

DAIRY UPDATE FROM SADA

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

THURSDAY 23 JANUARY 2003

PRESIDENT'S REPORT

This is the first "update" for 2003, and I think we need to realise how fortunate we are to be farming in South Australia this year in comparison to other states. We do have high feed costs and it really looks like higher electricity costs. Farmers are drastically trying to modify their budgets and enterprises to help cover these costs. SADA is very aware of the problems and we need to communicate with every one of our members to make them aware that SADA is trying to negotiate on all aspects of the Industry.

In this UPDATE, Ken (CEO) has reported on the issues at hand and how they are being tackled. I have also written to Hon Paul Holloway, Minister for Agriculture, Food and Fisheries, to once again reiterate the "costs" to the Dairy Industry.

Communication is very important. If you need to talk to the office, do not hesitate. There are Board members in each region and regional Presidents and committee members. Give someone a call and have a conversation about the issues that are particularly affecting you. I hope to see many of you throughout the next few months as we hold regional meetings and I can be contacted any time through the SADA Office or mobile 0417 472 052.

Phil Kernick

CEO'S REPORT

Since returning from the short Christmas break both the drought and rising electricity prices have been the two issues most concerning many members and therefore have been the centre of our attention at SADA.

MILK PRICES

Dairy commodity prices continue to firm as EU subsidies continue to come off. This has allowed the Victorian export company's to announce further "step-ups" for their suppliers. That graph supplied by the ADC we put into the last Update continues to move in the right direction.

But for many members these small positive price moves are comparatively insignificant given the

crippling losses they are facing due to the record feed costs. This drought is becoming a national disaster for our industry. It was reported yesterday that NSW dairy farmers were losing between \$200 and \$500 a day. While we are not as badly affected here as other regions of the nation some of our members are suffering as badly as any. We are supporting the ADFP and AMPA at the national level in the search for a strategy that can "win broad community support".

One issue that I believe needs to be reviewed is the appropriateness of the existing "drought package" criteria when it comes to the dairy industry. It appears the "exceptional circumstance" provisions were developed for the cropping and grazing industries and with little understanding of dairy.

One option for additional drought relief is to pursue

potential retail partner is shaping up to be important.

LOBBYING (TEMPORARILY) REDUCES CHARGES FOR MULTIPLE METERS

Thanks to Graeme Schoell for being so quick off the mark to pick the proposal by ESTA-Utilities to introduce new charges for each meter. As members would have heard on the media the issue was brought to a head quickly by the Minister Pat Colon and at a round table meeting a reasonable compromise position till July 2003 was achieved.

We appreciate the Minister and Regulator, Lew Owen, taking action. However, the reduction in the number of individual meter charges only applies for those not on "contract". So as soon as a farmer enters a contract this particular benefit no longer applies.

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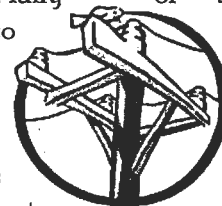
Email: mckleime@rbe.net.au

ETSA-UTILITIES

The other important issue we have been pursuing at SADA is that of security of electricity supply. We are having real problems in some areas with power unreliability. This is an issue that industry and the state government need to address as a matter of urgency. One of the reasons we spend time looking at

the economic development of the state is to highlight the opportunities for "win-win" partnerships with government.

I came back to the office from leave to assist with the Meningie power failure in the New Year. It is not just the short-term economic loss but the health of the livestock that is a major issue. Many of the animals may take days to recover. Certainly the cell counts went through the roof. To the credit of ESTA Utilities they pulled out all stops including using helicopters at night. But there has to be a longer-term plan here. Complaining doesn't take us too far down the track, but if we can work with the Wind Farm and Olive interests to develop the Meningie region as a resource rich region a good case may be developed for the upgrade of the Tailem Bend Meningie line.



MEMBERSHIP, MEMBERSHIP, MEMBERSHIP

SADA membership currently sits at 66% of all dairy farmers in SA so there are a few farmers out there who are missing the benefits. The opportunity is now here for SADA to get out there on farm, to increase SADA's exposure at the farm level and inform those non-members what they are missing, why they should join the association and how as a united industry we can achieve real outcomes for our members.

Kirstie Murphy has recently joined the SADA team to support our membership recruitment. Kirstie has been involved in the Dairy Industry for many years from growing up on a dairy farm in the Adelaide Hills, working for PIRSA in SA and interstate as a Dairy Consultant and now as an Industry Consultant with DairySA & SADA. We welcome her to SADA and look forward to working towards a united industry where individual farmers have a united voice through the Association. Please contact Kirstie for issues regarding membership, if you have a contact to sign up or to welcome her to SADA. Phone 8536 3958 or Mobile 0408 088 624.

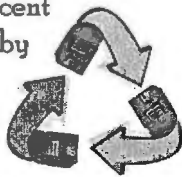
Many dairy farmers at times like these wonder "why we bother?" Mil Lel dairy farmers Simon and Carolyn Adams made this point on the front page of the Stock Journal last week. I understand their point of view. But it is either simply take what is offered (more likely charged) as a non-member or support SADA and at least together 'have a go' tackling the issue collectively. A "she will be right" attitude never

and occupational health and safety. Our best response is to "proactively" tell the world how we go about our responsible stewardship of the land.

On your behalf I continue to promote the industry to the politicians and the community in general through the media. I am pleased to see regional SADA committee members also grasping opportunities to get positive media for our industry. This is why I always mention something positive about dairying and the environment in these SADA UPDATES.

GOVERNMENT COMMITS TO BRUKUNGA ENVIRONMENTAL PROJECT

SADA applauds the recent announcement (15th January) by Minister Paul Holloway giving the go-ahead to tackling the Brukunga pollution. This has been a case of industry and the conservation movement coming together, over nearly ten years, and "going into bat" for the environment. Credit must also be given to Chris Luz-Raymond, SADA Central Councillors and the Sowerbys.



Thanks also to government CEO's like Jim Hallion and Neville Alley and the numerous government advisors from all side of politics. While the papers daily run with the bad news in relation to the environment just remember there are some really good news stories too.

FRANK BEAUCHAMP AND THE MIGHTY RIVER



Frank and Judith are doing well and we enjoy their company when they "pop" into the office from time to time. Frank is as passionate as ever about the potential for dairying on the river and telling good yarns. He is right about most things and all the studies have shown dairying is the best use of the Murray swamps.

In the next few weeks more information is expected to be released by the government into the public domain in relation to their intentions. SADA will then be in a position to have a look at the proposals. To date we have not been 'briefed'. However, those associated with the rehabilitation are expressing concern at the "expected" low level of STATE government financial commitment.

Nationally we have come so close to achieving "water

property rights" for farmers. Back in 1994 both the national and state governments agreed to the implementation before 2001. But even though all agreed this would be the best policy for all, including the health of the river, the arguments fail to get beyond who pays and what share.

Certainly the path travelled by the farmers and the conservation people in relation to the Murray Swamps has been a great success story. The final task, it would appear, is that we have to stretch Kevin Foleys arms so they reach deeper into the treasury pocket. If he adopted the same attitude as the Brown government a decade ago in relation to the emerging aquaculture industry he would find a small investment today could return hundreds of millions to the State in the years to come.

MANURE SPREADING RESTRICTS NUTRIENT RUN-OFF: US STUDY

"Manure applied to paddocks does not increase the risk of polluted run-off into waterways? In fact it improves nutrient leaching, according to US research. University of Nebraska scientists summarised all effects of manure application on nutrient runoff and soil loss, and found that nutrient runoff was reduced by 2% to 62%. Soil loss was reduced by 15% to 65%. The research also showed that runoff and soil loss declined as manure application rates increased. The research data indicate that if manure is handled properly, it reduces the risk of water pollution. The scientists believe this is because the manure improves the organic matter content and physical property of the soil."

This further supports the research done in NZ we reported in the last Update. These are the stories we need to be telling. Perhaps the community should pay dairy farmers for improving the environment?

This reminds me of the following article about making money from muck.

"An Indian dairy farm has started marketing instant holy cow dung for urban Hindus. Hindus traditionally sanctify their places of worship by sprinkling or smearing them with a mixture of cow dung and water. The dung is mixed with camphor, turmeric and sandalwood paste, to improve its smell and is sold in different sizes, with a 1kg sachet costing the equivalent of 50c. "Many spiritualist urban Hindus felt their rituals remained incomplete without the cow dung," said V.R. Rao, chairman of the Agri Gold Company,

CIRCULAR TO SOUTH AUSTRALIAN DAIRY FARMERS

Sale of Unpasteurised Cows Milk for Human Consumption Banned in South Australia

With the introduction of the new Food Standards Code and Regulations under the Food Act 2001, the sale of unpasteurised cows milk direct to the public for human consumption is prohibited in South Australia in line with all other States.

The national food standards code prohibits the sale of unpasteurised milk unless a state makes specific provision for its sale by way of regulation. The Regulations under the Food Act 2001, which apply from 1 December 2002, provide for the sale of unpasteurised goats milk to the public for human consumption **BUT DO NOT PROVIDE FOR THE SALE OF UNPASTEURISED COWS MILK.** The sale of unpasteurised goats milk is continuing in line with other States because it is not readily available in a pasteurised form, and the public health risks are not deemed to be as great as for cows milk. The detection of a wider range of food poisoning pathogens in the dairy cow environment is increasing the risk of food poisoning from the consumption of unpasteurised cows milk.

The Dairy Authority of South Australia will amend the Conditions of Licence for a Dairy Farmer to specifically state that dairy farmers must **not** sell unpasteurised milk for human consumption. Dairy Farmers found to be selling milk in breach of this Licence Condition can have their dairy farmers licence revoked and be unable to supply milk to a processor.

Under the Food Act 2001 severe penalties apply if local council Environmental Health Officers discover the sale of unpasteurised cows milk for human consumption. Investigations of food poisoning outbreaks, if attributed to illegal unpasteurised milk sales, could result in significant fines and possible legal action by consumers affected by food poisoning. The legal liability issues involved are considerable.

Steve Rice
Chief Executive Officer
Dairy Authority of SA

Brian Delroy
Manager Food Section
Department of Human
Services

CHRISTMAS AND NEW YEAR WISHES

Thanks for the many cards and well wishes received at the SADA office. During the year we had the pleasure of working through some tough issues with members and many new friendships were forged.



DIARY NOTE

Meningie Fodder Sharefarmer of the Year Farm Walk to be held at Rick and Sue Varcoes on March 19. Watch for details in the next Update.

Mt Compass Field Day 26 March - see flyer.

SADA Board Meeting 11 February.

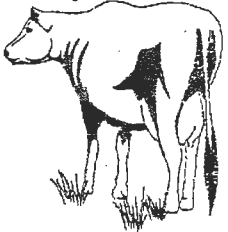
Happy Milking

Ken

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MONDAY 24 FEBRUARY 2003

PRESIDENT'S REPORT

I wish to report on the SADA Board Meeting held Tuesday 11 February 2003

The Christmas break between the last Board meeting on 10th December and this meeting has seemed to slow down the number of meetings and in fact the phone calls etc into the SADA office until this past week. The Board discussed many of the issues brought to the office. These included: ~

1. Drought What is SADA doing about the returns to farmers on their milk prices? There have been many suggestions put forward, and SADA is searching for an outcome. I have written a letter to Hon Paul Holloway looking for some Government assistance. The letter has been received by his office, but no official response at this stage. The Board also discussed ways of getting assistance to farmers in real difficulty and resolved to ask the Rural Counsellors to give information regarding any payments that may be available. Other types of assistance were discussed at length and SADA will continually pursue some of these.
2. Electricity I have written several papers on this subject and as soon as one proposal is put forward, some of the rules, regulations, pricing or supply information changes. AGL at this point is the only supplier of electrical energy. ETSA Utilities is the owner of all infrastructure. Both organisations are still trying to work their cost structures in a deregulated market where the power has to be purchased from a generating company and then on sold and there are no Government subsidies for infrastructure construction. Consequently there are no firm contract details emerging, although SADA has been having extensive talks with AGL. Supply Point charges and costs of Smart meters are two examples of volatile negotiations let alone the actual cost of the unit of power. We need to protest about these last two charges and the SADA Board is suggesting that you, as members, could write to Lew Owens, Chair Person, Essential Services Commission of South Australia (ESCOSA) at GPO Box 2605, Adelaide 5001 to voice your concerns.
3. ACCC Determination (Collective bargaining) Western Australia has a group of farmers who have contributed a few hundred dollars each and are looking at the benefits of using this negotiating tool. Pat Rowley and John McQueen, ADF, have been working with the group and this gives everyone Australia wide an opportunity to monitor the benefits that may be achieved. Early indications are no price increases but better contractual conditions that may lead to better returns.
4. Dairy Industry Development Board Perry Gunner gave a brief overview of the progress of the Industry 10 year plan at the SADA Christmas function on 10th December 2002. The Government funding has been slow in coming, although there is \$70,000 tagged for next step development. This is to be used in 6 areas.
 - (a) Document appropriate dairy business models, industry data and relevant information for developing a dairy investment prospectus for SA.
 - (b) Attraction of increased processing capacity.
 - (c) Infrastructure impediments
 - (d) Developing value adding/niche products
 - (e) Specific marketing and arrangements with China (or a Chinese Province/s).
 - (f) Research, Development and Extension.
5. National Issues The restructure of DRDC and ADC to form the levy funded body Dairy Australia is at this

financial recovery can be expected to take many years.

ADF is continually monitoring and reviewing the drought situation and the next opportunity to reconsider our national strategies will occur at the national conference in Tasmania in two weeks time.

ADF & DFNZ ANNUAL CONVENTION (MARCH)

Dairy farm leaders from around Australia and New Zealand meet in two weeks time to consider the issues facing our industries. Even without the drought, the low farm-gate returns and ever rising costs and higher levels of indebtedness are matters of major concern to our farmers.

Having taken a particular interest in the NZ dairy industry last year I look forward to their report at the conference. However, a quick look at the current figures suggests they also have their problems. For the first half of the financial year NZ dairy prices remained at their lowest levels in more than a decade. The NZ dollar gained 31% against the United States currency in the past year.

"Fonterra said yesterday (Wednesday 12th Feb) its total first half-year payout to farmers fell more than 50 per cent because of lower commodity prices and a stronger NZ dollar"

AUSTRALIAN DAIRY FARMERS' LIMITED (ADF)

The national dairy farmers organisation is planning to change more than just its name from ADFF to ADF. The ADFF Council took the decision some eighteen months ago to have a complete review of how Australian dairy farmers could best structure and manage dairy industry representation. The outcome includes a new look ADF Strategic Plan.

Behind the scenes the ADF Councillors and Executive support from all States can be justifiably pleased with the outcome. The support of the DRDC and ADC was also appreciated. I have often said farmer organisations like all business sectors should aim at "world's best practice" and this Strategic Plan has gone a long way in supporting this out-come.

I was reminded of the value and importance of this project recently when the SADA Board began to review the SADA Strategic Plan. The format used for the ADF Plan is providing an excellent template for our revised Plan. What is working well are the link ~

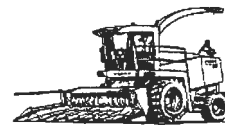
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Self Propelled Forage Harvester

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Corn Front for

- Maize ● Sorghum

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Mobile: 0427 186 450

Email: mckleime@rbe.net.au

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ages and affiliations from regions to state to national and even on to the international level. Historically our various dairy State Bodies retain their distinctive names (UDV, SADA, QDO, etc) but in fact we at the State level are the regional chapters of the unified national body ADF. Many industry lobby groups have adopted a single name with the State affiliates simply carrying the name followed by the region (for instance ADF (SA Branch). The more "seamless" the transition from one level to another the more effective will be the "voice" of individual farmers at the various levels.

CHINA DAIRY TRADE



There has been a lot of talk about the dairy heifer trade with China. From the years of experience with this trade we know that finding suitable stock is not easy. For some this opportunity has come at a time when they have been forced to cut stock numbers. We believe the opportunities for our dairy industry in the China market are far broader than just the heifer trade. Several options will be progressed through both the State Dairy Development Board and the State Development Board.

As you are aware South Australia has a particularly strong history in developing the China trade. It seems

rehabilitation, it will give us a greater chance of securing the future of dairying here in the Lower Murray.

The option of rejecting the proposals out of hand and standing out for more money will lead to a greater delay and even more certainty. We believe that we have made a reasoned case to the Government and we hope that they will eventually see that our proposals give the best chance of a satisfactory outcome for the environment, and the community.

THANKS TO THE MEMBERS PHONING THEIR SUPPORT IN THESE TROUBLED TIMES



Showing leadership requires acknowledging these are troubled times and looking for real and practical solutions, particularly at the national level.

Some members feel the DairySA project regarding stress is too painful to handle. When we gave this project the "green-light" we had no idea things would be this tough. The SADA Board supports Alison Wallis and her colleagues at the Department of Psychology, University of Adelaide and I now believe we must see this project through:

A very important part of our rural community are the rural counsellors. Austin Reid is making a most valuable contribution, along with the other rural counsellors, to the well-being of our farmers. The SADA Board has invited Austin to make a contribution to this update.

RURAL FINANCIAL COUNSELLING – IS IT FOR ME?

Austin Reid – Rural Counsellor

Rural Counselling is a service for all Primary Producers that is Free, Independent and Confidential. The service is responsive to the needs of the local community. The service is managed by a local community group and funded through the Federal Governments AAA package. It received support from your local community including Local Government and State Government.

During hard times, it can be of benefit to discuss your current financial position with an independent person. This can have many benefits for the family. Do you know your current financial position? Have you reviewed your cash flow?

Rural Financial Counsellors can assist with review of your current position, cash flow budgeting, access to any Government support services, loan reviews, personal counselling and family decision-making.

With high feed prices currently putting most farm budgets under the microscope, it is a good time to review needs for the remainder of the year. You may be eligible for Farm Help Income Support or the Professional Advice Grant.

Your local Rural Financial Counsellors are:
Lower South East – Valerie Monaghan – 8739 3280
River Murray, Meningie – Rick Henke – 8578 1344
Fleurieu & Adelaide Hills – Austin Reid – 8387 3355
Barossa Hills & Plains – Gordon Hall – 8395 1133
Mid & Upper North – Kathy Ottens – 8866 2219

DAIRY. THE FOOD OF LIFE

The good response to the ADC marketing program continues as we now enter a new direction. For those able to find time for the TV you will see some new dairy ads. This phase of the campaign aims to motivate Mums to consume and serve more dairy every day.

SADA CONSTITUTION

Included with this Update is the amended SADA Constitution. The proposed changes are written in italics and underlined and the wording to be removed has a line through the middle. This is an important document and the new amended version better reflects the needs of the Association since it changed from a Central Council to a Board in July 2000.

Refer to section 35.1 and 35.2 of the constitution for details on the alteration process. If you require further explanation or would like to make any comments on the proposed changes please phone the SADA office on 8293 2399.

SADA BOARD ELECTIONS 2003

A nomination form for the election of outgoing Board Members is included with this Update. As you know each year half of the Board comes up for re-election. This year the Board Members facing re-election are:

Adelaide Hills – Ken Smith
Fleurieu – Phil Kernick
River & Lakes – Jeff Wright
South East – Peter Edmonds

The timetable for the Board elections is as follows:

1. Nomination forms included in Update
24 February
2. Closing date for lodgement of nomination
14 March
3. Postal Votes to be despatched Monday
31 March (including voting instructions,

Meningie Fodder Sharefarmer of the Year 2002 Farm Walk

March 19 2003 at 10.00am

at

Rick & Sue Varcoe's "Minbee Dairy Farm"

9.5 Kms from Mt Compass Petrol Station towards Victor Harbor on the
Adelaide/Victor Harbor Road on the right

or

17.5 Kms from Victor Harbor towards Mt Compass on the left

Lunch at 1230

sponsored by

National Foods and Dairy Farmers

Guest Speakers include:

Sam Acheson - Dairy Farm Management Services

Vicky MacDonald - Meningie Fodder

Greg Sweeney - Rye Grass Trials on Minbee Farm

"The only time success comes before work is in the Dictionary"

Qfever

The Qfever clinics held in the Fleurieu region have been very successful with many dairy farmers taking the opportunity to have themselves checked and vaccinated. Clinics have also been held in the Mt Gambier region. At present Qfever clinics are being held on Yorke Peninsula, Eyre Peninsula and Kangaroo Island. There haven't been any clinics scheduled for any other dairy farming area for the immediate future. However, there are a number of authorized trained Qfever vaccination providers in SA that can be contacted regarding vaccinations if you as an individual want to find out more.

They include:

Dr Michael Kerrigan - Coorong Medical Centre, Meningie - 08 8575 1285

Dr David Brookes - Mt Barker Medical Centre, Mt Barker - 08 8391 1300

Dr David Butler - Bridge Clinic, Murray Bridge - 08 8532 2322

Dr Fredde Carrangis - Strathalbyn Medical Clinic, Strathalbyn - 08 8536 2277

Dr Bill Geyer - Tanunda Medical Centre, Tanunda - 08 8563 2777

Dr Paul Veitch - Angaston Medical Centre, Angaston - 08 8564 2266

Dr Richard Van Dissel - Kapunda Medical Practice, Kapunda - 08 8566 2900

Monday 24 February 2003

NOMINATION FORM – BOARD ELECTION 2003

ADELAIDE HILLS FLEURIEU RIVER AND LAKES SOUTH EAST
(Please circle)

**CIRCULAR TO MEMBERS OF THE
SOUTH AUSTRALIAN DAIRYFARMERS' ASSOCIATION INC.**

NOMINEE FOR BOARD MEMBERSHIP

Nominees Full Name.....

Nominees Signature.....

PROPOSER

SECONDER

Proposers Full Name

Seconders Full Name

.....

Proposers Signature

Seconders Signature

.....

ALL NOMINATIONS SHALL BE LODGED WITH THE CHIEF EXECUTIVE OFFICER

**CLOSING DATE FOR THE LODGEMENT OF NOMINATION
5.00pm Friday 14 March 2003**

**Please Fax Back to SADA on 08 8293 8886
Or
Post to SADA, U5 Emerson Centre
780 South Road
GLANDORE SA 5037**

SOUTH AUSTRALIAN DAIRYFARMERS' ASSOCIATION INCORPORATED

1. NAME

1.1 The name of the Association is the 'South Australian Dairyfarmers' Association Incorporated'.

2. PRINCIPAL OFFICE

2.1 The Principal Office of the Association is situated at:

Unit 5 Emerson Centre
780-802 South Road
Glandore
SOUTH AUSTRALIA

or at any such place determined from time to time by the Association.

3. DEFINITIONS & INTERPRETATIONS

3.1 In this Constitution, unless the context otherwise requires or some other meaning is clearly intended or stated:

'Act'

means the Associations Incorporation Act 1995 1985 (South Australia) as amended.

'Association's Regions'

means those regions defined in Part 5 of the Regulations hereto.

'Board'

comprises those persons elected in accordance with Part 1 of the Regulations hereto.

'Financial Year'

means the period commencing on the first day of April in any year and ending on the thirty first day of March in the following year or any such period of one year determined by the Board.

'Levy'

means an amount due and payable by individual Members in respect of protein and/or butterfat production, such amount normally paid on a monthly basis or otherwise by arrangement with the Association and such amount determined from time to time by the Association.

'Members'

means all categories of Membership unless otherwise specified.

'Subscription'

means an annual fee due and payable by all categories of Members of the Association and such amount determined from time to time by the Association.

Reference to a party includes the party's executors, administrators and assigns and where the party is a body corporate, its successors and assigns but does not authorise devolution or assignment where the same is subject to the other party's permission or any other condition contained in this constitution or otherwise.

Reference to the singular includes the plural and vice-versa.

Reference to any gender includes the other gender and neuter.

4. ASSOCIATION - OBJECTS

4.1 The Association has the following objects:

7. ASSOCIATION - SUBSCRIPTIONS & LEVIES

7.1 Subscriptions and Levies shall be payable as decided from time to time by the Board. ~~All votes regarding Subscriptions and Levies shall be carried by a simple two-thirds majority of the Board.~~

7.2 Current rates of Subscriptions and Levies and methods of payment and collection are described in Regulations *as defined in Part 3*.

8. MEMBERSHIP – CESSATION

8.1 A person ceases to be a Member if that person:

- a. Resigns by giving written notice thereof to the Chief Executive Officer of the Association. In the event of cessation of membership for any reason the relevant Member shall remain liable for any outstanding Subscription and/or Levy which may be recovered as a debt due to the Association.
- b. Fails to pay all Subscriptions and Levies within the prescribed time and it is determined by the Board that the person should cease to be a Member.
- c. Dies or is a person whose affairs are administered under a statute relating to mental health.

8.2 Upon cessation of the primary production of milk, a person, company, other legal entity or partnership becomes ineligible to be a 'Full Member', but may become eligible for another category of membership.

9. MEMBERSHIP - EXPULSION

9.1 Subject to giving a Member an opportunity to be heard or to make a written submission, the Board may resolve to expel a Member upon a charge of misconduct detrimental to the interests of the Association.

9.2 Particulars of the charge shall be communicated to the Member at least twenty eight (28) days before the meeting of the Board at which the matter will be determined.

10. ASSOCIATION - STRUCTURE & GOVERNANCE

10.1 The Association is comprised of a number of regions based on geographical boundaries. Members of each region shall elect representatives to a Board of management that shall be charged with the governance of the Association. Each region shall also elect a committee to represent members at a regional level.

10.2 Governance of the Association is to be vested in the Board of management. The Board derives its authority from the process of election or appointment to the Board by members of the Association as provided for by this Constitution and is legally binding upon all Board representatives.

11. BOARD - ROLE

11.1 A Board representative is precluded from holding an elected position within a regional committee. A Board representative is deemed ex-officio to their respective regional committees and expected to play a key role in the communication process of the Association at regional level.

12. BOARD - RESPONSIBILITIES

12.1 The Board sets the mission statement and strategies of the Association, and approves the action plans. The Board determines on-going policy and major programs in line with the mission statement and strategies. It is accountable for the overall performance of the Association.

12.2 The Board must be confident that deadlines are being met, policies are being observed, objectives are achieved and standards of performance being reached. It is required to approve and

SADA CONSTITUTION & REGULATIONS

13.6 In the event of any dispute or disagreement between the Association and its members or between individual members in relation to any matter arising in connection with the Association the final adjudication rests with the Board.

13.7 The quorum for a Board meeting of the Association is set at 6 Board members.

14. ANNUAL GENERAL MEETING

14.1 An Annual General Meeting of the Association is to be held no more than four (4) calendar months after the conclusion of the preceding financial year.

14.2 The following business is to be approved by members at the Annual General Meeting:

- a. Confirmation of minutes of the previous Annual General Meeting.
- b. Consideration of the financial statements.
- c. Receive reports of the Board and auditors.
- d. Any matters raised at the Regional Annual General Meetings held prior to the Association Annual General Meeting.

14.3 Any motions not on notice but raised at the Annual General Meeting can be noted by the Board, but the Board is not obliged to act on these motions.

14.4 A General Meeting of the Association may be called whenever required by the written request of not less than twenty five (25) per cent of the Association's Regions, where the request specifies the object of the meeting required. The meeting is to be confined to discuss the object alone.

14.5 ~~The quorum for an Annual General Meeting of the Association is set at five Members from each Region.~~ The quorum for an AGM and special general meetings of the Association is set at 10 members.

15. MEMBERS - POWER OF MEMBERS

15.1 Members have the power to appoint representatives to the Association's Board, according to the manner specified in this Constitution. Members can ~~disallow~~ recommend change to any rule, regulation or bylaw at a General Meeting of the Association, but not retrospectively.

15.2 If Members do not agree with the direction or the management of the Board they have the options of voting in a new Board members or recommend changing the Constitution.

~~15.3 Members of a Region can introduce a vote of 'no confidence' in a Board member of that Region.~~

16. OFFICERS OF THE ASSOCIATION

16.1 The officers of the Association are:

- a. President
- b. Vice President
- c. Treasurer

16.2 The roles of the President, Vice President and Treasurer are defined in this Constitution and they collectively comprise the Executive of the Board. Officers of the Association can only be elected from the Board.

16.3 An officer of the Association remains in office until the conclusion of the Annual General Meeting when the newly elected officer takes the position.

16.4 Elections are to be conducted as prescribed by Regulations. If there is only one nomination for an office, that candidate is to be declared elected unopposed without the meeting proceeding to an

18.2 The Treasurer is required to:

- a. Monitor and manage revenue generation.
- b. Ensure that sufficient funds are available for operations.
- c. Recommend the annual budget to the Board.
- d. Ensure that financial management reports are provided in a timely manner and are in accordance with the directives of the Board.
- e. Ensure that all documentation is available for the preparation of all statutory accounts.
- f. Ensure that appropriate internal financial controls are in place and operating efficiently.

19. VICE PRESIDENT

19.1 The Vice President of the Association is a Board appointment drawn from the Board representatives and holds a position on the Board. The Vice President's term of appointment is for 12 months.

19.2 The Vice President is required to:

- a. Substitute for the President if the President is unavailable for formal duties or for chairing the Board meeting.
- b. Chair the remuneration committee responsible for the performance review of the Executive Officer and to report to the Board on this matter.
- c. ~~Act as advisor to the Chief Executive Officer.~~

20. CHIEF EXECUTIVE OFFICER

20.1 The Chief Executive Officer is the senior staff officer of the Association and is tasked with implementing the Board's policies, listening to and acting upon members' wishes, managing staff and the resources of the Association. ~~These activities can be broken down into three areas of responsibility; to support the Board, to steer the Board and to be subservient to the Board.~~

20.2 The Chief Executive Officer has direct responsibility for the outcomes/results of the following major activities:

- a. Finance - develop and implement all aspects of the budget cycle and report against financial objectives; develop and implement relevant income streams.
- b. Administration – manage staff and ensure that cost effective and efficient management is practiced.
- c. Board of Management – develop policy and operational papers as requested by the Board, and ensure that the policies of the Board are implemented; ensure that the strategic plan is monitored, implemented and reviewed.
- d. Membership - develop membership initiatives to retain and increase membership in accordance with the strategic plan.
- e. Publication – ensure that the quality and content of a publication is in keeping with the expectations of the members.
- f. Marketing/Training & Development - ensure that the Association is presented to members and the public in a manner consistent with that laid down by the Board; monitor training and development initiatives for members.
- g. Public Relations – develop and implement a planned public relations process.

the Industry within that Region or the Industry as a whole.

25.2 A Regional Committee shall consist of between 5 and 10 Members including the officers of that Region and provide a wide cross-section of interests within that Region. A casual vacancy on the Regional Committee shall be filled by appointment of that Regional Committee.

25.3 A member of a Regional Committee must be a Member of that Region who is not prevented by the Constitution or the Regulations from holding that position.

26. REGIONAL COMMITTEE MEETINGS

26.1 Regional Committee meetings are to be conducted in accordance with the customary rules of debate and meetings. All questions are to be decided on the majority of votes in the first instance on the show of hands. A secret ballot may be called for by a decision taken on the show of hands.

27. REGIONAL MEETINGS

27.1 The Annual General Meeting of a Region is to be held no less than twenty eight (28) days prior to the Annual General Meeting of the Association at a time and place fixed by the Chief Executive Officer in consultation with the Regional Committee.

27.2 A Special General Meeting of the Region may be convened upon the request of twenty five (25) per cent of the Members of that Region.

27.3 The quorum for an AGM and a special general meeting of a region of the Association is set at 8 members of a region.

27.4 The quorum for an ordinary meeting of a region of the Association is set at 5 members of the region.

28. REGIONAL SECRETARY- DUTIES

28.1 The duties of the Secretary of a Region include:

- a. To keep all minutes of meetings held within the Region and forward a copy to the said Principal Office.
- b. To attend to all correspondence received/dispatched in a timely manner.
- c. To assist in the co-ordination and efficient administration of the Region.
- d. ~~To maintain a register of Regional Members/non-Members as provided by the Association Office.~~
- e. To act as a point of contact for Members in that Region.

29. REGIONAL FINANCES

29.1 The Association will pay for the following expenses reasonably and properly incurred and documented by a Region in relation to its management; namely,

- a. Venue hire for meetings/activities.
- b. Expenses incurred in calling meetings.
- c. Telephone or postal expenses.

29.2 A Region has no authority to incur liability on behalf of the Association or on its own behalf, other than those noted without the authority of the Chief Executive Officer.

30. REGULATIONS

30.1 The Board may make such Regulations as are contemplated by this Constitution or as necessary or convenient for the purposes of this Constitution, and may vary or revoke any

36.1 In the event of any proposal being made to amalgamate or dissolve the Association a period of three (3) month's notice is to be given to the Regional Committees by the Chief Executive Officer. ~~A vote of at least two thirds (2/3) majority of the Regions is required to carry a motion to amalgamate or dissolve the Association. A vote of at least two thirds (2/3) majority of those members actually attending the meeting will be required for amalgamation, disbandment or winding up.~~

36.2 In the event of the Association being dissolved, the sum of money which remains after such dissolution and the satisfaction of all debts and liabilities, shall be paid and applied by the Board in accordance with their powers to any fund, institution or authority which is a non-profit organisation without limiting the generality thereof where possible such amount shall be paid to a non-profit organisation whose primary objects are in the promotion of research into dairying.

REGULATIONS

PART 1

THE BOARD

1. Elections

- 1.1 Each Region is to elect two representatives to the Board.
- 1.2 The election is to be by preferential postal ballot system.
- 1.3 A Member of the Association registered to vote in that particular Region is eligible to vote.
- 1.4 A Member of the Association registered to vote in that particular Region is eligible to stand as a representative for the Board.
- 1.5 The Members' roll for a particular Region held by the Office 7 days prior to any election is to be used to determine eligibility to vote.

2. Term of Appointment

- 2.1 The normal term of appointment for a Board representative is two years.
- 2.2 One half of the Board positions (one representative from each region) shall be declared vacant annually.
- 2.3 A casual vacancy on the Board ~~may either~~ will be filled ~~either~~ through a nomination of the regional committee confirmed by the Board ~~if the remainder of the term is less than 12 months; or~~

- a. ~~a fresh election for that position if the remainder of the term is greater than 12 months.~~

3. Reimbursement to Board Representatives

- 3.1 Board representatives are eligible to receive an honoraria and to be reimbursed for expenses properly incurred in connection with the Association.
- 3.2 The level of the honoraria and reimbursement for the Board is to be reviewed annually and confirmed at the Annual General Meeting.
- 3.3 ~~Elected officers are eligible to receive an honoraria and reimbursement for appropriate expenses.~~
- 3.4 ~~The level of the honoraria and reimbursement for elected officers is to be reviewed annually and confirmed at the Annual General Meeting.~~

SADA CONSTITUTION & REGULATIONS

3. Associate Member

3.1 Any 'Full Member', who ceases to be actively engaged in the primary production of milk, is automatically eligible to become an 'Associate Member'.

3.2 Any person, company, other legal entity or partnership not actively engaged in the primary production of milk, but with an interest or involvement in the dairy industry may become an 'Associate Member'.

3.3 An 'Associate Member' ~~may be~~ is required to pay a membership subscription but not a levy.

3.4 An 'Associate Member' does not have the right to vote in the business of the Association.

4. Life Member

4.1 Any 'Full Member' or 'Associate Member,' who in the opinion of the Association has rendered outstanding service to the Association, may be nominated by the Board as a 'Life Member'.

4.2 A 'Life Member' is to be confirmed at the Annual General Meeting of the Association.

4.3 A 'Life Member' pays no subscriptions and/or levies.

PART 3

SUBSCRIPTIONS & LEVIES

1. Subscriptions

1.1 A Subscription is payable annually to the Association by 'Full Members' and 'Associate Members.'

1.2 Subscriptions may be collected by either:

- a. Authorised deduction where the Member signs an authority to deduct that is executed by the relevant processor on behalf of the Association.
- b. Individual payment where a Member may pay on invoice from the Association.
- c. Subscriptions are to be reviewed annually by the Board of the Association. Members will be notified of the subscriptions for the ensuing financial year.

Serial	Date	Subscription Rate	Board Authorisation
1		\$135.00	
2			
3			
4			
5			

~~*The above table enables a Member to maintain a record of Subscription Rate variations~~

2. Levies

2.1 Levies are payable by 'Full Members' but not by 'Associate Members.'

2.2 Levies are paid on the basis of a rate per kilogram protein of a 'Full Member's' milk production

2.3 Levies may be collected by either:

- a. Authorised deduction where the Member signs an authority to deduct that is executed by

the square opposite the names of each candidate, indicating the first and subsequent preferences of the delegates numerically, starting with the number '1' for the first preference.

1.3 A ballot paper is deemed informal if it has no vote indicated on it or it has not been marked in the manner prescribed in this Regulation.

1.4 If there is only one nomination for position, that candidate is to be declared elected unopposed without the meeting proceeding to an election.

2. Election of the Board

2.1 Board representatives are to be elected by preferential postal ballot system of 'Full Members' on the electoral roll of that Region as at the date of the election.

2.2 Nominations for Board representatives of a Region are to be called for from all 'Full Members' of that Region and duly nominated and seconded in writing.

2.3 The Office is to prepare the appropriate ballot forms based on the nominations.

2.4 Ballot forms are to be posted; returned ballots are to be accounted for and the Returning Officer as defined in Clause 6 hereof is to count the votes and declare the ballot.

2.5 Notwithstanding the provisions of this Regulation set out above, this Regulation shall not apply to clause 17.2 of the Constitution of the Association.

3. Election of Board Officers

3.1 Officers of the Board are to be elected from the representatives of the Board by secret ballot based on the preferential system.

3.2 An Officer of the Board may not be elected without being duly nominated and seconded in writing by a representative of the Board.

3.3 Nominations are to be finalised prior to the meeting.

4. Election of Regional Committee Officers

4.1 Officers of the Regional Committee are to be elected by 'Full Members' on the electoral roll of that Region.

4.2 Officers of the Regional Committee are to be elected by secret ballot based on the preferential system at the Annual General Meeting of the Region.

4.3 Nominations for the positions may be in writing or may be taken from the floor.

5. Election of Regional Committee

5.1 Other positions on of the Regional Committee are to be elected by 'Full Members' on the electoral roll of that Region.

5.2 The election may be by either secret ballot or by a show of hands as decided by the Annual General Meeting of the Region.

5.3 Nominations for the positions may be in writing or may be taken from the floor.

6. Returning Officers

6.1 Prior to any election the Chair is to appoint a Returning Officer (and Assistant Returning Officer) as appropriate.

DAIRY UPDATE FROM SADA

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

MONDAY 7 APRIL 2003

PRESIDENT'S REPORT

Phil Kernick

*This is a short update to keep you informed of issues as they are unfolding.
There is an SADA Board meeting to be held on the 8th April and a full UPDATE
will follow that meeting.*

River Murray Swamps Rehabilitation Program

For those farmers directly involved this has been a very stressful and worrying time. The issues here are diverse and very detailed and SADA has supported the positive work of LMIAG over many years and just recently the details being examined by the Lower Murray Irrigation Association Inc. (LMI).

After talking with Dennis Hicks, Chairman, and Terry Lee, General Manager of LMI, SADA is setting up a working group to liase closely with LMI. The role of the working party will be to lobby at State and National levels, but leave the detail to LMI. Eric Stewart, Karen Altmann and Frank Beauchamp along with SADA Board members may form the group. We recognise the issues here will have implications State wide as well as Nationally so it is very important to have National support for this program. Already I have spoken to Peter Corish, President, National Farmers Federation, (NFF), Pat Rowley, President Australian Dairy Farmers (ADF) and John McQueen, CEO ADF. Dairying is a national industry and every part needs to be supported.

Environmental Protection Authority (EPA)

SADA is organising a high profile representation to meet with the upper level of management of EPA. Although the date has still to be confirmed, the aim of the meeting is to discuss a closer working relationship with the Dairy Industry and EPA. We know we should all be working together towards a goal of environmental sustainability, so lets do it in an amicable way. The progress of the DRDC program airying for Tomorrow? will be presented to indicate the positives of the industry in environmental issues.

Collective Bargaining –ACCC determination

SADA is monitoring the details emerging from a Group in Western Australia. This bargaining group facilitated by Tony Pratico, President WAFF– Dairy section, has had a number of quality meetings with the processors and also the retail industry in WA. This group consists of some 200 farmers and the latest information is that they feel they are gaining some benefits by reviewing the terms and conditions on the contracts offered. There may be some added benefits by reviewing that States freight (milk collection) system.

On Friday 28th, I had information from John McQueen that AFFA are offering to hold a round of National meeting to further promote this ACCC determination. Details of these meetings, probably to be held towards the end of April, jointly with SADA, will be published shortly.

Drought

It has affected us all and it is obvious the current drought strategies are almost ineffective. The dairy industry in particular has been left out of any assistance package and this needs to be rectified.

The proposal has been put forward at each drought meeting I have attended, State and National, that we need to, as an industry, look to the future and look to new criteria. This time, dairy has to be present in these negotiations. Dairying in Australia has changed dramatically since the current guidelines were established. Dairying does rely on drought in feeds? and the fact that rivers do need to run.

There have been ideas put forward of all farmers contributing by way of a tax for future droughts. (A Government superannuation scheme?)

Dairy Australia

On Thursday night 27th March, the approval to form the company, Dairy Australia, passed through Federal Parliament. (After a lot of last minute negotiation by John McQueen and Alan Burgess) This company will initially assume most functions currently undertaken by the Australian Dairy Corporation (ADC) and the Dairy Research and Development Corporation (DRDC). There will be a pamphlet covering this development arriving in your mail shortly.

Electricity

The SADA Technical committee, chaired by Jeff Wright, meets again on 7th April. Representatives from TXU, Origin, and E-Utilities have been asked to contribute to this meeting.

I hope this keeps you informed of some of the issues being undertaken by your Association. If you wish to discuss any of these issues or others please do not hesitate to contact the SADA Office on 08 82932399.



ADC Fact Sheet

Understanding the A2 Milk Issue

What is A1 and A2?

A1 and A2 are types of protein (called beta-casein) found naturally in milk. What we know as 'regular milk' contains both A1 and A2 protein in a ratio of around 40:60.

Why has A2 milk been developed?

Different dairy cow breeds produce different amounts of the A1 and A2 protein. For example, Holsteins can produce between 46-70% of their milk containing either A1 or A2.

A New Zealand company, the A2 Corporation, owns a patent to test dairy cattle in order to determine what types of protein are present in the milk. They also own a patent application claiming there is a link between the A1 protein and heart disease.

Is A1 protein linked to any health conditions as has been claimed?

It has been reported in the media recently that the A1 protein could trigger autism, schizophrenia, diabetes and heart disease. To date there is no credible published scientific evidence to justify cutting milk from the daily diet due to these concerns.

Independent expert groups such as Food Standards Australia New Zealand and the New Zealand Food Safety Authority have examined the research findings that have been reported to establish a link between A1 protein and these health conditions. They stress that milk is an important part of a well-balanced diet and that consumers should continue their normal consumption of milk.

What is the ADC doing about this issue?

The Australian dairy industry does not ignore any credible scientific research that helps us to better understand milk and its attributes. However, any claim or hypothesis should go through a system of scientific and regulatory scrutiny.

The ADC, on behalf of the Australian dairy industry, is managing this issue. We believe it is important for consumers to be made aware of factual information relating to milk. It is unfortunate at the moment that Australian consumers are being confronted with an apparent choice between "good milk" and "bad milk", when all credible scientific evidence supports the role of milk as an important part of a healthy and balanced diet.

As a dairy farmer what can I do?

This fact sheet has been developed to assist you in understanding this issue. We don't expect you to know all the facts or research. However, you should be informed and confident with this information to be able to dispel concerns that may be expressed to you about the integrity and safety of milk in relation to this issue.

There is no impediment to any individual farmer changing his or her herd to produce A2-type milk. Our assessment, and that of leading dairy farmers, is that there is no compelling reason to undertake this task.

If you require any further assistance or information on this issue, please visit our web site www.dairycorp.com.au or contact the Australian Dairy Corporation on (03) 9694 3777.

DAIRY UPDATE FROM SADA

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

THURSDAY 17 APRIL 2003

PRESIDENT'S REPORT

Phil Kernick

This is a brief report on the outcomes of the SADA Board meeting held Tuesday 8 April 2003. The short UPDATE that you received dated 7th April foreshadowed most items to be presented.

The Board has resolved to form a working group to work alongside the LMI Board where applicable, but importantly to liaise within the Government circles to work for the best outcomes in this rehabilitation issue so there are wins both Statewide and Nationally. The River Murray swamps are an integral part of the milk supply/production in South Australia.

SADA is coordinating a meeting with EPA to be held early in May. We need to be able to work amicably together within the EPA guidelines and industry guidelines for the future of our Dairy Industry.

John Lush, President, and Carol Vincent, General Manager of SAFF attended our Board meeting where the issues of Electricity, Rehabilitation of the Murray swamps, Cattle Advisory Group/NLIS, Affiliation and SE dairy issues were discussed. The outcome is a working together on all issues and maintaining a good, positive working agenda where all of the rural Industries State wide can benefit. Issues with BJD were discussed mainly resolving that Bovine means both dairy and beef cattle. The SADA board looks forward to further dialogue in the near future.

Once again, support was given to the Dairy Industry Development Board with the granting of \$15000 available to progress the Ten Year plan further. Funding is important to establish a Managerial position to be a central contact to drive the plan into the future. SADA hopes that by making this money available, the State Government will now come forward with its contribution of support for this plan.

I reported on the successful meeting that Ken Lyons and I had with Minister Paul Holloway, (4 April). Issues covered were, Drought, DIDB, Rehabilitation of the swamps, EPA, Electricity, BJD and NLIS, lack of State funding for the dairy industry and the importance of the dairy industry to the State.

Many other dairy industry issues were discussed during the course of the day and as always, you are invited to discuss the subject of the Board meetings or any other issues with SADA office or any of the Board Members.

I hope to see many of you during the next round of SADA meetings. (Dates in this UPDATE)

Thank you once again to Steve Gilder, Regional Manager of Wesfarmers Insurance for his presentation to the SADA Board.

myself together with several SADA Board members will be on the bus. Again you will find



all the information on these events enclosed.

DAIRY AUSTRALIA

Over the past two years the SADA Update has kept you informed of the progress towards the establishment of Dairy Australia. Finally the inevitable "glossy" has been produced and this is also enclosed.

Shortly you will be getting your Dairy Australia membership kit including forms for signing. We tried all the legal ways of securing your membership without the extra paper work but this is the way it has to be.

Over the years some members have wanted more "say and control" over their compulsory dairy levies and Dairy Australia is a step in this direction.

ELECTRICITY

The big issue for the State dairy industry at this point in time is the issue of charging for multiple meters. We have some temporary relief till July and have participated in the current Review of the issue. It is important in that a "win" here will stop extra fees being charged. These fees could add up to much more than what you pay for SADA membership for some members.



The next step to representation on the meter issue is a meeting with Minister Pat Conlon on Thursday 17 April.

The Technical Committee met on 7 April and has considered presentations from all the retailers.

DAIRY DESERVES A STRONG PROFESSIONAL VOICE

Many Primary Industry Associations are finding the "drought" is making it difficult to retain members and remain financially secure. It is most important to keep a credible and stable leadership during these difficult times. Kirstie in this article "hits the nail on the head".

Consider your Membership

Kirstie Murphy

When the pressure is on from the environment, the cost of electricity, the price of milk, rehabilitation of the swamps, and on top of all this the drought, the importance of having a united voice to decision makers is even more important.

When times are tough we all review the ins & outs from our business to help make things easier, and this is a good thing. However it is important we make the right decision, and a decision that considers the future. SADA continues to provide members with a strong, clear and active voice to lobby decision makers when times are tough and the pressure is on.

As a member, SADA is your association and remains committed to see that when times are tough your voice continues to be heard loud & clear. While we do get results, they may not always be achieved to our liking but our voice is always heard and 100% effort has been given for members.

The more members the louder & stronger our voice, the more benefits. SADA continues to highlight to non members what they are missing and that their support is also needed for the best outcome to all dairy farmers. However the best avenue for recruitment remains in members themselves. While non-members may also receive the benefits of SADA's united voice it is members themselves who are the best at highlighting SADA's role and achievements to these farmers.

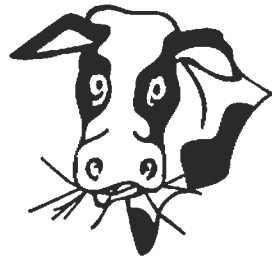
SADA membership during challenging times is worth it, and it is really important that during these times the industry sticks together. Consider your membership as more important when times are a challenge.

the National Bank, I participated in a national video conference, "Dealing with Stress in Rural Australia".

One small but interesting table showed our emotional state has a bearing on our energy level to be "up and doing". Being Scared and Sad are de-energizing. Whereas being Happy or Angry are energizing. So give yourself permission to feel like not wanting to get up some mornings. But do not let yourself stay too long in a de-energized state. It is no good for your well being or relationships. Eventually you have to move on and face the situation, gather some options, call the family together and make some decisions. Surely the lowest ebb is the turn of the tide.

Happy milking,

Ken.



OTHER DIARY DATES

30 April 2003

National Livestock Identification Scheme Working Group

2 May 2003

PIRSA Corporate Strategy and Policy Group Meeting

5 May 2003

SADA Strategic Planning Committee meeting.

6 May 2003

SADA Finance Committee meeting.

8 May 2003

SADA meeting with Dairy Farmers Co-op

21 May 2003

Royal Show Exhibition Dairy Committee

21 May 2003

Economic Briefing (May Statement on Monetary Policy) by the Reserve Bank

10 June 2003

SADA Annual Meeting

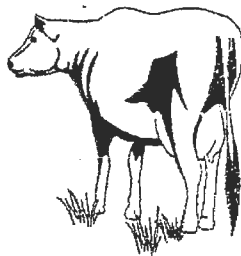
12 August 2003

DIAA/SADA Dinner

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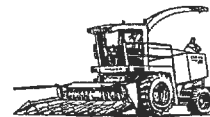
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SA Owned & Operated



NetWorks For You

NetWorks For You is a State and Federal Government funded initiative to encourage all regional South Australians to use the Internet as part of their daily lives.

This program provides FREE Internet awareness programs and assistance to local groups, community organisations, small businesses and individuals.

Regional Coordinators, Project Officers, Trainees and/or Volunteers are available in all regional areas to provide group presentations, hands on sessions or individual support in *NetWorks Centres*.

NetWorks For You can answer questions like:

- What is the Internet?
- How do I search for information?
- How do I use e-mail?
- How do I participate in a chat room?
- How can the Internet help local business?
- How is the Internet relevant to my life?

NetWorks Centres have been established throughout regional South Australia to provide access to FREE Internet awareness sessions and FREE individual support on using the Internet. They are located within existing community facilities such as libraries, community centres, schools, government offices, telecentres.

Phone 1800 155 559 or visit www.networksforyou.sa.gov.au to find the *NetWorks Centre* closest to you.

You can use the Internet to:

- Stay in touch with family and friends
- Lodge your taxes
- Meet people
- Plan holidays and entertainment
- Find support for a particular medical condition
- Shop
- Help with study
- Do banking and other business
- Keep watch on the weather
- Find employment
- Check stocks and shares
- Find information on any topic from A – Z



Collective Bargaining Training Workshops for Dairy Farmers

The Federal Government is funding a series of workshops to help dairy farmers understand and apply the 2002 decision by the Australian Competition and Consumer Commission (ACCC) to allow collective bargaining by dairy farmers. The workshops will focus on the rules and the processes applying to the formation of groups and the potential benefits of collective bargaining as a farm risk management tool.

A team of state and national dairy industry representatives, an ACCC representative and a consultant specialising in dairy pricing and marketing will run the workshops using specific local and regional knowledge. The workshops, each of about 2 hours duration, will be held in regional locations in Queensland, NSW, Victoria, South Australia and Tasmania from 22 April to 7 May 2003.

All dairy farmers are encouraged to attend.

In South Australia, workshops will be held at:

- **Ramblers Football Club, Murray Bridge**
1.00 pm, Monday, **28 April**

- **Mt Gambier RSL, Mt Gambier**
10.30 am, Tuesday, **29 April**

Light refreshments will be provided.

Further information on the workshops will be available on the Department of Agriculture, Fisheries and Forestry Website, www.affa.gov.au or by phoning Australian Dairy Farmers on 03 9642 8066.

DAIRY UPDATE FROM SADA

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

Monday 2 June 2003

PRESIDENT'S REPORT

Phil Kernick

As this will be my last Update as President of SADA, I would like to take this opportunity to thank everyone who has supported the SADA Board and myself over the last two years.

Being elected as the inaugural President of a new Board was in itself a compliment. There have been many issues covered during this time and the future will continue to be an evolution of issues to be dealt with.

When I became President one of the main aims was to progress a good working communication with all the relevant industry bodies and associations. This is still an ongoing process, however I feel SADA is able to debate and express our points of view positively on the issues that affect our members in many forums.

The main issue that continually emerges or is pushed to the front is that of MILK PRICES. Time and time again members are very concerned about the prices being received. SADA is very much aware of this situation.

The Processors have a full understanding of costs on the farm. They realise that if there is no milk there are no Processors. They also realise if they pay too much for milk they themselves will not survive. There is no easy answer here, but we must, and do, as an organisation, keep the lines of negotiation open with all industry bodies.

This UPDATE over the last two years has tried to keep all members informed with many of the issues affecting them. I hope this format has been effective and achieved its goals.

The Annual General Meeting of SADA will be held on Tuesday 10th June at the Next Generation, Memorial Drive.

All members are welcome and I look forward to seeing you there.

Thankyou to everyone

consistent with the original objectives.

I believe that if we underestimate either, the difficulty of the challenge or the importance of co-ordinating a "whole of industry approach", we do so at our peril.

The timing of the Rehabilitation is an absolute "shocker". The drought is draining farmers' finances (and will continue to do so for some time yet) and now we face the potential of substantial water restrictions to further reduce industry's capacity to pay shared rehabilitation costs. You really need to go into one of these rehabilitation projects "cashed up" and "positive". No wonder the Adelaide University Stress Test has gone "off the chart" for the river farmers.

Late news:

Last night (May 26th) the SADA Board Sub-Committee (Chair Phil Kernick and members Andrew Stewart, Jeff Wright, and David Basham) together with DIB Chair Perry Gunner, met with Minister Hill with the main issue being the River restructuring and rehabilitation. Both the Minister and SADA believe the meeting represented the start of a beneficial relationship and agreed to jointly monitor the implementation of the project. The SADA Committee will provide a full briefing to LMIAB and members in the near future.

Even later news:

SADA has been advised today that the Minister will be establishing a Reference Group consisting of Murray irrigation industry representatives to assist with the implementation of water restrictions. Dairy should have a representative from both the River and the Lakes. The first meeting is proposed for Tuesday 3rd June. So you can see there is a tremendous number of issues, committees, working groups and now a reference group. But it is vitally important we have industry people willing to participate so we are having an effective "voice" when important decisions are made.

While thinking about the river there is a new Bill going through the Parliament.

RIVER MURRAY LEGISLATION

Every South Australian wants a healthier River Murray. That is why over recent years there has been considerable bipartisan political agreement on the

need for progress. We recently attended a Liberal Party briefing, organised by Mark Brindal, considering issues relating to the River Murray Act. I was impressed by the Liberal members earnest attention to detail, efforts to canvass stakeholder opinions, and concern to get the framework right. The Bill may still be of significant concern to some but it will be considerably better for the Liberal amendments.

As we descended the steps of Parliament House following our meeting we passed Peter Garrett, President of the Australian Conservation Council, and his team on their way to see the Premier.

ALEXANDRINA CHEESE



farm families

While the drought has dampened the spirits of many farmers this year there are many uplifting stories of achieving success. Dan

and Krystyna McCaul have established a dairy processing and marketing business to take their farm milk through to gourmet consumers. Many dairy farmers have considered attempting to value-add in some way but few decide to take the plunge. Those attending the SADA Fleurieu Regional meeting had the opportunity to get a detailed inside look at the operation and planning behind the establishment of Alexandrina Cheese.

I would recommend readers give themselves a treat and call into the factory, which is open to the public at the weekends. They are situated approximately 9 kilometres south of Mt Compass. Not only will you find the visit informative, as you view the factory from behind the glass windows, but the dairy produce is delicious and in great demand.

CONTINUING COMMENTS ON THE DROUGHT

SA keeps production and quality up. Work by Steve Spencer for the Dairy Industry Development Board, indicates the ability of SA Dairyfarmers to maintain production even during a significant drought, can be viewed as "competitive advantage". Also the ADC statistics for fat and protein figures on the milk produced in March in SA has improved on last year. This explains why some of the milk cheques are better than expected; but this comes at an even higher cost for supplementary feed.

invested.

If you have any questions or if you haven't received a membership application kit, call the Dairy Australia Helpline on 1800 004 377.

Your industry,
Your investment,
Your future.

SADA ANNUAL REPORT

Today the SADA Annual Report was delivered to the printer and Jo breathed a great sigh of relief. As you would expect it reflects exceptionally well on the considerable number of SADA members, whose contribution during the year to our "voluntary association", added significant value to our industry during a most troubling year.

While reflecting on the Annual Report the thought crossed my mind, "Who really cares about the SA Dairy Industry?"



WHO CARES ABOUT THE DAIRY INDUSTRY?

There are many issues currently under consideration in the public arena that can have important implications for dairy farmers. Therefore it is important that we inform the community properly about who we are, why we are important and how we contribute to the well being of society in general.

So one of the activities that we have added, to our already too full programme, is to be always available and ready to engage the media. Recently we had a feature article in the Advertiser about the dairy cost/price squeeze. This didn't just happen. The way we have lifted the dairy profile takes skill and effort. But great credit goes to members that are prepared to assist. Max Hannaford by saying "yes" enabled us to get a full-page coverage promoting our position. In this case supermarket margins.

Thank you ABC, Stock Journal, Advertiser and all the regional media for your assistance. The Annual Report announces our media favourite. But to me the real heroes have been Phil Kernick and his Board Members and all SADA members that contributed to

communicating our story.

The last thing SADA and members need now is to be "invisible" and not taken seriously.

BUDGET CAR RENTAL



Please find included with your Update a membership card to Budget Car Rentals. This card entitles you to a 10% discount on any car or truck rentals.

COMING EVENTS

Tuesday June 10: SADA Special General Meeting (to ratify changes to the SADA Constitution) and Annual General Meeting followed by a sit down lunch to farewell SADA President Phil Kernick and welcome the new President and Board Members. This will be held at the Next Generation - Memorial Drive, Adelaide. All SADA members are welcome to attend but you must notify the office by June 6th if you intend to stay for lunch so that a place can be reserved for you. Cost to be \$30 per person.

Thursday 12 June: Dairy Farmers Suppliers Meeting - 10.30am Ramblers Football Club, Murray Bridge
7.30pm Myponga Bowling Club, Myponga

Friday 13 June: Dairy Farmers Supplier Meeting - 10.30am RSL Club, Mt Gambier

Tuesday 12 August: DIAA/SADA Gala Dinner at the Adelaide Oval

2004 Australian Dairy Conference: The 2004 Australian Dairy Conference will be held at the Eastbank Centre, Shepparton, Victoria on February 23, 24 and 25, 2004.

Ken Lyons



More Late News, this time very good news:

State budget provides approximately \$6Mill over the next 3 years to fast track the introduction of the NLIS program. Funding is especially timely given the recent decision by the states and commonwealth to introduce the program nationally. Thank you to all sectors of the industry that assisted in promoting the government response.

If funding was not found for this initiative in this budget the industry would have been on its own.



MURRAY BRIDGE

Mark McLoughlin in conjunction with T & R Murray Bridge would like to remind you that the annual maintenance shut-down is just around the corner. We are all aware especially in a year like we are experiencing, the unprofitable practice of keeping cull cows; with this in mind I would urge you to book your unwanted stock now as when the kill days are filled we can't book any more stock.

To avoid delay PLEASE help yourself and ask Have I got any of the following cows (remembering that from today you may need to keep them for two (2) months.)

Poor Temperament cows

End of Lactation cows

Empty cows

Mastitis cows

Cows with bad Legs & Feet (with the onset of winter and muddy raceways)

I would also like to take the opportunity to sincerely thank each and every one of you who have rung to book in your T & R cattle with me, and would like to advise you that I am still in the process of calling on you personally.

As T & R Pastoral's preferred booking agent for dairy cattle my hours are more in line with the dairy farming community. I can be contacted all day, evenings and weekends as well as through-out the shut down, which for dairy farmers is important because I will be able to book your cattle in at the earliest possible time after the maintenance shutdown is completed. As a T & R booking agent I would like to make it clear that remuneration is from T & R and not you.(the vendor).

DON'T LEAVE IT TOO LONG - RING NOW !!

Mobile 0400 225 101

Phone / Fax 8531 0880

Email gunnamac@lm.net

Shutdown 26/6/03
Resume 21/7/03

Yours Sincerely

A handwritten signature in cursive script, appearing to read 'Mark McLoughlin'.

Mark McLoughlin

21 May, 2003

Dear SA Dairy Farmers Association Member,

Welcome to Budget Buddies!

The SA Dairy Farmers Association has arranged for you to receive the numerous benefits associated with the Budget Buddies program – designed specially for members of associations.

As a member of Budget Buddies you will receive:

- **preferred rental rates** on a great range of cars, trucks and buses,
- **special discounted offers**
- entitlement to earn **Qantas Frequent Flyer** or **Fly Buys** points*, as well as **National Australia Bank** and **Westpac Altitude** points*
- **famous friendly** and **professional Budget service**

Your association will benefit too. Each of your rentals with Budget contributes to the number of benefits they are entitled to; such as prizes to be offered for fundraising, free rental opportunities, etc.

Simply peel off the attached card and keep it in your wallet for quick reference. Quote the number provided on your card when booking with Budget and you will be on your way to receiving great car and truck rental value, as well as supporting your association.

For bookings and rate enquiries simply call us on 1800 111 102 and quote BCD number **E116218**. Alternatively log on to www.budget.com.au and quote your BCD number for fast bookings. You will also find our special offer 'Hot Deals' are regularly updated on this site too.



The team at Budget looks forward to helping you drive your dollar further!

Yours sincerely

Kate Parsons

*Conditions Apply. For full details, see www.budget.com.au/partners_budget.php

Free Upgrade Voucher



Start enjoying the benefits of Budget Buddies membership NOW!
To obtain your free rental upgrade call 1800 111 102 and present your coupon at the time of collecting your rental vehicle.

Please quote BCD **E116218**.



DAIRY UPDATE FROM SADA

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

Friday 27 June 2003

PRESIDENT'S REPORT

I would like to start my first contribution to the Dairy Update with my acknowledgement of the time and effort that Phil Kernick has put into this organisation. He oversaw the development of the Board and the many changes this brought with it and was instrumental in building on the relationships that were started under Frank Beauchamp's leadership.

Thank you very much Phil, and we hope things work out for you in the future, wherever that takes you.

I am taking over the Presidency of SADA in very exciting but daunting times. Let me explain. Exciting, yes as an organisation we are being asked to participate in committees and working groups at the early stages of policy or decision making so we are able to influence and shape some of the things that affect the day to day running of our businesses. Daunting, yes, because some of the outcomes of these meetings can have long term ramifications for industry, some for the better, some for the worse. We are in there trying to get the best outcome, but we need your input, so please don't hesitate to contact any of the board members on the issues that concern you. YOU elected them to represent YOU.

The Board now consists of:

President: Jeff Wright

Vice President: David Basham

Treasurer: Jill Williams

Board Members: John Nietschke, Ken Smith, Gary Spain, Lyndon Cleggett,
Andrew Stewart and Lesley Fischer

As a Board the only things we can confidently say we have control over is our organisation, SADA. All the other things we negotiate to try and get the best outcome but, if it is not the best, we try again even if it is beyond our control.

For those who don't know me here is a brief introduction. I live at Meningie with my wife Anne and four teenage children the oldest of which started at University this year. We operate an 860 ha dryland property. This year we are planning to milk 380 May to July calving cows in a Lucerne pasture based system. There is a full time dairy manager, a trainee and a part time milker that work with us. I hope to meet all the needs of SADA but at times the pressures of farming may require me to put my family and business first. I will try my very best to put forward your views and opinions to get the best outcomes for our industry. I look forward to meeting and working with you, as valued members of SADA.

Jeff Wright

with the repealing of the DASA legislation. But once again we at SADA have some more good news.

FOOD SAFETY LEGISLATION

Particularly in times of stagnant prices and rising costs it is good news that SADA has played an important role in ensuring costs in this area are contained. With the way the negotiations are going we are becoming increasingly confident that SA will continue to have the lowest cost structure.

We are particularly appreciative of the contribution of Ken Smith on the DASA Board. More recently Frank Beauchamp, Phil Kernick and Jeff Wright have led the negotiations. One of the reasons for our success has been that the dairy industry put a "whole of industry" supported position to the government.

Moving on to milk prices most farmers have attended their company "briefings" in recent weeks. Even the farmer owned co-ops are dropping prices in response to the market.

MILK PRICES

Opening prices are down for both Dairy Farmers Co-op and National Foods. Victorian Co-ops will average around 25cpl for this coming year.

Farmer Briefings

Farmers were appreciative of detailed briefings provided by the Dairy Farmers Board and Management at the recent round of supplier meetings. Calvin Boyle, as the new CEO, took responsibility for explaining the reasoning behind the regional price differentiation as a means of maximising returns to all suppliers. Using the same logic the difficult situation facing the river farmers and an upturn in international cheese prices could see our southern farmers getting a premium in the future over the northern farmers. The Chairman, Ian Langdon, took responsibility for the other contentious issue of striking the right balance of payment for milk supply (farm-gate milk price) and payment for the return on the investment in the processing facilities (share dividend).

Rising dollar

The ADC earlier this month provided an indication of the effect of the rising Aussie dollar on farm-gate milk prices. For the Victorian manufacturing (export) co-ops the rise to 66 cents shaves about 5 cents a litre off the farm gate price. This exchange rate could go anywhere, certainly

another ten cent rise to 76, is certainly possible and so another half cent would go.

Would trade reform provide better farm-gate milk prices?

One of the concerns of many dairy farmers is that they feel they have little control over the prices they receive for their milk. In the new deregulated dairy market this is true. Australia is one of the few dairying countries where world prices determine farm-gate prices.

However, if we could achieve trade reform we would generate an extra \$Abillion dollars (One billion dollars every year) in extra export income or a rise of about 15% in farm-gate prices.

Chris Phillips and his team at the ADC are preparing a number of "Fact Sheets" for dairy farmers so we can all be part of this important journey towards trade reform. Additional information is available on the ADC Trade Reform Hotline on 03 9694 3826. Remember Australia has achieved a tenfold growth in dairy exports since the 1980's. We have developed the international markets to consume that growth. But we need trade reform to deliver better prices.

Next time you get the opportunity to talk to a federal politician make the point strongly that we want **DAIRY AT THE FOREFRONT OF EVERY DISCUSSION ON TRADE REFORM.**

Update on Trade Reform

The good news leapt from the headline in The Australian (dated 23rd June). "Our Farm Subsidies will go: EC Chief".

The President of the EC, Romano Prodi, says the European Union is committed to scaling back farm subsidies and opening up their vast market to outside competition. Only France and Ireland are holding out on the EC's plan to stop paying farmers subsidies for how much they produce and switch to environmental or welfare grants instead.

The bad news is while France is so inflexible the WTO Doha round is going nowhere. It would not be surprising for the next talks in Mexico in September to fail to move the issue forward. It is as though we need to create a "crisis" to break the deadlock.

WATER RESTRICTIONS ALONG THE MURRAY

All industry sectors and all sides of politics quickly

areas. In this way they can meet the criteria without tackling the more costly "hard spots". So the ESC is considering changes to the criteria that forces ETSA Utilities to tackle the problem spots. This is part of the conditions in the privatisation deal.

So this was an unexpected piece of good news from the meeting given we suspect we have some members in the "problem areas".

NB: Some farmers may find there is a component in their next bill (the second quarter bill) for the proportion of the interim supply charges not billed in the first quarter. For many farmers AGL simply billed on only one supply point therefore in the second quarter they will bring the charge up to those applicable to the interim arrangements.

SADA HOLDING IT'S OWN

We at SADA share with members the discomfort of having to face so many challenges at once. Even in these difficult times it is pleasing to have so many members willing to "roll up their sleeves" and become involved. It would be so easy to leave it to others to run our industry. Even with the every increasing number of Committees, Reference Groups, Working Groups, being established between industry and government we have ensured the places are filled with our industry representatives. If we want to have our say and influence decisions we have to be very much part of the action. There is little personal reward for those involved apart from the satisfaction that they can influence the future for both themselves and their industry. Please make a point of saying "thank you" when the opportunity presents.

COMING EVENTS

- 1 July - SADA Board Meeting
- 3 July - Kirstie Murphy and myself will be visiting farms along the Murray on Thursday. Give us a call if you would like us to call in.
- 10 July - Draft Metering Implementation Plan for SE Region - Southgate Hotel
- 14 - 18 July - Jo on leave
- 29 - 30 July - 2003 Women in Agriculture and Business State Conference at Bordertown. Phone Helen Rogers on 8629 7041 for details.
- 12 August - DIAA/SADA Gala Dinner at the Adelaide Oval. Happy Hour at 6.30pm (see attached notices)



THANK YOU

I would personally like to thank Phil Kernick (retiring SADA President) for his support of the dairy industry and particularly SADA. Thank you also to Peter Edmonds (retiring Board member), John Williams and Brian Wilson (retiring Regional Presidents). I wish you well for the future.

LATE NEWS

Pat Rowley to Retire

The President of ADF, Pat Rowley, has announced his retirement after more than 27 years. He will also retire as Chairman of ADIC and ADHIS. Pat's outstanding contributions to dairy farmers, the dairy industry and to broad agricultural policy in Australia will be long lasting. We wish Pat well for his future. Allen Burgess has been elected President and Peter Owen and Wes Judd have been elected Vice Presidents of ADF. Congratulations to you all.

Ken Lyons

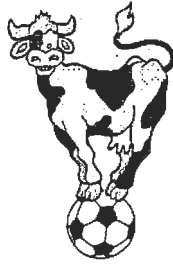
BENEFITS OF MILK.

Why blood pressure has done its DASH

US scientists have discovered why a diet rich in low-fat dairy foods helps lower blood pressure. Until now, scientists knew that a diet rich in low-fat dairy products, fruits, vegetables and whole grains, worked as well as medicine to reduce heart risks. The latest studies indicate that the Dietary Approaches to Stop Hypertension (DASH) diet promotes salt excretion, similar to diuretic drugs. Another study showed that the blood pressure benefits of the DASH diet were greatest at the highest level of salt intake. The DASH eating plan calls for 2-3 servings of low-fat dairy foods and 8-10 servings of fruits and vegetables daily.

"If the American population adopted the DASH diet, it would reduce deaths from cardiovascular disease by about 15%, and from stroke by about 27%," said David W. Harsha, co-author of the DASH-sodium study published in the most recent issue of the Journal of the American Medical Association.

"The Key to Life is Balance"



DIAA/SADA Gala Dinner

Proudly sponsored by Wesfarmers Federation Insurance
Tuesday 12 August 2003
Adelaide Oval Marquee

Due to the many hardships being endured by the dairy industry this year the DIAA and SADA have decided not to hold their Annual Conference. Instead they have pleasure in announcing the 2003 DIAA/SADA Gala Dinner proudly sponsored by Wesfarmers Federation Insurance.

This event will take place at the Adelaide Oval in their large Marquee located at the back of the oval (see map over page). The evening will begin with a Happy Hour in the Bradman Room from 6.30pm followed by a sit-down meal at 7.30pm. Beer, wine and soft drinks/juice are included.

Guest Speakers for the evening will be Stephen O'Rourke, Managing Director of Murray Goulburn Co-operative and comedian Brian Doyle.

There will be an early bird registration fee of \$40 per head for all SADA and DIAA members who register and pay before 15 July.

For late registrants and non-members the cost will be \$55 per head. Payment must be received by 1st August.

Please fill in the attached registration form and return with your payment to:
Jo Gilbert, U5 780 South Road, GLANDORE 5037.
Cheques to be made out to Dairy Industry Association of Australia.

Parking is available in the Northern car park - entrance off Pennington Terrace.

Accommodation deals are available at the Hotel Adelaide International, 62 Brougham Place, North Adelaide for \$89/room. Reservations can be made on 8267 3444 and ask for the Corporate Rate to attend the Dairy Industry Dinner at Adelaide Oval.

We look forward to celebrating our industry with you.

"The Key to Life is Balance"



DIAA/SADA Gala Dinner

Tuesday 12 August 2003

Adelaide Oval

REGISTRATION FORM

Tax Invoice

ABN 98 549 642 932

Both sections are to be completed by the registrant.
Please retain this section for tax purposes. All tickets are GST inclusive.

Please note that there is an early bird fee of \$40 for members if registered and paid before July 15th. Otherwise the cost will be \$55 per person and all registrations must be received by August 1st. Non members will be charged the late fee.

Names of people attending:	Early Bird before July 15th	After July 15th
.....	<input type="checkbox"/> \$40	<input type="checkbox"/> \$55
.....	<input type="checkbox"/> \$40	<input type="checkbox"/> \$55
.....	<input type="checkbox"/> \$40	<input type="checkbox"/> \$55
Total:	<hr/> <hr/> \$	<hr/> <hr/> \$



REGISTRATION FORM

Please note that there is an early bird fee of \$40 for members if registered and paid before July 15th. Otherwise the cost will be \$55 per person and all registrations must be received by August 1st. Non members will be charged the late fee.

Names of people attending: (Print your name as you wish it to appear on nametag)	Early Bird before July 15th	After July 15th
.....	<input type="checkbox"/> \$40	<input type="checkbox"/> \$55
.....	<input type="checkbox"/> \$40	<input type="checkbox"/> \$55
.....	<input type="checkbox"/> \$40	<input type="checkbox"/> \$55
Total:	<hr/> <hr/> \$	<hr/> <hr/> \$

Personal Details:

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

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

Address:.....

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

Phone:.....Email:.....

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

Registration Form can be faxed to 08 8293 8886 but registration will not be confirmed until payment is received.

DAIRY UPDATE FROM SADA

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

Thursday 24 July 2003

PRESIDENT'S REPORT

Jeff Wright

Boy, it only seems like yesterday when I did my first report for the up date.

The first thing farmers usually ask when they see me is. What are you doing about milk prices? Well, SADA and I can do very little to change or effect the prices that the companies offer. In fact those of you who are members of a cooperative have far more opportunity to have a say in what you believe the price should be through your own cooperative structure than us. Plus those that are shareholders in the proprietary companies should attend the shareholder meetings and make your position known to the other shareholders and management.

In reality the price you receive is affected by the export prices that companies receive. These are determined by the value of the Australian \$, rate and volume of subsidy put on product by other exporting nations and the requirement of our dairy produce by our overseas customers. All of which is outside of the control of SADA. Then there are the stresses that are put on the domestic market by the purchasing and promotional policies of the two main retailers in the Australian market. Which are also beyond the influence of SADA.

We receive requests from members that we should protest and dump milk in front of parliament house and supermarket headquarters etc.

Can I ask you what you might think can be achieved by doing this?

Consumers are already selecting alternatives to milk products in greater numbers than ever before and there is a perception that farming in general is detrimental to the environment (even if this perception is totally wrong). So do you think that consumers will be sympathetic to our cause? I don't think so. Anyway who will pay the cost of cleaning up the mess plus the fines for polluting the environment?

So what can we do as SADA, when we know we can't influence the price to any great degree. We try to concentrate on the issues that can affect and have positive outcomes for our members. I don't think many of you realise that if SADA had not been there behind the scenes over the last few years negotiating on your behalf most of you would not be farming where you are now. And those that would be left would have even more red tape to wade through than you do now!

I am not sorry that I have told it like it is, this is reality, whether we like it or not.

We need to make our business decisions based on the facts before us not unachievable expectations.

(Managing Editor and Analyst) from ProFarmer. Dennis and myself worked together for the AWB and it was enjoyable to catch up in Mt Gambier. Dennis spoke about the grain market and buying strategies for dairy farmers. Dennis is a respected "grain consultant" and can be contacted for professional advice on 08 9385 5733.

Dennis is hoping to come across from Perth for the DIAA/SADA Gala Dinner on the 12th August providing the opportunity for you to meet him in person.

Dennis has been kind enough to draft some notes for inclusion in this Update. Just as farmers and processors are moving towards longer-term contracts we are also seeing the emergence of formalised contracts for grain and fodder. They become part of our "risk management strategies".

RIVER MURRAY REHABILITATION PROJECT

The River Murray dairy farmers are involved in the Rehabilitation Project and this is an issue in which the SADA Board (following advice from members and LMI) has taken a keen interest. Specifically SADA has committed more resources to supporting LMI and has established a Board sub-committee and is directly lobbying government on behalf of industry. SADA and LMI working together led to Minister John Hill to decide to reconsider the implementation program. The SADA Board River Rehabilitation sub-committee will meet with the LMI Board on 29th July.

Currently both Dairy Farmers and National Foods are keen to work with SADA to present some constructive views to government about how the Restructuring and Rehabilitation project can achieve the original objectives.

FARM VISITS

Kirstie Murphy and myself spent Thursday 3rd July visiting dairy farmers along the river. I wanted to visit the Schmidt farm because I had heard they were leading the way with the rehabilitation of their property. In fact on the day we visited they were the subjects of a feature article in the Stock Journal.

I had met the family last year at the farewell for their son Mark who was outward bound on a Dairy

Farmers International Exchange to Holland.

ROGER AND DIANNE SCHMIDT ON MANAGING REHABILITATION

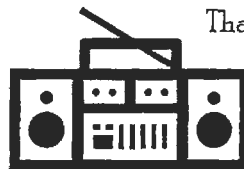
In addition to the freshly baked cake and great hospitality it was pleasure to hear how successfully they have expanded the farm to allow the whole family to be part of the business.

Not only had they "all but completed" the rehabilitation they had also embarked on a range of other innovative environmental projects. The environmental benefits include water efficiency, negligible waste-water return, reclamation of salt effected areas and a vastly improved (environmentally rich) vista for the people of Mannum and the tourist.

Currently they have had the additional problem of broomrape but on the positive side they went into the drought with plenty of hay reserves. But what I found inspiring was both their "work ethic" and their philosophy of "working on what they can control and worrying less about what they cannot control".

A few days later I thought we would get benefit from the ABC spreading their story via the Country Hour but the timing didn't work on the day. Perhaps I should explain why we at SADA have been seeking media coverage. Simply put we believe that for too long we have been all but "invisible". It is important that we get our message across to the community and the politicians at all levels of government.

DAIRY INDUSTRY GAINING A BIGGER PRESENCE IN THE MEDIA



Thanks to the ABC for doing a "Dairy Day" Country Hour from the Jervois factory on Tuesday 8th July. Congratulations to the participants (Barry Noye, Calvin Boyle, David Altmann and Frank Mason) for putting the industry view so clearly.

While the situation with the Rehabilitation is at a critical point all the speakers were positive about the "opportunity" to be more flexible with the implementation timetable.

While we were spending the day around the Lakes, back at the Waite Institute in Adelaide another important meeting was taking place to progress the "Dairying for Tomorrow" Program. The participants predominately from SADA and DairySA were developing the guidelines for the Natural Resource targets for the Australian Dairy industry.

"DAIRYING FOR TOMORROW" TARGET SETTING FORUM

On July 15th a meeting was held in Adelaide to discuss the development of a process to set natural resource management targets for the dairy industry.

Dairy Australia have engaged consultants to develop a process for setting natural resource management targets. A Consultation paper was discussed at the meeting. The meeting was attended by SADA Board Members David Basham, Ken Smith and Jill Williams, as well as representatives of DairySA.

It is proposed that a trial of the process will be carried out in SA (and other states) by the end of the year.

Jill Williams

Readers of our Update will note that we are participating on many industry/Government committees and becoming far more visible to the community via the press. We at SADA have significantly improved our understanding of the economics of the dairy industry business beyond the farm gate. We regularly meet with the Processors and can provide a collective view on issues. We are making a serious commitment to environmental and "right to farm" issues. In the last couple of years we have opened the doors to Ministers, CEO's and the top Public Servants. But we need an influx of knowledgeable and keen young people willing to "step forward" to take on some of these challenges. This is why SADA has been so supportive of the various leadership programs.

Let me briefly run through what's progressed this month.

YOUNG RURAL LEADERS PROGRAM



(1) The Australian Dairy Industry's Advance in Leadership

Congratulations to Amy Williams, Angela Young

and Jamie Nietschke for completing their course. Cheryl Philips (Co-ordinator) sent SADA a wonderful note congratulating our team. We also had a team of three complete the previous program. The next program begins on 16th October 2003. To discuss the value of these programs phone Kirstie Murphy 0408 088 624, David Basham 0417 865 962 or myself.

The applications close on 15th August and further information is available by calling 02 6272 5836 or emailing youngleaders@affa.gov.au

(2) LEAD ON Dairy Leadership Program

This program was jointly sponsored by Gipps Dairy and the Holstein-Friesian Association. Congratulations also to Virginia Ewing from Kalangadoo for completing this program.

(3) The South Australian Rural Leadership Program

Our Dairy participants on this course were Andrew Koch, Desiree Schulz and Monique Aucote.

I really enjoyed attending the Graduation dinner at the Warrawong Earth Sanctuary on 10th July. What makes such events so enjoyable is hearing participants speak so genuinely about how they have benefited from the program. The next day the Advertiser carried a feature article on the course and our dairy people were well represented. This was also a good opportunity to network with industry and catch up with the Minister who presented the awards. Ken and Helen Smith have been great supporters of this program and this was acknowledged during the evening. Ken did not let a recently broken leg keep him from attending the dinner.

We should acknowledge these are all very expensive programs and the funding is very much a joint exercise involving the Federal and State Governments, DRDC, Processors, DairySA and SADA. Congratulations to Monique Aucote for also completing a Directors Course and joining the Board of DairySA.

SADA Board members were pleased to have Andrew Koch join them at their meeting with National Foods. The meeting with Peter Margin (the incoming CEO of NF) follows our meeting last month with the Chair of Dairy Farmers, Ian Langdon. The SADA Board believes it has gained a much better understanding of the dairy business

the Japanese Exchange is continuing. We have a committee and the support of SADA behind the program. Later this year we will have some more Agricultural students visiting from Japan and we are keen to hear from young people here who may wish to visit Japan.

COLIN EKERS AND THE EXHIBITION DAIRY

Colin recently retired from the Chair of our Exhibition Dairy Committee as he has moved to Grovedale (near Geelong). But the good news is that Colin will be back to carry on as "Ringmaster" at the coming Royal Show. The SADA Board, on behalf of the entire SA Dairy industry, has thanked Colin for his contribution over many years. We hope individual members take the opportunity to thank Colin at the Show.

Past SADA President, Frank Beauchamp, takes over the Chair of the Exhibition Committee and Lyndon Cleggett also joins the Committee.

FURTHER LINKING OF DAIRY AND GOOD HEALTH



Decreasing rates of dairy consumption can lead to serious health threats including osteoporosis. Osteoporosis affects 1 in 10 Australians. ADC dietician

Janine Cornel said that more than 80% of Australian children fall short of the recommended three serves of dairy every day. Good news about the traditional dairy products continues but even better news is the growing optimism about the emerging "value added" dairy products, particularly as we see basic products like fresh milk being so heavily discounted.

FREE TRADE WITH THE US

It is good that Australian dairy farmers are currently in the US attempting to influence the coming next round of talks to be held in Hawaii this week. The bottom line is that barriers on US imports into Australia are already relatively low. But the US has high barriers on imports of Australian agricultural products. Cuts to the dairy barriers will be politically difficult for Bush to justify to the US farm lobby but I expect we will achieve something better than we have currently.

AUSTRALIAN BUREAU OF STATISTICS

The trends in the rural area continue with farmers becoming fewer and older. The trend to cover increasing costs and lower commodity prices with increasing productivity and production continues. The median age of farmers increased to 51 in 2001 compared to 47 in 1986. One of the interesting patterns is that farmers are more inclined to exit rural industries when times are good. There are a whole bag of issues that NFF and all Associations need to consider including the future of the "family farm" and encouraging young people into agriculture.

SAFF AND SADA RISING TO THE CHALLENGE

Congratulations to SAFF for "signalling a major change in direction" in a feature article in the Advertiser on Thursday 17th July. There is no doubt the profile of SAFF has been raised by the new team. While SADA and SAFF are currently without a formal association we both see value in continuing to work together.

WATCH THE SNOW REPORTS FOR MT BULLER, FALLS CREEK AND MT HOTHAM

We reported earlier about the undertaking by the SA Government, via Rob Freeman, to keep the irrigation industries along the River and Lakes fully informed with the latest predictions for river flow and water quality. But there is one way you can get a fair idea of likely river flows and that is by the snow that falls on the Victorian ski slopes. Remember 70% of the water coming down the river into SA will come from the Ovens Valley ie the Victorian snowfields.

JOHN ROTHWELL PREPARES FOR HIS FIRST ROYAL SHOW AS CHIEF



Recently I was down at Adelaide airport for a 6.00am flight as I have done many times over the years. Only this time we were farewelling our daughter, Zoe, who was off to Cairns for a week with her school orchestra. That's when

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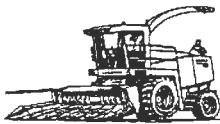
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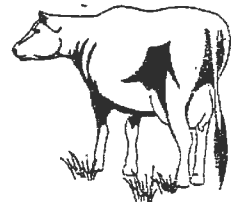
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DAIRY UPDATE FROM SADA

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

Thursday 28 August 2003

PRESIDENT'S REPORT

Jeff Wright

It's all doom and gloom! If things don't change soon we'll all be ruined! There are so many leaving we will not have a dairy industry in South Australia.
The factories are ripping us off!

STOP

Are you not proud of your own achievements on your farm and in your own life?
Are you not proud to be part of an industry that produces world class products?
Are you not proud to be producers of some of the best quality milk in the world?
Are you not proud that our milk production is increasing when others are falling?

Lets look at some facts. Did you know that at any one time 20% of all dairy farmers are looking at leaving the industry in the near future for any number of reasons and another 20% are considering their longer term future? But that leaves 60% going about their business as usual and looking to the future in a positive way.

Yes, we are in the middle of a drought. Yes, there have been some decisions made which have made farmers seriously consider their future. Yes, we are not getting paid as much as last year for our milk and yes, it has been a tough couple of years. But have you looked at what your total net worth is now after the realignment and changes in the prices of land and water? Farmers can see these things as a hiccup or an opportunity and something to work through on their way to their ultimate goal which is part of their long-term business and life plan. Whatever YOUR goal is, recognise it and own it. Then work out what will stop you from achieving it (risk) and work out ways of minimising that risk. This could mean some hard decisions might need to be made. Sometimes you might need some help or someone to talk to so you can work through the issues. Talk to someone, anyone, a friend, a neighbour, professional consultant or ring the SADA office and talk to us because we are concerned for all our members.

But in the end these are YOUR decisions, no one else's.

There are SADA members who want to see South Australia have a strong, vibrant dairy industry with a long-term future. They are even purchasing new properties for dairying, putting up new dairies and investing in the required infrastructure. They are even trying to employ staff. But this is all very difficult when a few vocal farmers are all doom and gloom.

Lets be proud of our achievements and talk the industry up.

By the way, due to our members producing more, the financial standing of SADA is the best it has been for a long time. Something to be proud of!

Another long-term strategy close to the heart of the Australian dairy industry is Trade Reform. This issue is also generating a lot of media attention at the moment because of some movement at WTO and the Free Trade Agreement (FTA) with America.

TRADE REFORM AIMS TO DELIVER HIGHER FARM-GATE RETURNS AS WELL AS NEW EXPORT VOLUMES

The three goals of trade reform are the reduction of domestic farm subsidies, elimination of export subsidies and removal of trade barriers such as tariffs and quotas. As you will notice in the press lately there appears to be some positive movements in both the EU and the USA. It is a good time for our small *Dairy Australia* team to be active and Chris Phillips and Peter Lavery deserve special praise.

The dairy industry has done exceptionally well at expanding export markets. Back in 1992, Australia accounted for 9% of world trade but ten years later we have captured 17% of the world dairy trade. Remember this key point - *We are relentlessly seeking trade reform to gain access to the HIGH PRICE markets of the USA, EU and Japan.* These markets have great potential in the sophisticated dairy ingredients markets. So the potential benefits could include higher milk supply prices, better co-op dividends, more attractive investment security and more jobs for regional Australia.

Last week it was agreed ADF and Dairy Australia will provide our members with access to better knowledge of the dairy market post the farm-gate. In particular we will be detailing the "margins" along the supply chain and the "key" drivers of farm-gate milk prices.

TRADE REFORM HOT LINE

For members seeking the opportunity to have a "one on one" discussion about trade issues a Trade Dairy Issues Hot-line has been established in Dairy Australia. I checked it out myself today and I was impressed. Jo Gilbert is currently (along with 20 other jobs) putting together our new Dairy Contact Book and this number will be included for sure. The Hot-line number is 03 9694 3826



DAIRY IS THE LEADING FOOD EXPORT FROM AUSTRALIA

The current FTA being negotiated with the USA will almost certainly be signed in the next eight months. But the real issue is whether dairy "gets a berth". The key issue is how to best influence the Americans given

we cannot vote and we have little to offer American farmers. But we can counter their "fears" of trade reform. Another issue (but equally important) is we need to counter the incorrect notion held by many Australian politicians and negotiators that dairy is too difficult to include in the FTA deal.

The first thing the American dairy farmers ask us when the FTA is raised is "Show us how an FTA can benefit us?" The answer, I believe, lies in seeking some common ground on the broader issues. We need to create "a sense of opportunity" in our relationship for them. Remember, American dairy farmers, even with their regulated system, have suffered a 40% decline in farm-gate prices in recent years.

IMPORTANT UPDATE ON DAIRY AUSTRALIA



DAIRY AUSTRALIA

Dairy Australia is up and running. Later this year we will be facilitating regional meetings to keep you fully informed and involved. Beginning next year, and every year thereafter, you will have the opportunity of having an input into setting the strategic objectives of your company.

The Board of Dairy Australian will be holding their first interstate meeting here in Adelaide in October thus enabling a meeting with your SADA Board.

Surprisingly, there are some SADA members that have yet to sign up for their Dairy Australia membership. If you are unsure of the procedure or the benefits I suggest you contact Bob Snewin on 08 8373 0747.

ADF REPORT

Jeff Wright

ADF sat over the 18 & 19 August. After the normal business of a Board had been dealt with there was much time spent with the appointments to NFF committees. The list of appointments are too long to be included here but if you would like to know, ring the office and we can inform you of who is doing what. I have been appointed to Australian Milk Harvesting P/L, Australian Mastitis Advisory Board, Rural Training Council of Australia plus the Human Resources, Training and Education Portfolios an RD & E portfolio of ADF.

International trade issues were discussed and we were briefed by Dairy Australia's representative based in the USA about the issues facing America and the negotiation around the free trade agreement with them. Peter Owen and Wes Judd

ADF/NZDF CONFERENCE

This Conference which will bring together dairy industry leaders from Australia and New Zealand and will be held in South Australia from the 21-27th February, 2004. The pre-conference tour will commence in Mt Gambier and here we can "show case" one of Australia's premier dairy regions.

SA DAIRY "GALA DINNER"

This year's dinner generated universal praise from those attending. We all appreciated the inspiring address by Stephen O'Rourke, Managing Director of Murray Goulburn.

The support from the wider business community and politicians confirmed the growing recognition our industry is achieving in the community. There is continuing recognition of the growing "credibility" we at SADA are developing with politicians.

BOARD INFORMATION DAY

David Basham

Rob Freeman - CEO Department of Water, Land & Biodiversity Conservation

- The role of the Department is to manage the allocation of resources, namely, Land & Water in an economic way whilst balancing development with the needs of the environment.
- The department is looking at an integrated approach to the management of all the natural resources.
- The government is in the process of replacing the Animal, Soil & Water boards with an integrated board with the state being split into 8 regions with a board controlling each region.

The Drought

- The water that is available for use in the Murray in SA this year is 520 gig litres with 785 gig litres being licensed.
- When water restrictions were announced in May there was a 7 in 10 chance that the situation would get better but at the end of July this had dropped to a 5 in 10 chance of an improvement in predicted water flows.
- The Government is negotiating to buy water from the Snowy Hydro scheme.
- The department is looking at the possibility of increasing allocations to lakes farmers to flush salt through by putting more water on if quality becomes too bad.

Water Resources Act

- The Government is looking at prescribing areas, with the Mount Lofty region being the next area to be prescribed.

Alison Wallis - University of South Australia - Dairyfarmers stress survey

- Some of the aims of the survey were to measure the risk factors for poor psychological health in dairy farmers, provide information to assist at risk farmers and to report to farmers, industry, community and government on the findings.
- Since deregulation dairy farming has changed from a high demand and high control industry to a high demand and low control industry, which has led to higher stress levels in dairy farmers.

Findings

- 62% of people surveyed were satisfied being dairy farmers with 17% unsure.
- 30% of Dairyfarmers have a stress level that requires some help to deal with it. The Australian normal is about 10%.
- The river was the highest stressed region with 47% needing help and the Fleurieu was the lowest with 23%.
- Members of SADA or SAFF are less stressed than non-members.
- Focus group meetings will be run in September at Flaxley, Wellington and in the S.E.
- Dairyfarmers will be re-surveyed 1 year on.

Colin McGuinness - Australian Primary Superannuation

- Australian Primary Superannuation fund is a low cost fund that does not offer financial advice to its members
- It has 13,864 members
- Australian Primary Superannuation invests back into the rural industry with approximately \$4 million dollars into any one industry.
- Australian Primary Superannuation has no entry fees to roll funds over into their funds.
- Australian Primary Superannuation would like to strengthen ties with farming organisations such as SADA

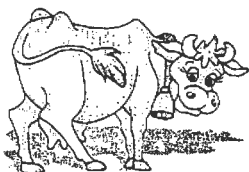
John McLean - CEO Warrnambool Cheese and Butter

- The last 12 months has been tough on everyone with a set back of two years on the company's aims
- However, recent movements of large suppliers from Nestles have put Warrnambool Cheese & Butter back on track.
- The opening of an office in Japan has allowed the company to gain increased access to the Japanese markets.
- Warrnambool Cheese & Butter is looking at selling product in Japan under its own brands.
- The opening price for this year is up 16% on last years opening price.
- It appears that there will be a butterfat shortage in Australia in the next 5 months.

John Cartwright - President AMPA

- AMPA has concerns about the trends of low prices to dairy farmers.

Wesfarmers/SADA BBQ Dinner.
September 9
 Stress Study Report - Alison Wallis
 10am Flaxley
September 10
 Stress Study Report - Alison Wallis
 10am Wellington Hotel, Murray Bridge.
September 11
 SADA Prices and Policy Committee Meeting.
September 16
 Stress Study Report - Alison Wallis
 10am Southgate Motel Mt Gambier.
September 19
 Jervois Field Day



Happy Milking
 Ken

The DIAA and SADA gratefully acknowledge the support of the following sponsors of the Gala Dairy Dinner held on August 12

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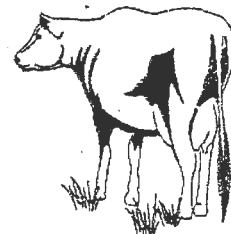
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Proudly Sponsoring The 2003 Jervois Field Day

What: Jervois Field Day
Where: Jervois Oval
When : Friday September 19th 2003

The Jervois Field Day is fast approaching and we want to remind you of the date to make sure that you have it marked in your diaries.

There will be displays from many rural businesses wishing to showcase their products and services to you. Tractors, cars, bikes, milking machine equipment and a wide range of other farm equipment and services will be represented.

The Robertson's marquee will again be the place to be to catch up on all the latest from the AI representatives who will be in attendance.

Things to check out while in the AI marquee include:

- Robertson's new approach to providing you with better on-farm services on a statewide basis.
- Robertson's ability to supply and fully support MISTRO On-Farm computer software packages and to provide a herd testing service which allows for full integration of the program which saves you time and money.
- Our Herd Testing Service options – we are now looking for new Herd Test clients in most areas and our low prices are sure to impress you - save \$\$\$.
- Who are the top selling sires - are you using the right ones?
- Is the information you have on AI sires up to date or do you need the latest.

By attending the Jervois Field Day you have the opportunity to make sure that the purchases or decisions you need to make in the coming months are based on reliable information.

All who attend and register at our site will be rewarded with savings on future orders

We look forward to seeing you there

DAIRY UPDATE FROM SADA

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

Monday 22 September 2003

PRESIDENT'S REPORT

We all walk a fine line most of the time. Whether it is trying to be profitable, keeping the peace at home or juggling our time between the things we have to do and the things we would like to do.

Here at SADA it is no different! There are so many issues that come up, with not enough time or money to deal with them all, but we try and give it our best shot.

One of the issues I find most difficult to deal with as a dairy farmer and also your President is how to keep a positive spin on the industry, when many of us are struggling to pay the bills with milk prices around the same as they were 3 to 4 years ago and ever spiralling costs. Even with inflation at it's very low levels.

Some members and others are supporting the proposal that is going around to re-regulate the dairy industry and have another industry support package while the re-regulation is negotiated.

OK let's look at what would be required for this to be achieved

- We need one plan and proposal that all farmers and processors across Australia (this includes who pays and who will benefit) agree with.
 - The state governments will need to be convinced there is a benefit to them if it was to succeed. (they could lose some federal funding)
 - The Federal Government will need to be talked around from its present de-regulation policy and draft new legislation.
- The World Trade Organisation will want to know if Australia is contravening any of the world trading rules and regulations that Australia is a signatory to.

As you can see from this brief outline it is an almost impossible task. In Western Australia where there is a lot of support for re-regulation their Minister for Agriculture is reported to have said, "Deregulation was wrong but there is no going back". Then in the same article in the Weekly Times, September 17th, the Chairperson of the committee that was set up to look at this issue, Tony McRae, is reported as saying, "This inquiry is looking to a future, sustainable future, not backwards to a regulated and sometimes inefficient past".

I will let you come to your own conclusion on this issue but let's look to the future and put our efforts into what is achievable.

David Basham and myself will be meeting with Dairy Farmers management along with several other interstate industry leaders in October. If you have any issue that you would like us to take to that meeting please contact me.

Jeff Wright

Innovation. This is the company charged with the responsibility of increasing the long-term profitability of Australian wool growers. As you have read in the rural press all has not gone well with the new wool body. Wool growers are about to vote for continuation of the compulsory levy, "Wool Poll 2003".

The take home message from Ian McLachlan was that dairy farmers must get "value" from their multi-million dollar investment (\$50m) in Dairy Australia. This is their "key" to long term returns. And it is most unlikely this can occur without farmers strongly supporting their regional, state and national dairy associations. Because it is through your dairy association you can most effectively interact with Dairy Australia.

Dairy Farmers love for their Livestock

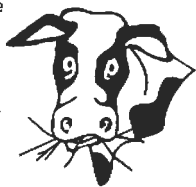
Congratulations to all those exhibiting stock. The loving bond between farmers and their stock is very evident to all attending the Show. This is a good time to raise with you the issue of Animal Welfare.

CONGRATULATIONS PIRSA: AN INFORMED AND BALANCED APPROACH TO ANIMAL WELFARE

On my way home from the Show on the Friday evening there was one final Seminar to attend at PIRSA. As it turned out I was so glad I made the extra effort to be there. Dr Robert Baker (PIRSA) gave one of the best presentations on Animal Welfare. His topic was, "Animal Welfare in Australia-what are the issues and who are the players?"

It was pleasing to find such an enlightened and practical approach to Welfare issues amongst the government agencies. Congratulations Robert for a very perceptive presentation.

The management of Animal Welfare is via various State Acts. Each State and Territory is responsible for administering its own Act and Regulations, as there is no national animal welfare legislation. In SA the Department of Environment and Heritage (DEH) administers the Prevention of Cruelty to Animals Act. The Minister (John Hill) is advised by the Animal Welfare Advisory Committee, whose Executive Officer is Dr Deb Kelly from DEH.



DAIRY INDUSTRY CAN STAND TALL ON ANIMAL WELFARE

The Australian Dairy industry (ADF) last month endorsed the National Dairy Industry Strategy so you can all hold our heads high. In particular the Australian Dairy industry has been able to achieve this

high level of animal welfare outcomes because of the existing QA programs.

POLITICAL BRIEFINGS

Recently dairy farmers from the Barossa and Mid-North met with Federal politicians Neil Andrew and Barry Wakelin. This was a most valuable exchange. The meeting followed meetings earlier in the year which concentrated on drought issues. The agenda covered a wider range of issues including the FTA with America and call for re-regulation of the domestic market. Both Neil and Barry have an excellent understanding of the rural issues.

Farmers with low to negative incomes are advised to get their tax returns in and make inquiries as to what income support and other forms of assistance are available.

I am pleased that all our dairy regions are making contact with their local Federal and State politicians. Not only do we get our dairy messages to the politicians but we also want dairy farmers to gain a better understanding of the political process. Today our state dairy industry has excellent access to politicians and the media. We have all the expertise needed for exploring new policy directions for our dairy industry within Dairy Australia and an excellent democratic structure of voluntary Associations to enable all farmers to have a "voice".

CONGRATULATIONS TO SPEAKER NEIL ANDREW

Neil has announced his retirement from the Parliament after twenty years of valuable service to his rural electorate. Incidentally the very first Speaker of the House of Representatives was also the member for Wakefield.

Last week I did get a rare opportunity to watch Parliamentary Question Time and I was most impressed with the very fine job Neil Andrew does as Speaker of the House. Also by chance Minister Warren Truss made a statement about the importance to agriculture, including dairy, of our improving trade relations with China. While the WTO and FTA negotiations are delivering little in tangible benefits the developments with China may well be the current trade "good news story".



years it was a privilege to have known and worked with the likes of Bill Pyle and Jack Green.

Robert Poole the ADHIS CEO for many years has recently handed over the job to Daniel Abernethy and Robert will now act as the Policy Manager for John McQueen at ADF. Allan Burgess has taken over the Chair from Pat Rowley as Chair of ADHIS.

CENTRE FOR INNOVATIVE DAIRY PRODUCTS

Last year ADF has been involved in putting together a new Dairy R&D Company valued at around \$70m. The Centre for Innovative Dairy Products is headed by Dr Paul Donnelly and this team will work with the best researchers around the world to find better and new uses for dairy. It is through projects like these (ADHIS and CEC Innovative Dairy Products) that enable our industry to move forward. A recent report by Dr Donnelly placed emphasis on the importance of the Genetic R & D in helping farmers combat the cost/price squeeze.

SALE OF WESFARMERS LANDMARK

The sale is reported to be the biggest corporate deal in Australian Agriculture. There is some debate over whether the AWB may have paid too much. It was reported "Wesfarmers managing director Michael Chaney said there were emotional links to the 90-year old founding business but the price offered by the AWB was attractive". The linkage goes right back to the Western Australian Farmers Co-operative which was formed in 1914.

The sale does not include Wesfarmers Insurance business, which will join with Lumley Insurance to form a new division of Wesfarmers.

WESFARMERS INSURANCE

The sponsorship arrangement our industry has with Wesfarmers Insurance is highly regarded. We have the dual benefit of great service and value in their products for members and an important partnership with sponsorship.

Please find details of a new competition being run by Wesfarmers insurance where by just filling in the coupon agreeing to receive an obligation free insurance quote and returning it in the reply paid envelope you are in the running to win a weekend getaway for 2 to the Radisson Playford PLUS \$100 towards the cost of a relief milker. The competition closes on 22 December so get your entry in early.

Good Luck!

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NEW TELSTRA DEAL

Members will be pleased to know that a new deal has just been agreed between Telstra and NFF that will benefit all SADA members. I will include the details in the next Update.

MITSUBISHI VEHICLES

Next week we hope to announce a discount arrangement on the full range of Mitsubishi vehicles for all financial members of SADA.

ELECTRICITY CONTRACTS

I have had a positive meeting with AGL (Friday 19 September) about a 3 year power contract. The details will go to an SADA Technical meeting on 13 October. Basically, the price of power has been going down but there will be dairy farmers that now will wish to "lock in" a price, discounted on current price, for the next 3 years.

Some dairy farmers may have received offers from AGL to "lock in" their "domestic account" for 2 years but it may be easier to put both the domestic and farm accounts together into a single 3 year contract.

By mid October the electricity options should be clearer.

ELECTRONIC EAR TAGS

The NLIS Implementation Committee is working towards having a system in place that will enable cattle and dairy farmers access to subsidised NLIS tags later this year.

GARY SPAIN AND BJD

Gary Spain

Progress towards the new risk based management system for Bovine Johne's Disease is rolling on steadily.

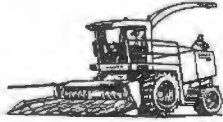
I remind all members that the new approach is endorsed by all major dairy processors and is a less regulatory system based on common sense and best available science that places responsibility for

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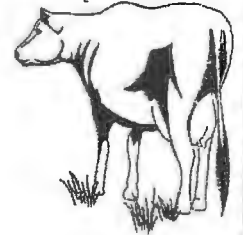
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DAIRY UPDATE FROM SADA

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

Friday 31 October 2003

PRESIDENT'S REPORT

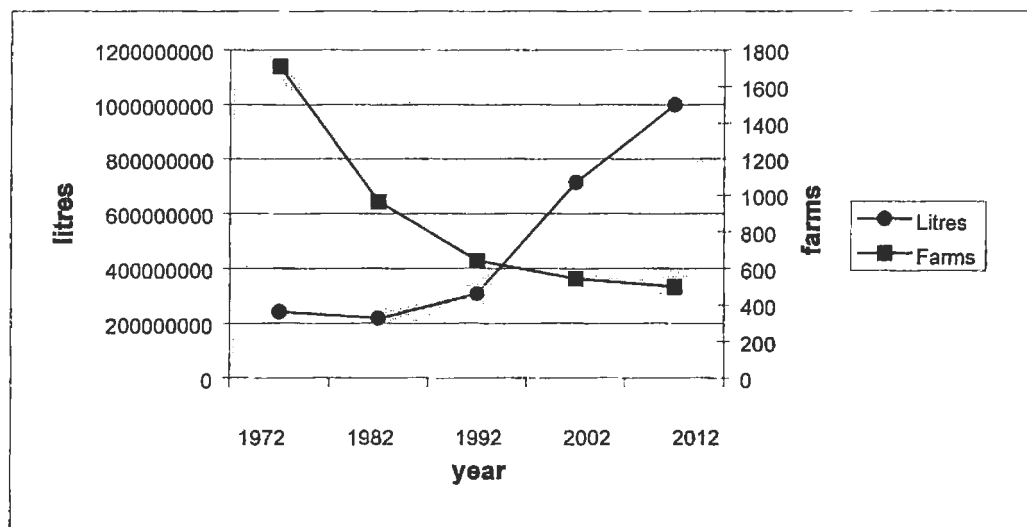
Over the last couple of months I have been asked the question
"Why has SADA put money into the South Australian Dairy Industry Strategic Plan For 2010 when we don't want any more milk".

As I see it we are at a cross road in our industry at this point in time. Most of us have spent the deregulation restructure money and we are still coming to grips with the financial difficulties brought on by the drought

We can choose to plan for a positive future milking cows or a positive future not milking cows but to do nothing will prolong the agony most of us are feeling. The industry has been through as bad if not worse rough patches in the past and still pulled out of the situation in a healthy and progressive position.

Lets look at some of what has happened over the years since 1972 (I had difficulty researching reliable information before 1972) I am not confident that the figures are 100% accurate but here goes.

- 1972 we had around 1709 farmers producing 242,627,000 litres, which equals 141,970lts per farm.
- 1982 saw us with 966 farms producing 219,308,000 lts, which equals 227,000lts per farm.
- 1992, 643 farms produced 308,630,268lts at 479,985 lts per farm
- 2002, 544 farms produced 714,881,351 lts at 1,263,041lts per farm



If we sit back and do nothing and just let the industry progress at the rate which is anticipated for dairy across Australia we finish up with:

- 2012 figures of 500 farmers producing 1,000,000,000 lts of milk at 2,000,000 lts per farm

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CEO'S REPORT

Your Association is taking up the Dairy Industry challenges and issues at all levels (National, State and Regional). So this Update I will run through some of the issues level by level.

At last the Dairy Industry has been featured in "The Advertiser" in a trade story. For a decade now reports of South Australia's economic success has been dominated by the Wine, Car, Grain and Seafood Industries. Dairy has been criticised for being "invisible" in South Australia, but the SADA Board is turning this around. So in this issue I have a good news dairy story.

As far as member benefits go we have signed a deal with Mitsubishi and the details are included, you can sign on for the new Telstra deal and there is an update to members on a power deal.

THE NATIONAL ISSUES

A new look Australian Dairy Industry

Management of the Australian dairy industry has undergone extensive structural change with the expectation that this will provide a more effective platform for delivering a profitable and sustainable future for dairy farming. Certainly the ADF is now far better resourced to represent your interests. For those of us heavily involved in the process over the past three

years, it has been a challenging but rewarding task.

As with all things, farmers will only get out of these industry arrangements in proportion to what they are prepared to invest. The success of democratic associations remains with farmers actively contributing to policies and actions. Dairy Australia has the potential to be a huge success providing farmers reach out and claim a strong sense of "ownership".

Another issue challenging dairy farmers around the world is that of rising costs and stagnant prices. Last week English dairy farmers declared their milk prices to be well below the cost of production. Here in Australia rural industries, including the dairy industry, want the issue addressed. SADA, together with SAFF, recently had a major article in The Advertiser detailing "cost/price" squeeze.

The TRUE "profit margins" between the Farm, Processor and Retailer

This issue got a fair run during the ACCC Review of the Dairy Industry Post-Deregulation but there is no doubt that dairy farmers, along with nearly all other primary industry suppliers, want a fresh look at these "margins" in some detail, particularly in times when the costs of production for many farmers are higher than returns as was the case during the recent drought. Farmers understandably get "hot under the collar" and one of the legitimate roles of Associations is to transfer that "heat" to Canberra.

The Australian Government has responded by commissioning a study to clarify the factors determining food prices and exactly what the profit margins are along the chain. Recently I was party to a progress report on the project by Steve Spencer (the consultant). The project commenced in mid August and we expect the Government to make the report public in December.

Steve said the dairy lines for analysis include milk, cheese (2 lines), butter and blended spreads.



Information provided by Dairy Australia on the "Cost Structure of Processing 2002" indicated that the processor margins were really tight. This suggests co-operatives were attempting to maximise farm gate returns for farmer members during the drought. The approach SADA and ADF is taking is to get the right information on the table and then we will know what to do next.

Farmgate Milk Price Comparisons

At the recent SADA Board meeting it was agreed that farmers should have access to a nationally co-ordinated scheme of reporting of milk prices across processors and regions. Jeff Wright and David Basham will take the

THE STATE ISSUES

River Murray Rehabilitation Project

While some may regard this as a regional issue the SADA Board believes the continuation of a viable dairy industry on the River is important for the health of the entire State Dairy Industry. SADA continues to support the fine efforts of LMI and has established an SADA Board Sub-committee to take members issues directly to the Government. The major concern at the moment is to clear up the uncertainties both for those electing to go and those staying.

The latest "Weekly Times" ran with the cover story on the shocking plight of the northern Victorian dairy irrigators. Land left collecting weeds after the water is sold. The issues and challenges facing our river dairy farmers are just as difficult. They have the high fodder prices from the drought, the rehabilitation costs, water restrictions and lower milk prices. As with the Victorians many of our dairy farmers have decided to leave the industry. For those staying at least the fodder prices are falling, it's a good season, the water allocations are coming back and the State government is considering more flexibility with the rehabilitation program.

We at SADA do appreciate during these difficult times that Minister's Paul Holloway and John Hill and the Shadow Minister Caroline Schaefer always have made themselves available to meet with SADA. They all attended our Dairy Dinner and SADA's growing credibility with our politicians is drawing praise from our membership.

NLIS Implementation

SADA is represented on the Implementation Committee. There are a few more issues to be resolved and we expect to provide members with the final details in the near future. A high priority is to get the subsidised electronic tags available ASAP

Property Registration Legislation

Over the past twelve months industry and government have been working together to develop a mandatory livestock registration requirement to underpin emergency animal disease control and eradication in this State. Registration means animals are identified individually or at least to their herds or flock and hence traceable through the market chain, back to their property of origin.

Europe has already introduced birth to death traceability of livestock and is demanding trading partners to adopt similar schemes.

Industry and Government have agreed that a registration system with a Property Identification Code (PIC) that applies to all livestock of prescribed classes

that are running on the property. It is initially proposed that the registration period be for two years.

The prescribed species are cattle, sheep, pigs, goats, alpaca, deer and bees.

I have suggested to PIRSA that they trial the draft registration forms with some of our farmers and particularly sharefarmers.



Japanese Exchange

Jamie Nietschke hosted a dinner in the Barossa for our incoming Japanese exchange student, Kenji Ashida, from the Shikoku College of Dairy Farming. Jeff Wright, together with Audrey and Rodney Frahn, who will be the main host farm for Kenji, were present. My wife (Fran) and daughter (Zoe) also attended and we all had a good time.

This exchange originally came about through the South Australia and Okayama Prefecture sister relationship. By chance the Vice-Governor of Okayama will be visiting Adelaide as this year marks the 10th anniversary of this relationship. Kenji has been invited to attend the official function on 7th November.

We understand the Principal of the Dairy College is intending to visit Adelaide just prior to Christmas to re-sign the Exchange Agreement with SADA. Great credit to Jamie Nietschke for progressing this student exchange as part of his Dairy Leadership Program and ensuring the continuation of the program when TAFE pulled out.

DIAA/SADA Dairy Gala Dinner

Both the DIAA and SADA Boards rated this year's Dinner a great success and have elected to continue the format for next year. Hopefully the word of mouth by those enjoying this year's dinner and a better year financially will see more farm families represented next year.

Exhibition Dairy Committee

The recent meeting of the Exhibition Dairy Committee confirmed my very positive report of the dairy industry involvement at the Royal Show. For those in the industry keen to see SADA actively involved in building a positive image of the dairy industry this is just a terrific success story. The publicity and press promotion for the dairy industry from the Dairy Day activities alone was enormous. Through Porter Novelli we keep very accurate records of the outcomes and we will be reporting back to our major sponsors National Foods and Dairy Australia. While I have no doubt both companies get tremendous recognition from the sponsorship in this tight economic climate we have learnt to take nothing for granted. I say it every year,

Australia have pleasure in announcing all financial members of SADA are now eligible to receive discounts (the National Fleet Discount) on the Mitsubishi range of vehicles.

SADA will promote the partnership with Mitsubishi throughout the year in our newsletter, membership meetings and special events.

Members simply ask Jo for a "letter of introduction" affirming your financial membership of SADA for presentation to the relevant Mitsubishi dealer whenever they wish to purchase a vehicle.

MEMBERSHIP

The Financial year for the Association will change next year from April - March to July - June which will mean that the current financial year will be 15 months long (1 April 2003 to 30 June 2004). This will raise the SADA subscription and levy CAP for this period from \$1307.12 to \$1595.40. You will pay no extra subscription fees for this extra 3 months. Those of you that pay quarterly invoices will pay the extra by invoice as normal.

At the last SADA Board meeting held on October 14 a motion was passed to alter the wording of Regulation 3, Number 3.1 of the SADA Constitution to read "Members whose total contribution during the Association's financial year exceeds the CAP may claim a refund from the Association no later than the end of October annually". This will be effective from 2004.

Your latest Tax Invoice from SADA now reflects not only what you have paid for the last 3 months but also a running total of payments you have made since the beginning of our financial year. This should enable you to see at a glance what your payments to SADA have been and whether you would be eligible for a refund of overpayments. (Please remember that the CAP for this 15 month financial year will be \$1595.40).

OUT AND ABOUT

"The Australian Dairyfarmer" carried a good story on the pioneering of dairying at Tintinara by Michael and Cathy Lewis. They have been operating down there for eighteen months and apart from the prices the project is progressing well. The expansion has provided the opportunity for the next generation to remain in the industry.

There are New Zealand dairy farmers continuing to show interest in dairy properties in the SE.

Congratulations to Rebekah McCaul for being a very worthy finalist in the Peter Olsen Scholarship for

Young Farmers 2003. National Foods, Dairy Farmers and SADA co-sponsored an award for Rebekah who will put the funds towards promotion of our industry. Our industry is blessed with very talented and industrious young people.

"The Bulletin" magazine this week paid tribute to Perry Gunner (Chair of our Dairy Industry Development Board that developed our State Dairy Plan). Perry Gunner, former chairman and Chief Executive Officer of Orlando Wines, was behind the world success of Jacob's Creek, the label that helped put Australian wine on the map.

Last week the leaders of both China and America visited Australia. There has been a lot of talk about trade. So just where are we with China, US, and Japan? Japan remains the largest buyer of our exports but its share of the total has shrunk by a quarter to 18.8 per cent over the past decade during its economic paralysis. China's share has doubled to 7.6 per cent over the same period and America's share has increased from 8.1 per cent to 9 per cent.

The leaders of the NZ dairy industry are coming to SA in the first week of March 2004. By the way the NZ dairy farmers association recently had success in taking the proposed flatulence tax on cattle and sheep taken off the political agenda. No more headlines about the "Fart Tax".

CHURCHILL FELLOWSHIP

Each year the CHURCHILL TRUST rewards about one hundred Australians striving for excellence with the opportunity to investigate a project overseas. Since the Trust was established over 2700 of Australia's best and brightest have been awarded Churchill Fellowships.

The Jack Green Churchill Fellowship is for the benefit of people engaged in the Australian dairy industry.

The Churchill Trust is now seeking applications from Australians 18 years and over for Fellowships to be awarded in June 2004 for travel from 1st September 2004. The Fellowship includes airfares, fees and a living away allowance (average value about \$20,000).

Download information and application forms from www.churchilltrust.com.au or phone 1800 777 231.

COMING EVENTS

November 6 - Meeting with Caroline Schaefer

November 17 - Dairy Industry Development Board Meeting

December 1-3 - ADF Board Meeting & final wrap-up of ADC/ADIC/DRDC

December 9 - SADA Board Meeting

DAIRY UPDATE FROM SADA

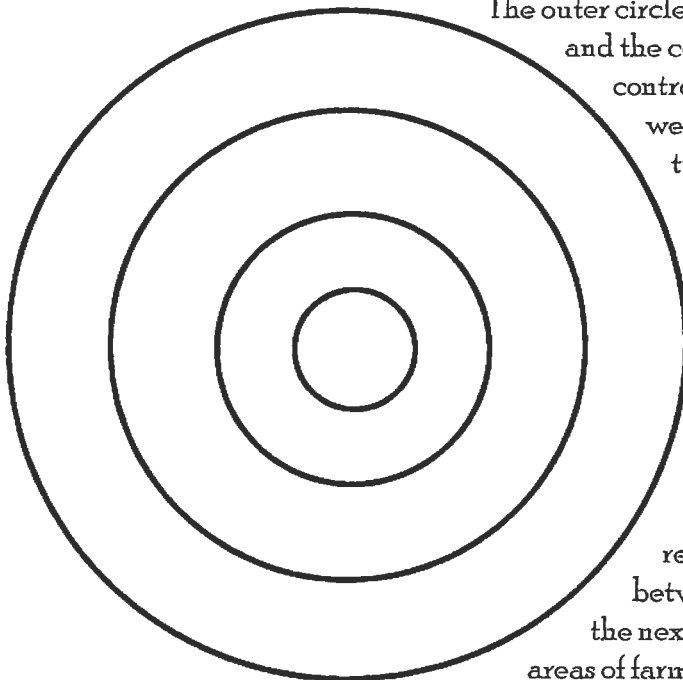
South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au

Wednesday 26 November 2003

PRESIDENT'S REPORT

During a search in my office the other day for a long lost document, I came across the papers and stuff that we used for the Dairy Biz training. One of the sessions was about what we have control over as a business and we had to draw a sphere of influence for our dairy business.

Let me explain. We drew circles like below. These represented different areas of our business;



The outer circle represented the things we have total control over and the centre represents the areas we have little or no control over. Let's think of some examples of control that we have as farmers: breeding, milking times, make and types of machinery on the farm, which companies and businesses you deal with, who you employ or work with etc.

These can and do change over time and between businesses.

Now let's look at some of the things we have little or no control of: weather, interest rates offered by banks, milk price offered by processors, laws and regulations, etc. We can all think of things that fit between these two extremes. We were encouraged for the next two days of the training to concentrate on the areas of farm management that we can and do have control of.

If we take the issue of interest rates, we cannot influence the rates banks want to charge but we can change what we pay by the way we finance our business and who we deal with. It's a challenge, which I found difficult at the time, because I had been of the mind set that if we could only get paid more for our milk it would save us from all our problems.

But as I worked through the issues facing me as a dairy farmer looking down the barrel of deregulation I discovered many of the problems remained even if I got paid more for my milk. So I had to change and put plans into place to overcome the problems. Then if I got more for my

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CEO'S REPORT

While the bulk of the nations rural media focussed on the grain growers and graziers during the drought we at SADA were saying that dairying would be the hardest hit and take the longest to recover. Earlier this year the ABARE figures confirmed this view and not surprising this week the NAB are saying the dairy industries debt level is now higher than for any other primary industry. The banks General Manager Agribusiness, Mike Carroll, says that dairy farmers are having to borrow carry-on finance simply to survive, in contrast to the grain farmers who are borrowing to expand their operations.

Even the chief of Woolworths Roger Corbett said the dairy industry had been "savaged" and he would ring the Prime Minister "as soon as possible" to lobby for a national review of dairy policy. This Spring, South Australia joined the other states in recording a negative monthly period of milk production. In Victoria Murray Goulburn Cooperative net profit has fallen to \$16m following a 12% slide in supply.

So this Dairy Update report is written in the context of our industry going through a most difficult time. We have had some good recent "wins" for our members. We are making significant progress through our SADA committees, representations in relation to draft Bills

before the State Parliament, and finally by improving services to members. But the main thing in these difficult times is to be "active", "think outside the square", "fight" for our entitlements and to "embrace" those that may have our industry at heart.

NATIONAL AUSTRALIA BANK



Thank you to the State Manager and the rural team headed by Malcolm Pridham for the opportunity to meet with the NAB Board recently. It is important that the rural situation (and the dairy situation in particular) is presented "in person and with some credibility" at the Board level. The NAB has again agreed to sponsor an end of year Christmas function for the SADA and the State Dairy Industry. There is a good chance that Mike Carroll (mentioned earlier) will also attend this SADA function and thus provide a briefing on the plight of our dairy industry to the wider community.

Later in the Update I will cover an exciting review of the SADA Strategy to better deliver benefits to members but it was interesting in talking to the bank about their Strategic Mission. Their latest concept is "Growth through excellent relationships". This could be equally relevant for us because when you look at the opportunities in the coming years for dairy they invariably involve building profitable partnerships.

While on the banks I recently attended the opening (18th November) of the new office of the Reserve Bank of Australia in Adelaide. I have been on the Banks liaison group of business people so through this connection we at SADA are privy to the same briefings that are given to the actual Reserve Bank Board. It is also good networking and I was able to have a chat with Lew Owens about electricity during the evening.

(A) NEW LEGISLATION REQUIRING DAIRY INDUSTRY COMMENT

NATURAL RESOURCES MANAGEMENT BILL

Commenting on draft legislation can be a tremendous time consumer for associations, particularly when you have legislation like the Natural Resources Management Bill, which has more pages than "Gone with the Wind". During the public consultation process there has been extensive changes to the Bill while the basic proposal has endured the scrutiny. We at SADA are taking on the environmental challenges and issues very seriously. Continued access to natural resources is

There are both "pluses" and "minuses" for the dairy farmers to have only LMI and the new Lakes Irrigation Association as their dedicated "lobby voice" and alternatively having both representation through LMI and SAMI. Both Gary Spain and I are happy to talk through the issues with our river members.

Minister Hill will be presenting the new package of arrangements for the river rehabilitation in Murray Bridge on Monday 1st December. Following industry feedback from this meeting the Minister intends to finalise the package.

SHADOW MINISTER CAROLINE SCHAEFER & ROBERT BROKENSHIRE

We comment often in the SADA Update about what we are doing with the government but I would like to acknowledge the support and interest shown by both Caroline Schaefer and Robert Brokenshire in our dairy industry.

They have been particularly understanding of the need for the State dairy industry to move on from these difficult times. They also bring into our discussions a very balanced understanding of the need for both economic development and environmental sustainability.

TRADE ISSUES BEGIN AT HOME.

We continue to pass on the message about the importance to have dairy included in the trade talks. Dairy Australia in conjunction with the ADF has provided some CD's that provide the information in a professional way.

(D) COMMITTEE UPDATES

TECHNICAL COMMITTEE - POWER DEAL



The Technical Committee decided at the tele-conference meeting on 7th November to provide SADA members with an "electricity contract option" that would enable members to "lock in" discounted retail electricity prices for the next three years.

SADA approached the energy retailers for a long-term deal that would enable our members to remove the uncertainty of electricity price changes during the next three years. At this stage only AGL has put a deal on the table. The important things to remember are:

- The contract is for each separate supply point (NMI). So you can take out a contract on some of your meters and not on others. Akin to taking out a loan with the bank and splitting

the rate with part of the loan on the variable rate and part on the fixed rate.

- This contract is for sub 160MW Meters. If you can amalgamate meters to get you into the above 160 MW range, prices are much better (20% better currently).
- SADA (Jeff Wright) and ETSA Utilities have been working on an information sheet about the pros and cons of amalgamating meters. Many dairy farmers may wish to consider rearranging their power layout before entering into a contract. This brochure should be available before Christmas.
- There are some extra benefits in terms of slightly lower prices and better service with the contract.
- SADA has no idea as to whether electricity prices over the next three years will rise or fall. Reading the papers may add to your confusion. The decision as to whether you enter into an agreement with AGL is solely your own. SADA is simply providing an option and at some stage in the future other offers may also become available.

If you wish to consider the AGL offer please contact Jo by phone or fax and she will send you out an information kit providing:

- a summary of the deal,
- price comparisons between the current and contract rates,
- draft contracts,
- an analysis by AGL of five dairy farms using their actual usage last year and the savings between the current and contract prices and finally,
- a request for electricity offer.

PRICES AND POLICY COMMITTEE

The key actions from the meeting held on Friday 14th November 2003:

- The committee continues to challenge both Dairy Farmers and National Foods over the lower prices for the southern regions. Meetings to be with the senior management of both companies.
- The committee through Jeff Wright and David Basham want ADF to arrange for the independent publishing of region milk prices. Currently several companies are claiming they are paying top dollar. There is strong feeling amongst our members on this issue and it would be disappointing if SADA had to provide the service given that price information is so critical for all dairy farmers.
- The committee to work with ADF on the review of the drought assistance package.

Regional Committee member, one of the Regional Associations, or even the office.

ELECTRICITY CONTRACTS FOR SADA MEMBERS

The AGL contracts are now available and can start on the first day of the next month.

The SADA/ETSA Utilities information brochure on the meter amalgamation should be available to members shortly. We believe ETSA Utilities will now also be making these brochures available to SAFF members as well.

AWARD RATES

The Pastoral Industry (South Australia) Award rates changed commencing on or after 24 September 2003. The new rates are now available from Jo by phoning 8293 2399 and she can fax or post a copy to you or alternatively the whole Pastoral Industry (South Australia) Award is available on the Internet at www.eric.sa.gov.au Just follow the path - wages & conditions - state awards & rates of pay - agriculture - pastoral awards. The Federal Award rates are also linked to this website.

2004 SADA DIARIES

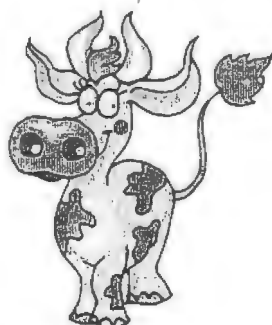
Included also with this Update is your 2004 diary with our compliments.

DIARY DATES

1-3 December - ADF Meeting Melbourne
9 December - SADA Board Meeting & Cocktail Party
9-12 December - visit to WA
22 December-12 January - SADA Office closed

Happy Milking

Ken Lyons



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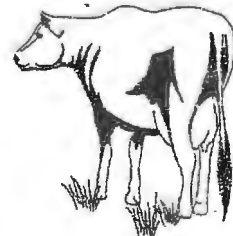
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DAIRY AUTHORITY OF SOUTH AUSTRALIA

The Dairy Authority of South Australia completed its 10th year of operation at 30 June 2003.

The year just ended was significant in that the Authority's role has changed considerably with substantially more staff time being devoted to auditing of on-farm HACCP-based food safety procedures.

Also, it was significant to note that SA milk production totalled 726m litres, passing Queensland as 3rd highest milk producing State for the first time.

The Authority's Board members and staff have participated in a PIRSA Steering Committee and Task Group set up to consolidate food safety jurisdiction under a single piece of legislation. This has been a slow process, with legislation now in the final stages of drafting and there has been strong representation from food industry bodies that costly bureaucratic control should not replace current efficient and effective control systems.

The Authority continues to operate a deficit budget preferring to cause some erosion of accumulated revenues rather than increase fees to farmers in these difficult times.

In the past year Rocco Galluccio joined the Authority as part-time Accountant, replacing a formerly full-time position, and Alan Marchioro, a young science graduate with specific training in microbiology, has been appointed as a Food Safety Officer – Dairy.

The Authority compliments South Australian dairy farmers on the high quality of milk supplied to SA and Victorian dairy processors. The Authority monitors the quality results, which are excellent.

The Board and staff of the Authority would like to place on record its appreciation of the close working relationships it enjoys with the SADA.

R K J Barker
Chairman

24 October 2004

KEDAR PTY LTD

ABN 91 054 489 306

LR & MJ McKENZIE
PO BOX 259
MT COMPASS SA 5210Phone 08 8556 9011
Fax 08 8556 9011

20 November 2003

SADA
802 South Road
Glandore
SA 5037

Dear Ken

After 30 years in the industry, the past 12 months have been the most challenging. I guess, like most farmers, I wonder about the reasons put up by our industry leaders for the situation our industry is in at the moment. The explanations we keep hearing are the high cost of the Australian dollar, the worst drought ever, input costs, deregulation and so on.

I ask myself does it really have to be like this?

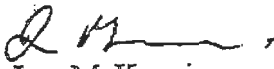
The standard answer is when the drought ends, and the Australian dollar drops it will be OK. *I don't think so.* It is true as Jeff Wright pointed out in the last S.A.D.A. Dairy Update, "we have had to battle with all these problems before and we have come through OK" The last 3 years since deregulation have seen many changes our side of the farm gate. I think as farmers we have coped very well under the circumstances with these changes.

But I'm afraid I've run out of patience with what's transpired at the corporate end of our industry. Recently I was at a meat industry gathering where the CEO of a large wholesaling chain was talking to a few of us. I asked them why their company never had their own farms to supply meat to the business and his answer will always stay in my mind, "why farm when we can farm the farmers". I guess he didn't realise I was a farmer. I think the same scenario is being used by the milk companies in SA. We know who is being milked and it's not the cows.

So much for the past, now for the future. We farm in a sustainable agricultural region, all we ask for is a sustainable price. The future as I see it, where we farm on the Fleurieu, is extremely vulnerable as to the lack of competition for our product. We often hear the phrase 'the world is a small place' especially so when trading in commodities. Our governments have been successful in bringing down what used to be insurmountable hurdles making overseas markets more accessible, so I think it's about time for us as producers to start looking outside the old square.

Some company, somewhere in the world, will want to do business with a progressive and reliable supplier of top quality dairy products. So, as SA producers, let's have a go!

Yours sincerely


Lee McKenzie
Clelands Dairy

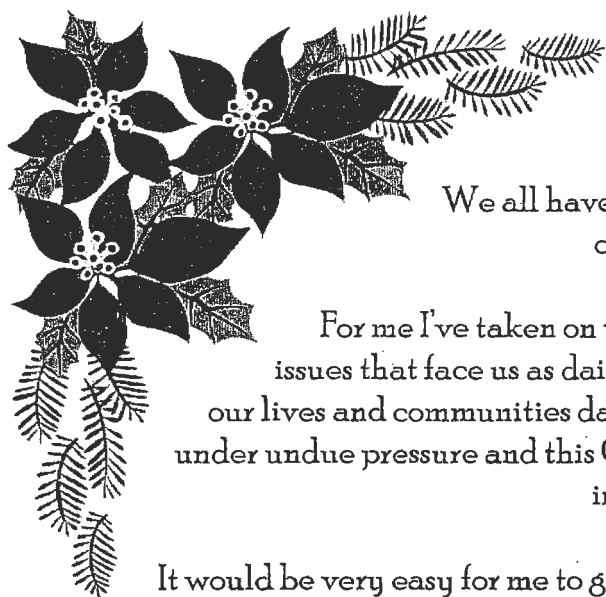
DAIRY UPDATE FROM SADA

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

Monday 15 December 2003

PRESIDENT'S REPORT

Jeff Wright



Why do we do things? Why am I sitting here trying to write this report?

Why am I a dairy farmer? Why did I say yes to standing as President of SADA?

We all have questions that we have difficulty answering in our own lives and in our own heads.

For me I've taken on this job because I have been concerned about the issues that face us as dairy farmers and how these things impact on each of our lives and communities daily. I am concerned that many of us are suffering under undue pressure and this Christmas will be difficult as we work through our individual problems.

It would be very easy for me to give up and crawl back to my own little dung heap but I can't because I see too many of us hurting. Even when there are so many opportunities out there for our industry and we can't keep up with the demand for our products overseas. If I was to focus on the here and now along with the doom and gloom that many of us see I would have difficulty getting out of bed.

I am looking forward to this coming season of celebration where we can look to the hope and peace that can happen when we focus on GOD and his many blessings that he has sent our way.

I guess I keep doing this job because one of Jesus' well-known commands is "Love thy neighbour as yourself" and you are all my neighbours.

May you all find the hope and peace that this season can offer



DAIRY THE BIG LOSER FROM THE DROUGHT

Australia's dairy farmers have been the hardest hit agricultural sector during the drought. They have put a figure on the "average loss" per dairy farm of \$76,000. We are continuing to press ahead with the case for some drought assistance for SA dairy farmers.

I have made the point that we do not believe the current EC Assistance Package has been geared to the dairy industry. Given that the Government has established a panel to review drought policy it is important that this time the dairy industry has a strong say in the shape of the new arrangement. NFF have already proposed some over-riding principles in relation to future arrangements. I have included a two-page document of these ideas to stimulate our thinking.

During 2004 we at SADA will get some two-way communication, possibly via some "fax-back" surveys, so members are consulted and are part of the process.

INDUSTRY REACTION TO THE UPDATED RIVER RESTRUCTURE AND REHABILITATION PACKAGE

At a meeting in Murray Bridge on 1st December the Government outlined the proposed changes to the "Restructure and Rehabilitation Guidelines" that had been earlier released in February 2003. The dairy farmers and consultants raised many issues at the meeting that still after all these months were unresolved. Another set of guidelines will be provided later this month but it appears that many of the issues that are important to enable farmers to make informed decisions will not be addressed until 2004. While the government managers are indicating "flexibility" in the timelines, and they attempt to come to grips with these outstanding issues, most of the farmers just want to get the guidelines sorted out without these delays.

While the Government people appeared to be taking extensive notes of the areas that need urgent attention Chairman, Denis Hick's suggested that all the issues should be passed onto Terry Lee at LMI so there is some rigorous documentation of the outstanding issues. This comprehensive list can then be forwarded to the government, farmers and perhaps any other interested parties such as the advisors. Denis is correct in stressing *the importance of getting common agreement as to the outstanding issues.*

While driving back to Adelaide the lack of progress in relation to the "restructuring and rehabilitation guidelines" was for me both disappointing and troubling. The Murray Swamps should be one of the premier locations for dairy production in the world.

This rehabilitation project should have secured the future of the dairy farmers and improved the environment. But, instead, there is continuing confusion and uncertainty, which may mean both the farmers and the river will lose out. *The government will not want to hear this message but hopefully they will not go into "denial mode".* This project can be put back on track; none of the issues are unsolvable. In fact most of the issues simply need addressing. *The Minister should take some action because at this important meeting it was the clear view of the professionals, the dairy consultants, the accountants, the farm financial advisors and the bankers that they have insufficient detail to offer sound advice.* Farmers unfortunately may well be forced out simply because of perceived risks and uncertainties.

Peter Hoey is an impressive and capable manager, and together with the LMI team, should seek a speedy resolution to the unresolved issues.

SOME POSITIVE NEWS FOR THE RIVER FARMERS

Following approaches by SADA and LMI representative, PIRSA and DWLBC have agreed to jointly fund a new position for a locally based project officer to assist those wishing to stay dairying. Thank you to the farmers and especially, Steve Scown, Tony Morbey, and Joe Mammone for their valued contribution to the discussion we had at the LMI office on 27th November. The meeting discussed ways to get best value from this new initiative.

JOINT RESPONSE TO THE DRAFT FOOD SAFETY BILL

Thank you to all those who have assisted over the past three years with the reviews and legislation relating to this issue. A special thanks goes to the Dairy Authority of South Australia Board and to Steve Rice and his team. The new arrangements continue to deliver a high quality but very cost-effective service.

Steve Rice (DASA) together with Hans van Dyk (DairySA), Bob Snewin (Dairy Australia), Tony Morbey (PIRSA) and Terry Lee (LMI) is part of a very talented team of executive officers that have performed really well during 2003.

FEDERAL PASTORAL AWARD

There has been a wage increase in respect to the Federal Pastoral Award. If anyone would like a copy of this please contact Jo on 8293 2399 and she can fax or post you the relevant information.

Dairy Farmers Wanted

To register interest in joining Numico Research Australia's **COLOSTRUM SUPPLY PROGRAM.**

- Numico Research Australia Pty. Ltd. is a manufacturer of bovine colostrum based food and pharmaceutical products used to prevent Gastroenteritis epidemics in Hospitals, Day Care Centers and Kindergartens and improve performance and recovery in Athletes.
- Numico Research Australia is looking for new suppliers with 200+ cows calving in February to April 2004 and July to October 2004 to supply colostrum.
- Average payment is expected to be \$1.10 to \$1.40/Litre for supplying colostrum from the first three to four milkings after calving. The grading schedule is divided into 4 categories depending on Total Plate Count and Protein.
- We have been involved in collecting colostrum for 13 years, with a developed commercially based system that minimizes interruption to normal routines.
- Cows and calves are not adversely affected.

Register your interest by phone / fax or email to Raymonde Peeters

Freecall 1800 554 300 or
Phone: (08) 8360 0608 **Mobile:** 0408 899163
Fax: (08) 8266 0722
Email raymonde.peeters@numico-research.com.au



NUMICO
RESEARCH AUSTRALIA

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