

# DAIRY UPDATE FROM SADA

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Ken Lyons – Editor

## 18 February 2010 PRESIDENT'S REPORT

*David Basham*

It has been a very difficult time for dairy farmers over the last 12 months with almost all farmers having to increase their borrowings to continue to operate. It has caused a lot of heartache to many with farmers having to extend their borrowings to levels that they may not feel comfortable with. To give you an idea of the range in farmers borrowings and their comfort with debit levels I have heard that some farmers are uncomfortable at \$2000 per debit but others that have gone out as far as \$8000 a cow. It certainly is the individual's circumstances that influence this comfort but I also believe it helps to know where you fit with other dairy enterprises. Our farm has been involved in the Mount Jagged discussion group for over 25 years and this has allowed us to benchmark our farm against others in our region. This benchmarking has been on our day to day practices as well as benchmarking our finances. The group in recent years has had our finances assessed by Red Sky. These figures are used to compare how we are going against not only ourselves from year to year but against others in our region as well as others in the state, interstate and New Zealand.

The information that we have learnt over the years has been important in guiding our dairy business. I would like to encourage all SADA members to consider being involved in this process as the larger the sample of farms the better the results are to run a comparison against. It is also very useful to have good state-wide data that can be used to look at how our state is operating and this data can be used to lobby government on important issues.

The outlook for the next 12 months is certainly looking better than last year but there is still some uncertainty going forward of where the price will be but I believe that in the long term the prices for all foods will firm as the demand for food starts to outstrip the supply of food in the world. Below is a comment that was made by Rabobank last week suggesting there is no need to panic over the price of dairy products on the world market falling for the last 2 months.

### ***Don't panic over milk prices says Rabobank***

*A slowing market in global dairy sales should not prompt panic, says Rabobank in its latest agribusiness survey.*

*"Anecdotal evidence suggests wholesale buying has slowed, as buyers contemplate full inventories, high pricing and the forthcoming Northern hemisphere spring flush," the bank reported. "Recent falls are unlikely to predicate a market slump. While fundamentals don't support record prices, they are not bad and are getting better.*

*"In particular, the brakes are very much on in terms of milk production in key export regions, while there is no sign of an imminent sale of EU intervention stocks."*

*However, the bank warned: "The biggest uncertainty in the market in the next few months is whether China can sustain recent powder import volumes."*

*Ongoing melamine scandals have driven import sales, but China's Commerce Ministry announced an 'import alert' on milk powder last month, raising fears importers will reduce inward product flows.*

Information is power to our businesses so I would encourage you all to take advantages of the opportunities to gather information about how your business is travelling. If you would like to be involved in bench marking call Red Sky on 1800 733 759 or visit [www.redskyagri.com](http://www.redskyagri.com)

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In recognition of the extremely high work load at SADA we have introduced weekly phone hook-ups between the SADA Board and management. It is just about ensuring all the key lobbying is completed, key submissions to inquiries are delivered, and all key consultative meetings attended. While many of the issues are critical for certain farms or pertaining to particular regions, setting priorities is hard for the Board. The Farmgate Milk price again this year will be a critical indicator of industry profitability and the expectations are that the international dairy market will improve during the year and we are hoping that the final price for the 2009/2010 year will be the opening price for the coming year.

Regional water policy and politics were the biggest issues for SADA last year and in 2010 we should see the results of several years of representation by SADA come to fruition. But success is never assured and the next few months will be critical in determining the future of several of South Australia's dairying regions.

So let me begin our first SADA Dairy Update for 2010 by reviewing where we are with the MDB (River and Lakes) and the South East.

## LOWER MDB

The value of the dairy assets and the future prospects of our river and lakes dairies will be determined not just by the rainfall and climate but by the politics and the policies adopted by government. The dairy communities along the Murray share many common aspirations (they want to see the infrastructure re-hydrated, they want to adopt farming systems that will achieve optimal fodder for all levels of water allocation, they want to see vibrant agriculture in the MDB regions supported by regional processing plants etc) and so the challenge will be for these dairies to stand united behind the banner of SADA.

The key messages are:

- We will be providing (with the assistance of Dairy Australia) detailed input into preparing

*the case for supporting a future for the dairy industry in the region.*

***The key message, supported with detailed evidence is that irrigation of pastures for dairy production is the best land use for the swamps and for the river and the environment.***

*Failure of the levy banks and the return of the swamps to a "backwater" of the River Murray would lead to enormous losses to the river system through evaporation. Individual farmers are struggling to tell their story and want their case "professionally presented".*

- We will be arguing that the current infrastructure funding options are not attractive to our farmers. There is a key element missing and that is, that at this stage, the government is not prepared to be a stakeholder and investor into repairing the dried out infrastructure. Remember government schemes such as the Exceptional Circumstances Scheme and the Dairy Adjustment Scheme (including Package 2) were changed by lobbying from SADA.

***So who is interested in a new funding approach that will deliver a better "win win" for the farmers and the river?***

- Finally; and most importantly we have come out being proactive about re-hydrating the swamps. Without restoring the re-hydration and therefore the integrity of the infrastructure our river farms simply become feedlot dairies and all the benefits of the irrigated swamps as one of the most productive and sustainable dairying districts in the world is lost forever.

***In this regard we are arguing strongly for the state government to commence immediately with the engagement of a consulting firm to begin trials on re-hydration.***

*This idea for the project has been suggested by industry and all we need is for the state government to make a start. Theory can only get you so far and while these consultants are world class technically we need to have the trials to determine the costs and time frames to complete the task. The trials will also give the farmers "heart" that they are being*

*supported in their efforts to get back onto their feet again.*

I would like to get feedback from our members on whether we have captured the best three objectives for our representation for the river, whether these three issues could be supported by all the river farms, and finally whether if we were successful and achieved our objectives this would benefit the region.

The reason for asking the second question about whether these points can be supported by all dairies on the swamps is because there are a large number of dairy people who are convinced that it will be too difficult to get a united policy position for the river farmers. I think we have in these three points a real new opportunity to get our river people to say yes, yes and yes to these three points. My enthusiasm is one thing but I want to know how the members feel.

There are too many people with the view that the problems on the river are just too hard. Our view has to be that when the going gets tough we get going. So we are being quite proactive in assisting our industry at this time. This is why we are strongly supporting the initiatives being developed by the committee looking into the future of dairying on the Murray Swamps chaired by Dean Brown.

One policy decision that our SADA River members thought was really wrong was the cutting back on the ELMA water allocation for the swamp dairy farmers and at the same time giving extra water for the horticulture permanent plantings. This ELMA water (environmental water) which is a non-tradable quantity of water that is to stay with the swamp land to protect the infra-structure was taken away at the very time it was most needed. I am aware that very few non-member dairy farmers provided any support for our concerns when expressed at the public meetings last year on this ELMA water. But as the damage to the swamps becomes more apparent and serious maybe those not of this view previously will come around. Perhaps with the right feed back from the river dairy community we can place this back on the agenda to be reviewed by the Government. So this is another policy I would like to get your feedback on. My mobile is 0419 037 569.

Often people say to me "Ken forget about the ELMA water, the horse has bolted". My response is, "Yes the horse has bolted now but tomorrow you might just want it back again".

In terms of Meningie and the Lakes dairies I am keen to get information on the quality and

quantity of the water coming through the pipes for stock water.

## **SOUTH EAST**

We have spent four years providing dairy industry feedback to the government on the development of the new Water Allocation Plan for the SE. By far the biggest issue has been and remains the inclusion of Plantation Forestry into the new Plan.

SADA has requested support from both ADF and Dairy Australia in developing the information that will support our industry position. How forestry is treated here in SA will determine how it is treated around the country and I suspect this is why the forestry people appear to be bringing in the "big guns" into SA.

We note the forestry industry is becoming very active and engaging high quality representation to argue their case. So we are getting well prepared to provide evidence on behalf of the SA Dairy Industry to the Parliamentary Environmental Committee.

The key message is:

***That plantation forestry is a significant water user and under the National Water Initiative all users of water should be made accountable in the WAP's.***

## **MT LOFTY RANGES**

While the SADA Board has the responsibility to ensure all members and all regions are equally served by SADA it is not possible to ensure each SADA Dairy Update covers the issues in all regions equally. It is a constant challenge to keep the Update short and tight.

One water prescription region we haven't discussed for some time is the Western Mt Lofty Ranges. I will be meeting with the DWLBC manager for this region on Monday 15 February and we will discuss how best to have an effective "public consultation" process and one of the issues will be that of metering.

As I said earlier in this Update I believe that the government will be aiming to get all of these WAP's finalised by the end of the year and this includes the Western Mt Lofty Ranges.

## **ADF APPOINTS NEW CEO**

Adrian Scott, a former CEO of SADA, commenced as the new CEO of ADF on Monday 8 February. I worked with Adrian

earlier in our careers and today we are really looking forward to renewing our association so we can deliver good outcomes for dairy families that balance the need to attend to both regional and national issues.

## **NFF FIGHTING FUND**

Last year I proudly reported to our membership the great success we had when we used the NFF Fighting Fund to go all the way to the High Court to get justice in relation to overtime payments. Last week the NFF Fighting Fund was again used to go to the High Court. This time it was to defend a farm owner against a conviction by NSW Occupational Health and Safety. The case related to the death of the farm manager when he rolled an ATV while driving on the property. The manager rode the ATV straight down the hill instead of on the formed and safe road which was deemed inexplicably reckless.

As members are well aware we at SADA work very closely with the agencies such as WorkCover and Employers Mutual to make our dairy farms safe environments. So when our people are doing the right thing (as in this example from NSW) they must be protected against an unjust and unwarranted legal action that can be extremely costly, incur shameful convictions and cause pain and suffering to farm owners. Fortunately cases such as this one in NSW are rare but when they happen to you, you not being an SADA member is putting your farm assets at risk.

## **MEMBERSHIP**

The SADA Board has given strong support for a membership drive this year. A stronger membership will provide a "stronger voice" for dairy farmers and more resources for SADA to provide services to members. See graph on page 6.

## **SUMMER BUSHFIRES**

Bushfires represent another risk and fortunately so far so good. But it is good to know members electing to insure with WFI this year are assured of an even better service if a major fire event is to occur. WFI is geared up to act nationally and a call to a single phone number enables you to lodge a claim. The information from Steve Gilder is included in this SADA Dairy Update see page 6.

## **MURRAY GOULBURN**

The interest by MG in WCB is not unexpected

as further rationalisation in the processing sector has been predicted. MG has indicated its intention to put in a higher bid in the very near future.

One of the talking points today right across all dairying districts around the country is the importance of having a strong farmer owned co-operative in the processor mix here in Australia. So we are going to bring in some key people from across the country to SA to have the discussion.

## **HAHNDORF INFORMATION NIGHT**

Wednesday 10 March. See flyer page 7.

## **CELEBRATING SUCCESS**

A really good thing to do in difficult times is to have the good sense to stand back and pat yourself on the back and appreciate what you have and what you have achieved. When you are really well adjusted you can share in the success of others. So in a great dining room at a Gala Dinner in Canberra in May the Rural Women of the Year will be announced. We regard all of our rural women as worthy of recognition. But one of the finalists is our own SA dairy producer and processor of organic dairy products, Ulli Spranz. We wish her well.

## **HEALTHY LEGS AND FEET SURVEY**

The university is looking for people to be part of a survey looking at lameness in cattle. Information is attached see page 8.

## **SADA ELECTION POLICY REQUESTS**

Also included in this SADA Dairy Update is the list of SA Dairy Industry Policy requests we are putting before the political parties. See page 9.

## **SUCCESSION PLANNING**

Over the years SADA and DairySA have supported and promoted opportunities for dairy farm families to work through the succession planning process. At the end of the day these plans need to be legally formalised and our Lawyer, Rob Luker, at Hume Taylor has helped many of our industry families over many years. But there is a new opportunity, facilitated by, Robert Hodge, that some people may find attractive to them. This is the opportunity to come together to begin to put all the family member needs onto the

table and exchange ideas before any final binding decisions are made....that still comes later with the Accountant and Lawyer. This is something new and I have invited Robert to promote this program.

***Do you have a plan/trust/will for the business for other family members to pick up when you want to go or slow down?***

A system where family members agree on what's fair and what to do when the business briefs accountants, bankers and lawyers for a transition?

It seems hard and off-putting, but Red (Robert) Hodge (ex Farmbis, TAFE, Department of Ag.) will facilitate **family meetings at a venue to suit you to start work on it.** Phone him on 0417 230 072, look at his website <http://www.roberthodge.com.au/> or phone us at SADA to find out more.

### **It's free.**

It's no surprise the Australian Government supports it via FarmReady, because it's needed. Everyone will be reimbursed fees and travel.

See <http://www.farmready.gov.au/index.html>

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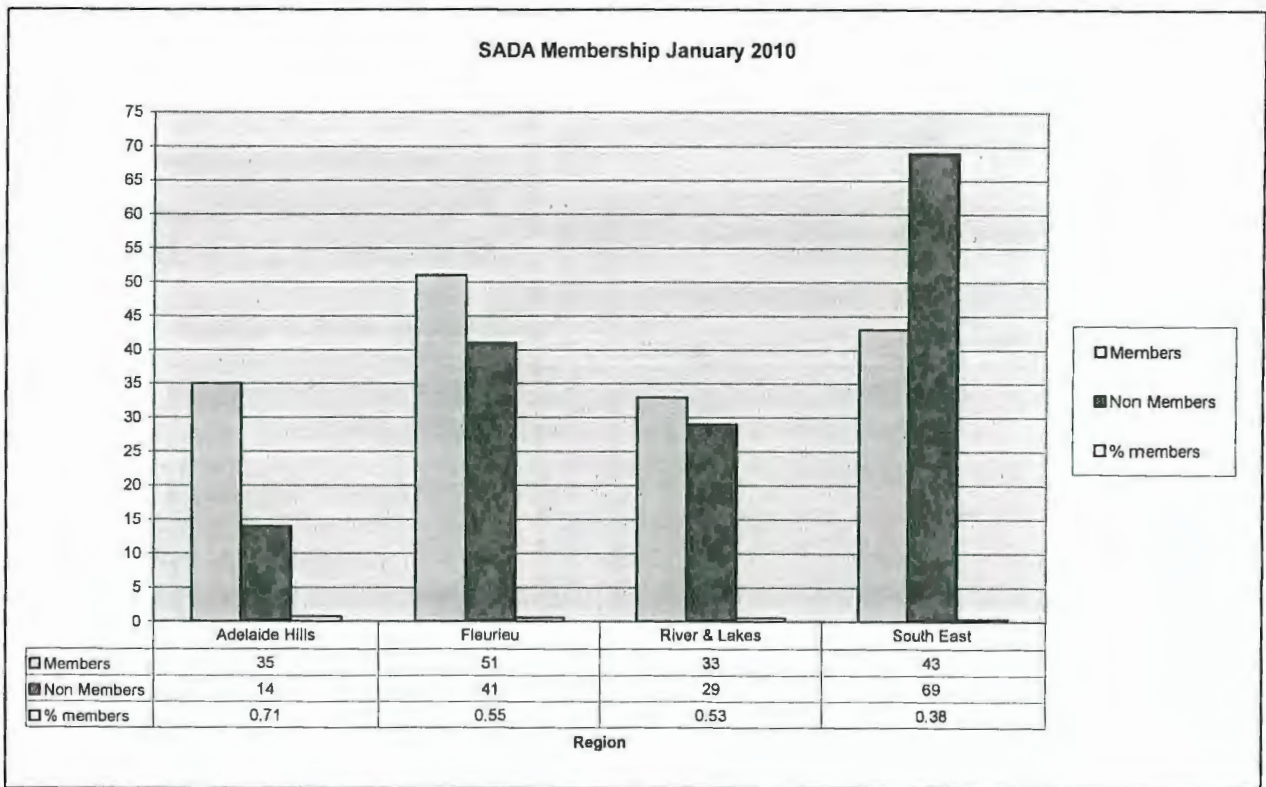
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## MEDIA STATEMENT

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**Publication:** Alliance partner publications

### WFI team ready to help with insurance claims

The summer months have unfortunately brought bushfires, storms and other events across Australia.

WFI, a member of the Wesfarmers group, will be drawing upon its national resources to ensure that clients receive the best possible service. According to David Warner, WFI General Manager Operations, the WFI team is experienced in helping clients following such events.

"WFI clients do not need to worry about finding their insurance policy details, they simply need to call us on 1300 934 934 and we will help them to lodge a claim,

"Our priority is to ensure our clients are supported, particularly for any immediate needs, and to make the claims process as easy as possible," said Mr Warner.

WFI has over 150 local Area Managers, supported by fourteen client service teams and four claims teams across Australia.

"I strongly urge any clients who have been affected to contact WFI as soon as they can so we can get their claims processed as quickly as possible."

WFI clients should call 1300 934 934, visit [www.wfi.com.au](http://www.wfi.com.au), or contact their local Area Manager, for claims assistance.

**You are invited to an**



# **Information Night**

**\*\*Members (and family) only event sponsored by SADA\*\***

**Wednesday 10 March 2010**

from 6.30pm

**Hahndorf Football Club**

Echunga Road, Hahndorf

## **Guest Speakers**

### **Chris Philips**

General Manager Trade & Strategy, Dairy Australia

(Chris is held in the highest esteem by all sections of the Australian Dairy Industry)

- *What is the future of Dairy Co-ops (Australia and Internationally)*
- *Do Dairy Co-ops set Farmgate Milk prices?*
- *Do "Low performing" Co-ops actually drag the Farmgate price down?*

### **Trevor Connor**

Trevor is one of the most experienced Farmer Director of Dairy Co-ops. He has seen the rise and fall of Dairy Co-ops and is willing to share his experiences.

- *Are Dairy Co-ops set up to fail and be eventually sold off?*
- *Why is there only one Dairy Co-op left in Australia?*
- *Is a "weakness" of Dairy Co-ops due to the fact they are farmer driven?*

### **Niel Black**

Acting Chairman, Co-operatives Victoria and and MG Supplier

- *Why he is a passionate supporter of the MG Co-operative*
- *Why he believes it would be better for WCB to become part of MG*
- *Are supply Co-ops just another unnecessary waste of farmer's money?*

**BBQ Tea \$10/head**

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RSVP (essential) to Jo on 8293 2399 or 0419 035 459 by 5 March

# Locomotion/mobility scoring in South Australian Dairy Herds

My name is Peter Cockcroft. I am the Professor of Ruminant Health at the new Veterinary School at the Roseworthy Campus. We are interested in measuring the locomotion scores of South Australian Dairies. We need your help to do this. Please find below a brief outline of what we want you to do. Thank you for your time.

## What is locomotion scoring?

Locomotion scoring places cows into different categories based upon the flatness of the back of the cow when at rest and when walking, the shortness of stride and the weight bearing on the limbs.

## Why is it useful?

Locomotion scoring has been shown to be a useful measure of the level of lameness in dairy herds at a specific point in time.

## How many farms are you going to survey?

We are interested in recording the locomotion scores of 10 feed-lot dairies and 10 grass-based dairies in South Australia to estimate the level of lameness and to promote locomotion scoring as a useful tool.

## Will this survey be anonymous?

This survey will be anonymous and the location and the names of the farms participating will not be identified in subsequent reports or publications. We will also ask you to complete a short anonymous questionnaire.

## How will the locomotion scoring be performed?

The milking herd will be recorded on video either entering or exiting the milking parlour at one afternoon milking. The video will be used to score the cows at a later date. There should be no disruption to the milking routine.

## Who will see the video?

The video will only be used anonymously for research and for teaching locomotion scoring.

## Will I get the results?

Yes, the locomotion scores will be reported to the farmer and their veterinarian once the scoring is complete.

## Will I get paid?

We will be giving each participating herd \$200.00 in appreciation of your help with the survey.

## Who do I contact to find out more or sign up to participate?

Please contact Professor Peter Cockcroft by e-mail [peter.cockcroft@adelaide.edu.au](mailto:peter.cockcroft@adelaide.edu.au) or phone (08) 831 37883

# Dairying, an Essential Part of South Australia

## Major South Australian Dairy Industry Policy requests for the 2010 SA State Election

In the lead up to the South Australian State Election the South Australian Dairyfarmers Association has compiled the following issues and recommendations for action, that our organisation is seeking commitment from the next SA Government.

SADA is the peak industry body for the SA dairy industry and provides a wide range of advocacy and support services to its members and the industry. SADA is a member of the Australian Dairy Farmers (ADF), which is a member of the National Farmers Federation (NFF).

The dairy industry is a dynamic industry and is a vital part of many regional communities in SA, providing significant employment new wealth creation, and product value adding through food processing and manufacturing, transport wholesale and retail industries.

**The South Australian Dairyfarmers Association seeks support from the next South Australian Government on the following issues:**

### ***THE INCLUSION OF PLANTATION FORESTRY INTO WATER ALLOCATION PLANS***

- *SADA supports the move by the current SA government to amend state legislation (the NRM Act) so plantation forestry can be included in the regional Water Allocation Plans.*

### ***SEEKING SUPPORT FOR A PROJECT TO DETERMINE THE BEST WAY TO RE-HYDRATE THE MURRAY RIVER SWAMPS***

- *There is a project that can be commenced at short notice to determine the best approach to re-hydrating the Murray River Swamps. SADA would like the state government commence the project.*

### ***REVIEW THE DECISION TO CUT "ELMA" WATER ALLOCATIONS FOR THE RIVER SWAMPS***

- *SADA believes the decision to cut the ELMA allocation when announcing water restrictions needs to be reviewed by the Murray NRM Board and then the state government. The ELMA water is attached to the land and cannot be transferred as it is there to protect the irrigation infra-structure (levy bank and bays from cracking). At the very time this ELMA water was needed it was taken away and most of the Murray River swamps have been degraded and if the main levy bank fails the loss of water from the MDB System will be significant. At the same time the state government made the policy decision to provide extra water to the horticultural industry to protect the permanent plantings. We believe the state government was right to protect the permanent plantings but failed to apply the same logic (protecting the dairy irrigation infra-structure) for the dairy industry.*

### ***LIFT FUNDING ON DAIRY INDUSTRY DEVELOPMENT***

- *To reverse the funding trend and enhanced investment and commitment to industry research, development, extension and education services for the South Australian dairy industry. Consideration should be given to providing additional research and extension to the river and lakes farmers to encourage them to stay in the industry.*

### **DAIRY UNDERPASSES**

- *The dairy industry is seeking a commitment from the Transport Department and PIRSA through the Regional Communities Consultative Council for joint funding of Dairy Underpasses similar to the very successful project that has been running for some years in Victoria.*

### **B-DOUBLE ACCESS**

- *All rural industries, including the dairy industry, are seeking better B-Double access in rural areas. The emphasis should be placed on promoting reasons for including access rather than reasons for excluding access.*

### **ROADS AND RURAL PUBLIC TRANSPORT**

- *SADA, together with all rural associations, are calling for a "fair go" with funding for rural roads and public transport.*

### **REVIEW OF THE CROSS BORDER (VICTORIA/SA) WATER AGREEMENT**

- *SADA is calling for a review of the current water sharing agreement along the Victorian/SA border.*

### **REDUCING STATE GOVERNMENT TAXES ON BUSINESS**

- *Seeking a reduction in Government regulation, taxes, fees and charges. SADA supports the paper by Business SA calling for a reduction in state taxation to make SA a more competitive place to do business.*

### **REGIONAL PLANNING**

- *Seeking enhanced regional planning processes to provide greater security to agricultural resources and investment. A commitment to ensure community consultation when changing the guidelines for land zoning regulations*

### **MANAGING CLIMATE CHANGE**

- *Increased investment in industry initiative to assist the industry and dairy farmers manage climate variability risks and to reduce greenhouse gas emissions whilst also improving resource use efficiency.*

### **THE MORATORIUM ON GM**

- *SADA wants the Moratorium on GM lifted in line with the Australian Dairy Industry Council Dairy GM policy that calls for farmers to have a choice on GM.*

### **DROUGHT ASSISTANCE**

- *SADA wants the state government to support the new approach to drought "preparedness" that is being developed between the national government and industry.*

### **ANIMAL HEALTH AND WELFARE**

- *SADA supports the national codes of practice for animal welfare. SADA calls on the SA government to follow the lead of the other states in supporting the purchase of NLIS tags.*

For further information contact the SADA on (08) 8293 2399 or e-mail [sada@sada.asn.au](mailto:sada@sada.asn.au)

David Basham  
President  
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Ken Lyons – Editor

## 26 March 2010 PRESIDENT'S REPORT *David Basham*

An issue that has been on the minds of many has been the bid by Murray Goulburn (MG) to acquire the Warrnambool Cheese & Butter (WCB) business. There have been many claims by both MG & WCB on the pros & cons of such a merger. The questions that I have been asked are along the lines of what is the best option for us in SA. This is a very difficult thing to answer as there are pros & cons to both sides. Rather than giving a direct answer I will put a few questions in your minds that you as farmers need to answer.

The first question I will ask is along the lines of the importance of a strong co-operative to set the price for milk. The reasons that the co-operative is seen as the price setter is that they are owned by farmers and therefore directing all their energy to return the best price back to farmers. The need for a strong co-operative is clear. If they are not performing well they are not able to maximise the price for their farmers and the other companies may not need to better the price to maintain milk supply. Looking back in recent history it is not that long ago that for much of the state of SA we only had two options to sell our milk, one a co-operative and the other a public listed company. This was a good example of a co-operative that was not performing well on delivering a good milk price and another company paying just enough to beat the co-ops price.

The second question I will put to you is the importance of competition. When we have a lack of competition and the number of options falls to only two there is no choice for a farmer if he is unhappy with the price he is receiving. The other company has no need to lift the price to get extra milk as they can get their needs met by paying nearly the same as their competitor. A good example of this was also looking back in history to the same circumstances where in SA we only had two options to sell our milk, one a co-operative and the other a public listed company. During this time both companies were paying a price for milk here in SA that was about the same as what was being paid in Victoria less the cost of transporting it to SA. The Fleurieu Dairyfarmers' Collective Bargaining Group was not happy with this and approached other companies which led to WCB entering the near Adelaide regions of the state and caused the other two companies to lift the price paid to farmers to match or better the prices paid in Victoria. If MG were to buy WCB we would again be back to just two companies purchasing milk in the near Adelaide regions.

The difficulty I have is that both competition and a strong co-operative are important to delivery of a good milk price but which is the most important and will this merger deliver a strong co-operative as it will lessen the competition. These are the questions we ask ourselves but the control to deliver the outcome is outside our direct control. The issue can only be sorted out at the Boardroom level and then put to the shareholders of WCB.

The other option is to try again and increase competition by encouraging Parmalat, the owners of the white milk business at Clarence Gardens, to start buying milk direct from farms. I spoke with them last year and encouraged them to consider this option and will continue to assist them in this process if required.

I don't have all the answers but it is important that any company that purchases milk here in SA remembers that the dairy farmers need a good return to maintain their businesses and milk prices paid need to be maximised.

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## DAIRY CALVES – WHAT HAPPENS TO THEM?

A major initiative to improve the arrangements for dairy calves sold for meat has been in progress for more than a year in Victoria. For many of you, the first you may have consciously realised that a trial of calves sent for slaughter was being undertaken was either when you received a letter from a meat processor notifying you of the outcomes of antibiotic residue testing on your calves, or when you received a letter from Bob Maloney, a calf buyer operating in South Australia. Bob noted that he would no longer be picking up calves and was forced to make this decision because of a trial being conducted by Dairy Australia that requires on farm scanning of dairy calves. This is one part of the story. To enhance traceability across the dairy calf supply chain, the Victorian State government made on farm scanning of all dairy calves sold for slaughter mandatory from 1<sup>st</sup> January 2009. All calf buyers supplying the Victorian abattoirs must comply with this requirement. Victoria recognised that most calf buyers would need to make changes and supported this with incentives for acquiring the necessary technology and have been progressively rolling out implementation of the regulations. The South Australian government made on farm scanning mandatory from 1<sup>st</sup> March 2010 and the NSW government is also moving to make on farm scanning of calves mandatory.

Prior to the trial, calves picked up from dairy farms were delivered to the meat processors accompanied by vendor declarations. It is very difficult to rely solely on vendor declarations to rapidly trace calves up and down the supply chain should there be a problem. Also, most dairy farmers were not aware that meat processors are required under the federal government's National Antibiotic Residue Monitoring (NARM) program to test a minimum of 5% of calves presented for slaughter to ensure they do not have unacceptable antibiotic residues. Most processors also flag farmers who provide calves that test positive to an antibiotic screening test (MIT) and test the next 5 consignments of calves that are sold from that farmer. For most dairy farmers, the first time

they became aware that their calves had tested positive was when a confirmed result above the legal limit was noted and a government inspector visited their property, sometimes up to 2-3 months after the incident.

Coupled with this is the fact that in all states (except Tasmania), it is mandatory to attach NLIS ear tags to calves sent for slaughter. This technology offers great potential for enhancing the traceability of calves up and down the supply chain, but has not been used to the full extent possible.

The development of the Land Transport Standard has also focused attention on welfare of dairy calves sold for slaughter, particularly the total time off feed for calves - from when they were last fed on a farm prior to leaving the farm through to when they are slaughtered. To date, there has been no systematic and simple way to record the time off feed across the whole calf supply chain. When the standard is implemented, dairy farmers will need records to verify they have fed calves within six hours of calves being picked up for sale. On farm scanning of calves will provide part of the records needed to monitor time from pickup to time of slaughter. Improvements to the current individual record for each pick up are under discussion – and eventually, dairy farmers should be able to receive a consolidated record (weekly, monthly, seasonally, and/or yearly as required) of all calves sent for slaughter, noting date and time of despatch, results of any residue testing, notification of any calves that were dead on arrival at the abattoir.

The dairy calf supply chain integrity trial was undertaken through a partnership of a number of parties - Australian Dairy Farmers (ADF), Dairy Australia (DA), Department of Primary Industries Victoria (DPIV) and NLIS/DAFF to provide the dairy calf supply chain with the infrastructure for a more streamlined, efficient and effective tracking system. The system was required to help verify calf welfare and assure the meat processors that the calves are fit for slaughter with respect to potential residues. The trial also aimed to add value to the RFID/NLIS tags attached to each calf's ear by using this technology to capture data along the calf supply chain. The trial is financially supported by DPIV and NLIS/DAFF.

### Trial Outcomes to Date

The trial is proving very successful and has demonstrated that the RFID/NLIS technology

can be used to enhance both the traceability across the supply chain and the capacity to respond promptly to welfare and residue issues. It has also provided processors with detailed record keeping facilities that utilise NLIS technology to capture data and improved communication with producers. This is important as the EU and other overseas governments and market customers audit meat processors to ensure they comply with market/government requirements for traceability, residue status and animal welfare outcomes.

With more than 700,000 calves processed each year, it is important that the calf supply chain is able to demonstrate that it meets both regulatory and market needs. The alternative is for calves to be reared for beef, or euthanased on farm. Increasing scrutiny of the calf supply chain means all sectors must work together to provide acceptable welfare and market outcomes. Enhanced traceability and demonstration of welfare outcomes are two areas that will continue to be reviewed. The trial has demonstrated that there are ways to do this utilising existing technology. There will be changes – and some participants in the calf supply chain may opt not to continue, but options to fill any gaps are being sourced – the abattoirs understand the need to meet market expectations and value the dairy calf supply chain. While returns to dairy farmers for their calves may be variable, the value needs to be considered in line with the next best option – euthanasia.

### **What does the trial do?**

Calf buyers can scan calves on farm and identify each batch of calves with the relevant seller for traceability purposes

Farmers are provided with a record of the date and time of calf pick-up. The NLIS database is automatically updated with details of calf movements, from the vendor Property Identification Code (PIC) to the PIC of either a meat processor or 'calf rearer', satisfying regulatory requirements.

A summary report can be generated by the meat processor which details all calves to be processed that day, grouped into vendor lots and showing who were the calf buyers

Animals from high risk vendors can be identified for targeted activities (eg antibiotic testing). Vendors can be notified within 48 hours of both positive and negative antibiotic residue screen

test results (MIT results) of all calves tested and advised if any calves died either during transport or at the abattoirs – results of confirmatory testing can also be provided at a later date. This helps enhance farmer awareness of the calf supply chain requirements.

Payment to calf buyers can be based on electronic tallies and automated and the use of electronic data can assist meat processors to become more efficient in their day to day processing.

Export requirements regarding antibiotic residue status can be verified and all sectors of the calf supply chain (farmers, buyers, and processors) are better informed of their welfare and market assurance responsibilities.

### **Where to from here?**

The trial will continue during 2010, collecting data on calf sales and generating reports to help demonstrate that dairy farmers are serious about their responsibilities for providing calves that are fit for market. Too often, the dairy industry is accused of jeopardising the meat market. Evidence would suggest that most dairy farmers do have appropriate systems in place and do the right thing – but any failure can result in animal welfare or residue concerns, and each of us must do our bit to safeguard against failures. The trial provides a tool to help support the integrity of the dairy calf supply chain.

### **Trial participants**

Processors and Calf Buyers participating in the trial are: Midfield, CRF, Wagstaff, Swift Brooklyn & Cobram, Cedar, Norvic, M.C. Herds, Western District Livestock, Vicstock & Riverside.

For further information on the trial, contact Dairy Australia: Tel: 03 96943 897 (Robin Condron or Helen Dornom) or DA's calf trial project manager, Peter Bath (0417 375 128).

## **ERADICATION OF EBL FROM THE AUSTRALIAN DAIRY HERD**

Minister for Agriculture, Fisheries and Forestry the Hon Tony Burke and the Chairman of the Australian Dairy Industry Council Mr Wes Judd announced (today the 2<sup>nd</sup> March 2010) the successful eradication of Enzootic Bovine Leukosis (EBL) from the Australian dairy herd.

Australian exporters will benefit from improved access to overseas markets for dairy products

and dairy cattle for breeding. There will also be annual savings of more than \$1million due to the reduction in costs of control.

The successful eradication of EBL has been possible due to the effective cooperation from all dairy farmers, dairy companies, animal health authorities, and veterinary surgeons.

All dairy cattle in Australian dairy herds have been tested negative either individually or through bulk milk samples. This means that the national dairy herd meets the criteria for EBL monitored freedom in accordance with the international requirements of the World Organisation for Animal Health (OIE) for Provisional Freedom.

Provisional Freedom is the first step for National EBL Freedom which will follow a further three years of further monitoring.

Freedom from EBL only applies to dairy cattle and allows for reduced surveillance testing. Dairy farmers will need to continue their biosecurity arrangements that prevent the introduction of EBL by untested cattle for example in mixed beef-dairy enterprises.

## **ADDITIONAL BACKGROUND INFORMATION ABOUT EBL**

EBL eradication is another success story for cattle health in Australia following Brucellosis eradication in 1992, Tuberculosis eradication in 1997 and now EBL eradication in dairy cattle.

The Eradication Program was a national government-industry partnership agreed in August 2008 and was built on the successful EBL control program initiated in the mid-1990's that reduced the prevalence of the disease to a very low level and made EBL eradication possible.

Enzootic Bovine Leukosis (EBL) is an infectious viral disease specific to cattle caused by a retrovirus known as bovine leukaemia virus. EBL occurs in cattle worldwide and was first reported in Australia in 1966.

Some of the key international competitors in major export markets for Australian dairy products have reached or are approaching EBL free status.

EBL is largely an unseen disease but once infected with the virus cattle remain infected for

life. The virus infects the white cells in the blood and a small proportion of infected animals develop malignant cancer.

All infected cattle develop an immune response that can be readily detected in specific and sensitive diagnostic tests performed on blood or milk.

Control measures for EBL involve repeated testing and the culling of cattle with positive test results, and preventing spread between cattle in blood, milk or other secretions. Spread between properties occurs by the movement of infected cattle.

EBL infection may pass from one animal to another through the transfer of small quantities of blood, so EBL is commonly spread by husbandry practices that allow blood transfer between infected and susceptible animals, for example re-using needles in vaccination guns or using equipment contaminated with blood during pregnancy testing, calving, dehorning, tattooing or ear-tagging.

There is no link between EBL in cattle and risks to human health. The eradication of EBL has been undertaken to protect the health of dairy herds in Australia and to ensure our high animal health status continues to be recognised in international markets.

The World Organisation for Animal Health also known as OIE is responsible for establishing international animal health standards that are recognised by the World Trade Organisation. The OIE criteria for EBL Provisional Freedom require demonstration that at least 99.8% of cattle herds have a Monitored Free status and to qualify as unconditionally Free from EBL at least 99.8% of herds must maintain Monitored Free status for a minimum of three years.

EBL freedom ensures that our international customers continue to view the Australian dairy industry as adopting world's best practice in animal health and quality assurance. It will build on Australia's reputation as one of the world's leading producers of quality dairy products.

## **WELCOME TO WFI's PAUL McINTOSH**

SADA welcomes a new WFI Regional Manager for Metro & Southern South Australia in Paul McIntosh. Paul comes to WFI with a wealth of insurance experience dealing direct with country

and in his time has lived and worked in Pt Lincoln, Kadina and Mt Gambier.



On his appointment Paul said "that he understands the long & close association WFI has had with SADA and is looking forward to this continuing. SADA members benefit from WFI's local Area Managers understanding of the dairy industry and their commitment to providing high levels of personal service".

On behalf of SADA Members I would like to acknowledge the contribution made by Steve Gilder while he was in this position. Fortunately Steve will be in a new role at WFI and so we will still have an ongoing relationship with him.

---

## BOBBY CALF BUYING



Midfield have commenced buying calves in the following areas.

For more information and to arrange collection, please call your local buyer.

Fleurieu, Mid North Hills & River Region  
Ph: Alan Hefford  
0439431482

Meningie area  
Ph: Chris Rowett  
0429161447

Mt Gambier & South East  
Ph: Richard & Michelle Philby  
0409182915

**ALL CONSIGNMENT OF CALVES  
MUST HAVE NLIS TAGS AND  
VENDOR DECLARATION.**

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## Grape Marc as a Source of Stock Feed

### Notice to Dairy Farmers

Grape marc can be used as a valuable source of supplementary nutrition for dairy cows. However it doesn't come without risks, and these risks need to be well understood and managed.

As a by-product of the wine industry, grape marc, made up of skins and seeds may contain residues of agricultural chemicals. This is due to the use of sprays in the vineyards to control pests and fungal diseases on the grapes. The feeding of contaminated grape marc to dairy cows in turn presents a risk of the residues being transferred into the milk (and meat) supply.

Raw or unprocessed grape marc is considered to present a particularly high residue risk. Grape marc supplied through reputable feed companies will be processed using steam distillation which not only removes excess alcohol and tartaric acid, but is known to reduce (but not remove) the concentration of chemical residues in the grape marc.

In addition these feed companies regularly test the grape marc for chemical residues to ensure the product they are selling as stock feed is 'fit for purpose'. These testing programs underpin the validity of the vendor declarations supplied to purchasers when buying consignments of grape marc.

As with all sources of purchased stock feed, dairy farmers need to continue to seek assurances regarding the suitability of feeds before committing them into the ration. Obtaining vendor declarations is the way to do this.

**If the chemical residue status of a feed cannot be determined and/or a commodity vendor declaration cannot be obtained, the best practice is to avoid using it as stock feed.**

If you have any questions on the suitability and use of Grape marc as a stock feed, please contact your local Field Service Officer, or:

Corrie Goodwin – Dairy Food Safety Victoria  
Karen Armitage – Dairy Australia

This statement discusses potential residue risks associated with the use of grape marc as a stock feed, and is not intended to make representation regarding the residue status of dairy products manufactured by individual dairy companies in Australia.

March 2010

## ADF REPORT

### New Chief Executive Officer

Australian Dairy Farmers Limited (ADF) has welcomed the commencement of its new Chief Executive Officer (CEO) Adrian Scott. Adrian brings a strong background of rural and regional policy experience to ADF having previously worked with a number of organizations including: Western Australian Dairy Industry Authority, South Australian Dairyfarmers Association, Victorian Department of Primary Industries and the Victorian Department of Planning and Community Development.

The ADF Board and staff are pleased to have Adrian on Board and we look forward to a strong future with him as our CEO.

### ADIC dairy industry emissions reduction principles

The Australian Dairy Industry Council (ADIC) has recently established guiding Principles for the dairy industry that provide a basis of understanding on emissions management and reduction.

The Principles summarise the current political situation on emissions trading (as at Jan 2010) and the expected flow-on affect of these government actions on dairy farmers and milk processors. Regardless of the future of the government's Carbon Pollution Reduction Scheme, the dairy industry recognises that emissions obligations will not diminish and therefore the industry will continue to progress the development of emissions reduction practices.

The Principles provide an outline on the commitment of the industry in managing and reducing emissions and supporting objectives.

The dairy industry will continue its commitment of working with all government and shadow government agencies as this provides an optimal basis for industry messages to be taken into account in any future government emission reduction actions.

Copies of the Principles can be obtained on request.

### Udderly Fantastic Update

We have just hit the 3-month anniversary of 'Udderly Fantastic', a joint project between ADIC and Dairy Australia. The purpose of Udderly

Fantastic is to celebrate the Australian Dairy Industry and promote links between our people.

We now have over 530 members involved across all industry areas including dairy owners, employees, advisers, scientists, researchers, students, suppliers and other. The blog and forum sections of the site have been used to start some very interesting and thought provoking topics and the feedback received so far is that members are enjoying networking with others across the country.

Over the next few weeks we will be adding an Industry news section, featured people profiles and more competitions so as always... stay tuned! We welcome any thoughts or suggestions you may have for the ongoing development of the site.

[www.udderlyfantastic.com.au](http://www.udderlyfantastic.com.au)



### STOP PRESS

#### New Labor Government Ministers

##### MICHAEL O'BRIEN

Minister for Agriculture, Food and Fisheries and  
Minister for Forests

##### PAUL CAICA

Minister for Environment and Conservation  
Minister for the River Murray  
Minister for Water

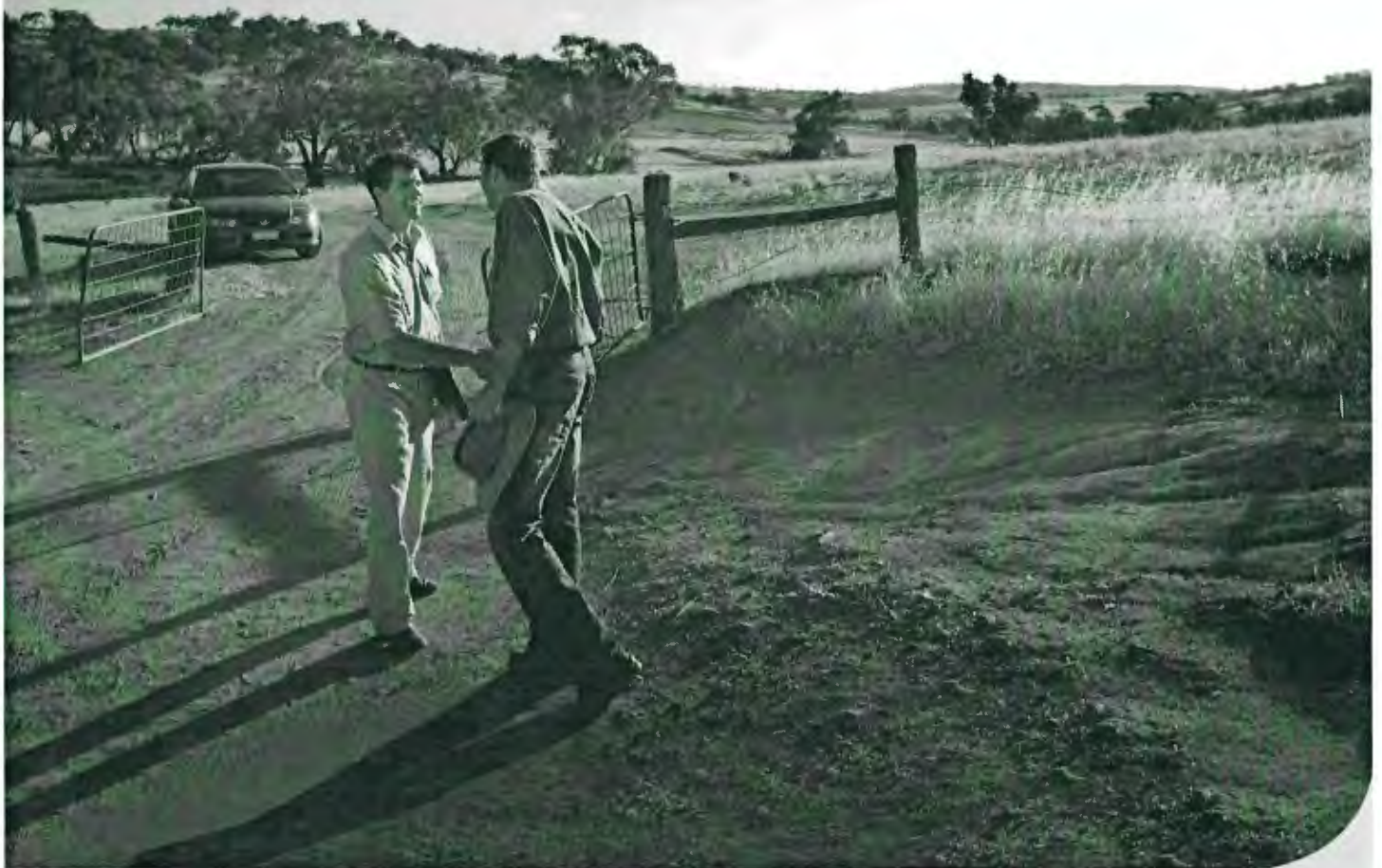
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(Northfield) \$20**

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WFI is a trading name of Wesfarmers General Insurance Limited ABN 24 000 036 279 AFSL 241461.

Good people to know.



# 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](mailto:sada@sada.asn.au) Web: [www.sada.asn.au](http://www.sada.asn.au)  
Ken Lyons – Editor

## 11 May 2010 PRESIDENT'S REPORT

*David Basham*

The dairy industry has been through a very tough period and it is starting to show good signs in the markets that things are recovering. Last week on Tuesday night another Fonterra Auction was held and the price for milk powder remained fairly static following a large jump of 22% in that same price last month. This has seen the price of milk powder move from a low of about US\$1900 back at this time last year to nearly US\$4000 now. The demand for dairy product is returning however there are still some concerns with the world financial situation particularly in Europe and what this might do to countries ability to finance purchases.

The climate has also been kind to many of the dairy regions so far this year with the South East having one of its best starts to the season in people's memories. There are still some parts of the state that still have not had an opening to the season including large sections of the Fleurieu Peninsula.

Later in the Update are some indications from some of the companies on next years opening milk price and it is promising to hear that they are talking about prices opening at similar levels to the price they will finish with this year.

There have also been decreases in the costs of dairy inputs such as fodder, fertiliser and grain. All these are indicating an improvement for dairy farming businesses in South Australia but it may take a long time to recover the losses in capital over the last decade.

In this edition of the Update we have made some changes to include the Australian Dairy Farmers (ADF) update within the main body of our newsletter. We have also included the contact details of people that can give you more detail at the bottom of each article. I would encourage you to contact these people if you have any concerns or ideas in relation to these topics as it may help SADA and ADF deliver a better outcome for you the members.



In partnership with



**\*\*\*A Notice of Meeting for the SE Regional AGM to held on 27 May is included with this Update on page 10\*\*\***

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As we move around our dairy community there is a growing confidence that conditions (milk prices, opening rains and fodder prices) are looking positive for our dairy businesses. While most farms have not yet fully recouped the recent losses, a good year this year should help ensure the turnaround.

There are some important regional issues that we at SADA will be working on in the coming months. Earlier Dairy Updates this year devoted time to the issues relating to the River and the Lakes. **In this Update we take a closer look at the water issues in the South East.**

The farmers in the SE of South Australia are extremely concerned about whether they will be "treated fairly" in relation to the sharing of the water resources. Some farmers reported that because the issue had been "on-going" for a number of years they were hoping it might just go away and that wet winters will help restore the aquifers. But the truth is there are three issues that must be resolved;

- Inclusion of plantation forestry into the WAP
- Border Water Sharing Agreement
- Protection of Water Property Rights.

One of the outcomes of my recent farm visits in the region has been an increase in interest in joining SADA. **So we highlight the value of having strong membership in the SE and what this means in terms of getting a "fair outcome".**

At the national level the big story in recent days has been the extraordinary decision by the Rudd Government to dump the Emissions Trading Scheme, at least until 2013. The number of policy reversals is bringing into question the strength of the Government leadership. But the pragmatic result of deferring the ETS here in Australia will be a saving of billions of dollars in the coming budget. NZ is committed to press ahead with their ETS next year and it will cost Fonterra \$38m with cost increases each year and after 2015 it will cost Fonterra an estimated \$107m per year (processing and on-farm fuel and electricity usage). A report in the "Dairy Globe" suggested that by 2015 for a NZ farm producing 100,000 kilograms of milk solids this extra cost would be 7.3c per kg per farm. **While thinking about the NZ dairy industry here are some comments on the article by Steve Spencer on NZ in the Weekly Times (April 28)**

There have been some positives outcomes with the national government providing more money to promote succession planning and it is progressing negotiations with the NFF on a new approach to drought preparedness. The really big NEW development at the national level that could influence the asset value and productivity for most dairy farmers around Australia is that of water property rights. There is a push to return more water to the environment without paying proper compensation. **So in this Dairy Update we provide a brief introduction to the issue of water property rights.**

While preparing this Update we have received information as to what both NFF and ADF are doing on your behalf at the national level and these two reports have also been included.

## OPENING MILK PRICES

The recent edition of the Weekly Times (May 5) surveyed milk processors on their "opening prices". The headline to the article summed up the feeling "*Milk Processors tip Strong Prices*".

This positive outlook was also reinforced by Trevor Keele (Murray Goulburn Field Representative) at a meeting with SADA on 6 May. Trevor indicated "an opening price for MG similar to the final price this year and building from there for the coming season"

The WCB CEO, John Mclean also said "Indication at the moment is that opening prices will be in the ball park of the closing price this year".

The Association (SADA) recommends that members get competitive prices from the various companies because the property (feeding, calving times etc) and milk quality characteristics (components) vary so much from farm to farm.

## SE WATER ISSUES

The sequence of events and priorities at the moment are;

- Confirm the "hearing dates".
- Negotiate for "common ground".
- Make sure we have access to technical information support from Dairy Australia.
- Make sure we have our dairy representation; united, financially resourced, and informed.

SADA President, Vice-president and CEO along with Graeme Hamilton met with Don Peglar on Thursday 22 April. Don has an excellent grasp of the issues and he, like SADA, is seeking an outcome that is fair to everyone and good for the future of the SE. The other feature of the meeting was the clarity and detail of the dairy case as presented by Graeme, the Chair of the SADA SE Dairy Water Committee. One of the key topics we discussed at the meeting was the way the issues may unfold. While ideally all the issues would be resolved together the reality is that we are likely to get agreement on the Plantation Forestry issue before we resolve the Border Sharing Agreement. So how we address these timing issues will be really important.

At the time of writing this Update we are about to receive advice about the timing for the dairy industry to appear before both an Inter-Departmental Committee and then the Parliamentary Environment Committee to present our case on these water issues.

But in the lead up to these meetings we will be negotiating with all the other stakeholders and the government agencies to get as much "common ground" as possible. Ideally by the time we do these presentations there is only a small number of outstanding issues.

We have provided a briefing to Dairy Australia on the exact nature of the technical detail we could be requiring and the implications for the dairy industry right around Australia.

Finally, the CEO and David Stacey have visited the SE and seen many farmers personally and we valued their time in discussing the issues. It is important that we are together and strong

because if we get this wrong or are too complacent the financial loss will be significant.

We are confident with how we are going so far.

A further visit is planned for the SE during the week commencing May 24 and Ken will be attending the Regional AGM on Thursday 27 May.

David Stacey and the CEO return from these visits to Mt Gambier really heartened by the warmth, encouragement and support we are getting.

*Contact: Ken Lyons (08) 8293 2399*

## WATER PROPERTY RIGHTS

There is general agreement that many of our water resources around Australia have been over allocated and there is a need, not only to cap existing usage, but to return some water to the system. This is why the Government has implemented "buy back" and "irrigation infrastructure" schemes in recent years. But there are suggestions that the government is considering moving water without paying compensation.

You will notice in the media this year the NFF are coming out with a lot of press releases demanding the governments respect existing water property rights.

What we are talking about here is not the normal cuts to water allocations during dry times but real "regulatory" transfer of water from one purpose (owner) to another (owner).

One of the key concerns here is the difference in the legislation between the Commonwealth and the States in relation to compensation. One of the key advantages the rural community has is the possible use of the NFF Fighting Fund. This is an issue that will directly impact on most dairy farm businesses in Australia so SADA will keep you informed as the story unfolds.

*Contact: Ken Lyons (08) 8293 2399*

## NEW DROUGHT POLICY TO BE TRIALLED

The EC approach to providing drought assistance was criticised by many in the rural community and many of our SADA Members believe that they were unfairly treated. The main criticism related to "drawing lines on the map" and for failing to account for individual needs (ticking boxes).

So after industries efforts lobbying it is pleasing to note the announcement by Federal Minister Tony Bourke on 5 May that they will trial the new approach in WA over the next 12 months.

See the NFF Media Release in this Update.

**Contact:** Ken Lyons (08) 8293 2399 or Natalie Collard (03) 8621 4200

## **CALF MOVEMENTS IN THE UPPER SOUTH EAST**

Recently there has been a change in the operation of the calf movements and the new arrangements appear to be working in most regions of South Australia. The one remaining area that didn't have a service was the Upper South East. The CEO met with the dairy farmers in that region on Thursday 25 March at Mundulla and the inconvenience and cost associated with farmers developing individual solutions was of great concern. Together we looked to see if we could come up with a regional solution that was commercially viable. During the meeting we had several conversations with Tim Gore at Midfields and we finally came up with a proposal to have a "pick – up" point near Keith.

Since that meeting and with the assistance of both Michael Lewis and Sally Hood we now have a property that is being made suitable (roadway and scales) for the transfer of calves. This property will be the single point for sorting calves to all buyers, for both calf rearing and for Midfields. It became apparent that a proposal like this was only way to get a service for this region with few farms, relatively low calf numbers, where there is a history of calves going to both rearing and to Midfields at different times of the year. Also the plan aims to give farmers the best opportunity to get a competitive price. The commencement date is expected to be around Mid-May.

For this to work commercially everyone will have to work together and keep communicating about the supply of the calves. We are happy to keep liaising with everyone so we can make this proposal work.

**Contact:** Ken Lyons (08) 8293 2399 or David Basham 0417 865 962

## **SADA MEMBERSHIP IS GROWING IN THE SE**

One of the keys to being successful in resolving the water issues in the SE is for us to have a strong membership (adequate funding, unity

within the dairy community, and credibility with the politicians that we are a force to be reckoned with). We are pleased that following the recent visits by David Stacey and the CEO to the region we have a good number of new members and the vast majority of non-members at least willing to consider membership.

To really cement and confirm this strong position we are developing in the SE we would encourage as many members as possible to come to our next regional meeting/luncheon to be held in Mt Gambier on Thursday 27 May.

The success we have had this year in growing our membership in the SE the SADA Board hopes can be repeated in the Fleurieu region. Growing SADA membership puts SADA in a very unique position given that most rural associations are battling falling membership. Strong membership is not only good for the finances but gives our industry a stronger and more credible voice with government.

**Contact:** Ken Lyons (08) 8293 2399

## **MT LOFTY RANGES & FLEURIEU (WATER)**

One of my tasks this week is to call into the Stirling DWLBC Office to provide information for those currently developing the draft WAP's for the region. We mention this because later this year (probably sooner rather than later) the dairy industry will have the opportunity to comment on the Water Allocation Plans and we expect there will be some very significant suggested changes to how much water, when water can be taken, how much water can be stored and initially quite big differences in the regulations between "existing" and "new" water users.

So while dairy farmers in the Fleurieu may have a sense that SADA through our regional water committees are well prepared to deal with these water issues the truth is there is plenty of work to be done in this region. There are plenty of issues to be negotiated in the coming months in relation to these water plans. So the coming editions of the SADA Dairy Update will be important for farmers in the Hills and the Fleurieu. Some of the farmers that are "close to the action" in this region are concerned that because these water plans have taken so long to get out for consultation that many farmers have lost interest in the topic but could do so at their peril.

**Contact:** Ken Lyons (08) 8293 2399, David Basham 0417 865 962 or James Stacey 0429 373 130

## **MT LOFTY RANGES & FLEURIEU (LAND PLANNING & TAXATION)**

While thinking about the Hills and Fleurieu we at SADA have been monitoring what the SA Government is doing in relation to Planning for the Outer Metropolitan. Now the Henry Review is suggesting changes to Land Tax. Both of these issues have the potential to seriously impact on our dairy farms in this region.

Reference has been made to the Henry Taxation Review in the national reports that have been included in this Update. We will need time work out the implications for our dairy farmers and to seek clarity in relation to the intentions of government.

But there is one immediate concern for the dairy industry and in particular those on land around metro areas (with high land values per square metre) under the proposed changes to Land Tax. It may turn out to be an issue that only affects a small percentage of members but for those it could mean a significant change in wealth and retirement planning.

Sometimes with sweeping changes (eg Land Tax) there are issues and consequences that haven't been thought through so if we can pick these up early then we may be able to be able to negotiate with the government.

*Contact: Ken Lyons (08) 8293 2399 or David Basham 0417 865 962*

## **MINISTER MICHAEL O'BRIEN**

Changes in the Rann Cabinet have meant that Michael O' Brien is the new Minister for Agriculture, Food and Fisheries. We have our first meeting with the new Minister on Monday 31 May.

We will continue to progress our good relationship with Minister Paul Caica in his new role in charge of the River Murray and Environment.

*Contact: Ken Lyons (08) 8293 2399 or David Basham 0417 865 962*

## **THE FUTURE FOR DAIRY IN BOTH AUSTRALIA AND NZ**

The Weekly Times each week has a column by Steve Spencer. His column in the 28 April edition related to a report by the accounting firm

KPMG on the agribusiness sector in NZ. The report considers the threat NZ will come under from several low cost commodity producers (Latin America, China, and Eastern Europe) in about five years time. The report suggests it must heavily invest in technology and infrastructure to gain an advantage in servicing premium markets. This report appears to be confirming the path that we here in Australia should also be taking. We have reported previously on the strategy we are undertaking here in Australia to invest heavily into dairy R&D and over the coming years and we can use the Update as a means to monitor and assess the progress, direction and relevance of this significant investment.

*Contact: Ken Lyons (08) 8293 2399*

## **INDUSTRY PRIORITIES WORKSHOP**

On the 9 of April over 60 dairy industry leaders met to begin the process of mapping out the industry's future challenges and strategies. This initial workshop considered various scenarios of the industry's future and identified the key challenges the industry would need to address. Participants also identified which of these challenges would best be addressed collectively and which belonged in the commercial realm.

The involvement of representatives from the farm, manufacturing and government sector allowed for many different perspectives to be added to the mix. The output of the workshop will be used to formulate a "strategic agenda" of issues and challenges. - the agenda will be presented to regional forums throughout 2010, along with other supporting information – such as the Dairy Moving Forward pre-farm gate research, development and extension strategy, and existing regional strategies.

Participants in these forums will be able to consider and identify the challenges they feel will impact most on the region and develop their own strategic agenda. The strategic agendas that emerge at both national and regional levels will provide a guide to resourcing and prioritisation of resources for all industry participants.

Further details of the timing and structure of these regional strategy forums will be provided in the coming months.

*Contact: Wesley Judd (03) 8621 4200*

## **MURRAY DARLING BASIN AUTHORITY (MDBA) BASIN PLAN ENGAGEMENT FORUM - 7 APRIL 2010 CANBERRA**

At the Forum, invited peak industry bodies and stakeholders were updated on the progress of the draft MDB plan, focusing on the assessment by the Authority of environmental water assets in the Basin. The Authority advised that it had identified 18 key environmental assets (KEA) across the Basin.

The environmental water requirements of the KEA will be included with data from the socio-economic analysis surveys to provide information for modelling of the sustainable diversion limits (SDL). These SDL will regulate the quantity of surface water and groundwater that can be taken from the Basin water resources. The draft MDB plan is scheduled for release mid year, followed by a sixteen week consultation and feedback period before the final plan is due 2011.

*Contact: Beverley Wallace (03) 8621 4200*

## **THE HENRY TAX REVIEW**

On Sunday 2 May, the Henry Taxation Review was released. The Government used this opportunity to make budget announcements regarding:

- cutting the company tax rate
- small business instant asset write-off
- infrastructure funding
- superannuation changes
- resource super profits tax

Key Henry Review recommendations which may affect dairy are:

- primary producer income tax averaging
- tax zone rebates
- agricultural investment concessions
- land tax
- environmental tax concessions; and
- road user charges.

ADF, alongside NFF, will continue to analyse the review and the government response for dairy sector implications.

*Contact: Natalie Collard (03) 8621 4200*

## **ADF FARMING SYSTEMS PROGRAM ADVISORY GROUP**

The ADF Farming Systems PAG meeting was

held on Tuesday 20 April at the Department of Primary Industries Victoria dairy research centre Ellinbank in Gippsland. Guest speakers included; Dave Henry and Warren Mason Dairy Australia who spoke on the progress of two of Dairy Moving Forward modules - feedbase and natural resources and Bruce Weston and Martin Auldist DPIV Ellinbank spoke on the research work being undertaken at Ellinbank and provided a tour of the facilities.

*Contact: Beverley Wallace (03) 8621 4200*

## **LIFE CYCLE ANALYSIS CARBON FOOTPRINT MEASUREMENT PROJECT WORKSHOP – 21 APRIL 2010**

Milk processor representatives, ADF and farm group members were invited by Dairy Australia to a Life Cycle Analysis (LCA) workshop (21 April) to work on the parameters surrounding the complex area of carbon footprint measurement across the dairy industry. Group discussion included the use of the International Dairy Federation LCA methodology as a basis for the program in Australia to ensure consistency in measurement analysis and reporting across the industry worldwide. The workshop was fortunate as Dr Sven Lundie scientific adviser on the IDF LCA was able to attend (due to European flight cancellations) and present on the IDF framework and respond to the technical queries from the group. All milk processors are involved and are committed to working on this carbon footprinting program as it progresses.

*Contact: Beverley Wallace (03) 8621 4200*

## **DEPARTMENT OF PRIMARY INDUSTRIES CLIMATE CHANGE UPDATE SESSION**

On April 23, ADF attended a special Climate Change update held by the Department of Primary Industries (DPI) Victoria. Issues considered included the current Commonwealth position regarding the Carbon Pollution Reduction Scheme, agricultural off-sets and soil sequestration. DPI also pre-viewed the results of a survey of farmers regarding attitudes to climate change and responses in Victoria regarding production systems in a drying climate regime.

*Contact: Adrian Scott (03) 8621 4200*

## INTERNATIONAL FMD SYMPOSIUM – MELBOURNE

The ADF and Dairy Australia were active participants in the International FMD Symposium held in Melbourne on 12 to 14 April 2010, with President Wes Judd making a presentation on the dairy industry's role in managing an FMD outbreak.

The principle focus of discussions at the symposium was on technical developments:

- Epidemiology and surveillance
- Understanding viruses and host interactions
- Diagnostics – advances and applications
- Vaccines and their applications

Speakers from many countries, with a range of experiences in managing outbreaks, vaccination programs, research and dealing with FMD as an everyday reality enabled a valuable interaction and improved understanding.

Dealing with milk produced in areas that are declared an FMD Restricted Area is a subject currently being considered by a national working group, and was one raised at the symposium. ADF President Wes Judd emphasised the importance of recognising industry quality assurance and biosecurity standards and working with these to enable management of minimal risks in moving milk from the Restricted Area to processing facilities outside this area. ADF and Dairy Australia have provided detailed submissions to the national working group on ways milk can continue to be collected from non infected herds in restricted areas.

It is important that these procedures are agreed and in place prior to any outbreak. ADF and DA will continue to pursue this on behalf of the dairy industry.

*Contact: David Basham 0417 865 962 or Kevin Shiell (03) 8621 4200*

## ADF AH&W ADVISORY GROUP

The ADF Animal Health and Welfare Advisory Group met on 21 April 2010. The following is a summary of some of the matters discussed:

### 1. Dairy Biosecurity Strategy

Draft essential components for the Dairy Biosecurity Plan have been developed by Dairy Australia in consultation with an ADF Working Group covering:

- Stock Movements
- People and Vehicles
- Farm Inputs

- Managing risks from adjoining land and neighbours
- Animal health management
- Dead animals
- Effluent and waste

Feedback on these draft elements is being provided by Advisory Group members.

### 2. Dairy Calf Supply Chain Trial

Dairy Australia provided an update on the calf supply chain trial. All major Victorian processors are involved in the trial involving scanning and management of data on calves being sold to abattoirs. The recent focus of the trial has been on ensuring post trial arrangements are sustainable and ensuring effective future operating arrangements.

### 3. Residue Management

Information on residue management has been circulated by Dairy Australia to dairy farmers supplying abattoirs. As well, information was sent to Cattle Vets so they can reinforce the message, including that Scourban contains antibiotics. Follow up on MIT positive results has enabled identification of risk practices that will assist in future Calf Management Workshops.

### 4. Livestock Transport Standards – Time off Feed

Dairy Australia research to determine a suitable maximum time off feed for Bobby calves under Australian conditions is nearing finalisation. The research conducted by the University of Melbourne, with part funding from the Department of Fisheries and Forestry (DAFF) aims to provide scientific data for an animal welfare standard for maximum time off feed for calf transport.

The research concluded that "30 hours with good practice in other aspects of calf management and transport is defensible as an outer 'legal' limit for time off feed for bobby calves." This conclusion supports similar work done by NZ researchers.

A briefing on the research has been provided to the Dairy Calf Management Strategic Reference Group on 11 March 2010 and separately to the animal activist group Animals Australia.

### 5. Cattle Standards

A report on the first meeting of the Cattle Standards and Guidelines Reference Group was included in last months' Update. Since then a further draft of the standards and guidelines has been circulated and the Advisory Group

provided feedback for further consideration at the Writing Group. The next Reference Group meeting is scheduled for July and an updated draft will be circulated to state dairy farmer organisations for comment prior to this.

ADF have met separately with the Australian Lot Feeders Association (ALFA) to discuss draft standards for beef cattle feedlots.

**Contact:** David Basham 0417 865 962 or Kevin Shiell (03) 8621 4200

## **BULL RANKINGS REFRESHED**

With the April dairy bull rankings released this month, dairy farmers are being reminded that the Australian Profit Ranking (APR) has been calculated using an updated formula which places more emphasis on daughter fertility, survival and mastitis, compared to the previous APR. The formula may be slightly different but using APRs remains the same. Ultimately the APR brings the most profitable group of bulls to the top of the list.

Farmers can continue to select bulls from the top APR group that meet their individual breeding objectives, with confidence; knowing that they have made profitable breeding decisions.

The quick and easy way to identify bulls suited to your herd is Selectabull, the free tool available on the ADHIS website. Selectabull takes the hard work out of comparing bulls, creating a list based on your herd's breeding objective. It is updated with every ABV release and now incorporates the updated APR formula.

ADHIS is an initiative of Australian Dairy Farmers', with most of its funding coming from Dairy Australia through the Dairy Services Levy.

**Contact:** Michelle Axford (ADHIS) (03) 8621 4200

## **UDDERLY FANTASTIC UPDATE**

Thanks to all our dairy friends on Udderly Fantastic. 600 people are now members of the website and we are seeing a big surge in the number of dairy-themed blog commentaries on the site. These cover many issues from a personal perspective – such as 'why be a dairy farmer?' artificial insemination, and careers.

The UF team hosted a pilot workshop on 13 April with eight participants. The goal was to follow up the UF member survey to learn more about how members use the site and what they

would like to see in the future. Ideas came in thick and fast so watch the website for future developments.

We thank our first group of volunteers that have been featured on the home page of the website in our '60 seconds with...' segment. Adam Tacey, Nick Renyard, Amanda Menegazzo, Emma Kay Visser and LeAnne Judd. Please contact us if you would like to volunteer for the feature profile or if you have any other questions regarding the site.

[www.udderlyfantastic.com.au](http://www.udderlyfantastic.com.au)

**Contact:** Natalie Collard or Caitlin Guilfoyle (03) 8621 4200

## **TRIBUTE TO MURRAY NICOLL**

Media great Murray Nicoll has died after a battle with leukaemia. Murray was highly respected by his listeners (radio) viewers (TV) and readers (papers). The last time we worked with Murray was in relation to a number of high profile TV news reports showing the problems with the Murray and the Lower Lakes. He will be especially remembered by the general public as the reporter who won a Walkley Award for his radio report from the Ash Wednesday Fire in 1983 as he reported on his own house going up in flames.

## **A DAIRY FARMER BECOMES A CELEBRITY**

Miriam Schmierer in many ways has lived a life characterized by religion, routine, hard work and relative obscurity. She has woken to over 40,000 dawns. Then proceeded to milk cows for her father and then on her own dairy farm before breakfast on many of those mornings.

What makes Miriam so special today is that she is Australia's oldest citizen. Born in Queensland on August 20, 1899, her life spans three centuries yet she has never been outside of the border of her home state.

Miriam's story was told in last weekend's the Australian newspaper. Her eight siblings are long gone, her husband died in 1965 and both of her sons have also passed away.

There is a lot of talk about the population living longer and the number of Centenarians is a good indicator. In 1901 the census counted 50 of them, in 1981 there were 443 by 2006 there were 3,154 and in ten years time the estimate is 12,000.

Australian's are often comparing themselves to the rest of the world so let us give you that figure. Internationally Miriam is believed to be the 58th oldest person on the planet.

So is there something in Miriam's story that may be of value to our SADA members and especially those approaching retirement? Yes perhaps there is. Miriam said, she had spent her life on the farm doing tasks and felt ill-equipped to try anything else. Then despite her patchy education she found pleasure in writing. Today she gets a lot of satisfaction out of writing a monthly article in the nursing home newsletter. So even at her age she has been able to "get a new life" and that is rather inspirational.

### SADA BOARD ELECTIONS

A timeline for the election of outgoing Board Members is included below. As you know each year half of the Board comes up for re-election.

The Board Members facing re-election are:

Adelaide Hills – **Vacancy**  
Fleurieu – **David Basham**  
River & Lakes – **Vacancy**  
South East – **Charles Wallis**

Board Members **Karen Slape** from the Adelaide Hills region and **Andrew Stewart** from the River & Lakes region will not be seeking re-election.

The timetable for the Board elections is as follows:

1. **Monday 10 May** - Nomination forms posted to all Members
2. **Friday 28 May** - Closing date for lodgement of nomination
3. **Friday 4 June** - Postal Votes to be despatched if more than 1 nomination (including voting instructions, candidate resumes, voting forms, and voting registration form)
4. **Friday 25 June** - Closing of ballot 5.00pm
5. **Tuesday 29 June** - Counting of Ballot Papers

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.

**Contact:** Ken Lyons (08) 8293 2399

### SADA BOARD MEETING

We have an SADA Board Meeting coming up on Tuesday 18 May so if there are issues you want your regional SADA Board Members to raise at the meeting simply give them a call.

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# South East Annual General Meeting

**Thursday 27 May 2010**  
**10.30am – 12.30pm**  
**followed by lunch**

at

**Blue Lakes Golf Course**  
Mt Gambier

## AGENDA

- South East President's Report – Ruben Zandman
  - CEO's Report – Ken Lyons
  - Election of Office Bearers
- SE Water Report – Graeme Hamilton
  - Other Business

**Guests:** Tim Hunt (leader of the Rabobank Dairy Team)  
"Global Market Outlook and the local Implications"

President: Ruben Zandman  
Ph: 0412 359 946

**Five minutes with: Ken Lyons, CEO, SA Dairyfarmers Association**

Ken Lyons has been the chief executive officer for the South Australian Dairyfarmers Association for the past decade. His experience in agriculture has also included posts as corporate affairs manager for AWB, CEO of the SA Fishing Industry Council and lecturing at both Glenormiston and Longerenong agricultural colleges. We asked him **OUR TOP QUESTIONS**

## Diversity in dairy appeals

### 1 What is your industry's greatest asset?

One of the strengths of the dairy industry is that there is a great diversity of dairy business enterprise models that can be both financially and personally rewarding. There are the emerging big corporate dairies with the challenges associated with 'big business' and emphasis on management skills. There are 'dairy entrepreneurs' that are expanding enterprises and they are focused on longer term wealth creation. There are the smaller boutique dairies that produce quality dairy products with the focus on developing unusual products and marketing. Finally there are those that want to have a lifestyle enterprise with modest input and returns.

### 2 What is the biggest threat facing your business or industry and how will you overcome it?

I believe there is a strong relationship between the performance and credibility of an industry association and the future prosperity of the industry it represents. It is the way the associations create the

opportunities for industry growth and prosperity and their ability to defend industries from threats that makes them such a potent force. So the biggest challenge for SADA is to create that long term competitive advantage for our farm businesses.

The very best industry associations enjoy a growing membership and have a close relationship with members. The members are very much at the centre of the 'cut and thrust' of the business of the association. SADA is expecting a growth in membership this year that will place it among the best performing rural associations.

Obviously the best associations display both the Yin and the Yang. The Yin (female) of being open, receptive, and nourishing so we have good policies; and then the Yang (male) when we have to be 'warriors' and be prepared to be fearless in our defence and advocacy of our industry.

### 3 How will your industry change in the next 10 to 20 years?

One of the obvious changes will be automation, and in

particular the introduction of robotic milking. With robotic milking the cows come and go from the milking barn at their leisure, any time of day or night, without any people present.

But the really significant change will be that every dairy business will be run significantly differently from how it is currently being run. The challenge will be to develop the new businesses so they continue to be financially and personally rewarding, but they will incorporate technology that we are only dreaming about today.

Today the dairy industry has decided to be a very significant investor in new technology and research. Our industry projections suggest that by investing heavily now, we will be positioning our industry for a positive future.

### 4 If you were 18 again which industry would you set out to work in and why?

The good thing about doing a degree in agricultural science is that it is a general course involving science, economics, sociology, engineering and soon. I would choose this path



of keeping options open early again, because I have really enjoyed a great variety of business and career opportunities that a general education offers.

### 5 What has been the biggest learning curve in your career?

The move to running the AWB for South Australia while still in my 20s was one of many learning curves that come to mind. I had great mentors in Sir Leslie Price and Max Moore-Wilton at AWB during those exciting years. The business then was turning over about \$400 million annually; but the learning curve related to learning how the grain markets operated internationally, and

learning how the business operated and how it needed to change to survive.

### 6 What is the most important business advice you have received?

The most important advice I have received came in the form of a small book by John Heider, *The Tao of Leadership*. It is a condensed version of Lao Tzu's *Tao Te Ching*, which is one of China's best loved books of wisdom. *Tao Te Ching* means the Book (Ching) of How (Tao) Things Happen or Work (Te). It is pronounced Dow Duh Jing. The simple message is that you need to understand how things work to successfully manage people, your business or even an industry association.

## Drought pilot up and away

“THE new drought scheme to be trialled over 12 months in Western Australia is a sensible, practical and forward-looking approach that takes account of climate risks and proactively manages them,” National Farmers’ Federation (NFF) President David Crombie said today.

“We all know drought relief is a stop gap measure. Farmers, the broader community and politicians are sick of arbitrary lines on maps that determine drought assistance, and which fail to account for the needs of individual farmers.

“Our plan, which forms the basis for the Federal Government’s trial, is to better drought-proof Australian farms by investing upfront in on-farm climate adaptation and mitigation practices. Things we know can work.

“This proactive investment in managing climate risk is designed to reduce the strain on farmers and on taxpayers during future droughts. We have long insisted that it’s smarter to invest in drought management and preparedness practices today and, over time, reduce the need for drought relief.

“For years we have been calling for a shift in the policy focus from ‘drought relief’ to ‘drought management and preparedness’. Underpinned by mutual obligation, we have long asserted this requires a *“generational shift in thinking and that we – as a nation – must rethink how we plan for, and deal with, drought in a changing climate”*.

“In February 2010 we called for a pilot scheme, specifying the need to run it in an area not currently drought-declared and based on the principles we have consistently put to government. WA fits the bill.

“Piloting the scheme in a region not suffering drought gives farmers and the community a good look at how the new arrangements will work on-the-ground and, importantly, the ability to iron out any kinks well before being applied across the country.

“Throughout we have had one overriding proviso. Support for families currently in drought must not be changed while they remain in drought. Drought-stricken farm families are under immense pressure and it would be unconscionable to pull the rug out from under them.

“That enshrined, we are on the brink of a new era in how Australia deals with drought. It is a positive strategy that takes charge of future climatic risks. A trial is a sensible way forward and the NFF, working with WA Farmers and our other members nationally, will interrogate in detail the operation and progress of the trial to ensure any national system is solid and works for farm families.”

For a full rundown of the seven overarching principles the NFF put to the Federal Government for the pilot scheme, see the NFF’s 16 February 2010 media release at:

<http://www.nff.org.au/read/2481455474.html> and the NFF’s 2008 submission to the *Productivity Commission Draft Inquiry Report into Government Drought Support* at:  
<http://www.nff.org.au/policy/submissions.html>.



**National Farmers'**  
FEDERATION

# Inside Briefs



NFF House, 14-16 Brisbane Ave, Barton ACT 2600. PO Box E10, Kingston ACT 2604. t 02 6273 3855 f 02 6273 2331 w [www.nff.org.au](http://www.nff.org.au)

**Date: 6 May 2010**

## DROUGHT PILOT A GO

A 12-MONTH trial of a new drought package – consistent with that pushed by the NFF since 2007 – will be conducted in WA, covering half of the state from Karratha to Esperance.

The \$23 million trial is to be funded under a '80/20 split' between the federal and WA governments, with the Commonwealth providing the lion's share. The trial starts from 1 July 2010.

The new package of measures will be available to almost 6,000 WA farmers as part of the trial. Key features of the new package include:

- Farm Family Support – income support to help farmers meet basic household expenses.
- Farm Social Support – stronger social support networks to meet the mental health, counselling and other social needs of farming families and communities.
- Building Farm Businesses – grants of up to \$60,000 to help farm businesses prepare for the impacts of drought, reduced water availability and a changing climate, and on-farm Landcare activities.
- Farm Planning – up to \$7,500 support for farmers to undertake training to develop or update a strategic plan for their farm business with a focus on preparing for future challenges.
- Stronger Rural Communities – grants to local government for activities that make rural communities more resilient during agricultural downturns.
- Farm Exit Support – grants of up to \$170,000 to support farmers who make the difficult decision to sell the farm business.
- Beyond Farming – a new measure that puts current farmers in touch with former farmers to work through the opportunities outside of farming.

Importantly, as per the NFF's stipulation, there are currently no Exceptional Circumstances-declared

areas in WA, allowing the pilot to focus on drought management/preparedness measures and ensure farmers already in drought are not caught up in the policy 'litmus test'.

The NFF will be involved in reviewing the trial with the Federal Government after 12 months to help develop a new national approach to drought reform.

NFF President David Crombie was at the co-launch of the pilot with Federal Agriculture Minister Tony Burke and WA Agriculture Minister Terry Redman.

Members will be aware this announcement has been the culmination of three-years work for the NFF, which has been intimately involved – calling for the shift from 'drought relief' to 'drought management and preparedness' during the 2007 federal election, establishing the principles to guide the new drought regime and insistence on a pilot before the next federal election.

The NFF's media release is available at: <http://www.nff.org.au/read/2484355328.html>. For more information is also available via the National Drought Hotline on 13 23 16 and the Federal Government's drought pilot webpage at: <http://www.daff.gov.au/droughtpilot>.

NFF Contacts: Ben Fargher or Sam Nelson.

## HENRY TAX REVIEW

THE NFF's full analysis of the Henry Tax Review and the Federal Government's response is available online at: <http://www.nff.org.au>. NFF Contact: Charlie McElhone.

## TIME FARMERS 'WALKED THE WALK' FOR FARMDAY 2010

THE NFF has been advised that FarmDay organisers are having difficulty getting farmers involved this year.

FarmDay joins city families willing to make the trek to farms to gain a better understanding of modern farm practices with farmers willing to share their insights and provide a unique hands-on experience. Last year, 400 city families took part.

The NFF, a firm supporter of FarmDay since its inception in 2007, says any farmer bemoaning the lack of understanding among city people of what farmers do needs to get involved. Throwing open the farm gates to a city family for a day is a proactive and effective way farmers can do their bit in dispelling metropolitan myths.

FarmDay runs over the May 29-30 weekend. Farmers who are positive and passionate about their sector should contact Deb Bain to take part. Call 1300 367 036 or visit the FarmDay website at: <http://www.farmday.com.au>.

## INNOVATION IN AGRICULTURE AWARDS – JUST 3 WEEKS TO GO

ENTRIES under the national 2010 Innovation in Agriculture Awards closing on 31 May 2010, so farmers need to be get cracking on their nominations.

These national Awards provide important recognition of excellence in farming through innovation, celebrating farmers' successes in three categories:

- Sustainability;
- Value Adding; and
- New Technology.

The Awards will be presented during a gala ceremony at the NFF's National Congress in Melbourne on the evening of 6 September 2010 to showcase winners and their innovations at this high profile event. Farmers can nominate themselves or be nominated by an NFF member group. NFF member organisations are encouraged to promote awareness of the Awards to grass roots members.

The Entry Guide with details on each Award, criteria for entry and guidance for farmers is available online at: <http://www.congress.nff.org.au/awards.html>. NFF Contact: Brett Heffernan.

## WELCOME YUNITA

THIS week the NFF welcomed Yunita Di Placido as its new Administration Officer, taking over the phones and reception duties. Please make her welcome.

THE SOUTH AUSTRALIAN RURAL LEADERSHIP PROGRAM

**FURTHER INFORMATION**

Ms Lib Hylton Keele  
SARLP  
Rural Communities, PIRSA  
GPO Box 1671  
ADELAIDE SA 5001  
Phone: (08) 8226 0181  
Fax: (08) 8226 0425  
Email: lib.hyltonkeele@sa.gov.au

Investing in Rural Communities | Investing in Primary Industries



# South Australian Rural Leadership Program



A Program for Leadership Development



Government of South Australia  
Primary Industries and Resources SA

## THE SOUTH AUSTRALIAN RURAL LEADERSHIP PROGRAM

### FOREWORD

Leadership development is becoming increasingly important in the rural sector where continuing pressure on profit margins and increased competition in major overseas markets and the importance of sustainable natural resource management means that our farmers must rely on their own innovation and initiative to remain viable and to prosper.

To succeed in this environment, our State must produce strong and capable leaders who have the ability to motivate and energise themselves, their industries, and their communities. These leaders will help take our rural and regional communities into the future. To achieve this they will require the skills of strategic planning, negotiation, lobbying, managing change, team building and understanding the importance of well-being.

It is our intention to guide and provide assistance to those leaders already forging ahead in their industry, and to those who have the potential to become the leaders of the future.

The South Australian Rural Leadership Program will provide training to assist our future leaders to develop the skills they will require to be successful.

Our aim in developing this Leadership Program will be to work closely with other rural groups to maximise the opportunity to attract quality candidates.

### OBJECTIVES/GOALS

The objectives of the Program are to:

- provide an exposure to a range of specialised professional leadership development opportunities and experiences for people working in rural industries in South Australia;
- energise new and existing rural leaders to expand their ability to stimulate rural industry and community development; and
- establish a network of rural leaders who can share creative ideas and promote opportunities for partnerships between individuals, communities, and industries.

The goals of the Program are to:

- encourage and provide potential leaders with the skills, motivation and confidence to seek an active role in addressing current and future issues affecting their local communities and agricultural industries.
- produce leaders who are capable of developing and articulating a shared community vision, have the ability to engender enthusiasm and commitment in their regional community, and possess a greater understanding of the concepts of community involvement in planning for their local community's future.
- empower individuals to develop an innovative culture within their local communities, businesses, and industries throughout regional South Australia.

### PARTICIPANTS

This Program will target enthusiastic individuals who have the potential to stimulate creativity, wealth, and business at the community level, and who are either already involved in activities relating to the development of their local community or rural industry, or are looking for the opportunity to become involved at this level.

The Program will select participants who can demonstrate their potential to be involved in a leadership role in rural industries and communities. It will be aimed at nurturing those community, industry and support agency members who are interested in making a greater contribution to their community and recognise the need for greater skill development.

# COURSE OUTLINE

#### Program Outline

The program will be held as a four day residential workshop with a further two day residential follow up session.

The Program will cover a range of topics and skills including:

#### Personal and Community Leadership, Self Esteem, Vision, Values

- Understand different styles of leadership and identify and evaluate their own leadership styles.
- Lead with integrity.
- Understand how communities work.
- Explore vision and values and have an understanding of how these affect decision-making.
- Develop a vision for rural South Australia.

#### Communication Skills

- Communicate more effectively, through increased skills in listening, questioning and being more assertive.
- Respecting differences.

#### Team Work, Problem Solving

- Use a practical tool for mentoring, team work and problem solving.
- Understand roles of members.
- Convert what has been learnt into action and a long-term change in behaviour.

#### Decision Making, Change Management

- Understand personal core values and link values with decision-making.
- Understand the concept of conflict of interest.

#### Health and Well-being

- Understand the importance of taking care of yourself.
- Managing stress.

#### Conflict Resolution, Negotiation Skills

- Understand that conflict provides an opportunity for improved team performance, and address concerns.
- Develop approaches to work with difficult behaviour.
- Effectively resolve conflict.

#### Working with Government and Boards (Governance Principles)

- Understand the role and process of government.
- Be familiar with governance issues.
- Assist rural communities to lead by working with government.

#### Facilitation, Presentation

- Develop facilitation techniques.
- Be confident in carrying out facilitation and presentation tasks.
- Facilitate groups.
- Make short presentations

#### Outdoor Team Exercises

- Understand responses to challenge, change and uncertainty.
- Support others experiencing challenges and ask for support when facing challenges.
- Overcome perceived personal limitations and open up to new possibilities and areas for achievement.
- Better understand the keys to making teams and organisations function effectively.
- Put leadership theory into action.
- Recognise the 'traps' that groups, teams and communities often fall into, that lead to ineffective performance and apathy.
- Understand the critical importance of all group members.





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Good people to know.



# 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](mailto:sada@sada.asn.au) Web: [www.sada.asn.au](http://www.sada.asn.au)  
Ken Lyons – Editor

## 24 June 2010 PRESIDENT'S REPORT

*David Basham*

It is that time of year again when the companies are starting to announce milk prices for the next financial year. I would again like to encourage members to compare the prices and terms that are on offer from the different processors. It appears that milk prices going forward are going much better than the last 18 months so it may well be worth investigating. I am aware that Murray Goulburn is introducing some payment systems that maybe more attractive to some farmers than previous. I understand the aim is to offer a price that is attractive to a farmer with a flat yearly milk supply.

If you choose a company that has signed contracts remember that if you do not like some of the terms in the contract see if you can negotiate them out. A contract requires two parties to agree so it is in your control to try and change if you are not satisfied. I would again like to encourage you to consider comparing the offers as well as the terms before making your decision.

Earlier this month I attended the SE Innovation Day at Mount Gambier and was thrilled to see such a large turnout of over 150 people. The topic of cow fertility was one that most farms have been questioning within their businesses on how to improve. If you were not able to attend but would like to get a copy of the presentations please contact the office and we can organise a copy from to be sent to you or you can down load them from the DairySA website [www.dairysa.com.au](http://www.dairysa.com.au)

The new Managing Director from Dairy Australia, Ian Halliday addressed the Innovation Day. Ian spoke about the importance of the industry structure that Dairy Australia operate in. Ian outlined how important all the parts of the structure are with Dairy Australia & DairySA looking after the research, development & extension of information to farmers but as equally important the need for Australian Dairy farmers Ltd (ADF) and SADA to look after the political issues. Ian pointed out we need both sides of the structure.

ADF & SADA are able to confront the political issues that Dairy Australia and DairySA cannot. This structure and how well it works is the envy of many other rural sectors, so please remember how lucky we are with the structure we have, that has been developed over the years by SADA and ADF to deliver useful outcomes to your business.



In partnership with



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For most SA dairy regions the season is progressing reasonably well. Now many farmers are thinking about “final step-ups”, “opening prices”, “contract prices”, and what they can expect for the coming 2010/2011 year.

There have been many organisations coming out in the media suggesting that there will be an improvement in farm gate prices for the coming year. Our guest speaker at the recent South East SADA AGM meeting, Tim Hunt from Rabobank, was suggesting that prices could return to even the second highest on record as a best case scenario. Then The Advertiser on 17 June reported that the UN Food and Agriculture Organisation as saying that agricultural commodity prices are expected to rise significantly in the next decade as world economic growth returns following the global financial crisis. So the predications are looking good for both the short and medium terms. But farmers are rightly cautious about market volatility and many have indicated to this association that they need to consolidate their finances before investing again.

The good news for those who were not on contracts when the export market “crashed” eighteen months ago is that there is improved market outlook. This will see those dairy businesses that were “highly geared” when the dairy market “crashed” get back into a more comfortable situation.

The SADA Board suggested that members may be interested in getting a handle on just what the outcome was in terms of farm gate milk prices around the time of the market crash for farmers supplying different processors. So the Board approached consultant, Sam Acheson, to publish a survey of his clients over the past four years and you can read Sam’s report on page 8.

**Contact:** Ken Lyons 8293 2399

## SENATE REPORT ON MILK PRICE

The Australian Senate Economics Reference Committee last year commissioned an inquiry to investigate whether market powers in Australia’s dairy industry have led to low prices for farmers. ADF participated heavily in the inquiry, contributing two written submissions as well as appearing as witnesses before the committee. The 98 page report, entitled *Milking it for all it’s worth – Competition and pricing in the Australian dairy industry* was released on 13 May 2010 and makes sixteen recommendations. In our media release (attached) ADF welcomed the reports’ affirmation of the importance of collective bargaining arrangements and negotiation skills support for dairy farmers. Additionally, the ongoing importance of a transparent and robust system was underlined. The full report is available at: [www.aph.gov.au](http://www.aph.gov.au)

**Contact:** Natalie Collard 03 8621 4200

## SE REGIONAL AGM

Thanks to Tim Hunt and Rabobank for the excellent analysis of the current international dairy market and the implications for prices in SA for 2010/2011.

Graeme Hamilton provided an update on the SE Water Allocation Planning. There have been some further delays as the SA government has sought independent advice from the University of Adelaide on the state of the water resource in the South East and there has been some changes made in the departments and the responsibility for finalising the water issues in the South East. We understand that plantation forestry will also be included in the WAP for SW Victoria that is also currently being developed.

It is good to see the SADA membership increasing in the SE. We have been informed that one of the differences between the SADA and UDV memberships is that very few of the bigger farms in Victoria are in the UDV and this is why when we look at membership as a percentage of the litres of milk we are very strong.

Congratulations to Ruben Zandman on being re-elected as the Regional President.

**Contact:** Graeme Hamilton 0428 268 324 or Ruben Zandman 0412 359 946

## MEETING MINISTER MICHAEL O'BRIEN

SADA had our first meeting with the new Minister Monday 31 May. It was an opportunity to continue

the constructive working arrangements we have had with previous Ministers for Primary Industries.

One of the challenges for all state departments, including PIRSA, following the elections is to implement budget cuts. So it is particularly important that we work closely with the government to ensure we can get the best outcome for rural industry given the environment of budget cutbacks.

I did catch up with past Minister, Rory McEwen, at the Mount Gambier airport recently and he has just returned from a motor bike ride from USA to Canada, shortly he is to ride from Northern India to Mt Everest Base Camp, and then he intends to ride with another group around South America.

## **FEDERAL MINISTER, TONY BURKE**

The Federal Agriculture Minister, Minister was the guest at the SA Rural Media Breakfast on Friday, 11 June. The main address was on the proposed overhaul of the Exceptional Circumstances Drought Policy. A key feature of the new program is the involvement of regional communities. Because of the expected increase in the variability of climate he felt the new drought policy would be particularly important here in SA. Like nearly all new rural policies coming out of the Rudd Governments that are the result of negotiations with the States through the Ministerial Council Meetings this new Drought Policy would be a national approach that would be implemented regionally.

The Minister spoke about the current Productivity Commission Review of Rural R, D & E and his aim is to give farmers more "bang for their rural levy research dollar".

Last year the Federal Government, all the State Governments, and in consultation with rural industries embarked on a new national approach to rural R & D. In this process all Dairy Industry R & D is to be now done in Victoria with an "extension service" (two staff) to deliver the information to the SA dairy industry. Currently the expansion of dairy R & D is taking place in Victoria and the two extension officers are operational in SA. So the new plan for rural R & D has been agreed by Minister Tony Burke (Federally), Minister Michael O'Brien (State) and the dairy industry as represented by Dairy Australia and Australian Dairy Farmers. So the national policy has been established and now we are into the regional implementation of the plan.

The two keys to success in the implementation of this new national program to achieve a better

value for farmers from the current spend on rural R&D are;

- For the Federal Government and all the State Governments to stand by their agreement to keep the same level of funding and existing resources supporting rural research.
- For those States not doing the R&D they must have access to extension staff to ensure all farmers in those States have access to the interstate R & D. This is an area that Dairy Australia, DairySA, PIRSA, and SARDI have through good co-operation arranged for the current dairy extension program. It is now more important than ever that this extension program continues.

There are many areas in which the Dairy Industry and Minister Burke are working closely together and these include a strong belief in the need to improve productivity through biotechnology and the recognition that Australia has a responsible position to play in relation to international food security.

*Contact: Ken Lyons 8293 2399*

## **NATURAL RESOURCE MANAGEMENT**

Good NRM supports sustainable development and protection of the State's natural resources including soil and land and water. Historically the SA Dairy Industry has been a strong supporter, active participant in NRM activities, and a co-funder in many NRM programs through DairySA. Ironically the funding of these projects may be more difficult in the coming year or two if the talk about the impending cuts to state government departments bites particularly hard.

Our view about the importance of the "triple bottom line" in agriculture means that both SADA and DairySA are very involved in the development and implementation of SA NRM Policy.

On the 16 June SADA received an invitation from the Presiding Member of the NRM Council to participate in the preparation of a new NRM Plan for SA. So we will take on this role on your behalf. Any comments from our members on NRM policy development would be appreciated.

*Contact: Ken Lyons 8293 2399*

## **CREATING THE IMAGE FOR AGRICULTURE IN SOCIETY**

Many believe that we must begin with convincing young people of the importance of modern farming in Australia. In an announcement recently (16 June) the NFF President David Combie said,

*"For our part, we and our members have been taking farmers' modern story to the community in a concerted campaign since 2006. Back then 92% of metro Australians had ingrained negative perceptions of farmers... "antiquated", "whinging" and "irrelevant to modern Australia" were persistent themes in our market research. This fuelled common misnomers, for example that farmers "can't be trusted as responsible land managers".*

*"Today the story is quite different. In fact, the NFF's communications strategy and various public affairs campaigns have proved overwhelming successful in turning around these perceptions. By 2008 94% of metro people support Australian farmers in proactively managing environmental challenges and back farmers based on their modern economic importance to Australia.*

*"That's a 180-degree turn around. But public information gaps linger. Our research also shows that while people recognise and accept "farmers do things differently today", they struggle to get a handle on what exactly that is. This requires a longer-term strategy.*

So we are making progress on changing attitudes to farming.

## **DAIRY INDUSTRY LEADERSHIP BLUEPRINT**

The dairy industry wants to develop the future leadership capacity of our people to influence public policy and manage collective investments across the value chain. ADF, in conjunction with The People in Dairy, has developed a dairy industry leadership blueprint to support these objectives at a strategic-level. We are currently briefing stakeholders on the blueprint and have received strong support and input at all levels. As a first step, we hope to develop an industry database of leadership and training opportunities for those interested in further development.

**Contact:** Natalie Collard 03 8621 4200

## **RURAL FORUM IN PARLIAMENT HOUSE**

The Hon Robert Brokenshire has convened a "Food Security Round Table Meeting for Monday 28 June in Parliament House. The issues to be discussed will include; food security, urban sprawl into highly productive farmland, and foreign ownership of our farms.

SADA appreciates the important work that Robert Brokenshire is doing in the State Parliament on behalf of the SA rural communities.

## **SADA FEE INCREASE**

For over 10 years SADA has been able to keep our fees down and withhold any rises however this situation can't go on forever and is now no longer sustainable. The SADA Board recently approved a modest increase to the SADA levy of half CPI which brings the rate from 2.25c/kg protein to 2.29c/kg protein.

This modest increase combined with an increase in membership will contribute to putting SADA in a sound financial position going forward.

The SADA Cap for 2010/2011 will be increased to \$1913 (\$1729 + \$184 subscription) effective 1 July 2010. The Cap is adjusted annually to keep the level of the Cap relative to herd size in SA and includes an adjustment of half the current CPI increase.

If you have paid more than the 2009/2010 Cap of \$1753 (\$184 + \$1569) and would like a refund please phone the office before October 2010.

**Contact:** Ken Lyons or Jo Gilbert 82932399

## **WORKCOVER**

*Chas Cini*

*WorkCover has been undertaking a review of the Regulations that underpin the Workers Rehabilitation and Compensation Act 1986.*

*SADA has been advised that the proposed commencement date of 1 July 2010 is likely to be delayed to late 2010. WorkCover has undertaken to advise Cabinet's decision on the proposed Regulations and a new commencement date in late June 2010.*

*A formal communication and implementation process will commence after the making of the new Regulations allowing stakeholders more time to familiarise themselves with the changes and prepare for their implementation.*

*Further information on the Regulation Review will continue to be made available at [www.workcover.com/regulationreview](http://www.workcover.com/regulationreview). You can also access the current Regulations from WorkCover's [Legislation and regulations](#) page.*

*WorkCover has announced that there will be a reduction in the average levy rates from 3.00% to 2.75% from 1 July 2010. The industry levy rates have been gazetted. For more information on the gazetted levy rates please refer to link at [www.governmentgazette.sa.gov.au/2010/may/2010\\_033.pdf](http://www.governmentgazette.sa.gov.au/2010/may/2010_033.pdf).*

*Each Employer will receive their end of year levy notices in the next couple of weeks.*

## 2010 NATIONAL MINIMUM WAGE DECISION

Fair Work Australia which replaced the Fair Pay Commission handed down the 2010 National Minimum Wage Decision to take effect from the first full pay period on or after 1<sup>st</sup> July 2010.

Fair Work Australia (FWA) has altered the minimum wage as follows:-

- A national minimum wage of \$569.90 per week for a full-time adult or \$15.00 per hour;
- Two special national minimum wages for award/agreement free employees with a disability; and
- A casual loading for award and award/agreement free employees of 21%.

The implication is that no adult employee is to be paid less than \$569.90 per week for a full-time employee or \$15.00 per hour for a full or part-time employee.

The loading for casual employees is to progressively be raised to 25% by 1<sup>st</sup> July 2014.

### (Federal) Pastoral Industry Award 1998

Members of the South Australian Farmers Federation Industrial Association are bound by the Federal Pastoral Industry Award and casual loading is 25%. However, it should be noted that that casual loading included a component for long service leave. As of 1<sup>st</sup> July 2010 long service leave will be payable in addition to the casual loading. SAFFIA members should therefore record the commencement date for long service leave accruals for casual employees was the 1<sup>st</sup> July 2010.

### Pastoral Industry Award (SA)

Employers not bound by the Federal Pastoral Award and bound by the South Australian Pastoral Industry Award have been paying casual employees 22½% loading plus long service leave. The date of commencement of employment continues to be the effective date for calculating long service leave. The following table outlines the adjustments to be made to the casual loading and long service leave will continue to be paid in addition to that loading.

YEAR	CASUAL LOADING
1/7/2010	23%
1/7/2011	23.5%
1/7/2012	24%
1/7/2013	24.5%
1/7/2014	25%

The Minimum Wage Panel in referring to employers bound by the Transitional Arrangements from the Old Award to the new Pastoral Award 2010 stated in its decision to increase "all weekly wage rates and transitional Australian pay and classification scales by the amount of \$26.00 with proportional hourly increases." Therefore, all employers must increase their rates by \$26.00 a week for full-time employees unless they are currently paying above that award or agreement in which case the increase can be absorbed.

Effectively this decision requires all wage rates prescribed in the Award and Agreements to be raised by \$26.00 per week which equates to \$0.69c per hour. In addition to the \$0.69c per hour is the casual loading of 21% for those previously bound by the SA Pastoral Industry Award and 25% for those previously bound by the Federal Pastoral Industry Award.

Employers who currently have a Workplace Agreement should adjust the rates in those Agreements by the amounts prescribed above.

SADA will soon be issuing new pay schedules and classification structure to cover award employees

**Contact:** SADA Office 8293 2399

## SA DAIRY AWARDS GALA DINNER



After a very successful but not as popular Gala Awards Lunch last year we have reverted back to the original format of a dinner. The 2010 SA Dairy Awards Gala Dinner will be held on Tuesday 10 August in the Ridley pavilion of the Adelaide Showground.

This dairy event will recognise the high quality dairy products that South Australia is renowned for, TAFE students will be presented with their dairy certificates and the inaugural Brenton Higgins award will be awarded to someone that has provided excellent service and contribution to the Australian dairy industry.

For just \$75 per person (or \$85 if you are not a member of SADA, DIAA or RAHS) you will enjoy a 3 course meal, wine, beer, soft drinks and entertainment as well as the opportunity to mingle with Politicians, Processors, Industry Leaders Dairy Farmers and students.

Get together a group of 10 of your friends, family or colleagues and have a fun night out being wined and dined by the fabulous team at the Adelaide Showground and entertained by Comedian and MC Clint Paddison.

Please fill in the enclosed Registration Form and return with payment before 23 July 2010.

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*Contact: Jo Gilbert 8293 2399 or 0419 035 459 for information about attending or sponsoring this event*

## MEMBERS OF THE EUROPEAN PARLIAMENT (MEPS) VISIT AUSTRALIA

Three members of the European Parliament, Liam Alyward MEP, Jim Nicholson MEP and Rares-Lucian Niculescu MEP and their agriculture adviser, Andreas Schneider visited Australia this month. As part of their visit program they met with ADF (Natalie Collard) and Dairy Australia (Chris Phillips, Iveta Samulis and Jo Bills.) As members of the EPs Committee on Agriculture and Rural Development all had a particular interest in better understanding Australian dairy and how Australian dairy farmers manage risk and price volatility without recourse to subsidies. Also of interest was the impact of environment and sustainability on farming in Australia and animal welfare issues.

*Contact: Natalie Collard 03 8621 4200*

## ADF FAREWELLS CAITLIN GUILFOYLE, WELCOMES STACEY WELLINGTON

After a year and a half, ADF regretfully farewells Caitlin Guilfoyle. Caitlin leaves us to pursue career opportunities in North America. Knowing Caitlin,

we are sure that the attraction of these opportunities was greatly enhanced by proximity to the some of the most impressive snow slopes and fashion houses in the world! ADF thanks Caitlin for her exemplary service and work ethic during her time with us and particularly her outstanding contribution to Udderly Fantastic. We look forward to keeping in touch. The position of Office Manager and EA to the President will be filled by Stacey Wellington. Stacey will commence with ADF on 1 June and we hope all will make her very welcome.

*Contact: Natalie Collard 03 8621 4200*

## UDV CONFERENCE

Wes Judd, Adrian Scott and Natalie Collard attended the UDV conference and dinner on 26 and 27 May. The theme of the conference was *Earning Respect and Influence – A harsh look at5 advocacy in modern times*. ADF President, Wes Judd, participated as a panel member on this important topic. The conference and dinner provided an outstanding opportunity for the ADF team to meet directly with farmers and discuss issues firsthand.

*Contact: Natalie Collard 03 8621 4200*

## CALF TRANSPORT - TIME OFF FEED

As has been reported previously, the Primary Industries Ministerial Council (PIMC) agreed that a science based standard for the maximum time off feed (TOF) for calves being transported be developed. In response to this a Bobby Calf Standards Reference Group developed a recommendation for a maximum TOF of 30 hours. This was supported by industry, state jurisdictions and DAFF representatives. There was opposition from some animal welfare groups. Last month's ADF Update reported on research conducted by DA that concluded that "30 hours with good practice in other aspects of calf management and transport is defensible as an outer 'legal' limit for time off feed for bobby calves."

A Regulatory Impact Analysis is now being undertaken through Animal Health Australia (AHA) with input from both Dairy Australia and ADF. Following this a period of public consultation on the recommendation will occur.

*Contacts: David Basham 0417 865 962 and Kevin Shiell 0413 800 349*

## FMD RISK MANAGEMENT PROJECT

A five year research project to address potential

areas of Australian vulnerability to Foot and Mouth Disease is about to get underway involving the CSIRO Australian Animal Health Laboratory (AAHL). The project is being managed by AHA and will be funded by all the major livestock industries including dairy, with matching funding from the Commonwealth government. A large portion of the work will be undertaken in overseas countries to enable access to the FMD virus and will focus on:

- Vaccine efficacy – utilising vaccines in the Australian FMD vaccine bank located in Pirbright England
- Virus behaviour in Australian animals - through studies conducted in SE Asia and South Africa
- Pre border mitigation and knowledge building – by working in collaboration with overseas laboratories, and assessing field test devices that are commercially available
- Validation of diagnostic assays
- Generation of bulk reagents for high throughput testing

**Contacts:** David Basham 0417 865 962 and Kevin Shiell 0413 800 349

## AHA MEMBERS FORUM

ADF participated in the AHA Members Forum in early June 2010, along with other livestock industry sectors, State, Territory and Commonwealth governments. Matters under discussion included:

- A draft proposal for a National Biosecurity Framework
- National Animal Health Performance Standards
- FMD issues

**Contacts:** David Basham 0417 865 962 and Kevin Shiell 0413 800 349

## UDDERLY FANTASTIC UPDATE

The UDV conference gave us a terrific chance to meet many of our Victorian Udderly Fantastic friends face to face for the first time. It also gave us the chance to explain the site to a few new faces.

Udderly Fantastic is sometimes described as a facebook for the Australian dairy industry. But it's really a lot more than that. It provides us a safe place that's only for industry people to share our stories, advise upcoming events and discuss issues together. It's also a lot of fun as we share photos, videos and can create our own profile page. You can chat to people one on one or pose questions for all 600+ members to weigh in on! So far, our analytics tell us that most members spend

an average of 9 minutes every time they log into the website and the most popular pages are other members' profile pages and photo albums!

Of our 616 members, 64% are from Victoria – which mirrors the whole dairy industry when you consider that around 65% of milk production occurs in Victoria. 38% of members are on-farm and 62% are in the manufacturing or service-side of our industry.

Thank you to all our members who participated in the voluntary member survey. 83% said the site was 'great' and 50% said they used it mostly to connect with other dairy people. 40% used it primarily 'just for fun'. An area that most people wanted to see expanded was 'chat/discussion forums'. We will definitely be working on this!

50% of Udderly Fantastic members were new to social networking websites before they joined but a larger 65% said they would like to learn more about social networking tools. In response to the survey results we have made blogs more prominent on the website and added an events area and are working on our next competition! Stay tuned. [www.udderlyfantastic.com.au](http://www.udderlyfantastic.com.au)

**Contact:** Natalie Collard 03 8621 4200



Monday, 17 May 2010

To SADA,

Following our conversation this morning, please find in the Table below a summary of the milk prices for the past four financial years. The average values shown are weighted averages (not just adding four numbers together and dividing by 4).

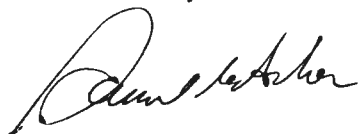
*MILK PRICE COMPARISON*

	Cents per Litre				\$'s per kg Milk Solids			
	Jun 2009	Jun 2008	Jun 2007	Jun 2006	Jun 2009	Jun 2008	Jun 2007	Jun 2006
Average	44.6	48.6	33.0	32.7	\$6.07	\$6.62	\$4.50	\$4.49
Dairy Farmers	49.1	46.9	34.0	33.9	\$6.47	\$6.14	\$4.44	\$4.52
National Foods	49.2	50.3	34.0	32.4	\$7.14	\$7.07	\$4.76	\$4.46
Warrnambool C & B	37.4	48.9	30.1	31.6	\$5.08	\$6.86	\$4.21	\$4.49
Murray Goulburn	40.0	48.8	32.2	31.5	\$5.46	\$6.63	\$4.42	\$4.40

The above data is taken from a small sample of dairy businesses that I consult to (between 25 to 30 farms data in each of the years). In the case of MG, the net milk price quoted is after the share deduction has taken place. There are a number of factors that influence the above results, such as seasonality of calving, when the majority of the milk is produced in the year (spring peak versus all year round flat production), milk composition being influenced by feeding different systems affecting. In essence when making a business decision about which milk company to supply, it is important that income estimations are reviewed and scrutinised taking into account all the other bonuses and incentive payments that are on offer.

The global financial crisis in late 2008 brought about a step down in milk prices by export based milk companies, sending shock waves throughout the dairy industry. By June 2009 these export based milk companies still hadn't recovered. For the first time in recent history we have seen quite a disparity between the prices paid by domestic based milk companies and export based milk companies.

Yours Sincerely



Sam Acheson  
 Dairy Consultant



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Dear Dairy Farmer,

This year I hoped to tell you some of the possible products and destinations your cattle may reach after they leave your farm gate.

Once your cow for whatever reason can't pay her way any longer, I thought it may be a way of not feeling so bad if you could say "Have a good trip".

As a large percentage of T & R Pastoral product is exported all around the world I thought It would be good to know if the briskets went to the USA for hamburgers, the eyes were a delicacy in China and maybe the hides may go to Russia for snow boots but it would seem no one could give a s@#t about the dairy cattle, the very cattle you got out of bed to calve down at 2.00am, the heifer you carefully chose a breeding partner for to ensure an easy calving, and once calved got out of bed at 5.00am every day for 320 days a lactation, and for many years after that.

Anyway it seems T & R Pastoral do need your cattle and this year there will be NO shut down but the plant will only operate 4 days a week so please call me to confirm the correct delivery days.

I can also take Cattle bookings now for late June 2010 (Delivery Wed. 30/6/10) and early July 2010

Best Regards,  
Mark McLoughlin  
Phone: 0400 225 101

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WFI is a trading name of Wesfarmers General Insurance Limited ABN 24 000 036 279 AFSL 241461.

Good people to know.



# 2010 SA Dairy Awards Gala Dinner Registration Form



**Tax Invoice**  
 ABN 98 549 642 932

Tuesday 10 August 2010  
 Ridley Pavilion, Royal Adelaide Showground  
 7.00pm for a 7.30pm start

**All tickets are GST inclusive.**

Please register and pay before 23 July 2010

<b>Names of people attending:</b>	<b>Members</b> <small>(Inc DIAA, SADA &amp; RAHS)</small>	<b>Non-members</b>
.....	\$75	\$85
.....	\$75	\$85
.....	\$75	\$85
.....	\$75	\$85
.....	\$75	\$85
<b>Total:</b>	\$	\$

**Please Note:** There are no tickets issued  
 Name Tags and table number will be available on the night at the registration desk  
**Parking:** Enter through Rose Terrace gates and follow the signs  
**Dress:** Smart Attire

Enter personal details and/or table bookings over the page.  
 Table bookings for 10 people will cost \$750/table



Please complete and return with your payment to Dairy Industry Association of Australia  
 and mail to: Jo Gilbert, U5/780 South Road, GLANDORE SA 5037

Please register and pay before 23 July 2010

<b>Names of people attending:</b>	<b>Members</b> <small>(Inc DIAA, SADA &amp; RAHS)</small>	<b>Non-members</b>
.....	\$75	\$85
.....	\$75	\$85
.....	\$75	\$85
.....	\$75	\$85
.....	\$75	\$85
<b>Total:</b>	\$	\$

Dietary Requirements: .....

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**Personal Details:**

Surname:.....Given Name:.....

Position:.....Organisation:.....

Address:.....

Suburb/Town:.....P/C:.....

Phone:.....Mobile:.....

Email: .....  
(we will email to confirm registration)

**Table Bookings - 10 per table**

**Names of people attending:**

(Print your name as you wish it to appear on nametag)

.....  
.....  
.....  
.....  
.....

**Total Table Cost: \$750**

If you require a receipt please tick box

**Payment Options:**

1. **Cheque:**  **Amount:** \$.....  
(make payable to DIAA)

2. **Credit Card:**  **Amount:** \$.....  
Visa Card ONLY

**Card No:**            - - - - / - - - - / - - - - / - - - -

**Expiry Date:**       - - / - -

**Name on Card:** .....

**Signature:** .....

**Please Note:**

those that book and fail to attend will be invoiced if payment hasn't already been made

# 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](mailto:sada@sada.asn.au)  
Ken Lyons – Editor

## 27 July 2010 PRESIDENT'S REPORT

*David Basham*

The prices continue to be announced with the Dairy Farmers' Supply Co operative releasing their prices this week. The pricing that has been announced has certainly been positive but we need to remember that the losses that have been made over the last few years need to be repaid so we need to keep pressure on the companies to return the higher world prices back to the farmer. It was pleasing to see that Fonterra announced a step up to their farmers in Australia to lift the price above both Murray Goulburn and Warrnambool Cheese & Butter.

Over the last few months several farmers have asked what Australian Dairy Farmers Ltd (ADF) does because they do not see them in the media much. ADF is the peak dairy body for dairy farmers in Australia. The role of ADF is to address the issues that confront the dairy farmer on a national level as SADA does at a state level. ADF is split up into several policy advisory groups (PAGs) to develop policy on the particular focus areas. These PAGs work with ADF and Dairy Australia staff to address issues throughout the year and report back to the ADF board to sign off on industry policy. Below is a list of the PAGs and I have included examples of what they are addressing.

### Program & Strategic Advisory Groups

1. **Cows** – supports incremental & transformational gains in dairy herd improvement. This group supports the management of Aust Dairy Herd Improvement Service (ADHIS), owned by ADF.
2. **Markets** – responsible for tracking international markets as well as domestic markets. Includes participating in the Senate inquiry into Competition and Pricing in the Australian Dairy Industry. ADF has stated publicly that it welcomes the transparency that comes with such inquiries and used the opportunity to promote and obtain funds to support collective bargaining. This group also organises meetings with the heads of major retailers to establish better relationships.
3. **Farming Systems** – currently looking at the Productivity Commission inquiry into rural Research & Development Corporations. This is extremely important to maintain the commitment of the government to the Dairy Australia model that delivers on ground programs through DairySA.
4. **Natural Resources Management** – currently one of the most active PAGs with two major items on its agenda - Carbon Trading issues and water policy issues in particular the new Murray Darling Basin Plan that is due to be released shortly. The dairy industry were very successful at getting their message across late last year on the issues around carbon trading and I believe they will need to be as successful on water to protect the industry from potential harm.
5. **People & Human Capacity Building** – this PAG is responsible for developing the capacity within the industry not just on farm but also to develop future leaders within the industry.
6. **Animal Health and Welfare** – another big area that ADF works on and that I chair. I have outlined several issues in the past but the issue that takes a lot of time is calf management on dairy farmers including residue management and welfare concerns around transporting calves.

This is just a brief outline and these issues often be read about in the ADF owned magazine the Australian Dairy Farmer. You may not see lots of stories in the press but the work is being done to enable you as a dairy farmer to do what you do best and that is dairy farm.



In partnership with



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The milk prices are lifting, input prices have dropped and it's been a good growing season in many dairy districts but for many farmers cash is still tight. The problems of the past 16 months will mean it will take time to clear the bills and repay debt. It is encouraging to hear that quite a few dairy families taking a break from the farm over the school holidays.

So what is the latest dairy market forecast and how did "opening prices" average out?

The Fortnightly Update from Dairy Australia has some good news from the latest OECD/FAO outlook.

*"Economic recovery and increasing consumption of dairy products in the developing world are expected to expand dairy markets and increase global prices. While dairy commodity prices are forecast to remain higher than average (achieved over the 1996-2007 period), they are not expected to surpass the average 2007-08 levels unless a supply shock occurs."*

The only negative is the Australian dollar is now nearly back to the 90cent level. The Dairy Australia estimate of the average Victorian 2010/2011 opening price is \$4.55/kgMS (approx. 34cpl) and 27% above last year.

The seasonal outlooks also look like a normal season through spring if people can remember one.

## NEW PRIME MINISTER, FRESH START FOR DAIRY

ADF welcomed Julia Gillard to her new role as Prime Minister and looks forward to showcasing the people and achievements of an Australian dairy industry value chain that contributes over \$9 billion to the

Australian economy and employs over 100,000 people directly and indirectly. Like many in the Australian community, ADF was working busily behind the scenes of the Rudd Government to achieve positive outcomes for dairy on issues such as the CPRS, trade agreements, animal health and welfare and industrial relations. Gillard's office formed a reputation for fair dealing and we trust that this will be a hallmark of her new Government as we tackle the biggest issue we have faced so far – water. There is no underestimating the impact that the Basin Plan will have on the dairy industry as well as the need to respect and uphold water rights nationwide. Other issues we will be addressing with the new government are carbon taxes, rural research and development and taxation.

Contact: Wes Judd 03 8621 4200

## FEDERAL ELECTION

Elections, whether they are Federal or State are key times for Industry Associations to put forward progressive policies and paint visions of how we can create a better Australia. Your SADA membership has helped fund the NFF "2010 Federal Election Policy Platform". A summary has been included in this Update. It is a comprehensive and well argued policy framework with a vision of Australia becoming a world leader in Primary Production. NFF has listened to the ideas and concerns of our members and come up with policies that are ready to be implemented by an incoming Government.

For instance the approach is not about "perpetuating old mistakes and failing to seize the initiatives to tackle emerging issues" but it is about "laying down the challenges and opportunities ahead" such as;

- We know the investment in Rural R, D & E delivers exceptional returns. This is the time to increase investment in rural R, D & E, not to reduce it, so that Australia can become a world leader in efficient agricultural production and climate change adaptation.
- Landholders must be treated "fairly" when it comes to land and water property rights, Landowners can be the major and effective caretaker of the rural landscape with the right funding framework.
- Both major parties must acknowledge carbon abatement practices cannot be limited to the flawed Kyoto carbon accounting rules.

If you have any feedback on the Election Platform please give us a call at SADA. We encourage all members to promote these policies in their electorates and with the candidates. SADA Board Members and staff are only too happy to assist any of our members in any activity that promotes our rural policies during the election.

## MURRAY DARLING BASIN

In the last Update I spent a lot of time discussing the water issues in the SE and this month a major focus has been the future of the dairy industry in the MDB.

A major step in the development of the MDB Authority Plan for the river system will be the release of the "Guidelines Statement" which has now been delayed until after the election. We have been informed that this Guide will outline the sustainable diversion limits (SDLs) for each part of the basins 19 catchments and this will redefine the water available for irrigation. So this will be a key time for you to consider the issues.

*It is for this reason James Stacey is suggesting holding the SADA River and Lakes Regional AGM soon after the release of the Guidelines so you can be fully informed of the implications for your dairy business.*

The SDLs will replace the cap on water which was implemented in the Murray Darling Basin in the mid 1990's. The cap meant that, generally speaking, no new water licences were issued to growers while SDL is the key element in the new Murray Darling Plan, which is due to be released in 2011.

SDLs will limit the quantity of surface (river) water and groundwater (bore) that may be taken from the basin. Previously, ground water was not included in the cap. It related only to surface water and was set on historic use, which is now considered not sustainable. Diversion limits is a much broader concept and will relate to different areas within the Basin and not apply to State boundaries. SDLs will relate to the management of "key environmental assets and ecosystem functions, key environmental outcomes and the productive base for water resources". Given the "Concept Statement" issued by the Authority in June (page 7) referred to the stresses on the Basin you would have to suspect that the SDL for both surface and ground water will be set below the current level of use.

Currently the dairy industry is coming together under the ADIC NRM Committee (farmers, processors and Dairy Australia) to work on the issues relating to the new plan so we are well prepared to respond on your behalf. We will probably come out soon after the release of the "Guidelines" with an initial response and then after the consultation with the members (SADA Regional AGM) will go back with a well prepared formal response.

**Contact:** Ken Lyons 8293 2399

## LOWER MURRAY DARLING BASIN

As part of ADFs development of a dairy industry water communications strategy, ADF Board member David Basham and ADF Policy Manager, Beverley Wallace, attended the Dairy Australia Lower Murray Darling Basin meeting in Tatura on Friday 18 June. The meeting was attended by representatives from the dairy industry (farmers and processors), government and local bodies. The attendees were instrumental in providing technical input on our draft water messages that will inform the dairy industry response to the Murray Darling Basin draft Plan.

The draft Plan is scheduled to be released in July and will establish water allocations for the environment and irrigation across the whole Murray Darling Basin.

**Contact:** Beverley Wallace

## ENVIRONMENTAL WATER ALLOCATIONS

On Friday 11 June the Australian Farm Institute held a research seminar 'Making Decisions about Environmental Water Allocations'. The seminar focused on the elements of environmental water reform under the (soon to be released) Murray Darling Basin draft Plan. Environmental ecologists and environmental economists presented on the topic of how much water should be allocated to the environment. Some of the messages from the seminar included; the ecologists expect the diversion limits to be incorrect as the science is not good enough; policy development has moved ahead of the knowledge creating fundamental gaps and; the government has the responsibility to ensure decisions are well informed and in the best interests of society as a whole not just the environment. The AFI seminar was attended by ADF Vice President Adrian Drury, Dairy Australia analysis manager Helen Quinn and Beverley Wallace, ADF policy manager.

**Contact:** Beverley Wallace

## POWER OUTAGES

Recently stormy weather cause widespread power outages across South Australia. The event was particularly serious for some of our dairies on the Fleurieu. It was a reminder that these freak storm weather events do happen as do major bush fires. So our industry needs to be prepared.

Most of our bigger dairies have emergency power but many of the smaller dairies rely on power being restored in a timely manner.

SADA spoke with the management of ETSA some

years ago and discussed the importance of power to milking facilities in terms of an animal health issue. The result is that SADA has been given contact details to senior management within ETSA to give dairy farms priority. Now this does work and did enable the Fleurieu farms to be milking again just under 24 hours. So this approach is valuable but in the case of an extreme event (the most extreme cases I can think of are the typhoon that wiped out the dairies in northern Queensland and the Victorian bushfire) such as a major storm or bushfire the emergency services would be directed to saving lives.

With the cost of these generators at around \$25,000 most people will say the chance of being without power is so remote we will take the chance. You could consider sharing one between say four farmers. If one of the farmers in the share arrangement was a Dairy Farmers supplier you may even get a rebated discount on the cost of the generator. But probably the smartest option for some would be to make a list of the companies that hire these generators. Normally they can deliver within say 2 hours. In a major event you would need to be on your toes and get in early but it is still worthy of consideration. Remember to attach these portable generators you need to have previously got an electrician to wire in a standby plug to take the power from the generator (relatively small cost).

In the case of the Fleurieu situation the power went out early in the morning (say 2am) and as the day progressed the farmers were waiting and waiting for the power to come back. But by 5pm the cows were stressing and they were facing missing the evening milking and perhaps even the following morning. So it was at 5pm that SADA was phoned and then we got the priority treatment from ETSA and the power was back on later that night. Even with this power outage the increase in mastitis and loss in production going forward is quite considerable.

**Contact:** Ken Lyons 8293 2399

## SADA BOARD MEETING

The South Australian Dairy Association (SADA) Board held a board meeting in Melbourne and used the opportunity to meet with DA and ADF. On 3 June Wes Judd, Adrian Scott and Natalie Collard attended a dinner hosted by DA for the SADA Board and the next day delivered briefings on ADF policy, issues management and strategic goals. This was an invaluable opportunity to receive feedback direct from the SADA Board and to hear how ADF issues hit the ground in South Australia. Many of the suggestions made by the SADA Board are now being implemented.

## DAIRY CALF SUPPLY CHAIN INTEGRITY TRIAL UPDATE

All sectors of the dairy calf supply chain, met at CRF Meat Processors in Colac on 17 June 2010 to hear progress on the Dairy Calf Supply Chain Integrity Trial. This trial uses a new electronic tracking software system, to make it easier to effectively trace and monitor calves from the farm right through the supply chain.

This trial aims to improve the traceability of calves, and reduce the potential for residues in calves by giving dairy farmers better feedback on residue testing, and provides an opportunity to ensure the calf processing market remains viable, and is not subject to undue welfare focus or market access issues regarding residues

### Positive outcomes to date:

Calves are electronically scanned (via their RFID/NLIS tags) when they are picked up from dairy farms so the date and time of pickup is recorded, as is the time of arrival at the abattoirs – this will help dairy farmers and abattoirs verify time in transit and time off feed for calves as specified in the proposed Land Transport Standards

### Where to from here?

The trial will continue during calving this year, to establish the robustness of the system. While many dairy farmers are getting multiple letters advising them of the negative MIT results, this actually helps with system testing. During 2010 the trial will continue to collect data on calf sales, and generate reports to help demonstrate that dairy farmers are serious about their responsibilities in providing calves that are fit for market. Too often, the dairy industry is accused of jeopardising the meat market.

**Contact:** David Basham 0417 865 962 or Kevin Shiell 0413 800 349

## ADF AH&W ADVISORY GROUP MEETING

The ADF Animal Health and Welfare Advisory Group will be met at the Australian Animal Health Laboratory (AAHL) facility at Geelong on 8 and 9 July 2010. The meeting provided the Advisory Group with an opportunity to look over areas of the facility that are not subject to secure biosecurity requirements. A briefing was also provided on the FMD Risk Management Project that will commence in 2010/2011. Other matters being considered included:

- Progress on animal welfare standards covering calf transport time off feed and the cattle standards
- FMD Policy issues including the transport of milk during an outbreak

- Future dairy industry funding for Animal Health Australia programs
- The Dairy Industry Biosecurity Strategy

**Contact:** David Basham 0417 865 962 and Kevin Shiell 0413 800 349

## DAIRY AUSTRALIA BECOMES ASSOCIATE MEMBER OF AHA

The General Meeting of Animal Health Australia (AHA) held on 2 June 2010 agreed to Dairy Australia becoming an Associate Member of AHA. Members of AHA include the Commonwealth Government, State and Territory Governments and Peak industry organisations including ADF. Related organisations including industry service companies like Dairy Australia may be admitted as Associate Members, to facilitate communication and input on AHA activities.

**Contact:** David Basham 0417 865 962 or Kevin Shiell 0413 800 349



## UDDERLY FANTASTIC UPDATE

A new addition to Udderly Fantastic is proving successful with members. 'Dairy Diary' which allows members to put their upcoming events in our dairy industry calendar is being used extensively – especially by YDDP! There are over 15 events currently being promoted, so there's something for everybody.

The latest member to share 60 seconds with us is John Williams, who many will know as a General Manager with WCBF and as President of the ADPF. He shares his funniest dairy story which took place in Japan and tells us that his favourite part of Udderly is the videos. On 23 June 2010, Udderly Fantastic had 631 members. Over 1,357 photographs and 76 videos have been uploaded to the site.

### Is Udderly Fantastic for you?

Udderly has almost an even balance of males and females (300 women and 331 men) and spans all ages (15 to 79 years old; at least 40 under 25 years and 90 over 50 years).

The majority of members are from Victoria (over 399) with 70 from NSW, 46 Queensland, 33 Tasmania, 32 South Australia, 20 from WA and 5 from the ACT. Around 27 members come from overseas (e.g. Brussels, Canada, NZ) but have direct links through work or family to the Australian dairy industry. Members are predominately dairy farmers, dairy managers, farm owners and farm

hands, but there are numerous suppliers, farm advisers and company employees as well as representatives from organisations such as DIAL and NCDEA.

A number of members have started 'blogs' and others are having conversations and adding comments to pages and creative contributions to others

...so if you are male or female, any age and have something to say about our dairy industry, Udderly Fantastic is for you. [www.udderlyfantastic.com.au](http://www.udderlyfantastic.com.au)

**Contact:** Natalie Collard 03 8621 4200

## FAREWELL TO ADRIAN SCOTT

This month ADF regrettably farewellled retiring CEO Adrian Scott. Adrian leaves ADF to enjoy more family time and leisure pursuits, having made a significant contribution to the organisation in his time with us. We wish Adrian and his family all the best for the future.

## NEW APPOINTMENTS

Natalie Collard and Daniel Abernethy have been jointly appointed to manage Australian Dairy Farmers Limited for the next 6 months. As Acting Chief Executive Officer, Natalie will be the principle point of contact for ADF issues and oversee strategic and policy development while, as Acting CFO Daniel will cover governance, legal and finance requirements. Natalie and Daniel will work together to deliver the ADF review.

## HUME TAYLOR OFFICE IN THE SE

*Hume Taylor & Co is pleased to support the South Australian Dairyfarmers Association.*

*Hume Taylor & Co have offices located in Adelaide, Whyalla, Kangaroo Island (by appointment) Millicent and Mt Gambier. With a team of 15 solicitors and 19 friendly office staff Hume Taylor & Co have the experience to assist you.*

*Hume Taylor & Co pride themselves on employing local staff to work with local people.*

*Catherine Clark is married to dairy farmer Sam Clark, who with his mother Natalie and brother Joshua run a 350 Friesian Holstein herd dairy at "Fiander-Moor" Mil-Lel.*

*Jessica Dowdy lives in Mount Gambier and enjoys working with her family on their mixed farming property "Moolyella" at Binnum.*

*Catherine and Jessica at Hume Taylor & Co Mt Gambier can assist you in the following areas of law:*

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- Family and Criminal Law

- Share farming agreements
- Conveyancing and leasing
- Water licences including transfers and leasing



Catherine Clark

Jessica Dowdy

Hume Taylor & Co Mt Gambier is located at 5 Gwendoline Street, Mount Gambier, telephone (08) 8723 4000.

Opening hours are Monday to Friday 8.30 am to 5 pm. Alternative times are available by appointment.

## TRIBUTE TO ROB HEATH

After 15 years of service with Wesfarmers Insurance, Rob Heath is retiring at the end of July.

Rob is no stranger to SADA Members – having attended countless SADA events, during his 15 years, from regional meetings, show barbecues, awards nights and Christmas shows, and because of this is well known to all.

During his time with WFI, based in the Adelaide Hills, Rob has provided an exceptional level of service to his clients. Rob's personal approach and engaging nature has seen him develop friendships with a great number of his clients, which will no doubt continue in his retirement.

Our members are also pleased to hear that Steve Gilder will be the new WFI Area Manager.

## SA DAIRY AWARDS GALA DINNER



SUPPORT THE DAIRY INDUSTRY BY  
ATTENDING THIS DAIRY EVENT.  
ENCOURAGE YOUR FAMILY, STAFF AND  
FRIENDS TO ATTEND.

**REGISTRATION EXTENDED TO 4 AUGUST**

After a very successful but not as popular Gala Awards Lunch last year we have reverted back to the original format of a dinner. The 2010 SA Dairy Awards Gala Dinner will be held on Tuesday 10 August in the Ridley pavilion of the Adelaide Showground.

This dairy event will recognise the high quality dairy products that South Australia is renowned for, TAFE students will be presented with their dairy certificates and the inaugural Brenton Higgins award will be awarded to someone that has provided excellent service and contribution to the Australian dairy industry.

For just \$75 per person (or \$85 if you are not a member of SADA, DIAA or RAHS) you will enjoy a 3 course meal, wine, beer, soft drinks and entertainment as well as the opportunity to mingle with Politicians, Processors, Industry Leaders Dairy Farmers and Students.

Get together a group of 10 of your friends, family or colleagues and have a fun night out being wined and dined by the fabulous team at the Adelaide Showground and entertained by Comedian and MC Clint Paddison.

## Thank you to the following Gala Dinner Sponsors for their very generous support

Gold:	Parmalat Dairy Australia
Silver:	Ecolab National Foods Warrnambool Cheese & Butter
Bronze:	Campbell Bros Cleantec Wesfarmers Insurance
General:	DSM Food Specialties Moore Stephens Murray Goulburn Shamrock Foods
National Partner:	Chr-Hansen

**Contact:** Jo Gilbert 8293 2399 or 0419 035 459 for information about attending or sponsoring this event

## ROYAL SHOW TICKETS AND BBQ

The Royal Adelaide Show Society have again generously offered free Show tickets to SADA Members. If you would like a couple of tickets please phone Jo on 8293 2399 or email [sada@sada.asn.au](mailto:sada@sada.asn.au) There are only adult tickets available and are limited to 2 adult tickets per

family so get in quick!

The SADA Show BBQ for Members will be held this year on Wednesday 8 September from 6.30pm behind the dairy sheds. Again the BBQ will be generously co-sponsored by Wesfarmers Insurance

## INDUSTRIAL RELATIONS CHANGES

The Pastoral Award 2010 which came into effect on 1<sup>st</sup> January 2010 has changed a number of the previous award provisions and the following is a summary and guide only.

### Award Coverage

#### *Who does the new Award apply to?*

The Pastoral Award 2010 now includes "Employers throughout Australia in the Pastoral Industry and their Employees in the classification set out in this Award to the exclusion of any other modern award".

The previous Federal and State Pastoral Industry Award exempted family members, jackaroos, jillaroos, managers and overseers. That exemption no longer applies and a new classification and wage structure has been created.

If family members are being engaged other than as Employees and the rates of pay are different to the award rates (ie lower than the award) it may have Workers Compensation implications should they be injured in the course of their employment. WorkCover may rely on the family member's rate in calculating their entitlements.

The new Pastoral Award now applies to a number of farms previously covered by several awards. The Pastoral Award 2010 has effectively combined the following awards

1. Pastoral Industry Award 1998 (Federal award which applied to SAFF Industrial Association ("SAFFIA" members)
2. Pastoral Industry (SA) Award (which applied to non SAFFIA members)
3. Pig Breeding (AWU) Award 1999
4. Woolclassers Award 1999

Separate awards which may impact on pastoral workplaces may include the new but SEPARATE Wine Industry Award 2010 and Horticulture Award 2010. If you have a mixed farm one of these awards MAY apply to you. A full list of awards is available on [www.fwa.gov.au](http://www.fwa.gov.au)

Pastoral Industry Award 2010 for Broadacre Farming & Livestock Operations is included with this Update.

## DAIRY GROOVING

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## NFF lays out 2010 federal election priorities

LAUNCHING its *2010 Federal Election Policy Platform* today, the National Farmers' Federation (NFF) slammed both sides of politics for perpetuating old mistakes and failing to seize initiatives to tackle emerging national issues – laying down the challenges and opportunities ahead.

The NFF's manifesto highlights policy failures and new opportunities that the next federal government must grapple with, encapsulated in four policy pillars: Population, Economy, Environment and Property.

"The next term of government will take this country to 2013 – a crucial period in how Australia will or won't cope with future domestic population and transport pressures, inherent inefficiencies, the need to produce at least 70% more food while protecting and sustainably managing environmental assets, and enshrining natural justice for long-suffering landholders," NFF President David Crombie said.

"We're over the hollow rhetoric. We haven't seen enough from either aspirant to Australia's top job to warrant endorsement on any of these nation-building, forward-looking issues. Australia faces serious problems and we need leaders committed to meeting them head on, not fluffing around the edges.

### Population

"Population growth and, therefore, overcrowded cities, squeezed transport systems and restricted access to services like healthcare are important to all Australians. Regional Australia can be our major cities' saviour, providing new opportunities for businesses and families to grow and prosper.

"The political party that backs business in regional Australia will be at the forefront of meeting Australia's population challenge. With 88% of Australians crammed into just 3% of the landmass – mostly small coastal recesses around Sydney and Newcastle, Melbourne, Brisbane and the Gold Coast, Adelaide and Perth – the next federal government must think long-term and build regional centres.

"It's unsustainable and short-sighted to perpetuate the outdated fixation on big coastal cities. The Federal Government's own Inter-Generational Report projects Australia's population will top 36 million by 2050. Existing problems with congestion in Australian cities can only compound unless governments recognise the role that regional development can play in relieving the stress.

"Providing major tax breaks for business and individuals to relocate or start up anew in regional Australia could re-energise the nation and rectify the imbalance that sees 97% of this country currently under-developed.

"The next federal government must commit to a concerted National Infrastructure Strategy, tying together roads, rail and ports to ease bottlenecks and account for current and future freight flows. We're tired of electorate-based pork-barrelling. This plan needs to be upfront and we will be damning of *ad hoc* election funding announcements.

"But, it's not just transport. Soft infrastructure (doctors, nurses, teachers, etc.) is needed now to make the move for families into regional areas viable. Quality, affordable telecommunication services are also needed now, as well as a guarantee of upgrades to new technologies as they come online into the future. These are vital for regional, rural and remote communities.

"Despite the hype around the National Broadband Network fundamental questions remain unanswered. What type of technology will regional Australia get, when and how much will it cost? The Government is still to address future upgrades to ensure regional Australia isn't left behind.

"So whether you live in Mareeba or Melbourne, Ceduna or Sydney, population policy and developing hard and soft infrastructure outside of capital cities, matters to everyone.

### Economy

"Agriculture is the bedrock of our national prosperity. When all else fails, as it did during the global financial crisis, farming kept Australia out of recession and the economy ticking over – recording double-digit growth when other sectors were mired in negative territory and going backwards.

"The world is already crying out for more food and fibre and essential human needs will multiply exponentially as global population grows to 9 billion over the next 40 years. Our politicians have a responsibility to meet these demands and invest in Australia's future prosperity at the same time.

"Our farmers' productivity growth of 2.8% a year has been second to none for 30 years, but those rates are now falling as successive governments have abandoned research investment. Australia could be the global leader in agricultural research and development, a hub for world food and fibre science, but such an aspiration demands political vision.

## Environment

"Farming and the environment are co-dependent, with sound natural resources management needing a robust farm sector as a fundamental part of sustainable environmental planning and delivery. The tangible record of Australian farmers in sustainably managing natural resources is world-leading, with 94% of farmers active in environmental works.

"With the Murray-Darling Basin Plan's release now postponed until early August, there is increasing unease among farmers, regional communities and environmental scientists around due scrutiny of the Plan in an election environment. This is especially the case as the interpretation of 'environmental water needs' by the Murray-Darling Basin Authority looms as a crucial test for the Gillard Government.

"Water is the lifeblood of food and fibre production, our environment and local communities. Farmers need equitable, secure water property rights to underpin continued investment.

"Many people remain concerned about climate change. Government policy needs to make farmers part of the climate change solution. If you want environmental outcomes, you're better off working with the people living on and working 54% of the continent. Governments need to provide market-based incentives, not regulation, if they are serious about these challenges.

## Property

"Property rights goes to the heart of the Australia dream of what it means to own your own home. Gradually, this birth right has been eroded with successive governments making decisions that usurp basic rights and deny natural justice.

"While successive federal and state governments have been equally complicit, the next federal government must commit to rectifying the outstanding issues and ensuring landholders' rights are protected.

"Too often governments assume a property right and leave the title with the owner. Full and adequate compensation must be provided where property rights are compulsorily acquired by governments or where farmers are required to undertake management practices above and beyond their duty of care."

The NFF's 2010 Federal Election Policy Platform is available online at: [www.nff.org.au](http://www.nff.org.au).

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13 July 2010

MR 42/10

## Food: going without & paying a lot more

"AUSTRALIANS need to brace for a future of higher prices for life's essentials," National Farmers' Federation (NFF) President David Crombie warned today. "It's an inevitable consequence of more mouths to feed and less food to go around.

"Food scarcity is a reality our international counterparts are acutely attuned to. Unlike us, many nations are already going without and are now investing heavily in agricultural research. Some are buying farms in Australia to secure future food supply. And we've seen food shortages precipitate riots in poorer countries where they cannot afford higher prices... their plight can only deepen.

"In Australia, we are blessed with agricultural production the envy of the world. Our farms supply around 93% of domestic demand and we export over 60% of everything we grow to customers who pay a premium for our high quality, reliable and sustainable produce.

"It's something we have taken for granted in Australia but I fear not for much longer. While we are likely to remain broadly self-sufficient, we are not isolated from global prices. In fact, Aussie families should be prepared for much higher prices at the checkout.

"As we career towards 36 million people by 2050, globally some 9 billion people will be crying out for more food. In fact, the United Nations tells us that farmers need to produce 70% more food over the next 40 years just to keep pace with population growth.

"To put this in perspective, that is more food than has been produced over the entire course of human history. Australians are ambivalent about the notion of 'food security'. I assume this apathy is based on the notion that it's a problem somewhere else in the world, but not for us. I disagree.

"Unless we, as a nation, get serious about our place in the world and start planning for the inevitable food squeeze, we will suffer. As if declining arable lands, droughts, changing diets, biofuels and climate change are not threatening enough, population explosion will put even greater pressure on our ability to meet the need for food and fibre."

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

# Have you heard about Dairypol?



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Contact WFI for a PDS to help decide if our policies are right for you.

Good people to know.





# What exactly is the



# RVS VariSpeed™?

## It is by far the most revolutionary Power Saving Invention for Aussie Dairy Farmers & works extremely well!

Reduce your power bill with  
21st CENTURY TECHNOLOGY!

This typical pump setup uses  
70 YEAR OLD TECHNOLOGY!



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The traditional pump-setup has remained basically unchanged for over seven decades!

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Regulator-control of the vacuum is power wasting & totally unsuited for today's dairy!

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## RVS M3000

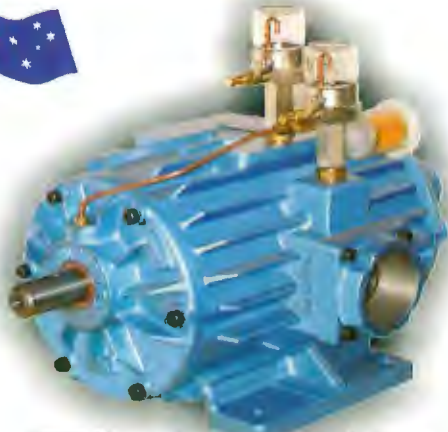
How many units can the pump handle:

- Normal dairy setup: 10 units maximum
- With the **Varispeed™** installed milks up to **18 Units with a 5Hp motor!**

**PERFECT REPLACEMENT FOR:**

'Milkaware MP 135' 'De Laval VP 76' 'Masport M3'  
'Bucket Milker' 'As a priming pump for irrigation pump'

1490 Litres @ - 50 Kpa 1400 Rpm



2220 Litres @ - 50 Kpa 1450 Rpm

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## RVS M4000

How many units can the pump handle:

- Normal dairy setup: 15 units maximum
- With the **Varispeed™** installed milks up to **26 Units with a 7Hp motor!**

**PERFECT REPLACEMENT FOR:**

'Milkaware MP 185 / MP 100' 'De Laval VP77'  
'Westfalia Surge RPS 2100' 'Masport M5'



3485 Litres @ - 42 Kpa 1000 Rpm

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## RVS M7000

How many units can the pump handle:

- Normal dairy setup: 32 units maximum
- With the **Varispeed™** installed milks up to **50 Units with a 10Hp motor!**

**PERFECT REPLACEMENT FOR:**

'Milkaware MP 200' 'Masport M7.5' 'De Laval VP 78'  
'Westfalia Surge RPS 2800' 'Daviesway 'Tech-Line'



6616 Litres @ - 42 Kpa 1200 Rpm

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## RVS M9000

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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](mailto:sada@sada.asn.au)  
Ken Lyons – Editor

## 19 August 2010 PRESIDENT'S REPORT

*David Basham*

Last week SADA together with the Dairy Industry Association of Australia (DIAA) SA Branch held our annual dinner at the Royal Adelaide Showground. It was pleasing to see a good number of farmers as well as many support business that sponsored the dinner attend. It was also pleasing to see several members of State Parliament attend including the Minister for Agriculture Michael O'Brien and the Deputy Opposition Leader Mitch Williams.

The Minister for Agriculture spoke briefly to the audience and made the statement that he believed there were only two industries that were badly affected by the Global Finance Crisis in South Australia. The two industries were the automotive industry and the dairy industry. For our industry to recover we need to repay the debits that were incurred during the past few years. Now is not the time for government to remove any support from our industry and I believe it needs to strengthen its support to help educate farmers manage the greater ups and downs that the industry has been experiencing in the last few years. The need has never been greater for farmers to have access to good advice through extension of industry and government programs.

In South Australia we have two extension officers that are funded jointly by industry through Dairy Australia & DairySA and the State Government. These two extension officers are part of the Victorian network of extension officers giving them a great link into a well resourced department with strength in dairy. This program has been a great win for us in South Australia. I would like to encourage farmers to use this service and encourage the Minister to continue his support of this project that delivers a very cost effective outcome to the South Australian industry and community.

The industry has certainly been through a very tough period and needs some support to get back on its feet. The season across Australia is starting to help with water levels in storage increasing closer towards the long term average for this time of year with storage levels near 50% of capacity in the Murray Darling Basin. Farmers need the extension of industry programs to take advantage of the opportunities that present us.

A message that I will be taking back to the Minister is how important these two extension officers are to our industry and how important it is that the government show its support by continuing to be involved in this very cost effective method of delivering the extension of programs for industry here in South Australia.



In partnership with



**Australian  
Dairy Farmers**

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As we are drafting this edition of the SADA Dairy Update there is only a few days to go to the Federal Election. This is shaping up to be a close election and all the major industry associations and the unions have been lobbying for the collective benefit of their members. This year the NFF, representing primary industry, had a very impressive Election Policy Platform. The dairy industry can be proud about our input into the final NFF document. So we had a good policy document that fairly represented the views of our rural industry. Then we promoted the Policies really well to the politicians and the wider community. Every day our industry leaders were out seeing people and in the media. There is a lot of talk about the farming sector losing "political clout" and this may be true so we need to work even harder during election time.

Some of the policies will be taken up but it will not be possible to give a final assessment of our success the representation has been until after the election. This election, the election promises and new spending announcements, appear to be continuing right up to the media blackout. This is another induction of how close the election may be. We can say at this stage that the Coalition commitment to Rural R&D appears to be better than that of Labour.

I would like to encourage members to put aside one hour to have one last look at the final NFF Election Policy (just search the web for NFF Election Policy) just to check we did include all of your key issues in the document. It is really important that we make absolutely sure your individual views are heard as all views need to be respected. Any feedback can be discussed at the coming regional meetings.

While the election has dominated the national attention there are three points worthy of mention;

- Many farmers have been filling out their taxation returns in recent times and it is a good time to remember some of the taxation concessions were won by your industry associations.
- The number of national reviews and parliamentary inquiries this year that our dairy industry has made submissions to has been significant and again please contact SADA to have input into the development of these submissions.
- Finally there have been concerns raised, in the media, about the potential need to be able to protect farmer's property rights. It is important to know that while individual farmers and industry associations have limited capacity to fund legal representations at the end of the day the NFF Fighting Fund is there if there was to be an issue. The importance of the Fund is mainly that it is a reminder to governments that farmer rights need to be respected. Many farmers consider the Fighting Fund like an insurance policy.

**Contact:** Ken Lyons 8293 2399

## REGIONAL MEETINGS & AGM's

We had the SE Regional AGM some time ago and the key speaker Tim Hunt from Rabobank provided a view as to milk pricing for the coming year and so far his views are tracking ok. But the international market is still very volatile as seen by how nervous the grain market is currently.

We know exactly where we are heading with the River and the Lakes AGM and this will be held as soon as we have the release by the MDB Authority of the Draft Guidelines. The ADIC Natural Resources Management Committee has been working on a dairy industry position in relation to the river system for several months and it will be most important to have a consistent dairy industry response. There will be some common agreed principles for the entire river system and we will also need to give attention to the specific regional and river catchment issues.

The Regional Meetings for the Fleurieu and the Barossa/ Hills will be announced shortly. There are some regional issues relating to the new Water Allocation Plans (Farm Dams, Fleurieu Swamps, Metering etc), concerns about land planning and local government rating issues, and calf pick-ups that can be discussed. One of the potential outcomes of the Senate Inquiry into Milk Prices was funding for training for leaders of our Dairy Collective Bargaining groups. The reason the dairy industry through ADF went down this "collective bargaining" track was to attempt to overcome the

imbalance of having a dairy local market of many individual producers negotiating with a few powerful buyers. So following the latest Inquiry the timing could be good to have another discussion about collective bargaining.

The SADA AGM and Board Meeting will be held on Tuesday September 14 and an agenda is included with this Update. See page 11.

*Contact: Ken Lyons 8293 2399*

## **ADF RESTRUCTURE**

The President has continued to speak to interested stakeholders on the ADF Restructure. Many updates on progress have been provided to Dairy Australia board, Tasmanian Dairy Farmers, New South Wales Dairyfarmers, ADHIS Board, Queensland Dairy Farmers Organisation state council as well as many producers who have enquired as to our progress. The matter will be further discussed at the ADF August Board meeting.

*Contact: Wes Judd 03 8621 4200*

## **ADF CEO**

Natalie Collard and Daniel Abernethy have been jointly appointed to manage Australian Dairy Farmers Limited for the next 6 months. As Acting Chief Executive Officer, Natalie will be the principle point of contact for ADF issues and oversee strategic and policy development while, as Acting CFO Daniel will cover governance, legal and finance requirements. The ADF Board has every confidence in the skills and judgement Natalie and Daniel have demonstrated in their years at ADF, and will seek to come to a permanent CEO arrangement following the review of the ADF structure.

*Contact: Wes Judd 03 8621 4200*

## **ADIC PRIORITY-SETTING PROCESS**

The ADIC recognises that the dairy industry has undergone significant change since the first farm priority setting process was undertaken in 2005. ADIC and DA agreed to embark on a process that would include all sectors of the supply chain and encompass regional input. The starting point for the process was a workshop convened in Melbourne on 9 April. The output from the workshop is a database of future industry scenarios which have been ranked in terms of impact and probability.

Workshop participants also generated a significant number of emergent themes. A meeting of the steering group was held on 13 July 2010. (Wes

Judd, Natalie Collard, Chris Phillips, Steve Coats, Jo Bills, Gorana Kosanovic, Ross Bawden and Bruce Mackenzie). Over 4 hours, the group ranked the emergent themes by time and resources and by impact on the industry. This will be developed into a document for circulation to dairy industry participants before the end of 2010. Current and next steps in the process are:

- The themes and priority rankings to be incorporated into RDP and SDFO existing regional strategies as well as the Dairy Moving Forward strategy;
- Develop a paper that summarises the outcomes of the Steering Group meeting of 13 July and circulate to the broader industry to provide an input for regional forums in 2010/11;
- A first stage report including a draft strategic agenda for the next 5 years to be completed and circulated to industry leaders. The workshop report will mark the commencement of the next phase of consultation.

*Contact: Natalie Collard 03 8621 4200*

## **WATER AND MURRAY DARLING BASIN (1)**

The Murray Darling Basin Plan and its imminent release continue to be our focus and we are making good progress to be in an informed position when it is released. This is important to be able to accurately judge the likely impact on the Dairy Industry across the basin and our teams are working to gather the relevant information to respond on the 16 week consultation process. A letter has been sent to producers and processors informing them of this.

*Contact: Wes Judd*

## **BOBBY CALF TIME OFF FEED (LAND TRANSPORT)**

David Basham and Wes Judd are half way through visiting all state Agriculture Ministers to give them background into the Dairy Industry's position and the offer for them to come back to us for follow up information if required. All meetings so far have been good. We will keep everyone updated on the RIS process to support the proposal and the likely date for its conclusion and a time frame to be presented to P.I.M.C

*Contact: Wes Judd 03 8621 4200*

## **MURRAY DARLING BASIN (2)**

ADF welcomed the recent announcement by the Murray Darling Basin Authority of a pre-release Guide before the Draft Basin Plan. It is expected the Guide will provide some indication on the sustainable diversion limits on the quantities of

water to be taken from the Basin. This early review process will give the dairy industry, agricultural irrigators and the community an opportunity to consider what is being proposed and provide feedback. The Guide's expected release will be early September, after the Federal election.

*Contact: Beverley Wallace 03 8621 4200*

## **DAIRY INDUSTRY RESPONSE TO MURRAY DARLING BASIN GUIDE AND DRAFT BASIN PLAN (3)**

The dairy industry has been working to ensure the industry is well placed to respond to the (yet to be released) Murray Darling Basin Guide and Draft Basin Plan. Comprehensive communication and response plans have been developed to enable consistent assessment and reporting of the impact reduced water entitlements will have across all affected dairy regions in the four Basin States.

The response strategy will ensure the industry is in the best possible position to respond on behalf of dairy farmers and processors across the Basin.

*Contact: Beverley Wallace 03 8621 4200*

## **FUNDING DAIRY RESEARCH AND EXTENSION**

As mentioned when commenting on the election one of the representation roles for our associations is to ensure there is funding for dairy RD&E and training, have a say in how best the funds can be used, and from time to time contribute to restructuring of the entire Rural R&D Framework. Recently there has been a major re-structuring of Dairy R&D with dairy R&D being centered in Victoria and extension services in place to ensure the value of the R&D gets out to all Australian dairy farmers. Also last week we have the opening of the exciting new Dairy Futures CRC also in Victoria. So currently SADA, ADF, DairySA and DA are closely monitoring these developments on your behalf.

*Contact: Ken Lyons 8293 2399*

## **ADIC SUBMISSION ON RURAL RDC FUNDING MODEL**

On 7 July, ADIC submitted a paper to the Productivity Commission in support of the Rural Research and Development funding model. Using Dairy Australia as a specific example of how the model works well for farmers, industry, government and the community, ADIC contended that the current RDC funding model:

- Delivers significant public benefits in both the short and longer term even though being

primarily directed at delivering benefits for the respective sponsoring industries,

- Should not be compared directly with other industries or taxation models given the extraordinary circumstances of agriculture, farming businesses, and its susceptibility to extrinsic factors such as drought and climate change. Agricultural research and R&D cannot be made subject to controlled environment experimentation that can be conducted in a laboratory,
- Does not preclude collaboration. For example the Australian Dairy industry collaborates extensively with the dairy industries of other countries, and
  - Delivers significant benefits directly and indirectly to the wider community even though each RDC is operating with a vested interest in advancing and promoting the productivity and profitability of the respective industry.

The submission is available at [www.pc.gov.au](http://www.pc.gov.au)

*Contact: Natalie Collard 03 8621 4200*

## **ADIC HEALTH & NUTRITION STRATEGIC ADVISORY GROUP**

The ADIC Health and Nutrition Strategic Advisory Group has held its second meeting in the offices of the Australian Food and Grocery Council in Canberra on 9 July 2010. Members of the SAG are Barry Irvin (Chair), Kate Carnell, Wes Judd and Chris Phillips.

The aim of the ADIC H&N SAG is to ensure the dairy industry is well positioned to address key issues that are threatening dairy consumption from a health and nutrition perspective.

The SAG identified two key areas for action:

- Influencing the regulatory or legislator's view of dairy. The dairy industry should be in a position to support the need to communicate the message that consumption of dairy as a whole is good for a healthy diet and avoid a debate about individual components of dairy. The perception among legislators that dairy is a replaceable component of a healthy diet needs to be addressed.
- Developing an industry position in the environmental debate. The dairy industry as an important agrifoods sector can work positively to communicate the message that as an industry we are contributing toward a more sustainable Australia. Competitors in the food industry and regulators, who are using this perceived exposure to promote alternatives to dairy need to be addressed directly.

The role of the Health and Nutrition SAG is to:

1. To act as an independent consultative forum to provide strategic industry, technical, and

regulatory input into the industry's health & nutrition work programs, in order to allow the Australian Dairy Industry to be best placed to proactively plan and manage health & nutrition issues affecting the dairy industry.

2. To provide ongoing feedback to Industry Investment Groups on the strategic direction and associated priorities of the health & nutrition work programs.

**Contact:** Natalie Collard 03 8621 4200

## ADF BOARD CONSIDERATION OF AH&W ISSUES

At the ADF Board meeting on 3- 4 August, the following AH&W matters will be considered:

- Adequacy of dairy industry funding for national animal health and welfare programs through Animal Health Australia into the future
- The scope of the Regulatory Impact Analysis on the Calf Time off Feed proposed standard for a 30 hour maximum.
- Standards harmonisation

**Contact:** Kevin Shiell & David Basham 0417 865 962

## ADF AH&W ADVISORY GROUP MEETING 8 & 9 JULY 2010

The ADF Animal Health and Welfare Advisory Group met on the 8 & 9 July 2010 at the Australian Animal Health Laboratory (AAHL) Geelong. The meeting provided an opportunity to meet with AAHL Management and to inspect the non-secure areas of the facility. Points highlighted in these presentations included:

- AAHL is the world leading secure animal laboratory
- Security and backup arrangements are included in all aspects of the laboratories operations and are based on minimizing any risks
- The role of AAHL in EAD diagnosis and response, including dealing with high throughput in an emergency situation
- The role of AAHL in research
- The increasing emphasis on "One Health" human and animal diseases
- A presentation was made by Wilna Vosloo Research Scientist and FMD expert, on the FMD Risk Management project. Her presentation highlighted:
  - The FMD risk - internationally
  - The need for each element of the project – for Australia's livestock industries
  - Project components
  - Testing vaccine efficacy
  - Field validation of point of care devices

- Molecular epidemiology of FMD in SE Asia
- Capacity building in Regional Reference Laboratory - Thailand
- Validation of DIVA assays

**Contact:** Kevin Shiell & David Basham 0417 865 962

## STANDARDS HARMONISATION BETWEEN JURISDICTIONS

The decision by the Tasmanian Minister to depart from the PIMC agreed approach on Sow Stalls raised industry concern at the commitment of some jurisdictions to achieving national harmonisation of animal welfare regulation.

The AHA Industry Forum has also registered this concern direct with the Chairman of PIMC (Federal Minister), and ADF organised a separate joint letter from cattle and sheep meat industries currently involved in developing Cattle and Sheep Standards and Guidelines – the ADF, CCA, SCA and ALFA. The letter sought the intervention of the Federal Minister to ensure the process wasn't derailed.

**Contact:** Kevin Shiell & David Basham 0417 865 962

## AAWS DIRECTION REVISITED

A Strategic Planning meeting of the Australian Animal Welfare Strategy (AAWS) was held in Sydney on 6 & 7 July 2010. The meeting included participants from government, animal welfare organisations and the six animal sectors:

- Livestock and production (including ADF and Dairy Australia)
- Aquatic Animal
- Animals in Research and training
- Companion animals
- Native, introduced and feral animals
- Recreation, entertainment and working animals

**Contact:** Kevin Shiell & David Basham 0417 865 962

## DFAT TRADE BRIEFING

On 20 July Natalie Collard attended the Trade Negotiation and Implementation briefing of peak bodies convened by the Department of Foreign Affairs and Trade in Canberra. DFAT provided status updates on progress through the WTO, regional and bilateral trade agreements of relevance to dairy. Dairy Australia has provided significant technical support to DFAT negotiators, ADF was pleased to see that this input has been an important factor in shaping Australia's negotiating position. Following the meeting, Natalie attended an agriculture-specific briefing convened by NFF with DFAT negotiators.

**Contact:** Natalie Collard 03 8621 4200

## UDDERLY FANTASTIC UPDATE

Are you a member yet? If not, it's time to join up and start celebrating this wonderful industry of ours with other people who are just as passionate about dairying as you are. Did you know that only people with a direct link to our industry are eligible to join? This is so Udderly Fantastic is a genuine online dairy family – a community of people who understand the joy that comes from working with animals we love and supporting the industry through our expertise (whether that be science, manufacturing, marketing, agronomy, policy, nutrition, education or a million other things!)

Dairy = Health Competition To provide some winter cheer and support National Healthy Bones Week (1-7 August) we have a fantastic Samsung ES15 digital camera to give away to the best dairy = health inspired photo. Upload the photo onto the Udderly Fantastic site before Friday 27 August for a chance to win.

**Contact:** Natalie Collard & Stacey Wellington 03 8621 4200

## ADHIS STAKEHOLDER MEETING

ADHIS recently held a Stakeholder meeting followed by facility tour at the Victorian Agri BioSciences Centre, Bundoora. Across dairy industry participants included members of ADF, the herd improvement industry, breed societies and State government departments. Meeting items discussed included; new extension initiatives, the recently established Dairy Futures CRC and the implementation of genomics.

On the tour participants visited the laboratories and learnt about the processes involved in DNA extraction and genotyping.

**Contact:** Adam Daniel 03 8621 4200

## ADF WELCOMES DAVID LOSBERG

David Losberg will commence on 2 August as Policy Manager for ADF. David comes to ADF with a background rich in stakeholder management and policy development.

Hailing originally from Alice Springs, David has worked in Canberra, Sydney and Melbourne. Previous roles include working as an Adviser to the Parliamentary Secretary for Health and Ageing (Senator the Hon. Grant Tambling), Government Relations Manager for Medibank Private and Policy Manager for the Department of Health and Ageing, where he developed the report *Healthy Horizons: A Framework for Improving the Health of Rural and Remote Australians*. David brings a strong mix of skills and a strong interest in progressing the interests of Australian dairy

farmers through strong policy and advocacy. David has been appointed for a term of six months.

**Contact:** Natalie Collard 03 8621 4200

## NFF CONGRESS

The National Farmers Federation (NFF) is the peak farm lobby group for Australian farmers, including dairy farmers as ADF is an active member. The NFF is following the success of its inaugural Congress last year, with an impressive program for 2010 - to be held on 5-7 September in Melbourne at the Grand Hyatt on Collins Street. The theme is *Responding and Adapting to Change*, with expert speakers discussing the changing face of farming and the challenges and opportunities ahead, while the gala Congress Dinner and 2010 NFF Innovation in Agriculture Awards will showcase the best of modern farming practices. ADF urges all members to consider attending all or part of the Congress. A social program is also available for those keen to capitalise on this outstanding networking opportunity. For more information please see: [www.congress.nff.org.au](http://www.congress.nff.org.au)

## NET WRAP

There has been in recent years a trend towards farmers using Net Wrap to cover their conserved fodder. Most people are having success with this new technology but last year the Association has had some reports of the protective covering failing. So without wishing to create unnecessary concerns SADA is suggesting that our members check to see that appropriate warranties are provided.

**Contact:** Ken Lyons 8293 2399

## SA DAIRY AWARDS GALA DINNER



The 2010 SA Dairy Awards Gala Dinner was another great success for the SA Dairy Industry and the DIAA, SADA and the Show Society would like to thank the following sponsors for their generous support.

Gold:	Parmalat	Dairy Australia
Silver:	Ecolab	National Foods
	Warrnambool Cheese & Butter	
Bronze:	Wesfarmers Insurance	Cleantec
General:	DSM Food Specialties	Shamrock Foods
	Moore Stephens	Murray Goulburn

National Partner: Chr-Hansen

Also a very big thank you to the suppliers of our cheeses, dairy desserts and drinks who include: Alexandrina Cheese Company, National Foods, Jindi Cheese, Woodside Cheese Wrights, B-d Farm Paris Creek, Gelista Gelati, Mini Melts, Parmalat and Moo Yoghurt.

## OUTSTANDING DAIRY SERVICE RECOGNISED

As well as the Dairy Awards several other awards were presented at the Gala Dinner and included the presentation of TAFESA Diploma of Agriculture (Level 5) certificates to David Basham, Michael Connor, Warren Jacobs and Nick Brokenshire, and TAFESA Certificate 4 in Agriculture (Level 4) certificates to Graham Rowe, Mathew Campbell, Tyron Hughes, Reece Donahardt and Trent Mueller.



L-R: Diploma recipients Michael Connor, Warren Jacobs and David Basham



L-R: Certificate Recipients Graham Rowe, Mathew Campbell, Reece Donahardt & Tyron Hughes

Steve Rice, Dairy Authority of SA, CEO was presented with the DIAA John Bryant Medal for outstanding service to the Dairy Industry. Steve has worked for the dairy industry since 1972 when he was employed by the Department of Agriculture, then SA Department of Primary

Industries until 1993 when he became the CEO of the Dairy Authority.



Steve Rice receiving his award from Chris Rolls Vice President of DIAA

He has been an active participant and contributor to various committees involved with dairy policy and regulations, codes of practice and dairy farm guidelines. He has also been a regular member of the judging panel for the Australian Grand Dairy Awards, SA Dairy Awards and Cheesefest Australasian Competition.

After more than 50 years of service to the dairy industry former Dairy Vale Manager Peter Thiele was recognised by being named the inaugural winner of the Brenton Higgins Memorial Award. This award has been created in honour of former Golden North owner Brenton Higgins who passed away last year after 30 years in the dairy industry and was presented by Mrs Barbara Higgins.



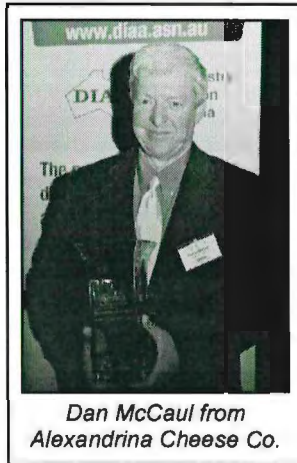
Peter Thiele receiving the Brenton Higgins Award from Mrs Barbara Higgins

Peter began his career in 1952 at Amscol in Mt Torrens. In 1962 he left Amscol to work on the land but his desire to become a cheesemaker was very strong so he rejoined the dairy industry some 18 months later and continued to work for Amscol

in various locations until 1979 when he took up a position at Dairy Vale in Clarence Gardens until his retirement in 2000. Since then Peter has been involved with DIAA as a member, State President and Australian President. He has also assisted with the judging of dairy products for various shows around the state and interstate on a couple of occasions.

We would like to congratulate both award winners for their great contribution to our industry.

Congratulations also to Alexandrina Cheese Company for Champion Farmhouse Cheese; National Foods for the Champion Cheddar Cheese of the Show; King Island Dairy for Champion Hard or Semi Hard Variety other than Cheddar and most Successful Exhibitor in all Cheese Classes, La Casa Del Formaggio for Champion Soft Cheese Variety, Moo Premium Yoghurt for Champion Yoghurt; Cocolat for Champion Ice Cream and Mini Melts Ice Cream for Best Innovative Dairy Product.



Dan McCaul from Alexandrina Cheese Co.

Well done to you all!

For a full list of Dairy Award results check out [www.theshow.com.au](http://www.theshow.com.au)

## ROYAL SHOW TICKETS AND BBQ

The Royal Adelaide Show Society have again generously offered free Show tickets to SADA Members. If you would like a couple of tickets please phone Jo on 8293 2399 or email [sada@sada.asn.au](mailto:sada@sada.asn.au) There are only adult tickets available and are limited to 2 adult tickets per family so get in quick!

The SADA Show BBQ for Members will be held this year on Wednesday 8 September from 6.30pm behind the dairy sheds. Again the BBQ will be generously co-sponsored by Wesfarmers Insurance.

## SA RURAL LEADERSHIP PROGRAM

26 - 29 October and 15 - 16 November 2010

The South Australian Government is continuing to foster leadership skills in regional communities.

Agriculture and Regional Development Minister Michael O'Brien has invited applications for the 2010 South Australian Rural Leadership Program (SARLP).

"This outstanding program provides assistance to those leaders already forging ahead in their industry, and to those who have the potential to become leaders of the future," Mr O'Brien said.

"The course provides training to develop the skills that leaders and aspiring leaders require to be successful."

Mr O'Brien said the program would be held in Adelaide during October and November.

"The aim of the program is to encourage potential leaders to seek an active role in the local community and agricultural industries," he said.

"The focus is on boosting skills such as strategic planning, negotiation, managing change and team building.

"Applications are encouraged from participants of all ages who are passionate about their industry and community."

Mr O'Brien said feedback from past participants suggested the program had given them better leadership skills and taught them a lot about themselves.

"It has provided them with increased confidence and motivation to step up and take a leading role in their communities," he said.

Twenty positions are available this year, with FarmReady assistance available for qualifying applications.

The Federal Labor Government's FarmReady program provides eligible participants with up to \$1500 per financial year to attend approved courses.

The workshops will be held at Tiffins on the Park in Adelaide from October 26-29 and November 15-16.

Applications close on September 24.

Email [meg.partridge@sa.gov.au](mailto:meg.partridge@sa.gov.au) for more information.



**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](mailto:sada@sada.asn.au)

19 August 2010

Dear Dairy Farmer

## Farmer Representation to the Board of DairySA

Two vacancies exist for the positions of farmer Director on the DairySA Regional Development Program Inc. Board from September 2010 to August 2011. Application forms for this position are available by contacting the South Australian Dairyfarmers' Association by phone on 08 8293 2399, by fax on 08 8293 8886 or by email to [sada@sada.asn.au](mailto:sada@sada.asn.au)

Expressions of interest will need to include relevant information regarding experience in the dairy industry, previous involvement, specific expertise regarding research and extension and any other interests that would enhance the overall structure of the Board.

These should be returned by 4.00pm on 24 September 2010 to:

**Mr Ken Lyons**

Chief Executive Officer  
South Australian Dairyfarmers' Assoc  
U5, Emerson Centre  
780-802 South Road  
GLANDORE SA 5037

**ALL ENQUIRIES WILL BE TREATED IN THE STRICTEST OF CONFIDENCE**

Regards,

Jo Gilbert  
for Verity Ingham  
Executive Officer

## Labor's Agriculture Policy falls short

"THERE will be no new investments or priorities for Australia's \$137 billion-a-year farm sector under a Gillard Government," is National Farmers' Federation (NFF) President David Crombie's assessment of the Government's Agricultural Policy released today.

"Today's media release from Agriculture Minister Tony Burke is not so much a policy as a summary statement with a rehash of announcements we've already seen in this election campaign. It is disappointing that this is all the vision the Government can muster for one of Australia's most important economic and environmental contributors. With all the Government's talk of a sustainable population over the course of the campaign, we are perplexed that Labor fails to link those concerns and aspirations with the imperative for a strong agricultural sector.

"Guaranteeing growth in food and fibre supply and developing regional communities to ease the strain on cities that are bursting at the seams must be a key part of dealing with population pressures. The NFF has enjoyed a strong working relationship with the Government on agricultural issues and we have made some good ground over the past three years in award modernization, taxation issues and drought reform.

"While we have acknowledged announcements in the course of this campaign from the Government on water reform, affordable regional housing, the relocation bonus and the development of a regional population and food strategy, on balance Labor's vision for, and commitment to, agriculture is lacking.

"Well before the start of this campaign, the NFF laid out a comprehensive *2010 Federal Election Policy Platform* encompassing proactive and nation-building initiatives to not only provide a strong framework for agriculture, but also meet key challenges facing Australia in relation to food security, environmental management and regional development.

"While both parties have met some of these objectives, the Coalition's Agriculture Policy injects an additional \$150 million for research and development, as well as new funding for biosecurity reform. The Coalition went further with new funding for on-farm environmental initiatives, \$300 million to boost on-farm water saving infrastructure and a stronger commitment to trade policy reform through comprehensive trade agreements – reaffirming agriculture as a central pillar in all negotiations and returning to a dedicated, stand-alone federal trade minister.

"Today's statement from the ALP is thin – not just in terms of new funding commitments but it comes up short on vision. A vision for the future doesn't cost a cent."

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## **Annual General Meeting**

Tuesday 14 September 2010  
SADA Board Room  
U5 780 South Road, Glandore  
at 9.30am – 10.40am

### **AGENDA**

1. Welcome
2. Apologies
3. Confirmation of previous AGM minutes – August 11 2009
4. General President's Report – David Basham
5. CEO's Report
6. Treasurer's Report – Michael Connor and Sonja Smith
7. Board Portfolio Reports
8. Region President's Reports
9. Appointment of Auditor
10. Election of Office Bearers
  - a. Election of General President
  - b. Election of Vice President
  - c. Election of Treasurer
  - d. Confirmation of Election of Board Members

## **SADA Board Meeting**

Tuesday 14 September 2010  
SADA Board Room  
11.00am  
following the Annual General Meeting

### **AGENDA**

1. Welcome
2. Apologies
3. Confirmation of previous Board minutes – May 18 2010
4. Business Arising
5. President's Report
6. CEO's Report
7. Appointment of Representatives to other Committees/Boards
  - a. SADA Representative on DairySA Board (1 Representative)
  - b. Exhibition Dairy Committee (2 Representatives)
  - c. Animal Health – Cattle Advisory Group (2 Representatives)
8. Other Business

**Notes on Agenda Items:**

Each Report to be a maximum of 5 minutes  
General Business items to be concise and only 2-3 minute

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WFI is a trading name of Wesfarmers General Insurance Limited ABN 24 000 036 279 AFSL 241461.

**Good people to know.**



# 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](mailto:sada@sada.asn.au)  
Ken Lyons – Editor

## 23 September 2010 PRESIDENT'S REPORT

*David Basham*

Last week two of the four SADA regions held their regional AGMs. We asked if Australian Dairy Farmers Ltd (ADF) could please attend and present on their activities. Both the President Wes Judd and the acting CEO were able to attend. They outlined the vision and purposes of ADF.

### **ADF Vision**

- An internationally competitive, innovative and sustainable Australian dairy industry.

### **ADF Mission / Purpose**

- To provide strong leadership and representation for the continued growth of internationally competitive, innovative and sustainable dairy farm businesses.

### **Who ADF is**

- ADF is the national voice of Australian dairy farmers.
- ADF is constituted from the 6 state dairy farmer organisations.

### **Why ADF is**

- Our rationale is to act where collective initiatives will lead to better outcomes for individual dairy farmers and/or State Dairy Farmer Organisations.
- ADF strive to improve the long-term social and economic well being of dairy farmers.

These statements may just seem like words but in my time involved with ADF it certainly operates with these thoughts in front of mind.

They also discussed in detail issues around water and the Senate inquiry into milk price. The issues of water are certainly focused on the Murray Darling Basin (MDB) at the moment with the guide to the plan being released in a few weeks time. The cuts that may occur across the basin will not only effect those farmers directly that are cut but will have flow on effect across the country with changes in viability of factories processing the milk and economies of scale for those supply dairy farmers with consumable goods. The influence of the plan does not stop there, the MDB plan will be the blue print for water plans across the nation in all basins going forward. It is so important that the dairy industry speaks as one voice on this issue to achieve a better Basin for all including our dairy farmers.

The Senate inquiry into milk pricing was also discussed including the actions that ADF has taken to progress the recommendations. ADF has acted on several of the recommendations, including the strengthening of the collective bargaining groups through training in negotiation. If you would like a copy of these actions please contact the office and a copy of the presentation can be sent to you.



In partnership with



*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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So what are the implications for Rural Australia following the federal election? Early on in the election campaign it was difficult to get agriculture onto the political radar. As the election date neared all sides of politics began to chase votes including the rural vote. Then with the rural independents deciding which side would govern some significant funding was won for Rural Australia. Interestingly; if you go back to the maiden speech given by Tony Windsor when he entered the parliament, he referred to the bush having around 30% of the vote but most of those are in safe seats and the danger is that you can be "taken for granted". The way this extra funding is being explained by the Prime Minister and her deputy, Wayne Swan, is that regional Australia had been missing out and now they are getting their "fair share".

David Crombie the NFF President was the guest speaker at the Royal Adelaide Show Luncheon held on Friday 10 September. His view is that we need to meet with the Prime Minister, Julia Gillard as soon as possible to get a "clear" definition of "regional" and determine where the big extra funding (\$10 billion) she announced last week will really be targeted.

This is going to be an interesting time to see how the government will operate in the near future and then if they are still there by mid next year how the Greens will use their new power in the Senate. There are some real "opportunities" and "threats" for rural communities and rural industries so it is a great time to have an effective industry lobby to represent your interests. SADA will certainly assist the lobby effort through our political "contacts" but the main roles for SADA will also include passing on the concerns and issues of our members and keeping the membership informed at to what is happening at all levels.

## FOOD SECURITY IS A NATIONALLY IMPORTANT ISSUE

This was the topic of the presentation given by Senator Nick Xenophon to the SA Rural Media Breakfast on Thursday 9 September.

Fortunately; Nick, while recognising rural Australia

will be better served with new infrastructure funding is well aware that we in SA have to be really active to ensure that SA is kept on the national "radar". For instance, he mentioned that there are promises of significant funding for irrigators in the other states to upgrade their irrigation infrastructure and when they do so they can keep 50% of the saved water. He feels sorry for our SA irrigators who he believes spent their own money to get their irrigation infrastructure efficient and will not be part of the new funding scheme.

Senator Xenophon is concerned about foreign buyers looking to purchase our land and water assets without some oversight. This is not surprising given the predicted trouble the world will have in feeding the growing population. What is different about Australia to other countries is that it can happen (buying our farms) currently without government oversight. Even in NZ you cannot purchase more than 5 hectares without the government assessing the situation. We know that foreign investment in our agriculture over the years has delivered great benefits to our country industries but given the growing importance of food security and the new potential for wealth creation (food) we are now becoming aware that this is an area where we need to keep "our eye on the ball".

He is concerned about the market power of the two major supermarkets in Australia. He has the view that both Coles and Woolworths have too much market power and he intends to call on the ACCC to actively monitor the situation.

After his presentation he invited the dairy people present to see him afterwards which we were more than happy to do. The SADA people there were Andrew Koch, Gary Zweck and myself (Ken) and we were impressed with his understanding of rural issues.

Contact: Ken Lyons 8293 2399

## ADIC PREPARING FOR THE BASIN PLAN WORKSHOP

The ADIC is working to ensure the dairy industry is well placed to respond to the Murray Darling Basin Authority Guide and Draft Basin Plan. A key element of the industry response includes the involvement and input from irrigation dairy farmers from across the dairy regions in the Basin States of Qld, NSW, Vic and SA. Nominated dairy farmers from the States have been invited to participate and provide regional updates at this week's 'Preparing for the Basin Plan' workshop. The purpose of the workshop is to ensure the State teams are aware of the objectives of the

dairy response strategy and to identify and discuss priority issues.

Contact: Beverley Wallace 03 8621 4200

## REGIONAL WATER PLANS COMING TO FRUITION

The big news this winter is that the La Nina event is bringing plenty of rain to our catchments. Some places are experiencing flooding and our farm families along the river and lakes here in SA are beginning to regain a confidence that there is a good future for dairying in the region.

In the meantime we are about to move into a period of serious "consultation" in relation to:

- The MDB Plan (Guidelines to be released in October),
- Draft WAP for the Western Mt Lofty Ranges (expected to be released in mid October),
- Draft SE WAP getting close to resolving key issues with the formation of a new industry working group (dairy representative is Graeme Hamilton) before that draft plan can be released,
- And finally we need to review the water allocations in parts of the Barossa/ Hills.

So the SADA simply needs to keep to the task of working on behalf of the dairy farmers across all the regions until we have these important water plans finalised.

The date of the SADA River and Lakes AGM will be locked in as soon as we are confident that the guidelines for the MDB Plan are out and we have a document to consider. We are doing a lot of work in preparation for the release of the Plan. One of the keys will be to be able to cut to the chase with the key points and implications for our members soon after the release of the Plan. On Friday 3 September a delegation from SA (David Basham, Clem Mason, James Stacey, Lee McKenzie, Dr Bob O'Brien the MD of Percat Water and Ken Lyons) participated in a workshop in Melbourne on the MDB Plan.

On Thursday 16 September David Basham and Ken Lyons met with Don Peglar in Parliament House to discuss the SE WAP and Wind Farms. Later in the morning we met with Michael Pengilly to discuss the Western Mt Lofty Draft WAP. An outcome from the Fleurieu Regional Meeting was that David Basham will seek assistance from Dairy Australia for some economic information relating to the Western Mt Lofty Plan.

SADA will be discussing water and other issues with our members on the Murray Swamps on Monday 20 September and the SE for the

remainder of that week including a dinner with the Board of WCB on 23 September.

Contact: Ken Lyons 8293 2399

## STATE BUDGET

One of the most disappointing outcomes of the State Budget (16<sup>th</sup> September) was the cuts to rural research. This should be a matter of great concern to all South Australians as it represents a lost opportunity to grow wealth and prosperity. Remember these lost SA government research dollars were able to leverage many more multiples of dollars from industry and federal funding. Then the investment returns (community benefits) from rural research is exceptional and well documented. This is an area that both SADA and SAFF did our best but obviously we need to do more and engage the public.

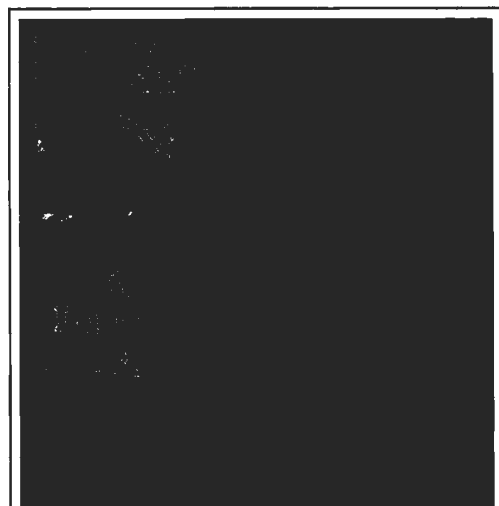
Contact: Ken Lyons 8293 2399

## ACKNOWLEDGEMENT

We would like to acknowledge Alisha Fogden from the Stock Journal and Irina Fainberg from Australian Dairy Foods Magazine for the photographs that were taken at the SA Dairy Awards Gala Dinner on 10 August and published in last month's edition of the Dairy Update from SADA. Thank you both very much.

## ROYAL SHOW

Thanks to everyone including our dairy sponsors in Dairy Australia, Wesfarmers Insurance, National Foods, Parmalat, and SADA for promoting our dairy industry at the show.



L-R: Jo Gilbert and Sonja Smith from SADA at the Show BBQ

As far as the Show BBQ is concerned I would especially like to thank Wesfarmers for their sponsorship, Parmalat for supplying the flavoured

milk, Lee McKenzie for the meat and Chris Gilbert and Adrian Shirley our very able chefs for the night.

I was pleased to have the opportunity to have dinner with the Show Board on Monday 6 September and hear first hand of the re-zoning of the Showgrounds to enable a new building program.

## SADA AGM AND BOARD MEETING

David Basham was re-elected SADA President at the SADA AGM held on Tuesday 14 September. James Stacey was elected as Vice-President and Lyndon Cleggett as the Treasurer.

The Board has adopted the strategy of having phone meetings between the four Board meetings per year in order to monitor work loads and priorities as the last couple of years have been especially demanding for SADA. Like so many businesses the challenge is to do more with less.

## ADF BOARD MEETING

The ADF Board meeting was held on 3-4 August. Key issues discussed were the ADF restructure and progress on animal health and welfare activities, the Senate Inquiry into Milk Price and Water policy. The Federal Election and our policy platform also merited significant discussion.

Contact: Natalie Collard 03 8621 4200

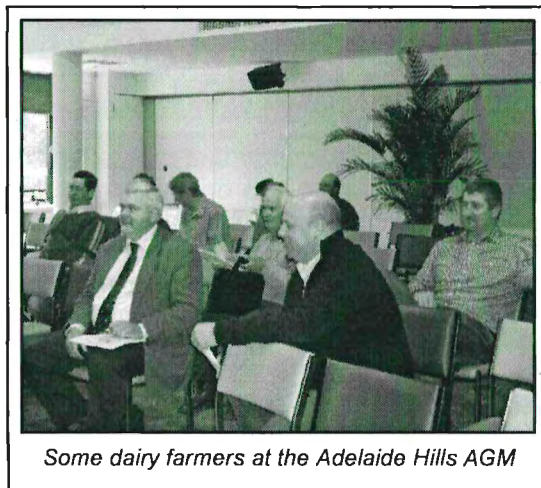
## REGIONAL MEETINGS



*Wes Judd and Natalie Collard from ADF at the Adelaide Hills AGM*

The Adelaide Hills AGM was held on the morning of 15 September and Derris Koch was thanked for his time as Regional President. The positions of Regional President and the second SADA Board member from the region were

discussed and the decision on these positions will be made in the future.



*Some dairy farmers at the Adelaide Hills AGM*

The Fleurieu AGM was held on evening of 15 September and Lee McKenzie was re-elected both as Regional President and to the SADA Board.

The ADF President, Wes Judd, and ADF Acting CEO, Natalie Collard, were the guest speakers at both the regional AGM's.

## ANIMAL HEALTH & WELFARE DAIRY INDUSTRY LEVY

The ADF Board is encouraging industry support for an increase in dairy industry levy funding to Animal Health Australia (AHA). The proposed increase would be the first rate change since 2003, and the levy would go from the equivalent of 0.0044 cents per litre to 0.0070 cents per litre. This would mean that the average Australian dairy farm contribution to national Animal Health and Welfare Programs would increase to about \$80 per year.

AHA Programs supported by the dairy animal health levy include Core Programs covering:

- Disease Surveillance
- Emergency Animal Disease Preparedness
- Livestock Health
- Biosecurity
- Livestock welfare
- Training
- Communications
- AHA Corporate activities

These Core Programs are supported by all industries, the Commonwealth, State and Territory Governments.

As well, the dairy industry contributes to selected AHA Special Program activities including the development of uniform national Cattle Welfare Standards and Guidelines in association with other

relevant industries, State, Territory and Commonwealth governments.

ADF President Wes Judd said that since the AHA dairy levy was last adjusted in 2003 there have been a number of programs introduced to address industry animal health and welfare concerns, including the boosting of Australia's preparedness for an outbreak of Foot and Mouth disease.

Contact: David Basham 0417 865 962  
or Kevin Shiell 03 8621 4200



## UDDERLY FANTASTIC UPDATE

Wow! What a big month for Udderly Fantastic members. We've run a competition on healthy bones – winner to be announced shortly!!! We've also seen the power of social media in connecting people with answers. First year Melbourne University Veterinary Science student, Colin Foo, used a Forum message to appeal for help from dairy farmers to assist his research into the labour inputs on dairy farms in Australia. Colin asked about contract labour, staff numbers and seasonal requirements. After over eight lengthy responses from our Udderly Fantastic members, Colin posted this message, "Hi everyone, thank you for all the input. The wealth of information given to me on this forum is way better than what I have been able to find with government websites or books."

The power of the "Udderly" forum as a resource for our people and to discuss important issues as well as fun ones is growing every day. Incredibly, we now have 674 members on the site, 1474 photos posted by members and 105 blogs discussing industry issues. Whether you have a burning issue to share or simply want to read and comment on other people's issues, Udderly is the place to be. Go to [www.udderlyfantastic.com.au](http://www.udderlyfantastic.com.au) to register.

Contacts: Natalie Collard, David Losberg or Stacey Wellington 03 8621 4200

## DAIRY FUTURES CRC LAUNCH

The Dairy Futures Cooperative Research Centre (CRC) held its official opening launch at the Victorian AgriBioscience Centre, La Trobe University Bundoora on Monday 9 August. ADF President Wes Judd used the opportunity to gain valuable insights into the latest achievements and early success stories relating to dairy research programs already underway. The CRC is on track to deliver benefits of \$320 million through world-class bioscience research. Speakers included Mr

Joe Helper, Victorian Minister for Agriculture & Small Business, Mike Ginnivan, Chairman of the Dairy Futures CRC and Max Roberts, Chairman of Dairy Australia. The Dairy Futures CRC is a valuable partnership of 16 industry, education, government and research organisations. Early successes in both the designer forages and animal improvement programs have confirmed that the science agenda is on track and that new opportunities to deliver benefits to farmers will be created.

Contact: Wes Judd 03 8621 4200

## HELP GET DAIRY FARMS GET FUTURE READY!



Is your farm prepared to meet the environmental challenges that you may face in the future? Would you like to know how changes to farm systems have enabled others to improve their farm business and manage climatic change locally or interstate? Then participation in the "Future Ready, Dairy Systems" project may help.

**Future Ready, Dairy Systems** is a Dairy Australia & DAFF national project. It will examine adaptation strategies and technologies that have been used by farmers to:

- manage increased climate variability,
- reduce farm carbon emissions and;
- maintain or increase profitability.

The project is run through DairySA and with local project coordinator Monique White. The project aims to help farmers manage climate extremes and help prepare for potential Government emissions policy.

Monique explained, "By examining farm practices that have been tried over the past few years, we will identify successful strategies to manage the climatic extremes and share these across the state and nationally". The project will also identify aspects of farm changes that reduce carbon emissions to help industry prepare for reduced emissions, if this is required by government policy".

Nationally the project will examine 15 demonstration sites with two planned for South Australia.

Monique said "Sites for SA will be picked by an industry reference group to ensure they are relevant and industry-driven."

Ideal demonstration sites would be one farm or a cluster of nearby farms that have already taken steps to mitigate and/or adapt to climate change. Monique explained "Changes we investigate could include anything from establishment of mechanisms to reduce heat stress to cows (shade, shelter, sprinklers etc), to changes to the farm system to maximise pasture growth and herd utilisation (calving pattern, grazing strategies), changed irrigation strategies, or pathways to reduce energy use on farm or produce own energy".

Selection of sites and issues to be examined will be the first job for the local project reference group.

**Future Ready Dairy Systems** is now looking for farmers and other industry representatives to participate in the set up of the project. Suggestions for sites and issues to be considered are required along with people willing to be members of a reference group that will guide the project. So if you have a question, know of a farm that has made changes that could be considered or would like to be on the reference group contact Monique on 0400 972 206 or [monique2@internode.on.net](mailto:monique2@internode.on.net)

This project provides an excellent opportunity to answer your questions about future dairy systems, please take the time to tell us what you want to know so that we can make the project work for South Australian dairy farmers.



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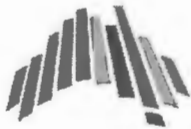
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# Inside Briefs



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**Date: 16 September 2010**

## **FOUR ON THE TROT! NFF'S GOLD RUSH CONTINUES**

LAST Friday night the NFF won the Gold Award under the Public Relations Institute of Australia's 2010 ACT 'State Awards for Excellence' in the category of Special Event for its '1<sup>st</sup> National Congress' campaign in 2009, incorporating the NFF's inaugural Innovation in Agriculture Awards.

This Award continues the NFF's run of success, having won Gold Awards in 2007, 2008 and 2009 in the Public Affairs category, along with a Highly Commended (second place) in the Community Relations category in 2007.

These campaigns netted the NFF a Highly Commended and Commend (third) at PRIA's national Golden Target Awards in 2007 and 2008. The NFF is a finalist in the 2010 Golden Target Awards to be announced on 25 October.

## **BHP BILLITON & CARBON PRICE**

TODAY the NFF responded to a media call by BHP Billiton for a price to be placed on carbon sooner rather than later. We reject this proposition given the trade exposed nature of our farm sector. For a rundown visit: <http://www.nff.org.au/read/2487379675.html>.

## **NEW CABINET**

WITH Federal Cabinet sworn in this week, the NFF has made contact with new Ministers and their staff. Key portfolios include Agriculture, with David Crombie speaking to new Minister Joe Ludwig to congratulate him and set up discussions on our priorities (namely research and development, biosecurity and drought reform). Tony Burke in Environment and Water, Simon Crean in the Regional Development portfolio and Craig Emerson in Trade are also a focus.

## **BASIN PLAN LOOMS**

THE NFF has ensured the Government knows our priorities ahead of the Murray-Darling Basin Plan discussion paper due on 8 October.

This week we met with the new Water Minister Tony Burke, and the Secretary of the Prime Minister's Department Terry Moran, to outline our expectation of genuine consultation and a full examination of the impact on irrigators and regional communities. All-in-all we expect a balanced Basin Plan, but this issue will heat up over coming weeks.

## **CROMBIE ON THE ROAD**

NFF President David Crombie has been out and about his week canvassing key issues for agriculture and government at the Adelaide Show. He will be speaking in Rockhampton at the AgForce Queensland conference and is then on to Alice Springs at part of the Australian Rural Leadership initiative. David is hearing first-hand from members about their issues and concerns, not to mention seeing the water now flowing through the system. A short note that things are not so good in WA so we are thinking of WA Farmers and our friends in the West as they go through a tough time.

## **GREEN TRADE TWIST**

MEDIA reports suggest the Greens are pursuing trade agreement inclusions on the observance of human rights, workers' rights and environmental standards. The NFF is keen to ensure Australia's bilateral and regional trade agreements keep to trade matters only.

While these issues are of global significance, they are better addressed in relevant forums. For example, the United Nations Framework Convention on Climate Change is the appropriate forum to address climate strategies.

The Greens are suggesting that FTA's favour the bigger partner, asserting that the US is \$12 billion better off than Australia from the agreement. While Australia's bilateral and regional trade agreements are far from perfect, we are unapologetic for having ambitious expectations on what Australia should expect from trade negotiations.

For many agricultural commodities commercial opportunities for trade have improved as a result of existing bilateral and regional trade agreements. Market

conditions must still be favourable (e.g. exchange rates and demand and supply factors) to realise these opportunities, but the reality is that many tariffs have been lowered and quotas have increased.

Since the US FTA was ratified the Australian dollar has significantly appreciated against the US currency, making trading terms less favourable. In the last three years, Australian exports to the US have been 18% dearer compared to the three years prior to the FTA being completed – based entirely on the appreciation of the dollar.

Further, drought conditions have limited Australian supply. Despite these factors, the value of Australian exports to the US now comprises 10% of our total agricultural exports. There are significant gains for Australian farmers from concluding comprehensive FTAs with major trading partners such as Korea, Japan and China.

Some of Australia's key global agricultural competitors already have preferential trade agreements with these markets, which collectively comprise 31% of Australia's agricultural exports.

## **HEAVY VEHICLE PRICING**

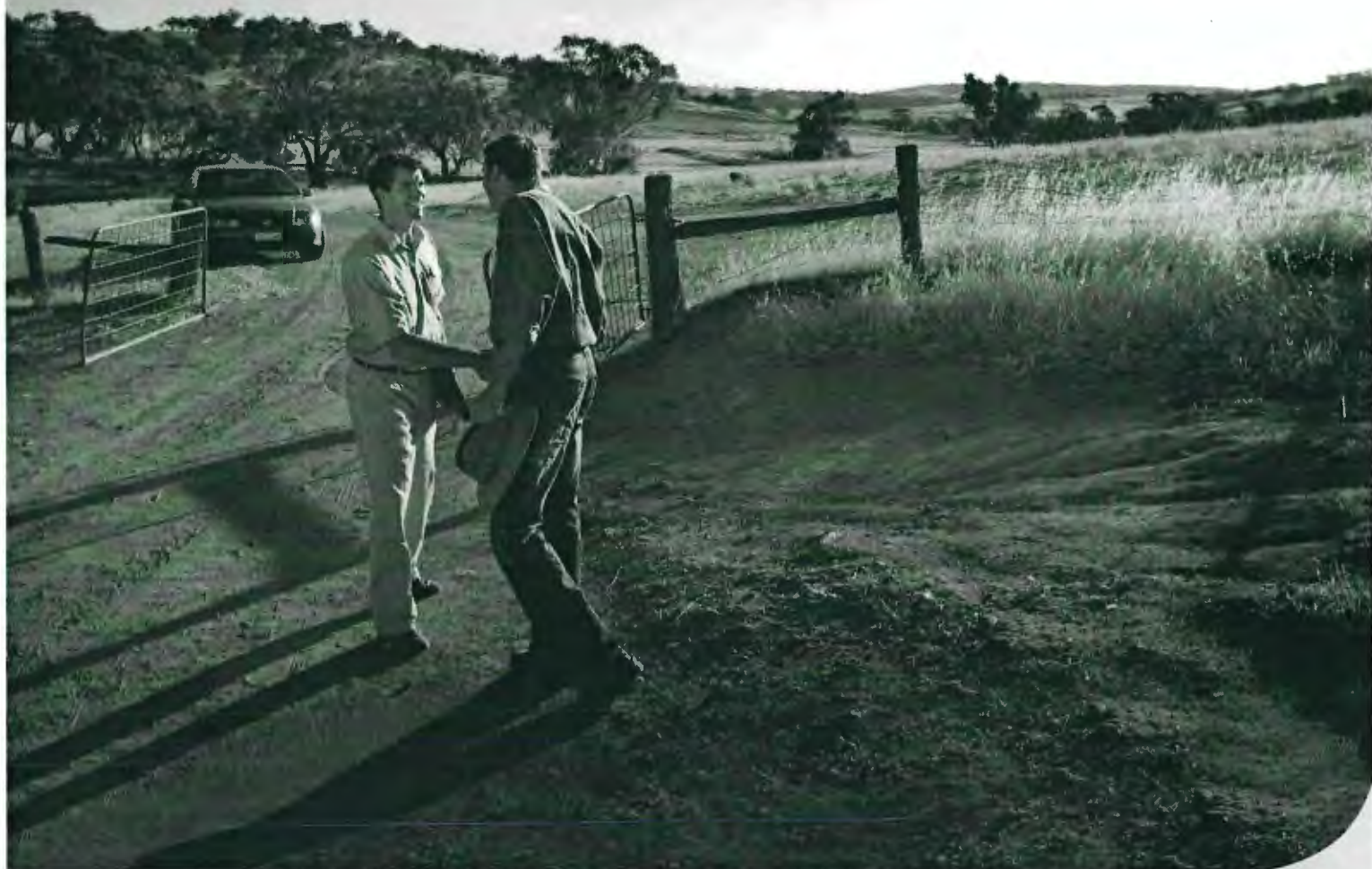
A ROAD Reform plan, undertaken by COAG, will review heavy vehicle pricing options.

The paper issued by government examines pricing heavy vehicle use, outlining options ranging from the *status quo* to mass-distance-location charging.

The NFF is concerned that mass-distance-location has the potential to significantly increase charges for lightly used rural and arterial roads, and that the pattern of vehicle use on these roads may also be significantly altered. As it stands, the government paper lacks specific information on the implications of the different pricing options.

The NFF also noted concerns as to how a pricing scheme would treat local roads, and that the scheme needs to consider the community service obligation in providing and maintaining access to local roads.

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Good people to know.



# DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association  
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Ken Lyons – Editor

## 12 October 2010 PRESIDENT'S REPORT

*David Basham*

Last Friday the guide to the Murray Darling Basin Plan was released and attached to this Update is the National Farmers' Federation's first take on the issues concerning farmers in the Basin. It has been reported that Dairy along with rice & cotton farmers have been the hardest hit. On my first assessment I believe there are some holes in the assumptions, the most obvious is the predication of only a loss of 800 jobs across the basin with the removal of approximately a third of the irrigation water available. Here in South Australia this maybe the issue that causes one of the Factories or both along the river to close.

Australian Dairy Farmers' along with the Dairy Processors are also in the process of assessing the guide to the plan. As part of that response each state is looking at the guide, the dairy response from a South Australian perspective is being evaluated by Bob O'Brien from Percat Water on our behalf, funded by Dairy Australia. The dairy industry has put a lot of effort into this response and has been well organised with the aim of delivering a Better Basin for dairy farmers and all other users of water including the environment. It is going to take a period of time to evaluate the detail of the plan guide to see how it is going to affect our dairy farmers on the Murray and in the Eastern Mt Lofty Ranges. As details become available SADA will get them out to those affected ASAP. The Murray Darling Basin Authority has organised public meetings across the Basin. The two that are most relevant to our Dairy farmers are going to be held at the following venues

**Adelaide:** 25 October at 2.00pm – 5.00pm at the National Wine Centre,  
Cnr Botanic and Hackney Roads and

**Murray Bridge:** 26 October at 10.00am – 1.00pm at the Murray Bridge Town Hall,  
13 – 17 Bridge Street.

Please RSVP to 1800 230 067 (free call) as venues are limited in size.

Another issue of concern our River Murray farmers are facing at the moment is the potential for a collapse of the river bank. The low water levels over the last few years has weakened and damaged the banks, as the water returns to normal levels the banks are leaking and may fail. Last week I wrote to the Minister Paul Caica to ask the government to outline their response to a bank failure.

I would encourage all dairy farmers, not just irrigators, in the basin to attend one of the meetings to hear how this plan will affect you. As farmers we can make a difference as long as we act together, the water issue is a clear case where the individual farmer would not have a hope in influencing government but together I believe that we will be able to achieve the industries aim to deliver a Better Basin for all.



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**Australian  
Dairy Farmers**

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Dairy farms are alive with the sounds of silage and hay making. Most of the state is enjoying a good season and people are just hoping that we will get a string of wetter years.

## SEASON

In a recent report on the weather the better rainfall this year is associated with the breakdown of the previous El Nino and the development of a moderate to strong La Nina event (wetter). But while many southern areas of Australia have experienced well above average rainfall this year we really need several wet seasons to restore the moisture levels. The end of September 2010 marks 14 years since the start of the "meteorological drought" (dry periods, less autumn and winter rainfall in most years and an absence of very wet periods). The crops are looking good and most dairy farmers will be far less reliant on brought in fodder. With grain purchases farmers are trying to spread the risks associated with the uncertainty of grain prices going forward.

As the season progresses processors are expected to announce 'step-ups' that will provide much needed cash flow. While the international markets are strengthening unfortunately so is the \$A so this is taking the edge off the market achieving a final year end price at the upper end of the estimations.

## MURRAY DARLING BASIN GUIDELINES

This is a really busy time of the year for our dairy members and the worst time to be calling a meeting. But this year for our members in the River and Lakes region we are arranging a very important meeting to discuss the key issues facing this region including the MDB Plan Guidelines that require an industry response. The meeting will be held around mid November. It will be the opportunity for members to be fully informed on the plan for the management of the MDB, we plan to have a "panel" of people that can provide advice and discuss the options, and it will be an

opportunity for members to provide "feedback" so we can draft a credible formal response to the Draft.

As we have mentioned in previous Updates we have been looking at the implications for our dairy regions through the ADIC NRM Committee and we are planning to have a teleconference soon after the release of the Guidelines on the afternoon of the 8 October. One way members can begin the process of assessing the issues is to look at the report, "Understanding the Basin Plan" that is included with this Update.

The key dairy messages are:

- The dairy industry is here for the long-term;
- We are working for a better basin;
- Aiming to achieve the best possible outcomes for dairy farmers, industry and the community;
- Working actively with government and negotiating for the best solutions.

There is a lot at stake for all the shareholders; farmers, environmental groups and communities to work with the MDBA to get a final Plan that we can all have confidence in. Eventually a political decision will be made by the federal Minister and we expect the government will make its intention known. But "politics" in Canberra today and in relation to the Senate next year is an interesting place.

In recent days the importance of the Parliament has not been lost on Minister Burke who said, "The basin plan is a disallowable instrument and it is important that it has the confidence of the Parliament for it to become legally effective". So the government may have to make changes to get the support of Tony Windsor.

Contact: Ken Lyons 8293 2399

## MURRAY DAIRY LARGE SUPPLIER MEETING – WATER

ADF President, Wes Judd, spoke about the development of national water principles for the dairy industry at a large supplier meeting held in Moama on 31 September 2010. Mr Judd noted that considerable consultation was undertaken to ensure these principles outline the dairy industry position on:

- Security of water entitlements
- Transparent and efficient water markets
- Consistent and balanced water policies and strategies
- Consistent rules for allocating irrigation and environmental water
- Fair compensation
- Government investment in infrastructure to maximise water use efficiency

Mr Judd said that the dairy industry seeks a Better Basin. We will contribute our fair share towards achieving this, but dairy cannot carry the burden alone. ADF, through the Australian Dairy Industry Council (ADIC – ADF & Australian Dairy Products Federation) will continue to negotiate with the Federal Government on the Basin Plan and to seek their recognition of the water efficiency work that has been achieved to date. Through consultation with Government over the past twelve months, we believe Cabinet is aware of dairy industry water principles and we are seeking further dialogue with all Government, opposition and independents following the release of the MDBA Guide.

Contact: Wes Judd 03 8621 4200

## **PROTECTING THE DAIRY RIVER SWAMPS AND LAKES IN SA**

The debate has gone on for over several years as to how to best manage the river swamps and our dairies on the Lakes during the current crisis. A decade of drought induced low flows and high salinity. Water levels in the lower reaches of the MDB have been so low that many of our members simply could not access any water.

SADA has been both “critical” of the State and Commonwealth Governments on several issues (such as cutting our dairy ELMA water while giving the permanent plantings extra water, and moving too slowly to protect the “hot spots” in the main levee, and failing to treat SA irrigators fairly when it came to accessing irrigation infrastructure funding) and “welcoming” the government co-operation and assistance on other matters (water pipelines, drought assistance, support for the committee chaired by ex-Premier Dean Brown, regular and accurate briefings on the water levels and predictions, and generous access to Ministers and agency people). Now is a critical time in that this region can either; recover and return to being one of the best regions for dairy farming, or it can withdraw from the region making it even harder for those who decide to stay.

So what are most dairy farmers in the regions saying? The key messages I am hearing, but to be confirmed at our coming meeting are;

- To do all that can be practically done to protect the 100 plus kilometres of the main levee bank as the water in the river continues to rise.
- To support the key objective of the MDB Plan to restore the river to health by having sound national management of the river system. But dairy farm families are saying we cannot take it for granted that the first draft and the guidelines will meet our needs.
- Working through the compensation issues.

- As well as sorting out the technical issues of caring for both the environment and the irrigators there is the “political” task of getting a final Plan through the Parliament.
- For those electing to stay and for the potential new investors in dairy in the region the members are saying we need to have a united and productive partnership with the government agencies as we move through the period of “temporary diversion provisions”. The model we used for the introduction of the volumetric conversion project in the SE would be fantastic if we could get the same united commitment and enthusiasm. The challenge is to get a smooth transition from existing caps to new caps in a gradual phasing in over five years.

Contact: Ken Lyons 8293 2399

## **WESTERN MT LOFTY WAP**

The draft Plan for the Western Mt Lofty WAP is expected to be released for discussion on 13 October. So this will be another regional water plan that SADA will be responding to on behalf of our members. There is likely to be information sessions on the proposed Plan and we will keep the membership informed.

## **VISIT TO THE SOUTH EAST....THANKS FOR THE FAITH**

Following a recent visit to the SE and discussions with Graeme Hamilton, Chair of the SADA SE Water Committee, the good news is that negotiations surrounding both the inclusion of plantation forestry and the operation of the Border Zone Agreement are progressing to our satisfaction. This is a clear example of where the action of the Association, together with an effective regional committee, supported by a strong membership base (for political clout and funding) is moving to get a “fair” outcome for the irrigators. Failure on these water issues was just as threatening to the prosperity of our dairy industry today in the South East as was the threat from BJD quarantine ten years ago. Now this region (SE of South Australia) is developing the confidence to manage major issues.

There are some final technical issues that need to be addressed and we are working with Dairy Australia to address these.

Two things are important when working through really important multimillion dollar issues that determine the success of an industry in a region and they are really good credibility with the key Ministers and agency people and a very strong and united membership. During the last year SADA made three trips to the SE to sign on new

members. Thanks especially to Charles Wallace who provided the "endorsement" (stood tall for SADA) that provided the opportunity. Thank you to all those new members, who even through the most difficult of times financially, gave us your support. We have not let you down.

Thanks to David Stacey who has made a donation of time that will leave a significant financial legacy. The extra twenty memberships over 10 years is close to an extra quarter of a million dollars coming into the SADA Account. Over the past 10 years SADA has had 5 profit years and 5 loss years. When the industry is in difficulty we dig into reserves (because there is more to do that needs funding) and in the better years we replenish the reserves.....not unlike farming.

## **ADIC PRIORITY-SETTING PROCESS**

The ADIC priority-setting process is co-managed by ADF and DA and aims to develop a strategy that will address the challenges facing the dairy industry over the next 5 to 7 years and help ensure that all sectors of the industry are pursuing similar goals and priorities.

Following two workshops earlier in the year, with representatives from around Australia and across all sectors of the industry, there will now be a round of meetings and online consultations aimed specifically at regionally based stakeholders.

The workshops and website will be open to all people across the industry, including SDFO's and RDP's, to have further input into the challenges facing the dairy industry and give them the opportunity to ensure their issues are represented in the ADIC priorities. The final result will be an identification of the major influencers, challenges and priorities for the dairy industry in the next five to seven years.

Information on the website and regional meetings will be circulated in the next ADF Update and letters will be sent to all participants of the original workshops to update them on progress.

**Contact:** David Losberg 03 8621 4200

## **PRODUCTIVITY COMMISSION DRAFT REPORT ON RURAL R & D CORPORATIONS**

The Productivity Commission (PC) released its draft report on Rural Research and Development Corporations (RDC's) on 23 September. Dairy Australia, as the dairy industry's RDC is directly impacted by this inquiry.

The PC proposed two major changes to the current RDC model.

1. Government matching funding to be reduced to half of the current level over 10 years.
2. Creation of Rural Research Australia (RRA) to sponsor cross-commodity rural research. Government funding for RRA to be built up to around \$50 million a year.

The Commission will be holding public hearings in November to receive feedback on the draft, with final submissions due by 26 November 2010.

ADF is working with the Australian Dairy Products Federation and will formulate a response to the PC report through the Australian Dairy Industry Council (ADIC). ADIC's submission to the inquiry in July argued strongly that the current funding model – which sees dairy farmer levies matched by federal government funding on a dollar for dollar basis – is the most effective vehicle for Government and dairy farmers to invest prudently and profitably on behalf of their industry and, indirectly, for the wider community.

We will again be making this view known to the PC and other stakeholders. We believe the PC's proposal to reduce the Government funding is short-sighted and undervalues the contribution that dairy makes to regional communities, the economy and nutrition. The draft report is available at [www.pc.gov.au](http://www.pc.gov.au)

**Contact:** David Losberg 03 8621 4200

## **TRANSPORT ISSUES**

During the past year there have been a number of issues relating to transport regulations. For example:

- Tractor sizes that can be driven with a car licence.
- Regulations relating to loads and securing of loads.
- Requirements to get permits for moving large farm machinery on public roads.
- Inconsistencies across state borders.

There are some issues that could be addressed by the dairy industry nationally;

- At a time when the states are attempting to get more consistency between state regulations perhaps the dairy industry needs to become involved in the discussion
- We have a good handle on dairy training across Australia and perhaps we can design so courses that can provided the appropriate accreditation without high cost.
- While farmers are unlikely to be fined for failing to comply with the transport regulations in the case of an accident the liability issues could be very significant. So there is an OHS issue.

Regulation in this area could be increased rather than decreased unless we are involved.

So what I would like to hear from members is feedback on your views, your experiences, and your suggestions on issues relating to transport. Once we have your list of concerns I propose to take the issue of transport regulations to both ADF and Dairy Australia for their consideration at the national level. I am aware of this being a busy time of year but a short call would be fine.

Contact: Ken Lyons 0419 037 569 or 8293 2399

## MARKETS, TRADE AND VALUE CHAIN PROGRAM ADVISORY GROUP MEETING

The ADF Market, Trade and Value Chain Program Advisory Group met in September. Key issues discussed were work that ADF is doing to help improve farm gate returns for farmers, a briefing from DA on generic marketing and dairy product sales in supermarket chains, an update on International Dairy Federation activities and actions against the Senate Economics Reference Committee Inquiry into Competition and Pricing in the Australian Dairy Industry.

The Program Advisory Group examined options for gathering more data on the different ways milk prices are formulated and resolved to request that the Australian Dairy Industry Council meet with the four largest supermarket chains to explain the current situation and outlook for the entire industry.

Contact: David Losberg 03 8621 4200

## NITRIC ACID

The Council of Australian Governments (COAG) Chemicals of Security Concern framework has designated nitric acid as a high risk chemical for potential misuse by terrorists. ADF, ADPF and DA have been working closely with the Attorney General's Department (AGD) to identify ways of reducing the risk without compromising legitimate access by farmers to the chemical or adding undue costs and red tape to the process. Dairy is one of many industries affected and is active on an industry risk management working group.

Measures we will explore range from awareness raising, smaller sized containers or reformulating the product to below 30% concentration (only three products are currently at or near the 30% mark at present.) ADF, accompanied by DA and NFF hosted a visit by AGD to Ron Paynter's farm in Ellinbank, Victoria to demonstrate how we safely use this chemical

Contact: Natalie Collard and Stacey Wellington 03 8621 4200

## UDDERLY FANTASTIC UPDATE



September was a great month for Udderly Fantastic. We launched a Healthy=Bones week competition, encouraging members of the site to upload their best "dairy=health" picture. Elle Lindsay was awarded first prize, a new digital camera. The winning photo was a snap of her daughter Lauren, with yoghurt all over her face, sitting on lush green grass with dairy cows in the background – check it out on Udderly.

**NEWS FLASH!** Currently 690 members meaning Udderly is MOOOOO-VING to a milestone of 700 members!

We encourage you to take a break from calving, the office, the lab or the school room to have a chat with friends on Udderly. There's a great blog on milk test results posted by Julie Moore that you may want to comment on.

Contacts: Natalie Collard, David Losberg, Stacey Wellington 03 8621 4200

## ANIMAL HEALTH AUSTRALIA INDUSTRY FORUM

The AHA Industry Forum was held in Sydney. Matters considered included:

- Standards and Guidelines – the cattle and sheep industries have raised ongoing concerns were raised about the commitment of some state jurisdictions to national harmonisation of animal welfare standards and guidelines. Both the cattle and sheep industries have indicated that this matter needs to be addressed before further development work on the Cattle and Sheep Standards and Guidelines can proceed.
- FMD policy – shortcomings in existing policy on the planned response to an FMD outbreak are to be addressed and industry has sought full consultation in this review process.
- The impact of private standards on trade – a presentation was made on the impact of commercial standards that are being developed as a mechanism for commercial differentiation of products. It was reported that they need to be monitored due to the potential impact on official standards
- Animal Welfare Committee – provided input to the forum on matters under consideration. The Industry Forum is seeking an on-going consultative arrangement with AWC.
- Animal Health Committee – provided input to the forum on matters under consideration at AHC.

These included:

- Disease Surveillance – AHC are seeking the development of a national general animal disease surveillance plan as distinct from specific disease surveillance activities already operating
  - TB categorisation
  - Arbovirus monitoring
  - FMD policy
  - Consultations with Industry Forum
- Animal Welfare bodies and their functions – committee of the Industry Forum reported on an examination of the many animal welfare bodies and their roles. It was agreed:
  - That AHA Industry Forum seek to have an arrangement/consultative process with Animal Welfare Committee similar to what is currently in place with Animal Health Committee.
  - That the AHA Industry Forum take up with the AAWS Advisory Group the livestock industry concern over the inadequate functional relationships between organisations involved in Australian animal welfare policy development, implementation, compliance and management with a view to working with the AAWS Advisory Group to achieving more effective arrangements
  - Industry Biosecurity Plans – Farm biosecurity plans are to be updated as part of the industry commitment under the Emergency Animal Disease Response Agreement.

A joint meeting between the Industry Forum, other AHA Members and the AHA Board was held to consider a draft AHA Strategic Plan.

**Contacts:** David Basham 0417 865 962 & Kevin Shiell 03 8621 4200

## DAIRY YOUTH CAMP - APPLICATIONS OPEN

The National All Breeds Dairy Youth Camp is now seeking applications from people aged 16 – 20. The camp is in its 15th year and will be held from 3 to 7 January 2011 at the Royal Melbourne Showgrounds.

The camp is for people interested in the dairy industry and throughout the week, participants will develop confidence in handling dairy heifers, learn judging, showing and clipping skills, discuss breeding and new technology. Each participant will have the opportunity to care for a heifer that is supplied for the week, including feeding, watering, monitoring and preparing it for Exhibition Day.

Cost is \$275 per person for the five day program. Applications close on Friday 3 December, 2010. For more information or an application form, contact Kylie Abraham on 1300 062 332 or visit [www.ncdea.edu.au/farming/all\\_breeds.cfm](http://www.ncdea.edu.au/farming/all_breeds.cfm)

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8 October 2010

## GUIDE TO THE BASIN PLAN

TODAY the Murray-Darling Basin Authority (MDBA) released its long-awaited Guide to the Basin Plan.

Despite the leaks of 24 hours earlier, today's numbers are worse than expected, which puts the Federal Government on notice that it must intervene to produce a political solution to the bureaucratic nightmare.

If the bureaucrats get their way Basin areas will be decimated and Australian food grown fresh for Australian consumers will take a massive hit and Australian families will have to get used to relying on imports.

Speaking after the release of the guide, NFF President David Crombie said:

"Today's guide is half-baked, let alone for 18 months in the making. The Authority hasn't bothered to examine engineering options or water-saving technologies to give more water to environmental needs while minimising water cuts for food production and regional communities.

"The MDBA needs to have done that vital analysis, exhausting all water-saving and water-sharing options, before even considering wholesale cuts. The approach it has taken is unacceptable.

"As feared, the MDBA has only used some environmental water (around 705 GL), with the remaining environmental water quarantined... meaning it is not included in the final wash up.

"This exposes the lack of goodwill from the Authority in balancing environmental, farm production and community needs. All water in the Basin must be accounted for if the MDBA is to be taken seriously.

"What the MDBA has done is opt for the easy path, a simplistic accounting construct based on traditional river flows.

"Firstly, that should have taken a week to complete – not 18 months. Secondly, we have to be smarter than that. As an

example, water for wetlands may be delivered via pumps – negating the need for higher river-flow volumes – and, thereby, irrigation water may need little or no cut.

"What emerges today is the need for the Federal Government – namely Water Minister Tony Burke and Regional Development Minister Simon Crean – to wrest back control and for the Authority to go back to the drawing board and recalculate these numbers based on the smart options we have repeatedly called for.

"At the NFF's National Congress in Melbourne in September this year, Minister Burke pledged a Labor Government to strategically exploring food production issues, saying...

*"It means looking at food production versus mining, versus the environment, versus forestry and versus urban encroachment.*

*"None of it is easy, but we're going to need an extraordinary increase in food production over the next 40 years. It's madness if we don't think these issues through nationally."*

"If we're to get anything vaguely approximating a sensible approach to balancing these needs in an era of food shortages, both Ministers must find the will for a political solution and step up to fill the breach left by the MDBA's failure to tackle the important issues."

## THE BASIN PLAN: ISSUES PAPER

EARLIER this week the NFF released *The Basin Plan: what it needs to address* – an Issues Paper setting the benchmark by which farmers will judge the Murray-Darling Basin Authority's (MDBA's) draft water reform proposals.

It foreshadowed the basis upon which the NFF would press the need for political solutions with Federal Water Minister Tony Burke in the aftermath of the guide to the Basin Plan's release.

The NFF's media release and the issues paper are available online at: <http://www.nff.org.au/read/1846.html>.

## LAND USE MOU WITH MCA

THIS week the NFF and the Minerals Council of Australia (MCA) signed a Memorandum of Understanding to commence discussions on developing a national framework of principles for integrated land use planning and management between agriculture and mining. Discussions between NFF and MCA will be managed through a Taskforce comprised of representatives of both organisations. A copy of the MOU is available online at: <http://www.nff.org.au/read/1847.html>.

## TRUST US

A RECENT High Court of Australia judgment may result in unforeseen ramifications for the way that trusts currently operate. Specifically, the NFF is concerned that as of 1 July 2010:

- That a beneficiary of a primary production trust will no longer be deemed to be a primary producer in the event that no income is distributed by the Trustee because the Trust has incurred a loss; and
- That those no longer deemed to be primary producers will be ineligible for tax averaging benefits or access to Farm Management Deposits.

These impacts would see farm entities operating within a trust arrangement being significantly disadvantaged compared to those operating under partnership or sole trader arrangements. The legal and administrative costs of changing farmers' operating structures to cater for such a development would be significant and potentially trigger an additional tax burden if caught by deemed disposal rules.

The NFF is working with the Government to ensure farm businesses operating under trust arrangements are not unintentionally disadvantaged. It is important that this issue is resolved before the end of June 2011, when the 2010/11 financial year accounts are lodged. This issue is squarely on our agenda and we are confident of resolving it quickly. Watch this space.

# On the land, it's not just what you know.



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# Understanding the BASIN PLAN

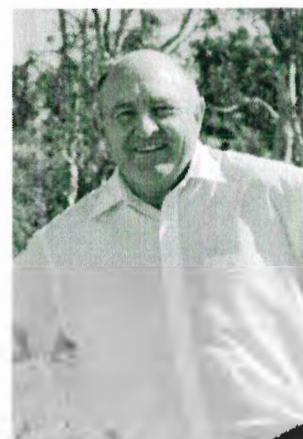
**National Farmers'**  
FEDERATION

## Message from the President

The development of a new plan covering water use across the entire Murray-Darling Basin is potentially one of the most far-reaching reform measures ever undertaken by an Australian Government.

Water is fundamental to food and fibre production and the Basin is Australia's food bowl, producing 40% of all the food this nation supplies. According to the Murray-Darling Basin Authority (MDBA), the Basin:

- covers over 1 million square kilometres (14% of the total area of Australia);
- generates 39% of the national income derived from agricultural production in Australia;
- produces 53% of Australian cereals grown for grain, 95% of oranges and 54% of apples; and
- supports 28% of the nation's cattle herd, 45% of sheep, and 62% of pigs.



So tinkering with water allocation and availability – no matter how well meaning – will inevitably impact what we, as a nation, produce and how we produce it.

It is often taken for granted that some 93% of all the fresh food Australians rely on each day is grown right here at home. Of course, Australia is also a net exporter of food and fibre. Over 60% of everything we grow heads overseas to markets desperately crying out for more.

With population growth tipped to reach 36 million in Australia and over 9 billion globally by 2050, demand is on a steep rise. The United Nations calculates that to keep pace with population growth over the next 40 years food production must increase by 70%. To put that in perspective, that's more food than has been produced in the entire course of human history. It's mind-boggling to comprehend. But deal with it we must.

In December 2008 the newly-formed MDBA assumed responsibility for all of the functions of the former Murray-Darling Basin Commission, with a new agenda under the Rudd-Gillard Governments for integrated management of the water resources of the Basin.

The National Farmers' Federation maintains that this 'independent' Authority must be held to account by the Australian Government, and that the new Minister for Sustainability, Environment, Water, Population and Communities, the Hon Tony Burke MP, cannot afford a bureaucratically blinkered view of water reform.

He will need to balance the needs of a growing population and future food supply, along with sound management of water resources and the communities that depend upon it.

This *Understanding the Basin Plan* puts into plain English the role and function of the Basin Plan in a bid to demystify the bureaucratic processes that drive its development.

Kind regards,

**David Crombie**  
President

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## What is the Basin Plan?

It is a new way of managing the Murray-Darling Basin's water resources under federal law.

At its core, the Basin Plan will determine the amount of water available in the Basin and deduct the amount of water required by the environment. What is left will then be shared by all remaining water users, including towns, agriculture (irrigation and dry land), plantation forestry and others.

This volume is known as the Sustainable Diversion Limit (SDL) and will be legally binding.

It is the role of the Murray-Darling Basin Authority (MDBA) to draft the Basin Plan, consult and then finalise the Basin Plan for approval by the Federal Water Minister (currently the Hon Tony Burke MP).

## So, what are these SDLs?

Simply put, the Sustainable Diversion Limit is the maximum amount of water that can be extracted by all non-environment users for surface and groundwater systems.

In all, there will be one SDL for the Basin then an SDL for each water source – around 100 SDLs in total. In setting the SDL, the MDBA must have all regard for the needs of the environment and minimise social and economic impacts in a way that does not jeopardise the environment.

## What's the process?

The *Water Act 2007* is quite prescriptive on the consultation process.

The MDBA is required to draft the Basin Plan. Once drafted, the MDBA is required to consult for 16 weeks with the public and state governments.

Once the consultation process is completed, the MDBA must finalise the Basin Plan and present this to the Federal Water Minister for approval. The Minister then has the power to seek changes to the Plan.

The MDBA is then required to consider these changes and then re-submit the Basin Plan for final approval. Importantly, if the Federal Minister is still not satisfied with the Basin Plan, he/she can direct the MDBA to make changes, which the MDBA is then required to do.

The final Basin Plan must then be tabled in both the House of Representatives and the Senate (as a statutory instrument) with a report detailing why the Minister chose to vary the Basin Plan from the original submitted by the MDBA (should the Minister seek changes).

If there is no disallowance or veto motion by either House of Parliament when the Basin Plan is tabled, the Basin Plan comes into effect.

This means that state governments must then draft their own Basin Plan-compliant water resource plans, over the period from 2011 until the various state plans expire (as detailed in Schedule 4 of the *Water Act 2007*):

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- Three South Australian water plans from 2012;
- NSW, Queensland and South Australia, covering most surface water resources, from 2014;
- A number of NSW Groundwater Plans from 2017;
- Victoria in 2019; and
- All others from the commencement of the Basin Plan.

The MDBA must then accredit the state-based water resource plans to ensure compliance.

## Does that make the MDBA all-powerful?

No.

There is a misconception that the 'independent' MDBA is the final decision-maker. The final decision lies entirely with the Federal Water Minister, who can make changes according to powers under Section 44 of the *Water Act 2007*.

## Is the final Basin Plan due on 8 October 2010?

No.

The MDBA has agreed to include an additional consultation measure. On 8 October 2010 the MDBA will release a 'guide' to the Basin Plan, which will include the proposed SDLs.

The MDBA is then required to finalise the 'draft' Basin Plan for consultation, likely to run over the first half of 2011.

Therefore, a final Basin Plan is not expected until the second half of 2011.

## What does 'closing the gap' mean?

Irrigators have a current cap in terms of the water available to them. Under the new SDLs, in many cases, this is likely to be revised to a lower cap. The difference is the gap.

During the 2010 federal election there was bi-partisan support for the federal government to continue purchasing water from willing sellers to 'close this gap'. In effect, this means that irrigators who wish to continue existing irrigation practices can do so because this gap will be offset by the purchases made by government.

However, it also means that there will be social and economic impacts as those farmers who chose to sell some or all of their water entitlements reduce or abandon food or fibre production.

In any event, there will be less water for irrigated agriculture, fewer irrigators and reduced flow-on benefits from these activities to communities and local, state and national economies.

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## Will there be compensation?

Under the 2010 Federal Budget the federal government has a 'contingent liability' for risk assignment arising from the Basin Plan.

Simply put, risk assignment is compensation and the Commonwealth's obligations are outlined in Division 4 Sections 74-86 of the *Water Act 2007*.

It should be noted that the federal government can count any investment it has made for water infrastructure/efficiency and by acquiring water entitlement as offsetting its risk assignment or compensation obligations.

However, with the federal government agreeing to recover the gap, risk assignment (or compensation) should not be triggered.

## What is the NFF doing?

The NFF insists that the MDBA, as well as the federal government, ensure that every option is explored to deliver environmental outcomes while minimising the amount of water needed to be stripped from farming communities.

This can be done by:

- Investing in engineering works (i.e. pumps and regulators) to get environmental water into wetlands efficiently;
- Entering into contracts with private landholders to deliver water-saving environmental outcomes;
- Exploring options to change how water is delivered along river systems to also deliver environmental outcomes; and
- Perhaps, changing policy tools (such as enhanced carry over rules for the environment) that will enable the Government to deliver environmental outcomes using less entitlements.

Implementing these will enable a higher SDL to be set and reduce impacts on Basin communities.

The focus for NFF, working within the constraints of the *Water Act 2007*, is to ensure balance between the economic, environmental and social considerations within the Basin, as required by the objects of the *Water Act 2007*.

The NFF maintains this is not only doable, but essential. However, it will require recognition of these countervailing needs from the MDBA and government. So far there is little evidence of such recognition.

Meanwhile, the Gillard Government is unwilling to seek amendments to the *Water Act 2007* to enshrine these provisions given the prevailing parliamentary stand-off.

The NFF remains concerned about communities reliant on the Murray-Darling river system and insists that the federal government ensure a whole-of-government response that includes packages to assist affected communities.

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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](mailto:sada@sada.asn.au)  
Ken Lyons – Editor

## 17 November 2010 PRESIDENT'S REPORT

*David Basham*

Last week SADA took part in a meeting with other rural industries to discuss issues that were concerning us all. There has been wide concern across agriculture and rural communities that the current governments, both State and Federal, have not been supporting these sectors of the community.

One of the main items for discussion was the introduction of a Biosecurity Levy that will be applied to each Property Identification Number (PIC) that has 10 or more livestock. Not long after Michael O'Brien became Minister for Agriculture, SADA met with him and he told us that the State Government was going back to core business for Agriculture. He then added that Biosecurity was core business. I am disappointed that the State Government has decided to "cost recover" the core business of Biosecurity to fund the Animal Health Program of PIRSA.

I have asked to be part of a group looking at the Benefit Cost Analysis of South Australia's Animal Health Program (AHP). The AHP protects animals and the public from harm, industry from economic loss and supports access to markets through controlling specified animal diseases and detecting, investigating and responding to exotic or unusual diseases, supporting animal welfare and other emergencies affecting animals such as bushfires.

Under an Intergovernmental Agreement on Biosecurity with the Australian Government, all jurisdictions must maintain a core level of capability to meet emergency management requirements. Contract arrangements with other jurisdictions and livestock industries managed through Animal Health Australia also commit South Australia to maintaining a certain level of capacity and capability to address animal health issues.

The AHP has four core areas; disease control, disease surveillance, emergency preparedness and policy; supported by the PIC system.

The AHP is certainly important to the needs of livestock agriculture but is also as equally important to all those across the supply chain all the way to the consumer. The current proposal of a Biosecurity Levy on PIC's is that the total cost will be incurred by the livestock producer and we will have no ability to pass this cost on to others in the chain as we compete with other farmers interstate and internationally that will not allow us to recoup the money from the market. This does not seem to me a fair way to "cost recover" the AHP budget that is there to protect the whole supply chain and the PUBLIC from animal disease and economic loss. I will continue to keep you informed about SADA's progress as we work with SAFF and other livestock industries to address our concerns.



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A dry warm period is hastening the end of the fodder making season in many districts. This is the time of the year when most dairy staff often work for very long hours and I have included a Media Release from SafeWork SA about the danger of fatigue. The issue has been especially relevant this year with the need to improve the financial business equity that has been lost in recent years and farm enterprises attempting to reduce costs by working the longer hours. Perhaps the biggest danger around fodder making and grain harvest are the tractors. One statistic from Victoria on tractors is that since the start of 2009 11 people have died in accidents involving tractors. So while we understand the need to work the longer hours to get the job done within the ideal "window of opportunity" just also take extra care. As you know SADA is working with Employers Mutual, SAFF and Chas Cini to promote safer farmer workplaces.

The four issues and concerns being raised by our SADA members currently are;

- (a) The water, and the negotiations/consultations surrounding water, allocation plans for the MDB, the South East, and both the Eastern and Western Mt Lofty Ranges.
- (b) There is growing concern that the current state government is losing sight of the important role played by our primary industries in creating a wealthy and sustainable future for South Australia. The consequence and the focus of all this grass roots concern is the Stock Journal survey "Enough is Enough".
- (c) The future of the dairy processing facilities at Murray Bridge and Jerovis.
- (d) Whether SA dairy farmers will have long term access to the dairy research and development that has now been re-located to Victoria and thus remain a viable dairy region in the longer term.

## (a) WATER

### Western Mt Lofty Ranges Draft Water Plan

This draft plan is now out for community consultation. All of these regional water plans provide the framework to provide security for licensed water users in the region as well as provide water for the environment. SADA members can access the Plan together with the Explanatory Guide from the website [www.amir.nrm.sa.gov.au](http://www.amir.nrm.sa.gov.au) or for a CD copy contact the NRM Board on 8273 9108. There is a series of public meetings on the draft plan and you can RSVP your attendance by calling 8273 9108.

#### **Victor Harbor Convention Centre**

McCracken Country Club, Victor Harbor  
Tuesday 23 November 7.00pm to 9.30pm

#### **Yankalilla Youth and Community Centre**

Main south Rd, Yankalilla  
Wednesday 24 November 12.30pm to 3pm

#### **Parawa Hall**

Range Road Parawa  
Wednesday 24 November 7.00pm to 9.30pm

Written submissions on the draft Plan are to be submitted by 5pm on Monday 10 January 2011. SADA members that want to have a say on the Draft Plan but do not wish to respond individually can pass on your ideas to your SADA Regional Board Members, your Regional Committee, or phone through to the SADA Office.

While some SADA members in the region have been following the development of the Plan closely over the past three years we are aware that others have little knowledge of the process and implications for their dairy farm business. So it is particularly important that these people make every effort to attend one of the Meetings and, as soon as the busy fodder season is over, get a copy of the information and give it some consideration. I (Ken Lyons) will only be attending the Victor Harbor meeting as I will be attending the ADF Board meeting in Melbourne on both the 24 and 25 November.

### The Murray Darling Basin Plan

The Minister for the River Murray, the Minister for Water and the Minister for Environment and Conservation, Paul Caica is hosting a "Community Engagement Meeting" at Murray Bridge Unity College on Monday 15 November. The public meeting will explain the draft MDB Plan guide and collect ideas and views on the Guide.

Then the following day, Tuesday 16 November we will have the opportunity for **SADA members only** to meet with Minister Caica at the SADA River and Lakes AGM to be held at the Riverside Hotel Tailem Bend commencing at 10am for morning tea and finishing at 12.30pm to be followed by lunch.

The first round of the community consultation by the MDBA is nearing completion. There have been questions raised in relation to balance between the irrigators, communities and the environment and the intent of the Water Act 2007. There are two new parliamentary committees that have been established and this may push back the timelines. There is a need to respond to all of these and while our national ADIC Dairy NRM Committee will represent the national aspects there is still a need to get the regional position and have this promoted. It is most important that we have good input into the SA State Government response to the Guidelines. So it is really important that our SADA members make every effort to attend the meeting at Tailem Bend. This is your best chance to reflect on and discuss the key issues in relation to the new Plan. If we all get this right we can have "a healthy river and lake system", and a "fair sharing of the pain" of returning water to the environment, and "just compensation" for the willing sellers. We are coming off a big silage and hay season that makes for extremely long hours but for the members along the River and the Lakes this meeting is shaping to be the most important meeting you will attend in relation to the future of your dairy business in this region. Thanks to Scott Braendler and Clem Mason we had an excellent day last year with a visit by Minister Caica to this important dairy region and we are very pleased the Minister is again making time to be with our SADA members.

#### **The progress with the SE Water Allocation Plan**

Last month we at SADA were confident that with the establishment of the industry reference group (again an initiative by Minister Caica) and indications that plantation forestry (which has to be included in regional Water Allocation Plans under the National Water Initiative agreed by all State and Federal Governments) were moving forward there now appears to be a stalling or loss of momentum. It is important to understand that when we take a **big picture** view of the situation it is very clear that, the irrigation industries, forestry, and the environmental assets, all share a common interest on the key issues.

All stakeholders share a common interest in;

- ***ensuring the water resource in the aquifers are protected,***
- ***for all water users, including plantation forestry, to be granted valuable/tradable water licenses (assets as well as a management tool) and,***
- ***having a regional WAP that will provide framework most likely to deliver investment, economic prosperity and a sustainable environment for the South East.***

So we are attempting to refocus the stakeholders on **the big picture** to get the momentum back in the process so that we can all move forward with confidence.

#### **The draft Eastern Mt Lofty Ranges Water Plan**

This draft plan will be released in Mid January 2011.

### **(b) AGRICULTURE IS WORTH THE INVESTMENT**

South Australia's primary industries have a very proud history of leadership and have provided a major source of wealth creation for our State. The main "driver" of this record of achievement has been the quality research and development that has been jointly funded by government and industry. More recently the rural communities are becoming concerned that the State Government appears to be so focused on "cost cutting" to restore the budget that it may well be missing the opportunity to generate far more in terms of income than will be saved. In fact currently there are proposals to introduce more levies and costs on rural businesses. One government proposal that most farmers and hobby farmers see as blatant "revenue raising" without justification is the "Biosecurity Levy". Some farmers may say this is only another \$600 per year charge and not worth the fuss but others are saying "enough is enough". The current "Enough is Enough" survey in the Stock Journal will give an indication of the depth of feeling in the rural communities about what they see as city-centric government decisions.

### **(c) "VALUE ADDING" FOR A BETTER MILK PRICE**

Recently we had a "thinker in residence" that was promoting "value adding" along the chain from production to the consumer. At the same time the Australian Dairy industry is talking about moving from a commodity dairy producer to a producer of "value added dairy products". However against these trends the future of the dairy processing plants at Murray Bridge and Jervois are currently under review. It is not in the interests of the SA dairy industry to be having even more of our milk processed interstate as this could mean lower farm gate milk prices in South Australia. SADA will be working with the companies to represent the interests of our members.

### **(d) ACCESSING WORLD'S BEST DAIRY R&D**

One of the key aims of SADA and our representations is to make dairy farming in SA as attractive as possible. We look at all the things that make "SA a place of choice" for those wishing to

grow successful dairy businesses. So one essential requirement identified by SADA and DairySA is that we must ensure our dairy farmers have access to the world's best research and development. With the Australian Dairy R&D currently being re-located in Victoria we are working with the various agencies including Dairy Australia and PIRSA to ensure that access is assured.

**Contact:** Ken Lyons 8293 2399

## **RELEASE OF MURRAY DARLING BASIN GUIDE**

The Murray-Darling Basin Authority (MDBA) finally released its Guide to the proposed Basin Plan on 8 October. Although, the more detailed technical support work followed some weeks later.

After reviewing the proposals in the Guide the Australian Dairy Industry Council (ADIC) circulated a media release calling on the Guide to be withdrawn and replaced with factual and better-balanced proposals due to the uncertainty surrounding water security for the Basin's dairy farmers and their communities.

The extensive media which followed the Guides release reported on the level of distress and anger felt by agricultural irrigators, communities and local governments in the Basin.

There was quick reaction by Government in calling for a Parliamentary inquiry into the social and economic impacts of the proposed regional water reductions and a legal analysis of the overarching Commonwealth Water Act.

The MDBA also responded by announcing an additional socio-economic study would be conducted before the Draft Basin Plan was released early 2011.

The ADIC Basin Response Technical Support team is currently drafting a response to the Guide and to the Government inquiries.

**Contact:** Beverley Wallace 03 8621 4200

## **MEETINGS WITH MINISTERS LUDWIG, BURKE & CREAN ON THE MURRAY-DARLING BASIN GUIDE**

In late October Australian Dairy Industry Council (ADIC) Chairman Wes Judd and Board member Robert Poole met with the Minister for Agriculture, Joe Ludwig, Minister for Water, Tony Burke and Minister for Regional Australia, Simon Crean. The ADIC used these meetings to reinforce the dairy industry messages on the proposed Murray-Darling Basin water reform.

There was welcome news from Minister Tony Burke regarding the legal advice he had sought on the

Water Act giving the Murray-Darling Basin Authority (MDBA) greater leeway to include social and economic matters, not just the environment. It is now expected the MDBA's draft Basin Plan due for release early in 2011, will include more extensive analysis of the social and community impacts of any proposed water cuts in the Basin.

The ADIC sees this as a critical first step to reassure dairy farmers that any final Basin plan will take account of sustainable outcomes for all water users, communities and the environment.

The ADIC anticipates this announcement should lead to lower levels of water reductions than proposed in the MDBA Guide. In the discussion with Minister Burke we advised that any future plan should include improved on-farm irrigation water delivery infrastructure and recognise the growing requirements for a strong dairy food industry. The plan should also outline improved environmental infrastructure works and pragmatic environmental watering plans. Additionally, the ADIC will continue to advocate for time to transition to any new arrangements.

A balanced plan will lead to a more vibrant community for growing our food and fibre sectors and provide some level of security of these communities into the future.

**Contact:** Wes Judd & Beverley Wallace 03 8621 4200

## **DAIRY LEADERSHIP – AN INDUSTRY BLUEPRINT 2010-2015**

*Dairy Leadership - An Industry Blueprint 2010- 2015*, was released in October. The ADIC Blueprint was developed by ADF in consultation with The People in Dairy (TPiD). It is an outline of the dairy industry's desired outcomes in leadership development and represents an exciting opportunity for the industry to work together towards those outcomes.

The Blueprint and its course directory will make it easier for organisations to target investment to the right areas, and easier for people to see which courses are suitable for their needs and who to contact to find out more information. Ultimately, ADF will also coordinate a database of people interested in leadership opportunities and training so we can email vacancies and course information directly to you.

Leadership is vital in any industry but is particularly important for dairy, which competes globally and faces many domestic challenges that must be addressed, both now and in the future. The Blueprint shows the industry values people and considers investment in people is essential. It will act as a pathway that guides investment in people and leadership development.

The Blueprint has had input from numerous stakeholders including, the Australian Dairy Products

Federation (ADPF), Dairy Australia (DA), the Gardiner Foundation, the Regional Development Program's (RDP's), State Dairy Farmer Organisation's (SDFO's), the National Centre for Dairy Education Australia (NCDEA) and interested individuals. We would like to thank these organisations and individuals for their valuable contributions.

If you have any questions regarding this process or wish to get a copy of the Blueprint please do not hesitate to contact ADF.

**Contact:** David Losberg 03 8621 4200

## DEVELOPING DAIRY LEADERS PROGRAM

The pilot course, Developing Dairy Leaders Program, has been developed in response to *Dairy Leadership – An Industry Blueprint 2010- 2015*.

The course aims to further the development of an individual's personal vocational competencies to acquire the skills, knowledge and understanding to perform the various leadership roles required for the Australian dairy industry.

The project is co-managed by ADF and Dairy Australia with collaboration from The People in Dairy (TPID) and the National Centre for Dairy Education (NCDEA).

The first residential component of the course will be run from Tuesday 8 February to Friday 11 February to coincide with the February ADF Board meeting. It is planned for the ADF Board to have dinner with the course participants (approximately 15-20 people) on Wednesday 9 February. Each Board member will be briefly interviewed at the dinner to ascertain their thoughts on the industry and leadership. This will allow course participants to gain an insight into industry leaders' thinking.

ADF is working with NCDEA and DA on the course content generally and will develop specific content for several course modules (e.g. policy, issues management), write Expressions of Interest for presenters, put assessment criteria together and help assess modules.

Full course information and applications forms will be available in November. Please contact ADF or see the Dairy Australia website for a copy.

**Contact:** David Losberg 03 8621 4200

## AUSTRALIA'S FIRST RELEASE OF GENOMIC BASED BREEDING VALUES



We are in a truly exciting period of Australia's dairy history. Genomics has moved from a vision to reality

with the production of the first Australian genomic breeding values.

Following standard protocols in releasing new breeding values, ADHIS has released unofficial ABV(g)s directly to bull owners who recently submitted samples. In keeping with the stepwise approach to genomics implementation, the first unofficial release is being used internally by AB companies as a test run with the next unofficial run due to be conducted in December. The status of this run will be provided to you in due course. The first official public release remains scheduled for April 2011.

Genomics improves the reliability of ABVs for young bulls. 2381 Holstein bulls were included in the recent analysis (2193 reference bulls and 188 young bulls). In this group of 188 young bulls with almost no daughter performance data, an improvement in reliability across all key trait areas is evident. Table 1 shows the improvement in reliability from their traditional ABV (based mostly on parent average) with their ABV(g) which includes genomic data.

Table 1: Improvement in reliability using genomics for 188 young bulls; Improvement in reliability between ABV (parent average) and ABV(g)

Production traits	From 21% to 53%
Overall type	From 14% to 42%
Fertility	From 8% to 36%
Survival	From 12% to 46%

**Contact:** Daniel Abernethy 03 8621 4240

## AH&W ADVISORY GROUP MEETS

The ADF Animal Health and Welfare Advisory Group met in Melbourne on Friday 29 October 2010. The PAG is currently reviewing AH&W Strategic Directions. Other matters considered included:

- **AHA Dairy Levy increase**  
A number of State Dairy Farmer organisations have advised of their support for an increase in the AHA Dairy levy. It is intended that if sufficient support exists, a submission will be made by ADF to government seeking the increase from 1 July 2011.
- **Biosecurity**  
Dairy Biosecurity Plan – consideration was given to mechanisms for communicating information on the Dairy Biosecurity Plan to dairy farmers.
- **EBL**  
Progress was reported in ensuring consistent cattle movement and testing requirements across state jurisdictions, following issues in SA and Tasmania
- **Calf Supply Chain Trial**  
Demonstrations of the calf scanning and feedback trial have been conducted to improve awareness of the technology and the potential of the system among key players in the cattle and meat industries.

- **Residues**

The meeting was advised that the following representatives have been registered by the National Residue Survey (NRS) to receive reports on residue violations – Helen Dornom and Robin Condron of Dairy Australia and David Basham of ADF.

- **Calf Transport**

A regulatory Impact Statement is under consideration prior to public consultation on the proposal to introduce a maximum 30 hours time of feed for calves being transported.

- **Calf Workshops**

Dairy Australia reported on four pilot workshops conducted to assess the format and information in resource material developed as part of a communication package for dairy farmers on calf management.

- **Animal Husbandry Survey**

Dairy Australia have conducted a further animal husbandry survey that follows on from earlier surveys in 2005 and 2008 to understand and measure animal husbandry practices undertaken on dairy farms.

- **FMD Vaccination strategy**

The need for a consultative approach in consideration of the policy issues and detail of AUSVETPLAN revisions has been taken up by the dairy industry through the AHJA Industry Forum with Animal Health Committee. Concerns raised included the need to progress changes as they are agreed and not to delay revisions to AUSVETPLAN on milk handling and management guidelines.

- **Cattle Health Statement**

Concerns were raised on the Animal Health Committee decision to support the development of a Cattle Health Statement without consultation with industry on the purpose and application of the document. These concerns are being taken up.

**Contact:** Kevin Shiell 03 8621 4200 & David Basham 0417 865 962

## **EMERGENCY ANIMAL DISEASE AWARENESS TRAINING**

A training session was conducted the day prior to the ADF AH&W AG meeting by Animal Health Australia to provide an understanding of the response plans and measures that will be implemented in the event of an animal disease emergency. Participants included ADF AH&W AG members, other state nominees and Dairy Australia representatives. The information provided was well received and consideration is now being given to further training to assist state industry representative's readiness in the event of an emergency.

**Contact:** Kevin Shiell 03 8621 4200 & David Basham 0417 865 962

## **MURRAY GOULBURN CEO TO RETIRE**

The SADA Board notes the announcement that MG CEO, Stephen O'Rourke is to retire mid next year. The SADA Board acknowledges the outstanding contribution by Steve, not only to MG and its supplier base, but to the Australian Dairy Industry in general. We note that there is plenty of time for the co-operative to ensure there is a smooth transition in the CEO role. We often speak of the importance of succession planning for our farm businesses and this is also the case with our major processors and dairy organisations.

## **SAFETY WARNING ON FATIGUE DURING GRAIN HARVEST**

8 November 2010

*South Australian grain farmers are being urged to beware of the extra risks that fatigue will pose as they set to work on this season's record harvest.*

*SafeWork SA says the farming community needs to make every effort to see that this harvest is completed as safely as possible.*

*"The statistics continue to show that farming is dangerous work, and in SA, the risks will be heightened by the long hours involved in bringing the crop in," according to Acting Executive Director, Bryan Russell.*

*"Many farmers and their employees will be working up to 18-hour days during the harvest, and fatigue may affect their attentiveness and decision-making in ways that could lead to unintended consequences.*

*"Every farm business should also have in place reliable communications equipment and a regular system of checking isolated workers, alongside an emergency plan should anyone come to harm.*

*"With many farms, the home and the workplace are combined, so all farm workers need to be aware of any children present, and ensure they are sighted and out of harm's way when machinery is in use.*

*"Children should NEVER be allowed to ride on any farm machinery unless it is built to specifically accommodate passengers.*

*Mr. Russell says SA's workplace safety laws also require that employers ensure their workers are properly trained, instructed and supervised for the tasks they must perform.*

*"In preparation for the harvest, it's important to service farm plant and equipment to ensure that it operates safely during what will be a busy and hectic time.*

*"However, when inspecting any farm machinery before and during operations, it's also critical to ensure that the power is isolated from the machine before accessing any moving parts.*

*"Tractors remain the deadliest pieces of equipment on Australian farms, and must be treated with the utmost of caution, as should trailed equipment such as haybalers," Mr Russell says.*

*"Farm workers also need to ensure that power takeoffs (PTOs), which power any plant being trailed, are properly guarded."*

*Inspectors from SafeWork SA will be on alert during the harvest, and the agency warns that a range of other farm-based safety threats also need to be identified and managed including:*

- electric shock
- chemical exposure
- falls from ladders and platforms
- body stressing from excessive or awkward manual handling tasks
- slips, trips and falls
- heat exhaustion
- skin damage from sun exposure
- poor lighting in sheds and workshops
- reduced visibility while working at night.

*"With the harvest showing a potential value of \$2.4 billion, it would be a tragedy if that came at the cost of lives or livelihoods through serious injury," Mr. Russell says.*

*"Information from Safe Work Australia shows that the majority of harm is caused by vehicle incidents, being hit by falling objects and being trapped by moving machinery.*

*"In South Australia, six people have died on farms in the last three years from causes such as these.*

*"In order for this harvest to be a truly successful one, it must be free of any serious injuries or fatalities," Mr. Russell says.*

*SafeWork SA is available to provide advice and report incidents via its telephone Help Centre on 1300 365 255, while relevant safety information can be viewed on its website: [www.safework.sa.gov.au](http://www.safework.sa.gov.au)*

## **NEW DAIRY PROJECT ENHANCES SOIL MANAGEMENT**

Dairy SA has been successful in securing \$299 520 to assist dairy farmers across the state to monitor dairy farm soil acidity and nutrient levels in order to maximise fertiliser efficiency and production and reduce nutrient loads in to the environment.

The project, "Reducing Soil Acidification through Nutrient Management in SA" will be funded by the

Australian government Landcare funding from Caring for our Country.

Soil acidity is recognised as a significant threat to agricultural production across the state. High soil acidity has been identified as leading to the leaching of nutrients (including trace elements) and may result in the degradation of riparian environments and water quality.

Participating farms in the Fleurieu, South East and Barossa Mid North districts will work with local agronomists to conduct intensive soil sampling programs in order to ascertain current acidity and fertility levels. Risk of loss of nutrients from the farm will then be assessed for each paddock that has been soil tested. This data will be used to develop detailed farm fertility maps and build targeted nutrient budgets for the farm that maximise fertiliser efficiency and reduce potential nutrient loss to the environment.

Soil sampling will commence this summer and continue over two further years in order to track fertility change over time.

It is envisaged that the project will not only lead direct change on participant farms but will also provide a comprehensive farm fertility benchmark that will assist farmers to improve productivity and reduce nutrient losses.

For further information on this project please contact Dairy SA Verity Ingham 87660127 or Monique White 0400 972 206



## **SUPERANNUATION PAYMENTS AND WORKCOVER**

*Chas Cini*

Employers are required to pay 9% of the employee's ordinary earnings to superannuation. "Ordinary Earnings" does not include such payments as overtime and WorkCover payments.

WorkCover payments are not deemed to be ordinary earnings as the employee doesn't work for those payments.

Employers may suspend payment for the Superannuation Contributions on WorkCover payments.

If an employee receives payment for wages and WorkCover on the same pay day, 9% is to be paid for the wages component.

In addition to the above, employees who earn less than \$450 per month or, who are aged under 18 and who work less than 30 hours in a week are ineligible for the superannuation payment.

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## EMPLOYERS BENEFIT BY GIVING INJURED WORKERS A SECOND CHANCE

A recently improved program by WorkCover SA is supporting injured workers to return to meaningful employment by offering a significant financial benefit and support to employers who can hire them.

Sometimes a worker's injury makes it hard for them to do their old job but they are capable of doing a different job. The Re-employment Incentive Scheme for Employers (RISE) supports employers to provide a new job to these workers.

Through RISE employers also have access to a pool of skilled workers who may be suitable for their industry, helping to address the wider issue of Australia's skills shortage.

The improved program, which came in to effect on 1 September 2010, provides the same overall financial benefit that it did in the past but the structure of the payments has been simplified to make the program clearer and more supportive for all parties.

The wage subsidy offered to employers is now distributed evenly for up to 52 weeks instead of a scaled percentage reimbursement and retention bonus if employment extends beyond 12 months.

Now, by employing an injured worker through the RISE program, an employer may receive reimbursement of 40% of gross wages for up to the first 52 weeks plus access to support from a workplace rehabilitation provider to ensure the transition into the new job is smooth for the worker and employer.

Consideration of payments to cover costs such as minor workplace modifications and equipment to assist the worker also remains a part of the program.

Employers can also be assured that in the unlikely event the worker aggravates their injury - if it is medically established that it is an aggravation - the cost of the claim will not be recorded against them.

All employers, including self-insurers and Government / Crown agencies, are eligible to participate in RISE, so long as they are paying required levies and can provide eligible full time, part time or casual work in a safe workplace.

More information about eligibility and general information about RISE can be found on WorkCover's website [www.workcover.com](http://www.workcover.com) or by contacting the RISE Coordinator on 13 18 55 or emailing [rise-support@workcover.com](mailto:rise-support@workcover.com)

If you are interested in filling a job vacancy with a worker through RISE, please contact WorkCover's RISE Coordinator who can arrange for jobs to be advertised to injured workers through their workplace rehabilitation providers and case managers.

## **NEW SACE GIVES STUDENTS JOB-READY SKILLS**

More than 12,000 Year 12 students will soon be achieving their South Australian Certificate of Education (SACE), with many of these looking to pursue a career in the dairy industry. The 'Class of 2010' will be the final group of students to graduate with the current high school certificate - next year's Year 12s will be the first to undertake the new SACE.

The current SACE has served as a stepping stone for students into further study or work for almost 20 years, and is recognised around the country and internationally. The new SACE, which was developed following consultation with industry, parents and teachers, includes several key changes:

- increased Vocational Education and Training (VET) options
- a greater focus on literacy and numeracy standards
- two new subjects – the Personal Learning Plan and the Research Project

The changes to the SACE have been designed to give students greater flexibility in pursuing a trade or other vocational program, as well as giving them a head-start on their future career. Further information for businesses about the new certificate, SACE student skills, and vocational education and training, is available on the SACE website: <http://www.sace.sa.edu.au/the-sace/business-community>

### **Vocational Education and Training (VET)**

The new SACE gives students the opportunity to undertake more Vocational Education and Training (VET) as part of their SACE. From 2011, students can complete their certificate with a comprehensive VET focus, paving a pathway for them into industry jobs, apprenticeships and traineeships, or further vocational study after high school.

The SACE Board recognises VET assessed by Registered Training Organisations (RTOs), which are the providers of VET courses.

SACE Board Chief Executive, Dr Paul Kilvert said: "By allowing students to have more VET recognised as part of their SACE, students have a greater opportunity to learn in areas that are of interest to them."

The changes are seen as a big step forward by many employers, who are supportive of students finishing school with more job-ready skills.

Business SA Chief Executive Officer Peter Vaughan said: "Businesses will benefit from students who are more prepared for work by gaining education that is specific to their profession while still at school."

Details of any VET study that students have successfully undertaken as part of their SACE is listed on their Record of Achievement, which they receive with their SACE in December.

### **Skills for Work and Life**

The new SACE is designed to ensure all students have the skills they need to engage in work and life. Students are being supported to plan their career pathway and develop flexible skills while at the same time gaining literacy and numeracy skills which can be applied to all areas of their lives.

The new SACE sets benchmarks for literacy and numeracy that ensure all young people have the skills they need to function effectively in today's society. Students need to achieve a C-grade or higher in an English and mathematics subject or course in Year 11 to gain the new certificate.

The Personal Learning Plan, which all students undertake from Year 10, helps students explore their career options and plan pathways into trades, further education or other work. Students also examine their strengths and weaknesses, and develop methods of improving areas of their personality or study.

The Research Project allows Year 12 students to build on what they learn in the Personal Learning Plan, giving them a chance to do in-depth research into a topic of interest. This could include researching the use of hormones to increase milk production in cows in the United States, and why Australia has banned the use of these hormones. The Research Project not only gives students a chance to direct their own learning, but also helps them develop valuable research and project-management skills they can apply in their future career.

More information for employers about VET, the new certificate and SACE student skills, as well as a list of useful links, can be found on the SACE website at: <http://www.sace.sa.edu.au/the-sace/business-community>

## Program set to develop Australian dairy leaders

Young dairy leaders with the vision and passion to guide the dairy industry are being called to apply for the new 'Developing Dairy Leaders Program'.

The program, developed by Dairy Australia and Australian Dairy Farmers (ADF), aims to build on the leadership skills of people aged 18-30 who are committed to the dairy industry.

Two applicants from each major dairying region will be selected to participate in the all-expenses paid program, which runs from February to May 2011. Program participants will:

- take part in a four-day residential skills development program in Melbourne
- a two-day residential policy and media development program in Canberra
- gain formal accreditation towards the industry's learning and development career pathway
- work with an industry-leading mentor
- learn to contribute to the development of policy.

The program has been developed in response to the Australian Dairy Industry Council (ADIC) Dairy Leadership – An Industry Blueprint 2010-15, which identified 200 leadership roles are required across the industry - 40 new people each year.

Dairy Australia Managing Director Ian Halliday is pleased to support this initiative as a part of the industry's commitment to developing its leaders.

"The Australian Dairy industry has overcome many challenges in recent years with the guidance of its dedicated leaders," Mr Halliday said.

"Dairy Australia recognises the importance of supporting our leaders in every stage of their development and I encourage our next generation of leaders to participate in this program and building the future of the Australian dairy industry."

ADF President Wes Judd believes the Developing Dairy Leaders Program is a key activity in supporting the development of its state level leaders.

"This program will suit young people who have taken steps down the leadership path and want to further develop their knowledge and career. It provides a fantastic opportunity for participants to learn from current industry leaders," Mr Judd said.

"I urge young people out there to apply and have a go for themselves and the dairy industry."

Visit [www.dairyaustralia.com.au/leadership](http://www.dairyaustralia.com.au/leadership) to download an application form or for more information. Applications close on 10 December 2010.

Delivery of this program is supported by the National Centre for Dairy Education Australia (NCDEA), Dairy Australia's The People in Dairy Program (TPID) and a Department of Agriculture, Fisheries and Forestry's (DAFF) 'Next Generation Farmer' grant.

If you are interested email Jo at SADA [sada@sada.asn.au](mailto:sada@sada.asn.au) or phone 8293 2399 and she can forward you some information.



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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](mailto:sada@sada.asn.au)  
Ken Lyons – Editor

## 7 December 2010 PRESIDENT'S REPORT

*David Basham*

It is hard to believe another year is almost at an end. This year we have had to deal with many challenges for our industry across the nation and here in South Australia. Over the last 12 months ADF & SADA have worked on issues around water including being involved with water allocation plans across the dairy regions, the Murray Darling Basin Plan and issues around forestry. The issues are all slightly different across the country but in all cases there is a need to achieve an outcome that ensures that the water resource is long term sustainable and that water users can continue to make economic use of the water into the future.

Water has not been the only challenge for the dairy industry in the last 12 months with issues around Animal Health & Welfare continuing to be an area that needs focusing on to protect the industry from risks outside our farms boundaries. This year the dairy industry has progressed to provisional EBL freedom with a lot of effort from farmers and others to eradicate the disease from the Australian Dairy herd. It is important that we continue to maintain this level of freedom by making sure that you only introduce animals from other dairy farms or introduce animals that are tested (eg bulls) prior to their introduction.

The transport of calves to slaughter is another area that has required a great amount of focus this year and hopefully the new welfare standards around the transport of calves can be finalised in the New Year with the process of examining the time off feed getting close to being presented to the Agricultural Ministers at the next PIMC meeting.

Carbon trading and carbon pricing is another issue that could have huge effects on our industry in the future. This issue has not been at the top of the list for the Federal Government over the last 12 months but I believe they are about to ramp things up again next year. ADF and SADA will again have to fight for the rights of dairy farmers across the nation to have a fair deal put on the table for our farmers.

These are by far not the only issues the industry has been working on or will continue work on. I thank you for being members of our industry organisation as it is the membership that gives SADA and ADF the power to negotiate on behalf of the dairy industry.

I would like to thank the SADA board and staff for their assistance over the last 12 months and for their support of dairy farmers through a difficult year that is starting to show signs of real improvement with good winter and spring rainfall across most of the state and improved milk prices as the world economy begins to recover.

**Finally, I would like to wish all a very Happy Christmas and a safe and prosperous New Year.**

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While the members have been busy with their silage and hay SADA has been attending to the task of representing the dairy industry interests. Again, as has been the case for most of the year, the main area of activity has been the regional water allocation plans and the future of the Murray Darling Basin.

David Basham and I had the pleasure of having dinner with the outgoing NFF CEO, Ben Farhger, on 24 November. It was an opportunity to thank Ben for an exceptional effort while at NFF. The policy work coming out of NFF and their influence with the national government was much appreciated by the Australian Farming community. It is a feature of all the really good industry associations that they make a point of thanking those who are prepared to “walk the extra yards”. At the River and Lakes AGM held on Tuesday 16 November a special thank you was made to Clem Mason for the time and effort he has devoted to delivering a better outcome for his regional dairy community.

## RIVER AND LAKES AGM

Congratulations to James Stacey who has been re-elected as the Regional President. Following the SADA AGM (back in September) James was elected as the SADA Vice-President and has also taken on the role as the SADA representative on the Cattle Advisory Group.

The program for the River and Lakes Regional Meeting was a “round table” discussion of all issues relating to the future of the Swamps and the Lakes with Minister Paul Caica. While the main focus was to have input into the SA State Government response to the recently released MDBA Guide to the Draft Plan we were able to cover in some detail issues relating to; carryover water, water pricing, future allocations, restoration of the swamps, integrity of the levee banks, salt mitigation, sharing potential cuts across water users, and an understanding of the Federal “politics” of progressing a Plan through the Federal Parliament. Our meeting came between two major community meetings called by the Minister so we were most grateful that he was so generous with his time. Clem Mason provided a short opening statement supporting the proposition that the Basin

needs to be managed as a whole entity.

In talking to people up and down the Basin the one thing everyone appears to acknowledge is that there is 2ml tonnes per year of salt that passes through the Basin. If you look historically at major irrigation catchments that have “failed” it comes down to, not that there is a lack of water, but that the water becomes “too salty”. A lot of focus has been on “volumes” of water but water quality in terms of; algal blooms, acid sulphate soils, and salinity can shut down any part of the system.

A feature of the meeting was that our SADA members wanted to see an outcome from the new Plan for the Basin that would lead to a federally-driven basin-wide strategy to secure long-term environmental sustainability for the environment and irrigated agriculture. Our members present at this important meeting all wanted to use the breaking of the drought as a time to re-build their dairy businesses but then with a good MDBA Plan to be secure in the knowledge that in the longer term there was a healthy river and lakes to support them.

## WESTERN MT LOFTY RANGES DRAFT WAP

A round of consultative meetings was held in late November. Discussions on the need to have a plan for the water resources for this region began in 2000. The reasons for such a plan included; the recognition that demand for water was increasing, the water resources are finite (apart from desalination and recycling options), in some areas there were concerns of over allocation, and most important for our rural irrigators was the need to protect the existing users.

There was a very negative response to the draft plan by community, including our Fleurieu dairy farmers, and this was consistently reported at all the meetings. So this suggests that in this region there is a need to identify issues, have the discussions within industry and then take a position to government. On the one hand you could expect that the Western Mt Lofty Ranges would be a relatively easy exercise particularly in the area below McLaren Vale but without a great deal of commonsense there could be some serious conflicts surrounding issues such as; farm dams, meters, the inclusion of plantation forestry, fees and charges, and the management of the Fleurieu Swamps which comes under Federal legislation.

The timing of the community consultation meetings coming during hay making meant that many of our farmers were unable to attend the meetings. Another concern is that the SA government wants feedback on this draft plan by 10 January 2011.

## **FUTURE OF MURRAY BRIDGE AND JERVOIS**

At the meeting in the SADA Office with National Foods on 1 December the future of these two plants was discussed. National Foods is currently reviewing the future of their cheese plants across Australia, National Foods is looking at the security of milk production particularly along the river and the Lakes given the current debate on the Murray Darling Draft Plan and the likely "political" outcome. The SADA directors appreciated the opportunity to talk directly and openly with the senior management of National Foods on many matters.

**Contact:** Ken Lyons 0419 037 569

## **ADF HOSTS MINISTER'S VISIT TO NORTHERN VICTORIAN DAIRY FARMS**

On Tuesday 9 November ADF hosted a visit to the northern Victorian dairy region for the Senator the Hon. Joe Ludwig, Minister for Agriculture and his advisors, Clare Nairn and Sarah McSporran.

ADF Vice President Chris Griffin, Board members, Daryl Hoey and David Basham and Acting CEO Natalie Collard joined with Murray Dairy Deputy Chair Malcolm Holm and EO Sarah Parker to explain Australian Dairy Industry Council (ADIC) water messages and to provide an opportunity for the Minister to see firsthand how irrigators use water efficiently and drive continuous improvement.

The Minister visited the Lang family farm at Toolamba and Bill Gread's farm at Katunga where he was impressed by the on-farm modifications and investment made to improve water use efficiency. Tatura Milk Industries (TMI) Chairman Barry Irvin and CEO Aidan Coleman hosted lunch and a factory tour at their facility.

ADF thanks the Lang family, Bill Gread, TMI and Murray Dairy for their support of the visit.

**Contact:** Natalie Collard 03 8621 4200

## **PRODUCTIVITY COMMISSION RDC INQUIRY**

On Monday 22 November ADF President Wes Judd and ADF Policy Manager, David Losberg, appeared before the Productivity Commission's (PC) hearings on its draft report into Rural Research and Development Corporation (RDCs). Wes appeared as the ADIC Chairman representing both ADF and the Australian Dairy Products Federation (ADPF).

The key points made were:

- The current RDC model works well for both government and rural industries. He noted that the dairy industry achieves significant leverage of

its RD&E investment and that Dairy Australia (DA) has strong support from both farmers and processors for the work they do.

- This is not the time to be cutting funding. We need more RD&E to help our agricultural industries face the challenges of the future.
- Cutting Government funding in half will severely hamper the dairy industry's ability to meet these challenges and damage the industry greatly.
- The public good derived from RD&E in the dairy industry is not well enough understood or even acknowledged very often; dairy RD&E benefits the whole of society, not just dairy farmers.
- The close links DA has with its stakeholder's results in good alignment with their needs and increased industry take-up of RD&E and that it is important that these links and close alignment continue to address the challenges facing the Australian dairy industry.

As well as appearing at the public hearing, the ADIC also put a second submission into the inquiry, in response to the PC's draft report on RDCs.

The key points from the submission were that:

- Government funding levels for agricultural RD&E are comparable to other industries and the ADIC does not support the PC's contention that RDCs are funded at a level that is significantly higher when compared to other industries.
- The ADIC maintains that if the matching contribution is reduced there is not the capacity or incentive for dairy farmers to fill the gap in funding as the PC simplistically contends.
- The ADIC believes the PC's proposal to reduce Government funding is too narrowly focused, short-sighted and undervalues the contribution that dairy makes to regional communities, the economy, food security and the health and well-being of Australians.

ADF, ADPF and the ADIC will continue to push hard to ensure that Government understands the importance of RD&E to the dairy industry and its future and that reducing government funding by half is just not the right thing to do for the dairy industry or the wider community. A copy of the ADIC submission is available at [www.pc.gov.au](http://www.pc.gov.au)

**Contact:** David Losberg 03 8621 4200

## **DEVELOPING DAIRY LEADERS PROGRAM**

A reminder to all the young dairy farmers who aspire to leadership roles within their dairy community that the Developing Dairy Leaders Program is open for applications.

This exciting and innovative pilot course is open to people aged 18 to 30 who wish to further develop their capability and capacity for a State leadership

role. Attendance is covered by industry and offered at no cost to farmers.

Participants will:

- Take part in a four-day residential skills development program in Melbourne in February;
- Take part in a two-day residential policy and media development program in Canberra in May;
- Gain formal accreditation towards the dairy industry's learning and development career pathway;
- Learn how to, and plan to, put their leadership potential into action;
- Learn to contribute to the development of policy;
- Further develop their industry network by interacting with influential political and agricultural leaders; and
- Be mentored by an industry leader.

On successful completion of the program, participants will have achieved competencies towards a Diploma of Agribusiness with the National Centre for Dairy Education Australia (NCDEA).

The project is co-managed by ADF and Dairy Australia with collaboration from the NCDEA. Applications close on 10 December 2010 so be quick so that you do not miss out.

For further information contact ADF on 03 8621 4200 or visit [www.dairyaustralia.com.au/leadership](http://www.dairyaustralia.com.au/leadership)

## ADIC PRIORITY-SETTING PROCESS

The ADIC priority-setting process aims to develop a strategy that will address the challenges facing the dairy industry over the next five to seven years and help ensure that all sectors of the industry are pursuing similar goals and priorities.

Following two workshops earlier in the year, with representatives from around Australia and across all sectors of the industry, there will now be a round of meetings and online consultations aimed specifically at regionally based stakeholders.

A series of regional workshops will be held early in 2011. These workshops will also examine the key challenges and strategic issues facing the industry and ensure that feedback from across Australia is incorporated into the process.

To maximise the numbers of stakeholders providing feedback, an online consultation process will also be held. This will enable regional stakeholders to have their say through the internet at their own convenience. The web page will be active for two or three months.

This feedback will then form part of the draft ADIC report. All farmers and other stakeholders will be encouraged to add their views. The site will be

operational soon and will be publicised widely for people to provide input.

People who attended the original workshops earlier in the year, and other key stakeholders, will shortly be sent a letter and progress report updating them on the status of the priority-setting process. The regional workshops and website will be public and open to people across the industry, giving them the chance to have input into the challenges facing the dairy industry and the opportunity to consider how their plans relate to; and contribute to, the ADIC priority-setting process. The ADIC priority-setting process is co-managed by ADF and DA.

Contact: David Losberg 03 8621 4200

## CATTLE STANDARDS AND GUIDELINES

A series of meetings are being arranged between cattle and sheep industry leaders and State and Territory Ministers of Primary Industries to gain reassurances about the commitment of jurisdictions to national harmonisation of Animal Welfare Standards and Guidelines. Concerns held by ADF, Cattle Council of Australia, the Australian Lot-feeders Association, Sheepmeat Council of Australia and Australian Wool Producers led to a decision by industry representatives to withdraw funding support for the continued development of Cattle and Sheep Animal Welfare Standards and Guidelines (S&G's).

Responses to earlier approaches ranged from a full commitment to implement nationally agreed standards to a reiteration of the right of jurisdictions to implement variations in both the Standards and definitions used within the Standards. The experience of the pig industry in Tasmania also alerted industry to the situation that despite national agreement, some jurisdictions would introduce variations after the Standards had been endorsed by the Primary Industries Ministerial Council (PIMC). This was despite earlier participation by government representatives in a lengthy national Standards development process, the preparation of a national Regulatory Impact Statement (RIS), going to national public consultation, endorsement through the national Primary Industry Standing Committee (PISC) committee structures and agreement at PIMC.

The ADF remain committed to the development of national Cattle Standards and Guidelines and are hoping that this initiative will restore industry confidence that all jurisdictions are equally committed to achieving this goal.

Contacts: David Basham 0417865 962 & Kevin Shiell 0413 800 349

## CALF TRANSPORT – TIME OFF FEED UPDATE

A regulatory Impact Statement is under consideration by the Office of Best Practice Regulation (OBPR)

prior to public consultation on the proposal to introduce a Standard for a maximum 30 hours time of feed for calves being transported. Industry will be encouraged to provide comment on the proposal during the public consultation phase and details will be circulated at the time.

**Contacts:** David Basham 0417865 962 & Kevin Shiell 0413 800 349

## AHA MEMBERS FORUM & AHA AGM

The Animal Health Australia (AHA) Members Forum, comprising representatives from the Commonwealth, State and Territory governments and Industry, met in Canberra on 24 November 2010 prior to the conduct of the AHA Annual General Meeting. Dairy industry representatives were:

- ADF – David Basham and Kevin Shiell
- Dairy Australia – Robin Condron

The Members Forum considered the draft AHA Business Plan for 2011/2012 that had been circulated prior to the meeting. Feedback was provided by members to enable the plan to be further developed prior to endorsement. A revised Business Plan will be circulated and this will be considered by the ADF AH&W Advisory Group for feedback to AHA in February 2011. Issues addressed at the Members Forum included:

- The AHA Strategic Plan 2010 to 2014
- The future relationship between AHA and Plant Health Australia
- FMD response policy review
- Animal Health Performance Standards
- Animal Welfare & the Cattle & Sheep Standards

The AHA also held its AGM in association with the Members Forum, where the following Directors of the company were appointed:

- Peter Milne
- Helen Scott-Orr
- Sharon Starick

**Contacts:** David Basham 0417865 962 & Kevin Shiell 0413 800 349

## ADF BOARD MEETING

The ADF Board held its quarterly Board Meeting and Annual AGM in late November. The ADF Board endorsed a new director, Mike Norton representing dairy farmers in Western Australia. The CEO of AgStewardship Australia, Karen Gomez, delivered a presentation to the Board on the establishment of the drumMUSTER and ChemClear programs that reduce and manage waste for Australia's agricultural sector. The, outgoing National Farmers Federation CEO, Ben Fargher, was the guest speaker at the Board dinner.

**Contact:** Wes Judd & Natalie Collard

## SADA OFFICE CLOSURE

The SADA Office will be closed for the Christmas break from Monday 20 December and returning on January 10 2011. If you need to contact SADA during this time you can call Ken Lyons on 0419 037 569 or Jo Gilbert on 0419 035 459 or email [sada@sada.asn.au](mailto:sada@sada.asn.au)

**SADA would  
like to wish you  
all a very  
Merry  
Christmas and  
a Happy and  
Safe New Year**



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Dairy Farmers

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**National Farmers'**  
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# Inside Briefs



NFF House, 14-16 Brisbane Ave, Barton ACT 2600. PO Box E10, Kingston ACT 2604. t 02 6273 3855 f 02 6273 2331 w www.nff.org.au

**Date: 2 December 2010**

## NATIONAL FOOD STRATEGY

THIS week NFF President Jock Laurie took part in the first meeting of a Food Policy Working Group – an initiative chaired by Federal Agriculture Minister Joe Ludwig and driven by the NFF – to mesh together policies on research and development (R&D), water, carbon, transport and infrastructure in a complementary and cohesive purpose.

While food security is a slow burning issue in Australia, our politicians, industries, bureaucrats, scientists and academics are now focusing on food policy. The NFF insists this needs to align all relevant policy areas to back our farmers and rural industries to meet burgeoning demand, here and overseas.

## FOOD SECURITY

THE Office of the Australian Government Chief Scientist has released a report on food security in a changing world, which the NFF's 2050 Committee is now considering.

Key recommendations from the report by an Expert Working Group, which included the NFF, cover:

- Establishing an Australian Food Security Agency;
- Increasing investment in agricultural research and development to harness national expertise and take a leading role in targeted to improving low input farming systems;
- Incentives to recruit and nurture future generations of innovative and adaptive farmers, researchers and associated professionals for Australian food production; and
- Elevating the status of food in Australia and build cooperation towards improved food value.

In light of this headline agenda, the NFF is pursuing increased spending on research and development; greater coordination between our research and development and Australia's international aid program; food production included in the national school curriculum; and reducing the

HECs fees for students enrolling in Agricultural Science studies.

The report is available online at: [http://www.chiefscientist.gov.au/wp-content/uploads/FoodSecurity\\_web.pdf](http://www.chiefscientist.gov.au/wp-content/uploads/FoodSecurity_web.pdf).

## CARBON BACK IN 2011

CARBON is back on the political agenda, with Prime Minister Julia Gillard making it clear her government will drive a price on carbon next year.

NFF CEO Ben Fargher drove home agriculture's needs as part of a Business Roundtable last week, chaired by Deputy Prime Minister and Federal Treasurer Wayne Swan, which saw business leaders from across the country in attendance.

The NFF asserted farmers' position that, unlike other areas of the economy where cost hikes can (and will) simply be passed on to customers, agriculture cannot.

As such, NFF members remain concerned about a carbon price, reaffirming the need for any scheme to ensure farmers are carved out of direct coverage and guaranteed offset measures recognizing our carbon capture and storage solutions.

This follows the announcement of the Carbon Farming Initiative, which aims to facilitate the sale of carbon credits on international markets and ensure Australian farmers can take advantage of the opportunities.

It must be noted that, as it stands, the international community is far from agreeing on efforts to pursue or reward the carbon abatement that agricultural land management delivers.

The international market for carbon credits has been subdued following the collapse in international will in Copenhagen last year, but the market may develop in the future.

As such, the NFF views the Carbon Farming Initiative as prudent in gearing our farmers up to capitalise.

The rules underpinning a carbon market can be difficult to interpret at a practical level, so this initiative will hopefully deliver some clarity for farmers about what practices on-farm will be compliant with carbon markets.

## NATIONAL ACCOUNTS

AUSTRALIAN farm production has, again, kept the economy from dipping into negative territory, with the September quarter national accounts recording agricultural growth of 21.5% - compared to national growth of just 0.2%. The NFF media release online at: <http://www.nff.org.au/read/1872.html>.

## SPIES IN THE SKIES

FARMERS should be aware that satellite imagery technology is being used as a compliance tool to monitor and regulate land clearing by state governments.

The technology overlays photographs of landscapes over time intervals to expose any broad scale tree clearing and variances to vegetation.

This information can be used as *prima facie* evidence for criminal or civil proceedings under State and/or Commonwealth legislation, depending on species cleared or the ramifications of this clearing.

If farmers are to clear trees from their property's it is crucial that they:

- Check local, state and national legislation or seek advice from respective state or federal environment departments;
- Identify grasses/trees affected by clearing and check the status of protection for species (if any);
- Be mindful that certain areas can trigger some legislation; and
- Determine if there are any matters of national environmental significance affected, ie RAMSAR wetlands, migratory species etc.

Further information can be sought from the NFF Environment Liaison Officer Jol Taber on free call: 1-800 704 520.

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## Christmas Shutdown

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First kill Monday January 3rd 2011

Phone Mark McLoughlin on 0400 225 101

I hope you all have a Merry & Safe  
Christmas & a Prosperous New Year



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