

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
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Ken Lyons - Editor

Wednesday 8 February 2006 President's Report *David Basham*

On the 5th of January just after midday I became a very proud father with the birth of Evie Christine Basham. Kate and baby are both doing well with Evie sleeping 6 hours straight most nights. I would like to thank Lyndon and Jill for covering for me for a few meetings and events whilst I was busy with my family.



On Monday the 30th of January I attended an Induction day for the new Dairy Australia (DA) Board members, as an invited guest, to learn about the workings of DA. It was a very full day with the 8 department heads informing us of their activities. DA has 86 part and full time employees and over the day we met over 40 of them. I want to give you a bit of an outline of the working of DA so you as levy payers can see the benefits that you receive indirectly and directly.

The first session was with Chris Phillips, the head of International Trade and Strategy. The role of this department is to build a more favourable market environment for Australian dairy exports, build active preference for Australian dairy among key customer groups and defend existing trade policy rights and access. They are also responsible for the updating of Situation and Outlook reports. This group is involved with the free trade agreements that Australia enters into, negotiating the best outcome for the Australian Dairy Industry. This group is in charge of the survey of the industry in Australia that is occurring at the moment with the interviewing of 1300 – 1600 farmers across the country.

The next session was with Kim Cadigan, the head of the Human Resources department. Two and a half people manage a staff of 86 plus the management of consultant's contracts. The issues they face are similar to us on our farms such as Workcover, superannuation and finding the right people for the job.

Richard Lange from the National Marketing team outlined the marketing strategies including a move back to television in the next 12 months. DA directs its funds for promotion to areas that processors or retailers traditionally do not. Nutrition is one of the areas that DA uses to promote dairy products. This includes marketing to doctors to encourage their patients to consume 3 serves of dairy a day. DA also supplies education packs to schools across the country to encourage children to consume dairy products.

Steve Coats is in charge of the Farm Productivity and Delivery team. This is the area farmers would have the closest link to DA with the funding of DairySA and courses such as Countdown Downunder. This team is there to help farmers improve their productivity by improving their bottom line.

The Corporate Services department managed by Duncan Langdon focuses on providing internal financial, administrative and technical services within a solid corporate governance framework. This is to make sure DA is acting in the interests of its levy payers so you get value for your investment.

Helen Dormon's team looks at Technical Issues management. They provide enhancement to farm productivity by the support of the adoption and integration of NRM, food security and animal health & welfare management strategies into dairy production systems and ensure sustainable market access internationally. This team is also in charge of managing issues that may come up that could

have a negative impact on the dairy industry. This is a risk management group that is relatively cheap insurance for our industry.

Pete Smith joined the DA staff 12 months ago to head the Corporate Affairs group. This group is there to tackle the organisation's public relations, media relations and company image. This includes the funding of local events such as the Adelaide Show Dairy and Dairy Day.

Stuart Quigley is filling in as the head of the Manufacturing and Innovation section. DA puts funds in and manages research and development into new products that can be manufactured from milk. This research can lead to new products that can benefit farmers with increased turnover or increased returns.

This is a very brief outline of the functions of Dairy Australia. I believe it is an important part of our Industry that needs our support and future funding so they can support us to help our industry prosper.

If you have any questions about any of the functions of DA please contact me on 0417 865 962.

If I don't know the answer I may know who will.

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The recent Dairy Australia report and media coverage highlighting the expansion of South Australian dairy enterprises has been the subject of discussion within our industry. So let us begin the year with the ABC media transcript quoting Peter Wilson from Dairy Australia, some comments on the data, and finally some thoughts about the growth continuing.

SA DAIRIES LEADING THE NATION

Report: Karen Hunt

It's official - according to the final 2004-05 dairy season figures, South Australian dairy farmers lead the nation in milk production and milk quality. And dairy farms in this state are also expanding at the fastest rate. Between July 2004 and June 2005, the 115,000 dairy cows in South Australia produced an average of nearly 6,000 litres of milk each - that makes them the most productive cows in the nation, way ahead of nearest rivals Western Australia which averages 5,500 per cow. Although Victoria leads the way in numbers of dairy farms (over 6,000) and also in the numbers of dairy cows (over 1,000,000) South Australia produced more

milk per dairy and higher quantities of milk solids than any other state. Dairy industry analyst Peter Wilson says the figures came as no surprise. Mr Wilson says this follows a trend which has been occurring in the South Australian dairy industry for about a decade. Prices for milk at the farm gate for the 2004/05 season, remained at close to the national average at around 30 cents per litre, with nearly half of the state milk going to the manufacturing milk sector to be made into powdered milk and dairy products.

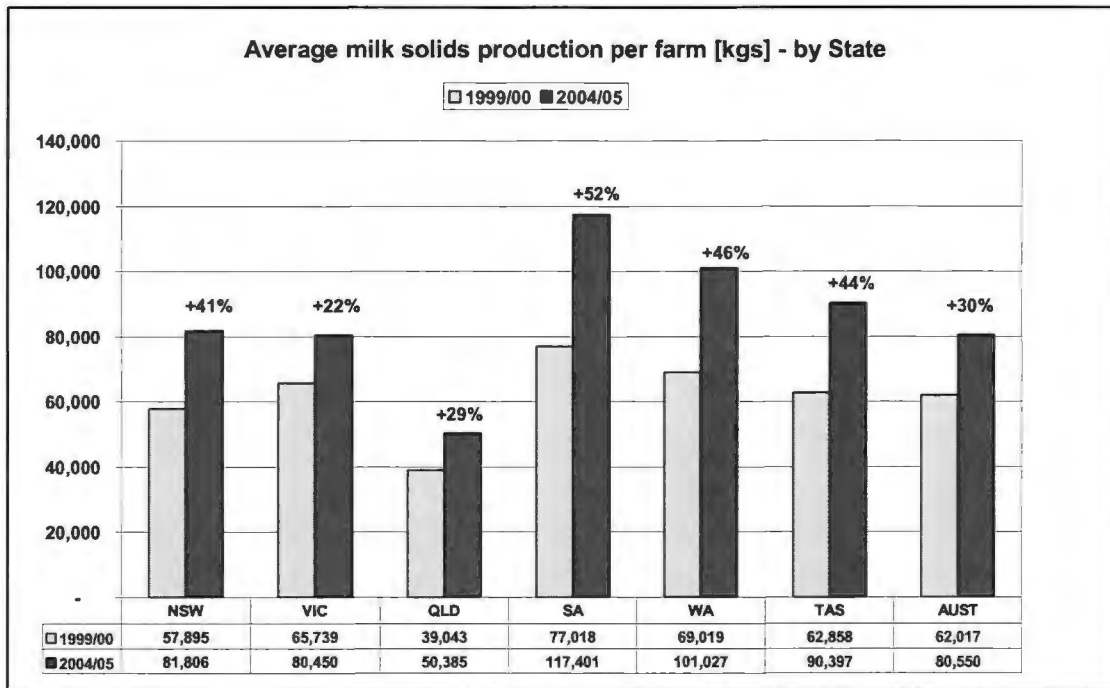
The first comment relates to the point by Peter Wilson that our SA dairy farms are expanding at a faster rate than any other state. SA has both the largest farms and importantly we are continuing to get bigger faster than any other state. The figure used to measure this is the "average milk solids production per farm (kgs)" by state. From 1999/00 till 2004/05 SA grew by a massive 52%, far bigger than Victoria (22%) and the national average of 30%. Also dairy farms in SA have the highest production per cow. But increasing size alone does not ensure profitability as we find profitable farms can exist at all levels of production.

FOR SALE

Irrigated Lucerne Hay

Tintinara area
Feed Tested
Medium Squares

 **8756 5075 AH**



This data comes from the Australian Dairy Industry In Focus 2005 publication which was released in late November and available from the Dairy Australia website at www.dairyaustralia.com.au

Most industry people attribute the expansion in South Australia to the environment leading up to the final deregulation in 2000. South Australian dairy farmers were farming without milk quotas and subject to market forces well before 2000. There was the opportunity with both equalization and cheaper land in the South East for farmers to re-locate and grow. As milk supply grew more processors such as Murray Goulburn and WC&BF began to sign on suppliers in the South East of South Australia. But with dairy land prices rising today right across Australia and New Zealand this strategy may not be as attractive as it was a few years ago.

Secondly; in terms of farmgate milk prices while we in SA are always, as Peter puts it, "close to the national average" we have been on the wrong side of the national average by at least a cent per litre. This represents millions of dollars less for SA farmers and this has been a matter of concern for many years. The competition recently generated by WC&BF has helped lift our prices. So I look forward to seeing the figures for next year because I'm sure they will be much better for SA. Our farmers also do well in relation to the various bonuses (quality, volume and being able to produce milk all year round).

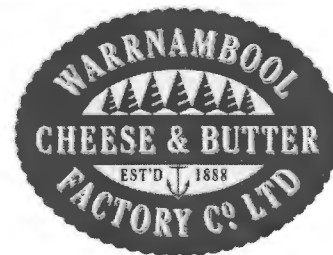
Growing milk supply through growth in productivity (both per farm and per cow) and having a growing milk supply to attract competition and additional processing capacity has been seen as a good for SA dairy farmers. Recently the retention and expansion by both

Dairy Farmers (Jervois) and National Foods (Murray Bridge) has been seen as positives for our dairy industry. Previously National Foods

built the new plant at Salisbury and Dairy Farmers significantly redeveloped their Clarence Gardens plant.

Another processor WC&BF is also a company that believes that growth in milk intake is a very important strategy for their financial success. Let me put some figures recently presented by WC&BF to support this view.

WC&BF INFORMATION DAY



WC&BF provided a presentation to the banks and financial institutions at Strathalbyn on 17 January. The purpose was to provide the banks with a briefing; on how strong and successful WC&BF was performing, and also to explain the process for paying suppliers. The WC&BF payment system puts more payments into the second half of the year. The day was very well received and appreciated. Special thanks to both Bill Hannah (General Manager Finance) and Tony Reichelt (Director) and the rest of the Field Services staff.

The financial strength of WC&BF is seen in stats. Importantly EBIT/Assets employed show WC&BF as an industry leader, sales revenue +18%, net profit +12%, milk intake +11%, total assets +20%, and closing June 2005 share price \$3.56

+26%. But let us look closely at milk intake. The growth in WC&BF milk intake since 1995 has been a massive +262.5%. So as a company WC&BF anticipated that there would be competition for milk supply as the dairy industry restructures and they responded to the challenge. For the moment the competition for supply continues as the dairy markets remain strong.

TAKING STOCK OFFER EXTENDED

At the WC&BF meeting Kirstie Murphy announced that Dairy Australia's Taking Stock program, available to all Australian dairy farms over the past year, has been extended to June 2006. Over 100 SA dairy farmers have completed the program (28%) and the national uptake has been 17%. Farmers surveyed after participation have been very positive about the value of the program. In fact 94% of those participating considered it to be of value to their business. So if you would like to discuss taking up the offer give Kirstie or a company field officer a call.

One area of the milk payment system being looked at by the SADA Prices & Processors Committee is the level of the volume incentives and Lyndon has provide the following update.

VOLUME INCENTIVES

Report by Lyndon Cleggell

Chair - SADA Prices and Processors Commillee

There have been some concerns about volume incentives being paid in a way that smaller producers are being disadvantaged. John Nietschke developed a paper which was discussed at the last Board meeting in December. This resulted in showing Dairy Farmers and National Foods having the largest differential between small and large producers. The SADA Board wrote to both companies pointing out concerns in supporting all farmers big or small being important and part of the SA industry.

The replies back from the two processors pointed out to us that they believe their policies are a reflection of market forces and strategic to gaining supply but have indicated they will discuss the issue in future payment discussions.

I see it is important for farmers to negotiate with all the processors available to buy their milk. The use of a Bargaining Group in some areas could be very important.

The Prices and Processors committee is meeting on 8 February and this whole subject will certainly be given attention and debate.

CHAS CINI REPORTS ON INDUSTRIAL RELATIONS

There is a lots happening in the IR area and we have entered into the arrangement with Chas Cini to ensure our membership is well informed and their individual concerns and queries can be addressed with the minimum of fuss.

- Firstly; the current review of the State Pastoral Award has been completed but we are waiting on the final announcement. As soon as the detail has been confirmed we will let you know how the rates and hours etc have changed. May even be a Late News Box in this Update.
- Secondly; Chas has prepared four papers on various topics and we have included these as an Industrial Relations Supplement.
- Thirdly; you may have some questions following reading articles in the supplement or you may have something about which you would like clarification. So you can contact Chas on Phone 8331 2422 for a free short consultation (available to SADA members) or simply write out you question(s) on the Fax Back Form (also included).

One of the advantages we have created in the SA Dairy industry is that the various groups are continuing to benefit from strong co-operation to achieve a better go for dairy enterprises. A good example of this was the Dairy Environment Committee (Jill Williams and myself - SADA, and Monique Aucote and Peter Day - DairySA) meeting with the Chair of the State NRM Council, Dennis Mutton on 15 December to explore the opportunity for additional funding for NRM projects for our dairy industry. We are helping Monique with funding and she is helping shape dairy NRM strategies and projects.

DAIRYING FOR TOMORROW/NRM UPDATE

Monique Aucote, Dairy NRM Co-ordinator.

Planning:

Review of the Dairy Natural Resource Action Plan is well underway. A questionnaire has been distributed to many farmers and stakeholders for comment on priority issues for the plan. If you haven't received a copy and want to comment phone Monique 0400 972 206 or email monique@lm.net.au The plan will assist Dairying for Tomorrow to coordinate projects that meet the needs of farmers and can access NRM funding so your comments are important. A monitoring & evaluation, communications and Targets for Change Implementation plan have also been written and will be used to direct activity by the Dairying for Tomorrow Coordinator.

Projects:

1. Resource not Waste

– the new dairy shed effluent paradigm

As reported in the SADA update last December, Dairying for Tomorrow in partnership with Primary Industries and the EPA have received \$233 300 in National Landcare Program funding from the Australian Government.

The funding will be used to review the existing guidelines for dairy shed effluent management in each region in line with the new guidelines that were developed for the South East last year. The new guidelines aim to document current worlds best practice management and reuse of effluent in a sustainable manner.

Farmers will be able to access technical assistance provided by the project to design new or upgrade old effluent systems to meet the new management targets.

The project also hopes to establish demonstration sites and subject to further success with funding applications is planned to run for 3 years.

If you want to participate contact Monique on 0400 972 206.

2. Southern Fleurieu Peninsula Local Action Plan

– Incentives for on –ground works

Are you in the southern Fleurieu and interested in improving land management on your property? Rod Dowie, project officer for the Southern Fleurieu Sustainable Agriculture project is looking for expressions of interest from dairy farmers who want to access funding for works that include, Perennial Pasture Renovation, for erosion control, provision of off creek watering points, fencing to land class and revegetation and protection of watercourses. Rod is based at Normanville and can be contacted on 8558 3480 or 0427 221126. Monique can also provide more information.

3. Dairy SAT

– Environmental Self Assessment Tool

Printing of the document has commenced ready for launch at this years Dairy Innovation Days. A project is currently being developed to assist farmers to review their existing Environmental management using the Dairy SAT, by developing farm action plans where further work is required the project then aims to assist farmers to access existing Natural Resource Management assistance to undertake work.

One of the areas dairy farmers are currently addressing is that of water. There are lots of issues relating to water and one of these is Water Trading. The company Percat Water is advertising in this Dairy Update and I have invited the Managing Director of Percat Water, Dr Bob O'Brien to write a brief report on the market and his company.



EXTRA CASH FROM WATER TRADING

By Dr. R. J. (Bob) O'Brien

Water Trading

Water trading is not new and it has been happening in various guises for decades. South Australia formalised water trading in the early 1980's in both river systems (surface water) and ground (bore water).

Water markets became livelier after 1995 with implementation of a cap on water allocations from the River Murray Darling River system. No more government licences were being issued.

A cap and trade situation then existed and the trading of water licences were begun in earnest. This cap occurred at about the same time as the expansion of vineyards. Naturally, water had to be found and it had to be purchased on the market.

Temporary and Permanent Markets

There are two markets. They are the permanent market and the temporary market. Permanent trades are just that — the sale of a water licence to a buyer forever. The temporary market occurs during any financial year. Once a temporary trade is made, the deal lasts until the 30 June and then the water allocation is returned to the owner. Alternatively, multi-year leases are arranged.

Price

The first question a water trader is asked is 'What is the price of water?' Stories exist where a megalitre of River Murray water could be purchased for \$50 to \$100 in 1990 and now growers are required to pay \$1,100 to \$1,450 for the same amount of water. During the 2002 — 2003 drought, some growers bought River Murray water for \$2,000 a megalitre but the price stabilised at about \$1,500 per megalitre. The price then retreated further before stabilising at about \$1,350 a megalitre. Now, the price is starting to creep back up.

Trading Locations

The River Murray Darling system provides the source of the largest water markets in Australia but other markets exist. Water trading exists in the Upper Lachlan, Murrumbidgee, Namoi, Macquarie and Hunter rivers systems, as well as other

surface and ground water locations. South Australian Dairy Farmers know about markets in the South East. Prices for water vary depending on the location. The price of ground water is different from surface water.

Percat Water

Percat Water is part of the Percat Group which has been in existence since 1998. We trade water in South Australia, Victoria and New South Wales. We manage water licences in all three states and know people who are looking to invest in the water industry.

Extra Cash

Licence holders who have spare water at the end of the year are not maximising their cash flows if they are not trading their excess water. Percat can assist in these areas and we welcome any enquiries about water trading.

ANIMAL WELFARE

Australian Livestock industries have combined with the Australian and State Governments to implement comprehensive strategies to ensure we are protected from exotic diseases, we have world class food safety arrangements in place and this year the Australian Animal Welfare Strategy is taking shape. The "vision" of the strategy is to achieve; "National animal welfare standards that reflect contemporary scientific knowledge and community expectations are maintained and enforced in a consistent, cost effective manner".

You will be pleased to know the dairy industry is very much involved at the state (SADA) and national levels (ADF and Dairy Australia). There are extreme groups that can, and in some areas are currently doing enormous damage to our commercial farming enterprises. The best way forward is to be engaged and be prepared with well developed practices and procedures.

David Basham attended a national dairy forum on this Animal Welfare issue on Monday 23 January and David and myself attended a meeting on Friday 27 January of all the interested parties and industries hosted by the PIRSA Animal Health.



WORKING ON THE PLAN

Implementation of the State Dairy Plan
Sally Schultz

Development guide offers helpful advice

A new guide to provide helpful development information to dairy farmers and investors is now

available. The Dairy Development Guide for the South East of South Australia is a collaborative effort between industry and government, and provides details to prospective developers and existing dairy farmers about the development application process for building and upgrading dairy operations in the South East. The guide includes information on development requirements and legislation, planning approvals, and useful contacts, in an easy-to-use check-list format. It is a companion document to the South East Dairy Effluent Guidelines, which were released mid-2005 and provide details on management of effluent systems in the South East. There is potential for the guide to be moderated for use in other regions. The guide is available on the Dairy Industry of South Australia website www.dairyindustrysa.com.au

Dairy website a huge hit

The Dairy Industry of South Australia website www.dairyindustrysa.com.au is proving to be a huge success, with plenty of hits recorded since its inception last August. The resource includes many useful sections including What's New, Hot Topics, and Dairy Diary, as well as daily weather updates, links to companies and processors, and technical information along with reports for our State's Dairy Agricultural Development Program. Work with SADA is underway to develop a Members Only page, and to post new SADA information on the website. If you have any information or feedback, please contact Sally Schultz on 8762 9142 or schultz.sally@sau.gov.sa

Fact sheet on nutrient management

Dairy farmers will soon have access to a fact sheet detailing useful nutrient management facts, including how to assess nutrient management and balance on their own farms. Due for release around March this year, the fact sheet is part of a nutrient analysis project that helps dairy farmers determine the best ways to manage nutrients, to increase productivity and minimise environmental impacts on their farm. A discussion paper was also produced for the project to investigate the nutrient movement and management in the South East and Murraylands. It also looks at the effect of different farming systems, the soil and land characteristics, and current practices used for nutrient management. You can visit the Dairy Industry of SA website www.dairyindustrysa.com.au to view the discussion paper.

DAIRY INNOVATION DAYS

The Dairy Innovation Days "Climate Change and Farm Technology" will be held at the Murray Bridge Race Track on Thursday 9 March and "Innovations in Nutrition and Employment" will be held at the Mount Gambier Showgrounds on Thursday 8 June.

A DAIRY MANAJD PROGRAM

Dr Jeremy Rogers, PIRSA, Ph: 8391 7138

Farmers throughout SA continue to be enthusiastic about the new Dairy ManaJD program; with about 50% of SA dairy herds being tested so far (January 2006), and an expectation that more will enrol during the year. So far, only thirteen new herds have been diagnosed with BJD which is a prevalence of only 9.8% infected herds in SA - very much lower than interstate figures that may be considerably higher than this.

The Cattle Industry Fund is continuing to support the program in order to prevent the spread of BJD from the Dairy industry into the Beef sector. Due to the rapid uptake of the program, some funding restrictions may have to be imposed in future, but at this stage the level of subsidy allows most farmers to test for free.

Declaration of the Dairy Assurance Score is required for all sales of dairy cattle in SA, including private sales and trade of cross-bred cattle born on dairy farms. This declaration is a simple matter of marking NVD's in section 9 or using the special Declaration forms found in the Dairy ManaJD manuals. During 2006 farmers who have not completed a declaration of the score will be contacted by PIRSA, and expiations will occur. There is a great deal of interest in the beef sector to know the dairy score of cross-bred stock, to minimise the risk of BJD.

Costs of BJD:

Many farmers believe BJD does not significantly affect production or financial returns to the farm. However, a recent paper in the British "Veterinary Record" (June 2005) showed infected herds, without control measures in place, are be losing \$50 per cow in the herd annually. These losses are largely invisible in terms of reduced milk production in infected cows (but not yet showing symptoms), loss of cows (culled for low production, or clinical signs), vet costs, etc. Other losses not included in the paper were lost market access, international trade opportunities, etc.

In America the situation is even worse, with a major study in 2002 showing that farmers were losing up to \$200 (US) per cow in the herd. An estimated 22% or more of US dairy herds are infected, and in those herds prevalence is 10% or more. By comparison, the average SA infected herd has less than 2% disease, and no SA dairies have 10% prevalence.

Both papers recommend that the best way forward in disease control is by improved calf rearing and management, combined with testing to remove infected cattle, and sourcing replacement cattle from low-risk herds.

PIRSA Veterinarian Dr Jack Reddin attended an international conference on Johnne's Disease last year and has prepared a report that may be obtained from Flaxley Ag Centre. A number of authors stressed the importance of improved calf rearing and hygiene in the papers as the key to breaking the disease transmission cycle.

Farmers who have not yet tested, or who have questions about the process should contact their own vet, or their nearest PIRSA office.

SADA SUBSCRIPTION FEE INCREASE

For several years the SADA Board has decided not to increase subscription fees because of the difficult times facing members. The Board has again decided to hold subscriptions fees this year (commencing 1 July 2005) but has decided to give plenty of notice of an increase in the subscription fees of \$30 from July 2006.

Late News

Pastoral Industry (SA) Award
- for station hands

Operative first pay period commencing on or
after 19 December 2005

- Outstanding 2003, 2004 & 2005 state wage increases phased in
- Implementation of 38 hour week
- Increases to casual loading phased in

See Chas Cini attachments

DAIRY BIO-TECHNOLOGY COURSE

The one day program held at the Nietschke farm last year was a great success. Is there any discussion groups interested in repeating the exercise? We would need approx 20 to make the course worthwhile. If anyone is interested please contact Ken on 0419 037 569.

COMING EVENTS

8 February 2006 – Prices & Processors Meeting, SADA Office

9 February 2006 – Finance Committee Meeting, SADA Office

13 February 2006 – SE members President's Dinner, Bellum Hotel, 7.00pm. Phone Jo Gilbert at SADA on 8293 2399 to book or Charles Wallis for more information.

14 February 2006 – SADA Board Meeting, Mt Gambier

15 – 16 February 2006 – “Freeing the Minds” Dairy Innovators Forum 2006, Mt Gambier

14-15 February and 28 February & 1 March 2006 – “7 Habits of Highly Effective People” - Apollon Motel Victor Harbor – Cost \$200 (with Farmbis) or \$400 for non farmers - contact Colin Fox on 0407 604 581

16 – 18 February 2006 - Warrnambool Cheese & Butter Sungold Field Days - Allansford

21 February 2006 – Adelaide Hills Regional Meeting, Blumberg Hotel, Birdwood 10.30am – 1.00pm. A representative from the Dept Water Land & Bio-diversity Conservation will be attending to clarify any issues regarding water licences particularly in relation to the Eastern & Western Mt Lofty Ranges prescribed region. Phone Anthony Green for information on 0407 189 547. Members who stay on for lunch will receive a \$10 subsidy.

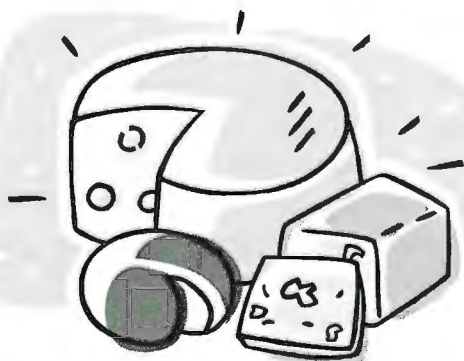
2 March 2006 – Fleurieu Region President's Dinner, Mt Compass Tavern, 7.00pm. A representative from the Dept Water Land & Bio-diversity Conservation will be attending to clarify any issues regarding water licences particularly in relation to the Eastern & Western Mt Lofty Ranges prescribed region. Monique Aucote, Dairying for Tomorrow consultant will also be a guest speaker. Ph: Kym Mathew to book or for more information on 0427 604 969. Cost for dinner will be \$5/head for members and family and \$20/head for non-members.

9 March 2006 – Dairy Innovation Day “Climate Change & Farm Technology” – Murray Bridge. Ph: Kirstie Murphy on 0408 088 624.

10 April 2006 – DairySA Board Meeting

18 April 2006 – SADA Board Meeting

“Happy Dairy Farming from SADA”



VIP REMINDERS TO DAIRY FARMERS

NLIS/BOBBY CALVES

It is planned to officially end the Bobby Calf exemption in SA on 1 March 2006 but after lobbying by SADA the department has agreed to a 4 month grace period. So enforcement will commence on 1 July 2006. This will allow farmers more time for the change-over.

Also while Victoria ended their bobby calf exemption on 1 January 2006 there is still an exemption in place for interstate calves consigned to immediate slaughter.

ALL DAIRY FARMERS IN THE EASTERN AND WESTERN MT LOFTY RANGES MUST APPLY FOR A WATER LICENCE

This is very, very, very, important. We all know from time to time things can be overlooked but this is something that is a **MUST DO**. This was one of the important lessons from the water allocation program in the South East. The deadlines again are 8 March 2006 at 5.00pm for the Eastern Mt Lofty Ranges and 20 April 2006 at 5.00pm for the Western Mt Lofty Ranges. The SADA Board at the December meeting decided to seek advice of the department as to whether SADA can access their records so we can doubly check and ourselves contact the members who have not yet applied.



Eastern Mount Lofty Ranges: 8204 8590
Western Mount Lofty Ranges: 8204 8581

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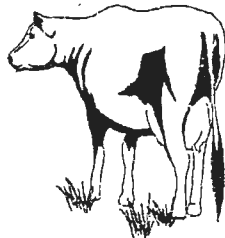
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Note:

"Taking Stock" will continue to be available as a free service to Australian dairy farmers until June 2006

*Contact your field officer or
Phone 8536 3958 to participate*

REMINDER

To all Members that have changed suppliers in the last few months

DON'T FORGET

to fill in and return a new membership form as your details don't transfer with you and your membership will lapse. Membership forms can be obtained by phoning Jo on 8293 2399.

Sharefarm/Lease

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- Outstanding opportunity for the right applicants
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Expressions of interest close 28/2/06
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0438 751 392 – Jamie
0429 818 595

WHO REPRESENTS YOU? SADA Fleurieu Board Member - Michael Connor

Michael Connor and wife Jodie along with their 4 children aged from 15 to 7 are milking 1100 Friesians in a year round farming system at Nangkita near Mount Compass on The Fleurieu Peninsula.

Michael & Jodie are 2nd generation dairy farmers in their family business and utilise a modern 60 unit rotary with electronics.

The farming system consists of 250 hectares in total, with 50 of van den bosh irrigation, Ryegrass & Phalaris pastures and a Feed Pad for filling pasture gaps.



After being involved in collective bargaining Michael said "it became clear that SADA has a critical role to play in our industry and I think it is essential that, as farmers, we put enough effort into our organisations to then give us all the confidence to focus on our own farms, knowing that the other critical factors for the viability for our businesses are being responsibly handled."

Michael has a special interest in the areas of sustainability of dairy farming on the Fleurieu, Staff, Employment, & Career Paths. Michael is involved in the Mt Compass Focus Farm Committee, the Mt Compass Careers in Agriculture Project & has also taken on the role of chair of the SADA Human Resources Committee.

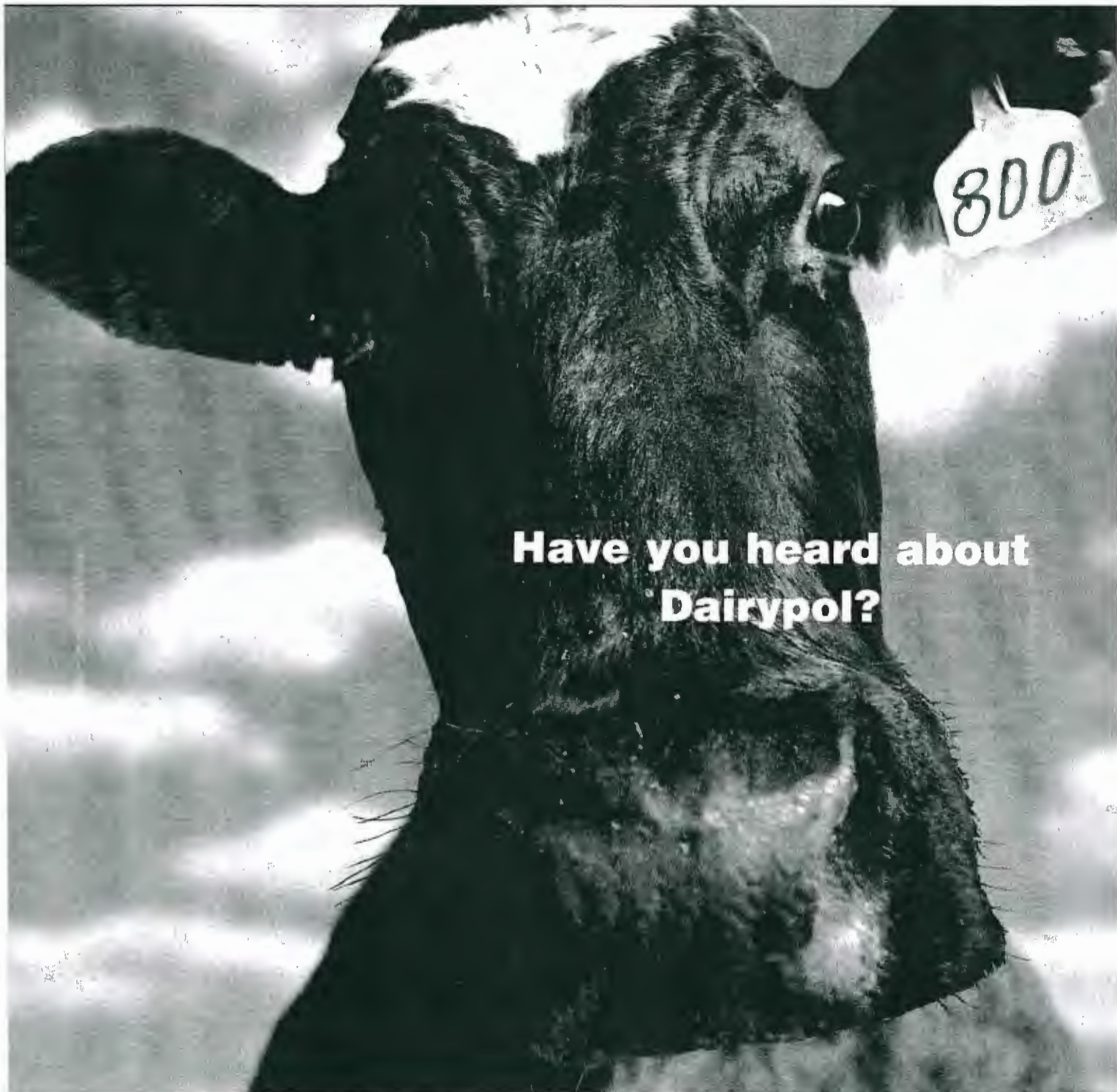
Issues that Michael sees as important are urban expansion, operating in an environmentally sensitive region, roads & transport, animal health & "the whole dairy industry heading in one direction".



As a board member representing the Fleurieu region Michael intends to play a role in helping industry bodies to be relevant streamlined organisations that put effort into understanding the issues at a farm gate level, so that they will then have credibility when speaking for the majority of farmers.

"A sustainable dairy industry in the Fleurieu region will rely heavily on working together as unified members of SADA."

Michael Connor
P 8556 8458
E nangkita_hills.com.au



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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons - Editor

Wednesday 1 March 2006

President's Report

David Basham

The Board of SADA held its February meeting in Mount Gambier. The purpose of holding a meeting in the region was to provide easier access to the Board for our South East Members. The night before the Board meeting a dinner was held where all South East members were invited. It was pleasing to see the open discussion between the Board members and South East farmers. It is important that members take any opportunity to discuss ideas and problems with Board members. Your input is essential for good decision making by the Board.

The Adelaide Hills Region had a meeting last week, which was well attended. The issue of prescription of water in the Mount Lofty Ranges was an important topic with the date looming for applications for a licence to use water. Please ensure that you have sent off your application, the Eastern Mount Lofty Ranges closing date is the 8 March & the Western Mount Lofty Ranges closing date is the 20 April. SADA decided to send the application forms to all dairy farmers so they had them available to complete without having to download from the Internet or requesting a copy from the Department. If you have not received an application form and need one please contact the Department of Water, Land & Biodiversity Conservation or the SADA office ASAP.

This week the Fleurieu Region is holding their meeting at Mount Compass. The River & Lakes will hold a meeting in the near future. These regional meetings are one of your best ways of influencing the direction of the dairy industry in South Australia. The more farmers are involved the better the decisions will be for the industry as a whole.

At the Adelaide Hills meeting John Nietschke announced that he would not be stand for re-election. John has been a Central Councillor and then a Board member for about 30 years. John has seen fit to put a lot of time into the management of the dairy industry in South Australia. I would like to thank John personally for his support during my short time as President and hope that he will still be involved as an active member of SADA after he steps down at the AGM in August. We will thank John more formally later in the year. This is also an opportunity for a new Board member from the Adelaide Hills region, so please consider standing.

SADA is only as good as its members want it to be. Taking any opportunity you have to be involved in SADA strengthens the organisation. All dairy farmers have a belief of where the industry should be heading on any particular issue. If you have a strong belief on any issue please contact a Board member or the office to discuss the issue. SADA is not the office in Adelaide; it is not the Board, it is you the members, so please be involved.

Disclaimer: The "Dairy Update from SADA" is the official organ of the South Australian Dairyfarmers' Association and is produced and published by the Association on a monthly basis.
Opinions and views expressed or implied in the "Dairy Update from SADA" are not necessarily the views of SADA.

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The recent Adelaide Hills Regional meeting (Tuesday 21 February) provided an ideal opportunity to meet with members and discuss the wide ranging issues being addressed by your association. Today with the phones, mobiles, e-mails, faxes etc we are more often dealing with members "one to one" but it is good to have well attended regional meetings as they serve to generate debate and provide the opportunity to capture the industry "breadth of views" on the various issues.

The main guest speaker was Martin Stokes (DWLBC) on the water issues. One of the lessons learnt by the dairy industry in the South East when they began the water allocation process was the importance of establishing a good relationship with the project manager (Ross Carruthers in the SE). In fact the SADA Board had an update on the situation in the SE by Ross Carruthers and Gary Spain at their recent meeting in Mt Gambier. There is little doubt that the relationship in the South East has greatly enhanced the value of the water security currently enjoyed by dairy farmers. We are encouraging a similar relationship with Martin for the Hills and the Fleurieu.

For many the financial losses during the "drought" are yet to be recouped but there is a general positive feel amongst our membership. This attitude was particularly strong at the Australian Dairy Conference held in Mt Gambier.

AUSTRALIAN DAIRY CONFERENCE

Farmers will have access to reports of the conference through the rural publications including the Stock Journal. But the general view of industry leaders is that the industry is "thriving and will continue to innovate". The SADA Board attended the Conference and many of our members were involved in the program presentation. This could be a big year for dairy

conferences in SA as we are contemplating (in addition to the two Dairy Innovation Days) a new SA Dairy Conference (for around August) and an Australasian Specialty Cheeses Festival.

DINNER WITH SOUTH EAST REGIONAL COMMITTEE

Thanks to Charles Wallace and his very active South East Committee for a very enjoyable and informative Dinner at the Bellum Hotel on Monday 13 February.

SADA BOARD MEETING

The SADA Board met in Mt Gambier in February and as well as dealing with the on-going issues they were given specialist updates by Ross Carruthers (water allocations), Dr Jeremy Rogers (ManajD) and Gabrielle Sheehan (CRC for Dairy funding re-bid for about \$80m).

ADF BOARD MEETING

Ken Smith and myself attended the ADF/NZ Dairy Farmers meeting (16-17 February) and an ADF Informer has been included in this Update to cover some of the issues we are tackling at the national level. Just two quick comments: Firstly, the New Zealand farm leaders that attended our joint meeting were not happy to find Fonterra paying their Australian suppliers around A\$4.46/kgMS compared to NZ suppliers at A\$3.57kgMS.

Secondly, progress was made across the Tasman sharing the benefits of our RD&E so all farmers will get more "bang for our dollars" from their dairy levy investment.

ANIMAL WELFARE

For the last year ADF and DA have spent a lot of time putting dairy in a good position in relation to animal welfare. Genuine care and concern for the welfare of stock is something our industry can be very proud but it is the potential of "unreasonable" and "unfounded" attacks that is the concern. In fact DA is just finishing part of the communication program, "Dairy Welfare we Care" which will go out to every dairy farmer shortly.

DAIRY TRAINING

Again this is an area where ADF and Dairy Australia have been fairly active in the past six months. We have a meeting here in SA on the 21 March with DA and ADF to discuss the opportunities for the SA dairy industry to benefit from the new national dairy TAFE programs.

The SADA Board has asked Michael Connor to play a co-ordinating role in the short term to ring all the various "players" in dairy training

under the same umbrella. There is a positive move afoot for the SA dairy industry to act "collectively" to give us the best chance to get some "traction" so we can deliver more to industry. Michael has agreed to chair the meeting on the 21 March and we can plan our next step from there.

RURAL WOMEN'S AWARD



Congratulations to Heather Baldock for winning the RIRDC Rural Women's Award. The Dairy Industry is one industry where there is plenty of "equality". Perhaps it's because there is plenty of work, debt,

and eventually assets to share. But running any business together is a mighty challenge. The new TV commercials attracting young couples into the dairy industry in New Zealand focuses on the opportunity the dairy industry offers for families to manage a business together in a rural environment.

RURAL MEDIA ASSOCIATION

Karlene Maywald, Minister for the Murray, was a guest speaker at the recent Rural Media Lunch. As we all know there is a lot



happening along the river. Many continue to argue convincingly that the river swamps and lakes present an excellent location for dairy farming. But like all sensitive rural environments (eg. the river) farmers need a strong "collective" voice to ensure that governments treat our farmers fairly.

FUNDING FARMERS FOR WIN-WIN OUTCOMES

The dairy industry, through your various industry associations, is moving to ensure that our dairy irrigators secure appropriate funding from the \$2b National Water Fund. As I write we are having discussions with DairySA, ADF, DA and the CSIRO to ensure SA is represented at the coming National Water Commission Irrigation Workshop to be held in Canberra on 29-30 March. The attendees at this conference will learn how to access the National Water Fund.

Just by way of general comment we must remember that while recent studies has shown Australia can use it's water resources much more effectively, and we will be moving to do this, Australia is still regarded internationally as a leader in this area. In fact SA has strong claims to be a regional leader, for instance the recent CSIRO report (the Barton Report) shows that the NSW River Murray region uses more than 2000GL (gigalitres or billion litres) to irrigate 321,000ha, generating revenues of \$310 million while the Riverland area of SA uses \$311GL to irrigate 36,000ha producing irrigated revenue of \$555m. In other words one sixth of the water on one tenth of the land produces 1.8 times the revenue.

SA YOUTH EXCEL AT IDW 2006

At the recent International Dairy Week held in mid January, a team of eleven young South Australian dairy enthusiasts competed in the Youth Challenge Competition. It had been 7 years since the state had been represented at this event.

They competed against 11 other regional, state and national teams representing the various dairy breeds. Each team had 3 tasks to complete within a given time – clipping, show parading and judging. All team members were involved and performed to an excellent standard, winning 2 of the 3 categories. Although placing fifth this probably didn't accurately indicate their level of competency throughout the competition.

The knowledge and experience gained by the whole team was invaluable and future SA Teams shall benefit from their experience. Their professionalism and attitude were complemented by their striking uniforms which were kindly donated by Paravale Holsteins of Parawa.

The organising committee along with the participants sincerely appreciated the contribution made by the following businesses: Dairy Australia, Fleurieu sub branch of Holstein Australia, Dairy Farmers, National Foods, WC&BF, SADA, Holstein Australia, DairySA and the Australian Jersey Breeders Society – SA Breeders. Many thanks also to all the willing people who assisted with training, organising and the support of the team.

Mandy Pacitti
Fleurieu Sub Branch of Holstein Australia

NOTICE OF SADA BOARD ELECTIONS

It is time for members to begin to think about the SADA Board elections. A timeline for the election of outgoing Board members is as follows:

1. Monday 10 April
Nomination forms posted
2. Friday 28 April
Closing date for lodgement of nominations

3. Friday 5 May

Postal Votes to be despatched (including voting instructions, candidate resumes, voting forms and voting registration forms)

4. Friday 26 May - Closing of Ballot (5.00pm)

5. Tuesday 30 May - Counting of Ballot Papers

The Board members facing re-election are:

Fleurieu – David Basham

River & Lakes – Andrew Stewart

South East – Sue Young

John Nietschke from the Adelaide Hills will not seek re nomination. This will leave his position vacant also.

Once the 8 member Board has been decided the new Board will elect a President and a further election will be held in the region from which the President has come.

DAIRY INNOVATION DAYS

The Dairy Innovation Days “Climate Change and Farm Technology” will be held at the Murray Bridge Race Track on Thursday 9 March and “Innovations in Nutrition and Employment” will be held at the Mount Gambier Showgrounds on Thursday 8 June.

SADA SUBSCRIPTION FEE INCREASE

SADA subscription fees will increase by \$30 from July 2006. For several years the SADA Board has decided not to increase subscription fees because of the difficult times facing members.

AVOID RESIDUES IN BOBBY CALVES

Following up on a previous article late last year relating to the PIRSA NARM program and bobby calf residues, since October 2005 there have been no cases of antibacterial residues greater than the legal Maximum Residue Limit (MRL) found in SA bobby calves. However, unacceptable residues from veterinary chemicals are still one of the biggest threats to our domestic and export meat trade. The best way to protect the industry against this threat is to avoid residues in bobby calves:

- Always read the label before using a veterinary drug
- Always use the dose rate and frequency of treatment recommended on the label
 - Overdose wastes money, increases the withholding period and increases the chance of residues
 - Under-dosing can contribute to the development of resistance
- Follow treatment directions
 - Seek veterinary advice if the treatment directions are unclear or difficult to understand
- Identify treated animals at time of treatment

- Use easily recognised methods of identification

- Keep treated animals isolated until the withholding period has expired
- Maintain accurate written records on all treated animals
- Observe withholding periods
- Ensure medicated feed is identified and only fed to animals for which it is intended
- Don't feed bobby-calves intended for slaughter with milk from cows treated with veterinary drugs
- Bobby calves that receive contaminated milk must be withheld from sale for the milk withholding period. Check label for bobby calf directions
- Check the export slaughter interval

Toni Axford, PIRSA Rural Chemicals Program
Ph: (08) 8226 0372

REMINDER- WATER LICENSING IN THE EASTERN MOUNT LOFTY RANGES

This is a reminder that people who require a water licence for an existing use of water in the eastern Mount Lofty Ranges (EMLR) must apply for this licence by 8 March 2006.

The water resources of the EMLR including the surface water (e.g. rainwater and dams), watercourses and wells (bores) have been brought under a new water licensing and management system.

An Existing User application form and further information about the prescription process can be downloaded from the website www.dwlbc.sa.gov.au or obtained by telephoning 8204 8590.

New water users can apply for a licence at any time, but will only be granted a licence if the water allocation plan identifies that there is available water.

A temporary moratorium (Notice of Prohibition) to maintain water use in the EMLR at historic levels will continue until a Water Allocation Plan for the EMLR is adopted. **An authorisation granted under the Notice of Prohibition is not a water licence, and people holding an authorisation must still submit a licence application.**

Landholders in the region should have received two letters about water licensing since September last year. If you did not receive this information please contact the Department on the phone number above.

Natalie Stalenberg, DWL&BC

DAIRY BIO- TECHNOLOGY COURSE

The one day program held at the Nietschke farm last year was a great success. Is there any discussion groups interested in repeating the exercise? We would need approx 20 to make the course worthwhile. If anyone is interested please contact Ken on 0419 037 569.

Note:

"Taking Stock" will continue to be available as a free service to Australian dairy farmers until June 2006

Contact your field officer or
Phone 8536 3958 to participate

JO ON LEAVE

Jo Gilbert will be on leave through most of March so if by chance the office is unattended Ken Lyons is always available on the mobile 0419 037 569.

COMING EVENTS

9 March 2006 – Dairy Innovation Day "Climate Change & Farm Technology" – Murray Bridge Racing Track. Ph: Kirstie Murphy on 0408 088 624.

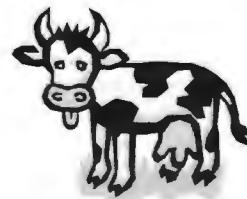
10 April 2006 – DairySA Board Meeting

18 April 2006 – SADA Board Meeting

6-7 June 2006 – Victorian Target 10 'Let's Dairy – from the Ground Up' Dairy Conference – Shepparton

8 June 2006 – Dairy Innovation Day "Innovations in Nutrition and Employment" – Mt Gambier Showgrounds. Ph: Kirstie Murphy on 0408 088 624

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Sue Young

South East Region

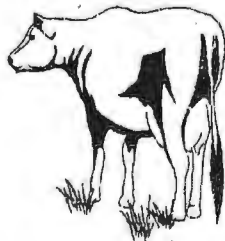
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8554 7202 or 0409 547 202



Australian
Dairy Farmers

ADF INFORMER - 28 February 2006

The actions described in ADF informer are a result of dairy farmer memberships to their state farmer organisations.

Australia and New Zealand Dairy Leaders Seek Shared Policy Approach

Dairy farmer representative leaders from Australia and New Zealand have agreed to develop shared policy approaches to several of the major issues facing their collective industries. The annual conference of the ADF and Dairy Farmers of New Zealand (DFNZ) was held in Gippsland on February 16 and 17 following a tour of key Gippsland sites including DPI Ellinbank, Max and Evelyn Warren's Robotic Dairy, Murray Goulburn Leongatha, Bonlac Darnum and several dairy farms.

At the ADF/DFNZ conference, it was agreed to develop shared approaches to environmental, animal welfare and RD & E policy.

Australia and New Zealand face common external challenges in areas such as the environment and animal welfare. Therefore it is critical we develop a common and strong voice to ensure we continue to have a non-prescriptive, outcomes-focused approach to minimise regulatory burdens for our farmers.

ADF and DFNZ also supported closer relationships between Dairy Australia and New Zealand dairy research groups such as Dairy Insight (NZ) as they would lead to reduced duplication and improved outcomes from dairy RD & E. Although significant collaboration already exists, it was agreed there would be benefits to both countries from encouraging a more structured approach between our respective RD & E service bodies. This includes a proposal for a Memorandum of Understanding that outlines the principles for joint investment.

ADF would like to thank the United Dairyfarmers of Victoria for organising this year's tour and conference. We would also like to thank the farm, factory and other businesses that allowed us to visit during our tour of Gippsland.

ADF Board Finalises 2006 Plan

The ADF Board also met as part of the ADF/DFNZ Conference and finalised their work plan for 2006 - *ADF at Work*. The plan is designed as a response to the dairy industry's recent priority setting document and outlines the actions that ADF will take around key issues such as learning, youth, industry brand, innovation, sustainability, input costs, capturing the value of milk and demand for our products. ADF will distribute the plan to industry stakeholders in the coming weeks.

Moving Forward in Extension and Learning

Dairy Moving Forward (DMF) has been an unprecedented collaborative effort for the benefit of dairy farmers. It has always been the view of ADF that it was critical to learn from the outcomes of the DMF initiative in order to advise future industry investment in dairy extension and learning and also in RD & E generally. ADF representatives attended an industry workshop last week which reflected on the successful elements of DMF, things that could be done better and how these aspects can be integrated into future industry investment. Collaboration, up-to-date information, provision for one-on-one interaction with some farmers, development of service providers and regional co-ordination were noted as the key success elements for future industry initiatives. The outcomes of the workshop will be widely available to industry in the coming weeks.

Industry Plans Contribute to DPI Victoria Planning

Key industry planning documents have formed the basis of farmer representation to DPI Victoria workshops. Priorities for the farm sector, *ADF at Work 2006* and the Australian Dairy Industry Council's NRM policy principles, were shared in separate meetings with DPI's extension and nutrient planning groups last week. The sharing of clear industry principles and priorities maximises the chances of alignment between the needs of the farm sector and the investors in the industry.

CRC Rebid

The deadline for a first round expression of interest for a renewed funding round for the Cooperative Research Centre for Innovative Dairy Products is getting close. ADF has participated in the Program and Partner Selection Committee which is seeking interest from dairy companies, research organisations and research funders who may be interested in participating in a research program for a new CRC for the dairy industry. The first round application is due by the end of March and it is looking promising for a strong dairy industry bid for a further round of funding from the federal government over seven years.

New Australian Agricultural Councillor for Washington

The ADF, together with the ADPF and Dairy Australia met with Dean Merrilees from the Department of Agriculture, Fisheries and Forestry last week. Dean will take up the post as Australian Agriculture Councillor to the USA at the end of March. The industry took the opportunity to brief Dean on the strategic issues associated with our trade with the USA, as well as the broader trade policy directions of the industry with regard to the WTO Doha Round of negotiations. This was also an opportunity for Dean to meet with industry representatives and to develop a relationship that will continue to see a strong cooperative role between the industry and government in Washington.

Farewell for Retiring DA Board Members

The ADF was pleased to participate in a small farewell function held by the Dairy Australia Board for the recently retired Directors, Sarah Crooke and John Massey. Both Sarah and John were Interim Advisory Board members for the transition from the Australian Dairy Corporation (ADC) and Dairy Research and Development Corporation (DRDC) to Dairy Australia. Sarah, a dairy farmer from north-east Victoria, was the deputy Chair of DRDC. Her contribution has been enormous over the past decade. John was a member of the ADF Board for a term before joining the Dairy Australia Board. John brought significant commercial and governance skills to the ADC and DA and his contribution will continue to be an important one for DA into the future.

The ADF thanks both Sarah and John for their work for the industry and wishes them all the best for their future endeavours.

Coming Up

ADF President, Allan Burgess is in Canberra this week for the ABARE Outlook Conference and a range of other meetings particularly on trade as the WTO Doha Round negotiations get closer to a final deal.

The European Commissioner for Agriculture and Rural Development, Mariann Fischer Boel, is in Australia for the Outlook Conference and has asked for an opportunity to meet with dairy farmers. The ADF, in conjunction with Dairy Australia, has organised for her to meet with dairy farmers from Northern Victoria and Southern Riverina of NSW which will take place on Thursday 2nd March.

John McQueen
Chief Executive Officer

Australian Dairy Farmers Limited
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- In NZ popular Masport Super replacement
1520 Litres @ - 50 Kpa 1400 Rpm



Below: Recent installations in New Zealand and Australia

RVS M4000

How many units can this pump handle:

- Conventional dairy: 20 units capability
 - *Varispeed 10* controlled dairy: Up to 40 Units with a 7HP (5.5Kw) motor!
- Our most popular model in New Zealand
2220 Litres @ - 50 Kpa 1400 Rpm



RVS M7000

How many units can this pump handle:

- Conventional dairy: 34 Units capability
 - *Varispeed 15* controlled dairy: Up to 60 Units with a 10HP (7.5Kw) motor!
- Our most popular model in Australia
Popular in New Zealand
3100 Litres @ - 50 Kpa 1000 Rpm



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RVS Varispeed Installations

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Old Setup	24Units Varispeed
1 Masport Master	Model: V
1 10HP (7.5kw) Motor	One RVS M3000
Power per hour 7.0Kw	Now 2.5 Kw
	Power Sa

Opunake Taranaki District New Zealand	
Old Setup	32Units Varispeed
2 Water ring pumps	Model: V
2 10HP (7.5 kw) Motors	One RVS M4000
Power per hour 15 Kw	Now 4.6 Kw
	Power Sa

N.Maskeraman Claire South Australia		
24 Units	Old Setup	Varispeed Setup
1 Masport 7.5 pump	Model: V	One RVS M4000
1 10HP (7.5 kw) Motor	Same size	Same size
Power per hour 7.0 Kw	Now 4.8 Kw	Now 4.8 Kw
	Power Sa	Power Sa

Donavans Dairy Mount Gambier South Australia	
Old Setup	116 Units Varispeed
3 Gascoin Pumps	Model: Va
3 15HP (11 kw) Motors	One RVS M9000
Power per hour 33 Kw	Now 9.8 Kw
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Simply speaking it is an electronic vacuum pump speed controller. It will momentarily speed up the vacuum pump when lots of vacuum is needed during "Cupping on" or when a cow kicks off the cups and slow the pump motor right down to a crawl during milking when vacuum demand is at its lowest. A slow running pump uses very little power and you save dollars!

What power savings can I expect?

Based on our New Zealand experience the most dramatic drop in power consumption (up to 70%) comes from sheds running 2 vacuum pumps, also from sheds equipped with the notoriously inefficient and power hungry blower and the equally power hungry water ring (Liquid ring) pump. But no matter what size and type dairy you have, the VariSpeed will save you power because it only supplies vacuum on a "Instant Need" basis in contrast to the very inefficient 80 year old "Constant Oversupply" setup you have in your shed. You could reduce power by 40% to 70%, (depending on your type of pump and plant set up) and save yourself thousands of dollars annually!

Can the VariSpeed be retrofitted to my existing vacuum pump?

Certainly, it can be fitted and matched up to all makes and types of vacuum pumps and will always give you very significant savings, but for best results our range of super efficient heavy duty vacuum pumps should always be considered first!

I have Single Phase 480V, can I use the VariSpeed and save power?

Yes you can, our Special VariSpeed 15 SP will let you milk up to 44 units with a 10 Hp motor! Call our office for more information on this drive!



Verne is commissioning a 28 unit installation in NZ

For more detailed information about your particular setup please contact Sigi from the friendly RVS team.

Additional benefits from a VariSpeed installation:

- Lower Cell Count because the vacuum pressure is kept within tight limits!
- Dramatically reduced pump wear and tear because the pump works most of its time in the low speed range!
- Low pump speed means low noise!

RVS VacPumps

**All our products are proudly developed and
Manufactured right here in Australia!**

Phone 08 8285 5800 Fax 08 8285 5811 Email: rvspump@tpg.com.au

NARM NEWS

Volume 2

February 2006

ENSURE YOUR BOBBY-CALVES ARE TRACEABLE FROM BIRTH TO SLAUGHTER

Editors' Note

Welcome to the second edition of the quarterly newsletter NARM News for 2005. There was a great finish to last year in the number of bobby-calf residue detections, with no residues detected during the quarter of October to December. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on record keeping and on-farm identification for the effective minimisation of chemical treatment residues.

The message for this issue is to ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Petra Lennon Phone: 08 8226 1885
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

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NARM Program

Changes to the NARM program are currently being discussed nationally. A working group consisting of representatives from the meat and dairy industries, state and commonwealth government has been formed to drive the review.

Issues to be considered include:

- Whether the program should be restricted to bobby-calf targeting only
- Funding and coordination of the program
- Involvement of bobby-calf NVD forms and ear tags
- Links with LPA (Livestock Production Assurance)
- Sampling arrangement
- Action for positive residues and
- Hazard management at abattoirs

We will keep you posted with progress of the review

NARM Residue Detections

October – December 2005

During the second quarter of the financial year 2005-2006 there were no residue detections found in bobby-calves. PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Bobby-calf Ear Tags

The current form of identification required for the sale of all bobby-calves (calves less than 6 weeks old) in SA is the bobby-calf ear-tag or an NLIS tag identifying the bobby-calf's property of origin.

The exemption allowing bobby calves to be identified with a bobby calf ear tag instead of an NLIS tag in SA will end on March 1 2006. Until July 1 2006 producers will be able to use up any stocks of Bobby Calf ear tags they have on hand, but after this date, calves must be identified with NLIS tags. The removal of this exemption will bring South Australia into line with Victoria and New South Wales; these states removed

the Bobby Calf exemption on January 1 2006. This is an important move as the majority of South Australian bobby calves are slaughtered in Victoria. Individual dairy farmers will need to be mindful of and comply with any commercially driven conditions of purchase (such as NLIS tags or NVD's) imposed by the customer.

Producers with queries about identifying calves can contact PIRSA on 1800 654 688.

Record Keeping

Records help prevent the accidental sale of animals or animal products before the relevant withholding period has expired. To avoid residues in treated calves via both direct treatment and secondary contamination from mothers milk or gestation the following methods of record keeping are recommended:

- Written diary identifying the animal treated by tag number, the date of treatment, name of product, active ingredient, dosage given, withholding period, date withholding period expires.
- White board for all farm workers identifying the treated animal, date of treatment, name of product, withholding period, date withholding period expires.

To avoid chemical residues in bobby-calves producers are reminded to read the label of all veterinary products for specific treatment directions and withholding periods.

On-farm Identification

In order to avoid mix ups on farm between treated and non-treated animals some form of visual identification is highly recommended. Animals should be identified at the time of treatment using an effective and easily

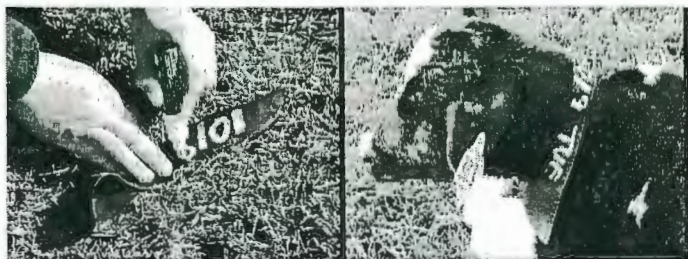


Image 1

Image 2

Image 1: Use of an inner tube from a tyre marked with the withholding period expiry date using a white waterproof marker. **Image 2:** The tube is then placed around the calf's neck as a form of visual identification to indicate that the calf is affected by a chemical treatment.

recognized method of identification, such as leg bands, ear tags or even an old inner tyre tube marked with the withholding period expiration date (as shown in Images 1 & 2). Identification must be retained on the calf for the duration of the withholding period and/or Export Slaughter Interval. Ensure that other farm workers are aware of how treated animals are identified. If possible, keep treated animals isolated until the appropriate withholding period and/or Export Slaughter Interval (ESI) has expired. Clear signage of the isolated pens containing treated calves is also helpful for farm workers to ensure treated calves are not mistakenly sold before the expiration of the withholding period.

As previously mentioned once calves are ready for sale a bobby-calf ear-tag must be applied, which can be obtained through your local PIRSA office.

Bobby-calf NVDs

In addition to bobby-calf ear-tags, National Vendor Declaration forms provide each sector of the industry with the required documentation to manage their own quality assurance systems. Furthermore it creates a paper trail to enable effective residue trace-back. It is recommended that abattoirs request bobby-calf NVDs from transporters, and transporters obtain completed bobby-calf NVDs from calf producers.

Producers can obtain bobby-calf NVDs at no cost from agents, calf buyers and abattoirs. Agents, calf buyers and abattoirs can obtain bobby-calf NVDs from MLA at no cost, however individual producers cannot obtain bobby-calf NVDs directly from MLA.

The contact details for MLA are:

Meat & Livestock Australia:

Website: www.mla.com.au

Phone: 1800 635 445

Next Issue

The next issue of NARM News will be distributed in April and will contain further information on how to avoid residues and industry updates.



Government of South Australia

Primary Industries and Resources SA

National Vendor Declaration

Bobby Calves

First Edition from 1 August 2002

(for calves under 6 weeks of age not accompanied by their dam)

part A

To be completed by the vendor or a person responsible for the husbandry of the calves.
Read carefully the Explanatory Notes before completing the Declaration. Please Print Clearly

Tel: _____ Phone: _____

Trading as (vendor) _____

Address _____

Total number of calves in this consignment:

Property Identification Code (PIC)/Tail Tag number applying to this consignment

Way Bill/Travel Permit No. (if applicable)

Destination (if known): _____ Place of Loading: _____

Dispatch Date: _____ Dispatch Time: _____ (am/pm)

part B

1 Are all the calves in this consignment at least 4 days old (in their 5th day of life or older)?

Yes

2 Do all the calves in this consignment have dry, withered navel cords?

Yes

3 Have all the calves in this consignment been fed within six (6) hours prior to delivery to the point of sale or collection?

Yes

4 Are all the calves in this consignment over 23kg liveweight?

Yes

5 Are all the calves in this consignment fit and strong enough to be transported for sale or slaughter?

Yes

IS FULLY COMPLETED

PLEASE PRINT EVERYTHING CLEARLY

6 Were all the calves in this consignment bred and raised on the vendor's property?

Yes No

If No, how long ago were the calves obtained or purchased?
(If purchased at different times, tick the box corresponding to the time of the most recent purchase.)

A Less than 1 week B More than 1 week

7 Have any of the calves in this consignment been treated orally, externally or by injection with a veterinary drug or chemical? (See Explanatory Notes)

Yes No If Yes, list details in the following space provided

Veterinary Drug/Chemical	Calf Treatment Date	Meat WHP (days)
_____	_____	_____
_____	_____	_____

8 Have any of the calves in this consignment had access to milk from cows that had been treated orally, externally or by intramammary, intramuscular or subcutaneous injection with a veterinary drug or chemical, before the milk withholding period has expired? (See Explanatory Notes)

Yes No If Yes, list details in the following space provided

Veterinary Drug/Chemical	Date calf last had access to contaminated milk	Meat WHP of cow (days)
_____	_____	_____
_____	_____	_____

9 Additional information: see Question 9 requirements in Explanatory Notes for completing this form.

As the vendor or person responsible for the husbandry of the calves in this consignment, I declare that all the information stated in this Declaration is true and correct and that I have read and understood the Explanatory Notes

Signed _____ Date ____/____/____

(*Only the vendor or the person responsible for the husbandry of the calves, whose name appears above, may make, amend or sign this declaration)

Serial numbers on the tags carried by the calves in this consignment (optional) -
E.g. 0105-0110 or 0105, 0106, 0107, 0108, 0109, 0110.

Please Note -

In the case of calves sold at auction, this declaration is to be retained by the selling agent for a minimum of two (2) years. A copy is to be made available to any buyer of the consignment, or part of the consignment, or part of the consignment, on request.

ATORY NOTES

Declaration has been developed with the sectors of the bobby calf industry as a producers document the animal welfare of bobby calves consigned for sale or

should only be used for bobby calves of age that are not accompanied by vives presented for sale must be identified transaction tag.

Declaration

Leading statements made in a completed lead to prosecution and/or attract civil chaser.

is an increasingly important issue in ereases. People in possession of, and bobby calves have a responsibility to care for bobby calves under their control and this separate from the interests of economic

relate to the minimum animal welfare bobby calves offered for sale. Calves that requirements of the Australian Model for the Welfare of Animals: Cattle and Code of Practice for the Welfare of nsport of Cattle must not be offered for

8
s or chemicals refer to antibiotics, and mastitis treatments and externally bobby calves, but excludes vitamin and mineral bobby calves, this also includes exposure o milk from cows treated or exposed to is that may be excreted in the milk.

Ensure accurate calf treatment details are recorded, including cases where calves have had access to milk from cows treated with a veterinary drug or chemical, before the milk withholding period had expired.

Record all treatment details for any calves in the consignment, including any relevant meat withholding period (WHP), in the space provided. For example -

Veterinary Drug/Chemical	Calf Treatment Date	MeatWHP(days)
Fixem	02/06/01	15 days

This means that a calf treated with "Fixem" on 2/6/01 is suitable for sale for slaughter on 18/6/01, i.e. after the 15 day meat WHP has expired.

WHP information is located on the label of a veterinary drug or chemical. The WHP is the minimum period of time that must elapse between the last use of a drug or chemical and the sale of the calf for human consumption.

Where a calf has had access to milk from a treated cow before the milk WHP has expired, the calf should be retained for the meat WHP that applies to the cow.

Always read the label and observe the withholding period.

Question 9

Additional information relating to animal health status or commercial matters, not specifically covered in the Declaration, can be recorded here.

Recording serial numbers

A space has been provided on the Declaration for vendor's to record serial (or "running") numbers from the tags carried by the calves in the consignment.

By recording these numbers, vendor's will be able to verify the date that calves in the consignment were sold. Recording of serial numbers is optional.

Calf Welfare

The following information is taken from the Australian Practice for the Welfare of Animals: Cattle (199 Model Code of Practice for the Welfare of Animals: Cattle (1999). These points cover the basic requirements for bobby calf welfare.

Full copies of these Codes can be obtained from C PO Box 1139 Collingwood, Victoria 3066 (Ph 1800

Marketing of bobby calves

The Australian Model Code of Practice for the W Cattle (1992) requires that calves that do not m criteria should not leave the farm -

- The minimum recommended liveweight for a for sale is 23 kg;
- The navel should be dry, and the umbilical c junction with the skin should be dry, wrinkled shrivelled;
- Calves presented for sale should have firm h worn down flat and not bulbous or soft;
- Lethargic, listless or immature calves should presented for transport or sale;
- Calves should be bright and alert, robust and unassisted;
- Sick or injured calves should be treated app or humanely destroyed;
- Holding pens should provide adequate she l all times;
- Calves should be fed within 6 hours of trans must not be left without appropriate liquid fo 10 hours;
- Calves should be handled in ways that avoid unnecessary suffering;
- Calves should be transported in clean vehic fronts and non-slip floors;
- It is not acceptable to use electrical goading unmuzzled dogs which are prone to bite, wh driving, drafting, weighing, loading or unloa
- In addition Calves must be -
 - at least 4 days old (in their 5th day of life);
 - free of antibacterial residues;
 - identified with an approved transaction tag;
 - transported at a density that will allow them stand up; and
 - separated from other classes of stock during t

Focus on Forage

South East Forage Innovation Project

DairySA has initiated a forage innovation project in the South East of SA. The project is closely aligned to the forage component of the National FutureDairy project.

FutureDairy is a research and extension program which aims to help dairy farmers manage the challenges of reduced availability, and increased costs associated with land, water and labour. It has three priority areas – Forage, Feeding and Innovation. The research is explored under commercial conditions through Partner Farms.

The FutureDairy forage research aims to produce 40t DM/ha/year, by trialing a 'complementary' forage rotation including a Bulk crop (eg. Maize); a forage to provide a pest/disease break and improve soil aeration (eg. Brassica); and a legume for nitrogen fixation (eg. Clover).

The production target of 40t DM/ha has been achieved, and DairySA along with FutureDairy is keen to replicate the results on a farm in the South East of SA. The South East will be a commercial farm and the project will work closely with the FutureDairy team to explore and monitor the practical implications of such a system.

The main question surrounding the local research in the South East is whether the maize crop could produce the required tonnage within the required time period to allow the following crops to produce the recommended 40tDM/ha/year in a sustainable manner.

Project Objectives:

1. To optimise home grown forage production by researching and demonstrating the production and utilisation of 40t DM/ha in a local irrigated dairy production system by identifying, implementing and monitoring a 'complementary' forage rotation anticipated to contain the following elements:
 - Bulk crop (eg. Maize);
 - A forage to provide a pest/disease break and improve soil aeration (eg. Brassica); and
 - A legume crop for forage but principally for nitrogen fixation (eg. Clover).
2. This system will be compared and benchmarked against a typical pasture based forage system being produced under the same environmental and managerial circumstances.
3. To extend the results of the 'complementary' forage rotation, and information on its management and implementation, into the wider dairy farming community.
4. To use the FutureDairy forage partner farm to research and extend messages from other FutureDairy project components into SA Dairy enterprises.

Focus on Forage

South East Forage Innovation Project

Call for Expressions of Interest

Project Steering Committee – Dairy Farmer Members

The South East Forage Innovation project will be directed by a steering committee comprising of dairy farmers (3 from SE; 1 from other SA region; 1 from Western Victoria) currently using irrigation as part of their system; and representatives from DairySA, Dairy Australia, and the FutureDairy project.

Interested farmers would need to be currently managing an irrigated forage system; be innovative in forage management and have skills useful to project development/management. Farmers on the steering committee would also be communicating back to other farmers in their networks to assist in sharing the project lessons/outcomes.

It is anticipated the steering committee will meet approximately three (3) times between March and June 2006, in Mt Gambier. Travel expenses will be reimbursed.

To apply please complete the following details.

Name: _____ Telephone: _____

Fax: _____ Email: _____

Postal Address: _____

Cow numbers: _____

Irrigation area: _____ Dryland area: _____

Why are you interested in joining the SE Forage Innovation project steering committee?

Please return to DairySA by Thursday 16th March 2006.

DairySA
PO Box 235
Lucindale SA 5272

Fax: 08 8766 0005
Email: dairysa@bigpond.com

**For further information please contact
Verity Ingham (08 8766 0127) or Rick Jordan (0427 447 753)**



DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons - Editor

Wednesday 26 April 2006

President's Report

David Basham

It is six months since we started sending non-members the Update. Our reason for this trial was so all dairy farmers had access to the information that is generated from the SADA office. Our hope was if non-members saw what SADA was doing, they might consider becoming members. Several farms have joined but there are still many out there that have not.

As dairy farmers it is important that we consider our expenditure in our businesses at all times. There are costs that cannot be cut without risking the viability of your business. I believe one of those costs is your membership of SADA. Non-members are receiving many of the benefits won by SADA without making any financial commitment to the organisation. The SADA budget is very tight and this year it appears that we will make a loss. This is not something that we can continue to do, we will either need to cut back on our services or the better option would be if we increased our membership numbers.

If you are currently a non-member please consider joining, without your support the industry body of SADA will not necessarily be able to maintain its influence in things that effect farmers and their dairy farm. The egg industry in South Australia is an example where the producers did not have a strong united organisation to help protect their industry. If they had been able to influence government's decision to change cage sizes and delayed the implantation of the changes the industry may not have ended in the position it is in today. They have realised the importance of a strong industry organisation and have formed a new body but it maybe too late to save the industry. I hope this never happens to the dairy industry in South Australia.

We currently have a strong voice to government. We are currently working on the issues of water rights and management in many of the dairy areas of South Australia and achieving a better outcome for dairy farmers. We are working on the issue of blue gum plantations including their water use, spray drift and competition for dairy land with tax breaks giving them an advantage. These are only a couple of issues before SADA at the moment and you can read the rest of the Update to see many more.

At the last Board meeting we decided to keep sending the Update to non-members for at least another 6 months. The structure of the Update will change so that members will receive extra information over non-members when there is a benefit to the members. If you are a non-member you will need to join to maintain your access to the full version of the SADA Update

If you are a non-member (including several farms that did not resign when they transferred milk companies) you will receive an application form to join with this Update. Please complete this form and return it the SADA office either by post (U5 Emerson Centre, 780 South Road, Glandore 5037) or fax it back on 8293 8886. If you would like to discuss any issue related to joining we can organise a visit by our development officer Kirstie Murphy by either faxing back the attached form or ring the office (8293 2399).

Disclaimer: The "Dairy Update from SADA" is the official organ of the South Australian Dairyfarmers' Association and is produced and published by the Association on a monthly basis.
Opinions and views expressed or implied in the "Dairy Update from SADA" are not necessarily the views of SADA.

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The outlook for dairy continues to look positive with the Victorian companies continuing with their “step-ups” with Murray Goulburn already having passed the final payment for the previous year. So there are encouraging signs for the opening prices this year.

MILK PRICES

Members this year should benefit from additional competition for milk in most regions as the companies are reporting they are seeking more milk supply. So SADA is recommending farmers talk to all the relevant companies to compare prices and terms. To assist farmers with their negotiations SADA has been an active supporter of both continuing and improving the Dairy Australia Dairy Industry Survey and Outlook Project. Thank you to all those farmers who have participated in this project earlier this year. On the 30 May Dairy Australia in conjunction with the SA dairy industry is planning a major workshop for South Australia to provide a most comprehensive Dairy Industry Outlook for the coming year. The program is to be opened by Minister McEwen, top class presenters are being drafted and we have a wonderful opportunity give the dairy industry a big run in the media. More details will be provided in the coming weeks.

At any one time the SADA Board, through portfolio positions (each Board member has delegated responsibilities), the SADA committees and the numerous committees on which we represent SA dairy farmers, are dealing with around 50-60 issues. So in each Update I tend to cover only what is considered to be “most newsworthy”. But members can contact (SADA Dairy Contact Book) their Board members, committees on any matter at any time.

DAIRY TRAINING SEEN AS A KEY TO FUTURE SUCCESS

Surveys indicate dairy farmers are agreed that

an important “key” to the future success and profitability is for the dairy industry to have talented managers and skilled operators. But the trick with training is to realise that to get really good outcomes you need to have the whole industry, delivery systems and supporting agencies all working together. The creation of the NCDEA (National Centre for Dairy Education Australia) now provides a powerful and wonderful opportunity for the Australian dairy industry to have access to first class training and extension programs covering all levels and responsive to industry needs. Your industry associations together with Dairy Australia were bold and moved quickly to take this exciting step with the establishment of the NCDEA last year. I think this is a good example of one of many situations where the current crop of industry leaders are taking a “can do attitude to tackling our challenges”. Rural Industry associations today need members that are “passionate” about achieving outcomes (“doers” not “seat warmers”)

SADA is currently supporting efforts to improve opportunities for VET dairy training in SA. But SADA also believes that the sooner we consider “tapping” into the benefits of being part of NCDEA the better. This is why SADA asked the managers of the NCDEA to come to SA as soon as they were ready to move interstate from their Victorian base. SADA facilitated a “Dairy Training Workshop” (chaired by Michael Connor) on 21 March that brought all the players together. An interim committee has been formed to progress this exciting opportunity.



L-R: Colin Cook (TAFE Rural CEO) and Peter Ryan (Director – Go TAFE)



L-R: Steven Coats (DA), Michael Connor, Jeff Wright, Jill Williams and Denis Healy (WCB)

Important Notice

The following are the dates and venues of 4 Workchoices seminars that all dairy farmers should attend to hear how the new Industrial Relations reforms will affect you.

Monday May 1 10.00am - 2.30pm
Ramblers Football Club, 1 Ramsay St
Murray Bridge

Monday May 8 11.00am - 3.30pm
Kongorong Football Club, School Road
Kongorong

Tuesday May 16 10.00am - 2.30pm
Vine Inn Motel, 14-22 Murray Street
Nuriootpa

Monday May 22 10.00am - 2.30pm
Myponga Football Club, Stephens Road
Myponga

(a light lunch will be provided at all venues)

To register ph: 8293 2399

NEW INDUSTRIAL RELATIONS ENVIRONMENT

Australia is said to be going through the most significant changes to the IR environment in the last one hundred years. The awards and conditions of employment are undergoing radical change. This coincides with farmers appreciating that the success of labour management on our farms is becoming a major factor in determining profitability. Yet Industrial Relations is an area where individual farmers have little say in determining the rules. But you can have a "voice" through your Association (SADA).



L-R: Chas Cini, David Basham & Rod Luker (Hume Taylor)

By SADA employing Chas Cini we have been able to be well represented during the negotiations at both the state and national level during 2005. Even after we completed the negotiations of the new State Pastoral Award (late last year) there was a move in the Industrial Commission for further increases and Chas was able to get an exclusion for farmers. So you through SADA are having a say about the award conditions. To be quite blunt, without Chas some of the outcomes in the awards could have been decidedly "dairy unfriendly". The other important need is for farmers to have access to information and in this regard we have Chas writing for the Update and providing a service to members. Also through NFF and the federal government we have funding (about \$30,000) to provide four workshops to further explain the changes for industry (May-June). While this program of workshops will go all over Australia it is interesting the very first workshop (at this stage) is the one planned for Murray Bridge (Ramblers Football Club) and SADA has been appointed as the manager. So do come along and see how Chas and myself cope with the task of being the "first cab off the rank".

WATER ALLOCATION PLANNING CRITICAL TIME

Secure access to water is an important issue for dairy farmers. Now it is the turn of both the Eastern and Western Mt. Lofty ranges to develop Water Allocation Plans. SADA and regional committees (in other regions that have already been through this process) have been very successful at adding significant value for farmers by working through the multitude of issues with the government agencies during the "consultative" processes.

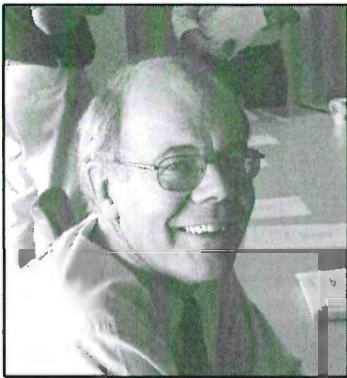
We have established SADA regional water committees to liaise with the government agencies and more recently nominated people for the WAP Committees. We have provided a forum for dairy farmers to discuss the issues with the government managers at our recent round of SADA Regional meetings. We have established a relationship with the project team assessing the Fleurieu Swamps. David Basham, Jill Williams and myself met with Martin Stokes on 3 April to discuss the issues.

SADA is participating in a national water project (16 May 2006) aimed at getting better progressed at the regional level. This exercise will have the same "workshop" format as that used last year to get regional input into the development of a national plan for RD&E.

NATIONAL FRAMEWORK FOR DAIRY FOOD SAFETY

Steve Rice addressed the SADA Board on the near

completion of the national standard (Dairy Primary Production and Processing Standard). As you know dairy food safety is subject to state legislation while exports are administered by AQIS so this move removes a multitude of complexity and costs out of the dairy system. Again it has been SADA and ADF that have guided this long process (Frank Beauchamp chaired one of the most effective committees to progress this issue) and the dairy industry is now considered "the leader" of the rural industries in terms of food safety. I would like to compliment the way the entire SA dairy industry including the companies Dairy Farmers and National Foods, in particular, combined to give a united voice. Reporting like this makes it sound simple but there was hours and hours of work involved here.



Steve and the SADA Board agreed on the processes associated with the "tanker audits". Remember these audits require entry into the milk room and the auditors must act on any food safety concerns they come across.

ADF ANIMAL HEALTH AND WELFARE COMMITTEE

For several years many in the dairy industry have expressed real concern over "threats" to our future from extreme animal libbers, the growing need to have more and more audits and "red tape", and from the various bio-security threats (eg. exotic diseases and bio-terrorism). This is where your associations need to be strong industry "guardians" to manage all these threats for you. While you will follow the progress of the important work of this committee via the ADF Informer and in other publications I would like to share with you some of my impressions from the committee meeting held in Melbourne on 10-11 April, 2006.

Animal Welfare:

There has been a lot of work documenting the excellent credentials of the dairy industry in terms of "animal welfare". The best and strongest advocates on this issue should be every dairy farmer. Just to make sure you know how good you are and to remind you of your responsibility to get vocal on the issue you will be shortly receiving your very own Animal Welfare Information Kit. The key message is that, "farmers are strong defenders of animal welfare and will not condone cruelty to stock". John McQueen (ADF, CEO) and Wes Judd (Committee Chair) in particular have done a magnificent job in steering the dairy industry through these issues

Ironically some members may not see "value" in this investment because the measure of SUCCESS is that no significant threat is mounted and if it does it will be quickly countered.

Reducing the "red tape":

This is a challenge and we have a project currently underway to consider combining audits. The possible solutions require a lot of co-operation between industry, the companies and the government agencies. This will be an ongoing challenge and progress will be made but at this stage it is very much a "work in progress".

Bio-security:

There will be more training exercises and the state dairy associations and ADF will be very much involved. All the State Presidents will be given media training and we will do more in relation to training Industry Liaison Officers (these people will play a most important role in the event of a major incident). Again the work that has gone into this area over the last few years has been really significant and we are probably not there yet) we are so better prepared today.

These were just three of the many agenda items covered at the meeting but you can see why you come away feeling proud to be working with such a worthwhile committee. One of the important roles of regional meetings is to give the members an opportunity to share in the stories of how the dairy "battles" were fought and "won". Simply reading reports of outcomes (or even worse the lack of outcomes) is just "boring". But the important thing is that dairy farmers should know that industry arrangements have been put in place in relation to bio-security that will allow them to sleep a little easier.

JOHN NIETSCHKE - A DAIRY INDUSTRY LEGEND

John recently announced that he would be stepping down from the SADA Board. John's huge record of achievement was based on the combination of



exceptional leadership and management skills and his understanding that through the various Board portfolio positions that Board members need to "roll you sleeves" up if you want to contribute. Today all effective rural industry associations know that their performance is largely determined by their contribution to committees and portfolio positions...and John was a "visionary" in this regard. He was one of few dairy leaders to make a substantial contribution at national, state and regional levels.

He added substantially to SADA members financial returns over many years and was proud of the "collective actions" of SADA. He could sing the praise of SADA louder than many because he was there when the "runs went onto the board".

WORKING ON THE PLAN

Implementation of the State Dairy Plan
- Sally Schultz

Give a hand to grow SA's dairy industry

Are you curious to find out how profitable your dairy business is, or how your farm compares to others in South Australia, the nation or even New Zealand? PIRSA, through implementation of the State Dairy Plan (ADP Project) and Red Sky Farm Performance Analysis are starting a new project to get a clear picture of business performance of our State's dairy farms. This information will then be compared to the Victorian, Tasmanian and New Zealand dairy industries and used to promote the opportunities available in SA. We want to help you and other dairy farmers grow your business, and attract more investment to our State - to do this, we need to know how SA performs from a financial and infrastructure perspective compared to other regions. We are looking for 40 farmers to supply business data as part of the project - involvement will cost you nothing but allow you to benchmark your business against your fellow dairy farmer counterparts.

Involvement will provide you with:

- A range of reports on your business performance
- Ways to improve your farm profitability
- Information on prime drivers of farm performance and how to interpret your reports
- A comparison of your business with top-performing farms from interstate and overseas.

If you can spare a your time and copies of your most recent financial information, a skilled professional few hours of will visit your farm to collect the data and then Red Sky will process the data and provide you with access to final results to benchmark your farm. Your data will be dealt with in complete confidence and only group benchmark data will be produced, keeping your identity private.

Details: For more details or an information pack ring Sally Schultz on 08 8762 9142, mobile 0428 594 306 email schultz.sally@saugov.sa.gov.au

Invite to attend Irrigation for Profit Workshops

Water is such a precious resource and its effective use has a huge impact on the profitability of your farm. As part of the implementation of the State Dairy Plan, dairy farmers are invited to attend a comprehensive series of irrigation workshops that work on improving your farm's irrigation efficiency.

The workshops will be presented over two days spaced a week apart:

Mount Gambier

- Day 1, Tuesday 23 May - pumps and meters workshop, and pivot irrigation systems workshop
- Day 2, Tuesday 30 May - irrigated soils workshop, and irrigation scheduling workshop

Meningie

- Day 1, Wednesday 24 May - pumps and meters workshop, and pivot irrigation systems workshop
- Day 2, Wednesday 31 May - irrigated soils workshop, and irrigation scheduling workshop

The workshops will be presented by Denis Sparrow, Glen Bailey and Mark Skewes of Irrigation Consulting Management Services, and will incorporate field visits for practical learning. Irrigators will learn to evaluate their own irrigation systems, identify issues restricting system performance, evaluate soils, gain knowledge on soil water holding capacity, and better understand crop water use patterns to select an appropriate irrigation scheduling approach.

Details: To register, or for more information, call PIRSA Struan office on 08 8762 9100

TAFE AI COURSE - MOUNT GAMBIER

I met Tony Sutherland at an SADA Human Resources meeting in Adelaide in November of last year. We spoke about the possibility of running an AI course in Mount Gambier, rather than students having to travel to Flaxley (and also an alternative to attending GA's AI school in Melbourne for a cost of around \$880!)

Donovan's Dairy provided the venue, cows and lecture theatre (lunchroom) and with the use of two borrowed work stands, ten students have successfully completed their Certificate of AI Competency for only \$153!! Thus SADA has proven to farmers that good training is available at reasonable cost and that alone will surely demand more!

We are now in the process of obtaining a TAFE lecturer/coordinator in Mount Gambier to arrange another and other such courses as there were a number of disappointed farmers who were unable to attend due to the course being over subscribed.

Charles Wallis, President South East Region

MEMBER BENEFITS

NFF and Telstra Countrywide are offering SADA members further discounts on their phone bills. The discount has risen from 6% to 7.5% on all eligible calls made from a range of eligible Telstra services. To take advantage of this very exclusive

member benefit just call 1800 836 864. Members may also be eligible to receive other reward options.

Trims have announced that they are increasing their discount offer to 10% off all items storewide. This includes fashion wear as well as work wear.

CHANGES TO REGULATION

It was moved at the last SADA Board Meeting held on Tuesday 18 April that there would be a change to Part 3 Subscriptions & Levies of the SADA Constitution & Regulations to read:

2.1.1. Levies are paid on the basis of a rate per kilogram protein of a 'Full Members' milk production or an agreed estimate (by the member and SADA) if production details are not available.

SA RURAL LEADERSHIP PROGRAM

Information for the next SA Rural Leadership Program is now available.

Dates for this year are 25-28 July (Tiffins on the Park, Greenhill Road, Parkside) and 18-19 September (Venue TBA).

Applications close 23 June 2006.

For further information contact either Kirstie Murphy on 0408 088 624 or Ken Lyons on 8293 2399.

SADA SUBSCRIPTION FEE INCREASE

SADA subscription fees will increase by \$30 from July 2006.

"Happy Dairy Farming from SADA"



SADA WOULD LIKE TO WELCOME NEW MEMBERS:

David Evans
Stan Schofield
Port MacDonnell Dairy P/L
Eddie & Theresa Kent



Helen Smith having a very "Exalted Time" with her brand new Adelaide Cup



L-R: David Kennedy (National Johne's Disease Co-ordinator), Ken Smith and Chris Griffin (UDV)



Cyclone Larry Volunteers!!

Volunteer farm workers needed for Cyclone Larry cleanup duties on Atherton Tableland dairy farms. No wages, rough accommodation, lots of work!!!!

Jobs might include fencing, milking, rebuilding sheds, cleaning up and general duties.

Volunteers need to provide own transport to Cairns, pickup arrangements will be made from there. Grateful cyclone-battered farmers will attempt to help with board and lodging. As much on farm experience as possible would be welcome.

Please contact your local Farm Services Officer on:

Colin Fox	0407 604 581
Brian Thomson	0417 807 874
Katie Tonkin	0428 407 613
Greg Gilbert	0407 399 134

Low Input Dairy Farming

John Nietschke

At the April Board meeting I raised the issue of putting more focus and R & D and extension \$\$'s into low input and more simple dairy farming. The Nietschke's have always farmed this way and each year has delivered a positive \$ bottom line.

Our President David Basham has asked me to write this article for the Update.

Currently our industry is experiencing improved milk prices, a better season and lower fodder costs. This gives an opportunity for each farm to review how and what they do.

What if:

- the historically cyclical world milk price again turns against us?
- the price of grain increase? \$100 per tonne increase will take 3c per litre off the bottom line for most dairy farmers.
- National Foods and Dairy Farmers persist in paying smaller producers less, currently \$20,000 per million litres less.

40 years ago I bought a small very run down property with borrowings and vendor finance, situated on the northern edge of the Barossa. Allow me to make some observations of my time dryland dairy farming:

- barley grass is an excellent feed and is available for grazing a couple of weeks after opening rain in paddocks that are left undisturbed. Graze heavily and clover and rye grass come through later
- at opening rain sow barley for grazing. Close off later and mow as hay leaving out in a windrow for cows to self feed late spring and summer. Saves cost of baling and time carting in and out
- some older cereal varieties good eg. grow Cape Barley. Years ago sowed small area of the "you beaut" newly released Bettong Oats. The cows did not eat it even after eating all other hay left out in that paddock
- as in the above example the only feed test that really matters is what the cows say
- bought in fodder often cheaper than irrigated pasture

We understand that 400 farms in New Zealand are milking only once a day – might this be applicable for us? The Fleurieu Discussion Group is gathering information on this and may be of interest to us.

11 years ago we installed a basic 30 unit rotary dairy at half the cost of some sophisticated alternative systems. This allows us to easily individually feed each cow and to add the electronic monitoring devices if needed. Also a comfortable way of milking especially after a days work in the vineyard.

Our system of farming has served us well with happy cows, minimal veterinary costs and per cow production of 10% above the state average. We have had time to pursue a second enterprise (vineyard), time for family, church, community and industry activities and time for holidays and world travel.

Dairy farming has been good to us, without it we would not have survived the very difficult early years and it has continued to make a profit each year. Our industry is well served with farmer representation as in SADA and from their many help and support organisations.

May you all enjoy success in your part of this great industry.

Happy Dairy Farming, John Nietschke

2006 SOUTH AUSTRALIAN DAIRY OUTLOOK



Adelaide Entertainment Centre
Corner Port Rd & Adam St, Hindmarsh
Tuesday 30th May 2006

DAIRY SITUATION & OUTLOOK



CHALLENGING THE FAITHFUL



TAKING STOCK



DAIRY AUSTRALIA UPDATE



SA DAIRY INDUSTRY PROJECTS



DAIRY AUSTRALIA
Delivering for the dairy industry



ADP Project
Implementing the
SA State Dairy Plan



2006 SOUTH AUSTRALIAN DAIRY OUTLOOK

The 2006 South Australian Dairy Outlook is an event not to be missed by those interested in the growth and development of the South Australian dairy sector.

The dairy industry is a leading agricultural and processing industry in South Australia, with a proactive plan for future growth & development.

Don't miss this opportunity to be informed of industry developments and the future outlook.

Some key presenters:

Hon Rory McEwen - Minister for Primary Industries, and member for one of South Australia's prime dairying regions, Minister McEwen will welcome delegates & open the Outlook Forum.

Joanne Bills - Dairy Australia, will present Dairy Situation and Outlook 2006.

Rick Jordan - Horizon Farming, will challenge the faithful asking "What is the industry really doing to help dairy farmers reach their potential?"

Chris Murphy - Dairy Australia, manages the National program "Taking Stock". Chris will present program achievements, results and outline where it's heading.

James Mann - DairySA Chairperson will update on DairySA projects designed to meet the key issues farmers identified in Taking Stock.

David Basham - SADA President sees great potential in the South Australian dairy industry and provides a cohesive outlook for the future.

TO REGISTER AND FOR FURTHER INFORMATION CONTACT: PIRSA 08 8762 9100

REGISTRATIONS CLOSE: TUESDAY 23RD MAY 2006



Australian
Dairy Farmers

ADF INFORMER – 18 April 2006

Extra Focus on Natural Resource Management

ADF nominees were pleased to take part in the inaugural meeting of the Dairy Australia Dairying for Tomorrow (DfT) Reference Group last week. The DfT name continues to be used as an overall brand for the industry's natural resource management investment. The reference group's role is to provide strategic advice to Dairy Australia regarding their investments in the NRM area. Group members spent the day getting to know one another and the Dairy Australia NRM investment program. Members also gave their initial thoughts about how Dairy Australia could improve its NRM investment in the future. At its next meeting, the DfT Reference Group will consider results from major industry surveys and further advise Dairy Australia's strategy for the forthcoming year.

Gardiner Foundation Engages With Farm Leaders

Members of the United Dairyfarmers of Victoria, Murray Dairy, company representatives and ADF joined with the Board of the Gardiner Foundation to discuss future priorities last week. The outcomes from the farm sector priority setting, the ADF strategic plan and Murray Dairy strategic plan were described and the potential role for Gardiner Foundation investment was discussed in that context. The industry leaders present provided plenty of food for thought for the Gardiner Foundation Board. The role of the priority setting process in providing focus for dairy industry investment was again evident in the Gardiner Foundation process.

People in Dairy

About forty industry stakeholders met last week to discuss the framework for future collective investment in what is described as the "people" aspects of the dairy industry. This included employment, succession/farm transition and leadership. These areas were all identified as high priorities in the recent priority setting process and all present were very supportive of a more co-ordinated industry strategy in these areas.

Professor Karpin Joins Education Committee

The first official meeting of the Industry Education Steering Committee (IESC) was held last week with new Chairman Professor David Karpin taking part. Over the past nine months an interim IESC has been in place providing strategic advice to the industry in regards to the direction of dairy industry education initiatives. The new committee includes nominees from ADF and the Australian Dairy Products Federation (ADPF) and staff from Dairy Australia and the National Centre for Dairy Education. As well as discussing short-term issues about the industry's new education arrangements, Professor Karpin also outlined a process for the development of medium to longer-term strategies for the development of world-class education in the Australian dairy sector.

Animal Health and Welfare Committee Meets

The ADF's Animal Health and Welfare Committee met last week. Animal health issues continue to be a high priority for ADF with the development of the national BJD program, national antibiotic residue management and EBL being considered by the Committee.

In addition, the Animal Health Australia (AHA) **performance review of the Australian animal health system** was on the agenda. When AHA was set up it was important for industry to have strong commitment from State and Federal Governments to provide resources to ensure the maintenance of a sound animal health human resource and physical infrastructure. AHA have now completed the development of version 3 of animal health performance standards that will provide the objective information on the state of our animal health and welfare system.

Animal Welfare remains high on the agenda for the Committee with consideration of the nearly completed Animal Welfare Reference Manual, the finalisation of content of an animal welfare kit being developed by Dairy Australia that will be distributed to all dairy farmers, the development of animal welfare standards, and standards for live exports.

The Committee also recognises the importance for the industry to be well prepared for animal health and welfare incidences through reviewing the dairy industry's Critical Incident Management and Recovery Plan which is managed through Dairy Australia. There will be media training for ADF nominees over the next month with regard to the plan. The Committee also considered the outcomes of an AHA Workshop two weeks ago

which dealt with animal welfare management in the event of an emergency animal disease outbreak in Australia.

The importance of demonstrating sound animal welfare practices and strong animal welfare outcomes for the dairy industry cannot be underestimated.

Live Animal Exports

The ADF participates in an animal industry working group that met last week to develop a strategy for managing long distance transport of animals. The RSPCA and the World Society for the Protection of Animal (WSPA) last year announced they would be conducting a campaign against the live export of animals, particularly for slaughter at destination. It is important that industry maintain all its available export market opportunities and, in so doing, manage the animals to ensure their welfare is considered.

Domestic Market Committee

Last week the ADF Domestic Market Committee met to discuss a range of issues that will be recommended to the ADF Board for consideration. Issues considered included the ADF response to final submissions on the ADF collective bargaining authorisation application through the ACCC, issues associated with the 11 cents per litre levy on drinking milk that funds the Dairy Structural Adjustment Payments, the role and importance of cooperatives to all dairy farmers in Australia, and consideration of a common method for expression of farm gate prices.

Trade

The ADF participated in the DA Trade Reference Group to consider policy and strategy as the Doha Round comes closer to a conclusion. There is expected to be some further developments in early May that will give some clearer understanding of the likely shape of a WTO trade deal and it is imperative the dairy industry continues to provide strong and effective input into the broad strategy of the negotiations as well as the detail. Dairy is complicated compared to other agricultural industries because of the high levels of tariff protection around the world as well as the very high number of products that we produce that have varying degrees tariff and non-tariff barriers.

It is important that the dairy industry, through the Australian Dairy Industry Council (ADIC) and Dairy Australia, continues to provide our negotiators with the very best technical advice and policy directions to achieve the outcomes we seek from trade reform such as elimination of export subsidies, significant increases in market access and reform of domestic supports.

In this context, ADF met with visiting US Department of Agriculture senior economist, Carol Goodloe in the first week of April to brief her on the Australian dairy industry expectations from the WTO. This was also a good opportunity to gain some insight into the US domestic issues that will be major components of the next US Farm Bill that will be up for review over the next year.

John McQueen
Chief Executive Officer
Australian Dairy Farmers Limited
Level 6, 84 William Street
Melbourne VIC 3000
Tel: (03) 9642 8066
Fax: (03) 9642 8166
Email: adf@adairy.com.au

Note:

"Taking Stock" will continue to be available as a free service to Australian dairy farmers until June 2006

*Contact your field officer or
Phone 8536 3958 to participate*

FOR SALE

Irrigated Lucerne Hay

Tintinara area

Feed Tested

Medium Squares



8756 5075 AH

2006 Dairy Diary

brought to you by DairySA and the DairySA Network:

Date	Activity	Location	Contact Person
26 - 27 April	Workshop – Pregnancy Testing	Flaxley	Sue Gunter, TAFE SA 8391 7374
28 April	Taking Stock Advisor Update	Mt Barker	Kirstie Murphy 0408 088 624 or 8536 3958
28 April	CowTime workshop (see row below)	Mt Gambier	Bill Morgan (03) 5598 3209
1, 2 & 3 May	CowTime “Watts In Your Dairy” workshops	Myponga (1/5), Meningie (2/5), Angaston (3/5)	Verity Ingham 8766 0127
1 May	Workchoices Seminar 10.00am – 2.30pm	Ramblers Football Club Murray Bridge	Ph: 8293 2399 to register
2 - 5 May	Workshop – Artificial Insemination	Flaxley	Sue Gunter, TAFE SA 8391 7374
3 May	Succession planning workshop (general for agriculture)	Mt Barker	David Hubbard 8226 0875
3 May	Workshop – Farm Safety	Flaxley	Sue Gunter, TAFE SA 8391 7374
8 May	Workchoices Seminar 11.00am – 3.30pm	Kongorong Football Club	Ph: 8293 2399 to register
9 May	InCalf Farmer Action Group meeting – calving review session	Myponga	Willunga Vets 8556 2075
10 May	InCalf Farmer Action Group meeting – mating preparation session	Myponga	Willunga Vets 8556 2075
16 May	Workchoices Seminar 10.00am – 2.30pm	Vine Inn, Nuriootpa	Ph: 8293 2399 to register
16 -17 May	Workshop – Cash Books & Record Keeping	TAFE Mt Barker	Sue Gunter, TAFE SA 8391 7374
22 May	Workchoices Seminar 10.00am – 2.30pm	Myponga Football Club, Myponga	Ph: 8293 2399 to register
30 May	Dairy Outlook Forum	Entertainment Centre	Kirstie Murphy 0408 088 624 or 8536 3958
8 June	Dairy Innovation Day – South East Themes: Innovations in nutrition and employment Free Bus from the Central Region	Mt Gambier	Kirstie Murphy 0408 088 624 or 8536 3958
8 June	Dairy Industry Dinner	Mt Gambier	Amy Williams 8226 1928
9 June	Bus Farm Tours	South East	Amy Williams 8226 1928
13 June	SADA Board Meeting	SADA Office	Ph 8293 2399
20 June	Workshop – Calving Cows	Flaxley	Sue Gunter, TAFE SA 8391 7374
27 June	Workshop – Conventional Fencing	TAFE Mt Barker	Sue Gunter, TAFE SA 8391 7374
28 June	Workshop – Electric Fencing	TAFE Mt Barker	Sue Gunter, TAFE SA 8391 7374
20 June	Workshop – Calving Cows	Flaxley	Sue Gunter, TAFE SA 8391 7374
June – TBA	DairySA Network Committee meeting		Kirstie Murphy

To put your group's activities in the Dairy Diary, please contact Amy Williams on (08) 8226 1928 or williams.amy@saugov.sa.gov.au

DAIRY TRAINING FUNDING ISSUES

TRAINEESHIPS

2 Options Available-

(a) 12 month traineeship – Certificate II

Incentive payments for Certificate II after a probation period

Commencement - \$1,250

(b) 30 month traineeship – Certificate III

Incentive payments after initial probation period

Commencement - \$1,500

Rural & Regional Skill Shortage - \$1,000

Completion - \$2,500

Other incentives apply at times which the New Apprenticeship Centre (NAC) can advise.

In both cases the employer will need to do the following two tasks. (Using 30 month traineeship as example)

1. Sign the student to a 'Training Contract' Certificate III in Agriculture. This can be done through MAS NATIONAL, contact person Geoff Sherlock ph. 0409 110 292. There are other consultants which can also be used. This consultant will arrange an interview for employer & student at your selected venue & fill out & sign the necessary forms.

The term of this training contract is 30 months and should be started within 3 months of employment. A 3 month probation period applies between Employer & Trainee for either party to terminate the 'Contract'.

2. Enrol in a Training provider course. This can be TAFE, so ring Bob Holman 0401 712 842 and he will register the student in the 'Certificate III in Agriculture' course at TAFE which includes filling out a 'TAFE General Enrolment Form' & make sure they get the relevant training. The cost of this training is \$1.50 per hour if signed up within 3 months of employment \$ 1.70 per hour if later.

Useful websites on traineeships for further information:

www.employment.sa.gov.au/employ/

www.newapprenticeships.gov.au/

SHORT COURSES (TAFE)

There are two options:-

1. Sign the Student up in a traineeship as above & enrol in short courses. The courses will be funded as above. Towards the end of the 30 months you will need to work out the courses the student needs to complete to pass the 'Certificate III in Agriculture' course.

OR

2. Fill out a 'TAFE General Enrolment Form' annually. Then at each short course a form needs to be signed. The cost of this training is \$1.70 per hour (2006 year) unless there are concessions such as Heath Care Card & Pensioners concession card cost then \$1.20 per hour (Hours based on nominal hours allocated within the Industry based training package.

If there was a need for more funds here, the dairy industry could get together & apply for more funding.

FEE FOR SERVICE -SHORTCOURSES (ALL PROVIDERS)

Deliverers charge the client for the training service provided usually on an hourly or daily rate. There may be opportunities depending on eligibility to access other funding sources such as FARMBIS. If approved the funding is usually for 65% of the course with farmers paying 35%. Deliverers will source the necessary forms to be filled out by students & employers.

When no funding is sourced a course for 10 students, dependant on lecturer, hire venue, material costs can be around \$125 per student per day.

For further information please contact Warren Jacobs on 8556 8669

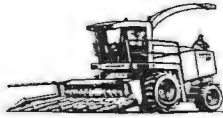
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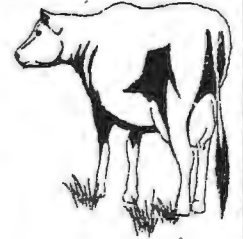
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**Queensland
Dairyfarmers'
Organisation**

Urgent Notice

QDO sets up Dairy Industry Cyclone Relief Fund

The Queensland Dairyfarmers' Organisation has established a **QDO Cyclone Relief Fund** to provide assistance to dairy farming families whom have been severely impacted by Cyclone Larry.

The Dairy Industry on the Atherton Tablelands has been hit hard by Cyclone Larry. Industry and Government authorities are trying to get as much assistance to dairy farming families as quickly as possible, however conditions are horrendous and the road to recovery will be long.

Many dairy farmers have lost much of their farm infrastructure and power has been cut to the region, with restoration not expected for several weeks in some areas. Collectively Dairy Farmers Co-op team, QDO team, industry representatives and Government have been working to get generators, mobile milking plants and technical support up to the region to help the region's dairy farmers and their families.

It is still difficult to assess the total extent of the damage and the QDO President travelled with the Federal and Queensland Primary Industry Ministers this week to assess the impact first hand and the immediate needs of farmers and their families.

We have already had many calls of concern from dairy farmers from right across Australia, with offers of assistance. All donations are welcomed.

Donations can be made by following the directions on the following donation form. 100% of donated funds will go to affected dairy farming families.

The distribution of all donated funds to affected dairy farming families will be overseen by the QDO Executive and regional industry representatives.

The **QDO Cyclone Relief Fund** will provide additional support to dairy farmers in the region with the assistance announced by the Federal and State Governments which will help the recovery and re-building process which will take a long time.



Shaun Geraghty next to what's left of the family dairy farm at Millaa Millaa on the Atherton Tablelands.

PHOTOGRAPH BY CAMERON LAIRD, THE COURIER-MAIL



Queensland Dairyfarmers' Organisation Limited ACN: 090 629 066

QDO Cyclone Relief Fund Donation Form

I/WE (please provide name):

.....

Of (please provide contact & postal details):

.....

Wish to donate the sum of \$.....to the QDO Cyclone Relief Fund to support those dairy farmers on the Atherton Tablelands who have had their businesses and lives severely impacted by Cyclone Larry.

I/we acknowledge and consent to the funds being managed and distributed by the QDO Executive Committee and selected regional Industry representatives.

Payment Details:

I have direct deposited the sum of \$ _____ into the fund account

Account name: QDO Cyclone Relief Fund
BSB: 064-001
Account: 10654438

Cheque enclosed, made payable to "QDO Cyclone Relief Fund"

For the sum of \$ _____

Please debit my credit card in the amount of \$

Bankcard Mastercard Visa

Card number: Expiry Date: /

Alternatively you can phone the QDO office on (07) 3236 2955 to make a direct donation transaction via credit card.

Please tick here if you would like to receive a Tax Invoice/Receipt to be able to claim your donation as a tax deduction

Signed: Date:

ABN:.....

**When completed, please return this form by mail to the QDO office to:
PO Box 13061 George Street QLD 4003, or fax to (07) 3236 2956**

All enquiries should be directed to Kylie Booth or Adrian Pratt, (07) 3236 2955

Guidelines for Dairy Employers in South Australia



**SA Dairyfarmers'
Association Inc**
ABN 70 250 523 225
Unit 5 Emerson Centre
780-802 South Road
Giandore SA 5037
Telephone (08) 8293 2399
Facsimile (08) 8293 8886
Email sada@sada.asn.au

Persons employed on dairy farms in South Australia are generally covered by the State Pastoral Industry Award (South Australia). Exceptions to this may include employers whom are members of the South Australian Farmers Federation - Industrial Association or are named respondent to the federal award, where their employees are covered by the Federal Pastoral Industry Award 1998. It is the responsibility of the employer to ensure that all their employees are receiving conditions and pay rates as set out in the award relevant to their employment.

State Pastoral Industry (South Australia) Award Currently under Review

Station Hands

For employees engaged by the week:

Monday to Friday & Saturday morning (152 hours in any four consecutive week period) to be worked either, over five days in the week, Monday to Friday; or over five and a half days in the week, Monday to Saturday, where work is essential on Saturday morning for good husbandry or tending stock.

Hours in excess of 152 hours in any 4 consecutive week period shall be deemed to be overtime.

Station Hands with less than 12 months experience engaged by the week:

\$11.80 per hour or \$448.40 per week (38 hours)

Station hands with greater than 12 months experience or more, but who do not conform to the definition of a general station hand (as defined) engaged by the week:

\$12.4579 per hour or \$473.40 per week (38 hours)

General Station Hands (at least 2 years experience) engaged by the week:

\$12.98.68 per hour or \$493.50 per week (38 hours)

Definition: - **General Station Hand** means an employee who has had at least two years experience in the pastoral industry as a station hand and who is capable of performing efficiently without supervision any task, including driving a tractor and motor vehicle and operating farm machinery, which might reasonably be required of a station hand on the property where s/he is employed.

For employees under 21 years of age engaged by the week – without keep:

At 15 years of age 45% of adult wage, \$5.3105 per hour \$201.80 per week (38 hours)

At 16 years of age 50% of adult wage, \$5.90 per hour \$224.20 per week (38 hours)

At 17 years of age 55% of adult wage, \$6.4895 per hour \$246.60 per week (38 hours)

At 18 years of age 65% of adult wage, \$7.6697 per hour \$291.45 per week (38 hours)

At 19 years of age 75% of adult wage, \$8.8526 per hour \$336.40 per week (38 hours)

At 20 years of age 90% of adult wage, \$10.6197 per hour \$403.55 per week (38 hours)

For all employees engaged by the week overtime rates:

The rate of pay for overtime shall be time and a half. Sunday is time and a half if feeding; milking or watering stock, any other duties is double time. Public holidays double time.

For all employees engaged by the week Annual Holidays:

4 weeks + leave loading of 17.5%

For all employees engaged by the week Sick Days:

10 days per annum after 12 months service, before 12 months 1.46 hours per week

For employees engaged as a casual:

Casual employees shall receive 1/38 of the relevant weekly rate plus an all-purpose loading of 20.0%

For all casual employees overtime rates:

All day Saturday and Sunday is time and a half. Public holidays double rates. All worked performed by casuals in excess of 8 hours per day Monday to Friday is time and a half

The State Pastoral Industry (South Australia) Award can be viewed at
www.safework.sa.gov.au

Superannuation Guarantee

Changes to Superannuation Guarantee introduced from 1 July 2003 mean that employers are required to make superannuation guarantee contributions on behalf of their eligible employees **at least once each quarter**.

Contributions are due by: **28 October, 28 January, 28 April and 28 July** each year.

You now need to:

- **Calculate** 9% of the earnings base for each eligible employee (generally employees who are paid \$450 or more per month)
- The earnings base is defined as Ordinary Time Earnings as wage & salary payments made to employees, including over award payments, but not including overtime payments
- **Pay** this to a complying superannuation fund **at least quarterly**
- **Report in writing to your employees** the details of the contributions you have made to their funds **at least once every quarter** on a pay slip, letter or email. You should note the amount contributed, the name of the fund and, if known, the employee's account number.
- **Keep a record** of when, what and how you have reported superannuation contributions to your employees.

If you don't make your superannuation contributions by the cut off dates you will face penalties. You may also face penalties if you don't report details to your employees.

DISCLAIMER

This publication has been developed in consultation with
SafeWork SA Phone 1300 365 255

This publication is provided in good faith and as a guide only, it may be of assistance to you, but the author does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication. This information is subject to change without notice. Current as at 20/12/05

City: 322 King William Street
Adelaide SA
Tel: (08) 8212 5099



Marion Workwear: Morphett Road
Oaklands Park SA
(Next to Motor Rego)
Tel: (08) 8377 4255

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Westfield Tea Tree Plaza: Shop 162/3, Level 2 Tel: (08) 8396 3800

NARM NEWS

Volume 1 Issue 3

April 2006

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the third issue of the quarterly newsletter NARM News for 2005/06. There was a great start to this year with no bobby-calf residue detections during the quarter of January to March. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on record keeping and on-farm identification for the effective minimisation of chemical treatment residues.

The message for this issue is to minimise the residue risks to your business and ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Michael McManus Phone: 08 8226 0421
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

NARM Residue Detections

January – March 2006

During the third quarter of the financial year 2005/2006 there were no residue detections found in SA bobby-calves. PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Bobby-calf Ear Tags

The current form of identification required for the sale of all bobby-calves (calves less than 6 weeks old) in SA is the NLIS tag identifying the bobby-calf's property of origin. Bobby calf eartags can no longer be bought; the exemption allowing bobby calves to be identified with a bobby calf ear tag has now been removed. Until July 1 2006 producers will be able to use up any stocks of Bobby Calf ear tags they have on hand, but after this date, calves must be identified with NLIS tags.

Producers with queries about identifying calves can contact PIRSA on 1800 654 688.

Managing Residues under LPA

A number of producers are involved in LPA (Livestock Production Assurance), an industry-managed on-farm Quality Assurance scheme that is designed to help the red meat industry strengthen the food safety systems currently in place. For those producers that are in LPA it is important to make sure that you understand what is required of you. The LPA food safety guidelines underpin the revised NVD waybill for cattle, sheep, lambs and goats.

It is not compulsory to use the LPA NVD waybill, however major livestock buyers indicate that they require the NVD. It is up to the producer to find out if the livestock buyer requires the LPA NVD waybill.

When becoming fully accredited with the LPA, producers are agreeing to keep on-farm records,

INSIDE THIS ISSUE

- 1 NARM Residue Detections
- 1 Bobby-calf Ear Tags
- 1 Managing Residues Under LPA
- 2 Bobby-calf NVDs
- 2 Property-To-Property Transfer and NLIS
- 2 Next Issue

accept random checks by an independent body and use the LPA NVD waybill for all livestock transactions and movements between Property Identification Codes.

LPA has five on-farm food safety guidelines. By following these guidelines you will be able to answer the LPA NVD Waybill declaration with confidence and your livestock buyer will know that you stand by the food safety status of your livestock.

The LPA guidelines:

- 1. Property risk assessment** – Making sure your livestock are not exposed to areas on your property that may be contaminated with persistent chemicals. This does not mean you have to conduct soil tests – this will depend on what your risk assessment indicates.
- 2. Safe and responsible animal treatments** – Making sure the livestock you sell do not contain unacceptable chemical residues or physical hazards.
- 3. Stock foods, fodder crops, grain and pasture treatments** -
Making sure your livestock are not exposed to feeds that contain unacceptable contamination, specifically, any food containing animal products and/or unacceptable chemical residues.
- 4. Preparation for dispatch of livestock** - Making sure your livestock to be transported are fit for the journey, not unduly stressed and contamination is minimised during on-farm assembly and transport to the destination.
- 5. Livestock transactions and movements** – Making sure the movement of livestock can be traced if required, and that the chemical residue or food safety status of livestock accompanies their movement.

More information on LPA and a list of frequently asked questions can be found on the Meat & Livestock Australia website:

www.mla.com.au/lpa

To avoid chemical residues in bobby-calves producers are reminded to read the label of all veterinary products for specific treatment directions and withholding periods.

Bobby-calf NVDs

Producers can obtain bobby-calf NVDs at no cost from agents, calf buyers and abattoirs. The best place to obtain NVDs from is abattoirs and saleyards. Agents, calf buyers and abattoirs can obtain bobby-calf NVDs from MLA at no cost, however individual producers cannot obtain bobby-calf NVDs directly from MLA.

According to the Livestock Regulations 1998 under the *Livestock Act 1997*, a person must not sign a vendor declaration in connection with the sale or proposed sale of livestock unless the person is the owner of the livestock or a person responsible for the husbandry of the livestock authorised by the owner to do so. It is important to remember that transporters are not legally able to sign them. Allowing a transporter to sign declaration forms could result in a maximum penalty of \$5000.

Property-To-Property Transfer and NLIS

All cattle, including calves, must be identified with an approved device *before they leave the property* for sale or slaughter. If a meat inspector detects disease in slaughtered cattle or takes a sample for chemical residue, the tag will quickly identify the property.

It is a legal requirement that all movement of cattle be updated on the NLIS database. If a calf is moved from one property to another property with a different PIC the NLIS database must be updated irrespective of how long the calf is to be held on that property. In the past if an animal was on another property for seven days or less it was not necessary to change any details. This has changed, as it is necessary to record all stock movements to ensure traceability. This enables the source of any disease or chemical residue to be traced because the NLIS tag can show all properties that the animals have been on.

Next Issue

The next issue of NARM News will be distributed in July and will contain further information on how to avoid residues and industry updates.



Government of South Australia
Primary Industries and Resources SA

SADA MEMBERSHIP

We
Address
.....
.....
Phone
Mobile
Fax
Email

would like;

- to become members of SADA and have completed the application form sending it back with this form.

- to become members of SADA and have completed the application form, sending it back with this form but would like the development officer, Kirstie Murphy to visit.

- the development officer Kirstie Murphy to visit to discuss joining SADA.

- not receive any more copies of the SADA Update.

Fax Back to 8293 8886

or **Post** to U5, 780 South Road, Glandore 5037

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons - Editor

Wednesday 17 May 2006
President's Report
David Basham

To represent dairy farmers well in South Australia I believe it is important that we maintain good communication with other state dairy farmer organisations, especially the largest and closest dairy state, Victoria. Last week Michael Connor and I attended the United Dairyfarmers of Victoria (UDV) Conference at Echuca/Moama to see the issues before their annual conference.

One of the issues that caused some debate followed a presentation by Professor German Spangenberg on Genomics and Molecular Breeding for Dairy Pastures (GMO ryegrass and clover). The Professor outlined the breakthroughs in both clover and ryegrass and the gains that can be enjoyed by dairy farmers when this technology is available. It will take until at least 2009 before there would be enough seed for commercial use of GMO pasture on dairy farms. This gives us as an industry a few years to decide if we wish to go down the GMO path.

The first step would be for us as an industry to decide if we would like to use these products. This was the debate that occurred at the UDV conference. The Conference decided to consider the issue for the next twelve months before deciding to go down the GMO path. We in SA need to have the same debate, so if you have any opinions on the use of GMO plants please speak to one of the board members.

Even if we decide to go down this path we will need to convince our customers of our decision to use GMO pasture and this will include convincing the general public. It maybe a hard road to go down but the benefits appear to be worth the effort, and some of our world competitors have already chosen to use GMOs. It will be an interesting debate and I would like your input.

Another issue that the UDV looked at was the importance of co-operatives to the dairy industry in Australia. They recognised that co-operatives have a role of setting a benchmark for farmgate prices. The UDV will encourage co-operatives to choose the best candidates for their boards and offer assistance in training of candidates in corporate governance. I support the principal of the UDV's policy but I think we need strong proprietary companies as well as strong co-operatives. The stronger performing all the players we have in the industry the more likely they will compete for our milk and drive up milk price.

Attending the UDV Conference was very interesting not just for the presentations and the debates of particular issues but the talking with farmers about issues facing them on their farms in Victoria. They have similar things affecting them as we do in South Australia.

If you wish to discuss any of the above issues both Michael and I would be pleased to discuss it with you.

I would also like to pass on my best wishes to all the mothers in the dairy industry and hoping they had an enjoyable Mothers Day on Sunday.



Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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Most areas are reporting a good start to the year pasture wise, the demand for milk remains strong and there is a general feeling of confidence in the industry. However; there are an ever growing number of “threats” to the future prosperity of our dairy industry that can only be addressed through collective action by SADA, ADF and NFF. Fortunately good progress is being made in dealing with many of these issues and this is also adding to the confidence of the members.

SA DAIRY OUTLOOK FORUM

But the true confidence of the SA and Australian Dairy Industry will be analysed in great detail at the coming SA Dairy Outlook Forum to be held on Tuesday 30 May. Over the weekend I drafted an invitation to Minister Rory McEwen to open the Forum only to find the next morning we were at the airport together. We discussed how this Forum should be a lot more positive than the one he chaired in Parliament House a few years ago. What is likeable about Minister McEwen is that he is not just a “fair-weather” Minister. He has shown himself to be just as keen to build productive partnerships and outcomes with primary industries that are going through their “ups” as well as those having “difficulties”.

ADF CONVINCES ACCC TO CONTINUE COLLECTIVE BARGAINING FOR DAIRY

I am pleased to report that the ADF last week was successful in negotiating from the ACCC a further extension of five years for dairy farmers to form “collective bargaining groups”. Certainly the SA dairy industry has benefited in terms of better milk prices from the use of this hard fought for benefit provided by the ACCC to dairy farmers. This is something every SADA member can claim as a direct result of their membership of SADA.

Recently the President of SAFF congratulated SADA on our success with the ACCC in relation to collective bargaining and asked how many new members this generated. Unfortunately SADA has lost membership over the issue perhaps because of two basic misunderstandings that were not properly addressed at the time. Firstly; the SADA membership is a membership of SADA, ADF and NFF. So your SADA membership is

financing the functions of all three associations. Secondly; one of the key negotiating points that ADF had to concede in the bargaining with the ACCC (both for the initial rights for dairy to collectively bargain and the new rights for the next five years) was that **THE STATE ASSOCIATIONS (LIKE SADA) ARE NOT PERMITTED TO BE DIRECTLY INVOLVED IN THE BARGAINING GROUPS.**

We at SADA (Board Members, SADA Executive etc) are all committed to working towards getting all those who resigned over the issue back. Our President, David Basham, will be phoning those who have left in the near future and would like to talk to anyone who is still concerned over the issue.

This is what ADF President Allan Burgess had to say about the important announcement:

"For those dairy farmers who choose to be part of a collective bargaining group, collective bargaining provides an opportunity for them to balance the power through better information and understanding of the market place as well as to save considerable costs associated with contract negotiation and development. By pooling their resources, dairy farmers can benefit from improved negotiation ability between themselves and a dairy company as well as have the ability to reduce the legal and other associated costs of contract development.

"The ADF believes this decision by the ACCC will ensure dairy farmers will continue to benefit from the opportunities collective bargaining provides for their dairy farming business development into the future."

So if there are groups that wish to find out more about collective bargaining please contact John McQueen at ADF. Also under the arrangement with ACCC these groups need to be registered with the ADF.

NEW INDUSTRIAL RELATIONS OPTIONS

The recent changes to the IR arrangements at both the state and federal level provides both challenges and opportunities for dairy farmers and SADA. As reported in previous Updates, with the assistance of Chas Cini, we have been able to use your SADA levies to give individual dairy farmers a say in the development of the new arrangements. Currently SADA is working with the Department of Employment & Workplace Relations and NFF to provide information via a series of WorkChoices Forums. There is a lot of scope to further assist dairy farm businesses to cope with the changes through various strategies all involving “collective action”. This is expected to be an ongoing challenge for the next 2-3 years.

Thanks for all those who have participated in the WorkChoices Forums. It has been a major challenge to get the materials ready and presented at such short notice. If there is one key message here it is that farmers engaging in labour need to have good documentation of all aspects of the employment from start to finish. Another is that there have been many significant changes to the conditions of employment and change will be “ongoing”.

It would be extremely remiss of me not to thank all associated with getting the WorkChoices Forums project up and running because, irrespective of the near impossible deadlines, the program is being well received in the country. Looking at the evaluations provided by those attending the sessions delivered by Chas, Jo and myself they are some of the best I have seen. Particular thank you to the NFF project co-ordinator Denita Wawn and Jenny Corkhill.



Chas Cini and Kirstie Murphy at Murray Bridge



Jeff Wright, Denita Wawn (NFF) and Suzie Galpin at the WorkChoices Seminar in Murray Bridge



Chas Cini and Jo van Rijthoven at Kongorong

Note there is a two page inclusion **(FOR MEMBERS ONLY)** outlining the key current requirements for employment under the State Pastoral Act.

REVIEWING THE SA STATE STRATEGIC PLAN

Another project I am involved with, that is also getting good media coverage, is the review of the South Australian Strategic Plan. The area of particular interest to the rural community is the section relating to sustainability and the environment. Involvement not only enables rural issues to be assessed in relation to the aims of creating growth and wealth but it ensures and enhances credibility with the government. It is a two way process of industry helping the government with their plans and the government helping industries like the dairy industry with our dairy plan.

Working closely with the senior government agency managers builds the rapport that has helped so many of our dairy industry committees deliver positive outcomes in relation to water, effluent, power etc.

There has also been a lot said in the press about the departure from SA of both Robert Champion de Crespigny and Dr. Tim Flannery who have been major players in the State Plan. But I am sure they will continue to have a continuing association. For instance it is reported that Tim will continue to provide quarterly reports to the cabinet even after taking up his new role with Macquarie University.



L-R: Tim Flannery and Ken Lyons

SADA PROGRAM OF ACTIVITIES IS GROWING

Over recent years the months of May and June are our busiest at SADA. The program of events we are participating in this year is particularly awesome. While you can normally even things out somewhat it has been the number of new events such as our involvement with several national projects such as WorkChoices that were to run with or without involvement of SADA that

has caused the "overtime". Only a joke, we do not have overtime at SADA.

One of the benefits of all these forums, workshops, dinners, seminars, reference groups etc is that I have had the opportunity to have some very valuable time with our grass roots members. Overall this is a very exciting industry and there is lots of satisfaction with seeing our efforts through our portfolio positions and committees rewarded.

LEADERSHIP COURSES, INNOVATION AWARDS AND LOTS MORE

It is particularly rewarding to assist with the various Dairy Australia, the companies and other organisations providing opportunities for bright and keen young dairy people to further develop their abilities and skills. Kirstie and myself are available any time to discuss these opportunities.

SA RURAL LEADERSHIP PROGRAM

Information for the next SA Rural Leadership Program is now available.

Dates for this year are 25-28 July (Tiffins on the Park, Greenhill Road, Parkside) and 18-19 September (Venue TBA). Applications close 23 June 2006.

For further information contact either Kirstie Murphy on 0408 088 624 or Ken Lyons on 8293 2399.

THOUGHT FOR THE MONTH

A recent study attempting to find the characteristic of the most successful rural industry associations found that the membership of the most successful considered their association as an extension to their farm business. They recognised there were many issues they had no control of as individual farmers. But through their association (SADA, ADF and NFF) they had a means of "having a voice".

MEMBER BENEFITS

MBF Health are providing an exclusive Plan to all SADA Members which provides outstanding health cover options and benefits. Call 1300 653 525. Member details need to be provided.



SA DAIRY AWARDS GALA DINNER

The South Australian Dairy Awards competition has been established as the result of the amalgamation of the Dairy Industry Association of Australia and the Royal Adelaide Show Dairy products competitions to create prestigious

awards representing the entire industry. These awards will be presented at the SA Dairy Awards Gala Dinner which will be held on Tuesday August 8 at the Ridley Pavilion, Royal Adelaide Showgrounds.



Darryl Freer (DIAA) and Jo Gilbert (SADA)



NFF and Telstra Countrywide are offering SADA members further discounts on their phone bills.

The discount has risen from 6% to 7.5% on all eligible calls made from a range of eligible Telstra services. To take advantage of this very exclusive member benefit just call

1800 836 864.

Members may also be eligible to receive other reward options.

THANK YOU

On the 28th April I completed the Australian Dairy Industry Advance in Dairy Leadership Development Program.

I found this course to be challenging and motivating, and participating has improved my confidence. One of the most valuable outcomes was the focus on networking. Not only the important role this plays in business but also the direct contacts that I have made through the course will be of great benefit.

This course obviously has credibility and has given participants access to many levels of industry and government, providing contacts that I know will be of benefit into the future.

I would like to thank SADA for your interest and sponsorship of the program, which I think, helps develop future leaders for our industry.

I look forward to ongoing involvement in many areas of our industry and believe I can make a positive contribution.

Please feel free to make contact with me at any time.

Michael Connor
0419036500

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How herd recording with ABS can benefit you

“ With 100% of our herd recorded cows now on the one platform (MISTRO), ABS Australia can provide more accurate, better quality information to companies that are progeny testing bulls and to farmers using Australian genetics.



*Steve Fried
General Manager*

A better herd recording system will assist in producing better bulls. By contributing data to the ABV system, ABS supports the delivery of value to dairy farmers.

The workability and calving ease data recovered through herd recording is valuable for producers considering the use of AI in their maiden heifers.

ABS is committed to investments in new technologies that will make herd recording easier for our clients. We hope they will be encouraged to make use of herd recording in their farm management system.

Better bulls also create export demand, generating vital revenue to re-invest in our domestic breed improvement programs.

Our goal is to provide superior herd recording and a broad range of genetics from all suppliers at competitive prices.

As part of Genus plc, a global organisation, ABS Australia is able to offer the latest in technologies at competitive prices.”

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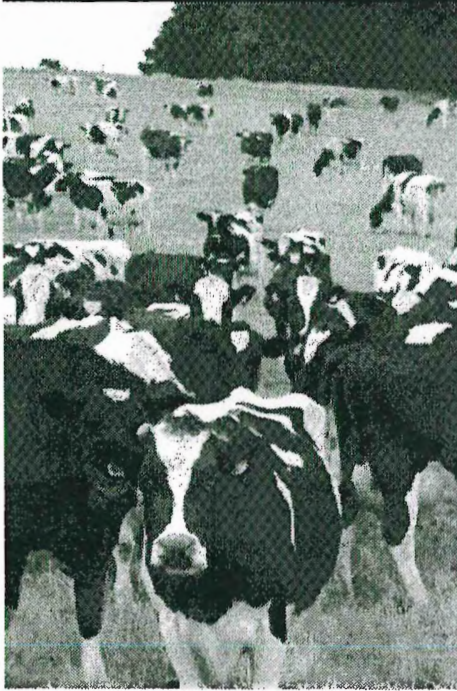
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2006 SOUTH AUSTRALIAN DAIRY OUTLOOK



*Adelaide Entertainment Centre
Corner Port Rd & Adam St, Hindmarsh
Tuesday 30th May 2006*

DAIRY SITUATION & OUTLOOK



CHALLENGING THE FAITHFUL



TAKING STOCK



DAIRY AUSTRALIA UPDATE



SA DAIRY INDUSTRY PROJECTS



ADP Project
*Implementing the
SA State Dairy Plan*



2006 SOUTH AUSTRALIAN DAIRY OUTLOOK

The **2006 South Australian Dairy Outlook** is an event not to be missed by those interested in the growth and development of the South Australian dairy sector.

The dairy industry is a leading agricultural and processing industry in South Australia, with a proactive plan for future growth & development.

Don't miss this opportunity to be informed of industry developments and the future outlook.

Some key presenters:

Hon Rory McEwen - Minister for Primary Industries, and member for one of South Australia's prime dairying regions, Minister McEwen will welcome delegates & open the Outlook Forum.

Joanne Bills - Dairy Australia, will present Dairy Situation and Outlook 2006.

Rick Jordan - Horizon Farming, will challenge the faithful asking "What is the industry really doing to help dairy farmers reach their potential?"

Chris Murphy - Dairy Australia, manages the National program "Taking Stock". Chris will present program achievements, results and outline where it's heading.

James Mann - DairySA Chairperson will update on DairySA projects designed to meet the key issues farmers identified in Taking Stock.

David Basham - SADA President sees great potential in the South Australian dairy industry and provides a cohesive outlook for the future.

TO REGISTER AND FOR FURTHER INFORMATION CONTACT: PIRSA 08 8762 9100

REGISTRATIONS CLOSE: TUESDAY 23RD MAY 2006

Please Note: 2006 SA Dairy Outlook starts at 9.00am

WORKING ON THE PLAN

Implementation of the State Dairy Plan
Sally Schultz

Succession Planning Workshops a huge success

More than 50 dairy farmers attended two interactive succession planning workshops at Mount Gambier and Murray Bridge in April. Coordinated through the State Dairy Plan project, the workshops included nationally renowned communications specialist Lyn Sykes who discussed business structures for family farms, as well as succession planning details, processes and communication tips. Other presenters included incredibly talented lawyer Chris Winnall, and accountants John Miles (Mount Gambier) and Shane Teakle (Murray Bridge). The workshops proved to be a great success.

SA dairy results set for release

An update on the State Dairy Plan project will be presented at the 2006 South Australian Dairy Outlook Forum on Tuesday, 30 May in Adelaide. Dairy Plan Implementation Manager Sally Schultz will present information about the project, while other industry representatives will provide figures from the national Dairy Situation and Outlook survey results. South Australia will be the first state in Australia to receive the survey results, which will give insight into how dairy farmers are managing and what the future outlook is for the industry. The forum is the combined initiative of DairySA, the Agricultural Development Partnership (ADP) project: Implementing the State Dairy Plan, and South Australian Dairyfarmers' Association, with Dairy Australia providing significant support.

Details: Forum registrations close on Tuesday, 23 May 2006. Further information can be obtained from DairySA on 08 8766 0127.

Irrigation for Profit Workshops draw closer

Dairy farmers are still able to register for Irrigation for Profit workshops in the Murraylands in late May. The workshops will focus on improving your farm's irrigation efficiency, and will be presented over two days spaced a week apart:

Mount Gambier

- Day 1, Tuesday 23 May - pumps and meters workshop, and pivot irrigation systems workshop
- Day 2, Tuesday 30 May - irrigated soils workshop, and irrigation scheduling workshop

Meningie

- Day 1, Wednesday 24 May - pumps and meters workshop, and pivot irrigation systems workshop
- Day 2, Wednesday 31 May - irrigated soils workshop, and irrigation scheduling workshop

Denis Sparrow, Glen Bailey and Mark Skewes of Irrigation Consulting Management Services will present the workshops, which will include field visits for practical learning. Attending all four workshops will greatly assist dairy farmers to manage irrigation to achieve highly-efficient water delivery to pastures, and high production and profitability for every drop of water pumped.

Details: To register, or for more information, call PIRSA Struan office on 08 8762 9100

Note:

"Taking Stock" will continue to be available as a free service to Australian dairy farmers until June 2006

Contact your field officer or
Phone 8536 3958 to participate

FOR SALE

Irrigated Lucerne Hay

Tintinara area

Feed Tested

Medium Squares



8756 5075 AH

2006 Dairy Diary

brought to you by DairySA and the DairySA Network:

Date	Activity	Location	Contact Person
22 May	Workchoices Seminar 10.30am – 2.30pm	Myponga Football Club, Myponga	Ph: 8293 2399 to register
22 May	Dairy Industry Development Board meeting		Tony Morbey 8207 7956
30 May	Dairy Outlook Forum	Entertainment Centre	Kirstie Murphy 0408 088 624 or
8 June	Dairy Innovation Day – South East Themes: Innovations in nutrition and employment Industry Dinner Thursday night	Mt Gambier	Kirstie Murphy 0408 088 624 or 8536 3958
	Free Bus from the Central Region for South East Dairy Innovation Day (7/6-9/6) picking up at Flaxley, Tailem Bend and Meningie	Central region to South East	Amy Williams 8226 1928
9 June	Farm Tours in the South East in conjunction with the South East Dairy Innovation Day	South East	Amy Williams 8226 1928
13 June	SADA Board Meeting	SADA Office	Ph 8293 2399
19 June	DairySA Network Committee meeting	Flaxley	Kirstie Murphy
20 June	Workshop – Calving Cows	Flaxley	Sue Gunter, TAFE SA 8391 7374
21 - 22 June	Employment Workshop	Mt Gambier region	Virginia Ewing 8739 3315 Peter Ryan 8303 7917
27 June	Workshop – Conventional Fencing	TAFE Mt Barker	Sue Gunter, TAFE SA 8391 7374
27 – 28 June	In Calf Farmer Action Group	Myponga	Willunga Vets 8556 2075
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11-13 August	SA Rural Women's Gathering	Goolwa	

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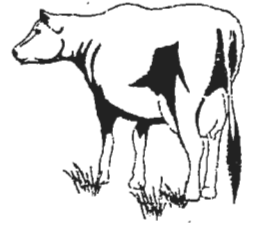
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Up to \$10,000 is available for each award winner to carry out an innovative project that will benefit rural industries.

To find out more, visit our website at www.daff.gov.au/scienceawards or on (02) 6272 4197

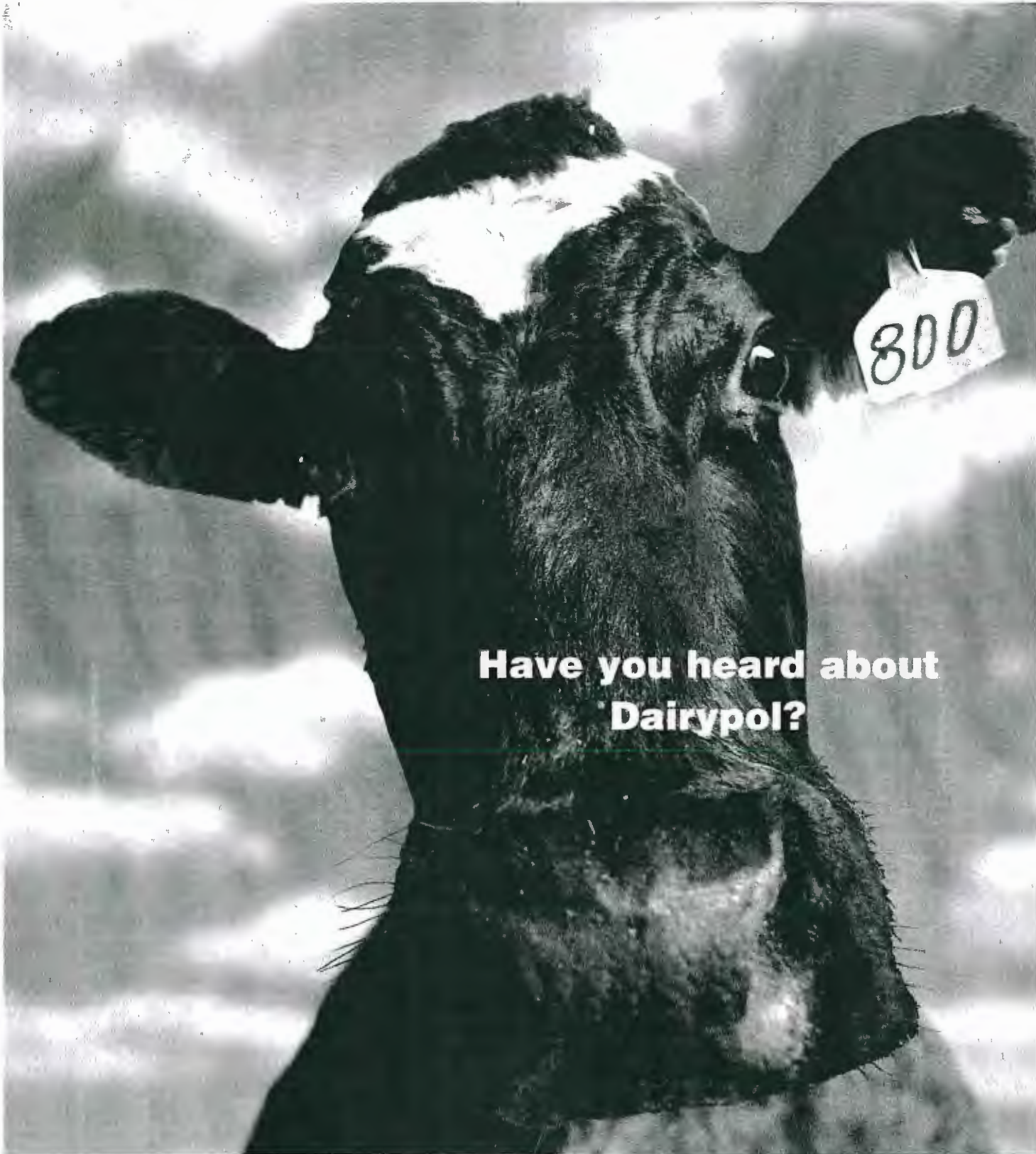
Applications close on 30 June 2006

FAR NORTH QUEENSLAND - UPDATE

Cyclone Larry was followed by the tail end of Cyclone Monica – resulting in 523 mm rain at Malanda for April, and 36 wet days out of 42 since Larry! Millaa Millaa has had over 1,500 mm of rain (yes, that's about 5 feet!!)

Both Dairy Farmers and Dairy Farmers Milk Co-operative provided fencing worth approximately \$200,000 to our dairy farmers as they rebuild fences destroyed by Cyclone Larry. The farm clean up operation continues with help from volunteers. All farms are now back on mains power.

Heath Williams, 17 years old, son of Meningie dairy farmers Geoff and Rosemarie Williams, freely volunteered to go up there and help out. He was milking at Innot Enterprises, which milks over 900 cows, and they were extremely happy with Heath. Heath spent two weeks in the area and was also boarded at another dairy farm, and everybody was very appreciative of a young South Australian going all that way to help out. Heath said he's never seen so much rain!



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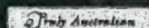
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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons - Editor

Tuesday 20 June 2006
President's Report
David Basham

On the 30 May a Situation Outlook Forum was held in Adelaide to inform the SA industry of where the industry was sitting. Indications are that the current pricing is likely to be stable into the medium term. The strength of the Australian Dollar is the only concern in the short term. However, there are still predictions ranging from slightly strong through to falls down into the low 70's or even the high 60's.

As President of SADA I presented to the forum outlining some of the issues that I felt SADA needs to address with other industry partners. I will outline a couple of them below.

Human resource management is an increasing issue on South Australian dairy farms. Working in consultation with DairySA a committee was formed to help with the human resource management needs on farms. This committee is working with TafeSA and Dairy Australia's National Centre for Dairy Education to deliver better training on farms. The measure of success of this group can already be seen with increased participation in dairy training in South Australia lately. On a related issue SADA has raised concerns with members of the Dairy Australia Board and staff that extension has been limited in South Australia for several years as we have not had a dedicated extension officer based in SA. Dairy Australia, DairySA and PIRSA are working to resolve the lack of extension staff. This issue is progressing and SADA will monitor that the chosen system to deliver extension meets the requirements of South Australian dairy farmers.

Another issue is transport. With the increasing cost of fuel, improving transport efficiencies will make a significant difference to all sectors of the industry. It has been indicated to me that the cheapest method of transporting milk from farms is going to include the use of b-double milk tankers across the state. SADA needs to assist the milk processing companies lobby state government and local councils to provide access for b-doubles onto local roads so they can gain access to farms. The benefits to farmers is not only a cheaper milk collection system but b-double access will also allow fodder and stock to be moved at cheaper rates as well. To make this fair and work we need to address, with the milk companies, a method of helping returning some of the savings from using b-doubles to the farmers. The farmer in many cases will need to invest in tracks and entry points to allow the tankers to have access to the farm, hence the need for funds from the companies to pay for part of this development. One of our committees that is responsible for this issue is currently investigating options that can be put to the companies. The measure of success will be the smooth transition across the state and financial compensation for farmers to carry out the required works.

The last issue I will mention that SADA has been working on is underpasses for cows crossing roads. To this point we have not been able to attract the same support the Victorian government has offered its dairy farming industry (50% funded up to \$20 000). As farms increase in size there is the likelihood that cows will need to cross roads. Large herds of cows crossing roads can take 10 to 20 minutes if they are allowed to walk at a comfortable pace. People are often not prepared to wait and on occasions will drive through the herd risking cows being spooked causing a traffic safety problem. There are also the risks of the road being slippery after cows have crossed that could lead to a vehicle losing control. Farmers are also at risk as they are placing themselves in a position of danger where cars can be travelling at high speed could lose control and hit them.

There is a huge public benefit of increased safety that needs to be addressed. The use of underpasses will remove these risks as well as make management of farms easier. We have asked the Dairy Industry Development Board to look into methods of funding two trial underpasses so we can demonstrate the benefits to the community. We hope that the government is able to see the benefit and adopts a similar position as the Victorian Government as the problem will get worse not better without underpasses.

These are only a couple of the issues I outlined. If you would like to discuss these or any other issues please contact me or any of the Board or come to your regional AGMs in the next few weeks.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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I hope you will enjoy reading this Dairy Update as there's a lot of good news. Most importantly I will introduce you to an exciting **MULTI-MILLION DOLLAR DAIRY INITIATIVE**. In recent years we have seen some daring "collective" industry initiatives such as Dairy Moving Forward, and last year the establishment of the National Centre for Dairy Education Australia and now we are about to seek federal funding for a **WATER SMART DAIRY PROJECT**. But let's start with a picture of where our dairy industry is now.

A POSITIVE OUTLOOK FOR DAIRY

This year's Dairy Outlook Survey paints a bright future for the South Australian dairy industry and a return to growth. Several of the speakers at the Outlook Forum on 30 May followed the lead of Minister Rory McEwen and spoke of the importance to the industry on having a good handle on the "numbers". Information was provided on the intentions of farmers in relation to their business plans for the coming three years, the outlook for prices and seasonal conditions and a summary of the major issues the industry is addressing "collectively" (Associations and Dairy Australia).

The media coverage has been excellent and this detailed industry analysis will be of benefit to both the industry and the services sector.

Given the dairy industry survey was done in February/March and now the season has turned out quite well for all regions in South Australia I would expect industry confidence to be even stronger today.

If a member is keen to obtain a copy of the full report they can contact the SADA office. I am sure we can get you a copy and discuss any particular issue with you. Each year we review the survey with Dairy Australia (DA) so if members have any comments on the survey I would be pleased to hear them.



L-R: Caroline Schaefer, Helen Smith and Jill Williams



L-R: David Basham, James Mann and Max Green

DELIVERING GOOD RETURNS FROM DAIRY AUSTRALIA

It is important that farmers feel satisfied and confident that they are getting good value from their service company, Dairy Australia. At the recent ADF Board meeting time was devoted to two activities aimed at ensuring this performance will be delivered to our industry.

Firstly; ADF, on behalf of dairy farmers, reviewed the major strategic plans of DA. This important on-going review process has been refined so both DA and ADF are feeling confident about the process. At the heart of this process is ensuring the "grass roots dairy industry members" enjoy a strong sense of "ownership" of DA. The SADA Board and DA themselves are always receptive to your ideas and comments about the services provided by DA.

Secondly; ADF is participating in an "external review" of the performance of DA. This provides an independent check (required by the government who also is providing DA funding) to ensure DA is more than competitive in performance with other similar companies.

The one area that farmers have a more direct say about is the RDP's which in our case is DairySA.

TIME FOR PLANNING AND TIME FOR FIGHTING

From time to time industry associations need to defend their industries by “getting into the ring” and having a “go”. The trouble is some of our adversaries are very well funded and may even have powerful international connections. For these situations we can call on the AFFF. I can hear many readers thinking, “what is the AFFF?” Well It’s an important fund, generated by your SADA levies, that provides the financial clout to “hit back real hard and where it hurts”. It is the Australian Farmers Fighting Fund (AFFF) administered by an NFF Committee. In fact Denita Wawn who we featured in the last SADA Dairy Update is the Executive Officer for the AFF Fund.

I mention this because we recently used this fund to successfully take action in the SA Supreme Court against the animal rights activist, Ralph Hahnheuser.

VALUE IN BEING INFORMED WITH POWER OUTAGES

The dairy industry would be well served by a consistent supply of competitively priced inputs of feed, water and power. But as we all know life can be full of surprises and “power outages” both planned and accidental can cause dairy operations lots of inconvenience. Recently ETSA advised us that they would need to turn off the power briefly (6 June) in the lakes region in order to install new equipment so we were able to give our farmers notice of the outage. In another case last week a front coming through the lower Fleurieu took out most of the power and we were able to assist with keeping people aware of the restoration times.

GIVING DAIRY FARMERS ACCESS TO MULTI- MILLION DOLLAR FUNDING

Farmers regularly report their concerns that governments are asking them to do more and more to comply with ever increasing demands relating to environmental sustainability. In the majority of cases where farmers invest in environmentally positive developments they are left to foot the bill by themselves when the public is also often a beneficiary. As the arguments over water continue to grow all the rural industries have been searching for more and better ways of getting government dollars for the environment (and there is millions available) into the hand of farmers for on-farm works.

Now here is the good news:

The Australian Dairy Industry is about to make an audacious bid on your behalf for a big slice of the Water Smart Australia (\$1.6billion fund) for dairy farmers.

The plan on the back of an envelope:

- The \$1.6 Water Fund is a joint venture between the commonwealth and the states.
- The dairy industry is the biggest irrigator, consuming 25-40% of the surface irrigation water in Australia.
- Individual farmers would find it nearly impossible to attract funding (for example one criteria is that all projects must be over \$1m) but a National Dairy Industry Application (The Water Smart Dairy Project) that can acquire the funds and deliver them through a regional network is the way to bridge the gap. The application is a joint effort between the associations (ADF and SADA) and Dairy Australia (DA and the DairySA) and will be submitted on 16 June.
- I am not aware of any other rural industry having a go at this fund like the dairy industry.
- Through a state committee we hope to channel the funds to provide dairy farmers with incentives, support and confidence to improve future water use. There will be opportunities for both dairy irrigators and dry-land farmers. Also this is all voluntary in that farmers have a choice of taking up some of the investment options or choosing not to participate in any. But if we can access this huge fund for you then individual farm businesses will have some options that could see external funds being introduced for “on-farm” developments.
- I am so excited about this opportunity I was prepared to spend some of the weekend on getting the strategies and the networks moving. Remember all the relevant government and semi-government agencies will be chasing this money and one of the important aspects of this will be to ensure there is a good alignment with the existing projects and activities.

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SALLY'S 'WORKING ON THE PLAN'

ADP project update – Sally Schultz

Federal Government funding for the State Dairy Plan ADP Project has recently ended. Current work is focusing on completion of a final report and independent evaluation of the project to assess both the short and long-term benefits to the SA dairy industry. The project, however, will be continuing for a further 12 months thanks to State Government funding. It will concentrate on promoting and marketing the SA dairy industry, attracting industry investment, overcoming rate limiters (hurdles to investment), and improving the viability of the production sector. Over the next 12 months, the project will link in with the Limestone Coast and Murraylands Regional Development Boards and DairySA to achieve these targets. The ADP project report and independent evaluation will soon be available on the Dairy Industry SA website: www.dairyindustrysa.com.au

If you would like to be informed of the achievements of the ADP project to date or receive a copy of the ADP May newsletter please contact Sally Schultz on 8762 9142 or sally.schultz@state.sa.gov.au

ANIMAL WELFARE KITS

The “kits” have been finalised and dairy farmers will be get one with this weeks edition of the Australian Dairyfarmer magazine.



Bridget Peachey, Manager Animal Welfare Program with Wes Judd, ADF

RAHS TO ENCOURAGE FARMERS TO “DAIRY DAY”

Bobby Snewin alias the “postman” (because he delivers) has done it again. To quote from his latest email..... **“the RAHS is delighted to offer a free entry ticket to a dairy farmer and one for his or her partner**

to the Show for Dairy Day”. Please register your interest for a free ticket by phoning Jo on 8293 2399.

LEADERSHIP

Members considering leadership courses are encouraged to talk to one of the SADA Board members, Kirstie or myself. Applications for the next SA Rural Leadership Program will close on 23 June 2006. For more information please contact Kirstie Murphy on 0408 088 624.



Michael Connor (SADA Board) and Peter Arkle (Rural Policy Officer NFF)

REGIONAL ANNUAL GENERAL MEETINGS

Thursday June 22 – Fleurieu Annual General Meeting to be held at the Mount Compass Tavern from 10.30am, sponsored by ANZ Bank. A BBQ lunch will be provided. Please RSVP to Jo on 8293 2399.

Wednesday 5 July – River & Lakes Annual General Meeting to be held at the Riverside Hotel, Tailm Bend from 10.30am. Guest speaker to be confirmed. A \$10 lunch voucher will be given to all SADA members who would like to stay on for Lunch.

Tuesday 11 July – Adelaide Hills Annual General Meeting to be held at the Vine Inn, Nuriootpa from 10.30am. Hon Rob Kerin will be a Guest Speaker. A \$10 lunch voucher will be given to all SADA members who would like to stay on for Lunch.

SA DAIRY AWARDS GALA DINNER

The South Australian Dairy Awards competition has been established as the result of the amalgamation of the Dairy Industry Association of Australia (DIAA) and the Royal Adelaide Show Dairy products competitions to create prestigious awards representing the entire industry. These awards will be presented at the SA Dairy Awards Gala Dinner to be held on Tuesday 8 August at the Ridley Pavilion, Royal Adelaide Showgrounds.

Comedian Brett Rutledge will MC and entertain you throughout the evening.

This is a great opportunity to get out and have an enjoyable evening with fellow dairy farmers and processor and dairy industry representatives and will give you the chance to see what varied products your milk goes into.

Registration to attend this event will be posted shortly, however if you would like to know more about it please contact Jo on 8293 2399.



Happy Dairy Farming,
Ken



Ken Lyons and Robert Poole (ADF) at a recent ADF Board Meeting discussing the Water Fund Initiative

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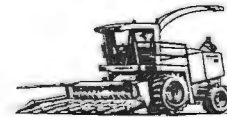
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2006 Dairy Diary

brought to you by DairySA and the DairySA Network:

Date	Activity	Location	Contact Person
19 June	DairySA Network Committee meeting	Waite	Kirstie Murphy
20 June	Workshop – Calving Cows	Flaxley	Sue Gunter, TAFE SA 8391 7374
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27 June	Workshop – Conventional Fencing	TAFE Mt Barker	Sue Gunter, TAFE SA 8391 7374
27 – 28 June	In Calf Farmer Action Group	Myponga	Willunga Vets 8556 2075
28 June	Mt Torrens/Hills discussion group meeting re ManaJD and NLIS	Craig & Tamara Zilm Birdwood	Craig or Tamara 8568 5693
28 June	Workshop – Electric Fencing	TAFE Mt Barker	Sue Gunter, TAFE SA 8391 7374
5 July	SADA River & Lakes Annual General Meeting 10.30am – 12.30pm	Riverside Hotel Tailem Bend	Jo Gilbert 8293 2399
5 July	South East Forage Innovation Field Day	Donovans Dairying Mt Gambier	Kirstie Murphy 0408 088 624
10-11 July	Workshop – Intro to Welding	TAFE – Mt Barker	Sue Gunter, TAFE SA 8391 7374
11 July	SADA Adelaide Hills Annual General Meeting 10.30am – 12.30pm Guest Speaker – Rob Kerin	Vine Inn Nuriootpa	Jo Gilbert 8293 2399
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9 August	SADA Annual General Meeting	TBC	Jo Gilbert 8293 2399
11-13 August	SA Rural Women's Gathering	Goolwa	

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Record Keeping of Employees' Employment Details

ALL employers MUST keep time, wage and leave records and provide each employee with payslips every pay day.

Employees must complete time books to be purchased and made available by the employer. The employee and employer are required to sign those time books every pay day and ensure the accuracy of the records. An alternative to time book is any system where the employee can enter the total working hours including starting and finishing time less any unpaid breaks and which is signed by both the employer and employee.

Employers which are Constitutional Corporations are bound by the new Federal Industrial Relations Laws ("WorkChoices") which have much stricter requirements. Employers covered by this legislation are open to prosecution but the Federal Government has placed a moratorium until 30th September 2006 on these employers who should in the meantime make sure that they meet these new requirements. These records must be kept by the employer for a period of not less than seven years. These Regulations were passed last week and take immediate effect.

ALL employers whether bound or not by WorkChoices face penalties of between \$200 and \$1,000 each for a number of breaches for not keeping records under the Long Service Act. These are not maximum amounts but are the ACTUAL amounts that employers face if prosecuted. These penalties have been in place for a number of years and there is no moratorium so if an employer is currently in breach they may be prosecuted immediately. These records must be kept for no less than six years.

Employers bound by the State laws (i.e. employers who are sole traders, partners or not constitutional corporations) are liable for prosecution under the Fair Work Act which requires employers to keep time, wage and leave records. These penalties have also been in place for a number of years and have immediate effect if an employer is prosecuted. These records must be kept for a period no less than six years. The penalties range between \$1,250 and \$2,500 per offence.

WorkCover records must also be kept for at least six years or penalties will also apply.

In simple terms it is the employer's responsibility to provide a time book and to keep records of wages and leave for between six and seven years. The time book must be purchased by the employer and it remains the employer's property. The employee's responsibility is to complete the time book accurately.

Apart from penalties the Courts have a history on relying almost solely on the employee's claim if the employer fails to keep records. On that basis whether the claim is accurate or not the employer is likely to not only incur a fine but also be liable for the total of the employee's claim back dated for a period of up to 6 years.

Chas Cini

Mediation and Employment Relations Services
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PO Box 914
KENT TOWN SA 5071

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Fax 08 8431 3188
Email: chas@mers.com.au
Web site: www.mers.com.au

ADF INFORMER - 14 June 2006

The ADF Informer is distributed on a fortnightly basis via email or fax to ADF Board Members, State Dairy Farmer Organisation Executive Officers and Councillors and key stakeholders. We welcome your feedback so please don't hesitate to contact us regarding content of this or future editions.
The actions described in ADF Informer are a result of dairy farmer memberships to their state dairy farmer organisations.

Ongoing Co-operation with Dairy Farmers of New Zealand

The ADF President Allan Burgess and Deputy CEO Robert Poole were guests of Dairy Farmers of New Zealand (DFNZ) at their annual meeting last week. The DFNZ is the equivalent of ADF in New Zealand. The Executive of DFNZ was in Australia in February and it was agreed at that time to work closely on four key issues during 2006; research and development, environmental policy, animal welfare policy and GM technology use. The recent visit included meetings with DFNZ President Frank Brenmuhl and DFNZ policy staff to further look at developments in these policy areas and discuss ways of developing consistent views and approaches. The ADF president also spoke at the conference and provided an overview of the Australian industry including outcomes of the *Dairy 2006: Situation and Outlook*.

Part of the agreement between ADF and DFNZ was to encourage our respective levy fund organisations to work together under a formal MOU. This arrangement has progressed well and looks likely to lead to better R, D and E outcomes for our two countries.

Getting to Know Key New People

In the past few weeks ADF has held meetings with two key new people in the dairy industry. Firstly ADF met with Isabel MacNeill who was recently appointed as manager of the Value Chain Innovation Business Group within Dairy Australia. ADF has recently reviewed the investment of levy funds in post-farmgate activities such as manufacturing research and was pleased to have the opportunity to discuss the future direction of this activity with Isabel.

ADF also met with Simon Murnane who is the new appointment within the Department of Agriculture, Fisheries and Forestry (DAFF) managing the dairy and wool policy section. Previously Simon was involved in government natural resource management policy and has a strong understanding of some of the key issues being addressed by the dairy industry. ADF has a strong relationship with DAFF and will continue to work closely with Simon and other DAFF staff.

Animal Health and Welfare

The Animal Health Australia (AHA) Industry Forum provides a major focus for animal industries to collectively deal with a range of animal health and welfare issues that jointly affect our industries. The ADF CEO Chairs the AHA Forum which this meeting was heavily focused on dealing with animal welfare issues including the implementation of the Australian Animal Welfare Strategy (AAWS) and the Business Plan for the animal welfare activities of AHA. The meeting also focused on the issues associated with animal welfare in the unlikely event of an emergency animal disease outbreak (which we hope will never happen).

There was also discussions and agreement with the Department of Agriculture, Fisheries and Forestry for a more significant consultative role for industry in the formulation of Australia's positions and participation in the international animal disease organisation, OIE. The OIE has become a much more significant organisation in the setting of international standards for animal disease management and surveillance with particular reference to trade in animals and animal products. The OIE has a role in providing expert advice to the WTO on animal health and welfare. It is, therefore, important that there is a strong industry input into the Australian position at OIE and the AHA Industry Forum was pleased to achieve the better consultative process outcome with DAFF.

The Forum also considered the issues associated with skill shortages in the public sector of animal health expertise, particularly in the areas of pathology and epidemiology. There will be further consultations with the Commonwealth and the States to address this skills shortage with a working group formed to consider the options for addressing the skills shortages.

On a separate animal welfare issue, ADF met with a consultant appointed by DAFF, as part of the AAWS Implementation Plan to document the animal welfare systems and communication strategy of the various animal industries. The dairy industry, through the activities of Dairy Australia and ADF has a strong focus on delivering good animal welfare outcomes and it is pleasing to be able to demonstrate this system to an independent analyst.

Emergency Animal Disease Response Agreement

There is a formal agreement between industry and Commonwealth and State Governments which determines how each will deal with an emergency animal disease outbreak. This agreement was put in place four years ago. Recently there was a meeting to review some of the clauses of the agreement and consider some minor amendments. This meeting also agreed to form a small working group of Commonwealth, State and Industry representatives to undertake a full review of the agreement in the lead up to the fifth year of its operation. The ADF CEO will represent industry on this working group.

New Zealand Tour is Well Underway

The annual *Young Dairy Farmer Business Tour to New Zealand* is well underway. ADF farewelled the group with a briefing on industry structures and issues under management. This included presentations from ADF and Dairy Australia Executives. The theme of this year's tour is *developing people in the dairy industry*. Participants will produce a report on the New Zealand experience with a focus on the people aspects. The tour aims to develop emerging leaders in the dairy industry and many participants from past tours have gone on to take up key positions right across the dairy industry.

Industry Increases Investment in People

A key theme of last year's farm sector priority setting process was the need to invest more in the development of dairy people. Three areas identified where more support was required were employment, success and youth. Consequently Dairy Australia has commenced the development of the *People in Dairy* program to invest in these key areas. The employment elements of the program build on the strategic plan of the Dairy Employment Management Committee (DEMC) and will focus on tools and delivery to farmers and service providers. Succession and youth programs will also build on existing programs and information.

Dairy CRC

The partners in the proposed second dairy Co-operative Research Centre met last week to initiate the development of the second stage application for a second dairy CRC and to consider the structure of the new CRC. There is a strong resolve from partners to develop a strong case for Commonwealth funding of a second CRC to provide the foundation for productivity growth in the dairy farming industry into the next decades.

Safemeat

ADF participated, together with Dairy Australia, in its first Safemeat meeting as a full partner in the beef industry's partnership for managing food safety in the beef supply chain. The ADF looks forward to a long and strong partnership with the beef industry to continue the sound food safety record of the Australian beef industry.

John McQueen
Chief Executive Officer

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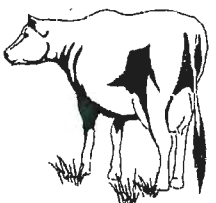
Quote of the Month

"Agriculture's a lot more skilful in improving water use efficiency and in 25 years time they've made a 50% greater advance than urban Australia, so there's a challenge for urban Australia to catch up and show they're actually as smart as our farmers are"

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MR 50/06

David Crombie elected as new NFF President

THE National Farmers' Federation (NFF) has elected David Crombie as the farm lobby's new President.

Mr Crombie brings over 30 years commercial and representational experience in agriculture to his new role. He has worked with NFF and member organisations on various activities and programs during his eight-year leadership of Meat and Livestock Australia (MLA).

Early in his career, Mr Crombie joined Sir William Gunn (now GRM International), managing agricultural projects across northern Australia. He was part of a management buy-out in the mid 1970's and the company expanded its activities overseas. Over a 20-year period he was involved with GRM projects internationally for the World Bank, the Asian Development Bank, among others.

Under his leadership, GRM expanded to include breeding properties, irrigation farms, feed mills, live export and meat supply chains supported by feedlots internationally. GRM also managed beef breeding properties for independent investors in Australia. After the sale of GRM by the partners to the Consolidated Group in 1994, Mr Crombie continued as Managing Director until 2000.

From 1995 Mr Crombie served on the Board of Grainco Australia until its amalgamation with Graincorp. He then joined the board of Meat Industry Council and served as inaugural Chairman of the National Steering Committee for Meat Standards Australia. He later joined the board of the newly established MLA, serving as Chairman from 1998 to 2005.

Currently, Mr Crombie holds the following positions:

- Chairman, Australian Rural Leadership Foundation
- Director GRM and Rosewood (NT beef)
- Deputy Chairman, FKP (listed development company)
- President, Queensland Rugby Union

Mr Crombie operates family properties, breeding and finishing cattle, as well as growing crops in southern Queensland. Mr Crombie replaces outgoing NFF President Peter Corish who is stepping down and will conclude his four-year term tomorrow.

Mr Crombie paid tribute to Peter Corish and the outgoing NFF Board members, pledging his commitment to drive policies with a unity of purpose across agriculture and close engagement with the broader community going forward.

The NFF also confirmed today the re-election of Charles Burke as Vice-President, and the election of Nick Keatinge as Treasurer. Other members of the NFF Board elected today include: Bill Bray, Peter Kenny, Jock Laurie and Simon Ramsey.

[ENDS]

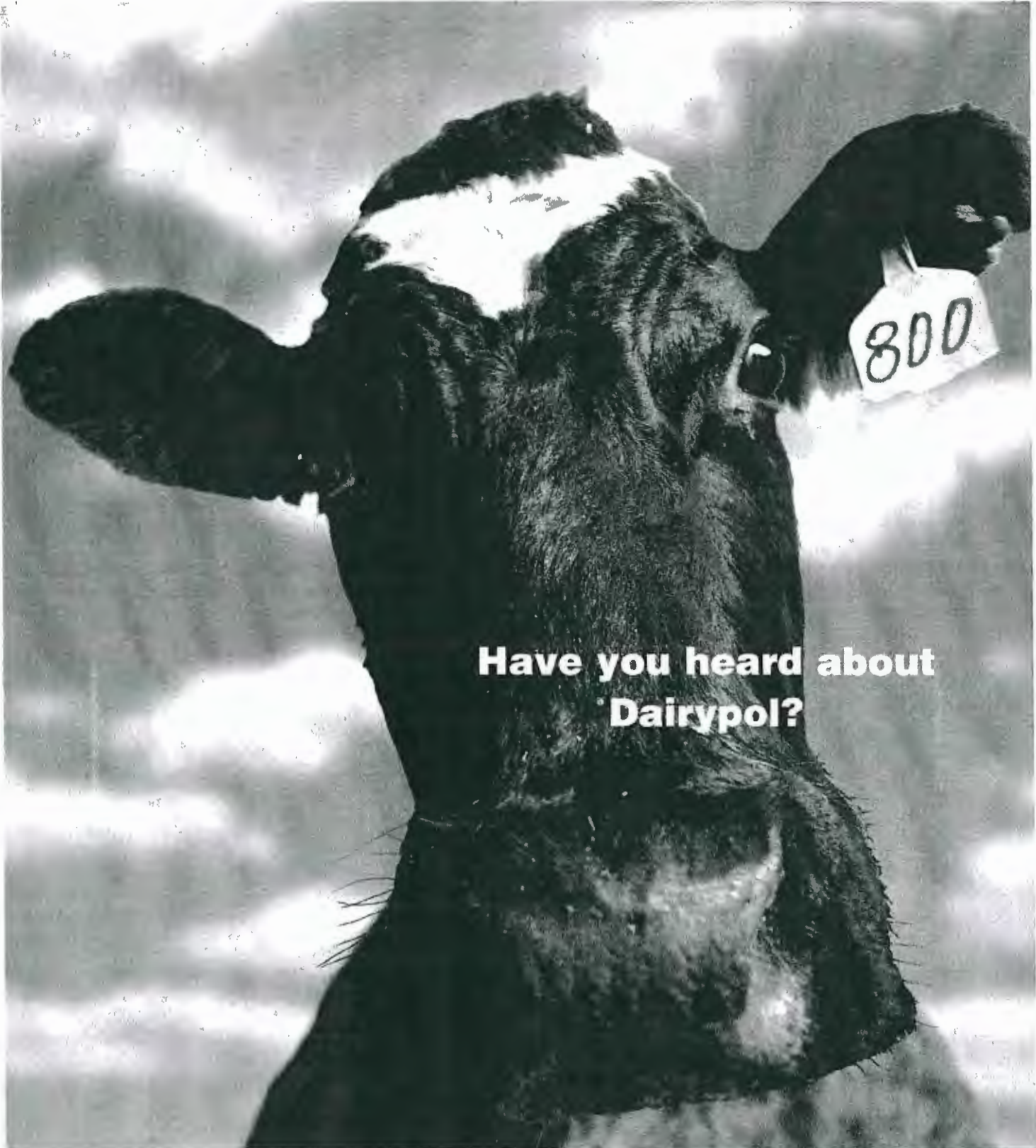
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DAIRY UPDATE FROM SADA

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Ken Lyons - Editor

THURSDAY 27 JULY 2006

President's Report

David Basham

We have been very fortunate to have had farmers prepared to offer their time to assist the industry in many areas for little or no financial compensation. SADA is one of those organisations that has greatly benefited from these farmers, without them we would not exist. John Nietschke has been a member of the SADA Board (or the old Central Council) for nearly 30 years. John has decided to retire from the Board effective from the AGM on the 9th of August. John has fought for farmers on many fronts over those years and was strongly involved with the delivery of the second deregulation package for some of the South Australian dairy farmers. I would personally like to thank John for his time whilst I have been involved with the Board, we may not have always agreed on all issues but this is a healthy way for a Board to operate to achieve the best outcome for the industry. Thanks John from the dairy industry of South Australia.

Karen Slape from Riverton is going to replace John as the Board member for the Adelaide Hills region. Karen joins Ken Smith in representing this region. The Fleurieu region is represented by Jill Williams & Michael Connor, the River & Lakes region is represented by James Stacey & Andrew Stewart and the South East is represented by Sue Young & Lyndon Cleggett. If you have any issue that you would like SADA to have a look at please contact one of the Board members or the office (contact details are listed later in this Update).

SADA financially has suffered from a large drop in income over the last few years. Even though production across the state has been reasonably stable farmer numbers have declined greatly. SADA's revenue has dropped from both subscriptions and also because more farmers are reaching the cap on levy payments.

In response to this loss of income we have been left with a large hole in our budget. At the next Board meeting we will be looking at ways of reducing our expenditure by \$60,000. This will mean the loss of some services that we have been able to offer in the past. We will not be cutting anything that is considered the core role of SADA. I would prefer that we did not need to carry out these cuts but we cannot survive if we keep eating into our reserves.

There is another way that we can maintain these services and that is to increase revenue. We have made some minor adjustments to the levels of subscriptions and the level of the cap but those farmers already paying levies to SADA I believe are contributing at a reasonable level. We currently have approximately 50 - 55% of all dairy farms as members of SADA. If those farmers who are non-members joined we would be able to maintain the same level of service.

Many farmers have cancelled their membership over the years for lots of different reasons. I would ask those farmers to consider if those reasons are still valid or has the industry moved on from that point in time. As a member you have a great voice in the direction that SADA takes on an issue. Cancelling your membership only achieved a once off registration of your dissatisfaction in the direction SADA was heading. If you rejoined (or joined for the first time) you can communicate your views on what directions should be taken by the Board or even become a Board member yourself. A membership form is included this Update so if you are a non-member please complete it and return it to SADA. If you are a member please consider approaching any farmers you know that are non-members and asking them to join.

The more members the better the services

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BOARD MEMBER REPORT

It was recently decided by the Board that for every Update a SADA Board Member would be invited to write an article of their choosing. Andrew Stewart has submitted the first of these articles.

LOWER MURRAY SWAMPS

The Lower Murray Swamps have had their fair share of changes in the past couple of years, with Rehabilitation and Environmental changes and regulations. There has been a huge amount of work done in such a short time frame and we still only have another 2yrs to the deadline of July 2008.

Other issues include:

- *Water meters to be installed on all farms that are taking irrigation and environmental water by 2007.*
- *Environment Improvement Management Plan (EIMP) that all irrigators must complete and abide by in order to gain an exemption to farm on the River flats along the Murray. The EIMP consists of a large range of on farm activities to satisfy the latest EPA officer. Some of the on farm work is to bund all bridges and lane way crossings that the cattle use and reform the lane ways so that storm water runs into a water catchment area. These are all costly exercises to the landowners, as well as extra work on top of the cost of rehabilitation.*

Overall, the on groundwork is going very well according to the DWLBC and the project management teams with a fair amount of inlets and meters installed and reuse systems also under way.

Some on ground work that the EPA are currently doing might give the irrigators some satisfaction that all this money and work may be going to do some good for the environment and the river system.

The Focus on Forage project (DairySA) has funded the Lower Murray discussion group, and they have

been working with Rick Jordan on two properties: the Hicks farm and the Stewart farm. The group has been meeting about every 6 to 8 weeks depending on group and farm needs at the time. The majority of the work has been focused on Tim and Trudie Hicks farm as they have been able to purchase extra land through the process of Rehabilitation. They have had their challenges with poor pasture on the farms that have been purchased and low fertility in the soil. Tim and Trudie have been very cooperative and responsive because of the amount of fertilizer that was needed to lift soil fertility. Tim and Trudie, with Andrew, are working with Robby from Horizon Farming this coming season, and the lower Murray Discussion group will be looking at the other farms in the area and working with Robby for the next 12 months.



CEO REPORT

While the outlook for the dairy industry continues to look good there could be an inclination to take things easy. But there are both some challenging issues and exciting opportunities for the dairy industry. This probably explains why we at SADA are busier than ever and I am writing this on a Sunday. The main issue I have chosen to discuss in this Update is the implications for commercial agriculture and especially our dairy industry with the emergence of the Managed Investment Schemes. Also in this Update I will comment on water, land and share prices as they are all having a significant effect on member returns.

There is a saying that goes something like "it's the shark you don't see is the one that gets you". Some are concerned that the dramatic entry of the MIS into mainstream agriculture could threaten the future of commercial agriculture as we know it today. They are urging the associations to seek an "even playing field" in terms of rural taxation.

After giving a lot of thought how best I could tell this story I have decided on a three pronged approach:

- 1) Firstly; I will use a three page major feature article from the respected Financial Review to outline and explain the concern. This has the advantage that if you want to know more you simply phone the SADA office and we

will send you a copy (the full article is three A3 pages).

- 2) Secondly; I will suggest some approaches for us to progress this issue. At this point I will pose some questions for you to provide me with some feed back. There will be many who will say we are "chasing shadows" and not want this matter addressed. We need you, the members, to give a priority to this issue.
- 3) Thirdly; I will put myself into the position of operating a dairy MIS and indicate to you how they would be thinking about competing with you.

"THE TAX SCHEMES THAT ATE AUSTRALIA"

1) This was the heading for the feature article (1-2 July) in *The Weekend Australian Financial Review*.

The heading comes from a quotation in the article. *"They (MIS) are monsters. They are consuming agricultural Australia"*.

Farming and investing in agribusiness are two vastly different things. Agriculture is just beginning to understand that these management investment schemes (MIS) could pose a serious threat to the future of farming. Until recently the MIS were generally regarded as a "curiosity" by the rural community but there has been quite a dramatic change of heart. The article claims dairy farmers have dubbed them, *"tax-subsidised social annihilation"*.

Perhaps the rural associations, rural communities and the politicians have all been slow to respond. I can report that NFF are formulating their policy position currently. The MIS supporters have had their "top guns" in Canberra lobbying like mad in early July. The importance of lobbying now is that July 24 marks the end of the public consultation phase of a review of the issue by Assistant Treasurer Peter Dutton. The issue will certainly be a good test for the incoming NFF President, David Crombie. Have we been too slow out of the blocks on this one?

Just to reinforce the strength of the pro-MIS lobby the article reports, *"That there is so much at stake has been clear from the parade of corporate hired guns through the parliament in recent times. The industry (MIS) has countered with the Agribusiness Investment Managers Association"*.

I will keep you informed in the coming Dairy Updates how we go in defending your future with this issue. I did have the opportunity to speak with Robert Poole on Sunday 2 July and we both are of the opinion that the dairy industry

just has to get strongly involved as a matter of great urgency. I think it is serious because once the land leaves dairying for say MIS blue gums it is difficult seeing it coming back. One of the dangers is that these schemes could promote production of products that do not have a real economic supply demand justification. For example why encourage more grape production? Who is really worried if the MIS blue gums do not turn out profitable as the predictions in the original prospectus? Why are investors in all the MIS such as emus, ostriches and films often not as concerned about profit? Is it fair to expect MIS funded dairies to focus on the upfront tax saving for the city based investor and less on the subsequent milk returns? Could this put pressure on farm gate milk prices? As the article suggests, *"They are not constrained by the usual forces of supply and demand, but by their ability to harvest tax-driven dollars"*.

A quote from *The Advertiser* dated 6th July also points to the genuine farmer as the losers here, *"Tax avoidance as a primary motivator for agricultural expansion causes gluts and price crashes. A lot of people will lose a lot of money through this tax-driven insanity - but those who suffer will be the genuine primary producers who are in it for the long haul - not the city slickers who can write their losses against tax."*

I am aware this issue will appear to have come out of nowhere for many farmers and for many just coming to grips with the facts will take time. However I would like to hear from members who have an opinion on the matter. There may well be members who have happily "invested" in one of these schemes?

2) So what are our options for action and what do you want us to do?

1. Until now it has been generally accepted that all arrangements to encouraging investment in agriculture were all good. The appearance of these super tax investment schemes into general agriculture is leading to many to fear that these types of investments actually could cause considerable harm to rural industries as suggested in the *Financial Review* article. But be assured there will be plenty of stories from the MIS people defending their position. So we need to complete the NFF review so the dangers and the advantages given to the MIS managers are well known. Should we at least take a "precautionary" approach and take the matter seriously until we can with confidence say there is no threat? We will get an indication of the level of membership concern by the number of people who request the article from the *Financial Review*.

2. If industries choose to act quickly through their associations something can be done to ensure these MIS schemes do not adversely impact on farmers with actual rural addresses (remember most of the MIS farmers will have city addresses). If you were really smart you would have the system operating so there was a "win-win" outcome. This issue is "political" as it is legislation that gives them a legal basis of operating so this is where it needs to be sorted. Failure to attend to the legislation will mean that we could see some MIS dairies this year but a lot, lot more next year. Should we be encouraging ADF and NFF to pursue this legislations review as a priority issue?
3. While SADA (including ADF and NFF) have the opportunity to take up this issue early I think you may find some of the other associations getting involved in the coming year. At this stage are you prepared to begin to wave a big flag that reads "**INDUSTRY BEWARE**"? Let us see if these MIS deals are to be "sharks" or "sardines" to the dairy industry before they bite.

3) So if I was running a MIS funded business what would be my priorities?

1. I would be very focused on the cornerstone of my business that provides me a competitive advantage (the taxation rules). These advantages would figure prominently in my MIS deal prospectus aimed at attracting "investors". While abiding by the rules of disclosure for the prospectus I would not give emphasis to the substantial "administration and management fees" involved in these deals.
2. I would seek membership of an association dedicated to lobbying to protect my taxation advantages. I would choose the Agribusiness Investment Managers Association and not the NFF related associations such as SADA and the UDV. As the percentage of milk coming from MIS operations increased I would build strong alliances with the processing sector and may consider seeking influence on the current industry associations who would be experiencing a significant decline in membership.
3. As an operator of one or more rural MIS projects I would have the expectation of quick and significant wealth creation. The use of the MIS structure could be used in the processing area as well as the milk productions side.

I am uncertain as to the response we will get to this article. If there is a lot of interest we could consider having a "fax-back survey" to confirm how the membership wants the matter handled and especially whether you want to give it a high priority. I am easy whether you do or do not

want the matter addressed but at least I have "done the homework" and brought the issue to your attention.

IMPORTANT SUPPLEMENT for Members Only

included with this Update on MIS

There has been two further significant developments in relation to the MIS issue this week.

Firstly: The NFF submission to the Government has been completed and I recommend all members make time to read the 6 page submission that is enclosed with this Update

Secondly: Both NFF and ADF have decided on a clear policy position in relation to the MIS issue. That is we "Call for a level playing field in the area of agricultural investment through changes to the rules governing Managed Investment Schemes (MIS)". The Press Releases from both ADF and NFF are attached.

As this is a national issue we are directing the press to either ADF or NFF. In the next Update I will provide you with a plan for your consideration of how NFF, ADF and SADA (etc) can lobby "collectively" to bring about the desired changes within a respectable timeframe.

SA REMOVES TAX ON WATER TRADING

Legislation to exempt water trading from stamp duty has been passed by the SA Parliament and came into effect on July 1.

Salinity in the river is at the lowest levels for some years. The investment in the salt interception schemes prevents up to 400 tonnes of salt entering the river every day.

A guest speaker at a recent SADA regional meeting was Dr Bob O'Brien the Managing Director of the water trading company, Percat Water. Bob was the subject of a feature article in The Advertiser on 8 July about how some people can make a dramatic career change. In this case from one of the state's top detectives, including a key role in the arrest of the killer Bevan Spencer Von Einem, to a Ph D in business, and then onto becoming a company MD. Why water? Well Bob believes the value of water will rise and so will the business of trading water licences. Remember this important fact, as I write, the value of Australian water licences is \$15.25 billion dollars. That is why dairy associations spend so much time ensuring our dairy farmers get an adequate tradable water licence.

Bob also wrote a book on the Von Einem case, "Young Blood", published by Harper Collins. Bob has given me a copy of the book and it is a very interesting read because you get the real inside story on how the police and the villains operate. At the time I was State Manager of the AWB and living in North Adelaide close to where some of the events took place.

From water "trading" to water "networking"

SADA OFFICE HOSTS THE NATIONAL AGM OF IRRIGATORS INC

Through our close association with SAMI and Ian Zadow the second day of the two day national conference was held at SADA on Monday 26 June.

An old colleague of mine from the Victorian Department of Agriculture and now a leading dairy farmer in Northern Victoria, Barry Crooke, was elected as the incoming national President.

Building strong networks, as we are doing here, gives SA dairy farmers the best opportunity to achieve some water security. With water you can be sure that the strength of the rural lobby will be related to the final outcome. Because there has been, there is currently, and there will be into the future, lots of politics with water.

While there are a never ending ongoing number of reviews, workshops and forums all trying to come to grips with the mechanism for water trading at the end of the day there will be a system adopted and *there will be "winners" and "losers" and dairy farmers will not want to be at the end of an empty pipe.* The current "talk-fest" is the Productivity Commissions Round Table.

THE ROLE OF RISING LAND PRICES AND DAIRY RETURNS

Peter Jacobs, Head of Agribusiness ANZ, gave an informative and entertaining presentation at the recent SADA Fleurieu Regional AGM. The topic was, "Dairying- A great pathway to wealth creation. But who is really managing the capital?"

From 1999 to 2004 SA dairy land (assets) on average doubled from \$900,000 TO \$1.8M. Remember this is a combination of both farm expansion and rising land values. But the cash flows have been volatile and certainly the 2003 lack of feed did not help. So the net affect is that for the SA dairy industry the rate of return including capital appreciation is very good in comparison to other industries. This increase in the value of dairy farming land is widespread and

not confined to South Australia. For instance; the value of farming land in Tasmania has risen by 240% over the last five years and land in NZ has gone "through the roof".

Another conclusion was that, "Australian broadacre farmers are on average some of the wealthiest people in our society". Back up for this was a comparison between the top city households and the farm sector. The wealthiest 20% of households in Australia have an average net worth of \$1.4 million per household. The latest ABARE survey data indicates that as at 30 June 2004 the average net worth of the average Australian broad acre farmer was \$2.15 million.

There was an excellent attendance at this regional meeting who, judging by the loud applause, enjoyed the positive picture of the dairy industry as presented by the ANZ but perhaps the real highlight of the day was the strong support for SADA.

OFF FARM INVESTMENT

There was a lot of discussion about investing in the share market at the Fleurieu Regional Meeting. It is interesting that the All Ordinaries Index during 2004-05 rose by 19.8% and this year 2005-06 by another strong 19%. Given the broadly positive corporate earnings outlook there is some expectancy the market will continue to be strong.

I expect to be in a better position to provide you with an Update of the economic and outlook for the markets in the next Dairy Update. I will be attending a breakfast briefing on Tuesday 25 July with David de Garis, Senior Economist, Markets, National Australia Bank.

Another real and practical way your associations are working for you is in the area of 'crisis management'.

PERFECTING THE DAIRY CRISIS MANAGEMENT AND RECOVERY PLAN

In the case of a serious outbreak of an exotic disease the AUSVETPLAN will kick into action.

However, in order to ensure the Australian Dairy Industry is able to provide both the central co-ordination and the operational networks that can operate at the regional level through Dairy Australia we have our own dairy plan. This plan is the Critical Incident Management and Recovery Plan (CRM) for the Australian Dairy Industry.

David Basham and myself participated in a workshop to assess the effectiveness of the plan on 23 June. Later this year, possibly the first

week of November, SADA in conjunction with Animal Health Australia will be facilitating another workshop (again a one day workshop but also involving a day's preparation) to train about 12 dairy farmers as Industry Liaison Officers who will play an important role at the regional level in the event of an outbreak.

This will provide members, who are not currently actively involved with the industry service at SADA, with a special and exciting opportunity to play a role in our industry affairs.

JOHNE'S DISEASE IN SA - WHAT'S THE SCORE?

By Jeremy Rogers

Nearly two thirds (240/380) of all South Australia's dairy farmers have now enrolled in the SA Dairy ManaJD program to test their cattle for Bovine Johnes Disease.

This is great news and shows that farmers are recognising that knowledge about BJD is important as a management tool. Those who have disease-free farms can now ensure that they do not introduce it, and those with BJD on their farms can manage it on a test-and-control program and gradually improve their Dairy Assurance Score.

Most SA dairy farms are **not** infected with BJD and there are now over **150** Score 7-10 dairy herds in the State. Herds that are infected tend to have low levels of the disease and only three herds so far have more than 2% of cow reactors at the first test. So far, only 20 new herds have been detected in the testing program and most infected cattle do not appear as clinical animals, indicating that farmers are living with BJD without recognising this.

Declaration of scores

Declaration of the Dairy Assurance Score is required for all sales of dairy cattle in SA, including private sales and trade of crossbred cattle born on dairy farms. This declaration is a simple matter of marking the National Vendor Declaration in Section 9, or using the special declaration forms found in the Dairy ManaJD manuals. In SA, cattle that are being sold with a dairy score of 7 or above are achieving improved prices and there are constant enquiries from farmers wishing to source score 7 or higher dairy cows or crossbred cattle. Buyers and agents are increasingly looking for information on herd BJD status in order to assist in purchasing decisions.

Interstate

NSW is planning to introduce the use of the Dairy Assurance Score in the near future, after an extensive extension campaign to inform the farming community about the score. NSW will describe all dairies as Control Zone cattle (Score 3) and Beef cattle properties as Protected Zone. In Victoria & SA there have been farmer focus group meetings to develop extension messages and it seems likely that a revised or enhanced National dairy Score will soon be agreed by all states. At this stage the Dairy Score (interstate model) will be based on calf rearing (only to Score 4 in non tested herds) and not on herd testing. Recent research work on faecal cow yard tests is looking promising as a

screening test (or reaccreditation test) that will be simple and cheap to perform.

Geoff Manefield is back!

Many farmers in the SE will know Geoff as the Vet who started the first Veterinary practice in Mt Gambier. Geoff assisted PIRSA in 2005 by visiting all known Infected BJD farms and is now in the process of contacting dairy farmers who have not enrolled in Dairy ManaJD to see if this can be progressed. Geoff's experience and knowledge of the dairy industry makes him a valuable asset.

Get on with it

Testing of dairy herds in SA is being funded by the SA cattle industry until June 2007 when current herd test subsidies cease. Any control measures beyond this cut-off will be the subject of on-going negotiation with the SA Cattle Advisory Group. Dairy farmers in SA wishing to enrol in the program and have their herd tested are urged to contact their nearest PIRSA regional office, their own Vet or Jeremy Rogers (the SA BJD Program Manager on Ph 8391 7100) as-soon-as possible.

MEETING WITH DAIRY FARMERS CO-OP



L-R: Brad Dibble, Ian Zandstra, Chairman Supply Co-op - Dairy Farmers, Peter Ness, David Basham and Michael Connor

During June SADA had the opportunity to join with the senior management of Dairy Farmers Co-operative to progress a number of issues of mutual benefit. As dairy companies such as DFG consolidate their business often their head offices are located interstate. It is important for both SADA and Dairy Farmers that we are able to have these face to face meetings and on this occasion we thank Dairy Farmers for making it possible to hold these meetings here in SA.



L-R: Rob Gordon, Managing Director - Dairy Farmers and Ken Lyons

SA DAIRY AWARDS GALA DINNER



This year the DIAA, the RAHS and SADA are staging, on the Tuesday 8 August, what we hope will be the biggest and grandest promotion of the SA dairy industry ever attempted. It will bring together all the sections of the industry with the politicians and senior government agencies to celebrate the very best of our dairy industry products and performance.

There have been many farmers over the years concerned that "dairy" is lacking a strong positive profile in the parliament and general community. "We hardly appear on the political radar", farmers complain. Well this is the chance for those who believe we need to lift our profile to be part of the SA Dairy Awards Gala Dinner. It will be a night we hope will be talked about for years to come as the night "the dairy industry went on show".

There has been an excellent response to the invitations from dairy industry leaders from all over Australia so this is also a wonderful and rare opportunity to socialise with people from all sections of the industry.

So make an effort to be there so you can see the industry from "centre stage" and not just from the "wings".

A ticket to the SA Dairy Awards Gala Dinner makes an ideal gift for a family member or valued employee.

Please phone Jo on 8293 2399 or 0419 035 459 for more information or a registration form.

WINE GRAPE GROWERS AUSTRALIA

Mark McKenzie, Executive Director of the Wine Grape Growers Australia was the guest speaker at the recent rural Media luncheon. He spoke of the need to get rid of the current oversupply of grapes. One policy option is for all growers to "mothball" a percentage of their vines. Mothballing involves spraying to prevent the production of grapes. While the over supply is only in small part the result of expansion of MIS vineyards there is the potential for one grower to be mothballing a vineyard in one paddock and MIS funded vineyard to be planting in the next paddock. This again illustrates the potential industry "frictions" that can occur between the commercial rural farmers and the largely city investors through the MIS.

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FARM BIKE SAFETY COMPETITION FOR KIDS

The University of Sydney's Australian Centre for Agricultural Health & Safety (ACAHS), has launched a competition for secondary schools to promote motorcycle safety on Australian Farms, and Honda is behind it 100%.

The competition will run through Term 3, and aims to highlight two & four wheeled farm motorcycle safety.

For more information log on to: www.farmsafe.org.au

REGIONAL ANNUAL GENERAL MEETINGS

Thanks to all the regional committees we had an "interest packed" round of regional meetings (AGM's) in recent weeks. The guest presenters included the ANZ Bank, Chas Cini, Hugo Hopton, Sally Schultz, Dr Bob O'Brien, Rob Kerin, John McKew, Ulli Spranz as well as the SADA team of Board Members and staff. The idea of a two hour program followed by a social lunch seems to be the way to go.

The elected Regional Presidents and their contact details are:

Anthony Green (Adelaide Hills) 0407 189 547
Lee McKenzie (Fleurieu) 0409 569 011
James Stacey (River & Lakes) 0429 373 130
Charles Wallis (South East) 0408 083 511



L-R: John Nietschke, Anthony Green and Derris Koch at the Adelaide Hills AGM



L-R: David Basham, Hon Rob Kerin, Ulli Spranz B-d Farms and Rob Heath, Wesfarmers



L-R: David Basham, Sally Schultz and James Stacey at the River & Lakes AGM



Charles Wallis and Sue Young at the South East AGM



Dairy Farmers at the Fleurieu AGM

SHOW BBQ AND TICKETS FOR DAIRY DAY

The SADA Show BBQ is on again in the Dairy Cattle Judging Marquee on Wednesday 6

September from 6.00pm. This is open to all SADA Members, Dairy Cattle Exhibitors and their families. We look forward to seeing you all there.



Show Tickets are still available for all SADA members, so if you would like to take your partner to the Show for Dairy Day on Thursday 7 September please phone Jo at the SADA Office on 8293 2399. Dairy Day will be held in the Dairy Cattle Judging marquee from 11.30am.

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Mid North Region Dairy Study Trip

August 21, 22, 23

Why go to this region?

The Mid North region was a very active dairying region that used to supply approximately 20% of SA milk. It now only produces 20 million litres.

- Most other regions of South Australia have been explored and assessed for their suitability for dairying - to increase the industry in line with the TEN Year plan to double milk production in the state.
- The Mid North Region appears to have been OVERLOOKED.
- With large ENERGY costs (in the production of irrigated pastures & the cartage of grain/hay) now associated in the production of milk, in other regions it has been suggested that a knowledgeable cross section of industry people revisit this region to assess:
 - Individual Farming methods & Management strategies/solutions
 - Infrastructure ie roads, stock / dairy water, irrigatable water quantities & qualities, electricity capacity, available & suitable land, township housing, employee mix, local Council & Regional Development Board opinions, EPA, local farmer acceptance, dairy veterinary expertise, agronomic / nutrition expertise, soil types, rainfall and climatic conditions, etc.
- ◆ A 25 seat self drive bus is being organised for transport for the three day study trip and this will have a mix of people from milk processors, nutritionists, dairy farmers, DairySA, financial reps and Dairy Industry Development Board
- ◆ Participants will be given a detailed report on each farm being visited, a map of the regions and any local information. A questionnaire / survey form on each place will need to be completed
- ◆ The proposed trip plans to visit five progressive and traditional farmers in the region (Wilson's, Zwecks, Zackers, Drews, Molineux) to get a balanced view, over three days. These farms range from 550+ -100 cows and also range from intensive lot feeding, feed pads, to using hay rings & grazing.
- ◆ We want to look at and assess the quality MANAGEMENT & DIRECTIONAL skills that these farmers have to continue to dairy farm in these regions.
- ◆ We also will be visiting various regions that have been identified as having dairying potential by the Regional Development Board. These regions (Booborowie Valley etc) will be having "locals" explaining the pluses & minuses, whilst traveling with us.

A visit to the Golden North factory is also included.

- ◆ We are planning to stay at the Clare Country Club and have guest speakers at the evening meal, speaking on topics ranging from "the management of cows in feed lots (Ian Lean), the role of the Regional Development Board, the role of Milk Processors."

Local farmers will be invited to attend the evening dinner.

- ◆ The cost to participants is \$300.00 each with sponsorship. Lunch & drinks not included

A non-refundable deposit of \$100 is required

A comprehensive & detailed report on the feasibility of establishing large-scale dairying in the region will be compiled by Sally Schultz.

To book your place (as accommodation & bus seating is limited) or for further information contact Rob Mulhern 0407 711 236 or Lee McKenzie 0409 569 011.

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Sue Young

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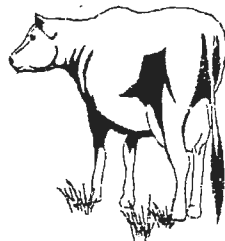
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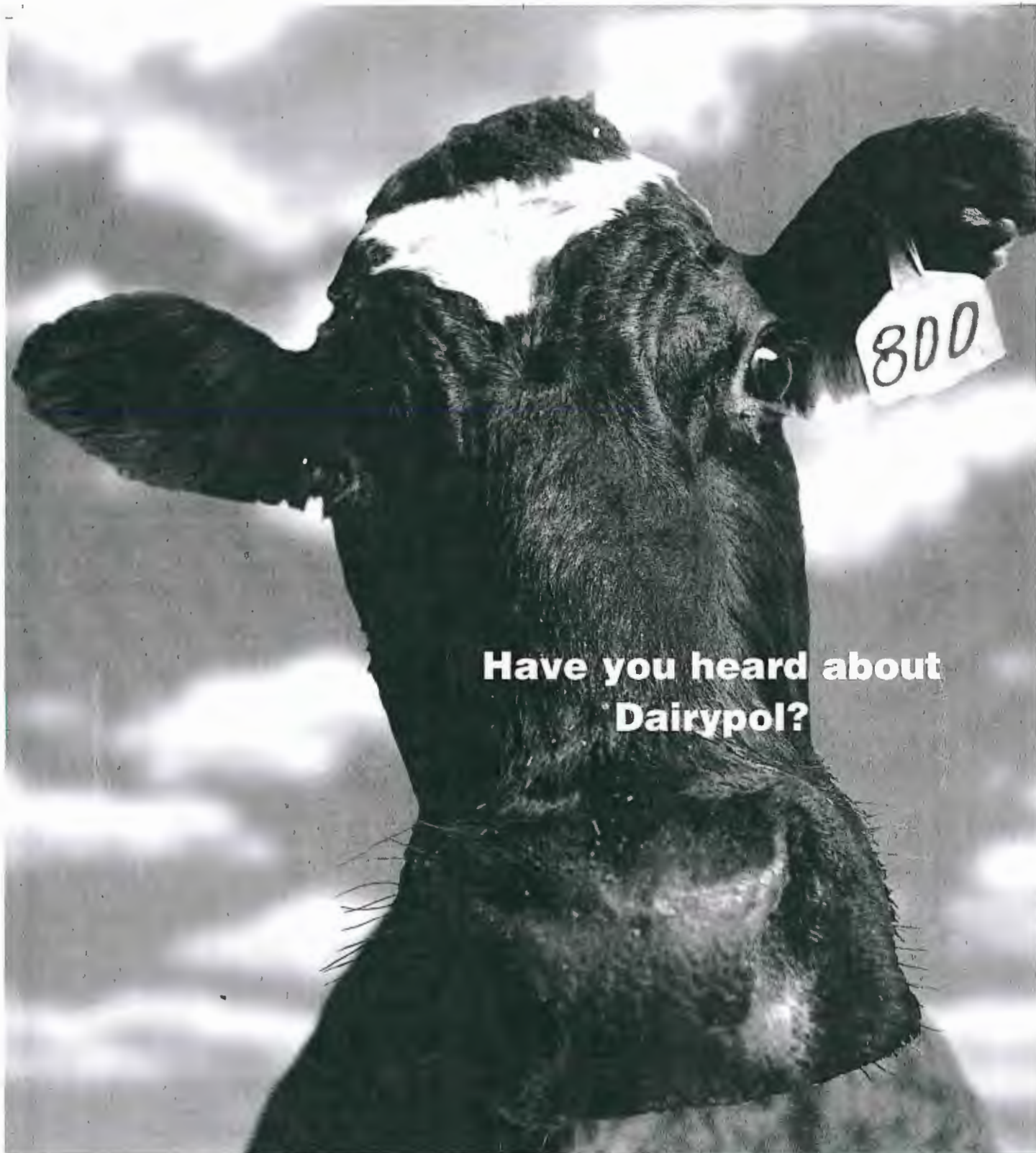
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NARM NEWS

Volume 1 Issue 4

July 2006

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the fourth issue of the quarterly newsletter NARM News for 2005/06. There was a bumpy start to this quarter with 4 bobby-calf residue detections during the quarter of April to June. Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on identification of calves for effective traceback of chemical residue detections.

The message for this issue is to minimise the residue risks to your business and ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Michael McManus Phone: 08 8226 0421
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

NARM Residue Detections

April – June 2006

During the fourth quarter of the financial year 2005/2006 there were 4 residue detections found in SA bobby-calves. The residue found in all 4 cases was oxytetracycline, this active ingredient is found most commonly in broad spectrum antibiotics such as Ilium oxytet-200 LA, Oxymav 100 soluble and Oxytet-100 to name a few. PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to continue to ensure that their bobby-calves are free from residues.

To avoid chemical residues in bobby-calves producers are reminded to read the label of all veterinary products for specific treatment directions and withholding periods.

Bobby-calf Ear Tags

The current form of identification required for the sale of all bobby-calves (calves less than 6 weeks old) in SA is the NLIS tag identifying the bobby-calf's property of origin. Bobby calf eartags can no longer be bought; the exemption allowing bobby calves to be identified with a bobby calf ear tag has now been removed. Until July 1st producers were able to use any Bobby Calf ear tags that they had left. Calves must now be identified with NLIS tags.

Transporters are requested not to accept bobby-calves unless they are properly identified. If any producer purchases these calves from a saleyard or calf truck and takes them home to grow out they are required to attach an orange post breeder NLIS tag within 30 days of purchase.

In South Australia, failure to correctly identify bobby-calves is an offence that can result in an **expiation notice for \$315 or a penalty up to \$5,000 upon prosecution.**

Producers with queries about identifying calves can contact PIRSA on 1800 654 688.

INSIDE THIS ISSUE

- 1 NARM Residue Detections
- 1 Bobby-calf Ear Tags
- 2 Bobby-calf NVDs
- 2 Upcoming Events
- 2 Next Issue



Bobby-calf NVDs

In addition to bobby-calf eartags, NVDs provide each sector of the industry with the required documentation to manage their own quality assurance systems. Furthermore it creates a paper trail to enable effective residue trace-back. It is recommended that abattoirs request bobby-calf NVDs from transporters, and transporters obtain bobby-calf NVDs from calf producers.

Producers can obtain bobby-calf NVDs at no cost from agents, calf buyers, saleyards, abattoirs and Dairy Australia. Agents, calf buyers, saleyards and abattoirs can obtain bobby-calf NVDs from MLA at no cost, however individual producers cannot obtain bobby-calf NVDs directly from MLA. Producers can call the NVD hotline and order bobby calf NVDs and the order will be directed to Dairy Australia to distribute.

PIRSA is aware that there have been some difficulties with obtaining bobby calf NVDs. PIRSA has begun distributing information, in various publications, to clarify this issue so in future it should be easier to obtain bobby calf NVDs from your local agent.

The contact details for Dairy Australia are:

Kate Mannion

Phone: (03) 9694 3720

The contact details for MLA are:

Meat & Livestock Australia:

Website: www.mla.com.au

NVD Hotline: 1800 683 111

Upcoming Events

There are a number of events coming up from July-October.

12th July Feed pad winter visits – Barossa and Mid North discussion group Farm visits Trevor Clark – (08) 8842 6226 or 0438 423 900

13th July Dairy Industry Development Board meeting
Tony Morbey

19th July Mt Torrens/Hills social meeting Craig & Tamara Zilm

24th to 25th July Cheese Science (DIAA Dairy Science World Series 2006) Conference Sydney
www.diaa.asn.au

25th July Workshop – Tractor Operations TAFE Mt Barker Workshop Sue Gunter, TAFE SA – (08) 8391 7374

26th July Workshop – Tractor Maintenance TAFE Mt Barker Workshop Sue Gunter, TAFE SA – (08) 8391 7374

8th August SA Dairy Awards Gala Dinner Ridley Pavilion, Adelaide Show grounds Jo Gilbert, SADA – (08) 8293 2399

11th – 13th August SA Rural Women's Gathering Goolwa

August Feed processing trial results and workplace safety – Barossa and Mid North discussion group Trevor Clark – (08) 8842 6226 or 0438 423 900

September Fleurieu visit – Barossa and Mid North discussion group Trevor Clark – (08) 8842 6226 or 0438 423 900

14th September Dairy Industry Development Board meeting Tony Morbey

1st – 9th September Royal Adelaide Show
www.adelaideshowground.com.au/show

The Dairy Diary is updated approximately every month and can be accessed on
www.dairyindustrysa.com.au.

Next Issue

The next issue of NARM News will be distributed in October and will contain further information on how to avoid residues and industry updates.

The voice of Australian farmers since 1974



National Farmers'
Federation

**Consultation
on Proposed Taxation Arrangements
for Plantation Forestry**

**NFF Submission
14 July 2006**

National Farmers' Federation Limited
ABN 77 097 140 156

NFF House, 14 - 16 Brisbane Avenue, Barton ACT 2600 • PO Box E10, Kingston ACT 2604
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Introduction

The National Farmers' Federation (NFF) welcomes the opportunity to provide comment to the consultation on the *Proposed Taxation Arrangements for Plantation Forestry* as announced by the Minister for Revenue and Assistant Treasurer, the Hon. Peter Dutton MP, on 9 May 2006. NFF notes that the Government also intends to conduct further consultation with industry on the application of the new taxation arrangements for other agricultural Managed Investment Schemes (MIS).

NFF recognises that since the announcement by Minister Dutton, the MIS debate has broadened to include the suitability and effectiveness of the MIS structures. This broader view reflects the growth in the proportion of non-forestry MIS from 31 per cent to almost 50 per cent in the past year. The arrangements that result from this consultation process are likely to form the basis of further policy formation in this area. Due to the significance of this issue to Australian agriculture, NFF believes that MIS should now be considered in this broader context.

NFF believes the Minister should consider:-

- The current use of MIS for investment vs. tax minimisation;
- The current use of MIS in industries suffering chronic oversupply;
- The potential for MIS to distort agricultural markets;
- The real effectiveness of MIS in delivering its original policy intent;
- The quality and true independence of accompanying commercial assessment reports;
- The undue influence of the Australian Taxation Office (ATO) product ruling processes;
- The potential for MIS to negatively impact the reputation of investment returns from agriculture;
- Allowing tax deductibility for investors only in the year expenditure is incurred by plantation management;
- The social, economic and environmental impacts of deviations from the prescribed MIS business model; and
- The provisions in relation to non-commercial losses by passive investors.



National Farmers'
Federation

MIS involvement in Australian agriculture

According to Advisor Edge, MIS are believed to have accounted for around \$1.26 billion of investment in rural industries in the year ending 30 June 2006 – mostly in forestry, viticulture/wine, olives and almonds. This represents an increase of approximately 20 per cent on previous year levels reflecting the rapid growth in investor involvement in these schemes.

The effects of Managed Investment Schemes

Distortion of Land Values and/or Commodity Markets

NFF believes that current MIS structures do not promote sound investment decisions in rural and regional areas, and as such have created a distortion of land values and/or commodity markets.

It is NFF's view that the enormous growth in investment in MIS since 2000, has largely been driven by the taxation structure of the schemes. NFF believes that decisions to invest in MIS are largely based on the tax deductibility of the investment, rather than driven by long-term profitability. As a result, MIS appear to be primarily focussed on industries with a high proportion of up-front expenses, with little regard given to the output returns that are generated.

In the case of land values, the dollars generated by MIS have enabled these schemes to bid from a position of relative advantage in terms of their access to capital. In terms of commodity prices, MIS have seen investment continue into industries on unrealistic expectations of price, resulting in an over-supply of certain commodities and a distortion of basic market signals. NFF sees these trends as clear evidence that these schemes are driven by taxation manipulation rather than the commercial reality of the agricultural industries involved.

A new area of concern for NFF is the move of MIS into the developing water market and the potential for this to distort water prices. The capacity for the schemes to manipulate a developing market is likely to significantly undermine the Governments' intended policy outcomes for the water trading market. There are also a range of considerations relating to the physical limitations of river systems to deliver the required increased water demand. These considerations constitute further unintended outcomes of the MIS structure. In this regard, we refer you to the recent Productivity Commission Discussion Draft on Rural Water Use and the Environment: the Role of Market Mechanisms. They comment that

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for “any tax concessions [MIS], there is the potential to distort resource use and prices (including for rural water) by directing economic resources away from, or towards, particular activities. Associated losses in resource-use efficiency can ensue”.

Policy intent

NFF questions whether MIS are delivering on their initial policy intent. In October 1997, the then Minister for Primary Industries and Energy, The Hon John Anderson MP, stated that he wanted to ‘*enhance regional wealth creation and international competitiveness through a sustainable increase in Australia's plantation resources, based on a notional target of trebling the area of commercial tree crops by 2020*’. The key tool for accomplishing this goal was MIS.

With almost 50 per cent of MIS now accounted for by non-forestry projects, NFF questions whether this indirect form of support continues to effectively deliver targeted assistance to an area of perceived market failure. NFF firmly supports the provision of direct and transparent mechanisms that provide targeted assistance to those sectors of the market that require help in managing risk. However, we believe that MIS, in its current form, does not meet these criteria in delivering industry support, particularly given that a significant proportion of the initial investment is channelled to promoters, financial advisers, and other peripheral agencies.

Transparency of Managed Investment Schemes

NFF has significant concerns about the adequacy and independence of information available to potential investors in agricultural MIS and the potential for undue influence of the ATO product ruling processes.

Rural Industries Research and Development Corporation (RIRDC) suggests that the overall MIS sector continues to perform poorly with respect to realistic or actual rates of return versus projected rates. Therefore, NFF would like a greater flow of publicly available data on the performance of MIS, examining the cost structures (expense or capital) and their real rates of return. Such information, delivered by truly independent auditors, is needed to deliver a level of market accountability for promoters and managers which currently appears to be lacking.

While we recognise that some MIS already provide detail on the long-term financial performance of the schemes, NFF does not believe the current system can

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be assured of delivering accurate and independent information which is commercially evaluated by industry experts. Furthermore, we believe that the current system of ATO individual product rulings has the potential to unduly influence investment in MIS by illuminating the attraction of these schemes.

NFF believes that the Government should examine the level of independence of these accompanying reports, ensuring that the public have sufficient information to make an informed investment decision and that ATO decisions are based solely on properly evaluated information.

NFF is also concerned that the high commissions offered to financial planners by MIS promoters (as reported by the Australian Financial Review to range from between 10 and 13 per cent), has the potential to provide undue incentive for planners to invest client dollars in such schemes.

The reputation of Australian agricultural investment

NFF is concerned that MIS have the potential to damage the reputation of Australian agriculture as a competitive investment option for people in metropolitan areas.

While a large portion of external investment in Australian agriculture continues to be channelled through MIS, perceptions of the sector will be dictated by the returns from these schemes. However, with real rates of return from MIS continuing to under perform against the promoters' projections, there is the real potential for metro-based investors to lose confidence in the agricultural sector as a whole. This is a fundamental concern to the NFF as our organisation is committed to the long-term understanding of, trusting of and willingness to invest in agriculture into the next generation.

Proposed forestry taxation arrangements

Tax deductible cap

NFF cannot support the cap arrangements as they are currently proposed. We also urge the Government to enhance the transparency of MIS financial operations, to ensure that expense claims are accurately represented. NFF advice suggests that \$6,500/ha is unlikely to be reached for the majority of forestry MIS, provided expenses (as opposed to capital costs), are being accurately reported (our advice indicates a more realistic per hectare cost of establishment is in the order of \$1,500 - \$2,000/ha). We note that the current proposal is for this amount to

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continue to be tax-deductible in the financial year prior to the expenses being incurred by the plantation managers. This places a greater focus on the tax-deductibility of the investment rather than it being driven by long-term profitability.

Prepayment rule

NFF believes that the MIS structure has contributed to creating a distortion of land values and/or commodity markets. In particular, we believe that the 12-month prepayment rule for forestry has exacerbated these distortions by enticing investors to sign up with MIS at the end of the financial year when they are acutely aware of their taxation exposure. The proposed amendments to plantation MIS do nothing to address this distortion as investors can still claim up-front tax deductions on future plantation expenditure, up to a cap of \$6,500/ha. NFF believes that the 12-month prepayment rule for forestry should be removed immediately. NFF also finds the proposed arrangements to replace this rule are unacceptable.

Establishment of a secondary market

NFF has considerable concerns about the proposed arrangements for establishing a secondary market for MIS investments. In the absence of explicit rules regarding the requirement for plantations set up under MIS to fulfil prospectus commitments (e.g. to sell wood or wood products after plantation maturity), the potential exists that they be on-sold for carbon credits or other environmental services. This would mean the trees remain in the ground and any social and/or economic benefit to the region would be foregone.

Certification

NFF supports the development of an independently evaluated certification system. However, we request clarification about the tax deductions attained by investors through MIS should the plantation manager deviate from the certified business model.

Treatment of individual investors

NFF endorses the treatment of individual investors as passive for GST purposes. We assume that this also means that they will be treated as passive for income tax purposes. If this is the case the provisions in relation to non-commercial losses (Division 35 of the *Income Tax Assessment Act 1997*) will not apply. There should be no additional concessions to investors in these schemes arising as a consequence of the removal of this provision.

17 July 2006

MR 56/06

Managed Investment Schemes fail says NFF

Managed Investment Schemes (MIS) are failing to promote sound investment decisions in rural and regional areas and can undermine Australian agriculture as a competitive investment option for people in metropolitan areas, the National Farmers' Federation (NFF) said today.

Responding to the proposed Taxation Arrangements for Plantation Forestry, the NFF is pressing for the debate to be broadened to deal with the MIS structure and the staggering expansion of non-forestry MIS – growing from 31% to almost 50% in the past year alone.

“Decisions to invest in MIS are largely based on the tax deductibility of the investment, not long-term profitability,” NFF Vice-President Charles Burke said. “Therefore, NFF is concerned that commodity markets and land values are being distorted.

“MIS have seen investment into industries based on unrealistic and unsustainable price expectations, resulting in an over-supply of certain commodities and a distortion of basic market signals – exacerbating the ‘boom-bust’ cycle. On land values, the windfalls generated by management fees of MIS have seen these schemes bid from a position of unfair advantage owing to their access to capital.

“NFF supports the provision of direct and transparent mechanisms that provide targeted assistance to those sectors that require help in managing risk. However, MIS has had a significant impact – beyond its original intent – on the agricultural sector, and we question whether this indirect form of support effectively delivers targeted assistance to an area of market failure.”

The NFF also noted the lack of publicly available data on the performance of MIS, their cost structures and real rates of return.

“While we recognise that some MIS already provide detail on the long-term financial performance of the schemes, NFF does not believe the current system is delivering accurate and independent information which can be commercially evaluated,” Mr Burke added.

“Transparency is essential to deliver market accountability and ensure confidence in agriculture as a reputable and competitive investment option. At present, this is lacking from the existing and proposed MIS structures.”

[ENDS]

Media Contact: Brett Heffernan on (02) 6273 3855 or 0408 448 250 or bheffernan@nff.org.au

The NFF's submission to the consultation process on the Taxation Arrangements for Plantation Forestry is available online at: www.nff.org.au.

Media Release



19 July 2006

DAIRY FARMERS SUPPORT LEVEL PLAYING FIELD

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ADF President Allan Burgess supported the National Farmers' Federation (NFF) call for a level playing field in the area of agricultural investment through changes to the rules governing Managed Investment Schemes (MIS).

The NFF was commenting on the submission it made to the consultation process on the review of the Taxation Arrangements for Plantation Forestry which is available online at www.nff.org.au. MIS are a form of business structure that has increasingly been used to raise capital from investors for large-scale agricultural projects. Under MIS, each individual investor can be treated as a primary producer under the tax act.

"Dairy farmers are prepared to compete in a whole range of markets whether it is to sell our products or to purchase water, land, labour, capital and services. However, we demand one thing - that governments provide the market conditions that allow farmers to compete on equal terms with others in the market," Mr Burgess said.

"In supporting the development of the NFF MIS policy, ADF understood that the effect of MIS on dairy communities had already been profound and was therefore an important issue for many dairy regions. We will continue to support the NFF in efforts to create the fairest possible conditions for farmers."

Mr Burgess said the call for an overhaul of the current provisions allowed for MIS is just one example of the need to reform the market conditions in which farmers and agricultural companies operate.

"ADF is working on a range of areas that we believe will improve the fairness and certainty in the market conditions for farmers including: world trade reform; reform of the Trade Practices Act; management of the Produce and Grocery Industry Code; implementation of the National Water Initiative and reduced red tape," Mr Burgess said.

"The recent ACCC authorisation to allow dairy farmers to collectively bargain is an example of how governments and farmer organisations can work together to improve the market mechanisms available to all farmers," Mr Burgess said.

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DAIRY UPDATE FROM SADA

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Ken Lyons - Editor

TUESDAY 22 AUGUST 2006 **PRESIDENT'S REPORT** **David Basham**

August is the time for the Annual General Meeting of SADA. This year's meeting followed a very successful night, the SA Dairy Awards Gala Dinner. It was a fantastic night that was organised by the Dairy Industry Association of Australia (DIAA) and SADA. Nearly 260 people attended with about a third of them being dairy farmers. At the dinner the dairy product awards were presented to the winners of this year's entries in the Royal Show. It was fantastic to see that prizes were won by many different processors, large and small. At the AGM the next day it was discussed how farmers could be recognised for their part in producing these quality products. The suggestion was that the winners of the Countdown awards could be presented with the product awards. We will be investigating this to see if we can introduce this next year. If you have any ideas on how farmers could be recognised please contact Jo at the office.

At the AGM and the Board meeting that followed some changes were made to the way SADA will operate into the future. We are moving away from the committee structure and replacing it with Board members being responsible for the portfolios. The Board members are advised to seek advice from other farmers and Board members when investigating an issue. We have left two committees that will still operate as their work load could be too great for one individual to manage. The first of these is the Policy & Processors committee that looks at any policy direction SADA needs to take, as well as managing any issues that relate to processors (e.g. pricing, transport, quality management etc). This committee is chaired by the Vice President Lyndon Cleggett. The other committee that will continue to operate is the Human Resources committee headed by Michael Connor. The HR committee manages the education and training of dairy personnel as well as employment issues including WorkChoices and Workplace Agreements.

The areas that will be managed by single portfolio positions include the following:

- Technical Issues Portfolio (e.g. Electricity) - Andrew Stewart
- Association Finances (managing SADA's assets etc) - Jill Williams
- SADA Rep on DairySA Board - Michael Connor
- ADF Rep (national body) - Ken Smith
- Animal Health - Sue Young & Ken Smith
- Environment Portfolio - Jill Williams
- Exhibition Dairy Committee Representatives - Lyndon Cleggett & Ken Lyons

If you have any concerns or ideas on these portfolios please contact the board members concerned. You can also contact the office or me on any issue whether it relates to one of the areas above or not.

Finally, I would like to welcome Karen Slape to the SADA Board. Karen replaces John Nietschke as the Board member representing the Adelaide Hills. I hope Karen enjoys her new role. We have asked her to write a brief article introducing herself which we will include in the next Update.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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CEO REPORT

August each year tends to be a time to both reflect on the progress made during the previous year and begin to think about the opportunities for the coming year. So in this Update I have included the Dairy Australia Fortnightly Update to give a little snapshot of the prices and season.

There will be considerable debate about farmer levies as we approach the Dairy Australia levy poll to be conducted in early 2007. Perhaps the starting point in the debate is to acknowledge that the best value from industry levies comes from the combination of the Associations and Dairy Australia working together. A good analogy is the glue where two components are mixed together to make the glue strong.

DAIRY ASSOCIATIONS AND DAIRY AUSTRALIA

It is very obvious to those of us involved with both the Dairy Associations and Dairy Australia that together we are a real force. Today the dairy industry is tackling most of the big industry issues by adopting well planned strategic, well resourced, "collective" programs. The issues include; training, water allocations, environment, "right to farm", power, transport, animal welfare, trade access, protection from exotic diseases, "value adding" to improve dairy returns and the list goes on and on. Associations can add value in many ways including:

- Providing a democratic "voice" for farmers to determine the strategic priorities for DA,
- Providing a complementary capacity for political lobbying,
- Providing networking to attract additional funds from other potential funding agencies to make the levy funds go further and,
- Providing additional expertise (SADA, ADF and NFF) to the actual management of projects.

In recent years the Australian dairy industry, both in terms of the Associations and Dairy Australia, has undergone significant change, and will continue to change, to ensure levy payers get exceptionally good value from their investments in levies. One measure

of the success of the dairy industry model is that several other commodities are looking to adopt our model.

INDUSTRIAL RELATIONS

There are many changes taking place in relation to the Industrial Relations and Awards at both the State and Federal levels. This is occurring at the same time many dairy enterprises are expanding their management and labour force. SADA by employing Chas Cini has been able to negotiate a better deal for the dairy industry in the Commission and these benefits have been passed on to all dairy farmers. Where our members have really benefited over non-members is in having direct access to Chas to address their particular situation on a "one on one" basis.

AVAILABILITY OF SKILLED LABOUR AND MANAGERS

Right across Australia there is recognition that it is extremely difficult to find trained staff. In recent months the Associations and Dairy Australia have moved to establish the NCDEA in an effort to tackle this problem. Here in South Australia a new committee has been established to ensure more resources and programs are available for dairy training. The committee will be chaired by SADA Board Member, Michael Connor, and funded by Dairy Australia. SADA members should already be noticing the courses improving.

THE POLITICS OF ANIMAL WELFARE

The cost implications for individual farmers if dairy was to be targeted by animal welfare activists would be significant. These losses would make the difference between profit and loss for many dairies. The losses would be far more than the cost to you in levies paid to the Associations and Dairy Australia to protect your businesses. The Associations are required to enter into the politics of the issue from time to time and this is an area where Dairy Australia cannot go.

In New Zealand recently there was a report of a dairy business being taken to court. This fortunately is a rare occurrence mainly because they have a system whereby a dairy association representative is part of the team to investigate any animal welfare incident. It can be the case that the association can help provide part of the solution in such instances. In every walk of life there will be the occasional business that does the wrong thing and it is these isolated incidents that can do an industry enormous damage. The more dairy farmers that are members of an association, and while we have a well resourced service organisation in Dairy Australia, we have the best opportunity to protect the image of the dairy industry.

The vast majority of cases of animal ill-treatment occurs in the cities and involves dogs and cats but it can happen on farm. It is becoming a rarity in the dairy industry partly because of the work of the Associations and Dairy Australia. There is a report today (7 August Dairyweb news) of one of NZ's largest dairy herds being found guilty of animal neglect. Most dairy farmers are staunch defenders and protectors of their cows.

Taking the pro-active path does not always ensure the desired outcome.

FARMERS GET SECURE ACCESS TO WATER AND DEPARTMENT GETS THE AWARDS



DWLBC Chief Exec Rob Freeman and Project Leader Ross

Most of the dairy regions have been sorting out the water allocations in recent years and we at SADA have been assisting with the consultation process. We often talk about how well the process went in the SE to provide an example to the other regions. Well I am pleased to say that the Volumetric Conversion team in the South East was nominated for a Wallaby Award that recognizes outstanding achievement with the Department for Water, Land and Biodiversity Conservation. The project team was commended for the positive working relationship formed between south east irrigators and the government to achieve sustainable water management.

As it turned out the Department Awards went to the two teams working with our dairy irrigators; first prize going to the River Irrigation Team and the second prize to the SE Volumetric Conversion Team.

But both the River and SE dairy irrigation farmers are now in possession of secure and tradable water allocations.

Late News

John Mclean has announced his retirement as Managing Director of WCB effective at the end of the year. He will continue to provide consulting advice to the company after stepping down from the top job.

Joke of the Week

A dairy farmer appears before St. Peter at the Pearly Gates.

"Have you ever done anything of particular merit?" St. Peter asks.

"Well, I can think of one thing," the farmer offers.

"Once, on a trip to Hahndorf, I came upon a gang of high-testosterone bikers who were threatening a young woman.

I directed them to leave her alone, but they wouldn't listen.

So I approached the largest and most heavily tattooed biker I smacked him in the head, kicked his bike over, ripped out his nose ring, threw it on the ground, and told him, "Leave her alone now or you'll answer to me."

St. Peter was impressed. "When did this happen?"

"Just a couple of minutes ago".

WATER PRICES

Waterfind provided the following prices guide for August.

Temporary

Lots from 50ML to 1000 ML in size paying up to \$120 per ML

Permanent

Lots from 100ML to 500ML in size paying up to \$1360 per ML

GENE TECHNOLOGY WORKSHOP

CSIRO is holding another two Gene Technology workshops. These two day workshops have been running for several years now and are proving to be extremely well supported by those involved in agriculture. While gene technology is at the cutting edge of many advances in agricultural innovation these courses are suitable for the general public as well as those with a scientific bent. The course will be run at Clare on 29-30 August and Murray Bridge on 31 August - 1 September. For information telephone Agrifood Awareness Australia on (02) 6273 9535.

While thinking about science during the past week there has been several announcements about further discoveries of health and healing bioactives in milk.

An international conference has been told one of the Australian discoveries will begin human trials shortly. Murray Goulburn is a shareholder in the company that has made one discovery and this is significant because it could be a wealth generator for MG. This in turn will improve MG's capacity to pay higher milk prices.

SA DAIRY AWARDS GALA DINNER



Charlie Downer, President of the Show Society with Pat Rowley



Rod Taylor, past DIAA State & Federal President presenting the John Bryant award to John McLean



Hon Caroline Schaefer and John Nietschke

The dinner was a great success with 260 attending, including 70 farmers. The industry event was a great promotion for the industry in general and provided a night for people to socialise and network.

The main feature of the night was the presentation of the SA Dairy Awards to the winners of the dairy products competition. Congratulations to not only the Trophy winners but all other medal winners as well. The prize winning products were featured in the surprise buffet following the main meal.

Another feature of the night was the farewell to Pat and Mary Rowley as Pat will be standing down from the position of Dairy Australia Chair at the end of the year.

A presentation of the John Bryant medal for services to the dairy industry was made to John McLean by the Dairy Industry Association of Australia.

And finally, closer to home John Nietschke was acknowledged for his service to SADA over many years.

Thanks to:

- the many people who travelled from interstate that attended including Doug Chant and Airlie Worrall from the UDV.
- the organisers of the event including SADA, the DIAA Committee and the RAHS Show Committee.

And a very big thank you to all of the Sponsors:

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SHOW BBQ AND TICKETS FOR DAIRY DAY

The SADA Show BBQ is on again in the Dairy Cattle Judging Marquee on Wednesday 6 September from 6.00pm. This is open to all SADA Members, Dairy Cattle Exhibitors and their families.

We look forward to seeing you all there.



Show Tickets are still available for all SADA members, so if you would like to take your partner to the Show for Dairy Day on Thursday 7 September please phone Jo at the SADA Office on 8293 2399. Dairy Day will be held in the Dairy Cattle Judging marquee from 11.30am.

FLEURIEU FLYER

Lee McKenzie - Fleurieu Regional President

Given the uncertainty of how the season will unfold it is a good time to begin to plan your feed purchasing strategies. So Lee has undertaken to give some indication of the prices relating to fodder and stock.

With my new role as President of the Fleurieu Region, I feel it is important to keep in touch with local happenings via the Dairy Update from SADA and may cut out some meetings which we are all too busy to attend - we'll give it a go anyway.

MILK PRICES

Like everybody I'm disappointed in the opening farm gate price from all three processors. It sends the wrong signal back to us as producers. Considering all processors are jostling for your milk supply, it makes you think that maybe that's all they can really pay us. Which is sad when we're told world markets for dairy products are very good, but then there is that old warn out story the Australian \$ is too high. I don't know about you, but I certainly get tired of that excuse. You would think that in this day and age they would be able to hedge against that. Maybe I am simplifying things too much.

To finish on milk prices the Fleurieu Collective Bargaining Group has decided to appoint Steve Scown to collect and collate price comparisons between the three processors. They have a good cross section of suppliers across the Fleurieu and Hills. Each farms' production for the 2005 - 2006 year will be collated on what they sent to the processor, e.g. butterfat, protein and quality. The results could be interesting; maybe at last we will get a true comparison. I'll keep you updated on that one.

GRAIN AND HAY

Earlier I mentioned about hedging against the Australian \$. It might be worth us having a look at hedging or forward buying grain and hay. I'm not a pessimist but the way the year is shaping up weather wise, it could end up average at best, at least in the grain and hay growing regions anyway. I have sourced Mark Rowetts' expertise in putting together what he and his growers think how things might pan out. Mark has agreed to do a report at the start of each season, this one being the spring report. Mark makes the point that this is only his own prediction and should only be used as a guide.

HAY REPORT

Mark Rowett

South East & Upper South East

With rainfall way below average for this time of the year the

prospect of good cereal and pasture hay cuts don't look good unless they have an unusually long spring. Irrigated lucerne will still be available but pressure from Eastern states may push up prices.

Mallee

Some areas are likely to cut some hay but overall cuts will be well below average.

Lower North, Adelaide Plains & Yorke Peninsula
Cereal hay crops look good and with good spring rains cuts should be average or better. Medic stands are thick but will need good rains in mid August to prevent plants from flowering early and going to seed before they have reached good cutting heights.

GRAIN MARKET REPORT - AUGUST 14, 2006

Tom Guthrie - Elders

The Australian Grain Market continues to focus on the weather, or lack thereof, with fine conditions forecast for most of the Australian grain belt this week. Longer term, rainfall has been forecast on the 10 day outlook for many regions, all will be hoping that this forecast makes it through next week.

Over the last week, both old and new crop feed grains were firmer domestically, mainly due to the lack of rainfall forecast short term. Pricing has been strongly underwritten by the export price of wheat, even with our relatively high exchange rate. Poor wheat crops in the US and EU together with reduced production estimates in Australia, Canada and Argentina leave international supply and demand tight.

Domestic new crop stockfeed wheat prices are \$215 /mt Adelaide base as at August 14, 2006. While feed barley is at \$175 /mt. Triticale is mid ranged at approximately \$195 /mt. Prices for a typical pick up point like Tailem Bend are approximately \$10 /mt less than Adelaide basis. Protein pricing remains volatile for new seasons as Lupin crops are difficult to project. Rainfall will be required soon to consolidate most crops through spring to realise an average crop especially in the SA Mallee and South East districts.

Contact: Tom Guthrie 08 8425 4154

In closing, in the next Fleurieu Flyer I'll give a report on our study tour of the Mid North. This region produced approximately 20% of Adelaide milk not so long ago, now it's down to 20 million litres annually, why? Can it be reversed to fit in with the dairy industry 10 year plan?

Lee McKenzie

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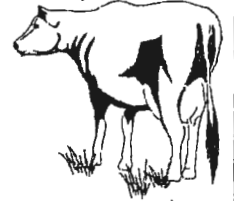
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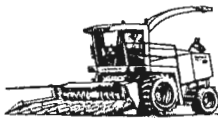
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Fortnightly Update



Issue 15 - August 2006

Current Global Issues

A six-week run of circa 40°C temperatures in California has led to a significant number of cows dying from heat exhaustion. Local authorities have declared animal disposal emergencies which allow dead cows to be buried in landfill sites because abattoirs have been unable to keep up with the carcass inflow. California is the largest milk producer in the USA, producing around 20% of US milk production. A California Farm Bureau spokesman said California milk production has dropped almost 15%.

Across the Tasman, NZ dairy companies Fonterra, Westland and Tatua have announced closing prices for the 2005/06 season. Fonterra closed at NZ\$4.10/kgMS (AUD\$3.66/kgMS), Westland closed slightly higher at NZ\$4.15/kgMS (AUD\$3.71/kgMS), and Tatua's final price is NZ\$4.35/kgMS (AUD\$3.89/kgMS). Tatua was the only company to announce a closing price above that of last year.

Meanwhile, the NZ Ministry of Agriculture and Forestry (MAF) released their latest outlook paper on the NZ dairy industry. MAF are expecting much slower growth compared to previous years and static international dairy prices to cap milk payouts over the next two years.

The National Front

Preliminary estimates of 2005/06 milk production by state indicate Victoria was marginally down 0.5% to 6,580 M. lts. Gippsland was up 2.9%, to reach a 20% share of the national total; while the Western region was down 1.5% - with 20.3% share - and the Northern region was down 2.3% - with 24.9% share. The Victorian share of national milk production remained around 65%.

TAS was the 'growth state' with 3.2% growth to 619 M. lts and 6.1% share of national production. SA production recovered from a very difficult first half season to reach 680 M. lts [0.2% growth], for a 6.7% share. The south-east corner of Australia has increased its share 0.2 points to reach 78.1%.

In NSW, production remained virtually unchanged with a volume of 1,217 M. lts - a surprising outcome given drought conditions across that state for much

of the year. NSW share of national output was 12.1%. QLD milk production declined 1.6% to 609 M. lts - for a share of 6.0%; while WA was down 4.1% to 380 M. lts - for a share of 3.8%.

Murray Goulburn have announced their final step-up for the 2005/06 season of 3 cents / kg butterfat & 8 cents / kg protein - referring to difficult trading conditions during the last three months of the season due to softening world dairy prices. Nevertheless, MG say that their 2005/06 milk price is about 4% up on last year and equal to their highest price of 2001/02 when the AUD was below \$US 0.55.

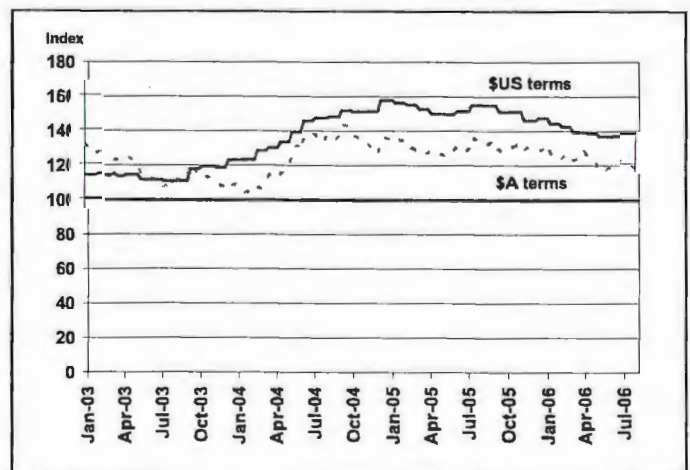
DA estimates the weighted average Victorian 2006/07 opening price is \$3-74/kgMS - 3.7% below last year's opening price. This represents a figure of 27.7 cpl.

The AWB's 2006/07 EPR has slipped \$4 to \$164 / tonne this week on the basis of the northern hemisphere harvest delivering average yields and flat world demand.

As expected, the Reserve Bank of Australia (RBA) announced a 0.25% rate rise, lifting the official cash rate to 6%. The RBA noted the decision to increase rates reflects economic strength and the RBA's desire to head-off medium term inflation. Potential windfalls from the recent slip in the AUD/USD exchange rate have been scuttled by financial markets pushing up the Aussie dollar following the RBA rate rise. Despite the US dollar Export Index holding ground, the recent bounce in the AUD has caused the AUD index to fall slightly.

Our Export Index

Australian Export Index (Base = 100 at Jan 2000)

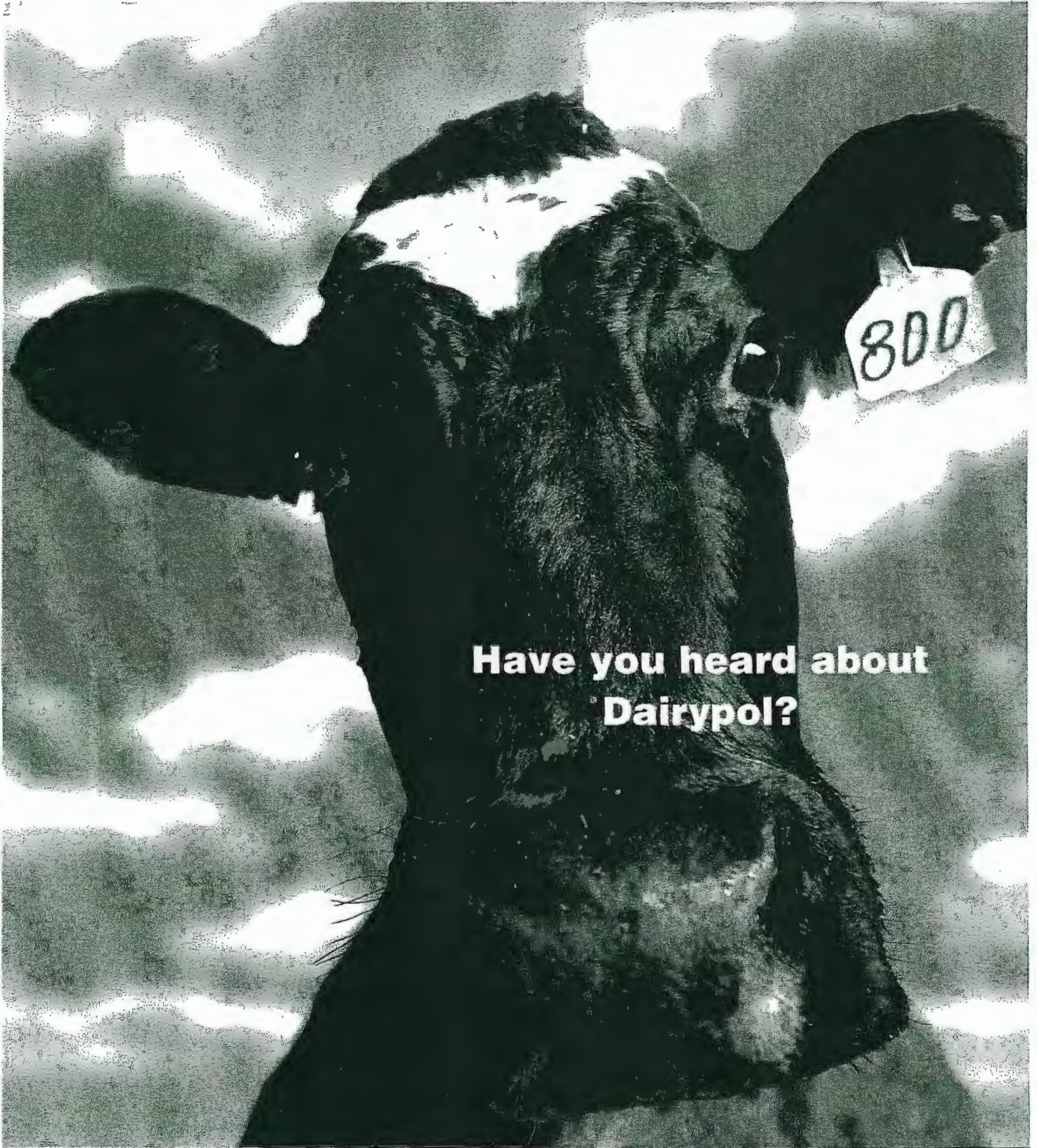


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Fun times at the SA Dairy Awards Gala Dinner





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ADF Informer - 18 August 2006

The ADF Informer is distributed on a fortnightly basis via email or fax to ADF Board Members, State Dairy Farmer Organisation Executive Officers and Councillors and key stakeholders. We welcome your feedback - please don't hesitate to contact us regarding content of this or future editions.

The actions described in ADF Informer are a result of dairy farmer memberships to their state dairy farmer organisations.

ADF Leaders Re-elected

President Allan Burgess and Vice Presidents Doug Chant and Wes Judd were re-elected to their leadership roles at ADF's annual meeting this week. Allan, Doug and Wes form the ADF Executive and will also sit on the Board of the Australian Dairy Industry Council (ADIC) with representatives from the Australian Dairy Products Federation (ADPF).

ADF Board supports Dairy CRC Rebid

At this week's meeting the ADF Board provided their strong support for the second-phase of the Dairy CRC re-bid. The board was satisfied that the key criteria it had established in its 2005 review of biotechnology research had been met in the CRC re-bid process. The ADF believes the gains that the Dairy CRC can potentially deliver, particularly through faster genetic progress for important traits, will be the next phase in ensuring a competitive Australian dairy industry.

The second round application for a second seven-year funding term for the CRC has now been submitted. The next step in the process is for an interview with the selection committee. The outcome of the application is expected to be known in December, 2006.

Considering the Future of Farm R,D&E

Several ADF nominees recently joined other industry colleagues to discuss the future of Dairy Australia's Farm R,D & E portfolio. Known as the Farmgate Reference group, it considers existing DA programs under the farm area which is managed by Stephen Coats. The group compared current programs to priority areas previously identified by ADF for farm RD&E. These were: learning, pastures (fodder), genetics, grain and labour productivity. While recognising the many good programs underway, it was the view of the reference group that several key areas relating to the future competitiveness of dairy businesses needed further development and investment.

Fertiliser Industry Interested in Dairy

The desire to better understand and work with the dairy industry was evident as the ADF addressed the recent gathering of the Australian Fertiliser Services Association (AFSA) in Adelaide. The gathering was very impressed with the Situation and Outlook report and the way in which ADF could articulate future challenges for the industry. In particular, the fertiliser industry recognised the issue of nutrient management as a joint challenge. Having just been to New Zealand, the AFSA leadership were aware of the regulatory response in that country and wanted to do everything possible to provide an effective nutrient management outcome in Australia.

Tim Nelson Farewell

ADF was pleased to be represented at the recent farewell dinner for WestVic Dairy Executive Officer, Tim Nelson. Although Tim has a few months to go in the job, WestVic Dairy took the opportunity to thank Tim while his family, who live in Canada, were visiting Australia. In recent times ADF has worked closely with Tim via the Dairy Employment Management Committee. We have greatly enjoyed Tim's involvement in industry matters and like WestVic Dairy, we wish him all the best in the future.

Levy Poll Committee

Consideration of levy poll options continued last week at the industry's Levy Poll Committee made up of farmer and company representatives. The committee has stated the process of examining the financial aspects of the levy and future projections based on milk production and inflationary changes. More work is needed on the historical performance of dairy R,D&E and linking past performance to future needs. Once this is more clearly determined, the Committee can better assess options for levy payer consideration.

Natural Resource Needs Critical

The need to clearly identify the dairy industry's future resource needs was a key outcome of a workshop held last week. Several NRM experts from outside the Australian dairy industry challenged industry leaders with their view of the future in natural resources. The capacity to understand the science of natural resource management and clearly articulate the industry's role in community was considered key. In other words being able to explain the importance of the dairy industry, its resource needs and its programs for sustainability. The meeting was organised by Dairy Australia with farmer and company representatives in attendance.

Farm Management Deposits Review

The Department of Agriculture Fisheries and Forestry are currently undertaking a review of the Farm Management Deposits scheme. ADF and Dairy Australia were pleased to meet with the review committee to discuss the issues associated with FMD's. The Review Committee heard how important the FMD's are as a financial risk management tool for dairy farmers, particularly in times of severe drought when costs escalate and cash flows are a major problem to manage. The ADF anticipates the Review will recognise their continued importance and to recommend they continue in their current form.

Performance Review of Dairy Australia

ADF is pleased to contribute to the performance review of Dairy Australia. This review is a requirement of the Statutory Funding Agreement between the Federal Government and Dairy Australia. The Review is being undertaken by independent consultants, Hassall and Associates. It is expected the review will be completed by the end of September. All levy payers will receive a summary of the review report before the Dairy Australia Annual Meeting in November.

ADF sees the Performance Review as an opportunity to have an independent review of Dairy Australia which should identify the strengths of the organization that can be built upon into the future and to also identify any weaknesses that can be addressed so that the dairy industry can and will have the worlds best practice dairy service organization.

John McQueen
Chief Executive Officer

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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
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Ken Lyons - Editor

MONDAY 4 SEPTEMBER 2006 PRESIDENT'S REPORT

David Basham

The first week of September is always show week in Adelaide. On Wednesday night during show week SADA with Wesfarmers, Dairy Farmers and National Foods put on a BBQ for the exhibitors in the dairy section. Last year we catered for 150 – 200 people and we had very little left so I expect we had pretty close to that number of people again this year. It is a great night so if you are able to come please make the effort. I would expect at least half the Board to be there to talk with the exhibitors and dairy farmers. I would personally like to thank Jo Gilbert (Office Manager) and her family for the effort they put into the organisation, running and cooking of the BBQ.

Rainfall of the last few months has been lacking in many areas. I would encourage farmers to consider their fodder needs for the summer and look to purchase any extra feed early before prices go through the roof or supplies get so low that feed is not able to be sourced as happened a couple of years ago. I would also like to point out there is still time for rains that will relieve the pressure. Low rainfall records may be achieved but it is rare for the previous low record to be beaten by more than a few millimetres. We cannot change the weather; we can only work with it.

It was pleasing to see that South Australia increased its production for the last financial year. After such a poor start to the year with July '05 milk being down approximately 15%, we made up ground to end up having a small increase. Tasmania was the only other state to increase production for the 2005-2006 year.

Finally I would like to wish Jo, on behalf of all farmers, a very happy 50th Birthday this month.



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CEO REPORT

Dry conditions are coming to test farmers again this year. The grass may be green but there is little growth, the cereal crops are on the edge, and there may well be a continuation of the water restrictions from the Murray. The forecasters are arguing over the predication so there are no sureties. But one of the most negative comments came from the University of Newcastle associate professor who says Australia faces a 67% chance that a drought making El Nino will develop by December.

We at SADA will do our best to keep you informed and assist where we can. Many farmers are already making plans to purchase extra reserves. Lee McKenzie provided an Update on the fodder situation for the last Update and this month Bob O'Brien (Percat Water) comments for SADA members on the river situation and the water trading market.



Bob O'Brien

MEMBERS ONLY

INCLUDED WITH THIS UPDATE IS BOB O'BRIENS WATER UPDATE

All of the other states are also battling with the dry conditions. This is not surprising since Australia is heading towards one of the driest Augusts on record. Queensland has had the cyclones and floods in the north and drought in southern Queensland. As we have seen before we need to be aware of what is happening in the adjoining states and any subsequent movements of stock and fodder.

Further afield a drought is developing in China that could be their worst ever. Even now the mighty Yangtze water level is the lowest for the century and the situation is getting worse. Remember that farmers account for two thirds of China's 1.3 billion people. Today the Chinese farmers are carting water to survive and there may be a significant loss of livestock.

When we begin thinking about dairy industry

priorities I always think it best to begin with issues we can "make millions" and the "short change" issues can come later. The FTA with China could be a really "big dollar" issue for the Australian dairy industry this year.

CHASING THE BIG DAIRY DOLLARS – an FTA with China

The debate about what will be in and out of the negotiations with the proposed FTA with China is underway here in Australia. Food exports from Australia to China have grown by 94% over the last five years to \$1.3 billion. It is important that Australian Dairy gets a good share and access to the high value markets in China. Your dairy Associations and Dairy Australia will be actively lobbying to ensure our dairy industry gets a beneficial outcome with this FTA. Recently Chile has approved an FTA with China. What is the time frame for the negotiations? The most likely guess is for the FTA to be concluded in time for President Hu Jintao to sign it when he comes to Sydney in September next year.

INDUSTRIES THAT GET SMART WITH FTA'S CAN MAKE \$\$\$ m

Only those industries that get included, and get the deal right, in the China FTA can expect to come away with the benefits of better farm gate returns.

The dairy industry is continuing to benefit from the fact that we are able to "lever" the politics here in Australia so dairy was included in the Australia/USA FTA. Early in the US FTA negotiations it was clear that many people thought dairy should be taken right out of the deal because it would be "too hard to negotiate". So that is why we decided to "fight back". Thankfully in this case we won. Thanks especially those farmers who came along with me to put the case to their local Federal politicians back in 2004. I was so keen on this exercise that I felt it important not just to rely on the Association staff to do the lobbying. It showed the effectiveness of dairy farmers that VOTE in their electorates putting pressure on their own members of parliament. You will also recall that the Dairy Australia CD-ROM explaining why dairy should be included in my opinion was the "key" to winning the issue.

Our SA seafood industry was also smart enough to get included in the US FTA and last week you may have seen in the Advertiser that as a direct result of the US FTA the Port Lincoln Tuna Processors' have signed a \$40m deal with a premium American supermarket. This has added another 30 jobs and the viability of the cannery is secure. Also it should be noted that SARDI (our SA research institute also provided some technology) "value added" the deal. Everyone is envious of the new SA Seafood Industry wealth. But it is not that complicated. If you develop strong associations, a good service industry body, encourage excellent R & D, agree a sensible industry plan, we can be well placed to capture higher farm-

gate returns for dairy farmers.

One of the best examples of our dairy industry having "a really serious go" at developing a dairy farm business is the exciting dairy conversion project on "Carilla" near Tintinara.

EXCITING NEW DAIRY PROJECT AT TINTINARA



Peter Ryan and Peter Doman

Some of South Australia's smartest dairy minds (covering business planning, pasture management, livestock and the environment) are focused on developing our own "Future Farm" incorporating the latest dairy technologies. After spending most of the day going over the project with Peter Ryan and Peter Doman recently I came away very impressed with the absolute attention to detail and the way they are addressing the challenges in this relatively new dairy area at Tintinara.



Neville Joppich
Farm Manager

The place was alive with contractors & specialists all dedicated to ensuring the foundations are there for developing a most successful business model in this environment. Rick Jordon was there incorporating all his pasture and fodder skills and knowledge to the new task. This is a project that will contribute significantly to regional development

and we as a dairy community will be become smarter and stronger. Just as this project is today benefiting from the pioneering work done elsewhere there will be "new knowledge" learnt here that will benefit other regions.

The work that SADA has done in building the profile of dairy with the government and their agencies (water, native vegetation etc) hopefully will be useful to the project team. The dairy industry fostered an attitude of building positive energy and enthusiasm about supporting projects like this. The ideal mental attitude of support is "great this is a win-win, how can we help?"

MILK QUALITY BONUSES

One third of Dairy Farmers suppliers will share in a premium milk bonus, equating to 0.3c/litre, which is additional to the 1.2c/litre monthly quality incentive the company announced the week before. As farmers get better at producing very high quality milk the proportion of farmers receiving these bonuses is increasing.

One of the ideas for next years Gala Dairy Dinner is to recognise the top quality milk producers.

DAIRY SAT PROJECT

Tarsha McGregor – Rural Solutions SA

Dairy SAT to be trialed in the South East

An environmental self assessment tool to assist dairy producers establish an action plan for natural resource management is now available through the Dairy SAT program.

An opportunity exists for up to 20 producers to trial the Dairy SAT tool in the South East. Mundulla dairy farmer, Evan Schmidt who was involved with the original trial of Dairy SAT commented "It was a good way of recognising what we have already achieved on-farm in natural resource management and it compliments our current QA system."

Dairy SAT is an environmental self-assessment tool that assists farmers to assess their current level of environmental farm performance, (below, at or above industry best practice) and enable farmers to achieve on-ground works through the implementation of an action plan. It covers a variety of natural resource management topics such as irrigation management, biodiversity, pests and weeds, soils and many more...

DairySA has employed Tarsha McGregor, Rural Solutions SA to undertake the project that will assist the South East dairy producers in natural resource management priority areas to undertake the self-assessment tool. "This is a great opportunity for dairy producers to review existing farm practices in natural resource management and to develop an action plan to identify potential on-ground works. Producers will also be given the opportunity to access expert information covering natural resource management topics through participation in workshops and field walks". Tarsha says.

The South East Dairy SAT trial is funded by Dairy Australia and coordinated through Dairy SA.

Contact Tarsha McGregor, 8389 8806.



L-R: Monique Aucote-White, Jo Van Rijthoven,
Tarsha McGregor and Mark Thompson

ELECTRICITY CONTRACTS

Today there are plenty of electricity retailers in the market and all are offering "deals". In this environment as soon as a "special deal is put on the table" for an association or processor the next day a competitor will beat it. So our advice is for members to get some quotes for you business. You should attempt to do better than the company public pricing.

EMPLOYERS ADVICE - WORKCOVER CHANGES

Since the 1st July a NSW Company, Employers Mutual, will be the sole WorkCover claims agency. Previously WorkCover had four claims agents. On 15th August Chas Cini and myself met with Darryl Turner and Sue Lamkin (Employers Mutual) to discuss the new arrangements. The first priority is to inform our members of the new arrangements. The options we discussed included for Employers Mutual to advertise and write short articles for the SADA Dairy Update as new issues arise. Darryl Turner and Sue Lamkin are to address the SADA October Board Meeting.



L-R: Chas Cini, Sue Lamkin, Darryl Turner
and Ken Lyons

MEMBERS ONLY
INCLUDED WITH THIS UPDATE IS THE
REPORT FROM EMPLOYERS MUTUAL

OPENING OF THE NEW ABS OFFICE IN YANKALILLA

Many dairy farmers attended the opening of the redeveloped ABS Office at Yankalilla on Friday August 18. Branch Manager Melinda Fogden gave us all a tour while Peter Maxwell, Field Sales Officer, cooked the BBQ lunch. The ABS General Manager, Steve Fried was our host and unveiled a plaque and wonderful cow statue. Many present thought the cow could be seen as Yankalilla's response to that race horse being constructed at Port Lincoln. Then right on cue it rained. A great day was had by all.



Peter Maxwell



L-R: Graham Mieglich, Steve Fried, David Stacey
and Ken Lyons



Steve Fried unveiling the statue

WELCOME NEW MEMBERS
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FANTASIA PASTORAL COMPANY FROM THE
SOUTH EAST

MEETING WITH THE DEPARTMENT OF TRANSPORT

Milk Tanker, especially the new B-doubles, access to our dairy farms is an issue in some areas. Robert Demarco (PIRSA Commercial Projects Division) arranged for SADA to meet with Phil Lawes and John Jarrod both in the Transport Planning Division of the Department of Transport on Friday 25 August.

The next move will be for the dairy industry to put some proposals to the government agencies and local governments.



FAX-BACKS

Members may have noticed that we have not had a Fax Back for some time but when we have a significant issue to canvass the membership views this option is always available.

It is so important that we all at SADA keep really well informed about the members views and feelings. Equally it is important that members have easy access to other members, Board and Regional

Committees and the SADA Office. The best way is to meet in a semi-social situation as this often provides the environment to talk things through. That is why we often have shorter regional meetings and time for a luncheon (where often the real business is done). After nearly 20 years of sitting on various Boards I believe more is accomplished before and after the meetings than in them. I am aware one of the reasons for joining the association is so we can attend to many issues acting on your behalf given life on the farm these days is busier than ever. But even so we love hearing from our members with their ideas, criticisms and support. This way we will become stronger.

You will notice in the Dairy Updates from SADA that today we spend a lot of time developing and managing relationships with a great array of agencies and people **but the most important relationship is with you the members.**

Coming back to China and opportunities it presents with its economy growing at over 10 percent and having the highest foreign reserves (\$1.172 trillion) in the world there is a downside for their farmers. The system in China does not allow the farmers to have an effective "voice". While not all farmers in Australia support their rural associations the Chinese farmers would love to have an association that could represent their interests when dealing with land developers. What is the saying, "you only appreciate it when it's gone".

CHINESE FARMERS NEED A "VOICE"

Some 40 million farmers have lost their land to urbanisation over the last decade but because the farmers have no say or no social welfare net AND are not adequately compensated they are often reduced to poverty. Reports indicate that 88 percent of these land acquisitions in China are illegal but the farmers are poor and cannot defend themselves. Beijing is trying to address the problem of the rural poor being left behind.

A sobering statistic from the Ministry of Agriculture is that 114 million farmers are working in urban areas away from their land or looking for jobs. That is 6 million more than last year. The concern with all of this is that change needs to be managed fairly or the outcome can be social instability if the income inequality continues. The current drought and the other problems the Chinese farmers may well increase the tensions between the cities and the rural communities.

BACK TO TWO VIP ISSUES

Now we come to two very important opportunities that I do not want to put off until next year. Both are urgent issues but they could conflict with the

important silage hay and for some harvesting period.

The first and most important is there is currently a "missing link" in the comprehensive plan to protect our dairy industry in the unfortunate event of an outbreak of an exotic disease. We need to train about 15 farmers ASAP to carry out the role of Industry Liaison Officers. Previously Rick Gladigau and Andrew Stewart had undertaken the training but the plan has been changed so much that retraining is now required. The only practical way this can be done is for SADA to agree to host the course and make it happen.

The second issue is to have another round of seminars with Chas Cini on the WorkChoices issues. On your behalf I have again been successful in getting funding for the exercise and we can cover some of the same material but enhance it with further information on the availability of the templates for Certified Agreements and AWA's.

At the time of writing I have just done a deal with Animal Health Australia to do the training course and NFF for the WorkChoice seminars. At this stage there are no dates and places except to say my first thought is to run the ILO training on one day at Meningie in the first week or second week of December.

THE INDUSTRY LIAISON OFFICER TRAINING COURSE

Included in this SADA Dairy Update is a workshop information sheet. But in a nutshell, an ILO represents their industry during a response by:

- providing advice on the nature of the local industry to assist with disease risk assessment
- assisting with developing and implementing plans for disease control
- providing advice on the economic and other consequences of the proposed actions
- acting as a focus for consultation and advice to the local industry.

Those members that are interested in the ILO workshop could they give me a call so I can begin to get a feel for numbers.

MEMBERS ONLY

INCLUDED WITH THIS UPDATE IS AN OUTLINE OF THE PROGRAM.

Please phone the SADA Office for an Application Form

"WORKING ON THE PLAN"

Tony Morbey – Executive Officer

The Dairy Industry Development Board met with the State Minister for Agriculture, Food and Fisheries, Rory McEwen MP in July to discuss ways that the

industry and Government can work together to find solutions for issues that will impact on future industry growth and the potential for further value adding in SA.

The Industry Development Board provides advice to the Minister on the strategic development of the dairy industry in this State. It meets 4 to 6 times per year.

Earlier this year, the Board also met with Managing Directors of National Foods and Warrnambool Cheese and Butter to discuss their plans and ideas for South Australia's dairy industry.

The current Board is chaired by Brenton Higgins AM, Managing Director of Golden North.

Other Members are:

<u>Taso Kourou</u>	- General Manager, Cheese and Gourmet Foods, National Foods
<u>Greg Gilbert</u>	- Farm Services Manager, Dairy Farmers
<u>Kris Lloyd</u>	- General Manager, Woodside Cheesewrights
<u>Virginia Ewing</u>	- Dairy Farmer, Kalangadoo
<u>David Basham</u>	- President SADA, Dairy Farmer, Mt Compass
<u>Joanne Pfeiffer</u>	- Dairy Farmer, Murray Bridge
<u>Vicky MacDonald</u>	- Nutrition Consultant, Meningie Fodder
<u>Brian Bartsch</u>	- Manager Industry Development, Livestock Industries - PIRSA
<u>Tony Morbey</u>	- Executive Officer - PIRSA

REMINDER

If you have paid more than \$1478.52 in subscriptions and fees and would like a refund please contact Jo at the SADA Office before 31 October 2006 (refer to SADA Constitution Regulations part 3).

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*Ken Lyons
Executive Officer*

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SADA MEMBER BENEFITS



Telstra – 7.5% off all eligible calls

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Beaurepaires – up to 10% on tyres

MBF Health – special rates for SADA Members

Vine Inn Hotel, Nuriootpa – Corporate rates on accommodation

Southgate Motel, Mt Gambier – Corporate rates on accommodation

Mediation and Employment Services – Free 30 minute Consultation

Flight Centre – 3% on bookings, 20% on travel insurance



For further information on any of these discount offers available to members please contact Jo at the SADA office on 8293 2399

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Time for a laugh

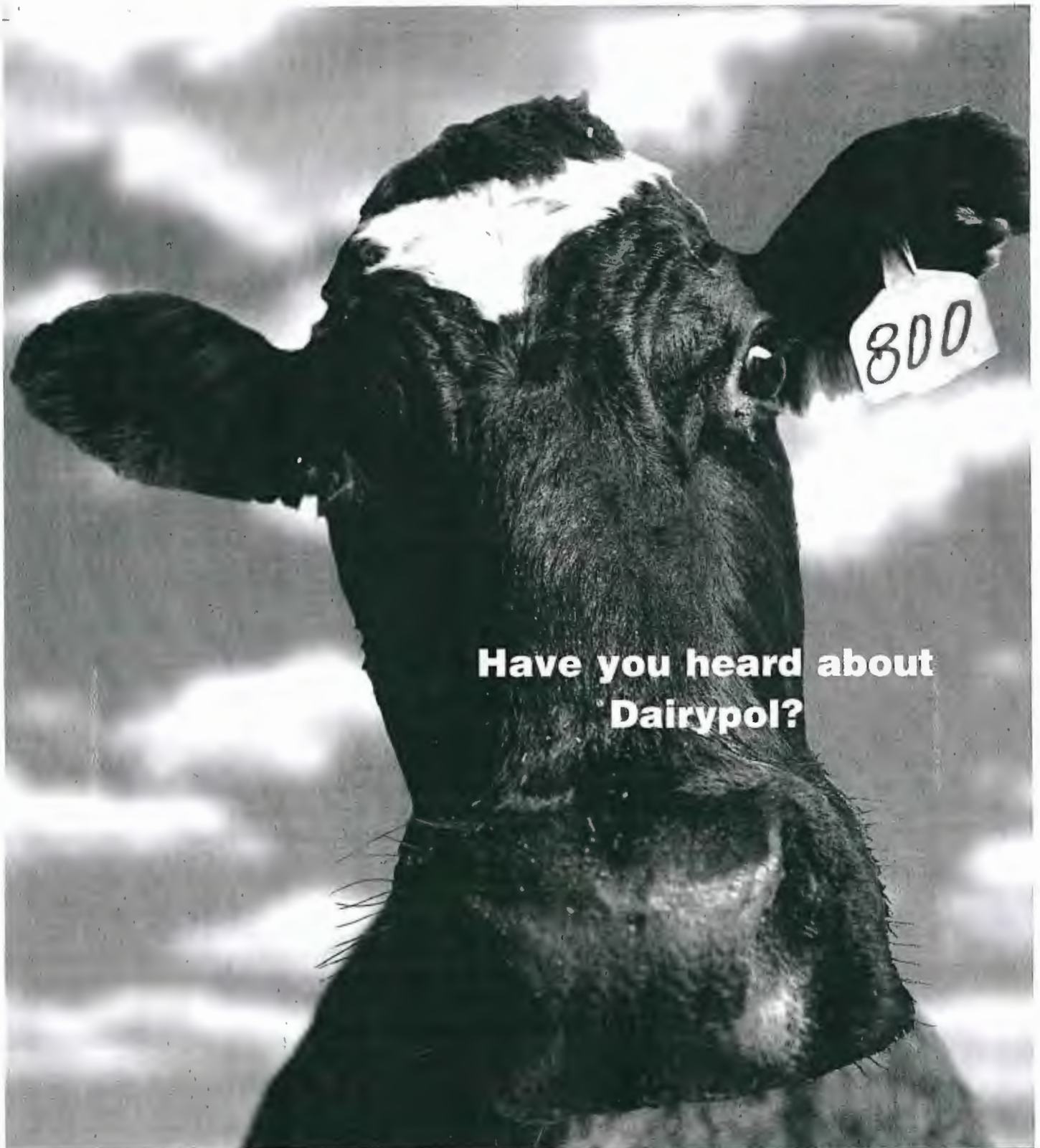
Sports fans are taking up a Dutch game called Farmers' Golf, designed to be played on bumpy cow pastures. Players use a clog club - a long stick with a wooden shoe at the end - over a course of 10 holes on bumpy farmland filled with cow dung and puddles rather than sand traps and water hazards.

Traditional golf balls are not used. Dutch farmer Peter Weenink explained: "Using small (golf) balls in the fields where cows are walking, you'd spend the whole day searching for the ball. So we took a bigger ball."

There's a website (www.farmersgolf.com) and the game invented in the northeast of the Netherlands in 1999 is expected to attract up to half a million players next year.

...AND: India's state of Rajasthan is seeing a run on camel milk after an 88-year-old man who fathered a child several weeks ago attributed his virility to the drink. Although the National Research Center on Camels says there is no scientific basis for the claim, news of Virmaram Jat's virility has seen camel milk prices double.





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DAIRY UPDATE FROM SADA

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Ken Lyons - Editor

WEDNESDAY 4 OCTOBER 2006

PRESIDENT'S REPORT

David Basham

SADA Drought Response

The climatic conditions are working against us with a record dry winter and now looking at a very dry and windy spring. SADA approached government as soon as they announced the establishment of the State drought task force. I have been asked to be a member of the task force representing all dairy farmers. In addition to this state group the dairy industry has its own group that will meet at SADA next Monday. This committee has SADA, PIRSA, DairySA & Processor representatives. To develop some background information I am asking the 8 board members to give me a written report of how things are looking in their regions. This will include how much earlier the season is finishing than an average season, as well as the availability of hay and grain and an indication of price. In some areas stock water from dams may also be an issue. If you have any issues that you would like to raise in relation to the drought please contact one of the board members that represents your region.

I realise some regions are much worse than others particularly the Upper South East from Naracoorte to Meningie. Hopefully we can help farmers through this hard time if you are having trouble coping please contact someone. It can be SADA or a company field officer or even another farmer. Talking the problem through way help you solve it.

The government has established a Drought Hotline so please contact it if you need it.

Drought Hotline

For access to drought related information – including support services, local rural financial counsellors, Centrelink payments, maintaining land condition, managing stock and crops in dry times, the condition of the River Murray and Murray-Darling Basin.

FREECALL*

180 2020

(*Mobile phone charges apply)

Or log onto www.service.sa.gov.au/drought.asp

Update for Members and Non-members

It was decided 12 months ago to send the Update to all dairy farmers for a year. This was to enable non-members to access information that may help them remain in the industry. I believe has been in the best interest of our members by helping farmers remain in the industry. I hoped that the non-members may see the issues that SADA addresses and consider joining to enable the organisation to continue the work that is required. The more members SADA has the more income we receive and the more issues we can tackle. Now the year is up we are going to continue sending the Update to all dairy farmers but the non-members will not receive all the articles. The headings will appear in their Update but the not the articles. Members are the people that pay for the Update so I want them to receive the full benefit of the information in the Update without supporting those that chose not to be members.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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WHO REPRESENTS YOU?

SADA Hills Board Member - Karen Slape



Karen and husband Bruce are milking 220 Friesians in a year round farming system at 'Treven Vale' near Riverton in the Clare & Gilbert Valleys Region.

Karen & Bruce are 2nd generation dairy farmers in their family business and utilise a modern Herringbone 20 per side swing over system with automatic cup removers. Stall gates & auto drafting are also an integral part of the system.

The farming system consists of 360 hectares in total, predominantly dry land dairying. A feed pad is used in a semi-feedlot system. Rotation cropping is done & utilised as hay, silage & grain. Seasonal ryegrass pastures are also grown.

Karen has passion & high energy for the Dairy Industry & believes that SADA has a critical role to play. She would like to see increased unity of state dairy farmers, increased information sharing & a stronger voice from the grass roots.

Issues that Karen sees as important are sustainability in the industry, youth becoming more involved in the industry, urban expansion, roads & transport, animal health & "the whole dairy industry heading in one direction".

As a board member representing the Adelaide Hills region Karen intends to play a role in helping relevant bodies understand the issues of a farm gate level & be proactive to make positive constructive changes.

"A sustainable dairy industry in the Adelaide Hills region will rely heavily on working together as unified members of SADA."

Dairy Farm & Business

Business name - **Treven Vale Proprietors**

Business partners - **Bruce & Karen Slape**

Business location - **Mitchell Road, Riverton (6 Kms North West of Riverton township)**

Herd size & breed - **220, Friesians**

Dairy shed & no of units - **Herringbone Design with 20 Cup Swingover Units with Auto Cup Removers**

Dairy Farm System - **360 ha predominantly dryland semi feedlot farming with seasonal ryegrass pastures, rotation cropping used for hay, silage & grain**

Years working in Dairy industry & at what levels - **Family owned business for over 30 years Since 2002 managers/owner operators Bruce 20 years working in the business Karen 10 years working in the business**

Personal

Hobbies, sport, community involvement - **Volunteer secretary for the Riverton Community Management Committee Volunteer secretary for the 'Dipper Corporation'**

Volunteer Riverton Jubilee 150 Committee Gardening, Sewing, Cooking Travelling – enjoying time at our beach house Spending time with friends & family

SADA and Dairy Industry involvement

Years of membership of SADA - **Not sure exactly but about 10**

As a board member how do you plan to communicate with SADA members within your region? - **Discussion groups mainly**

What is the driving reason for your involvement with and membership of SADA? - **To learn more about the industry, be involved in the future development of the industry & to be a voice for grass roots to peak bodies in the industry.**

As a leader in the South Australian Dairy Industry what do you hope to achieve, for yourself, for the industry? - **To be better informed & have up to date information on what is happening in the industry.**

What do you believe are the key issues facing the Dairy Industry within your region? – **Environment, Urban Spread, Lack of growth of the Industry within region, People leaving the Industry**

What do you believe are the key issues facing the Dairy Industry at a State and National level? – **Environment, Water, Urban spread**

Karen Slape
P 88 472 650, E slape@rbe.net.au

CEO's REPORT

There are three important issues that have received lots of media coverage in recent times that I have chosen to cover straight away:

1. The dairy industry response to dry conditions (short term survival).
2. The politics and policies around the national debate on water (long term survival).
3. Tax/Superannuation changes to benefit farmers.

DRY CONDITIONS MAY MEAN FEED GRAIN FROM OVERSEAS

**Report on this item in Members
edition only**

WATER POLICY AND POLITICS

**Report on this item in Members
edition only**

LOBBYING GETS SUPERANNUATION BENEFITS FOR FARMERS

**Report on this item in Members
edition only**

SHOW DAIRY PROMOTIONS

The SA dairy industry can feel proud of way the dairy industry was promoted at the recent Royal Show. The industry was highlighted in the press through the various events featuring our stock and produce. Each year we seem to do it bigger and better. There are many organisations (Wesfarmers, milk companies, RAHS, Media agencies) and people (David Fechner Jo Gilbert, Bob Snewin, Bob Butler, etc) who all did a magnificent job.

Congratulations to all those who participated in the showing of their magnificent stock. Thanks

also to the Stock Journal, the ABC and all the media for a great coverage.



Cooking up a storm at the SADA Show BBQ



L-R: Ken Lyons, Karen Hunt and Kerrie Lush

It was a great time to catch up with our members and to discuss the current issues. There are a number of our dairy farmers that we do not normally see at SADA regional meetings and the Show is a good opportunity to "network" with these members.

We often refer to the importance of SADA building relationships with the politicians and government agencies but another group is the rural media and the Show provided the opportunity to catch up with our many friends in the media (ABC, Stock Journal and the Advertiser, etc). The SADA partnership with the media is delivering a far bigger and more positive profile of the SA dairy industry in the press.

One of the many rural media success stories coming out of SA is the presenter of the ABC's Landline program, Sally Sara. Sally was the guest speaker at the Rural Media Show Breakfast and she was just terrific. She spoke on her recent assignment to Palestine and the dangers faced by a front line reporter. I was reminded of my meeting with the ABC's Tony Joyce in Saigon in

the late 70's only to hear that on his next assignment he was killed in Africa. Ironically that was to be Tony's last assignment before taking over the presenter role for Four Corners.



L-R: Leigh Radford, ABC Regional Radio, and Sally Sara at the Rural Media Show Breakfast

SALLY SARA

Ian Doyle

Sally Sara is a rarity amongst the ranks of Rural Journalists. She opted to step outside the usual comfort zone of reporting on local issues to become a world renowned Foreign Correspondent with the ABC. Reporting from some of the most turbulent international trouble spots imaginable, she spent five years working and living in Africa, travelling a career path that has taken her to more than 25 countries including Iraq, Sierra Leone, Zimbabwe, Sudan, Congo and South Africa.

Growing up in the small rural South Australian town of Port Broughton, Sally began her journalism career at community radio station 2WEB at Bourke in outback New South Wales before joining ABC as a rural reporter 1993. She reported for The Country Hour from Renmark and Alice Springs.

Sally then went on to ABC Radio's flagship current affairs programs, AM, PM and The World Today. She worked in Adelaide, Melbourne, Canberra, and Jakarta before being appointed as the ABC's Africa Correspondent at the age of 29.

She was a finalist in the Walkley Awards for Excellence in Journalism in 2003, won the British Prize for Journalism in 1999, was named South Australian Young Journalist of the Year in 1997 and won three awards in the Dalgety Awards for Excellence in Rural Journalism in 1993. Sally has a Bachelor of Arts in Communication from the

University of South Australia and when she's not reporting, Sally enjoys running and is currently writing a book on Africa.

One of the things that determine the success of rural industries is the quality of our industry leaders and our success at encouraging people to make a contribution to the dairy industry. So let me now thank some of our dairy champions. It is a marvel, given that everyone is so "flat out" that anyone has time to contribute to anything!

DILLIS WRIGHT

One of the Show's best known faces is calling it a day. After 35 years Ayrshire exhibitor Dillis Wright has decided to make the 2006 her last Royal Show. Dillis again donated a calf for the winner of the junior leader competition that was held in conjunction with the Wesfarmers/SADA Dairy BBQ on the Wednesday evening. A presentation was made to Dillis and the loud applause indicated just how popular she is with her many friends at the show. In fact when the Courier reporter asked her what she would miss the most about the show she said, "Probably the friends and fellow exhibitors".



Dillis Wright (right) presenting a calf to the winner of the Junior Handler competition

PETER CORISH

Peter recently stepped down as NFF President. Some of his accomplishments for our SADA members included:

- He was a key champion of the National Water Initiative to give farmers secure water tenure,
- Authored "Creating our Future",
- Put great focus biotechnology R&D,
- Strengthened biosecurity measures and,
- Nominated the declining terms of trade and climate change as the biggest challenges facing the agriculture sector in the coming years.

While thinking about our national lobby many farmers, particularly those about to retire would be

very pleased about the changes for superannuation that will benefit farmers. Any farmer considering selling a property and is close to retirement I would strongly advise they talk through the new arrangements with their financial advisers. Basically the new arrangements have great tax benefits for farmers.

BRIAN FISHER

ABARE's CEO will leave his post on 1 September. I have had the pleasure of working with Brian over many more years than I care to remember and he was one of the most committed people to hold public office.

Over the years Brian was part of shift of public policy from industry specific issues to better natural resource management. We admired Brian because he was a farmer friendly "academic".

While thinking about ABARE lets have a look at their predictions (as at the end of September) for the dairy industry. They predict the 2-5% lower 2006/07 opening prices compared to the previous year will lead to the final end of the year price being 0.5cpl down on last year. The slightly lower prices are expected to see the total value of Australian dairy exports to fall by 2% to around \$2.5billion in 2006/07.

ROBIN VANDEGRAAFF

Robin will also be stepping down from the position of Chief Veterinary Officer for SA later this year. I think they use the term "stepping down" because most people these days do not retire they simply leave their current role and take on other consultancies.

Robin has overseen many major animal health program here in SA including the ManaJD program and introduction of the NLIS. He has also contributed to the development of the national Animal Welfare policies.

JOHN McLEAN



L-R: John McLean and David Basham

John is also stepping down from the top job at WCB. John has made an outstanding and sustained contribution to the dairy industry. He is highly regarded by all sections of the industry, and especially by his own dairy farmer suppliers.

John's contribution to the dairy industry has been recognised by being awarded the Rabobank Agribusiness Leader (2005) and the prestigious Dairy Industry Association of Australia, John Bryant Memorial Gold Medal (2006).

Fortunately John will continue in a consulting role to WCB for the foreseeable future.

HON KEVIN ANDREWS

For much of the year Kevin Andrews has had one of the most challenging tasks facing a senior government Minister, that of introducing a radically new approach to work place relations. Some of us were able to meet with Kevin over breakfast (thanks to Alexander Downer) at Victor Harbor on 8 September.



L-R: Ken Lyons and the Hon Kevin Andrews

The Government has announced a continuation of the WorkChoices Employer Advisor Program which has meant SADA will receive funding for another round of seminars across our dairy regions. SAFF will cover the non dairy regions.

At this point in time most of our SA dairies are not in WorkChoices but still come under the state pastoral award. The common thread however is that employers must become more aware of the conditions of employment and keep good records.

What has been the success or otherwise of the new system based on the first 6 months of operation? Employers seem happy with the new system. The two big threats / negatives suggested by the ALP were that jobs would be lost and wages normal growth would slow. But in the first six months both of these concerns proved false. Jobs have increased and wages are growing.

ADVANCE IN DAIRY LEADERSHIP PROGRAM

But while we acknowledge the many fine contributions made by people associated with our industry it is very important that WITHIN THE DAIRY COMMUNITY we have our own capable and respected leaders. This is why we at SADA have been such strong supporters of our Australian dairy industry's *Advance in Dairy Leadership* Program.

How often do we hear farmers say they wish they had a stronger and united industry with a line into government and the credibility to be heard? Yes but not so much in recent years as our voice has been more effective. This is one reason some non-members are having another look at SADA and rejoining.

These programs play an important role in giving the SA dairy industry the "voice" farmers want.

STRENGTHENING THE DAIRY "VOICE"

"Constant change will always be with us. I would encourage younger people in our industry to take advantage of leadership courses and to meet with industry personnel at every opportunity in order to gain experience and confidence to participate in the industry and its future".

Dairy Australia Chair, Pat Rowley

Would the Australian Dairy Industry have had a Package without the leadership of dairy farmer Pat Rowley? Those qualified to answer this question would all say no.

"I decided to do the Advance in Dairy Leadership Development Program to develop my skills so that I could be in a position to be nominated to boards and various committees so that I could be a voice for the dairy community. The areas I wanted to improve were communication, leadership, planning, self esteem and co-operation".

Sue Young, SADA Board Member

The Advance in Dairy Program is designed to equip participants to effectively represent their industry at the local, state and national levels.

It is a six month program which includes two residential skill sessions of three and two days, conducted in Melbourne and Canberra respectively. Participants are supported by facilitators, mentors and industry leaders throughout the Program. So there is a great opportunity for some one with the drive and passion to hone their skills.

For application forms (closing on 23 October) contact myself or Jo at the SADA Office.

CREATING DAIRY TRAINING COORDINATOR POSITION

The local industry is asking for a better raft of dairy training, short courses and extension options. SADA is currently investing in time, expertise and money to ensure SA dairy gets a better deal. Recently SADA with other parties (DairySA, TAFE, Dairy Australia, NCDEA) invested \$2,000 towards creating a new dairy training position.

RURAL FINANCIAL COUNSELLING SERVICE SA

If the seasonal conditions deteriorate there could be farm families placed under financial stress again. Families feeling squeezed are encouraged to consult with the Rural Financial Counselling Service SA (08 8362 1166). The service is free and early intervention is always encouraged.

Two years ago the Federal Government commissioned an inquiry into the relevance and effectiveness of the service. Wayne Cornish (the current SAFF President was a member of the inquiry team) and I recall making a personal appearance before the committee acting on behalf of our SADA members. Without some of us being prepared to argue the case before the inquiry it was likely the government would have cut the program considerably.

Fortunately the government decided to continue with the service but there has been some changes in the way the service is managed and operated. You may have noticed the announcement in the Advertiser on 13 September that Kay Matthias has been appointed as the general manager of the service in SA. A key change is that counsellors are expected to be more mobile and flexible when rapidly responding to any crisis.

This is another example of SADA at work protecting some of the government services to farmers. SADA can also play a role in helping members find the right sort of assistance for their particular problem.

WORKCHOICES SEMINARS

Seminars will be held in 10 locations around regional South Australia by 15 December 2006.

Details are as follows:

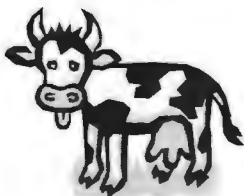
1. Wednesday, 27th Sept 9am – 12 noon at Roxby Downs Auditorium, **Roxby Downs**
2. Wednesday, 4th October 12 noon – 3.30pm at Senior Citizens' Club, **Berri**
3. Wednesday, 18th October 11am – 3pm at Kadina & District Recreation Centre, **Kadina**
4. Thursday, 19th October 10am – 2pm at Pt Augusta Sporting & Social Club, **Pt Augusta**

5. Friday, 20th October 10am – 2pm at Rudall Community Sports Club, **Cleve**
6. Wednesday, 15th November 10.30am – 2.30pm at Blue Lake Golf Links, **Mt Gambier**
7. Thursday, 16th November 11am – 3pm at Ruth Wheel Room, Keith Institute, **Keith**
8. Monday, 20th November 10.30am – 2.30pm at Mt Compass Tavern, **Mt Compass**
9. Wednesday, 22nd November 10.30am – 2.30pm at Ramblers Football Club, **Murray Bridge**
10. Friday, 24th November 10.30am – 2.30pm at Lutheran Church Hall, **Birdwood**

In addition to the 2 – 3 hour seminars, farmers can also register for a 30 minute one to one session with an experienced workplace relations advisor to be held after the seminar.

Farmers can register their attendance and, order the information booklet and CD Rom (if they cannot attend) by calling:

SADA on ☎ 8293 2399 or FAX to 8293 8886 OR
SAFF on ☎ 8100 8708, or FAX to 8232 1199



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SADA MEMBER BENEFITS



Telstra – 7.5% off all eligible calls

Mitsubishi - National Fleet Discount Deal

Hume Taylor & Co Solicitors - A Free 30-Minute Consultation

Budget Car & Truck Rental - Budget Buddies Program Discounts

Trims – 10% discount on all merchandise

Beaurepaires – up to 10% on tyres

MBF Health – special rates for SADA Members

Vine Inn Hotel, Nuriootpa – Corporate rates on accommodation

Southgate Motel, Mt Gambier – Corporate rates on accommodation

Mediation and Employment Services – Free 30 minute Consultation

Flight Centre – 3% on bookings, 20% on travel insurance



For further information on any of these discount offers available to members please contact Jo at the SADA office on 8293 2399

GREAT LATE NEWS

SADA PUSHING FOR EXTRA \$12,000 PER FARM PER YEAR

SADA through ADF is a prime driver behind the funding of a new program for the CRC for Innovative Dairy Products. This is another example of how the Dairy Industry by acting “collectively” can significantly improve dairy returns. Thanks for your membership that gives us a chance at these (Dairy Package, Dairy Water Funding Bid and now the new CRC Bid) big opportunities. Farmers through their membership can “have a say” and “make a contribution” to taking the dairy industry profitability to another level.

Economic Impact of the bid as per the CRC submission states:

“Extensive economic modelling predicts that CRC-generated products and services will provide an estimated Net Present Value of \$1.59 billion. This will be achieved through an investment of \$0.133 billion (cash and in-kind) providing an internal rate of return on the investment of 29%. The growth in milk value attributable to CRC impacts is associated with the employment of an additional 14,000 people through to 2033. The estimated Net Present Value to the farming sector is \$1.3 billion. This translates to an increase in net farm income of \$12,000 per year (a 12% increase). Dairy companies are significant regional businesses impacting regional turnover, employment and prosperity; every dairy farm gate dollar has a regional economic multiplier of 2.5 (ABARE). The effects on the local economy of maintaining and growing the dairy economy are therefore significant”.

More on this exciting move in the next Update

INVITATION SALE

Misty Brae Holsteins will be conducting an on property Holstein Invitation Sale on April 20, 2007.

Many of the states leading breeders will offer some of their best bred animals for sale. Further entries welcome.

A food and wine tasting experience will also compliment the sale. Local businesses from the Fleurieu region shall have an array of their products available for your indulgence.

Please contact Gino (0409 678 110) or Mandy Pacitti (0409 547 202) or (8554 7202) to discuss your possible involvement.





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ADF Informer - 2 October 2006

The actions described in ADF Informer are a result of dairy farmer memberships to their state dairy farmer organisations.

ADF Executive Meets

The ADF Executive met on Friday 22 September for discussions on the forthcoming proposals for the levy poll as well as an update on the new BJD dairy score communications. The Executive also heard of the successful outcome of negotiations with the Chinese Ministry of Agriculture for the current pedigree requirements for Australian dairy heifer exports to China will continue for a further one-year period to the end of 2007. The Executive also endorsed a recommendation from the UDV that Mr. John Dalton be asked to Chair the National Centre for Dairy Education Australia (NCDEA) Western Victorian Regional Educational Committee.

Feed Grains

The ADF is a member of the Livestock Feed Grain Users Group (LFGUG) which met last week to consider the current grain situation, particularly in light of the drought which is sadly upon us in a big way. At this meeting we invited Biosecurity Australia, ABARE and other DAFF representatives to hear our views on the needs of the feedgain using industries in these difficult times.

ABARE have agreed to undertake an urgent assessment of the stocks of feed grain currently available in Australia. Without good information on the levels of stocks there is a real danger the market will not work effectively and we could end up with domestic prices well above import parity as happened in the last drought.

ADF has, in partnership with other members of the LFGUG, undertaken a range of analyses and consultations to work towards a more sustainable feed grain industry in Australia. To this end the Federal Government provided some preliminary funding to form a partnership between the R & D corporations of the Dairy, Pork, Lot Feeders, Chicken Meat, Egg and Grains industries. This partnership will be an important element of sustaining feed grain availability in Australia into the future.

Biosecurity Australia also attended this meeting and reported there were several applications for grain importation that have been lodged. Inghams have publicly stated they are seeking a grain import permit to ensure availability of supply for their chicken production businesses. The LFGUG have encouraged Biosecurity Australia to expedite the process of import permits to ensure there continues to be feed grain availability in the face of the drought-induced shortages of domestic feed gain.

CRC Meets

The Board of the current CRC met last week and this followed a meeting of the partners in the new CRC application. The application is nearing the final stages with interviews of all the applicants being undertaken during November. The ADF is placing strong emphasis on the CRC delivering significant benefits to dairy farm productivity over the next decade. The ADF expects to hear the results of the new CRC application by mid December.

Ruminant Feed Ban

The ADF have met with consultants undertaking a review of the ruminant feed ban in Australia. It is important that Australia is free and remains free of BSE (mad cow disease) and the ban on the feeding of any animal protein is an essential element of this disease free status. The dairy industry has included the ruminant feed ban as part of all our on-farm quality assurance programs which places the industry in a good position for demonstrating our commitment.

The ruminant feed ban is an important element of our international recognition of BSE freedom. The European Union is sending auditors to Australia in the middle of this month (October) to audit our feed ban processes. As part of this, the EU auditors will be visiting a dairy farm in NSW and one in Victoria.

John McQueen
Chief Executive Officer

NARM NEWS

Volume 2 Issue 1

October 2006

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the first issue of the quarterly newsletter NARM News for 2006/07. There was a good start to this quarter with only one bobby-calf residue detection during the quarter of July to September. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on identification of calves for effective traceback of chemical residue detections.

The message for this issue is to minimise the residue risks to your business and ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Michael McManus Phone: 08 8226 0421
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

NARM Residue Detections

July – September 2006

During the first quarter of the financial year 2006/2007 there was 1 residue detection in SA bobby-calves. This is a big improvement on the number of detections in the last quarter (4). PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Relief Workers and Residues

If you go away and bring in relief workers you must explain the procedures that are used on your property. It is essential to make sure that relief workers are informed about the procedures used on the property, most importantly the identification of calves fed antibiotics and are made aware of the importance of adhering to these procedures. A number of residues in bobby calves have occurred due to relief workers not following procedures correctly. To avoid this happening procedures should be explained verbally and preferably a written copy also be made available to staff on the property.

Calf Truck Drivers

Two of the bobby calf residues from the last quarter were caused after the calves had left the property of origin by a calf truck driver keeping the calves he picked up that were over a certain weight and growing them out. If the calves were not looking promising after a couple of days he would put them back on the truck and they would continue to the original abattoir. Investigations by PIRSA determined that the milk the truck driver had been feeding the calves was contaminated with antibiotics. The truck driver confirmed that the dairy he was purchasing milk from was selling him milk that had come from cows that were being treated with a veterinary drug.

A number of concerns were raised by this incident. The

INSIDE THIS ISSUE

- 1 NARM Residue Detections
- 1 Relief Workers and Residues
- 1 Calf Truck Drivers
- 2 Summary
- 2 Next Issue



Government of South Australia
Primary Industries and Resources SA

NARM News page 1

Continued on page 2

first concern is that no NVD was used for the original sale of the calves or for the second sale of the calves by the truck driver. Because no NVDs were used there was no record of the calves having been on the truck drivers property and so the identification that they had linked them directly to the property of origin. Therefore the residue detection is recorded as having come from that property.

The second concern is that the calves were being fed contaminated milk and being sold within the withholding period. If contaminated milk is sold the details of the veterinary chemical in the milk must be provided in writing, which veterinary chemical was used and the withholding periods are the most important information. The meat/milk withholding period for the chemical must be adhered to when considering the sale date of the calves that have been fed the milk. Check PIRSA's Control of Use legislation on veterinary chemicals, Part 3 Division 3 Section 17, on the PIRSA website to find further information about responsibilities regarding withholding periods

Agriculture and Veterinary Products (Control of Use) Act 2002:

http://www.austlii.edu.au/au/legis/sa/consol_act/aavpoua2002554/

Summary

- 1) Identify all properties with a different PIC that bobby calves have been held on irrespective of the time spent on that property. The NLIS database must be notified within 7 days of livestock having been moved
- 2) Use a different NVD for each property with a different PIC that the calves are held on
- 3) Use commodity vendor declarations or obtain written advice from the supplier about the milk purchased to feed livestock
- 4) If you sell milk within a vet withholding period, you are legally required to disclose the following information
 - i) the treatment period and the withholding period and
 - ii) the veterinary product used in the treatment and
 - iii) the date of its last use in relation to the animal

To avoid chemical residues in bobby-calves producers are reminded to read the label of all veterinary products for specific treatment directions and withholding periods.

Next Issue

The next issue of NARM News will be distributed in January and will contain further information on how to avoid residues and industry updates

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons - Editor

WEDNESDAY 4 OCTOBER 2006

PRESIDENT'S REPORT

David Basham

SADA Drought Response

The climatic conditions are working against us with a record dry winter and now looking at a very dry and windy spring. SADA approached government as soon as they announced the establishment of the State drought task force. I have been asked to be a member of the task force representing all dairy farmers. In addition to this state group the dairy industry has its own group that will meet at SADA next Monday. This committee has SADA, PIRSA, DairySA & Processor representatives. To develop some background information I am asking the 8 board members to give me a written report of how things are looking in their regions. This will include how much earlier the season is finishing than an average season, as well as the availability of hay and grain and an indication of price. In some areas stock water from dams may also be an issue. If you have any issues that you would like to raise in relation to the drought please contact one of the board members that represents your region.

I realise some regions are much worse than others particularly the Upper South East from Naracoorte to Meningie. Hopefully we can help farmers through this hard time if you are having trouble coping please contact someone. It can be SADA or a company field officer or even another farmer. Talking the problem through way help you solve it.

The government has established a Drought Hotline so please contact it if you need it.

Drought Hotline

For access to drought related information – including support services, local rural financial counsellors, Centrelink payments, maintaining land condition, managing stock and crops in dry times, the condition of the River Murray and Murray-Darling Basin.

FREECALL*

180 2020

(*Mobile phone charges apply)

Or log onto www.service.sa.gov.au/drought.asp

Update for Members and Non-members

It was decided 12 months ago to send the Update to all dairy farmers for a year. This was to enable non-members to access information that may help them remain in the industry. I believe has been in the best interest of our members by helping farmers remain in the industry. I hoped that the non-members may see the issues that SADA addresses and consider joining to enable the organisation to continue the work that is required. The more members SADA has the more income we receive and the more issues we can tackle.

Now the year is up we are going to continue sending the Update to all dairy farmers but the non-members will not receive all the articles. The headings will appear in their Update but the not the articles. Members are the people that pay for the Update so I want them to receive the full benefit of the information in the Update without supporting those that chose not to be members.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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WHO REPRESENTS YOU?

SADA Hills Board Member - Karen Slape



Karen and husband Bruce are milking 220 Friesians in a year round farming system at 'Treven Vale' near Riverton in the Clare & Gilbert Valleys Region.

Karen & Bruce are 2nd generation dairy

farmers in their family business and utilise a modern Herringbone 20 per side swing over system with automatic cup removers. Stall gates & auto drafting are also an integral part of the system.

The farming system consists of 360 hectares in total, predominantly dry land dairying. A feed pad is used in a semi-feedlot system. Rotation cropping is done & utilised as hay, silage & grain. Seasonal ryegrass pastures are also grown.

Karen has passion & high energy for the Dairy Industry & believes that SADA has a critical role to play. She would like to see increased unity of state dairy farmers, increased information sharing & a stronger voice from the grass roots.

Issues that Karen sees as important are sustainability in the industry, youth becoming more involved in the industry, urban expansion, roads & transport, animal health & "the whole dairy industry heading in one direction".

As a board member representing the Adelaide Hills region Karen intends to play a role in helping relevant bodies understand the issues of a farm gate level & be proactive to make positive constructive changes.

"A sustainable dairy industry in the Adelaide Hills region will rely heavily on working together as unified members of SADA."

Dairy Farm & Business

Business name - **Treven Vale Proprietors**

Business partners - **Bruce & Karen Slape**

Business location - **Mitchell Road, Riverton (6 Kms North West of Riverton township)**

Herd size & breed - **220, Friesians**

Dairy shed & no of units - **Herringbone Design with 20 Cup Swingover Units with Auto Cup Removers**

Dairy Farm System - **360 ha predominantly dryland semi feedlot farming with seasonal ryegrass pastures, rotation cropping used for hay, silage & grain**

Years working in Dairy industry & at what levels - **Family owned business for over 30 years Since 2002 managers/owner operators Bruce 20 years working in the business Karen 10 years working in the business**

Personal

Hobbies, sport, community involvement - **Volunteer secretary for the Riverton Community Management Committee**

Volunteer secretary for the 'Dipper Corporation'

Volunteer Riverton Jubilee 150 Committee Gardening, Sewing, Cooking

Travelling – enjoying time at our beach house

Spending time with friends & family

SADA and Dairy Industry involvement

Years of membership of SADA - **Not sure exactly but about 10**

As a board member how do you plan to communicate with SADA members within your region? - **Discussion groups mainly**

What is the driving reason for your involvement with and membership of SADA? - **To learn more about the industry, be involved in the future development of the industry & to be a voice for grass roots to peak bodies in the industry.**

As a leader in the South Australian Dairy Industry what do you hope to achieve, for yourself, for the industry? - **To be better informed & have up to date information on what is happening in the industry.**

What do you believe are the key issues facing the Dairy Industry within your region? – **Environment, Urban Spread, Lack of growth of the Industry within region, People leaving the Industry**

What do you believe are the key issues facing the Dairy Industry at a State and National level? – **Environment, Water, Urban spread**

Karen Slape
P 88 472 650, E slape@rbe.net.au

CEO's REPORT

There are three important issues that have received lots of media coverage in recent times that I have chosen to cover straight away:

1. The dairy industry response to dry conditions (short term survival).
2. The politics and policies around the national debate on water (long term survival).
3. Tax/Super changes to benefit farmers.

(This Section (Page 3 & 4) for members only)

DRY CONDITIONS MAY MEAN FEED GRAIN FROM OVERSEAS

For many the continuing dry conditions will mean feed shortages and higher fodder costs. One of the things the dairy industry needs to monitor closely will be the option of bringing in feed-grain from overseas. This is something that needs to have a national and collective focus. Obviously northern Victoria is again the first to feel the heat with many dairy farmers in that region looking to "park" cows in the southern areas. A lot of farms are culling a bottom portion of their herd. This time round finding properties with the capacity to take the extra cows is not going to be easy and it is unlikely many SA dairy farms will have the capacity to park cows. But if any farmers are interested I can provide them with a copy of the Dairy Short Term Parking Agreement or you can download it from www.vff.org.au

If the conditions continue to deteriorate the dairy industry response is again expected to be co-ordinated jointly by Dairy Australia and all sectors of the dairy industry including the dairy associations. Most farmers are reporting that they have already sourced extra fodder from their regular suppliers at reasonable prices and many have decided to cut stock numbers.

We are negotiating for SADA to be represented on the States leading Drought Forum. It is important that the dairy industry is represented to address issues relating to fodder and grain supply, water availability and quality for the River & Lakes irrigators and to ensure appropriate support from the government agencies.

WATER POLICY AND POLITICS

(a) Regional Level

At the regional and state level the SA dairy industry is working through the new and revised allocations collaboratively with the government agencies. Most farmers are pleased with the outcomes being achieved in the SE and along the river and lakes and we are confident a similar result can be achieved for the Hills and Fleurieu. But if we were to take our eyes "off the ball" there is little doubt things could become unpleasant very quickly.

There is concern that the current 80% allocation on the river may be even reduced rather than grow as in normal years. Still our allocations and water security are better than many other regions around Australia. In fact the downside of the better allocations is that we in SA may again miss out on drought aid.

Nearly 100% of all SADA activity occurs at this level. Water issues are something that I have spoken to more members about over recent years than any other topic. At this level an individual farmer and SADA can get directly involved.

(b) National level

Currently, and I suspect for the next few years, the way Australia decides to manage it's water resources (water policy) is one of the biggest media stories around. Nearly every time you pick up a newspaper there is an article about the water issue. Even the TV current affairs programs are regularly following the debate. In an Update it is not possible to go into any great detail but I thought it important enough to share with you some of my thoughts about the issue.

Firstly why is this debate important to the dairy industry?

It is important for the Australian dairy industry because, as commodity group, dairy farmers are the most significant investors in irrigated agriculture and therefore getting pro-dairy policies will again have significant implications for future dairy returns and property values. The final political decisions on water policy could determine future milk production. For instance; there will be implication for milk production if dairy farmers lose access to the currently available water supply or alternatively if the price of water rises dramatically many farmers may willingly decide to sell and exit the industry.

How can dairy farmers have a say in formulating water policy?

At this level the politics and policies are played out by the lobbyists. Individual farmers do not get a look in. It is only through ADF (financed by the state associations) that dairy farmers will have a say. Remember there are many interest groups out there competing with you for water. For example the BCA is protecting water supply to city based businesses, the Mining Industry is also seeking water and public funding, and all the state water agencies want as much cheap water as they can acquire. The truth is without ADF protection the dairy industry will lose out big time.

Lets look at just two interest groups (BCA & BHP) involved in the lobbying

As the debate heats up the Business Council of Australia (BCA), as reported in The Australian (18 September), will push the argument that the

state water agencies should be reformed. State governments are being blamed for using their water agencies as "cash cows" (last year water authorities paid \$750m to their government owners). The key argument by the BCA is that there should be no water crisis if the price is right. In Australia water is priced for capital cities between 41c and \$1.50 per thousand litres and this is half the price of water in Europe. If water was to increase \$2/kL, "desalination, sewage recycling and reuse of storm water all become economically feasible". They are great supporters of the idea of buying water from dairy farmers.

As reported in *The Australian*, and revealed under FOI legislation, the mighty BHP Billiton is not shy at seeking funds from the public purse. They currently extract about 37 megalitres daily from the Great Artesian Basin for Olympic dam and will need another 26 megs daily once the proposed expansion is complete. They will seek more funding from the National Water Fund for this one single site than the entire Australian Dairy Industry is seeking. But at least this time the dairy industry through ADF (in conjunction with DA and the RDP's and the state associations) has been willing to put out their hand for millions of dollars from the National Water Fund along with the government agencies and big business. It is not easy competing with the political clout of BHP but as they say if you "never never have a go you will never never know".

So what are some of the strategies of ADF?

Firstly; one of the latest government proposals is a plan that farmers who save water via investment in infra-structure can sell their water savings to the government. ADF have written to the government seeking clarification on a number of issues in relation to the policy as it could have significant implications for irrigators incomes. So this is an opportunity for the dairy industry we should try to capture.

Secondly; the dairy industry (and I think we are the only commodity group to do this) has applied for significant funding from the National Water Commission and I have reported on this in earlier SADA Dairy Updates but we are not the only ones seeking public funding.

In summary

SADA members should be pleased that your SADA fees are funding ADF and they have the "confidence" to play in the water big league. It is also important for members to be "aware" that other parties that want your water have strong and capable lobbyists and associations at the national level. At the end of the day as with all government policy changes such as dairy deregulation, the new approach to making superannuation an excellent investment, the

policy outcome for water will have its "winners and losers". And even blind Freddy will tell you the outcomes will be political.

If anyone wants to get right into the detail in relation to this issue the best report to look at is recently released (11 August 2006) report by the Productivity Commission, "Rural Water Use and the Environment: The Role of Market Mechanisms". Back in 1994 the Council of Australian Governments agreed to develop a policy framework to improve the management of Australia's water resources. More recently this Council asked the Productivity Commission to examine the feasibility of establishing market mechanisms to provide incentives for greater investment in rural water use efficiency. After ploughing through the 400 page report we end up with the conclusion that "further reform is needed to ensure water continually moves to wherever it has highest value for society".

LOBBYING GETS SUPERANNUATION BENEFITS FOR FARMERS

A lot of people are referring to dairy businesses as being asset rich and cash flow poor. This is such a generalisation and will no doubt upset some dairy farmers. But there is some truth that rising land and water prices are forcing farmers to be thinking seriously about their taxation and superannuation situation. There are changes coming into effect next July that will give dairy farmers more and better options in managing their finances and I would encourage farm families to discuss the changes with their financial advisor.

The headlines on the front page of *The Australian* on Wednesday 6 September said it all, "Farmers and small business owners will be the big beneficiaries of last minute lobbying that almost doubled the amount they can pour into superannuation and enjoy tax-free payouts".

One of the things this counters to some extent is the fact that farmers often have low incomes despite having valuable assets (pouring money back into the farm, coping with dry conditions, etc) and therefore not able to contribute sufficiently to super during their working lives. The farm becomes the super. And now with the changes retiring farmers who sell their properties will be the big winners.

So as the paper says, "Farmers and small business owners who may be considering retiring in the next two years will be able to enjoy greater tax advantages after July next year as a result of the changes".

So having got these three items off my chest lets come back to the regular SADA Dairy Update.

SHOW DAIRY PROMOTIONS

The SA dairy industry can feel proud of way the dairy industry was promoted at the recent Royal Show. The industry was highlighted in the press through the various events featuring our stock and produce. Each year we seem to do it bigger and better. There are many organisations (Wesfarmers, milk companies, RAHS, Media agencies) and people (David Fechner Jo Gilbert, Bob Snewin, Bob Butler, etc) who all did a magnificent job.



Cooking up a storm at the SADA Show BBQ

Congratulations to all those who participated in the showing of their magnificent stock. Thanks also to the Stock Journal, the ABC and all the media for a great coverage.

It was a great time to catch up with our members and to discuss the current issues. There are a number of our dairy farmers that we do not normally see at SADA regional meetings and the Show is a good opportunity to "network" with these members.



L-R: Ken Lyons, Karen Hunt and Kerrie Lush

We often refer to the importance of SADA building relations with the politicians and government agencies but another group is the rural media and

the Show provided the opportunity to catch up with our many friends in the media (ABC, Stock Journal and the Advertiser, etc). The SADA partnership with the media is delivering a far bigger and more positive profile of the SA dairy industry in the press.

One of the many rural media success stories coming out of SA is the presenter of the ABC's Landline program, Sally Sara. Sally was the guest speaker at the Rural Media Show Breakfast and she was just terrific. She spoke on her recent assignment to Palestine and the dangers faced by a front line reporter. I was reminded of my meeting with the ABC's Tony Joyce in Saigon in the late 70's only to hear that on his next assignment he was killed in Africa. Ironically that was to be Tony's last assignment before taking over the presenter role for Four Corners.



L-R: Leigh Radford, ABC Regional Radio, and Sally Sara at the Rural Media Show Breakfast

SALLY SARA

Ian Doyle

Sally Sara is a rarity amongst the ranks of Rural Journalists. She opted to step outside the usual comfort zone of reporting on local issues to become a world renowned Foreign Correspondent with the ABC. Reporting from some of the most turbulent international trouble spots imaginable, she spent five years working and living in Africa, travelling a career path that has taken her to more than 25 countries including Iraq, Sierra Leone, Zimbabwe, Sudan, Congo and South Africa.

Growing up in the small rural South Australian town of Port Broughton, Sally began her journalism career at community radio station 2WEB at Bourke in outback New South Wales before joining ABC as a rural reporter 1993. She reported for The Country Hour from Renmark and Alice Springs.

Sally then went on to ABC Radio's flagship current affairs programs, AM, PM and The World Today. She worked in Adelaide, Melbourne, Canberra, and Jakarta before being appointed as the ABC's Africa Correspondent at the age of 29.

She was a finalist in the Walkley Awards for Excellence in Journalism in 2003, won the British Prize for Journalism in 1999, was named South Australian Young Journalist of the Year in 1997 and won three awards in the Dalgety Awards for Excellence in Rural Journalism in 1993. Sally has a Bachelor of Arts in Communication from the University of South Australia and when she's not reporting, Sally enjoys running and is currently writing a book on Africa.

One of the things that determine the success of rural industries is the quality of our industry leaders and our success at encouraging people to make a contribution to the dairy industry. So let me now thank some of our dairy champions. It is a marvel, given that everyone is so "flat out" that anyone has time to contribute to anything!

DILLIS WRIGHT

One of the Show's best known faces is calling it a day. After 35 years Ayrshire exhibitor Dillis Wright has decided to make the 2006 her last Royal Show. Dillis again donated a calf for the winner of the junior leader competition that was held in conjunction with the Wesfarmers/SADA Dairy BBQ on the Wednesday evening. A presentation was made to Dillis and the loud applause indicated just how popular she is with her many friends at the show. In fact when the Courier reporter asked her what she would miss the most about the show she said, "Probably the friends and fellow exhibitors".



Dillis Wright (right) presenting a calf to the winner of the Junior Handler competition

PETER CORISH

Peter recently stepped down as NFF President. Some of his accomplishments for our SADA members included;

- He was a key champion of the National Water Initiative to give farmers secure water tenure,
- Authored "Creating our Future",
- Put great focus on biotechnology and R&D,
- Strengthened biosecurity measures and,
- Nominated the declining terms of trade and climate change as the biggest challenges facing the agriculture sector in the coming years.

While thinking about our national lobby, many farmers, particularly those about to retire, would be very pleased about the changes for superannuation that will benefit farmers. Any farmer considering selling a property and is close to retirement I would strongly advise they talk through the new arrangements with their financial advisers. Basically the new arrangements have great tax benefits for farmers.

BRIAN FISHER

ABARE's CEO will leave his post on 1 September. I have had the pleasure of working with Brian over many more years than I care to remember and he was one of the most committed people to hold public office.

Over the years Brian was part of a shift of public policy from industry specific issues to better natural resource management. We admired Brian because he was a farmer friendly "academic".

While thinking about ABARE lets have a look at their predictions (as at the end of September) for the dairy industry. They predict the 2-5% lower 2006/07 opening prices compared to the previous year will lead to the final end of the year price being 0.5cpl down on last year. The slightly lower prices are expected to see the total value of Australian dairy exports to fall by 2% to around \$2.5billion in 2006/07.

ROBIN VANDEGRAAFF

Robin will also be stepping down from the position of Chief Veterinary Officer for SA later this year. I think they use the term "stepping down" because most people these days do not retire they simply leave their current role and take on other consultancies.

Robin has overseen many major animal health programs here in SA including the ManaJD program and introduction of the NLIS. He has also contributed to the development of the national Animal Welfare policies.

JOHN McLEAN

John also is stepping down from the top job at WCB. John has made an outstanding and sustained contribution to the dairy industry. He is highly regarded by all sections of the industry, and especially by his own dairy farmer suppliers.

John's contribution to the dairy industry has been recognised by being awarded the Rabobank Agribusiness Leader (2005) and the prestigious Dairy Industry Association of Australia, John Bryant Memorial Gold Medal (2006).

Fortunately John will continue in a consulting role to WCB for the foreseeable future.



L-R: John McLean and David Basham

HON KEVIN ANDREWS

For much of the year Kevin Andrews has had one of the most challenging tasks facing a senior government Minister, that of introducing a radically new approach to workplace relations. Some of us were able to meet with Kevin over breakfast (thanks to Alexander Downer) at Victor Harbor on 8 September.

The Government has announced a continuation of the WorkChoices Employer Advisor Program which has meant SADA will receive funding for another round of seminars across our dairy regions. SAFF this time will be covering the non dairy regions.

At this point in time most of our SA dairies are not in WorkChoices but still come under the state pastoral award. The common thread however is that employers must become more aware of the conditions of employment and keep good records. What has been the success or otherwise of the new system based on the first 6 months of operation? Employers seem happy with the new system. The two big threats / negatives suggested by the ALP were that jobs would be

lost and wages normal growth would slow. But in the first six months both of these concerns proved false. Jobs have increased and wages are growing.



L-R: Ken Lyons and the Hon Kevin Andrews

ADVANCE IN DAIRY LEADERSHIP PROGRAM

But while we acknowledge the many fine contributions made by people associated with our industry it is very important that WITHIN THE DAIRY COMMUNITY we have our own capable and respected leaders. This is why we at SADA have been such strong supporters of our Australian dairy industry's *Advance in Dairy Leadership* Program.

How often do we hear farmers say they wish they had a stronger and united industry with a line into government and the credibility to be heard? Yes but not so much in recent years as our voice has been more effective. This is one reason some non-members are having another look at SADA and rejoining.

These programs play an important role in giving the SA dairy industry the "voice" farmers want.

STRENGTHENING THE DAIRY "VOICE"

"Constant change will always be with us. I would encourage younger people in our industry to take advantage of leadership courses and to meet with industry personnel at every opportunity in order to gain experience and confidence to participate in the industry and its future".

Dairy Australia Chair, Pat Rowley

Would the Australian Dairy Industry have had a Package without the leadership of dairy farmer Pat Rowley? Those qualified to answer this question would all say no.

"I decided to do the Advance in Dairy Leadership Development Program to develop my skills so that I could be in a position to be nominated to boards and various committees so that I could be a voice for the dairy community. The areas I wanted to improve were communication, leadership, planning, self esteem and co-operation".

Sue Young, SADA Board Member

The Advance in Dairy Program is designed to equip participants to effectively represent their industry at the local, state and national levels.

It is a six month program which includes two residential skill sessions of three and two days, conducted in Melbourne and Canberra respectively. Participants are supported by facilitators, mentors and industry leaders throughout the Program. So there is a great opportunity for some one with the drive and passion to hone their skills.

For applications forms (closing on 23 October) contact myself or Jo at the SADA Office.

CREATING DAIRY TRAINING COORDINATOR POSITION

The local industry is asking for a better raft of dairy training, short courses and extension options. SADA is currently investing in time, expertise and money to ensure SA dairy gets a better deal. Recently SADA with other parties (DairySA, TAFE, Dairy Australia, NCDEA) invested \$2,000 towards creating a new dairy training position.

RURAL FINANCIAL COUNSELLING SERVICE SA

If the seasonal conditions deteriorate there could be farm families placed under financial stress again. Families feeling squeezed are encouraged to consult with the Rural Financial Counselling Service SA (08 8362 1166). The service is free and early intervention is always encouraged.

Two years ago the Federal Government commissioned an inquiry into the relevance and effectiveness of the service. Wayne Cornish (the current SAFF President was a member of the inquiry team) and I recall making a personal appearance before the committee acting on behalf of our SADA members. Without some of us being prepared to argue the case before the inquiry it was likely the government would have cut the program considerably.

Fortunately the government decided to continue with the service but there has been some changes in the way the service is managed and operated. You may have noticed the announcement in the

Advertiser on 13th September that Kay Matthias has been appointed as the general manager of the service in SA. A key change is that counsellors are expected to be more mobile and flexible when rapidly responding to any crisis. This is another example of SADA at work protecting some of the government services to farmers. SADA can also play a role in helping members find the right sort of assistance for their particular problem.

ADJUSTMENT TO SADA CAP

The SADA levy cap is adjusted every year to maintain the percentage of farms that are paying the full levy amount. This year that amount is \$1398.92 which would normally be split into four equal amounts. The three remaining payments will be \$355.93 to bring it up to the full capped amount of \$1582.92 (including subscription of \$184) for the 2006/07 financial year.

WORKCHOICES SEMINARS

Seminars will be held in 10 locations around regional South Australia by 15 December 2006. Details are as follows:

1. Wednesday, 27th Sept 9am – 12 noon at Roxby Downs Auditorium, **Roxby Downs**
2. Wednesday, 4th October 12 noon – 3.30pm at Senior Citizens' Club, **Berri**
3. Wednesday, 18th October 11am – 3pm at Kadina & District Recreation Centre, **Kadina**
4. Thursday, 19th October 10am – 2pm at Pt Augusta Sporting & Social Club, **Pt Augusta**
5. Friday, 20th October 10am – 2pm at Rudall Community Sports Club, **Cleve**
6. Wednesday, 15th November 10.30am – 2.30pm at Blue Lake Golf Links, **Mt Gambier**
7. Thursday, 16th November 11am – 3pm at Ruth Wheel Room, Keith Institute, **Keith**
8. Monday, 20th November 10.30am – 2.30pm at Mt Compass Tavern, **Mt Compass**
9. Wednesday, 22nd November 10.30am – 2.30pm at Ramblers Football Club, **Murray Bridge**
10. Friday, 24th November 10.30am – 2.30pm at Lutheran Church Hall, **Birdwood**

In addition to the 2 – 3 hour seminars, farmers can also register for a 30 minute one to one session with an experienced workplace relations advisor to be held after the seminar.

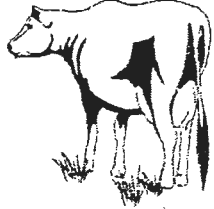
Farmers can register their attendance and, order the information booklet and CD Rom (if they cannot attend) by calling:

**SADA on ■ 8293 2399 or FAX to 8293 8886 OR
SAFF on ■ 8100 8708, or FAX to 8232 1199**

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managing stock and crops in dry times, the condition of
the River Murray and Murray-Darling Basin

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180 2020

(*Mobile charges apply)

Or Log onto

www.service.sa.gov.au/drought.asp

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SADA MEMBER BENEFITS



Telstra – 7.5% off all eligible calls

Mitsubishi - National Fleet Discount Deal

Hume Taylor & Co Solicitors - A Free 30-Minute Consultation

Budget Car & Truck Rental - Budget Buddies Program Discounts

Trims – 10% discount on all merchandise

Beaurepaires – up to 10% on tyres

MBF Health – special rates for SADA Members

Vine Inn Hotel, Nuriootpa – Corporate rates on accommodation

Southgate Motel, Mt Gambier – Corporate rates on accommodation

Mediation and Employment Services – Free 30 minute Consultation

Flight Centre – 3% on bookings, 20% on travel insurance



For further information on any of these discount offers available to members please contact Jo at the SADA office on 8293 2399

GREAT LATE NEWS

SADA PUSHING FOR EXTRA \$12,000 PER FARM PER YEAR

SADA through ADF is a prime driver behind the funding of a new program for the CRC for Innovative Dairy Products. This is another example of how the Dairy Industry by acting “collectively” can significantly improve dairy returns. Thanks for your membership that gives us a chance at these (Dairy Package, Dairy Water Funding Bid and now the new CRC Bid) big opportunities. Farmers through their membership can “have a say” and “make a contribution” to taking the dairy industry profitability to another level.

Economic Impact of the bid as per the CRC submission states:

“Extensive economic modelling predicts that CRC-generated products and services will provide an estimated Net Present Value of \$1.59 billion. This will be achieved through an investment of \$0.133 billion (cash and in-kind) providing an internal rate of return on the investment of 29%. The growth in milk value attributable to CRC impacts is associated with the employment of an additional 14,000 people through to 2033. The estimated Net Present Value to the farming sector is \$1.3 billion. This translates to an increase in net farm income of \$12,000 per year (a 12% increase). Dairy companies are significant regional businesses impacting regional turnover, employment and prosperity; every dairy farm gate dollar has a regional economic multiplier of 2.5 (ABARE). The effects on the local economy of maintaining and growing the dairy economy are therefore significant”.

More on this exciting move in the next Update

INVITATION SALE

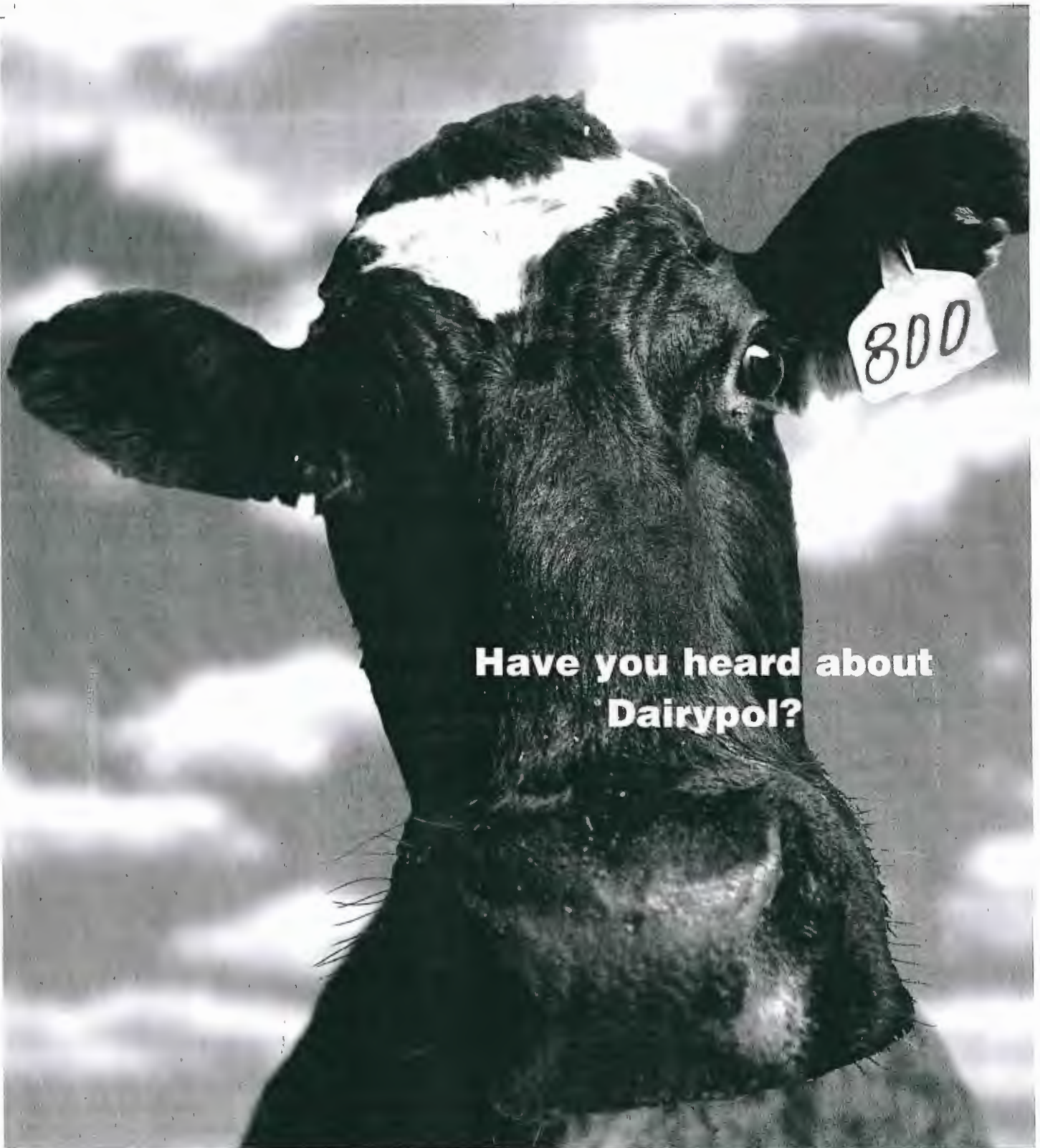
Misty Brae Holsteins will be conducting an on property Holstein Invitation Sale on April 20, 2007.

Many of the states leading breeders will offer some of their best bred animals for sale. Further entries welcome.

A food and wine tasting experience will also compliment the sale. Local businesses from the Fleurieu region shall have an array of their products available for your indulgence.

Please contact Gino (0409 678 110) or Mandy Pacitti (0409 547 202) or (8554 7202) to discuss your possible involvement.





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ADF Informer - 2 October 2006

The actions described in ADF Informer are a result of dairy farmer memberships to their state dairy farmer organisations.

ADF Executive Meets

The ADF Executive met on Friday 22 September for discussions on the forthcoming proposals for the levy poll as well as an update on the new BJD dairy score communications. The Executive also heard of the successful outcome of negotiations with the Chinese Ministry of Agriculture for the current pedigree requirements for Australian dairy heifer exports to China will continue for a further one-year period to the end of 2007. The Executive also endorsed a recommendation from the UDV that Mr. John Dalton be asked to Chair the National Centre for Dairy Education Australia (NCDEA) Western Victorian Regional Educational Committee.

Feed Grains

The ADF is a member of the Livestock Feed Grain Users Group (LFGUG) which met last week to consider the current grain situation, particularly in light of the drought which is sadly upon us in a big way. At this meeting we invited Biosecurity Australia, ABARE and other DAFF representatives to hear our views on the needs of the feedgrain using industries in these difficult times.

ABARE have agreed to undertake an urgent assessment of the stocks of feed grain currently available in Australia. Without good information on the levels of stocks there is a real danger the market will not work effectively and we could end up with domestic prices well above import parity as happened in the last drought.

ADF has, in partnership with other members of the LFGUG, undertaken a range of analyses and consultations to work towards a more sustainable feed grain industry in Australia. To this end the Federal Government provided some preliminary funding to form a partnership between the R & D corporations of the Dairy, Pork, Lot Feeders, Chicken Meat, Egg and Grains industries. This partnership will be an important element of sustaining feed grain availability in Australia into the future.

Biosecurity Australia also attended this meeting and reported there were several applications for grain importation that have been lodged. Inghams have publicly stated they are seeking a grain import permit to ensure availability of supply for their chicken production businesses. The LFGUG have encouraged Biosecurity Australia to expedite the process of import permits to ensure there continues to be feed grain availability in the face of the drought-induced shortages of domestic feed grain.

CRC Meets

The Board of the current CRC met last week and this followed a meeting of the partners in the new CRC application. The application is nearing the final stages with interviews of all the applicants being undertaken during November. The ADF is placing strong emphasis on the CRC delivering significant benefits to dairy farm productivity over the next decade. The ADF expects to hear the results of the new CRC application by mid December.

Ruminant Feed Ban

The ADF have met with consultants undertaking a review of the ruminant feed ban in Australia. It is important that Australia is free and remains free of BSE (mad cow disease) and the ban on the feeding of any animal protein is an essential element of this disease free status. The dairy industry has included the ruminant feed ban as part of all our on-farm quality assurance programs which places the industry in a good position for demonstrating our commitment.

The ruminant feed ban is an important element of our international recognition of BSE freedom. The European Union is sending auditors to Australia in the middle of this month (October) to audit our feed ban processes. As part of this, the EU auditors will be visiting a dairy farm in NSW and one in Victoria.

John McQueen
Chief Executive Officer

NARM NEWS

Volume 2 Issue 1

October 2006

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the first issue of the quarterly newsletter NARM News for 2006/07. There was a good start to this quarter with only one bobby-calf residue detection during the quarter of July to September. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on identification of calves for effective traceback of chemical residue detections.

The message for this issue is to minimise the residue risks to your business and ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Michael McManus Phone: 08 8226 0421
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

NARM Residue Detections

July – September 2006

During the first quarter of the financial year 2006/2007 there was 1 residue detection in SA bobby-calves. This is a big improvement on the number of detections in the last quarter (4). PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Relief Workers and Residues

If you go away and bring in relief workers you must explain the procedures that are used on your property. It is essential to make sure that relief workers are informed about the procedures used on the property, most importantly the identification of calves fed antibiotics and are made aware of the importance of adhering to these procedures. A number of residues in bobby calves have occurred due to relief workers not following procedures correctly. To avoid this happening procedures should be explained verbally and preferably a written copy also be made available to staff on the property.

Calf Truck Drivers

Two of the bobby calf residues from the last quarter were caused after the calves had left the property of origin by a calf truck driver keeping the calves he picked up that were over a certain weight and growing them out. If the calves were not looking promising after a couple of days he would put them back on the truck and they would continue to the original abattoir. Investigations by PIRSA determined that the milk the truck driver had been feeding the calves was contaminated with antibiotics. The truck driver confirmed that the dairy he was purchasing milk from was selling him milk that had come from cows that were being treated with a veterinary drug.

A number of concerns were raised by this incident. The

INSIDE THIS ISSUE

- 1 NARM Residue Detections
- 1 Relief Workers and Residues
- 1 Calf Truck Drivers
- 2 Summary
- 2 Next Issue



Government of South Australia
Primary Industries and Resources SA

NARM News page 1

Continued on page 2

first concern is that no NVD was used for the original sale of the calves or for the second sale of the calves by the truck driver. Because no NVDs were used there was no record of the calves having been on the truck drivers property and so the identification that they had linked them directly to the property of origin. Therefore the residue detection is recorded as having come from that property.

The second concern is that the calves were being fed contaminated milk and being sold within the withholding period. If contaminated milk is sold the details of the veterinary chemical in the milk must be provided in writing, which veterinary chemical was used and the withholding periods are the most important information. The meat/milk withholding period for the chemical must be adhered to when considering the sale date of the calves that have been fed the milk. Check PIRSA's Control of Use legislation on veterinary chemicals, Part 3 Division 3 Section 17, on the PIRSA website to find further information about responsibilities regarding withholding periods

Agriculture and Veterinary Products (Control of Use) Act 2002:

http://www.austlii.edu.au/au/legis/sa/consol_act/aavpoua2002554/

Summary

- 1) Identify all properties with a different PIC that bobby calves have been held on irrespective of the time spent on that property. The NLIS database must be notified within 7 days of livestock having been moved
- 2) Use a different NVD for each property with a different PIC that the calves are held on
- 3) Use commodity vendor declarations or obtain written advice from the supplier about the milk purchased to feed livestock
- 4) If you sell milk within a vet withholding period, you are legally required to disclose the following information
 - i) the treatment period and the withholding period and
 - ii) the veterinary product used in the treatment and
 - iii) the date of its last use in relation to the animal

To avoid chemical residues in bobby-calves producers are reminded to read the label of all veterinary products for specific treatment directions and withholding periods.

Next Issue

The next issue of NARM News will be distributed in January and will contain further information on how to avoid residues and industry updates

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Next Issue

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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons - Editor

MONDAY 13 NOVEMBER 2006

PRESIDENT'S REPORT

David Basham

This Update is mainly covering the drought issues relating to dairy farmers across South Australia. This month we have decided to send this Update only to members as many hours of work and members money has gone into drought issues.

Early in October the industry drought committee met to outline a strategy for the whole industry to move forward in the best way possible. One of the tasks that SADA had out of that meeting was to investigate the possibility of dairy regions being drought declared and thereby being eligible for federal government assistance under Exceptional Circumstances Funding (EC) scheme.

Ken Lyons and I did some investigation and decided that it was worth moving the issue forward. We decided that it was important to act as quickly as we need to start the process to get assistance to farmers as soon as we can. We asked two farm consultants Sam Acheson & Steve Scown to meet with us and had them begin to develop a case for the whole dairy farming area of South Australia to be declared for EC. I would like to thank Sam & Steve for the efforts to put things together as quickly as they could.

At the Fleurieu Regional meeting held on November 2 we invited the PIRSA staff that are working on the drought issues in South Australia. At the meeting we asked PIRSA to take over the funding of our EC application to which they agreed. SADA has been working to develop a dairy industry application but we will also be working with agricultural regions to develop regional applications. We will be involved with the management of the application but the State government will now cover the costs.

The preparing and assessment of an application for EC funding is a slow process. It is likely to take between two & six months. We at SADA will try to make sure the process keeps moving as quickly as possible.

You as farmers can assist the process by making contact with your local State & Federal members of parliament to inform them of your individual circumstances. The more the politicians hear that the dairy industry is hurting badly from the drought the more likely the application is to succeed. I will include below the contact details for the relevant politician.

Hon Alexander Downer
Ph: 8370 8166
Email: A.Downer@aph.gov.au

Mr Patrick Secker
Ph: 1800 182 328
Email: P.Secker@aph.gov.au

Hon Rory McEwen
Ph: 8724 9944
Email: mtgambier@parliament.sa.gov.au

Hon Malcolm Buckby
Ph: 8552 2878
Email: light@parliament.sa.gov.au

Mrs Isobel Redmond
Ph: 8339 5077
Email: heysen@parliament.sa.gov.au

Mr Ivan Venning
Ph: 8556 3311
Email: schubert@parliament.sa.gov.au

Mr Michael Pengilly
Ph: 8552 2152
Email: finniss@parliament.sa.gov.au

Mr Mark Goldsworthy
Ph: 8389 6800
Email: kavel@parliament.sa.gov.au

Mr Adrian Pederick
Ph: 8531 1676
Email: hammond@parliament.sa.gov.au

Mr Mitch Williams
Ph: 8762 1211
Email: mackillop@parliament.sa.gov.au

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DAIRY INDUSTRY GETS OFF TO A HEAD START WITH EC APPLICATIONS

Thanks to SADA the dairy industry will be one of the first applications to be prepared for Exceptional Circumstances funding. The first meeting between the consultants, PIRSA and SADA was held today (9 November) to progress SADA's preliminary work.



L-R: Ainsley Forrest (PIRSA), Sam Acheson, Tony Morbey (PIRSA) David Basham, Greg Cock (PIRSA) and Steve Scown

HAY BUYERS BEWARE

Just remember to check with hay suppliers that they haven't used chemicals that have a withhold period that may still be current for stock. For example Canola hay is often sprayed with chemicals that have a long residual withhold period.

"STATE PASTORAL AWARD GUIDELINES UPDATED"

Later in this Update is an updated version of the SADA fact sheet outlining award pay rates, overtimes allowances, holiday & leave provisions. Please note that from 19/12/06 there is a significant increase to all State Pastoral Award pay rates and the casual loading also increases to 22.5%. It is the responsibility of the employer to ensure that all their employees are receiving conditions and pay rates as set out in the award relevant to their employment. If you have any questions please contact SADA on 8293 2399.

COMING EVENTS

WorkChoices Seminars

10.30am till 2.30pm.

Phone Jo on 8293 2399 to register

Mon 20 Nov - Mt Compass Tavern, Mt Compass

Wed 22 Nov - Ramblers Football Club, Murray Bridge

Fri 24 Nov - Lutheran Church Hall, Birdwood

Wed 22 & Thurs 23 Nov – ADF Board meeting

Fri 24 Nov - Dairy Australia Annual General Meeting

Tues 28 Nov – River & Lakes **Drought** meeting, Dundees Hotel, Jervois Road, Murray Bridge 10.30am till 1.00pm. Lunch subsidised for members.

Thurs 30 Nov – Adelaide Hills **Drought** Meeting Flaxley Research Centre, Strathalbyn Road, Flaxley 10.00am till 11.30am and the Vine Inn, Nuriootpa 1.00pm till 2.30pm

Tues 5 Dec – SADA Board meeting

Fri 22 Dec – SADA Office closure

Fri 9 Feb – Women In Dairying meeting

TAKE STOCK IN THE DROUGHT

Taking Stock is an industry-wide opportunity funded by Dairy Australia and the dairy companies for all dairy farmers to review how their businesses are travelling and to move forward. It assists farmers to identify the most important physical, financial or human issues affecting the business and look at ways of ensuring sustainable profitability. Taking Stock provides one-on-one support with a trusted & trained adviser. This is a FREE Service ESSENTIAL for all those who want to review their situation and "Take Stock in the Drought".

Contact a Taking Stock Adviser NOW:

Sam Acheson 0414 781 217

Kirstie Murphy 0408 088 624

Steve Scown 0418 853 911

Shane Teakle 08 8398 6366

Dairy Farmers

Greg Gilbert 0407 399 134

Brian Thomson 0417 807 874

Colin Fox 0407 604 581

Warrnambool Cheese & Butter

Adriana Robaina 03 5563 2100

National Foods

Julian Manowski 0408 391 855

Murray Goulburn

Rodney Petering 0428 993 395

Rural Financial Counsellors

FREECALL 1800 836 211

Taking Stock gives all dairy farm businesses the opportunity to FREELY access the services of an adviser independent to their business, to provide a fresh view, to work through different drought management options & scenario planning.

Drought Hotline

For access to drought related information – including support services, local rural financial counsellors, Centrelink payments, maintaining land condition, managing stock and crops in dry times, the condition of the River Murray and Murray-Darling Basin.

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Or log onto

www.service.sa.gov.au/drought.asp

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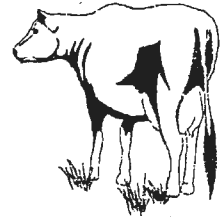
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Lyndon Cleggett
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Treasurer:

Jill Williams
Fleurieu Region
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Email: williamsfarms1@bigpond.com

Ken Smith
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Email: kensmithsa@yahoo.com.au

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Email: stewartdale@bigpond.com

James Stacey
River & Lakes Region
Ph: 0429 373 130
Email: stac@lm.net.au

Michael Connor
Fleurieu Region
Ph: 0419 036 500
Email: nangkita_hills@bigpond.com

Sue Young
South East Region
Ph: 0429 994 337
Email: asyoung@cbi.net.au

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WFI Adelaide on (08) 8373 9205.



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MANAGING THROUGH DROUGHT AGAIN

TOPICS TO BE COVERED



How bad is the drought in this state and nationally?

1. SADA is seeking EC assistance.
2. SADA is seeking state government assistance.
3. The national dairy industry response.
4. Providing farmers with information and options?
5. Some take home messages.

HOW BAD IS THIS DROUGHT?



STATE – what the farmers are saying

- Shaping up to be the worst drought ever for SA dairy farmers. The fodder prices are higher than 2002, many farmers haven't recovered from the 2002 drought and all water storages (river, lakes, bores and dams) are at record low levels.
- Many dairy farms have reported operating losses for several years.
- There are emerging water availability and salinity problems.
- Murray Irrigators water allocations reduced to 60% on 2 November

STATE (cont'd)

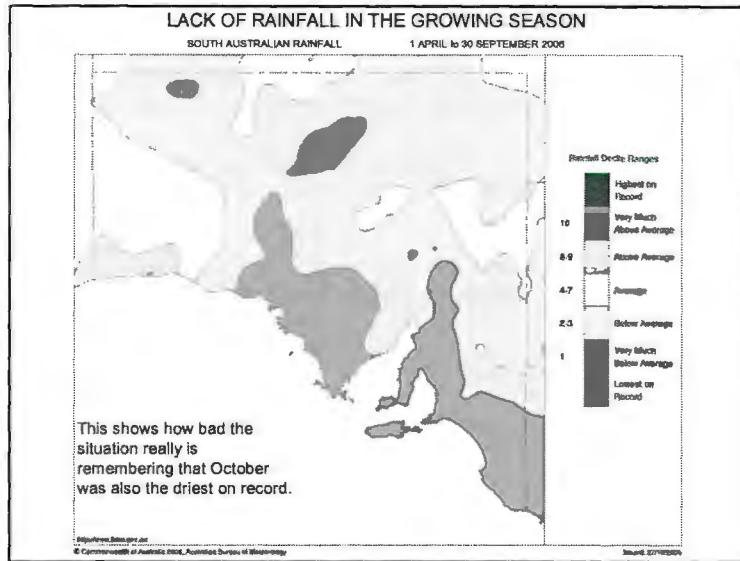


- At current feed prices of over \$300 for grain and over \$200 for hay it is unlikely to be economic to produce milk.
- This year farmers have commenced feeding out fodder and irrigating far earlier than normal.
- Compared to 2002 more farmers are opting to de-stock and dry cows off. But prices for cull stock has dropped dramatically.
- In recent years dairy farmers are continuing to exit the industry and milk production is falling.
- October inflows into the Murray Basin a record low of 74 gigalitres compared to the previous low of 139 gigalitres in 1914.

Murray – Darling Basin record lows



	2006 (Gigalitres)	Previous Low (GL, year)	Average Inflows (GL)
July	130	154, in 1967	920
August	120	125, in 1902/3	1360
September	112	178, in 1902	1558
October	74	139, in 1914	1100



NATIONALLY:



- This Drought is capturing the attention of the media, community and the politicians. However, we all need to do more if the dairy industry wants to get a "fair share" of the assistance.
- Australia wide the combined effects of the drought have prompted ABARE to predict a 45% decline in net farm income. This could cut many billions of dollars from rural communities.
- In terms of loss of milk production in 2002 there was a 13% fall and this resulted in a loss of farm gate income of \$400m. At this time Dairy Australia is predicting that national milk production will be down for the 2006/07 season by 6-7% on last year.

NATIONALLY (cont'd):



- The drought is putting upward pressure on global dairy prices which may have a positive effect on farm-gate returns. MG and WCB announced their first step-ups in October.
- Behind the scenes the Associations through NFF are negotiating the need for both relief and recovery.
 - The "relief" in terms of EC assistance is the bandage to stop the bleeding - it puts food on the table and provides for an interest rate subsidy to help manage debt.
 - The "recovery" must focus on how farmers can emerge on the other side with viable farms and the natural resources intact, and even onto considering how farmers can be assisted in preparing for future drought events.
 - The Associations are negotiating with the Federal Govt. for an assistance package for farm dependent small businesses that serve farmers.

HOW CAN DAIRY FARMERS BE ASSISTED?



It is a key role for the dairy associations to do everything possible to improve the circumstances of dairy farmers during the drought.

We do this by:

- Listening to the needs of members
 - Delivering the assistance we can
 - Encouraging industry to be there for each other SA dairy farmers coming up with good practical ways of coping with the drought on farms.
- SA dairy farmers want to be included in EC funding
They are looking to the state government for support.



SO WHAT IS SADA DOING TO ASSIST FARMERS?



**Currently not a single SA
dairy farm is receiving EC
assistance.**



1. EC ASSISTANCE:

EC is, effectively:

1. Newstart Allowance (starting from \$400 per week) to put food on the table and pay the bills
2. An interest rate subsidy to help manage farm debt. A subsidy of 50% in the first year and 80% in the second and subsequent years
3. An exemption from the family means test for Youth Allowance and for a Health Care Card
4. Farmers must satisfy a stringent 'viability test' to ensure only viable farmers are eligible, as well as assets and income tests.



OBJECTIVES TO ACHIEVING EC ASSISTANCE

1. Ensure the criteria for eligibility is more attuned to our dairy industry
2. SA dairy industry needs to alert/convince the Minister and PIRSA we need assistance
3. Assist PIRSA forward applications to Canberra.

a. ISSUE:
CHANGING ELIGIBILITY CRITERIA



We are pushing for more flexibility in the criteria to make it more attuned to the dairy industry. Dairy farmers can suffer huge financial losses due to spiraling grain and fodder costs and a lack of access to irrigation water. The reliance on rainfall data (the current criteria) does not treat dairy farmers fairly.

ACTIONS:



- *SADA has spoken to the media, TV and Radio, and provided the SADA Board with a briefing. We have unanimous industry agreement that the dairy industry needs to get a "fair go" in terms of government assistance.*
- *SADA, ADF and NFF are lobbying for more flexibility in the EC eligibility criteria.*

OUTCOMES:



- *The Prime Minister has agreed to more flexibility and is considering even more changes. In announcing the changes it was good that he specifically referred to the dairy industry.*

b. ISSUE:
**SADA HAS PREPARED THE INITIAL
CASE FOR EC DECLARATION**



- *On Friday 20 October SADA engaged Steve Scown and Sam Acheson to assist SADA to prepare a report supporting the case for all dairy regions to be included in the EC assistance package.*
- *On Thursday 2 November SADA hands over the report to PIRSA at the Fleurieu regional meeting.*
- *The SADA draft case can be used by PIRSA for both an all of dairy industry application and also for any regional EC applications.*



c. ISSUE:

PUSHING FOR EC APPLICATIONS FOR ALL SA DAIRY AREAS

The Federal Government is saying that there is a problem receiving applications from SA. This issue was highlighted by The Advertiser article on 18 October "Aid Relief was not requested".



ACTIONS:

- SADA is arranging a meeting with the Minister, Rory McEwen, to help clarify the situation.
- SADA will discuss EC applications with Federal politicians.
- SADA will use our ADF network, including other State Association EO's to assist in the preparation and progressing of EC applications in SA. Adrian Peake EO of QDO has been providing specialist advice.
- SADA will be encouraging all dairy farmers to directly seek support from their state members of parliament for dairy to be included in EC applications.



OUTCOMES:

- Farmers at the Fleurieu Regional meeting want SADA to continue to work closely with PIRSA to ensure the applications on behalf of dairy farmers are fast tracked
- On Thursday 9 November SADA, PIRSA and the consultants begin the process of finalising the applications to Canberra.
- Farmers are asking for the applications to be fast tracked so that the assistance can be available from early 2007



2. STATE GOVERNMENT ASSISTANCE:

EC is Federal Government Assistance so what is the STATE Government doing?

OBJECTIVE

- Seek some State Government assistance for dairy farms in need. As always SADA can collect ideas and priorities for assistance from members. SADA and the government agencies need to also attend to specific regional issues.

SOME OF THE ISSUES IDENTIFIED SO FAR INCLUDE:



- a. Seek some government charges that can be deferred for those in need.
- b. We may need to seek access for larger vehicles to move fodder, water and stock into and out of drought affected areas. In 2002 we organised with the SA and WA state governments to drop restrictions and impediments on the movement of fodder from WA to SA.
- c. If the situation really deteriorates government assistance may even be required to ensure all stock have access to drinking water. This was a real issue for some Lakes dairy farmers on Christmas Eve of 2002.
- d. Prevent interstate freight subsidies from taking SA grain and fodder.

ACTIONS:



- SADA through our regional network, Board members and the SADA office seek the opinion of SADA members on SA dairy industry needs and priorities during this drought.
- Use SADA to lobby the state government for assistance. Meeting arranged with Minister McEwen for 10th November.
- Minister McEwen achieved agreement at the autumn meeting of the Primary Industry Ministerial meeting that there be no new state based freight subsidies.

OUTCOME:

- The news release by Minister McEwen on 25 October offered a state government \$4million drought package. Most farmers regard this as disappointing but hopefully there will be more to come.

OUTCOME:



- The news release by Minister McEwen on 25 October offered a state government \$4million drought package. Most farmers regard this as disappointing but hopefully there will be more to come.
- SADA will be sponsoring a Field Day for the State Government Department CEO's on 10 November to ensure there is a "Whole of Government" response to the needs of the state dairy industry.

3. NATIONAL LEVEL DAIRY INDUSTRY ASSISTANCE:



OBJECTIVE

- Through ADIC, ADF, NFF and Dairy Australia seek assistance for dairy farmers at the national level



a. ISSUE:

**HELP FACILITATE A “COLLECTIVE”
APPROACH TO ASSISTING DAIRY
FARMERS**



ACTIONS:

- *ADF arranged to meet with Dairy Australia, as we did in the 2002 drought and agreed an all of dairy industry response was needed to meet farmer needs. Last time the package of strategies came under the “Dairy Moving Forward” banner. (Response due early November)*
- *Dairy industry leaders met on October 18 and agreed that a core group would take overall responsibility for coordinating and facilitating the national dairy industry response.*
- *This response connects over 100 organisations including dairy associations, regional development programs, state departments, dairy companies and private service providers*



ACTIONS (cont'd):

- *Support regions in developing a case for EC declarations*
- *Technical notes on extreme drought feeding options is being prepared*
- *The response will initially concentrate on providing immediate support now and then establish a support framework for the subsequent industry recovery phase to mid 2008.*
- *Throughout the initiative the Core group will seek active input and engagement from representatives of state and regional farmer groups, companies, government departments and relevant regional support groups.*



b. ISSUE:

**ATTEMPT TO PREVENT GRAIN AND
FODDER PRICES RISING ABOVE
“IMPORT PARITY”.**

ACTIONS:



- ADF to seek information on the quantities of grain in storages around Australia.
- ADF to liaise with other feed grain users to promote the import of grain from overseas.
- Monitor reports (eg The Advertiser, 18 October) that AWB was selling large quantities of Wheat overseas at \$240 while selling domestically at over \$300.

OUTCOMES:



- After significant investigation the ADIC reported on 20 October that they believe grain and hay prices have reached their peak for the next few months
- The federal government has agreed to undertake a stocktake of grain stocks in Australia. This will help farmers to make more informed decisions on grain purchases.
- Some significant domestic grain purchasers are likely to import grain and this will take some pressure off domestic demand. Minister Peter McGauran has had 40 applications to import grain and it could be arriving as early as January.

c. ISSUE:

GIVING FARMERS THE OPTION OF SELLING HEIFERS TO HIGHER PRICED INTERNATIONAL MARKETS



ACTION:



- ADF has successfully completed negotiations with the Chinese Ministry of Agriculture to continue the heifer trade for a further year to 31 December 2007. This market will provide an additional market for heifers and an important additional source of cash flow.

- Elders have a contract with Mexico for:
 - Pregnant Friesian Heifers 18-30 months approx. \$1100
 - Unjoined Friesian Heifers 9-15 months approx \$800
 - Unjoined Friesian/Jersey Heifers 9-15months approx \$500
 - Unjoined Jersey Heifers 9-15months approx \$600



4. PROVIDE TIMELY INFORMATION ON DROUGHT STRATEGIES AND ASSISTANCE OPTIONS:



STATE DAIRY DROUGHT COMMITTEE

- The SA dairy industry has again formed an "all of industry committee" to coordinate our drought program in SA. This committee will generate information to assist all farmers.

OUTCOME:

- *Newsletter coming out regularly beginning in late October. Newsletters distributed via the milk tankers.*



LAUNCHING OF THE NATIONAL DAIRY INDUSTRY RESPONSE PROGRAM

OUTCOME:

- *The national drought programs are expected to commence in November.*
- *SADA will be involved in many activities commencing with:*
 - Participation in Dairy Australia rural radio interviews*
 - Providing a dairy industry drought Update to various forums eg. Taking Stock adviser session being held at Mt Barker on 27 November*



ADIC IS PUBLISHING DROUGHT INFORMATION BULLETINS

OUTCOME:

- *The first bulletin on grain availability and price was released on 25 October*



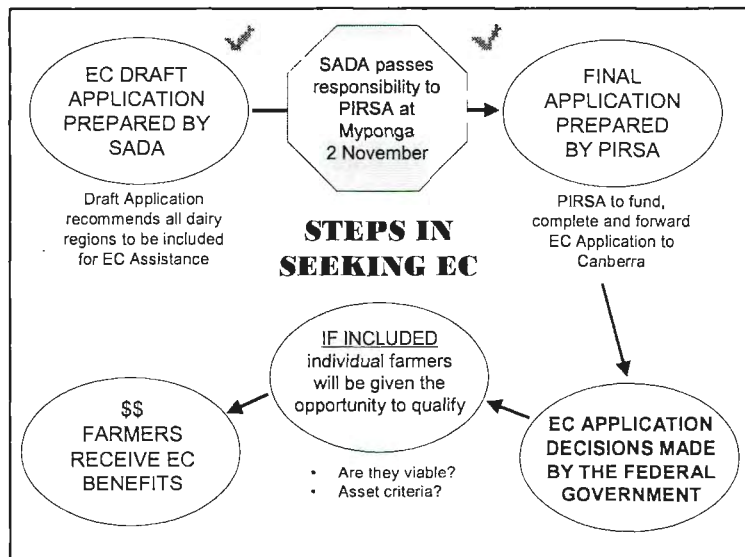
BACK AT FARM LEVEL

In the meantime farm owners and managers are managing by:

- Making courageous decisions ASAP and get all the help you can. Certainly involve your bankers, accountants, consultants and financial advisors
- Keeping the family and employees involved and informed
- Empowering dairy farmers by giving them a voice on key policy issues through SADA
- Recognising that while rural people are known for their resilience droughts can prove just as stressful as family breakdown or family illness.



5. TAKE HOME MESSAGES:



TAKE HOME MESSAGES

- SADA has funded and completed the initial study to get the ball rolling for the EC dairy application for SA dairy farmers. The key is to get EC funding to our dairy farmers in need early in 2007.
- Achieving a "fair deal" for SA dairy farmers in relation to EC has been and will continue to be a priority. Unfortunately many in the community and the government are unaware that SA dairy farmers are suffering.



- There is a misconception that EC Assistance is about propping up unviable farmers, this is simply not true. It is about supporting farmers through a rare and severe event in order to protect the nation's agriculture production base
- When taking into account of the vital flow on effects of the industry, agriculture contribute around \$103billion per year in production and provides over 1.6million jobs



- Federal and state governments are currently deciding key water management policies

Resource allocation issues are fraught with difficulties – politically, socially and environmentally.

Farmers through their associations can and should have an effective voice in deciding on these policies and practicable measures to manage the crisis. Farmers cannot leave this for others to determine.



- SADA has generated considerable press (TV, radio and printed press) on the plight of dairy farmers.
- Don't assume that EC is a done deal. All farmers can assist SADA in getting a "fair go" at EC funding by contacting their state and federal politicians

Drought Hotline Freecall 180 20 20



2007/08 will be a challenge for us all and working together is our best hope

THANK YOU

SADA – Giving Dairy Farmers a Voice

Guidelines for Dairy Employers in South Australia



**SA Dairyfarmers'
Association Inc**
ABN 70 250 523 225
Unit 5 Emerson Centre
780-802 South Road
Glandore SA 5037

Telephone (08) 8293 2399
Facsimile (08) 8293 8886
Email sada@sada.asn.au

Persons employed on dairy farms in South Australia are generally covered by the State Pastoral Industry Award (South Australia). Exceptions to this may include employers whom are members of the South Australian Farmers Federation - Industrial Association or are named respondent to the federal award, where their employees are covered by the Federal Pastoral Industry Award 1998. It is the responsibility of the employer to ensure that all their employees are receiving conditions and pay rates as set out in the award relevant to their employment.

State Pastoral Industry (South Australia) Award

Station Hands

For employees engaged by the week:

Monday to Friday & Saturday morning (152 hours in any four consecutive week period) to be worked either, over five days in the week, Monday to Friday; or over five and a half days in the week, Monday to Saturday, where work is essential on Saturday morning for good husbandry or tending stock. Hours in excess of 152 hours in any 4 consecutive week period shall be deemed to be overtime.

Station Hands with less than 12 months experience engaged by the week:

\$12.7474 per hour or \$484.40 per week (38 hours)

Station hands with greater than 12 months experience or more, but who do not conform to the definition of a general station hand (as defined) engaged by the week:

\$13.4053 per hour or \$509.40 per week (38 hours)

General Station Hands (at least 2 years experience) engaged by the week:

\$14.0658 per hour or \$534.50 per week (38 hours)

Definition: - **General Station Hand** means an employee who has had at least two years experience in the pastoral industry as a station hand and who is capable of performing efficiently without supervision any task, including driving a tractor and motor vehicle and operating farm machinery, which might reasonably be required of a station hand on the property where s/he is employed.

For employees under 21 years of age engaged by the week – without keep:

At 15 years of age 45% of adult wage, \$5.7368 per hour \$218.00 per week (38 hours)

At 16 years of age 50% of adult wage, \$6.3737 per hour \$242.20 per week (38 hours)

At 17 years of age 55% of adult wage, \$7.0105 per hour \$266.40 per week (38 hours)

At 18 years of age 65% of adult wage, \$8.2868 per hour \$314.90 per week (38 hours)

At 19 years of age 75% of adult wage, \$9.5605 per hour \$363.30 per week (38 hours)

At 20 years of age 90% of adult wage, \$11.4737 per hour \$436.00 per week (38 hours)

For all employees engaged by the week overtime rates:

The rate of pay for overtime shall be time and a half. Sunday is time and a half if feeding; milking or watering stock, any other duties is double time. Public holidays double time.

For all employees engaged by the week annual holidays:

4 weeks + leave loading of 17.5%

For all employees engaged by the week sick days:

10 days per annum after 12 months service, before 12 months 1.46 hours per week

For employees engaged as a casual:

Casual employees shall receive 1/38 of the relevant weekly rate plus an all-purpose loading of 22.5%

For all casual employees overtime rates:

All day Saturday and Sunday is time and a half. Public holidays double rates. All worked performed by casuals in excess of 8 hours per day Monday to Friday is time and a half

Long service leave

Long service leave accrues on each completed year at the rate of 1.3 weeks for all employees including casuals. It is payable after 10 completed years (ie 13 weeks leave) or pro rata after 7 completed years (ie 9.1 weeks leave). It is not payable for employment for less than 7 years completed service or if dismissed for misconduct between the 7th and 10th completed years.

The State Pastoral Industry (South Australia) Award can be viewed at www.safework.sa.gov.au

Superannuation Guarantee

Changes to Superannuation Guarantee introduced from 1 July 2003 mean that employers are required to make superannuation guarantee contributions on behalf of their eligible employees **at least once each quarter**.

Contributions are due by: **28 October, 28 January, 28 April and 28 July** each year.

You now need to:

- **Calculate** 9% of the earnings base for each eligible employee (generally employees who are paid \$450 or more per month)
- The earnings base is defined as Ordinary Time Earnings as wage & salary payments made to employees, including over award payments, but not including overtime payments
- **Pay** this to a complying superannuation fund **at least quarterly**
- **Report in writing to your employees** the details of the contributions you have made to their funds **at least once every quarter** on a pay slip, letter or email. You should note the amount contributed, the name of the fund and, if known, the employee's account number.
- **Keep a record** of when, what and how you have reported superannuation contributions to your employees.

If you don't make your superannuation contributions by the cut off dates you will face penalties. You may also face penalties if you don't report details to your employees.

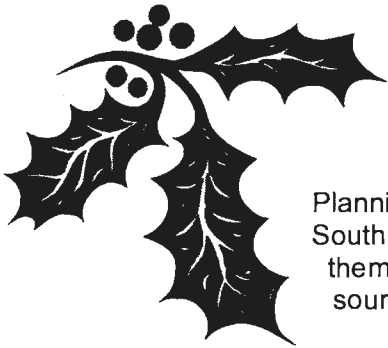
DISCLAIMER

This publication has been developed in consultation with
SafeWork SA Phone 1300 365 255

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Current as at 20/12/06

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor



THURSDAY 14 DECEMBER 2006 PRESIDENT'S REPORT

David Basham

Planning is extremely important with the conditions that we are experiencing across South Australia. Speaking with many farmers I am hearing that most are preparing themselves well to cope with a long dry summer. If extra feed is required most are sourcing it early to keep costs down, if you do not think you have enough feed it is still better to plan now than wait until you run out.

A bigger concern of mine than feed is stock water and water to operate the dairy. Dams in some areas are already starting to go dry and there are reports of water levels dropping in some bores. I would encourage all farmers to make an assessment of the water reserves on their farms so the industry can plan if water supplies become an issue. If you believe that your water reserves may not be adequate please contact SADA or your company field staff as soon as possible.

We are working on several options if water becomes a problem. The first is carting water using tankers. The government has said that they will make available water for this purpose. The cost of carting this water will be at the expense of the farmer, so I believe this is only an emergency short term option for a few days. The next option is to try and identify other sources of water either from neighbouring properties or drill new bores. Both of these options require a fair bit of planning and capital expenditure. Drilling a new bore may not be possible quickly as the water drilling rigs are extremely busy. I have made a request to the State Government to ask the mining industry if they would be prepared to make available a few drilling rigs for emergency water drilling work. This may help speed the process up but it still will take a bit of time, so planning early is the best option. The last option that we are looking at is short term cow parking on larger farmers and semi-feedlotting cows and operating dairies for 24 hours a day. This may require major capital work to cope with the extra water requirements so again planning is all important. I again would ask farmers to assess their water and if in doubt please make contact straight away.

The other concern with water is when the season breaks care may need to be taken as ground cover will be low and runoff may carry a large load of contaminants into dams. These dams may require treatment before allowing cattle to consume the water.

SADA is working on applications for Exceptional Circumstances (EC) funding for the dairy regions of the State. We were working on an application to cover all dairy farms in South Australia but the rules were changed and we now have to put up regional applications. We hope to have cases put to the government to cover all of the dairy farmers across the state. Once we have prepared the cases in some regions or assisted preparing cases in other regions, these submissions will go to the State Government and be sent to the Federal Government for assessment. It is beyond our control to guarantee that all regions will get access to EC funding but we are doing everything we can to help get that access. Due to the large number of areas not all application will be prepared and lodged at the same time but again SADA is doing as much as it can to speed this process up. Once an area is declared, individual farmers need to apply and meet some criteria to be eligible for the EC funding.

Finally, I would like to wish everyone a very happy and safe Christmas and New Year. It has been a very tough year and we can only hope 2007 is a rainy, wet, wonderful year.

MERRY CHRISTMAS

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REPORT BY THE CEO

Ken Lyons

Currently it is the drought issue that has been most challenging for our members and the Association. The good news is we are having some success in relation to giving dairy farmers some hope of accessing Government EC funding. There has been a dip in grain prices as croppers are electing to sell outside the pools. But there are concerns that in some areas water for stock and domestic will have to be carted and this has the potential to be a really difficult one to manage.

EC FUNDING

As I have pointed out at the various regional meetings dairy farmers are "unfairly" treated by the EC declaration criteria but we have had some success in getting some more "flexibility" for our dairy farmers. Hopefully this will result in more farmers getting the opportunity to access EC than otherwise would have been the case. Also many people clearly held the view that the SA dairy industry was not deserving of EC consideration. An old but recently released ABARE report painted a picture of dairy profits rising. This appeared to be reflected in the thinking of PIRSA and State government. The work done by Steve Scown and Sam Acheson (under contract from SADA) has turned this around dramatically. I am pleased to report today there is work now being done, or about to be done, in all dairy districts to give our farmers the opportunity to access EC funding. With a little luck we may even get our first dairy farmers EC declared by Christmas or soon thereafter.



WATER FOR STOCK AND DOMESTIC

The challenges facing the Lakes irrigators has been known for some time but concerns are now coming from all regions that water for stock may dry up. The costs and challenges faced by individual farmers in arranging for water will be significant even if the state government was to make water available from various locations. Adding to this problem is the lack of obvious de-stocking options.

A recent survey of Hills and Fleurieu dairy farmers indicated drinking water for stock as the most critical issue for many. Our regional committees may be able to provide the forum for discussing regional solutions. Along with other risks, including bush fires, this is an issue SADA will be taking up with the Minister, PIRSA, the milk companies and our various drought committees. As with fires dairy farmers should be considering their options.

There is a report in the Dairynews (11th December) that the three milk companies operating near Warrnambool in Victoria have agreed to provide water and milk tankers to the CFA to fight the bushfires if they are required. So anything is possible provided we start thinking these issues through early.

RIVER MURRAY WATER



L-R: Dr Paul Vogel, EPA, Rob Freeman, DWL&BC, John Eckermann, Dennis Chandler and Don Plowman, PIRSA

With government announcements that water allocations next year will probably start at nil major challenges are facing all River and Lakes irrigators. The possible construction of the Wellington weir is focusing attention on

the future of our Lakes irrigators. SADA is working to build close relations with the government and government agencies and our Lakes community and I would like to especially thank Clem Mason for helping dairy get a "voice" with this issue. SADA and the Lakes irrigators arranged a tour of the Lakes irrigation enterprises for the heads of the relevant government agencies and the local politicians (see photo p2). The positive news reported by Clem at the regional meeting is that the scientists are now predicting a wetter year next year.

The state government has appointed former premier, Dean Brown, to liaise between the Lower Murray irrigators and the government.

DEFENDING DAIRY IRRIGATORS FROM ILL-INFORMED CRITICISM

You will have noticed SADA getting on the front foot in defending our dairy industry from unfair criticism about the efficiency of our water usage. Fortunately SADA has good credibility with the popular press and we have an excellent record at being at "world's best practice" when it comes to irrigation. This will be an ongoing challenge and thanks to those members like Gary Spain and Andrew Stewart who have helped me prepare and present a picture of the dairy industry being very responsible in their use of our natural resources.

The expertise, and recent achievements of our dairy NRM specialist, Monique Aucote, has been of considerable assistance in lifting the NRM image of dairy during the year.

WATER ALLOCATION PLANS

Several of our regions are going through the process of establishing WAP's and again I would like to thank our members in the various regions who are involved in representing dairy.

DAIRY AUSTRALIA LEVY POLL

DairySA and SADA are planning with DA and ADF for a series of seminars in early February to inform, and provide the opportunity, for dairy farmers to discuss the issues relating to the coming Dairy Poll.

IMPROVING HERD FERTILITY

As many dairy farmers begin to plan for mating it is suggested they consider

discussing with their local vet of PIRSA the option of a "Vibrio" vaccination program. This disease can cause considerable economic loss through infertility.

There is a new test being developed that is easier to perform and far more accurate than that can be performed at the abattoir. While it should be available soon at this stage we are unsure of the costs.

SEEKING EXTRA DAIRY EXTENSION IN SA

I recently participated in a strategic workshop for SARDI and was reminded of the opportunities for our dairy industry in the relationship. Currently there are negotiations with the Victorian DPI to provide dairy extension services to our SA dairy farmers in exchange for some of our expertise in fisheries management. Rob Lewis, SARDI CEO, will be briefing the Victorians on the fishing services before Christmas.

This is a good example of thinking creatively and certainly "outside the square". But two other projects that are the result of plenty of creative thinking are currently up for funding. Hopefully we will get a positive outcome on all these projects by Christmas.

FUNDING FOR DAIRY CRC AND FROM THE NATIONAL WATER INITIATIVE

As we go to print we are waiting to hear the outcome of two major funding proposals for the dairy industry. At this stage we remain confident on both accounts.

OFFICE CLOSURE

While we will be closing down the SADA office from Wednesday 20th December till Monday 8th January for emergencies you can contact Ken on the mobile 0419037569.

CONGRATULATIONS TO JAMES MANN

James Mann has been named as this year's winner of the Marcus Oldham College, 2006 Graduate of Excellence Award. Apart from operating one of the biggest dairy enterprises in the country James has been a strong supporter of DairySA (Chair) and SADA (Regional Committee).

COMING EVENTS

Fri 22 Dec 06 – SADA Office closure
Fri 9 Feb 07 – Women in Dairying meeting
Tues 13 Feb 07 – SADA Board Meeting

TAKE STOCK IN THE DROUGHT

Taking Stock is an industry-wide opportunity funded by Dairy Australia and the dairy companies for all dairy farmers to review how their businesses are travelling and to move forward. It assists farmers to identify the most important physical, financial or human issues affecting the business and look at ways of ensuring sustainable profitability. Taking Stock provides one-on-one support with a trusted & trained adviser. This is a FREE Service ESSENTIAL for all those who want to review their situation and "Take Stock in the Drought".

Contact a Taking Stock Adviser NOW:

Sam Acheson 0414 781 217
Kirstie Murphy 0408 088 624
Steve Scown 0418 853 911
Shane Teakle 08 8398 6366

Dairy Farmers Greg Gilbert 0407 399 134
Brian Thomson 0417 807 874
Colin Fox 0407 604 581

WC & B Adriana Robaina 03 5563 2100

National Foods Julian Manowski 0408 391 855

Murray Goulburn Rodney Petering 0428 993 395

Rural Financial Counsellors FREECALL 1800 836 211

Drought Hotline

FREECALL*
180 2020

(*Mobile phone charges apply)

Or log onto www.service.sa.gov.au/drought.asp

CHRISTMAS MESSAGE FROM THE EDITOR

Recently we had a round of well attended regional meetings and I would like to thank members for their on-going support of SADA. To David Basham, the SADA Board and the Regional Committees thank you for another year of strong leadership. Following the December SADA Board meeting we again thanked those serving our industry at a Christmas Cocktail Party sponsored by the NAB team.

Each year the SADA Board considers acknowledging a person who has made a major contribution to the SA dairy industry at the Christmas Cocktail function and this year SADA paid tribute to Gary Spain for his work on the new BJD Program.

This year the Christmas message comes from my Aunt Lin.

"We expect to go through this world but once. If there is any kindness or any good thing we can do for our fellow beings let us do it now. We shall pass this way but once".

WE WISH YOU AND YOUR FAMILY ALL THE BEST FOR CHRISTMAS AND THE NEW YEAR.



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SADA has joined with National Buying Group

- THE THINKGROUP -

to provide *Purchasing Benefits* to the SADA Community

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Last kill Thursday December 21st 2006
Re-opening Tuesday January 2nd 2007

Phone Mark McLoughlin
on 0400 225 101

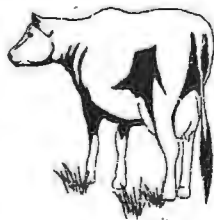
I hope you all have a Merry & Safe
Christmas & a Prosperous New Year



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