoming lame, a very painful condition that can lead to early slaughter.
- She has a one in ten chance of getting painful mastitis.
- And she will be slaughtered after she is worn out at about seven years old even though she could live until she is 15 or 20.
- The male calves of this cow were taken to an abattoir at just five days old and killed.
- The female calves of this cow were raised to suffer like their mother as a dairy cow.

Phase out of the dairy industry

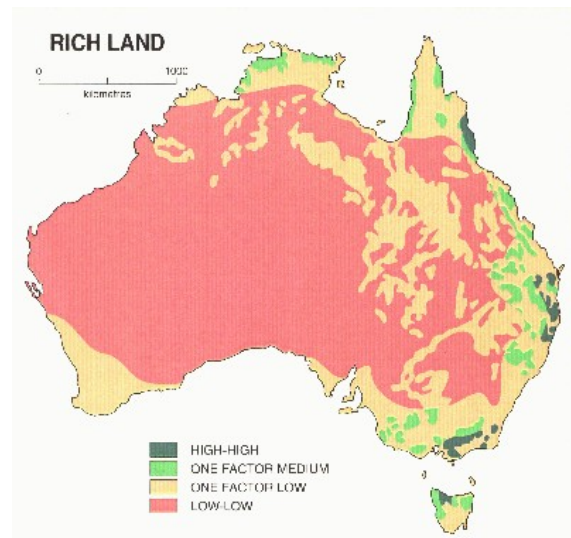
Vegan Australia is very aware that agriculture is a fundamental part of society and wants to see the continued prosperity of farming and farmers. We believe this can be done without the use and exploitation of animals. The long term solution to the dairy crisis is to phase out dairy.

While the dairy industry may seem like a permanent fixture of the Australian landscape, it is only a matter of time before technology results in superior alternatives that are far more efficient. One promising example is the US startup, Perfect Day, that is using a specialised strain of yeast to brew the proteins (casein and whey) found in dairy milk^[16]. While this technology is still in its infancy, it is expected to rapidly mature over the coming years. This will happen concurrently with advancements in technology used to produce plant-based dairy alternatives which will create better tasting products that are price competitive with dairy with reduced health, environmental and animal suffering concerns. While consumers in Australia may hold out some loyalty to the dairy industry, consumers in other countries, particularly China (our largest export market^[17]) are unlikely to show the same loyalty. Chinese policy will shift to domestic production using advanced technology as soon as that technology becomes more cost efficient than importing Australian milk. A gradual phase out of the dairy industry in Australia over the next ten years will minimise the impact of this inevitable shift.

This phase out can be an opportunity for farmers currently in the dairy industry to shift into growing plant foods. Currently, dairy farms occupy some of the most fertile land in Australia, as can be seen from the following two maps.



Australian Dairy Industry: The Basics [18]



Boundless Plains? [19]

The dairy industry exists almost entirely on land that is suitable for plant-based agriculture. Thus, there is an opportunity cost to producing dairy. By using this land to produce dairy, the landowners are forgoing the possibility of producing plant foods, some of which could mean greater returns and stability than dairy. By producing dairy, Australia as a whole is producing a suboptimal amount of food, as plant foods tend to be much more efficient than dairy. Crucially, this means that dairy farmers can be encouraged to phase out dairy without requiring them to abandon their livelihood.

One potentially profitable avenue is the growth of plants for the alternative milk, and other alternative dairy, markets. This sector has seen strong annual growth of 6% in Australia for the past five years^[20] while, over the same period, the consumption of dairy milk has plateaued^[21]. In the United States, the contrast has been starker in the last year, with a 7% drop in dairy consumption corresponding with a 9% rise in the consumption of alternative milk products^[22]. Some entrepreneurial Australian farmers have turned to high profit alternatives, like macadamias^[23], to fuel the growing demand both nationally and internationally, while others await the legalisation of hemp foods, hoping to corner a newly legal market^[24].

It is the position of Vegan Australia that a phase out of dairy in Australia, along with other animal industries, would result in significant benefits to Australia's environment, the health of our citizens, and the wellbeing of animals. Introducing this phase out over ten years, and providing government support in switching industries, would allow such a transition to be of net benefit to Australian farmers.

Concluding remarks

Vegan Australia hopes to see a strong agricultural sector in Australia, but the prosperity of this sector must not be reliant on the exploitation of animals. Cows are sensitive, intelligent creatures who deserve to be treated with fairness and respect; this is not the treatment they receive in the dairy industry. Vegan Australia understands that this inquiry is primarily focussed on the impact of the competitiveness of the dairy industry on producers. It is important, however, not to lose sight of the fact that the success of the dairy industry does not only impact the lives of farmers, it also results in inevitable

harm to animals. Nor is the long-term success of the industry guaranteed; fairer, competitive markets can only achieve so much in the face of disruptive technologies and a volatile global marketplace. As a nation, we ought to plan for a compassionate, prosperous future.

To this end, Vegan Australia proposes a phase out of the dairy industry over ten years. To achieve this, government assistance should be given to current dairy farmers who wish to transition to plant-based agriculture. Such a move would allow Australia to produce more food, and potentially allow farmers to increase the profitability of their land. Dairy has had a strong past in Australia, but this nation could have a stronger future without it.

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