

SADA NEWSLETTER

25 February 2014

PRESIDENT'S REPORT

David Basham – 0417 865 962

The difficulty that we face as dairy farmers is the uncertainty from year to year with pricing, climate and many other factors. This time last year SADA held meetings in Mount Gambier and Murray Bridge to listen and act on the concerns of our SA dairy farmers and the industries supporting businesses. One of the actions from the Murray Bridge meeting was to ask for a national forum to look at the industry to improve the long term viability of dairy farming. This forum has now been organised to occur on March the 13th in Melbourne. Both Ken Lyons & I, along with a few other SA farmers, will be attending to listen to the opinions of farmers and other industry participants to determine what will be a good future approach for dairy farming in Australia and for us more importantly in South Australia. You will be able to follow what is happening during the forum on Twitter, the hash tag that ADF has setup for the ADF National Dairy Farmers' Summit is #ADFsummit.

SADA is not relying on the summit for the solutions for the dairy industries viability in SA. We are working closely with the State Government to attract investment into the dairy sector in SA both at the farm and processing level. The State Government with our assistance has prepared a document titled Dairy Opportunities in South Australia. This is a high level document to be used to help highlight the strengths of the SA dairy industry and why investors should invest here instead of interstate or overseas. The Government has recognised that investment in agriculture can give good returns to investors and the State's economy. The dairy industry is the first of the agricultural industries to be focused on to attract this investment. The SADA Board in the last couple of weeks has also been discussing how we can promote the opportunities here in SA at a farm level. If we can stimulate investment and confidence, whilst focusing on the need for long term profitable dairy farming businesses, we will improve the viability of those currently in the industry. The funds being raised through the sale of SADA Fresh is giving us the ability to invest and promote these opportunities.

The State election is only a few weeks away and SADA has prepared an election platform document to present to the major parties to continue highlighting the issues

SADA believe need addressing to assist SA dairy farmers. The political environment at the moment is such that it will be difficult to get any commitment on funding issues. This document is not intended to get a commitment on each item prior to the election but to put in place a starting point for discussions with the Government following the election. It is our intention to meet with the Minister of Agriculture as soon as possible following the election to continue to advocate for the important issues facing SA dairy farmers.

It is pleasing that the industry has improved greatly from this time last year. I am optimistic at this stage to say that it is continuing to look promising into next year. We as small business operators need advantage of these prices that have been described to me by a senior company executive as good but not great, to set up our businesses to cope with any future downturns.

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CEO's REPORT

Hoping you all had an enjoyable Christmas and New Year with family and friends.

We believe 2014 will be an exciting year for the SA dairy industry because;

- The outlook is for a better financial year ahead for our members that will begin to see the higher than usual debt begin to return to more manageable levels. But perhaps the most exciting news for 2014 is that all of our SA dairy regions may get the opportunity to see new investment and infrastructure generated from the higher returns from exploiting new “value adding” marketing opportunities. While the opportunities for better market returns are available to all Australian dairy farmers, these opportunities will go to those dairy regions that can be sufficiently “pro-active” to grasp these new opportunities. The initiative by SADA to launch the SADA Fresh milk brand and to establish the SA Dairy Fund provides the financial means for the SA dairy industry to “collectively” grasp these opportunities.
- Another exciting opportunity for our dairy industry is the development of a “high tech” SADA web page for the benefit of members.
- This coming year has all the hallmarks of being a year when our political advocacy will deliver significant benefits to industry. This is because we have good networks and credibility with the politicians and good networking with our other associations including; BusinessSA, PPSA, Local Government Association, Royal Show Society, NFF and Rural Media SA. The upcoming State Election provides a special opportunity to lobby for policies supporting our rural industries.
- Our relationship with Chas Cini has been appreciated by our members, especially given the on-going changes to the industrial relations conditions and award over recent years. Chas will continue to keep us all abreast of the conditions both generally and on a “one-to- one” basis.
- And finally we have the opportunity to grow our collective financial clout through our own milk brand “SADA Fresh”.

But first let us address the two issues currently in the rural press; the bushfires and the drought in central Australia.

THE BUSHFIRES

As I write the bushfires continue to rage across Victoria. This year we are a little more prepared thanks to the work we did last year with the SA emergency groups and Dairy Australia. There are a number of information sheets available from DA but the simple Dairy Farm Fire Plan (4 pages) should be on every farm office wall.

Fortunately our dairy farms are currently free from fire but the summer has a way to go yet.

Those livestock farms in SA that have been hit with fire in recent weeks have been able to access donated fodder from generous farmers. Here in the office Amy Williams for PPSA has been linking farmers in need with farmers donating fodder. It is always amazing and heart-warming to see just how generous farmers are to neighbours in need.

We have included the PPSA Media Release in the Newsletter.

While having a record hot summer the weather people are predicting a cooler wetter March.

NATIONAL DROUGHT

Again the drought, like the bushfires, is not currently affecting our dairy farmers but rather the livestock producers in central Australia. It is encouraging that both PPSA and Minister Gago are active in seeing SA farmers are going get their share of any assistance coming out of the Federal Government.

NEW ABBOTT FEDERAL GOVERNMENT

The rural sector has the opportunity to assist the new Minister for Agriculture, Barnaby Joyce, to have a “fresh look” at rural policy. He is pulling all the options together with his new White Paper, the “Agriculture Competitiveness White Paper”. The key focus will be on uncovering all options to help boost farm gate returns. I like this comment from Barnaby, “Achieving anything in politics doesn’t come from divine inspiration; it comes from listening and a two-way process between politicians and the people who represent them”.

You can read more about the Agriculture Competitiveness White Paper at www.agriculturalcompetitiveness.dpmc.gov.au

It is also encouraging to hear that he will take into account the recent work done by the NFF with their “Blueprint for the Bush” which involved interviews with 4,000 plus farmers and some elements from the previous governments “National Food Plan”.

Our NFF has set the following top priorities for the year: developing a new drought management policy, developing measures that drive improved on-farm profitability, encouraging rural and regional investment, reducing the regulatory burden on farms and progressing trade agreements.

This year marks the NFF’s 35th anniversary and it is also the UN-declared Year of Family Farming. SADA is currently looking how we can enable our dairy farmers to tell their proud stories of their own “family farm”. This could be a practical and creative way of building understanding between the city and our dairy industry.

CANBERRA VISIT

SADA President, David Basham, PPSA Chief, Rob Kerin, and SADA CEO, Ken Lyons, are heading to Canberra for 3 days in early March.

On Monday March 3 the group is hoping to meet with key politicians and the NFF in the morning and in the afternoon they will attend the Seminar arranged by the Farm Institute. The Institute has commissioned a research paper on “Opportunities to improve the effectiveness of Australian farmers’ advocacy groups” and this report will be released at this seminar. The report is expected to highlight six important factors that they found contribute to an association’s effectiveness.

Then on the Tuesday and Wednesday they will attend the ABARE Rural Outlook Conference. On Friday 7 March we are meeting with Animal Health Australia (AHA) in the morning and animal welfare advocates in the afternoon.

STATE ELECTION

State elections present a unique opportunity for industry associations to influence policy positions. Membership in SADA allows you to influence policy at the broad industry level through BusinessSA, general agricultural and rural issues through our membership of PPSA, and specific dairy policy through SADA. BusinessSA recently released its pre-election policy document the “Charter of a more prosperous South Australia”. The charter contains 75 recommendations which comprehensively detail the issues that business needs the next government to address. Having looked closely at the recommendations we consider them to be realistic and achievable.

SADA CEO, Ken Lyons, attended the BusinessSA luncheon on 6 February along with 600 other business leaders to hear the Premier and Opposition Leader debate the BusinessSA Charter.

All the commodity groups have worked with PPSA to get their election policies together.

Finally SADA has prepared our dairy specific policy paper which is included in this newsletter.

WATER ISSUES

Before saying another word can all SE dairy irrigators make sure that those who would like to get the extra water allocation associated with high performance pastures have applied for the allocation.

No application means no allocation.

SADA is currently actively working with all the regions on issues pertaining to the WAP's and this will be a major priority again this year for SADA.

THE FUTURE OF FARMING AROUND LAKE ALBERT

There was a very successful launching of the Report commissioned by the RDA Murraylands & Riverland entitled the "Economic Impact Assessment of the Lake Albert Irrigation Industries". The CEO of the Regional Development Australia M & R, Brenton Lewis, outlined the potential for economic growth (including dairy) for the region. Ken Lyons from SADA supported the potential for the regions recovery.

Brenton Lewis is more than happy to support SADA Fresh because he sees, in the establishment of the SA Dairy Fund, the opportunity for SADA to co-invest with his RDA and others to build a stronger dairy industry in the region.

THE MARKETING OF "SADA FRESH"

Since returning from the summer break everyone has been looking with great interest at the sales of "SADA Fresh" and being very encouraged by the support from the community. SADA will not be spending big money to market the "SADA Fresh" brand with glossy advertisements or television advertising. We are using "word of mouth" and the social media to get our message out to the public and early indications are that they are supporting our local dairy industry, as they recently did with Spring Gully.

We would be especially keen to hear from anyone interested in playing a leadership role in the industry in terms of developing their communications skills and promoting the SADA Fresh milk brand.

We do have 2 very innovative ideas suggested by Liz Harfull that we are developing and we are hoping to present them to the membership shortly. Both involve engaging with the community via "social media".

On Wednesday 12 February we had a marketing meeting for the SADA Fresh brand at SADA to consider ideas for promoting the new brand and several ideas have been ticked for investigation and potential implementation. We will continue to welcome your assistance and ideas for promoting the brand.

SADA is getting lots of positive feedback from the community, government, and the dairy communities around Australia, for achieving the launching our own dairy brand. Taking such a "pro-active role" in providing the opportunity for our dairy farmers to play a key role in our own industry development is being closely watched by many other industry associations.

Please keep looking at and contributing to our "SADA fresh milk" face-book page and like the contributions.
<https://www.facebook.com/SADAFreshMilk>

On Saturday 15 February "SADA Fresh" went to the Uraidla Show to promote the brand, tell our story, and to get community feedback. We were very heartened to hear of the genuine support for the local dairy industry and they thought it was fantastic that we had managed to launch our own brand of milk.

THE FUNERAL FOR DAVID HIGBED

The SA Dairy Industry was well represented at the funeral for David Higbed held on 5 February. Ex-SADA President, Alan Manning, spoke on behalf of the dairy industry. The service celebrated his life.



Supporters of SADA Fresh at the Uraidla Show

Top Left Photo L-R: Brenton Lewis and Tamara Rohrlach from RDA

Top Right Photo L-R: Johnathon Chee from Momentum Energy

Bottom Photo L-R: Fran Aitken and Rick Gladigau

DAIRYSA CONFERENCE

Just a brief reminder that the next DairySA Central Region Conference will be held at Hahndorf commencing at 9.30am on Wednesday 12 March. To register contact Penny Schulz on 0417 853 094.

INDUSTRIAL RELATIONS WITH CHAS CINI

We have included the latest advice from Chas in this newsletter.

Once we get the interactive SADA website operating we will be able to ensure our members are kept abreast of the latest in Industrial relations.

MOMENTUM ENERGY

After 6 months of suggesting dairy farmers check their electricity prices with the discounts being offered by Momentum Energy we are finding that those that have made the change are more than happy. For those who have not yet come on board with Momentum feel free to give Johnathon a call (0419 618 130) for a non-obligation comparison on your power bill.

PPSA AND MINING AND GAS ISSUES

Late last year key staff from the Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) attended the PPSA NRM Committee meeting to discuss South Australia's regulatory framework for the interaction between mining and gas developments and existing landholders. Presentations were given by Helen Thomas, Director of the Resource Land Access Strategy Branch for Mineral Resources, and Michael Malavazos, Director of the Engineering Operations Branch for Energy Resources. This topic will be addressed again at the February PPSA NRM Committee meeting, as well as at the upcoming March PPSA Council meeting.

DAIRY GROOVING

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SADA STATE ELECTION POLICIES

CATTLE ADVISORY GROUP FUNDING

- SADA supports the continuation of the funding of cattle industry projects currently going to both SADA and LivestockSA.
- SADA would like to see the strengthening of the Advisory Group by increasing the members recommended to the Minister by the industry bodies.

TRANSPORT ISSUES

The dairy industry believes there are several opportunities to make the SA dairy industry competitive with the Victorian dairy industry by amending a number of transport regulations.

- B-double access is a particular problem in SA including the “red-tape” and costs involved in seeking approval.
- Cow crossings are a significant challenge for dairy farmers as herd sizes have grown. The safety of road users, farmers and stock is of concern. To address this, underpasses are the preferred option as has been done in Victoria (with State and Local government support). As a minimum, improved permanent signage to assist cow movements needs to be developed.
- Victoria has in recent years changed its licencing requirements for farm machinery to allow holders of standard car licences to drive the farm machinery. This approach has been supported by statistical data showing no increase in accidents. Similar changes are needed in SA to ensure farmers and their employees are appropriately licenced.

WATER ISSUES

There are several issues relating to Water Allocation Plans that need to be addressed.

- Where it is decided that “low flow bypasses” are to be installed for the benefit of the water catchment the costs should be socialised and not be borne by individual farmers.
- The costs of managing and administering water allocations should be consistent across the regions. For example the expected difference between the Eastern and Western Mt Lofty Ranges could be resolved by the Western Region being managed by the Eastern.
- Since water has been removed from land titles the rates on land should be only calculated on the dry land value (non-irrigated value).

DAIRY INDUSTRY FUND

The South Australian Dairy Industry historically was competitive and profitable as an efficient low cost producer on both the domestic and export markets. Today SA is a high cost region and to survive we believe we need to look at “value adding” our dairy product range. Fortunately there are opportunities in both the domestic and export market for “value adding” but our industry will have to be pro-active in making this transition. The SADA has launched its own milk brand, “SADA Fresh” with the net royalties going to a Dairy Industry Fund to finance projects aimed at securing our industry future.

- The dairy industry seeks a commitment from a future State government to support the dairy industry initiative to establish the Dairy Industry Fund. Specifically we would like to work with the State government to develop and establish the best possible framework (which may include statutory legislation) for the Fund.

BIOSECURITY

- SADA supports PPSA’s call for funding of biosecurity measures by the state government to protect our farms. It is necessary that the State government meets its Federal government obligations to maintain Australia’s good record in biosecurity.

MARKETING

- Seeking continuation of State government support for both attracting investment into the dairy industry (production and processing), and “value adding” our dairy products (domestic and export). PIRSA and InvestSA are working with SADA to prepare an investment prospectus and seeking new markets through trade missions.



Mediation and Employment Relations Service

135 Fullarton Road Rose Park SA 5067 Phone: 08 8331 2422
Email: chas@mers.com.au Website: www.mers.com.au

FARM COMMODITIES MEMBER UPDATE FEBRUARY 2014

FAIR WORK ACT 2009 AMENDMENTS WHICH CAME INTO EFFECT ON THE 1ST JANUARY 2014

UNFAIR DISMISSAL APPLICATIONS

An employee who believes they have been unfairly dismissed due to unlawful termination and who decides to make application to the Fair Work Commission must do so within 21 days (previously 60 days).

“Unlawful” means in breach of legislation (eg Equal Opportunities Act).

CHANGES TO ROSTERING ARRANGEMENTS

The Modern Awards (2010) now require employers to consult with employees when changing rosters or, regular working hours. Employees are entitled to be supported in negotiations and employers must consider the employee’s views. This also applies to Enterprise Agreements.

The Modern Awards contain in Clause 7 the ability for the employers and employees to negotiate an Individual Flexibility Arrangement Agreement. Please contact us if you need further advice.

ANTIBULLYING REGIME

The Fair Work Commission now will be able to accept applications from workers who allege they are being bullied at work either as an individual or as a group of employees. The behaviour must be unreasonably targeted towards the worker (s) which creates a risk to health and safety. The definition of “worker” is very broadly defined.

This new process may not preclude workers from lodging complaints with other Government authorities including WorkCover, Equal Opportunity Commission and, Human Rights Commission. They may also lodge claims with SafeWork SA.

This process is new but will include constitutionally covered businesses and, businesses and undertakings which are likely to be trading or, financial corporations.

RIGHT OF ENTRY

Union Officials who exercise a right of entry to workplaces are required to comply with the employers’ reasonable request with employees in particular rooms or areas of the workplace. If agreement as to the location is not reached, the use of lunch areas will be regarded as reasonable.

If a Union Official in seeking to enter a remotely located workplace, the employer must facilitate travel and accommodation for that official.

SUPERANNUATION

The Government previously announced that Superannuation Funds will be able to offer My Super Products from the 1st July 2013. On the 1st October 2013 employers must make contributions for employees who have not made a choice of Fund that offers a My Super product in order to satisfy Superannuation Guarantee requirements. Additional transitional arrangements will be developed to deal with situations involving Funds nominated in Enterprise Agreements.

From the 1st January 2014 it will be compulsory for employers to make employee contributions to a Fund offering a My Super product. For more information on My Super products visit the following website:

http://strongersuper.treasury.gov.au/content/Content.aspx?doc=publications/information_pack/mysuper.htm

13th February 2014

Much fodder donated for Fire Victims.

Primary producers SA Chair Rob Kerin has praised the generosity of South Australian farmers in donating fodder towards those who have suffered from the devastating bushfires this year.

“Due to this generosity we have been able to place a large amount of hay into the fire affected areas. Many of these farmers will continue to need hay for some time yet and we urge farmers with spare hay to also consider donating.”

“We have also had generous donations of grain and agistment, which helped many as well. Grain Producers SA have organized with the Bulk Handlers that grain donated anywhere in the State can be collected at sites adjacent to the fire areas. ”, added Mr. Kerin

“Also with the Wine Grape Growers Council we have been able to access thousands of pine posts from vineyards. These posts are helping many farmers get on with the fencing task.”

“Blazeaid have done a wonderful job organizing volunteers to get the fencing task under way from bases at Palmer and Wirrabara”

Any one wishing to donate feed or fencing equipment should ring PPSA on 8297 0899. Those who may wish to volunteer to work with Blazeaid should ring 0488 309 243 for the Rockleigh and Eden Valley fires, and 0447252931 for the Bangor fire.

Rob Kerin can be contacted on 0439 933 103



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To see if our products are right for you, always consider the PDS from the product issuer, WFI (ABN 24 000 036 279 AFSL 241461).

Good people to know.



SADA NEWSLETTER

29th April 2014

PRESIDENT'S REPORT

David Basham – 0417 865 962

I would like to start my monthly report by acknowledging the SADA's previous Office Manager, Jo Gilbert, for many years of dedicated work for SA dairy farmers. Jo last year took several months off on long service leave and on her return decided that she only wanted to work one day a week. A few weeks ago Jo decided to retire fully due to ill health to focus on her recovery and look forward to spending her retirement years with her husband Chris. I would like to wish her a speedy and full recovery on behalf of the dairy industry community and hope to see her at the Show BBQ with Chris later in the year.

Opening Prices

As the end of the financial year approaches the speculation around opening milk prices increases. This year is more interesting than most, as we wait to see how positive the announcements maybe following the change in ownership of WCB and UDP. Both MG and Bega have also made their intent clear that they wish to grow their supplier base and Bega has stated that it will use 25 million from its proceeds from the sale of its WCB shares to attract new milk. This positive news is confused by the downward movement of the last two months on the export markets and the increase in the value of the Australian Dollar. With all this activity I would encourage farmers to consider all their options and seek income estimates from several companies to see which company may be best for your individual business.

SADA Fresh

Saturday was the 6 month anniversary of the launch of our own brand, SADA Fresh. The support for our milk has been stronger than the initial predictions with the sales of the low fat version being significantly more than was predicted. As farmers we need to thank our consumers for their support. This week the SADA Board is meeting to fully develop the Charter and structure of the Dairy Industry Fund. We will be able to make further announcements following the development of the fund. It is our intent that following paying for the establishment costs that the fund will commence operating at the start of the new financial year. We are also looking at ways to grow the brand, including its launch into other retail stores following the 12 month exclusivity with Coles. Please thank consumers that you know that are supporting the SADA fresh milk, as talking about the brand will help continue the success of the brand.

CEO'S REPORT

OPENING COMMENTS.

Autumn is perhaps one the busiest times for dairy farmers and this year it has also been that way for SADA. This Newsletter will cover exciting and positive news about improved trading conditions including the benefits from FTA's with South Korea, Japan and China for the dairy industry. This story includes comments from a meeting in Adelaide with the Minister for Trade, Andrew Robb, held on Wednesday 23 April. Then we look at the potential for some dairy regions in Australia to capture significantly higher farm gate milk prices through "value added" dairy products. The good news here is that SA, with the establishment of the SA Dairy Fund, should be better resourced to chase after and capture these better prices.

While the SA dairy industry has, for more than a decade, made a major contribution to restoring the health of the MDB, we have recently lost some of our heroes, and so we say thank you to both Henry Jones and Ron Darling.

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FREE TRADE AGREEMENTS (FTA'S)

Thanks to Senator David Fawcett a few SA business leaders were able to meet privately with the Minister for Trade and Investment, Andrew Robb, over a luncheon on Wednesday 23 April. The Minister not only was keen to update us on the international market conditions and the new trade agreements but also was keen to hear how our SA industries were going. He was especially keen to hear about the SADA Fresh project and I agreed to provide him with a briefing after the SADA Board strategic planning sessions next week.

He is excited about the opportunities opening up in Asia. He believes that the business and economic conditions provide the perfect "timing" of finalising the three FTA's. This is correct but credit also needs to go to the government for giving the FTA's the policy priority and the Minister himself for the energy, commitment, and leadership he is providing.

The main message for Minister Robb is that while the FTA with Japan was difficult and complex for dairy the expectations with the China FTA are high. The dairy industry expects to have equivalent, or better access, than the New Zealanders under the proposed FTA. We believe that the Chinese will be keen to also have both Australia and New Zealand competing on a level playing field.

In the December SADA Newsletter I reported on the ADIC Breakfast that was held in Melbourne on 29 November and attended by David and myself. As reported the guest speakers was the FTA expert, Alan Oxley, who suggested that Asia represented an unprecedented opportunity for the dairy industry.

We have included a feature article on the FTA's by Alan Oxley that appeared in the Weekend Australian on 12 April.



Minister Andrew Robb promoting SADA Fresh

VALUE ADDING FARM MILK.

Apart from the FTA's there are many; processors, exporters, investors, state governments, and corporations all looking to become involved in opening up high value dairy markets in Asia. It is important that the South Australian Dairy Industry is actively involved in working with the current dairy processors and "new comers" to ensure SA dairy farmers also benefit from these new opportunities. How often over the years have we all heard representative of our dairy community bemoaning the fact that our precious milk is being sold too cheaply?

The Victorian Agriculture Minister, Peter Walsh, is another politician urging the dairy industry to work hard to build relationships in international markets. He correctly points out that, "It is a positive that a demand (in Asia) for our dairy products but the market just won't fall into your laps. You have to **get out and work at it**".

As will be mentioned later the key to understanding the SADA Fresh brand is to understand the SA dairy industry needs to be actively funding projects to simply, "get out and work at it".

SADA PLANNING DAYS.

The SADA Board has decided to hold a two day Planning Session to looking at developing several operational plans covering the next twelve months. There will be four sessions and the program will be facilitated by John Mc Queen (ex-Department of Prime Minister and CEO of ADF). The four sessions will cover;

- **Session 1. The Changing role of SADA.** SADA is now involved with the commercial development of the "SADA Fresh" brand of dairy products and the establishment, the financial support, and the performance of the new proposed SA Dairy Industry Fund. These new commercial roles will have implications for the composition of the SADA Board and the skills, qualifications and incentives to attract a suitable CEO.
- **Session 2. Commercial development of the SADA Fresh Brand.** SADA is licencing the SADA Fresh brand which currently is being retailed through Coles supermarkets in SA. SADA is looking to; expand distribution to other retailers, expand the product lines, and the option of marketing internationally.
- **Session 3. Establishment and operation of the SA Dairy Fund.** The Dairy Fund needs to have; a business model/structure, sources of incomes, a Board, and a Charter. The SA dairy industry, through the Fund, seeks the capacity to undertake projects aimed at ensuring the future of our dairy industry. We are keen to benefit from the experiences of the Gardiner Foundation in Victoria.
-

- **Session 4. Charter for the Fund Board.** Very important that we get the Charter (the criteria on which the Board selects projects and allocates funding) right because the Fund Board is independent of the SADA Board. The SA industry must support the charter.

PROMOTING THE SADA FRESH MILK BRAND.

The launching of the SADA Fresh brand of milk has been applauded across the country. Now with the bumper stickers coming available dairy farmers can participate in promoting milk sales for SADA Fresh by displaying the promotional stickers.

There was an Email Update that went out to members on 14 April explaining the importance of the industry getting behind and supporting the SADA Fresh sales. This has been included in this newsletter along with 2 stickers. I am hoping to hear from members wanting some extra stickers. Just give me a call my mobile 0419 037 569.



Claire Miller promoting SADA Fresh



Coles Managing Director with David & Ken promoting SADA Fresh

Wednesday 6th April 2014 was the date 100 years ago that Coles opened their first store in Melbourne. Exactly 100 years later, the Coles Managing Director Ian McLeod opened their new store in Gawler. He also had time to promote the SADA Fresh brand.

AGRICULTURAL COMPETITIVENESS ISSUES PAPER.

On 6 February 2014, the Minister for Agriculture, the Hon Barnaby Joyce, MP, announced the Australian Government has begun its public consultation on the development of the Agricultural Competitiveness White Paper by releasing an Issues Paper.

The process and timetable for how this works is as follows;

- The government releases an Issues Paper then seeks industry feedback to ensure that all the relevant issues are covered. SADA has been working with the other commodity members of PPSA to provide feedback from SA. **We participated in a meeting with the government Task force on 8 April to discuss our feedback and then we through PPSA provided the Task force with a written submission. Following a meeting of SADA members in the South East, SADA submitted some additional issues to the Taskforce.** Submissions on the Issues Paper were due before 17 April.
- The Government will consider the issues and come out with the issues they intend addressing and how. This is called a Green Paper and is expected to come out around mid-2014. This will require all the industries, including SADA, to formulate (in consultation with members) a response to the Green Paper. **This will be a major advocacy activity for SADA in 2014. It will allow dairy farm members to have an effective say in the development of new policies aimed at making our dairy businesses more profitable.** All submissions on the Green Paper are due 8 weeks after the release of the Paper.
- The governments final decisions will be released in a White Paper expected around the end of 2014.

So this is a lengthy process but one that members can participate in through SADA. We at SADA believe that with the combination of the work going into the Agricultural Competitiveness Reviews (aimed at delivering real positive outcomes for farm businesses) throughout this year; the setting up of the SA Dairy Fund, and the ongoing work on regional water issues there is today a compelling argument to be a SADA member.

NATIONAL DAIRY INDUSTRY SUMMIT.

The inaugural ADF National Dairy Industry Summit was held on 13 March 2014 and is seen as the first step in the process to achieve a whole-of –industry vision and strategic priorities by the end of the year.

The summit was opened by the Federal Agriculture Minister, Barnaby Joyce, who said that, ***“With the right market development the dairy industry had a great future”***. He encouraged the industry to take on the challenge and not to “drop the ball”.

He tackled the issue of attracting young people into the dairy industry directly by suggesting that, ***“The only way (the dairy industry) will attract young people back to the farm is to show them the profit potential”***.

On industry representation his comment was that, ***“The world is run by those who turn up”***.

He also spoke about the White Paper (collecting the issues) and then the Green Paper (governments plans for improving competitiveness) where he is seeking, ***“practical pathways to profit and better farm gate returns”***.

There was the same presentation, as was given at the DairySA Innovation Day at Hahndorf the day before, on the 2020 Project. There is the suggestion in this presentation that successful dairy farmers are celebrated in NZ whereas we have a culture of “cutting down our tall poppies” here in Australia. If this is the case in some areas then it is something our industry has to address. Certainly here at SADA we go out of our way to thank everyone who contributes to our industry and celebrate our leaders.

Robert Hadler, Manager Corporate Affairs for Coles, (Coles was the major sponsor of the event) summarised the day by saying that the Summit had identified many challenges for the dairy industry and had left people believing that there is a lot of “good will” to build and grow a profitable dairy industry.

INTERNATIONAL YEAR OF FAMILY FARMING.

The United Nations declared 2014 as the International Year of Family Farming. Right around the world the one constant is that farms are predominantly family businesses.

While there are plenty of examples of corporate farming models that operate successfully they are vastly outnumbered by family farms.

In a recent article Mick Keogh notes that, “There is no barrier preventing greater corporatisation of farming occurring in Australia, other than the ability of the corporate farming model to compete successfully with the family farming model”.

On the other hand there have been enormous changes in how farm businesses operate these days. At the funeral service (Saturday 19th April) for Henry Jones (a fourth generation fisherman) we heard of how Henry and his new bride Gloria relocated to Clayton Bay in the 60,s. At the time there were only 4 other people in the vicinity, no power, no telephone, and the fish had to be transported to the Finnis railway station to be then railed to the fish markets in Adelaide and Melbourne. The family saw; the growth of Clayton, built a restaurant there, led the building of the Community Hall, built a profitable business (that now goes to a fifth generation), provided industry leadership (at the South Australia Fishing Industry Council) and Henry Jones was seen as “the face” of the campaign to “Save the River Murray”. So much change in one generation.

“When the winds of change blow, some people build walls and others build windmills”

- ***Chinese proverb.***

FAREWELL TO RON DARLING AND HENRY JONES.

This month saw the passing of a truly great South Australian, Henry Jones. Henry lived to see his major dream that of the signing of the MDB Agreement accomplished. I was very fortunate to have worked with Henry when he was Vice-President of the South Australian Fishing Industry Council and I was their CEO. There are many happy memories of Henry and his wife Gloria. They were inseparable, and such a lovely couple.

One of the last memories of Henry was especially special. We at SADA a few years ago hosted a national dairy conference here in SA, with dairy industry leaders coming from Australia and NZ. One day during the conference Henry and Clem Mason took us all by boat to the mouth of the Murray River. Stopping, here and there, for Henry and Clem to tell us the history story of the river and how it could be restored to health. Stories like this involving Henry, Clem, have appeared in several SADA Newsletters over the years.



Ken Lyons & Henry Jones

Monteith dairy farmer, Ron Darling, was another community leader and SADA supporter also dependant on a healthy Murray River, who also recently passed away from cancer. Dairy people from across SA gathered at Murray Bridge recently to farewell Ron. Many there had travelled overseas with Ron on the National Foods Study Tour.

Both Irene Darling and Gloria Jones are happy that there businesses will carry on to the next generation. We at SADA are well aware, and acknowledge, the roles played by both Irene and Gloria over the many years and our thoughts and wishes are with them.

BEEF PRODUCER FORUM

Cattle Council of Australia and Livestock SA, with support from Meat & Livestock Australia (MLA), are holding a regional beef producer forum in South Australia on 29 May at the Carlton Club at Hahndorf from 9 am to 2 pm. In addition to updates from both the Cattle Council and Livestock SA, issues to be discussed include MLA global and domestic marketing of beef, MLA research and development programs and the Pasturefed Cattle Assurance System (PCAS). The forum will conclude with an open panel Q&A session. All cattle producers are invited to attend. While there is no cost, registration is essential. Please contact 02 6269 5600 or cca@cattlecouncil.com.au and visit the www.cattlecouncil.com.au for more information.

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SADA UPDATE

Monday 14 April, 2014.

"BUMPER STICKERS" FOR "SADA FRESH" MILK.

Recently I was talking to a SADA dairy family about our new SADA Fresh "bumper stickers". They felt that the only way to get a really good rate of the stickers going onto vehicles would be to personally visit the farms and explain what we are trying to achieve. Experience suggests that only really committed supporters will put stickers on their vehicles. So I plan to do a lot of talking to people but in the meantime I thought I would simply write down the story before we hand out the stickers.

The historic initiative by SADA to launch its own brand of fresh milk, SADA Fresh, on the domestic market is being applauded across the country. The fact that it is selling well in Coles stores indicates that the public is choosing to also throw its support behind the state dairy industry.

The "key" to understanding the importance of the SADA Fresh brand, is to appreciate the picture of the dairy industry that is so vividly reported in the media. This is a picture of an industry that today arguably has the opportunity to achieve much better milk prices than ever before. To do so, the industry must tread the path to the wealthy "value added" markets, both internationally and domestically.

The SADA Fresh Brand generates a royalty payment of 40cents per 2 litre container of milk. This will create a fund that will go towards projects aimed at securing the industry future. This fund of money is for the benefit of all dairy farms in SA, and will have flow-on benefits for those servicing the dairy industry, generating wealth for the regions and the state. Importantly the general public will be assured of access fresh local milk into the future.

How often have we heard our dairy community complain that our precious, high quality milk is being sold too cheaply? One of the objectives of the new SA Dairy Fund, will be to fund projects aimed at moving milk to higher value products.

This can be done by engaging in joint projects with both big and small dairy processors, new dairy processors, importers and exporters of dairy product, and the various state government agencies. When you are working with huge markets like China even the big processors like Fonterra, Murray Goulburn and WCB, can only make relatively small inroads. This is why state governments across Australia, importers and exporters, and associations like SADA and Dairy Connect in NSW, are currently gearing up to help facilitate the transition to higher valued dairy products.

So there is certainly a story to tell! Ideally we would like the SA dairy community will show their support for the SADA Fresh brand and what we are trying to achieve so even more consumers will choose our brand.

We will post out 2 bumper stickers to each member with the coming April SADA Newsletter. Hopefully some people will ask for some more bumper stickers for other SADA Fresh supporters. To get these just give me a call on the mobile (Ken Lyons, 0419 037 569).

Regards, Ken



New sign at SADA Office



Rick Gladigau with sticker on his Ute



Carol Schofield, Dr Patricia Hamilton and Mandy Pacitti supporting SADA Fresh



Ken's Letterbox



New labels in-store at Coles





Nay-sayers overlook reality of the protracted free-trade give and take

We must acknowledge the emerging architecture of what could possibly be the world's biggest FTA

ALAN OXLEY

TRADE Minister Andrew Robb and Tony Abbott (and Australia's trade officials) got very good results from the northern Asia trade trip. It is not finished.

A free trade agreement is to be completed with China, probably by the end of the year, and this observer believes an opportunity is emerging to secure huge gains in farm exports in East Asia. Yet there has been grumbling in some farm quarters that not enough was won from the trip.

Getting others to cut import controls on farm produce is the toughest gig for any trade minister. All of Australia's agricultural industries feel cheated on global markets. They are. The dirty secret in international trade is that, while it is true today's record levels of prosperity (the global financial crisis notwithstanding) rest on global free trade, trade in farm products is not free.

Australian trade negotiators have battled for 60 years to bring down trade controls on agriculture through the General Agreement on Tariffs and Trade and now the World Trade Organisation, with little success. With high tariffs and other limits on imports, agriculture remains the most heavily restricted sector of international trade. So, when there is some chance of Australia getting more access through bilateral free trade agreements, there is a mighty crush to get through the trade minister's door.

There were inevitable grumbles, played up by the media, about who missed out. Some beef producers complained the rate of cuts were too slow in Japan; fruit producers said they got no better access in Korea, but said nothing

about the removal of all barriers to fruit in Japan. Sugar growers complained they were overlooked, again. In this crush to get a guernsey, two realities about farm trade are frequently overlooked.

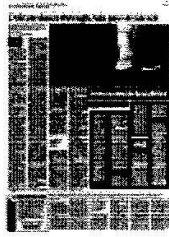
Even when importing economies agree to reduce tariffs and relax quotas that limit imports, it is rare to abolish them in one fell swoop. Governments trying that face a risk of serious political backlash. The politically astute approach is to reduce the barriers gradually.

Consider Australia's experience. It has taken nearly 20 years to bring Australian car tariffs to zero. There is nothing odd about the timelines agreed by Korea and Japan to open their beef markets, the latter to zero, the former to permit more trade. These changes may be slower than understandably impatient Australian farmers want, but they will increase beef exports.

And some forget our trade history. The key reason the so-called Doha negotiations in the WTO were finally ruled a failure after 12 years of jawboning was the point-blank refusal by the EU, the US and India to cut barriers to farm exports. That was one of the original goals of the Doha round.

The eight years of protracted negotiations in the Uruguay Round the decade before rejigged the rules governing trade in agriculture, but did not free up much trade. The Doha round was supposed to cut farm trade barriers. It didn't.

Not only are the Korean and Japanese commitments good, there is more to come. First, there is the free trade deal with China. It is clear China is attracted to the prospect of greater freedom to invest in Australia, which the Abbott government is clearly toying with. An "investment for agriculture" swap deal is in prospect. Australian dairy processors will



press the case for deep cuts in Chinese trade barriers, something similar to what New Zealand secured through its free trade agreement with China.

While Japan and Korea have acted as agricultural change agents, it is China that will be the major swing factor. Its middle class is burgeoning. Singapore's leading international policy expert has just predicted Asia's 500 million-strong middle class will blow out to 1.75 billion by 2020. That's another 500 million at least in China. It will have to import food to meet that demand. Already, beef and other farm producers are gearing to supply the burgeoning Chinese market.

Do we need free trade agreements to achieve that? Yes. While it is clear China's demand for

food is growing rapidly, there is still protectionist sentiment among its agriculture officials. More importantly, there are signs the Chinese leadership recognises the need for more economic reform. China's financial system is sick. Demand for food and the need for economic reform will drive China to open its food markets.

Second, we can see the architecture emerging of what might be the biggest free trade agreement in the world. I refer here to the Trans-Pacific Partnership agreement. Until recently, China looked at it hostilely as a US-led constellation of smaller Asia-Pacific economies. That changed when Japan, still the world's third-biggest economy, joined; South Korea said it wanted to as well. Taiwan also wants to join.

So the TPP now looks like the foundation of an Asia-Pacific free trade area and China appears to have set aside its hostility to the concept. We should not be surprised. Recall that the Chinese leadership used membership of the WTO to buttress much needed internal economic reform. China needs another shot of economic reform. Membership of the TPP might help buttress that.

There is another, possibly more compelling, economic consideration for China. The high

rates of economic growth and trade in manufactures in the Asia-Pacific for the past two decades have been driven by products developed and assembled through regional supply chains, particularly for the manufacture and assembly of electronic goods and computers.

These come out of networked assembly and joint manufacturing businesses with arms in Japan, Korea, Taiwan and the US — all members of or aspirants to join the TPP — and China. It seems inescapable that Chinese economic officials will conclude China has to participate in the TPP if all the other legs of these production and supply chains are there.

This is a once-in-a-lifetime opportunity for Australia's under-rewarded, globally competitive agricultural producers to press for open markets for agricultural products. Japan and Korea have begun a process of reducing barriers to farm imports. China must satiate a burgeoning middle-class demand for higher-quality food products.

Australia is being presented with a strategic opportunity to embark on a program to shape the TPP into a regional trade agreement that includes all the major economies in the Asia-Pacific (it would be the biggest free trade deal in the world), and which can open big markets for Australian producers.

Alan Oxley is a former ambassador to the GATT and is the chairman of the APEC Centre at RMIT University.

Consider Australia's experience. It has taken nearly 20 years to bring Australian car tariffs to zero



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Good people to know.



SADA NEWSLETTER

7th August 2014

PRESIDENT'S REPORT

David Basham – 0417 865 962

This year is the 21st Birthday of the Adelaide Show Exhibition Dairy. This has been a great asset to the SA dairy industry promoting the great quality milk that is produced in South Australia. There were a couple of key people involved that made this project happen including the leaders at SADA at the time under the leadership of Allan Manning and the person with the vision to propose the project was the state manager of the Australian Dairy Corporation (which is now Dairy Australia) Bob Snewin.

There were many difficulties in building such a dairy including dealing with the exhibitors concerns about sharing the dairy with other farmers. A committee of SADA was established to build the dairy and with Bob Snewin's passion and efforts, enough funding was found to build the dairy we have today. Since its completion, a committee has managed the dairy with members representing the SADA, the Adelaide Show and a representative from a milking machine supply company. The dairy cost over \$200,000 to build with the show society spending half on the building and the SADA committee raise the other half for the equipment. The dairy assets up until 2005 were owned by SADA at which time it was decided to transfer them to the show society for them to manage within their budget, at this stage the value of the assets was approximately \$70,000. Today the committee still manages the dairy and holds the dairy licence to operate and supply milk to Lion. One of the keys to the success and the acceptance by the exhibitors of this project is that the individual exhibitors are paid for the milk their cows produce, this I believe is the only Royal show in Australia that does this.

Dairy Australia and Lion have supported this project financially every year of its 21 years. This enables the dairy to operate smoothly each year. This sponsorship can easily be seen with signage in the Exhibition Dairy, what is not so visible is the support from the volunteers that keep the dairy operating over the show. The two people I would in particular I would like to thank on behalf of SA dairy farmers for their support are Dairy Manager Bob Butler and the Milking Machine Technician Matthew Cleggett. Bob each show takes leave from his job and spends over ten days managing the dairy and receives no payment except for meals supplied by the nearby cafe. Matthew each year donates much of his time as well as consumables such as detergent to make the dairy operate. Matthew's involvement began following the purchase of the business that originally built the Exhibition Dairy then named Simmons Dairy Supplies. Matthew has also loaned equipment to the dairy to keep the equipment as current as practical.

Over the years, there have been many that have donated time and money to the Exhibition Dairy. SADA and the Show Society have decided to honour those people and through the dairy a 21st Birthday party. The party will be held on the dairy cattle judging ring on Wednesday the 10th of September. If you, family or friends are at the show, please come and join us for the celebrations.

This celebration is not just about the show dairy but more importantly recognising those that have passionately support our dairy farms by volunteering their time at the show or elsewhere.

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CEO's Report

In recent weeks, dairy businesses have been evaluating the various milk supply options and now most have signed their contracts. This year there has been a very strong push by dairy processors to secure milk supply.

We have seen many new contract options and new entrants like La Casa Del Formaggio taking direct milk supply from a group of six Fleurieu dairies. According to Claude Cicchiello (MD of La Casa), "Our pricing model has a floor in place to ensure our farmers will never produce milk at a loss." Both the farmers involved and the processor are claiming a "win win" situation with the new arrangement. This move by medium sized dairy processors to either source direct milk supply from farmers or via a milk supply group is also happening interstate. A good example is Bulla Dairy Foods in Colac which is no longer sourcing milk from another processor but this year via the milk supply co-operative ADFC. In this case, they are looking for 120 million litres and offering farmers \$6.53 a km milk solids for the 2014/15 season. Bulla is hoping to grow the volume to 300 or 400 m litres.

As winter ends both the season and the prices, are good and therefore our farmers are saying that "confidence" is returning after several very stressful years of low returns. Spirits have also been lifted by the ongoing success of our SADA Fresh milk sales. Thank you for all those getting behind SADA Fresh and it is great to see an occasional SADA Fresh bumper sticker on the road.

As many dairy businesses get busy with the calving season it is also a particularly busy time for your dairy association (SADA) as we are currently heavily involved with both working with the processors to head down the path of "value adding" (to improve farm gate milk prices) and with governments to implement strategies and policies supporting farm profitability.

This year in particular many SADA members are asking/questioning the future profitability of dairy. You often hear people talk about seeing the glass either "half full" or "half empty". Well the practical truth about success comes down to a combination of; how well you run your individual business, and how well the industry as a whole performs. There are many recent reports suggesting the NZ dairy industry has been doing far better than the Australian dairy industry.

So in this August edition of the SADA Newsletter we will begin by looking at the "big picture" and putting the positive case that the Australian dairy industry has a great future, *PROVIDING WE GET THE BUSINESS STRATEGY RIGHT*.

This SADA Newsletter analysis begins with; some of the national strategies, then some key industry marketing opportunities, while focussing on how the SA dairy farmers can benefit.

THE PREFERRED AUSTRALIAN BUSINESS STRATEGY.

It was notable that in the first address given by the new head of the Business Council of Australia, Catherine Livingstone, she quoted from research (McKinsey & Company) that found that Australia was strongly competitive in agriculture. However, the key message is that both business and governments have the opportunity to do a lot more to make Australia truly competitive by building on sectors with competitive strengths like our dairy industry. **So this is why we at SADA are working with governments to enhance trade (eg. FTA with China), cut costs and duplication (Agriculture White Paper) and with processors to produce "value added" products.**

The message (for all industries including dairy) is clearly about embracing globalisation, innovation and change, and confronting complacency of any kind. She puts this more colourfully by saying **not being pro-active; it is like applying a "handbrake" on future prosperity.**

In terms of Industry/Government relations, she wants to see industry and government working closer and smarter together. She puts it this way, "we have to close the gap between what government thinks and what industry knows". **This is an important responsibility for industry associations and the reason why farmers should support their associations and help ensure they are effective.**

NEW COMMITMENT TO FOCUS ON TRADE WITH CHINA.

Dairy farmers and rural communities across Australia are being bombarded with news of trade delegations to and from China. But many are concerned that our efforts are scattered and piecemeal and need a focus. This is certainly the view of billionaire, Andrew Forest who recently organised the inaugural meeting of the Australia-China Trade Group. This is a group of about 50 people from both sides including, federal and state Ministers, business leaders and food producers and distributors who will meet annually. **So we are part of a strengthening commitment in Australia to be seriously focussed as a “team” to bring home the benefits of the China trade to our dairy farmers.**

Andrew Forest reminded the meeting that, “In the highest offices in the land (China) food security was the number one issue”. Mr Forest also said the piecemeal approach in agriculture reminded him of the lost opportunity in the early days of Australian iron ore. He said the intense focus on local competition then saw Brazil enter the market and take billions in export revenue that could have come from Australia.

THE NZ / AUSTRALIAN DAIRY INDUSTRY COMPARISON.

The McKinsey report highlighted the big difference in performance between the two countries with Australia and New Zealand neck and neck producing around 12 billion litres 10 years ago now Australia around 9 billion and New Zealand north of 20 billion. It suggested New Zealand was a “role model” and cited the Australian dairy industry as “a story of squandered potential”. **However, as disappointing the past 10 years has been, the really key message in the report, is that the opportunity with the Asian demand for dairy product is still there and creating a wonderful opportunity for Australia in the coming years.**

This positive side of the story was picked up by Gary Halou in his address at the SA Dairy Innovation Day on 18 June at Mt Gambier and repeated in “The Australian” newspaper (Wed. 30 July). He like many other Australian dairy processors is looking to increase their focus on producing “high value” milk, baby formula and cheese to the Asian market. Currently MG exports about 50% of production to Asia, but wants to increase that to 75% over the next five years.

There were many reasons why Australia decided not to follow the Fonterra Model including, Australia’s Competition Regulations. **But today there is a real opportunity for Australia to match NZ dairy export competitiveness.**

THE VALUE OF THE CHINA FTA.

One of keys to achieving a positive future for our dairy farm businesses will be the opening of trade barriers and particularly through an FTA with China. Following a luncheon with the Trade Minister, Andrew Robb reported in the last newsletter David Basham has been to Canberra in July to directly lobby for the FTA.

The financial benefits just based on current trade levels (therefore very conservative) to our dairy industry would be around \$630m over a 10 year period.

The Chinese have benefited greatly from the Australia dairy industry over recent years, as we have been a major provider of quality dairy heifers enabling them to grow their own dairy production.

DAIRY IN THE BOX SEAT TO GIVE CONSUMERS HEALTH BENEFITS.

A recent research report by business analyst IBISWorld is **predicting growing revenues for dairy product and one of the main reasons is the “Increasing consumer health consciousness and the continuing promotion of milk and dairy products”.**

By the way, South Australia is leading the nation in consuming the most milk per capita at 135.3 litres per annum. Australian Company Freedom Foods is a good example of a very successful company looking to profit and grow from providing healthy dairy products to both the domestic Australian market and internationally. This company is focusing on expanding its offering to health-conscious consumers. The company started with offering allergen-free breakfast cereals as well as long life beverages and seafood. Recently is expanding into dairy. Indicative of its success is the rise in their share price from 75cents in April last year to trading at around \$2.93 today. Domestically they are working with both Coles and Woolworths who today are seeing “health” as more of a destination for their stores. Overseas they are moving very quickly and in April this year the Freedoms Pactum Dairy Group announced an agreement to supply premium long-life milk to Bright Dairy, one of China’s largest dairy companies. They are also dealing with other Chinese companies in different geographical regions in China. **The Managing Director, Rory MacLeod, said that more Chinese dairy companies were looking to import milk to meet the soaring demand for premium dairy products.**

Just a little on the background of the new \$42m Pactum Dairy Group UHT plant at Shepparton in Victoria. The plant was opened on Thursday 1 May by the Victorian Deputy Premier, Peter Ryan, and Federal Minister Warren Truss. Initially it has the capacity to process 100m litres but could increase to 300m litres and about one quarter of the production will be exported to China. Both the Victorian Government (\$700,000) and Commonwealth (\$250,000) invested in the project. The Pactum Dairy Group is a joint venture between the ASX-listed company Freedom Foods Group and Australian Consolidated Milk (based at Kyabram). ACM is responsible for the milk supply arrangements and FFG runs the plant.

RADICAL NEW DAIRY BUSINESS MODEL.

The new \$120m investment by Camperdown Dairy International after purchasing the Camperdown Cheese and Butter Factory has been reported by the Weekly Times (4 June) as being something completely new to existing dairy processing or farm investment. "It is the fact it is something new that is sure to shake up the industry, from the farm gate through to the traditional processors".

There are a number of things that are new about this investment; the investors come from outside the dairy industry (a mining services provider and an investment company), and that the investment is in both the processing plant and they will own the farms to supply the milk. **But perhaps the most important feature (that may well be repeated here in South Australia) is that "the concept started with the customer and worked backs to add value at the farmgate"**. You begin with the market contract and then work out where and how to deliver on that contract. While some of the proposed new ventures are currently occurring outside SA, there are some good reasons why SA would be a perfect dairy region to implement one or two of these new investments.

These new investments in dairy regions are bound to put upwards pressure on farmgate milk prices in those dairy regions.

EXISTING MEDIUM SIZED DAIRY PROCESSORS DOING REALLY WELL IN SA.

In the past, we have often thought of dairy processing as being the major players and considered the smaller processors as a "cottage industry". But one of the brightest and most successful developments in recent years has been the success of our SA medium sized processors, many growing at 20% per year. As mentioned earlier these growing and successful processors are today marketing interstate and internationally and looking to take farm milk supply. This is where farmers and those processors are talking about "win-win" milk supply deals.

FARMERS AND COMMUNITIES ARE PRESSING FOR REGIONAL ADVANTAGES.

There is a very strong push in all dairy regions, flamed by the demand from Asia, to attract investment in both dairy arms and dairy processing plants. Farmers are seeing new investment as a driver of higher farmgate milk prices and communities seeing regional wealth and job creation. So we are seeing both Local government and Regional Development Boards joining with State and Federal governments on investment seeking missions. When discussing these issues with SADA members, as we are doing on a daily basis, often the question arises about whether new investments in farms and plants is a positive or negative thing for existing participants? Will new entrants through competition bring prices down or will they offer better profits? Should we be thinking competitively or co-operatively?

Some points to consider include:

- The opportunity in Asia is really one of growing new dairy business (beyond existing) at both the farm and processing levels (this then down plays the competition), but on the other hand
- There are new investments being proposed that have yet to decide on location (so this could create an element of competition).

The attitude we have at SADA is to work closely with all the existing players (farmers and processors) and welcome new entrants as well. In recent years SADA has supported the entry of a number of new processors including; WCB into the central region, Parmalat, Murray Goulburn and UDP into South Australia. We would like to think that SADA can be a capable advocate for SA given that there is some healthy competition between the States to attract new dairy industry investment. This way we have the best opportunity to return our State dairy industry to growth. There are many areas that we all in the dairy industry need to work very closely and co-operatively on and one of these is transport. All regions wanting to trade with Asia need to improve their shipping and airfreight options.

MEMBERS FEEDBACK, MOBILE NUMBERS AND EMAIL ADDRESSES.

We at SADA are very keen to encourage and promote quality communication with our members. We are especially interested to hear your comments and suggesting on some of the developments occurring in our industry. We at SADA are keen to provide the vehicle (SADA) for you as members to have an effective involvement in planning a positive future. So we encourage you to give us a call at any time. Also please check with our office to ensure we have the correct contact details (mobiles and emails).

RAHS SHOWTIME.

- This year the Show society celebrates its 175 year anniversary. The Celebration Dinner was held on Saturday 26 July and was a huge success. SADA used the occasion to say thanks to some of our business partners including our major sponsor WFI.
- This year the WFI/SADA Show BBQ will be held on the evening of Wednesday 10 September in the Dairy Hall (open to all). This will be a special event because we will also celebrate the 21st year of the Exhibition Dairy with a “cake” and company of some old friends.
- The Show Society again has been kind enough to provide SADA with 100 day entry passes. We are particularly keen to encourage people to attend dairy day on 11 September. The SADA Board will be holding a Board meeting and AGM during the Show Week. The show presents a good opportunity to the SADA Board and CEO to mix with the dairy community. For tickets contact Jen at the SADA Office on 08 8293 2399
- Finally we are collecting historical photos of dairying at the show over the years. If you have any photos that may be suitable we would like to borrow and copy them for display purposes. Please contact the SADA Office if you can be of assistance.

National Dairy Youth Conference

The National Dairy Youth Conference is being held in Toowoomba in Qld on the 5th-7th October it is hosted by the National Holstein Youth Committee. The conference is a lead into the 100th Centenary Celebrations for Holstein Australia.

The Youth Committee has secured a stellar array of Guest Speakers from across Australia and has 2 amazing inspirational overseas Speakers, the amazing Mr. Russell Gammon and the very inspirational Ms. Leona Dargis coming to share their knowledge and life's experiences with us all. I'm sure it will be worth coming along to have fun, learn and share in this couple of amazing days in Toowoomba!

If you need my information, please contact Gino Pacitti on 0409 678 110.

A copy of the registration form is available via the link below.

<http://www.holstein.com.au/index.php/centenary/events/federal>

RESULTS OF THE RECENT SADA BOARD ELECTION.

Four SADA Board members were recently elected unopposed back onto the SADA Board (David Basham, Kate Bartlett, Charles Wallis and Gary Zweck)

INTERNATIONAL RURAL WOMEN'S CONFERENCE.

This is early notification that an International Conference will be held in Adelaide at the Adelaide Showgrounds on 3, 4 November 2014. Submissions for both papers and registrations are now open. For more information; www.internationalwomensconference.com



NEW SADA Vehicle with SADA Fresh Signage

Braemac Energy (SA) PTY LTD have recently installed a 15.3 kW PV solar system on a dairy farm at Mount Compass to help the owner reduce his costs and power bills.

Graham Smith, who is the accredited designer at Braemac Energy, said: "When it comes to solar, there is no such thing as a 'one size fits all' approach, and each system has to be designed with the customer's specific requirements and infrastructure in mind. In the case of Whispering Pines, there was power consumption peaks at various times of the daily milking cycle, so it was never going to be straight forward. We fitted a datalogger on the mains supply for a couple of weeks to evaluate when the power was being used, and designed an optimised system around that. The new solar system has now been installed, and is saving the Farmer money already."

In order to fully evaluate the system performance over time, and to analyse how beneficial the solar system is, **Braemac Energy** have also given the customer free use of a web based logger for the first year. All available data from the panels, inverters and mains supply can be easily viewed in graphical form on the SolarMax web portal from any computer connected to the internet.

Whispering Pines Farm, Mount Compass
System Size: 15.3 kW Solar PV System
Equipment: 60 BenQ Solar panels and 2 SolarMax Inverters



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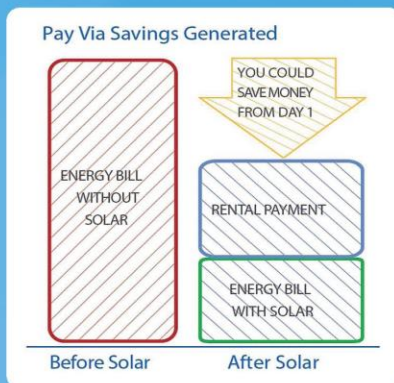
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Accelerated Depreciation
Ownership can be transferred at near \$0 value at end of term instead of waiting 20 years.



* Offer valid until 31 May 2014 and based on a basic 29.58 kW system consisting of 116 x BenQ 255W panels mounted flat on a suitable tin roof, 2 x SolarMax 15MT-2 inverters with suitable and available location of equipment, installation and commissioning. Does not include any SAPN or LGA requirements, tilt frames, lifting equipment/high or steep roofs, extra electrical infrastructure, extra structural engineering, finance costs, safety barriers, or removal of asbestos etc. REC's/STC's subject to availability and price at date of invoicing. While Braemac Energy will endeavour to assist in every way, Braemac Energy will not be responsible for any changes to electricity tariffs that may result in the connection of a PV solar system. [#] All applications to Solar Financial Solutions are subject to normal approval criteria, and terms and conditions apply. No part of this document is to be construed as an offer capable of acceptance or as a solicitation to obtain a financial product. [#] Repayments may be deductible

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CHRISTCHURCH



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Good people to know.



SADA NEWSLETTER

19th June 2014

PRESIDENT'S REPORT

David Basham – 0417 865 962

SADA Fresh is certainly performing well in the Coles stores in SA. To manage the growth of the brand the SADA Board has decided to set up a new company. This means that SADA itself can concentrate on the core business of being a advocacy and lobbying organisations to achieve better outcomes for SA dairy farmers. The new company will be fully owned by SADA and report to SADA and will have a small skills based board to focus on brand development.

Prior to this new structure the SADA Board and CEO are managing the brand development and are currently looking at the options of expanding into other major retailers. We will continue to manage this process up until we are able to hand the management over to the new board. SADA will continue to have an oversight of the brand and will give general direction on how it will be used, including being able to veto any use that the SADA Board believes will compromise its operations.

Many of you may have heard about the launch of a New South Wales milk into China. Since being approached by a Chinese company in January of this year SADA has been working on pulling together a similar proposal. The Chinese company became aware of our brand from discussions with the State government. They felt our brand and story would be a good marketing tool to promote fresh milk sales in Foshan, a city in China. The milk was to be sold on an online premium products supermarket. The retail price for milk would be about \$8.50 Australian. The potential market in the Foshan area is 22,000,000 people. With a market of this size we do not need to reach all the people to have a large volume.

The development of this process was complicated when starting from scratch, but with the financial backing from the potential Chinese buyer we looked to develop the opportunity. Unfortunately we were not able to pull it all together in the timeframe that the Chinese needed and they went down another path and developed it with a New Zealand company. Our problem was that we were starting from scratch, we needed to register our brand in China, we needed to have the milk bottled in 1 litre bottles, we needed to have testing of samples done prior to approval and we needed to develop Chinese labels. These along with the red tape meant that we were not able to take full advantage of the desire of the Chinese to source milk from SA under the SADA Fresh brand.

I am very proud of SADA and the decision to tackle this project. It is disappointing that we were not successful but we have learnt a lot in the process and will continue to look out for these opportunities in the future. Some may see this as a failure but I believe this is actually a big success for the SA dairy industry to be seen as a market that has a premium world class product that is wanted for these top end markets. With our new structure and learnings out of this process I believe we are in a much better position to grow our premium export markets for SA milk.

CEO'S REPORT

OPENING COMMENTS.

SADA has been focussed in recent months on contributing to policy development at the regional state and federal levels. The policy work is on-going and directed at both cutting costs and delivering higher farm gate returns. Most of the work related to the state election, the federal budget, and the White Paper on Competitiveness.

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This time of year traditionally has dairy businesses reassessing their milk supply arrangements and this year is shaping up to be characterised by a very strong competition for milk supply and a variety of new payment options.

The commencement of a new financial year also brings increases in wages and award conditions.

Animal Welfare continues to be a challenge for all the livestock industries with groups like PETA attacking our rural industries. The dairy industry is proactive in ensuring the highest codes of conduct and seeking a marketing edge by being “clean”, “green”, and “welfare accredited”. We are building bonds with many stakeholders in this area including the new team at the SA RSPCA.

Along with the strong demand for milk supply the weather forecasters have also come out with the good news that they have downgraded the predicted dryer winter/spring conditions associated with an El Nino event.

Another major initiative for SADA this year is the establishment of a SA Dairy industry Fund to undertake projects aimed at ensuring the future of dairying in SA.

FEDERAL BUDGET AND CONTINUING POLICY WORK

The recent federal budget was a tough budget for individuals and families but the businesses of primary producers have been spared. In this Newsletter I have included both the Media Release from PPSA giving our assessment and also the article by the Trade Minister arguing for growing business and encouraging investment. We believe the recent announcement that PPSA Chair, Rob Kerin, has been appointed to the SA Economic Advisory Board provides another good opportunity to influence policy at the State and regional levels.

Currently SADA and PPSA are contributing to the Federal governments White Paper on Agriculture’s Competitiveness. Both industry and the federal government are determined that the process will deliver some practical outcomes that will push up farm gate returns.

In SA Rob Kerin is meeting with the Regional Committee of the Liberal Party on Tuesday 17 June that is interested in hearing of examples of “red tape”.

STRONG COMPETITION FOR MILK SUPPLY.

Dairy farmers will be closely monitoring the “opening prices”. Of particular interest will be the prices on offer from some of the newer dairy processors that are coming into the market on the basis of the demand for “value added” dairy product in Asia.

Finishing prices will also be of interest with WCB currently on \$6.85 per kilogram of milk solids, with one more price review before the close of the season. MG is currently paying \$6.81 per kilo of milk solids and again with the possibility of a final step-up to come.

The Colac Herald reports that the, *“Australian Dairy farmers Co-operative is confident it can sign up enough farmers to fulfil a new milk supply deal with Colac’s Bulla Dairy Foods. They are offering \$6.53 per kilo milk solids for the 2014-15 season”*. So it will be interesting to see if farmers find this pricing attractive.

Most processors are also keen to lock in longer term supply options. Others are attempting to attract new suppliers by offering incentives to grow milk supply.

DAIRY FARMERS LOOKING FOR INVESTMENT INTO FARMS AND PROCESSING IN SA.

The front page of the Weekly Times (4 June) featured one of the new companies, Camperdown Dairy International, that has contracts in place for infant formula for China. The Editorial the Weekly Times was headed *“A new ball game for dairy”*. Processing is expected to commence towards the end of next year. This is an exciting development as it involves investment in both farms and processing having already negotiated “value added” markets. By purchasing dairy farms they will have their own milk supply plus they must have confidence they can attract further milk supply by offering higher milk prices.

Currently the vast majority of investment (processing and farms) in the dairy industry is happening in Victoria and Tasmania. But SA dairy farmers are delivering a strong message to SADA that it is important to attract investment into both dairy farming and dairy processing in SA. **SADA is in discussion with the SA government agencies on how best to approach this challenge.** One opportunity to fund projects in this area will be the SA Dairy Fund.

WAGES AND AWARDS.

The new financial year commencing on 1 July, traditional involves updating wages and allowances.

The following changes take effect on the first full pay period commencing on or after 1st July 2014.

1. Today the Fair Work Commission has handed down its Annual Wage Review 2013–14 resulting in an increase in modern award minimum wages by 3 per cent to be effective from 1 July 2014
2. The minimum ADULT fulltime employee increases to \$640.90 or \$16.87 per hour for ordinary time. Employees whose classification is above the lowest classification in the award are to receive an increase of 3% on their current rates.
3. Casual employees are to receive the 3% increase. The casual loading for all casuals is to be 25% at 1st July 2014.
4. The Superannuation Guarantee payment will also increase from 9.25% to 9.5% also effective on 1st July 2014.
5. These increases apply to all employees bound by an Award or Agreement

If you have any queries please do not hesitate to contact Chas Cini on 08 8331 2422



Chas Promoting SADA Fresh



NEW TEAM TO RUN THE RSPCA IN SA.

The SADA CEO, Ken Lyons, met the new CEO, Tim Vasudeva, and the Chief Inspector, Andrea Lewis, on 3 June to discuss procedures and opportunities for co-operation given our common interest in animal welfare.

EXTREME VIEWS AIMED AT LIVESTOCK INDUSTRIES.

The Australian dairy industry takes animal welfare extremely seriously and is committed to working with the government agencies to ensure we have agreed and evidence-based codes of conduct. So it was concerning to be reminded by a full page opinion piece by Tory Shepard in the Advertiser on 4 June that there are extreme views out there. Well done by Tory to take on the extremists. The article was headed “PETA linking autism to milk is an udder joke” and the first line hit hard at PETA, “Pull the udder one PETA. People for the Ethical Treatment of Animals – should look at taking out the “ethical” part of their name after suggesting milk can cause autism (It doesn’t)”.

Dairy Australia advises that the PETA campaign in question was discredited in 2008 and there is (continues to be) no scientific data to support any of PETA’s claims. It is seen by many in the social media as being especially unfair to the parents of children with autism.

This is how PETA responded to the quick reply from the dairy industry. In the Countryman paper in Perth; “PETA Australia’s campaign co-ordinator Claire Fryer said dumping dairy products (from a diet) was a healthy choice and saved mother cows from being repeatedly impregnated and force to produce milk for humans after their cows have been taken away from them. Cows’ milk might be the perfect food for baby cows but it might make kids sick,” Ms Fryer said.

UNDERSTANDING THE CONSUMERS VIEW.

The Horizons Newsletter filed this report on getting a consumers view about meat as it travels from paddock to the plate.

“Adelaide University has embarked on a new three year research project to identify the key concerns among consumers about how livestock is treated and how much they are prepared to pay for ethically produced meat”.

A good feature of this project is that is being supported by all the stakeholders including industry, government, consumer groups and welfare groups.

SADA BOARD PLANNING DAYS

The SADA Board participated in a 2 day Planning Session aimed at agreeing an operational strategy for SADA, the management of the SADA Fresh Brand, and the delivery and operation of the SA Dairy Fund. The key decision was to establish a new company to manage the SADA Fresh Brand and another new company to manage the SA Dairy Fund.

At this stage SADA has appointed Dennis Mutton as the Chair of the new Fund. See the SADA Update on page 7. SADA and Dennis Mutton will be meeting with the CEO of PIRSA, Scott Ashby, on 3 July to discuss the role that PIRSA may play in relation to the Fund before progressing with the registration of the Fund and appointment of the Fund Board.

The sales of the SADA Fresh milk are going well and there is interest from interstate in our initiative. Ken Lyons has been invited to brief WAFF on the SADA Fresh initiative in Perth on Wednesday 25 June.



New Labels In-Store at Coles

GALA DAIRY DINNER 2014

The registrations are underway for the feature event for the SA Dairy Industry, the Gala Dairy Awards Dinner, to be held on Thursday 7 August. See email attachments for Information and registration form.

THE 2014 DAIRY FARMER OF THE YEAR AWARD.

This is a final reminder that the nominations for the Award closes on Friday 27 June. See email attachments for Information and registration form..

DAIRY GROOVING

WIDEST

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Media Release

Primary Producers SA welcome the fact that our major wealth creating industries were spared in what was a tough Federal Budget.

“Primary producers will be affected as individuals and families like all Australians, but the Budget does not impose any major impositions on their businesses. And this was vital if the expected future heavy reliance on Primary Production exports are to be realised”, said PPSA Chair Rob Kerin.

“We await clarification as to whether the diesel fuel rebate will be adjusted to compensate for increases in the fuel excise. We are glad that changes in the Diesel fuel rebate did not eventuate, as these changes would have seen major increases to costs for larger Primary Producers, particularly broad acre farmers and diesel reliant irrigators”, added Mr. Kerin.

P.P.S.A. welcomes the “Rural R&D for Profit Policy Initiative”. This \$100m (over 4 years) contestable fund is in addition to current R&D arrangements and aims to focus on enhancing the profitability of our agricultural industries. “We hope that this fund is well administered to deliver its focus of productivity increases”, said Mr. Kerin. This increase is partially offset by cuts to CRC funding.

“The drought package appears as promised, however we remain concerned as to how South Australia will have equal access. We encourage both Federal and State Departments to give more certainty to South Australian farmers” said Mr. Kerin

“First reading of the Budget would indicate an extra \$20 million for bio-security. We are concerned as to the level of bio-security nationally, and hope that Government will financially and administratively respond to what the bio-security needs are. We need the capacity not just for routine procedures, but the ability to respond to any major bio-security emergencies”, said Mr. Kerin.

P.P.S.A. also welcomes the \$8m funding over 4 years to improve access to farmers for minor use of agricultural and veterinary chemicals. There are a growing number of applications for this funding.

P.P.S.A. expressed concerns re the \$18m cut to Council roads in S.A. At a time when fuel excises are rising and there are promises of huge increases in road spending, it is disappointing that rural S.A. is missing out on the biggest positive of the Budget.

There are also concerns that the cuts to State health grants will see the State Government resurrect their rationalization plans for Country Hospitals which were attempted, but shelved in the late 2000’s.

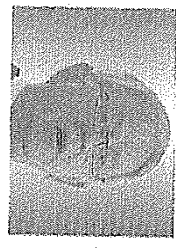
P.P.S.A. remains concerned that within the Budget cuts to Government bodies that the Agriculture Ministerial Council has lost COAG status. “As a Federation, there are many Primary Industry issues managed at State level where national uniformity and co-operation are vital. The previous Ministerial Council dealt with many of these issues, and the new informal structure lacks the authority of the Council.”

Comments: Rob Kerin 0439 933 103

SETTING SAIL FOR ROBUST GROWTH

We must grow the pie, not redistribute shrinking pieces

ANDREW ROBB



THE budget is of course a very visible and important part of Australia's economic management, but it is not the only part.

While our predecessors sought to place government at the centre of economic activity with endless debt-fuelled spending, choking regulation and damaging taxes on our strengths, we have a fundamentally different vision for our country.

We are seeking to displace big government and replace it with robust and sustainable growth led by the private sector.

For Australia to further prosper we must grow the pie, not seek to redistribute increasingly shrinking pieces.

Labor had Australia on a totally unsustainable footing. It lost control of the budget and lacked the strength of leadership to fix the yawning structural deficit it creat-

ed. There is no doubt that the Coalition was in no small part elected to clean up this mess; to repair the budget and to get government back living within its means.

The budget brought down by Joe Hockey is totally consistent with that task.

To be sure, it is a tough budget and there are unpopular measures, but like the Costello budget of 1996, it represents a major turning point. Predictably, Bill Shorten and co are all complainers, but have not offered a single idea to help fix the train wreck they themselves left behind. Their shrill criticisms are hollow.

By dramatically reducing Labor's record debt and deficit, while at the same time reducing the overall tax burden by some \$5.7 billion, we have shunted the budget back on to a far more sustainable pathway. Over the longer term, this will produce dividends that will benefit all of us.

This is one part of our job, the other is recalibrating key policy settings to give Australian businesses, big and small, the best possible environment to succeed. When business prospers so does the nation; economic growth is stronger, extra jobs are created and tax receipts to support government service delivery and payments are more buoyant.

Another task we have is reclaiming our international reputation as being among the safest, most reliable and profitable place

to invest, after Labor shamefully managed to increase our sovereign risk profile through its chaotic style of governing. Already we have made some good progress and demonstrating that we are "open for business" is a lot more than just a slogan.

This is why we must get rid of the carbon tax and the mining tax. It is why we have taken the axe to more than 10,000 regulations. It is why we have moved to streamline environmental approval processes. And it is why we are investing tens of billions of dollars in road, rail and port projects.

In our first three months alone, Environment Minister Greg Hunt to his great credit, approved more than 230 projects worth more than \$500bn, many of which had been delayed for years under a Labor beholder to the Greens. These projects will employ thousands of Australians and help grow our economy.

As a government we have placed great stock in trade and investment as powerful economic levers.

It is why we quickly concluded landmark trade agreements with Korea and Japan and have made good progress with China, which all floundered for many years under Labor.

These will open up new markets for our exporters and increase Australian living standards through cheaper imports like cars and household goods.

Since the First Fleet, Australia has relied on foreign investment to help grow our economy and this remains true today.

Since September, I have chaired 28 significant investment roundtables in 10 countries promoting Australia.

One of these in Singapore involved a handful of senior figures responsible for \$1.3 trillion under investment.

During our hugely successful Australia Week in China, commercial deals worth close to \$1bn were signed, while some other very exciting prospective investments have emerged in sectors such as tourism as a direct result of AWTC investor roundtables.

Foreign investment, including joint ventures, will play a critical role in our plans to support the sustainable development of Northern Australia.

It will help fund the new infrastructure needed, the dams and irrigation, for such things as major agricultural projects to help meet burgeoning middle class demand in the Asia-Pacific for high-quality produce. This is the century of food and water security.

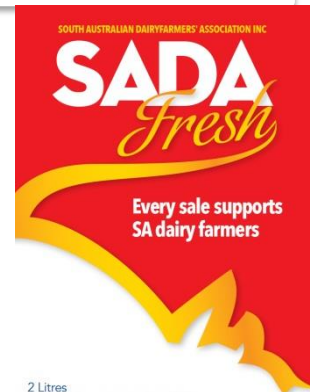
So yes, getting the budget back in order is integral to our economic strategy, but there are many other moving parts, all designed to help ensure a more prosperous Australia in the years and decades ahead.

Andrew Robb is the Minister for Trade and Investment.

SADA UPDATE



Thursday 1st May 2014
MEDIA RELEASE



Mutton to head new SA dairy fund

A well-known figure in South Australian agriculture with vast experience in the research and development sector has been appointed inaugural chair of a new fund being established to help secure the future viability of the State's dairy industry.

Mr Dennis Mutton will lead a small board selected for its specialist expertise to manage profits generated by the sale of SADA Fresh, the dairy brand owned by the South Australian Dairyfarmers' Association (SADA).

Announcing the appointment, SADA President David Basham said the organisation was extremely pleased Mr Mutton had agreed to take on chairing the fund during its crucial set-up phase.

"We could not think of a better person to lead it, and we feel very honoured that he has offered to waive sitting fees as part of his contribution to what he sees as an exciting and ground-breaking initiative," Mr Basham said.

More than 270,000 containers of SADA Fresh milk have been sold since the brand was launched six months ago, making it one of the State's top selling milk brands.

The full cream and low fat milk is processed and packaged in Adelaide under a special licensing agreement with Parmalat, and sold through Coles supermarkets across the State.

As part of the deal, SADA negotiated that 40 cents from every sale would go to supporting the brand, and financing projects that will benefit South Australian dairy farmers.

SADA's aim is to appoint other board members over the coming weeks. Legal and financial arrangements for the fund will be formalised by the start of the new financial year, with enough money likely to be in hand to call for project applications before the brand celebrates its first anniversary.

Mr Basham said even before the first money had been allocated SADA Fresh and the fund was making a genuine difference.

"It has won the respect of agricultural leaders across Australia, as well as federal and state politicians and decision-makers, helping to give SADA greater influence and to open the doors on potential new markets for local dairy products. We are having conversations that just would not have been possible before," he said.

"It's also given our farmers a greater sense of pride in what they do and considerably more optimism about our future. And for that we have to thank the general public.

"South Australian consumers have warmly embraced the concept as a tangible way of supporting our farmers, and are buying SADA Fresh in quantities that exceeded our initial expectations."

Mr Mutton said he agreed to become involved with the fund because he was impressed by the concept and its potential to make a genuine difference to the South Australian dairy industry.

“This is an industry association showing significant initiative and leadership,” he said. “SADA Fresh provides the opportunity to demonstrate that by working collectively farmers can secure a more viable future. They are not sitting back and saying ‘woe is us’; they are doing something pro-active to generate opportunities and a return on investment.”

Mr Mutton’s brief is to make sure the fund is invested in a way that maximises returns to the local dairy industry. Over the coming months this will involve helping to develop clear guidelines and protocols for the allocation process, including identifying research and development priorities, and criteria for selecting projects.

A former chief executive of South Australia’s primary industries department, Mr Mutton is Chair of the CRC for High Integrity Australian Pork and BioInnovation SA, and a member of the Premier’s Science and Industry Council.

He is a former chair of the national Grape and Wine Research and Development Corporation and the Council of Rural Research and Development Corporations, and has held directorships with the Australian Landcare Council and Australian Rural Leadership Foundation.

Since leaving the public service in 2002 after a distinguished career, he has worked as an independent consultant in the fields of industry and regional development, natural resource management, and the strategic management of research and development.

Ends

For further information and to arrange interviews please contact Liz Harfull on 0409 674 941 or email lizharfull@internode.on.net.

Building a Legendary future

You may have already heard about Legendairy. Perhaps you've seen a television commercial or roadside billboard as part of the Australian dairy industry's exciting new marketing and communications initiative.

So what's it all about?

Legendairy shares and celebrates inspiring Australian dairy stories in a way that reinvigorates pride and confidence in the industry.

"We saw an important opportunity to address a number of key areas that we felt needed a stronger voice, both within the industry and with the Australian public," said Isabel MacNeill, Dairy Australia's Group Manager – Industry Promotion and Product Innovation.

The initiative launched in August last year and targets three key audiences: farmers and their communities, opinion leaders such as government, health professionals and the media, and the Australian people who buy and consume dairy products.

Through a range of national and regional activities, Legendairy aims to:

- promote the enormous contribution dairy farmers make to the Australian economy every day
- build the profile and reputation of the Australian dairy industry
- grow consumer trust and demand for dairy products
- encourage people to choose the dairy industry as their career path
- build awareness and support for the value of the dairy industry with policy makers and key influencers.

"The Australian dairy industry is truly Legendairy and is underpinned by some of the best people and practices in the world, producing truly amazing products," said Ms MacNeill. "Dairy Australia is proud to lead this initiative and partner the rest of the dairy industry to raise the profile and reputation of Australian dairying."

For more information visit www.legendairy.com.au

Photo caption: One of three Legendairy roadside billboards promoting the many skills of dairy farmers.





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Good people to know.



SADA NEWSLETTER

25th September 2014

PRESIDENT'S REPORT

David Basham – 0417 865 962

Dairy Farm Investment Attraction

Last week Dairy Australia held a Farm Investment Forum in Melbourne. This event was well attended with over 300 people involved; the initial expectations were for half this number. The interest in dairy farming in Australia is exciting to see as this could lead to the expansion of our industry here in SA making sure we maintain a critical mass so that we continue to be supported by our essential service providers. This interest will also likely to lead to increases in our capital values on our farms for land, water & stock. Following on from the event in Melbourne a delegation of Chinese investors are travelling through SA dairy regions, concluding with a dinner hosted by the State Minister for Agriculture, Leon Bignell, in Adelaide on Tuesday evening.

The support for dairy by the state government is at an all-time high during my term as SADA president. The focus of the SA government in the dairy sector is to stimulate growth by seeking investment at farm and processing levels. The government has in the past few years focused on the mining industry to attract investment into the state. As the mining boom has slowed the focus has turned to Agriculture, with dairy being the first industry to focus on. This focus on dairy is no accident; it is as result of our increased focus following the launch of the SADA Fresh milk.

As part of this investment attraction strategy, I am writing this as I fly to Singapore to present at the Global Agricultural Investment Forum. This trip is financially supported by project funding from the state government. I will be highlighting the great case to invest in the SA dairy industry. There are many opportunities for our industry into the future but we need to go out and sell ourselves in a positive light. In the next Newsletter, I will provide further updates on this investment space.

ADF Membership

As most of you will be aware, the SADA Board decided to apply to re-join ADF after 2 years on our own in the national dairy advocacy space. The board has always believed the best way to operate in national advocacy was with a strong national organisation. Following approaches from other states including the largest dairy state of Victoria we decided it was the right time to go back.

This does not mean that we acknowledge that ADF is working as well as we wish but believe working with the other states we can return ADF to a strong national advocacy organisation respected and listened to by all levels of government. ADF must be the voice for the farmers, without a strong leadership the industry cannot thrive. We need to see a united approach from ADF, DA, processors, state dairy farmer organisations and farmers to deliver great outcomes to support our farmers. This is certainly my vision for our industry and I will continue to work hard to make this happen, with the strong support of the SADA Board.

CEO's Report

In this September SADA Newsletter we begin by; celebrating our success with the sales of the SADA milk brand. We look at how the various dairy regions around Australia are using regional funding to support their dairy businesses. We then focus on SA and project funding for this State, the special 175 Year for the RAHS and our 21 Anniversary of the Exhibition Dairy. Finally we recap on what arguable was one of the best and most productive year for our dairy association, SADA, as reported at the recent AGM and SADA Board Meeting.

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SADA FRESH BRAND.

The sales of the SADA Fresh milk are remaining strong and the SADA Board members are still encouraging SA dairy farmers to keep up their public and private promotion of this unique product. The more milk we sell the more funds we have for projects supporting the SA dairy industry.

At this year's Royal Adelaide Show, we created many opportunities for our dairy people to show their support for the dairy association milk brand, SADA Fresh. Some of the most ardent supporters are consumers who appreciate the opportunity to support the dairy farmers.

Recently I was invited to visit WA to explain the way our SADA Fresh brand deal works and the outcomes we are achieving. Following the visit, the WA Farmers (WA's peak farm lobby group) announced that they also were negotiating a similar deal to that of SADA Fresh. Again looking at the press statements from Parmalat, Coles, and WA Farmers we can see the same key elements of a win, win, win, deal. The **Consumers (win)** get to choose a regional product, **Coles (win)** is assisting WA Farmers to get their brand to the market, and the **WA Farmers (win)** are claiming income will be of significant benefit to farmers.

We are currently setting up a meeting with our business partners Coles and Parmalat to discuss the coming year's operation. We are also about to consider the following options;

- Expand the outlets for the SADA Fresh Brand,
- Looking for new dairy products for the SADA Fresh Brand,
- Exploring the options for exporting product under the SADA Fresh Brand.

ANNIVERSARY OF THE LAUNCH OF SADA FRESH.

We are working towards celebrating the anniversary of the launching of SADA Fresh with the call for applications to the new Fund for projects.

SADA has been rightly praised for being pro-active in looking to protect and grow our state dairy industry. Especially as all the other States are also becoming increasingly pro-active. NSW is the latest to announce a regional dairy industry fund.

NSW DAIRY INDUSTRY GETS A \$1M DEVELOPMENT FUND.

NSW is another State getting serious about ensuring the future of its dairy industry. The NSW State Government recently released a report exploring growth opportunities and announced the formation of a \$1m project fund.

The report entitled, "Growing the NSW Dairy Industry", explores on-farm and supply chain growth opportunities, alternative marketing options, and business models for investment. The NSW Minister, Katrina Hodgkinson, in launching the fund said, "This exciting initiative will provide funding for projects that can demonstrate a value-add to any segment of the dairy supply chain".

In NSW they are at the stage of forming the advisory committee to the fund. To view Growing the NSW Dairy Industry, visit www.dpi.nsw.gov.au

REGIONAL FOOD PLANS

A number of Australian States are in the process of developing and implementing "regional food plans". For instance the Victorian government recently announced that 11 projects would be funded from the Gippsland Food Plan. The idea comes from the recognition that the food industry will play a significant role in shaping Gippsland's future and was a key to generating new employment, investment and innovation throughout the region. The aim is to enable the food industry to increase its contribution to the local economy, including on farm production, manufacturing, processing and value adding. In dairying regions the dairy industry is generally heavily involved and receiving funding.

Another feature of these food plans is that many link their market development to the Asian consumers, "By 2030 the number of Asian consumers, who have access to discretionary spending will grow to 3.5 billion people, six times that what it is today, providing limitless opportunities for local industries to capitalise and grow"

A final feature of these regional plans is that because of the attractive "business proposition" they are often well funded. In the case of Gippsland their Plan was established in 2011 and the Regional Growth Fund had granted \$62m to support 267 projects across Gippsland, leveraging almost \$220m in investment.

Here in SA we at SADA are actively working with DairySA on a project to identify regional opportunities for our dairy communities. We are keen to create the opportunity to bring all the agencies into the “one tent” (Regional Development Boards, Gov. Agencies, and dairy industry groups). Finally, we want get best “bang for our buck” from the funding sources available including the new SA Dairy Industry Fund (supported by SADA Fresh milk).

SOME NEW APPROACHES TO BRINGING INVESTMENT FINANCE INTO THE DAIRY FARM SECTOR OF THE DAIRY INDUSTRY.

There has been a lot of interest and publicity in new investment into dairy processing (we covered this in the August SADA Newsletter) but there has also been movement in on-farm investment.

It has been reported in the media (Melbourne Age 25 August) that Murray Goulburn has recently used \$20m sourced from a Scandinavian pension fund to buy nine dairy farms. It is reported that the farms are being sublet through the co-operative to “accomplished farmers”. It is also reported that the super funds were looking for a 5% return from the MG program as well as capital growth.

Another way of injecting finance for expansion of dairy farms is being developed by Fonterra. Fonterra has said it would help fund the buying or leasing of neighbouring properties, more cows to increase herds or update farm equipment. In return the farmer has to enter a three to five year supply contract, depending on the investment.

More recently the front page of The Australian newspaper (Wed. 17 Sept.) reported that a major Chinese dairy company is buying dairy farms and is about to build a processing plant to send dairy product to China. The article reports the Chinese Manager as saying; “The milk price paid here to farmers – less than 50cents a litre – is a joke and so is buying milk for \$1a litre. With labour so expensive – three times more than China – and milk cheaper, it makes profitable farming very hard; we see that the only way is to process the milk ourselves, export to China, and bring some of our workers here”.

FTA WITH CHINA.

The negotiations of the FTA with China have been in progress since 2005. In the first week of September another high level delegation headed for Beijing for the 21st Round of talks as the federal government aims for an agreement by the end of the year. From a dairy position the removal of import tariffs would put us on equal footing with NZ.

In the negotiations, we are placing emphasis on the “win-win” benefits that can come from a good FTA. We need to allude to the fact that; Australia has played a very supportive role for China’s domestic industry by nurturing on-farm development with the export of over 50,000 dairy heifers every year and Australia has been sharing technical information in the biennial China Australia Dairy talks. So as our relationship deepens the FTA will be a significant milestone that will benefit both our countries.

SADA in conjunction with the other dairy associations and other rural industries are playing an important role in pushing for a fruitful outcome. NZ signed their FTA with China in 2008 and since then NZ’s dairy trade revenue from China increased by \$3.7 billion (to the end of 2013). Over the same period Australia’s revenue from China only increased by \$173m.

Most commentators are predicting the FTA will be signed at the November Group of 20 leaders’ summit in Brisbane late this year.

TETRA HEAD SAYS AUSTRALIA NEEDS MORE THAN AN FTA.

While the FTA is getting lots of attention, it is always interesting to hear other views from people intimately involved with international dairy marketing such as Tetra Pak’s Oceania MD, Craig Salkeld. He is rather critical and believes that, “Australia would continue to be a relatively inefficient and sluggish performer on the global export scene unless there was a big lift in automation technology used on farms and processing plants”. There may well be some degree of self-interest given that Tetra-Pak is part of the Swiss-based Tetra Laval group which builds food processing and packaging and milking systems and has specialised in rapid laminated cardboard food packaging since the 1960’s.

Let us also remember that China’s processing is becoming very advanced and their local brands are going to provide strong competition against imports. Also China’s dairy herd is now 12.5 m cows, NZ has 6.5m cows and Australia has 1.6m cows.

COMMENT ON FRESH MILK TO CHINA.

There has been a lot of press on the Norco deal to airfreight fresh milk to China This is an exciting development as we have also reported is something that we are considering for SADA Fresh.

To give you some figures the original Norco shipment began in March of this year with 1,000 litre bottles per week. This has grown to 30,000 bottles today and shortly this will grow to 80,000 bottles per week. The point of difference they have in the China market is **that they are 100% pure Australian fresh milk**. While the milk sells in China for \$9 per litre bottle **the actual return (net return back to Australia) at this stage is reported to be “only a slightly higher margin” than would have been achieved in our domestic market”**.

Experienced international traders often say that doing export deals is relatively easy; the challenge is capturing the premium in the profit. Farmers are seeking higher farm gate prices.

SA MILK QUALITY CHAMPIONS.

Congratulations to both the Golding (Graeme) and Herrmann (Rodney) families for being placed amongst the top herds in the nation for the quality of their milk.

It was interesting that both Graeme and Rodney in the media stories on their success made a lot of the importance of “team work” and management throughout the whole year. Rodney made sure that the media spotlight and recognition was shared with his herd manager, Ben Wilhelm.

The reference to Awards is the perfect introduction to a series of reports on this year's special 175 Anniversary Year of the Royal Adelaide Show.

BIG YEAR FOR THE SHOW AND THE 21 ANNIVERSARY OF THE EXHIBITION DAIRY.

The **Gala Show 175 Year Dinner** was an event that many said was the best Dinner they had ever attended. The glittering event to celebrate the 175 Anniversary of the Royal Agricultural and Horticultural Society took guests on a journey through the history of the State's primary production.

SADA used the event to thank a number of people and organisations that had assisted SADA during the year. We also purchased three signed books celebrating the work of the Society of those years. SADA presented the first of these books to WFI at the Show Dairy BBQ for their sponsorship of that event over many years. A few days later, I noticed the book proudly adorning the WFI reception area.

The **Show Dairy BBQ** held on the Wednesday night was, as always, well attended and appreciated by the show dairy community. Again, the BBQ was sponsored by WFI and SADA and Jo and Chris Gilbert assisted by Adrian and Jen Taylor did a great job. Thank you. This year we also had some fillets of prime pork donated (honestly it was the best pork I have ever tasted) and the Show CEO, John Rothwell, donated wine, and the flavoured milk was donated by both Lion and Parmalat. So a special thanks to those sponsors as well. Also John Rothwell donated and cut an Anniversary cake for the Exhibition Dairy in the shape of the milk can.

The BBQ was special this year as we also celebrated the **21 Anniversary of the Exhibition Dairy**. A highlight of the night was the attendance of some of the people responsible for setting the dairy up 21 years ago. We say a special thank you, to all those who spoke on the night, about the history of the Dairy.

Thanks also to Mandy Pacitti and Karen Altmann for arranging the **collections of dairy show photos** taken over the years. Amazing just how many people were showing an interest in our history. This was the perfect year to have this displayed.

Then came the **Show Dairy Day and the Royal Show Celebrity Milk-Off Challenge** on the Thursday. This year the FIVEaa team were successful with; David Penberthy, Mathew Pantelis, Mark Aiston and Jane Reilly. They attributed their success not to the “dubious milking procedures” but to their secret weapon “Maree” the eight year old and recently crowned “supreme champion Show cow”. The Chair of Dairy Australia, Jeff Akers, and our DairySA, Monique White, represented the major sponsor Dairy Australia in the Milk-Off. SADA Fresh promotions added a carnival atmosphere to the event and promoted lots of coverage in the social media.

Earlier that morning SADA CEO, Ken Lyons, attended the **Rural Media Breakfast** function at the Showgrounds and there meet with Ministers Bignell (Primary Industry) and Brock (Regional Development).

Given time, there were many pleasant meetings and **conversations shared with our dairy people** during the Show week that I would love to write about but there was one media report that especially caught my attention. This was a story reported on in the online section of the Stock Journal and it featured Neville Mueller from Murray Bridge. This was Neville's 67th Show (attending his first Show in 1948) and he remembers;

- That the Show purchased houses along Leader Street to expand the Showgrounds and then built the car parking near the dairy sheds on that land. I found this especially interesting as in those early days there was a Barbers Shop in Leader Street (down the Anzac Road end) that had SP betting was like a Man's Club (the Barber was my father-in-laws uncle).
- Neville remembers it taking three round trips to bring the cattle and fodder to the Show.
- In the early days there were dairy bulls and up to 20 cows giving birth which was a great drawcard for the general public(to see a calf being born).

Finally, on the Friday we were again treated to the traditional **Show Luncheon with the guest speaker this year being the incoming Governor General Sir Peter Cosgrove**. This is regarded by many as the greatest annual networking event in SA as it seems everyone is there. The presentations by Sir Peter and the SA Premier were very well received. The President of the RAHS, Richard Fewster, his Board, and the Staff were applauded for a marvellous 175th Show that will be remembered for years to come.

NATIONAL DAIRY CHALLENGE 2014.

The SA Rural Women of the Year, Penny Schulz, is using her bursary to build an event she hopes will showcase the skills and knowledge of young dairy farmers. Penny says, "The Challenge is not all about competition but as much about networking".

The first National Dairy Challenge will be held on SA's Fleurieu Peninsula Dec. 3-4.

Details on the event will be published shortly. The SADA Fresh brand has agreed to sponsor the a National Challenge Dinner.

SADA AGM AND BOARD MEETING.

The SADA AGM and Board Meeting s were held on Wednesday 10 September.

The key outcomes were;

- SADA has successfully recorded a sound financial profit for the 2013/2014 year.
- Costs of establishing SADA Fresh have been repaid and funds for the SA Dairy Fund are accumulating.
- SADA is moving to establish a new company to manage the SADA Fresh Brand and a company to manage the Fund.
- SADA is about 80% through a significant office reorganisation that will see office space and resources (computers, telephone, sharing services (such as accounting, auditing, and web page) staff etc.) shared between SADA, LivestockSA and PPSA resulting in substantial cost saving.
- SADA has successfully lobbied State and Federal politicians at the highest levels on behalf of members. SADA was especially successful in representations on the China FTA.
- SADA has successfully negotiated a \$40,000 per year contract with the Cattle Advisory Group.
- SADA has negotiated membership of the ADF.
- We have also made further progress in the process of continually refining the WFI sponsorship arrangement to provide added sponsorship value.
- We have played an important role in the development of a new State Farmer Organisation in PPSA.

As the SADA Returning Officer, I can report on the Board elections;

The following SADA Board members David Basham, Gary Zweck and Kate Bartlett, were re-elected unopposed.

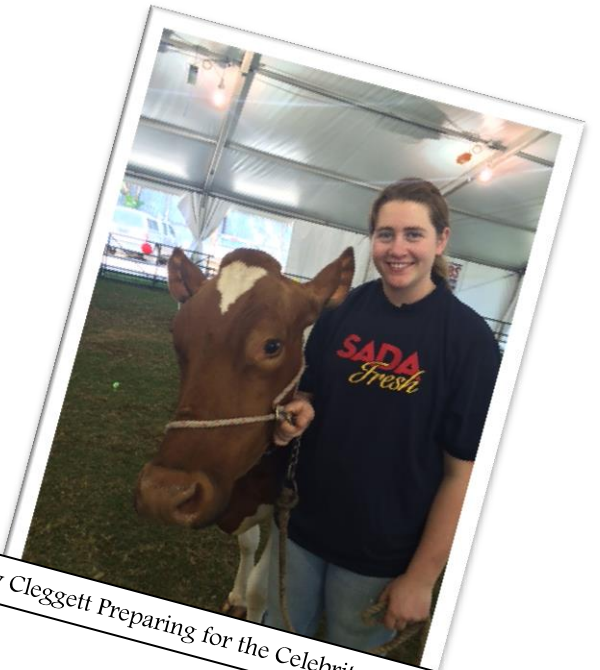
- David Basham was re-elected President.
- Nick Brokenshire was re-elected Vice-President.
- John Hunt was re-elected Treasurer.
- There remains a vacancy on the Board for another member from the River and Lakes.
- The Fleurieu Region will be given the opportunity to elect a further member to the Board (currently held by Ben McHugh) as David again has been elected President.

Finally the SADA Board is keen to have a round of Regional Meeting before the end of the year to discuss all this issues and more with members directly.

Some Great Photos from this years Royal Adelaide Show



John Crosby, Minister Brock and Ken Lyons at Rural Media Breakfast



Amy Cleggett Preparing for the Celebrity Milk-Off



Jen Taylor, Colin Ekers and Jo Gilbert at the Celebrity Milk-Off



Grahame Tonkin at the Show Dairy BBQ

Braemac Energy (SA) PTY LTD have recently installed a 15.3 kW PV solar system on a dairy farm at Mount Compass to help the owner reduce his costs and power bills.

Graham Smith, who is the accredited designer at Braemac Energy, said: "When it comes to solar, there is no such thing as a 'one size fits all' approach, and each system has to be designed with the customer's specific requirements and infrastructure in mind. In the case of Whispering Pines, there was power consumption peaks at various times of the daily milking cycle, so it was never going to be straight forward. We fitted a datalogger on the mains supply for a couple of weeks to evaluate when the power was being used, and designed an optimised system around that. The new solar system has now been installed, and is saving the Farmer money already."

In order to fully evaluate the system performance over time, and to analyse how beneficial the solar system is, **Braemac Energy** have also given the customer free use of a web based logger for the first year. All available data from the panels, inverters and mains supply can be easily viewed in graphical form on the SolarMax web portal from any computer connected to the internet.

Whispering Pines Farm, Mount Compass
System Size: 15.3 kW Solar PV System
Equipment: 60 BenQ Solar panels and 2 SolarMax Inverters



To find out how solar energy can reduce 'your' bills, please call Braemac Energy on **1800 759 769** to arrange a site inspection / evaluation.

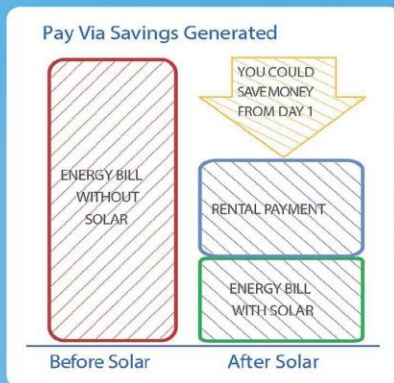
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PERTH

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CHRISTCHURCH



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Good people to know.



SADA NEWSLETTER

10th November 2014

PRESIDENT'S REPORT

David Basham – 0417 865 962

The world market for dairy products has certainly softened over the last 6 to 9 months with the latest Global Dairy Trade auction showing no change. There are some increases in forward contracts for whole milk powder from March onward. This means that this financial year it is going to be difficult for the exporting processors to pay their price predictions made back in June and July. The Australian Dollar has cushioned the price paid to farmers but needs to continue to fall to make our dairy products more competitive. This means that we as farmers need to assess our businesses to cope with this price fall from last year as well as a very poor spring with extremely low rainfall and damaging winds significantly reducing fodder yields on farm. I would encourage all farmers to assess cow numbers over the summer to see if selling cull cows early maybe financially beneficial, preparing feed budgets to estimate your farms requirements and therefore allowing for early sourcing of additional fodder if needed. Reports that I have been receiving suggest that grain prices will be lower than in previous years and that cereal hay volumes are relatively high. Please prepare your business to manage the difficult circumstances that face us all over the next 6 to 9 months.

Australian Dairy Farmers Board

SADA has re-joined ADF and as part of making sure the SA dairy industry is considered at a national level, I have decided to nominate for the ADF Board. There are currently five positions on the Board with three positions being vacant and four candidates standing for those positions. Those members that have completed their application form to become an ADF member before the 30th of October are eligible to vote for the directors at the ADF AGM on November the 27th. You can vote either by attending in person or by appointing a proxy on the form that will be circulated by ADF with the notice of meeting. I will be attending the meeting and would be pleased to carry your proxies. If you would like to discuss any of the issues being voted on at the AGM including the elections, please contact me.

China FTA

It is appearing likely that a free trade agreement with China is likely to be signed later this month. All indications are that this will be a good deal for the dairy industry, thanks to the call for a united push by all the state dairy organisations for a strategic and united approach to advocating the dairy position. As mentioned the outcome is likely to be positive for dairy but it is not going to be an instant increase in returns. There are likely to be long phase in periods and other conditions that will limit the ability for benefits to be felt instantly. Even though there is a delay in returns to farmers, this is still a great outcome for the industry, helping Australia dairy to be a preferred customer in China for years to come. Thanks to all those involved in advocating improving the market access into China, the world's largest growing dairy market.

CEO'S REPORT

In this Newsletter, we will begin with a look at the short term Situation and Outlook. Then we can look at longer-term strategies and opportunities for our dairy regions here in South Australia. We can then comment on the key lobbying and representational issues currently being addressed by SADA. There are some important issues including a joint industry/government review of transport regulations in SA that Rob Kerin believes has the potential to save SA farmers tens of millions of dollars. Finally, we will look at some of the coming events.

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Another highlight reported in this SADA Newsletter is the Anniversary of the SADA Fresh brand. The dairy industry has had incredible support, over the past year, from the SA people. The SADA Fresh brand provides a practical way for the general public to help fund projects aimed at securing the profitable future of our dairy farmers.

SHORT TERM OUTLOOK.

The international market is becoming very volatile and this is partly due to the speed at which information flows and the speed that some countries can generate increased milk supply. While some of the major buyers are currently out of the market, they are expected to return next year. One of the reasons we look closely the buying patterns of China is that this year China is expected to take over from Japan as Australia's main dairy export nation in both volume and price. So this is why the processors with large exposures to the export market like MG are saying that they will support their current price of \$6 km milk solids (45cpl) for November but given the market volatility that they may not be able to sustain this price.

Dairy Australia held a central region service provider breakfast to deliver a Situation and Outlook report at Hahndorf on 28 October. The detail reports presented can be seen on the DA website but some of the key issues for SA in the next 6 months include; the global supply growth and lower prices but prices improving next year, input price risks(squeezing margins), potential for a declining \$A (positive), potential El Nino (low rain a negative). So dairy farm returns not expected to be as good as last year.

Across Australia, milk production is still expected to rise slightly by 2% to between 9.35-9.45b litres. SA is currently slightly down on last year but this may be due to the number of small processors in SA who are not getting included in the DA stats. In terms of the "level of confidence", SA is about average compared to the other states with Tasmania the stand out positive state.

CUTTING COSTS IN THE SUPPLY CHAIN MAY BE AS IMPORTANT AS CUTTING COSTS ON FARM.

Over the past year, there has been a lot of discussion about the possibility of Australia lifting its milk production to 15b litres a year by 2015 on the back of the Asian food boom. However, to do this will require a massive further \$10b investment on farm. Michael Harvey from Rabobank said production growth would only be possible with improved profitability. One strategy for improving profitability is to have integrated business models that link markets to production with reduced layers of middlemen and commissions sucking big margins out between the producers and the buyers. This is the thinking behind some of the new and emerging dairy businesses currently being established in Australia.

LIFTING ON-FARM PERFORMANCE.

A recent report indicated that Australian farmers are internationally very efficient but that innovation and value adding post farm can be improved. However; while this may be true in general terms and certainly value adding is perhaps the number one issue for our dairy marketing it is also true that there are opportunities for many dairy farm businesses to fine tune their operations to improve the profit line.

At the meeting at Hahndorf the Dairy Australia staff outlined a new program (7 years in the making) called Dairy Base that will be rolled out in the next year. This will help individual farms to identify the changes that will deliver a better profit outcome. The Dairy Base will enable farms to have access to the very best "benchmarking tools" that will be simple and consistent and will be available to farmers, consultants, bankers, etc. This will involve data from 1,500 dairy farms across Australia.

WHOLE FARM RETURNS IN SA FROM THE DARY FARM MONITOR PROJECT.

Everyone knows that 2012/13 was a bad year and 2013/14 was a good year. This is confirmed with the dairy farm monitor project in SA figures. For the 2012/13 year the EBIT was minus-\$6,281 and Net Farm Income minus- \$87,104. The turn-around year 2013/14 the EBIT was \$324,259 and the Net Farm Income was \$216,359.

REDUCING RED TAPE AND GOVERNMENT CHARGES.

Rob Kerin, Ken Lyons and Trudy Huczko attended a meeting on 8th October with industry and government agencies to consider a Transport Project aimed reducing transport costs and red tape.

One of the areas of concern to farmers is that of red tape and regulations and the transport area has been identified as a particularly difficult area to get change and harmonisation between the states.

The SA Government announced on Monday 3 November that a **new Transport Project is to be undertaken in SA that will be aimed at saving millions of dollars in transport costs in SA.** What gives us most confidence is that the Premier and the State Government Agencies are totally committed to work with industry to deliver benefits and savings. Rob Kerin, the Chair of PPSA, says that, "The opportunity for change is substantial with new DPTI CEO Michael Deegan instructing his people to take a reverse approach- he wants a good excuse why they reject any request-rather than a good excuse for change". Rob also reports that according to the Freight Council the savings possible are in the order of the \$10m's.



Both PIRSA and DIPTI have dedicated significant resources to work on this from mid-November until mid-February next year. The three main areas are;

1. Extension of current freight routes-both in distance and what combinations are allowed.
2. First and last mile issues-getting from the farm to designated route and then to a silo, an abattoir, a processing plant or warehouse.
3. Machinery movements on public roads.

The dairy milk transporters are keen to be involved and achieve some good outcomes.

NRM WATER LEVY'S FOR WESTERN RANGES.

The position taken by SADA to the proposed \$7per meg. NRM Board Water Levy for the Western Mt Lofty Ranges is that there should be no levy.

In responding to the proposal SADA has taken the position that; **SADA recommends that there be no NRM Water Levy for the Western Mt Lofty Ranges. The reason for this is that currently the asset value is included in the Council asset valuation for land and hence irrigators are paying Councils through the rating system for the value of the water. The NRM board can seek those funds from Councils or advocate for the removal of irrigation water from land values.**

SE WATER ALLOCATION PLAN WORTH THE LONG NEGOTIATION.

It was interesting to read a series of articles and an editorial on the SE WAP published in the Border Watch (Mt Gambier) on 15 October. As Graeme Hamilton points out in the article this current water allocation plan is the culmination of 10 years work and tense negotiations by stakeholders and government. He also pointed out that forestry needed to be included in the budget given some of the irrigators in the region were facing cutbacks of up to 50%.

Some key parts of the editorial include;

At one time negotiations ground to a halt because of the stalemate between irrigators and the forestry sector. However, this now seems to be in the past with both irrigation industries and commercial plantation owners accepting the move as a fait accompli.

Importantly, it appears the changes have political bi-partisan support that means they are unlikely to be reversed in the future.

Meanwhile, it is great to see irrigators and foresters openly discuss the issues around water access.

This is particularly important given the region's unique aquifer system is the lifeblood of agricultural based activities across the Limestone Coast.

Having read the reports two things immediately came to mind. Firstly, the important role played by Graeme Hamilton, his SE dairy water committee, his networking with other irrigator groups, and in persisting over the years to achieve this outcome. Secondly, the importance of reporters like Sandra Morello and the Border Watch for their balanced and accurate reporting of such a complex issue.

THE AGRICULTURAL COMPETITIVENESS PAPER RELEASED.

The recent release of the “Green Paper” (provides the recommendations and options from the government following industry submissions) is the next step in providing policy setting that will improve the competitiveness and profitability for Australian farmers has been welcomed by the Australian Dairy Industry Council. Key points included; funding for extension and research, water efficiency projects and new water infrastructure, and improving trade. We will be closely following the progress and pushing for the implementation of the new policies.

2014 CHARTER FOR A MORE PROSPEROUS SA.

Over the years SADA has had input into policy development at Business SA. We share a common goal of positively influencing government policy to drive a more competitive and prosperous state. Business SA recently released the “Business SA 2014 charter for a more prosperous SA”.

Some of the policies focus on agriculture include; food production, capturing high value markets, valuing agricultural land and reducing “red-tape”.

While SADA is actively involved in direct lobbying in its own right, today we are often networking and combining our efforts with other associations locally, like; Business SA, PPSA, Regional Economic Development Boards and nationally with; ADF, NFF, AHA, etc.

HOLSTEIN CENTENARY CELEBRATIONS.

The South Australian Branch of Holstein Australia hosted a Centenary Celebration Luncheon at the Mt Barker Golf Club on Sunday 19 October. It was a wonderful event and well attended by the members who were pleased to exchange stories and pay tribute to those who had contributed to the breed association over the years.

Holsteins are the most popular dairy breed in the world and they dominate the Australian dairy scene with 1.4 million Holstein cows among the total herd of 1.7m. The 27th President of the United States, William Taft, had a Holstein cow grazing on the White house lawn that provided milk for the first family in 1910.

SADA presented Neil and Grace Kroehn with a signed copy of the RAHS 175 History book and Mandy Pacitti showed off the cake.



SA EXPORT AWARDS.

One of the areas that SA is said to “achieve above its weight” over the years is in innovation in export. Successful marketing is an important key to wealth creation and profit. It is very encouraging to see some of the smaller SA dairy processors beginning to make their mark with export. The SA dairy industry has great potential in this area and, as other industries have shown, success in export can lead to higher prices for producers.

On Friday 10th October, I attended the SA Export Awards as the guest of the ANZ Bank. We had one of the winners on our table, Andrew and Glenda Ferguson from SA Seafood Exporters. Andrew said that his rock lobsters were regarded as the best quality in China and were the most expensive (downside for us is that the cost this year in Adelaide for a 1 kgm fresh new season lobster for the Melbourne Cup is \$110). Mingling with exporters, you are reminded of the price difference in China from getting into the high priced market niches rather than the standard Chinese supermarkets.

I sat next to Nick Hutchinson from the Fleurieu Milk Company and caught up with Paris Creek who were also winners on the day. There was lots of networking which included; Ed Peter from Duxton Capital, Minister Hamilton-Smith, Simon Oleson from Chinese Services Group at Deloitte, and Adrian Vicary the President of the Australia Business Council.

This was a go-ahead group of people and I was most encouraged by the number of people who can up and wanted to congratulate SADA for having the initiative to establish the SADA Fresh brand and to create a SA Dairy Fund.



Helmet and Ulli Spranz at the SA Export Awards



Glenda Ferguson, Matt Cousins and Andrew Ferguson at the SA Export Awards

ANNIVERSARY OF THE SADA FRESH MILK BRAND.

It was great to be able to celebrate the Anniversary of the SADA Fresh brand with the general public at Cheesefest (20,000 attended the weekend). The SADA Fresh brand has given the SA people the opportunity to show their support for our state dairy industry and they have responded generously. So when the cake was cut it was handed out freely.

Special thanks to Liz Harful for again doing a magnificent job with the media and thanks to Premier Wetherill and Minister Bignell who were most generous with their time.

We are now looking at our next options for the brand and about to have the very first meeting of the new SA Dairy Fund Board on Thursday 13 November.

THE OCTOBER "ADF UPDATE".

Included in this newsletter is the October edition of the ADF Update. These ADF Updates are also available from the ADF website at www.australiandairyfarmers.com.au

45 Holstein Friesian Heifers, 15 Months Old
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David Basham, Minister Leon Bignell, Premier Jay Weatherill and Dennis Mutton celebrating the Anniversary of SADA Fresh

DAIRY FARMERS HAVE WAY TO REACH CHINESE BUYER MARKET

An article by Graeme Cleves, RE/MAX Limestone Real Estate, Mount Gambier, SA

Chinese investors are keen to be part of Australia's \$4 billion dairy industry because our fresh milk is highly regarded and fetches high prices in China, and we can help provide safe and secure sources of food for the 1.3 billion people in a country where rising incomes bring with them a demand for higher quality products.

Farm prices are attractive to Chinese buyers because of the quality of the rural product.

Rural Tasmania, Victoria and more recently South Australia have figured in Chinese investor purchases, and buyer enquiry in the Mount Gambier region has been significant. There is talk of a Chinese investor-backed consortium negotiating on dairy farms and building a couple of processing plants, one of which may be in Mt Gambier.

The Mt Gambier rural real estate market has the attention of the rest of the world.

The RE/MAX reach through the Asia Pacific Rim encompasses ten countries with China, Japan, Australia, New Zealand, Thailand, Indonesia, Singapore, Philippines, Guam and South Korea.

Business relationships, including the business of real estate, are built on trust; and there is no better example than the way business is done in Asian countries. Because real estate consumers seek agents they trust and who understand their culture and their language, a buyer is more likely to first form a relationship with an agent in their own country. The Chinese investor looking to purchase the dairy farm in the Mt Gambier region is likely to make contact first with a Chinese property agent.

Because of RE/MAX's great network of agents throughout the Asia-Pacific Rim, agents with established relationships across countries, the Chinese buyer is transported into the broader market and quickly views properties listed by RE/MAX Limestone Real Estate, for example, while having two 'local' agents on hand.

RE/MAX has a presence in more than 95 countries, a greater worldwide presence than any other real estate brand, with more than 6,300 independently-owned and operated offices around the world and a sales force of more than 96,000 agents. This delivers us better potential than any other real estate group to harness not just the very active Asian buyer market but real estate activity right across the world.

RE/MAX Limestone Real Estate clients also benefit from the RE/MAX's network-wide partnership with Juwai.com, the No. 1 international property portal for Chinese buyers.

Andrew Taylor, co-CEO of Juwai.com, said: "The Australian government approved \$5.9 billion of Chinese investment into Australian real estate last year, including dairy farms. Chinese companies and individuals invested \$328 million in Australian dairies and other agricultural property last year. Both the US and Canada invested more, but Chinese investment is growing more quickly."

He explained that Chinese investment in agriculture supports production, jobs and rural communities, saying that while a foreign buyer can own the land, they can't ship the land or the jobs required to manage it offshore, so much of the wealth stays in the local community.

The Chinese want to invest in our dairy farms because of Australia's reputation for environmental quality and food safety.

If you want your rural property listing to have the best possible exposure and reach the growing market of Chinese buyers, list with RE/MAX Limestone Real Estate because we are committed to being the number one agency for generating Chinese buyer interest in Mt Gambier rural properties.

If your farm isn't being marketed fully, you may be missing out.

Contact Graeme Cleves on 08 8725 8037 or email gcleves@remax.com.au or call into the new office at 121 commercial St East Mount Gambier S.A. opposite the Federal Hotel. RE/MAX Limestone Real Estate is locally owned and operated RLA 263 296





Insurance for dairy farmers

With WFI Rural Plan you can tailor an insurance package to meet your needs as a dairy farmer. It can also be extended to include a range of domestic insurances, all in one integrated package. For more information about WFI Rural Plan contact your local WFI Area Manager.

Call 1300 934 934 or visit wfi.com.au

To see if our products are right for you, always consider the PDS from the product issuer, WFI (ABN 24 000 036 279 AFSL 241461).

Good people to know.





SADA NEWSLETTER

10th December 2014

PRESIDENT'S REPORT

David Basham – 0417 865 962

As the year comes to an end we reflect on issues that have faced us over the past 12 months. Certainly the season is one that has not been kind to agriculture with rainfall since July being significantly below average leading to a poor spring. I would encourage all dairy farmers to assess their fodder and water requirements for the next six months as supplies may be tight. In particular if any dairies that rely heavily on surface water for stock and dairy operations are concerned that their reserves may not make it through, please contact the office ASAP so we can engage with the state government to help manage these issues.

We have been hearing a lot about the interest in dairy farming investment. SADA and the state government are working in this space to develop case studies around different investment structures. SADA's interest in this area is to find the greatest benefit to our members. The proposals we are investigating include joint venture investments on existing dairy farms as well as on green field sites. We are also looking at structures that may allow existing farmers to manage a second operation to take advantage of their expertise in management; this would allow extra income to follow into a business diversifying away from the reliance on the monthly milk cheque.

I am pleased to report that with the support of many SADA members becoming ADF members I have been elected to the ADF Board. As I was preparing to write this report I read a previous report I wrote two years ago. I believe that in the last 12 months there has been a shift in the national opinion on how the National structures should operate. We in SA have been privileged to have a structure that has lasted nearly 80 years and can see other organisations such as Queensland Dairyfarmers Organisation be a strong voice for its members. We need a strong industry structure to have a strong industry. ADF has announced that they are conducting a review into the restructure of ADF that occurred two years ago, SADA will make a submission on our beliefs on how it should work.

The last two years has been an extremely interesting time at SADA with dramatic swings in the fortunes of farmers and the launch and success of SADA Fresh. I see it as a privilege to serve as the president of SADA and enjoy the opportunities it has given me to help improve the dairy industry in South Australia. As the year comes to a close I would like to thank the SA Minister of Agriculture, Leon Bignell and his advisors, the Chief Executive of PIRSA, Scott Ashby and his staff for the great working relationship we have share. I would also like to thank PPSA and the other commodity members in particular Livestock SA as we work closely together to achieve mutual benefits. Finally I would like to thank the SADA team, Ken, Jen and Kelly as well as the members for your support during 2014.

I look forward an early strong break to the season for our dairy farms in 2015 and wish you all a safe and happy new year.

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Merry
Christmas



The SADA Board and Staff would like to wish you and your family a very happy and joyous Christmas and New Year.

The SADA Office will officially close on Friday 19 December and reopen on 5 January 2015.

CEO'S REPORT

Ken Lyons

As Christmas and the New Year approaches dairy businesses are adjusting their management to the dry conditions in many regions (that led to lower quantities and quality hay cuts). Decisions have focussed on the assessment of feed options and cow numbers in light of lower milk prices. The price volatility in the export market is proving to be a major challenge and feature of our industry in recent years. The options for managing this market volatility are becoming common conversations around the negotiations of milk contracts. The year has seen many new opportunities initiated for improving the viability of our dairy businesses. The incoming Minister, Barnaby Joyce, has worked during the year with industry, including SADA, with the aim of delivering a final report early in 2015 on improving farm profitability.

The much-anticipated FTA with China has been signed with significant benefits to the whole dairy value chain. Now the work begins to ensure the benefits are captured and flow back down the value chain to the milk producers. We should not be complacent and assume that this will happen automatically. Then more locally; the new Transport Project outcomes (that we have been working on in recent weeks) will be known early in 2015, industry consultation has led to important improvements to the proposed regional Water Allocation Plans and SADA has now established the SA Dairy Industry Fund which in the coming years will fund projects aimed at securing the future of the SA dairy industry.

So, 2014 has been an especially successful year for the SA dairy industry that has been seen, and widely recognised, for the way we are pro-actively representing on industry and members.

AGRICULTURAL COMPETITIVENESS REVIEW

This is a major initiative by the incoming Minister, Barnaby Joyce, to find ways the government can assist agricultural businesses to be competitive and profitable. We have recently participated with PPSA in responding to the Government's "Green Paper" (the options paper) and the final next step will be the release early in 2015 of the "White Paper" (what the government intends delivering).

This latest round of consultation consisted of meetings with industry bodies rather than community meetings with farmers (as was the case for the initial round of consultations). In SA we recently met with the project leader, Paul Morris, and his staff and will be looking forward to the outcomes expected to be released early in 2015. Obviously, the options adopted by the government will be also measured by its ability to fund new initiative given the financial constraints on the federal government. **The options (for infrastructure, drought support, trade and finance) most likely to succeed are those that deliver the greatest economic benefit for the least costs.**

THE CHINA FTA

The Trade Minister, Andrew Robb, said that he believed that this Agreement "marks a significant milestone in the history of this country and will be transformational for the economics of rural and regional Australia". Certainly a big claim but there is no doubt that this FTA will be especially good for dairy (remember that some of the other commodities like wheat, sugar rice and cotton did not secure gains at this time). Just some clarification on two common questions I have had from SADA members. Firstly, people are asking about the extent of the potential for trade growth. The NFF believes that with the FTA we now have the potential to triple agricultural exports to China over the next decade. Secondly, on Foreign Investment, the Foreign Investment Review Board will continue to screen all investments by Chinese-owned enterprises, regardless of the transaction size, as has been the case before the signing of the FTA (so no change with the FTA).

The FTA also appears to be having some effect at bolstering "farmer confidence". The associations, like SADA, who actively participated in the lobbying were also pleased with the result. But this is matched currently by industry concerns over the downward slide in commodity prices since February due to lower demand. China using stockpiles and the trade sanctions against Russia are redirecting vast amounts of dairy product into the wider global market. So the net effect is that confidence is still low (source Rabobank's latest quarterly survey).

Another question coming from SA dairy people is that given Victorian dairy farmers supply 90% of all dairy exports to China what is in the deal for SA? The answer to this question is generating considerable interest currently in SA as many SA farmers, small processors, new processing joint ventures and the SA Government, are now all seeing that accessing high value dairy market segments in Asia is being a potential driver of higher farm gate prices in SA. It is like "the light bulb has gone on" right across Australia and not just Victoria.

AGM'S AND ADIC DAIRY BREAKFAST IN MELBOURNE

The ADF AGM was held in Melbourne on Thursday 28 November and David Basham, the UDV President, Tyran Jones and Simone Jolliffe were elected onto the ADF Board (existing Board members Noel Campbell and Anne Austin make up the Board of 5). Chris Griffin and Peter Evans announced in September that they would retire at the end of their terms and would not seek re-election.

Following the ADF AGM there was a Meeting of the ADF National Council and one of the key presentations was from the National Farmers Federation (NFF) and their plans of re-structuring the organisation to make it more relevant and effective. There appears to be a common view that an effective NFF is needed but finding a way of achieving that is not that clear at the moment.

NFF themselves are currently saying they are still "open to all suggestions" and "they are looking to the agricultural industries for guidance" but in reality it would appear that some concrete options will need to be tabled at some stage soon.



Ian Halliday, Managing Director of Dairy Australia

Then on Friday 28 November there was the ADIC Industry Leaders Breakfast which this year had the theme of “Innovation” and the guest speaker was Irish dairy farmer, Patrick Kelly, who shared his experiences in innovation and genomics from the Irish dairy industry.

This was followed by the Dairy Australia AGM. Some of the key messages included the need to capitalise on the opportunities in the emerging markets and recognising there is still a lot to do in the trade space given that technical trade barriers are estimated to be costing Australia \$1.5 billion per year. The CEO, Ian Halliday, nominated “team work and common alignment” as important for the Australian dairy industry going forward.

SAFework SA

On Tuesday 2 December, we participated in a PPSA meeting with SafeWork SA. The figures indicate that agriculture is an area where we need to be on guard and be pro-active in preventing accidents. Over the years SADA and DairySA has been involved in raising awareness through discussion groups, seminars, safety manuals, newsletters etc. SafeWork is continuing a policy of working with industry to assist raising awareness rather than being inspectorial.

We are currently working with SafeWork looking at the data listing types of injuries in the attempt to better target our extension messages. As we often say, the problem in this area arises when a serious accident occurs, then managers and owners have a special responsibility for family and employees.



Glenn Farrell, Manager, Workplace Support Team

UDP SUPPLIER MEETING

On 18 November UDP released a statement stating that United Dairy Power would continue to operate following the appointment of Receiver Managers to its parent company, Five Star United Food (Aust.) Pty Ltd. This message was repeated by the new Managing Director of UDP, Marcus Derwin, when addressing suppliers at a meeting in Murray Bridge on 4 December. Rabobank is in control and they want a “business as usual” approach. So, the commitment is that suppliers will be paid and existing milk contracts will be honoured.

In an article in The Australian newspaper on 8 December it reported that there was strong field of suitors for the business. United Dairy collects and distributes milk from about 150 farms throughout SA and Victoria, produces Caboolture cheese and has its own transport fleet for milk collection.



Glenn Aldridge, Marcus Derwin, CEO of UDP and James Stacey

THE SADA BOARD MEETING

SADA held a Board meeting on Wednesday 3 December. David Basham has been elected to the ADF Board and the Board Members were encouraged to apply for membership of the various ADF Policy Advisory Groups (PAG's). SADA is engaging in policy development at ADF by commenting on the draft ADF Policy Paper and the position in relation to the adoption of new technologies. SADA is also applying for ADF Project Funding. There are three projects we are putting forward and they all are about better engagement with our members. One involves connecting the ADF National Council with the SADA members at our Dairy Innovation Day, the second co-funds more regional meetings, and the third is a survey of members to ensure we are listening to members.

SA DAIRY INDUSTRY FUND

The Board of the SA Dairy Industry Fund held its first meeting on Thursday 13 November. While dealing with a number of administrative issues like setting up the bank accounts, administrative processes and timetables, the new Board decided to support the Cows Create Careers Project.

The Fund is about to call for "expressions of interest" for project funding. The cut-off date for the first funding round will be 16 February and the successful projects will be announced in April.

To grow the new SA Dairy Fund we are looking at ways of increasing revenue from the SADA Fresh brand. These include looking at expanding the distribution of the brand to other retailers both in Australia and internationally, source new SA dairy products for the brand, and generating some more publicity around the call for project funding. But, most importantly encourage our own dairy farmers, dairy communities and dairy service providers to all support the SADA Fresh brand.

While the concept of generating a dairy brand and creating a dairy fund is both novel and exciting it should be noted that many directors, staff and service providers are currently donating considerable time to ensure the brand succeeds and fund gets operating.

THE NATIONAL DAIRY CHALLENGE

Congratulations to Penny Schulz (SA RIRDC Rural Women's Award Winner) for coming up with such a great concept as the National Dairy Challenge and then so successfully running the inaugural National Dairy Challenge event.

The event was held over 2 days (3-4 December) in SA's beautiful Fleurieu Peninsula. Teams from across Australia participated. It was an amazing opportunity for young dairy farmers to build on their skills and knowledge on all aspects of the dairy industry, enhance their networks and demonstrate to the wider community how professional and multi-skilled dairy farmers really are. The young people I spoke to were quite exceptional in what they had accomplished and the responsibilities they were shouldering. Many had very heavy work commitments on the farms, so this was a rare and special opportunity to socialise with their own.



Chelsea Connor and Steph Walker at the National Dairy Challenge Dinner

SADA Fresh sponsored the Dinner that was held at the Serafino Wines at McLaren Vale. It was a stunning night, the people, the food and wine, the whole atmosphere was just great. Well done Penny and the support provided by Young Dairy Network Australia, the Future Farmers Network and DairySA.

COWS CREATE CAREERS



The Cows Create Careers program is in its 10th year and this year 211 schools were involved and 9500 students. Mandy Pacitti, who has contributed in so many ways to our dairy industry, has recently also taken on the role of Co-ordinator of the Fleurieu & Murray Lands Cows

Create Careers Program. When Mandy approached SADA Fresh for sponsorship support for the Program the request was immediately supported by the SADA Board and then the SA Dairy Industry Fund.

The SADA Fresh Sponsorship is a "Blue Ribbon" level (\$1,000) for each of the 4 dairy regions totalling \$4,000. The Sponsorship was presented to Mandy by SA Dairy Industry Fund Directors, David Basham and Will Rayner, at the National Dairy Challenge Dinner.



David Basham and Will Rayner presenting Mandy Pacitti a sponsorship cheque for the Cows Create Careers Program

ARE DAIRY FARMERS INTERESTED BEYOND THE FARM GATE?

An article in The Weekend Australian on 15 November reported on the address given by the Murray Goulburn CEO, Gary Helou, to the Australian Farm Institute Round Table. When commenting on Australia letting its milk production slide over the past decade from 11 billion litres to 9 billion litres and need to look closely at the value chain (who is making the money) he is reported to have made this comment, “That’s why it is bewildering to me when I see dairy farmers incredibly rigorous, engaged and amazingly analytical about everything that happens on the farm, yet when you get across to the food level where the real value is, they are totally disengaged and apathetic”.

I would be keen to get some feedback on this. My observation is that dairy farmers I speak to are getting very interested in what happens after the farm gate and especially how this understanding can be used to generate higher returns. Perhaps Gary Helou is just challenging us to do more in this space.

INFORMATION ON THE DAIRY “CLUSTER PROJECT”

SADA is a great supporter of the Dairy Cluster Project which aims to identify the “next big things” that can positively influence profitability and lift productivity across the SA dairy supply chain. There are workshops being held in February and we would encourage people to attend. See the notice on page 8 of this Newsletter.

If some of the ideas need follow up action or implementation then we now have the new option of the SA Dairy Industry Fund to call on.

Dairy Cluster Project workshops

At DairySA we're looking for the 'next big things' that can positively influence **profitability** and **lift productivity** across the South Australian dairy supply chain.

We've started collecting feedback from farmers and processors on what opportunities there are for growth and development in the SA dairy industry. We want a good understand of what's impacting on state-wide volume growth and innovation, as well as what could be put in place to address any limiting factors.

Recognising that milk price and seasonal factors are key drivers of growth and confidence, we're on the hunt for what else might lift SA's milk production, processing capacity and profitable growth.

This isn't about growth for growth's sake; it's about profitability across the supply chain and a thriving, vibrant SA dairy industry.

We're keen for your input! Please consider taking some time to come to one of our regional workshops in February so you can share your bright ideas, passion and expertise in building a strong dairy future for SA.

Wednesday 18th February, 10.30am-2.30pm, Mount Gambier

Tuesday 24th February, 10.30am-2.30pm, Strathalbyn

A light lunch will be provided.

For more information, contact Project Coordinator Louise Stock on 0407 711 576 or louise@dairysa.com.au or head to www.dairysa.com.au/news-events.aspx



HAPPY CHRISTMAS



MEDIA RELEASE

Wednesday, December 10, 2014

New dairy fund first call for projects

The new South Australian Dairy Industry Fund today (Wednesday, December 10) announced its first call for applications from projects that will benefit the State's dairy industry.

Applicants have until February 16 2015 to submit concept proposals to the fund, which has been established with proceeds from the sale of the South Australian Dairyfarmers' Association own milk brand, SADA Fresh.

"We are greatly looking forward to receiving innovative proposals that offer some exciting opportunities to reinvigorate an industry that's been vitally important to the State and its economy for generations," said Fund chair Dennis Mutton.

"Our overarching purpose is to finance projects that directly benefit the South Australian dairy industry and its communities. We are interested in concepts that will improve the productivity, performance, business growth and diversity of the industry," Mr Mutton said.

"We are particularly keen to receive applications that focus on supporting and encouraging local investment and value-adding, both in terms of new products and opening up new markets here in Australia and overseas.

"Projects that improve the capacity and resilience of dairy communities to manage change and volatility are also of interest."

Mr Mutton said the fund board was open to receiving proposals from diverse sectors with a keen interest in adding value to the industry, including research and extension organisations, individuals, private companies, dairy processors and boutique manufacturers, farmer and community groups.

In the first stage of the process, applicants are being asked to provide a brief outline of their concept as an expression of interest. The Fund Board will assess the applications and finalise a short list in early March 2015.

Short-listed projects will then be invited to submit more detailed information before funding allocations are decided and announced in April 2015.

The fund will accept proposals for projects seeking up to \$20,000 each. The amount available to individual projects is likely to increase in future calls, as revenues from the sale of SADA Fresh accumulate.

Application forms and further information are available at www.sadafresh.com.au or by contacting SA Dairy Industry Fund Executive officer Ken Lyons, via kenlyons@sada.asn.au mobile 0419 037 569, or 08 8293 2399.

Ends



Insurance for dairy farmers

With WFI Rural Plan you can tailor an insurance package to meet your needs as a dairy farmer. It can also be extended to include a range of domestic insurances, all in one integrated package. For more information about WFI Rural Plan contact your local WFI Area Manager.

Call 1300 934 934 or visit wfi.com.au

To see if our products are right for you, always consider the PDS from the product issuer, WFI (ABN 24 000 036 279 AFSL 241461).

Good people to know. 