

**Champion:** Stuart Crosthwaite

**Age of coop:** 3 years

**Industry:** Dairy

**Location:** Ovens & Kiewa Valley, North-East Victoria

**Region:** Dairy is the main industry in the region followed by beef, lamb, wool, cropping and horticulture. Collectively, along with forest products, tourism, value-added processing industries and manufacturing, they contribute an estimated \$3.24 billion every year to the State's economic wealth.



## CATALYST FOR CHANGE

In 2017, after the failure of Murray-Goulburn, dairy farmers in the Victoria's North East were left with no option but to sell their milk to a large multinational company and be price takers. They knew there had to be another way.



## THE OPPORTUNITY

- Five farming families started Mountain Milk Co-operative, a farmer-owned dairy co-operative.
- The co-op's purpose is to create value for its members and empower them to take greater control of their future.
- Create a path that the next generation will be proud to follow, ensuring a sustainable future for the farms and the region.

### Stuart Crosthwaite

Chairperson, Food Next Door Co-op



## SUCCESS STORY:

### THE NUMBERS SO FAR...

Today Mountain Milk Co-operative:

- Has grown from 5 to 8 member farms,
- Has an \$11.2 million annual turnover,
- Produces 23 million litres of milk per year,
- Has forward supply arrangements with Freedom Foods, Gundowring Fine Foods and Lactalis, and
- Is looking to develop their own branding and selling bottled milk to their community.

*"Initially our number one goal was to make our farming businesses more profitable. A big processor will basically provide you a milk price and leave you to generate your own profit. But in a co-operative like ours you can help each other to achieve more profitability."*

Stuart Crosthwaite



## MOUNTAIN MILK CO-OPERATIVE

### THE BARRIERS

- Developing a common business and strategic plan that everyone agrees with can be a challenge.
- The fear of breaking the corporate ties, and uncertainty if this will have consequences.
- Building a solid governance framework and culture within the co-op. It is a start up business and takes time.

### THE ENABLERS

- Committing to a good amount of planning and governance – business and strategic.
- Establishing a business model that will work for the community well into the future.
- Asking for help, advice and support. Mountain Milk Co-op employed a CEO to do the work and provide guidance.
- Surrounding yourself with good people. Mountain Milk Co-op appreciate and feel blessed with an amazing array of professional people with skills that help our decision making. You will have a homogenous board and group of farmers and sometimes your decision making will be limited due to lack of skills. Ask for help, surround yourselves with key skill sets how you make decisions is critical.



Stuart Crosthwaite and his herd

### Future looking...

1. **Don't be scared.** There's plenty of help in the co-op sector. Co-op Federation have been fantastic, not to mention other co-ops. You feel like you are part of a huge family where there's an amazing amount of support and assistance available. Everyone is co-operative and collaborative!
2. **You need a good business plan.** Spend the time up front and invest in a good plan and foundation. It's no different to a corporate structure - without a plan and good governance you won't succeed! You need to understand where your ambitions lie and having plans to support that is really important. You will encounter uncertainty, risk and be challenged with decision making – but a good set of plans helps guide you.
3. **There are opportunities out there.** The uncertainty might feel too big, but what have you got to lose? Back yourself as there is an amazing array of opportunity and prosperity for you. The co-operative structure will become your competitive advantage!