

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
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Wednesday 2 February 2005

PRESIDENT'S REPORT

Jeff Wright

Well 2005 is here and already 1/12 of it has disappeared for ever. I once heard an eminent professor expound his theory as to why previous civilizations that had inhabited this earth disappeared. It went like this, as their civilization got more complicated and busier they ran out of time!

I have got a lot to do before I want to run out of time.

One of the things I enjoy is being able to impart my knowledge and experience to the people who want to learn about our industry and see them succeed in the goals and targets that they set for themselves. I have been very proud over the years as I have seen many young people progress to be very capable dairy workers and managers. 2005 will be a watershed year for the level 2 and 3 dairy training with in the TAFE system as we have reviewed how it has been working and recommended some major changes.

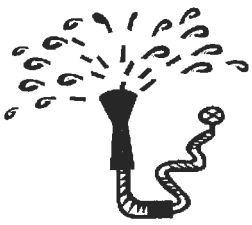
1. The dairy course will have a single entry point (not continual enrolment)
2. All trainees will be expected to attend all dairy courses of farm training days.
3. The best lecturers will try to be sourced to provide the best training possible.
4. Cooperation with SADA, DairySA, Dairy Australia and local experts to get the best value for money.
5. Better cooperation between TAFE campus' and lecturers
6. Industry consultation to have relevant and achievable training at the levels required.

All of this has taken a lot of discussion and rearranging of the existing system but hopefully it will provide a better outcome for the industry.

The whole thing will not work without the support of dairy farmers and their employees. If you have someone working with you who want to learn more or if you are thinking of employing someone in the near future I invite you to an introduction day to the new course.

Where? Flaxley Ag Centre
When? Wednesday 9 February
Time? 10.00am till 1.00pm

I hope to see some of you there and wish everybody the best for 2005



The work done by the SE Irrigators, and our SADA Board Member Gary Spain, will add value to dairy farm assets well beyond the South East. It is almost impossible to put a dollar value on the contribution but it would be substantial.

Now a brief up date on the water issues in the Hills and Fleurieu. So lets move on to the Western Mt Lofty Ranges and Fleurieu.

WATER IN HILLS AND FLEURIEU

For several months now SADA has been part of a "whole of rural industry" working group to take on the task of having a "joint voice" to government. The group has a charter, a name (Mt Lofty Ranges Rural Industry Water Users Group), letterhead, and Trevor Ranford (Apple and Pear Association) is providing executive support for the group. The membership of the group consists of the various associations reinforcing the opportunity you enjoy, as members, of being actively involved in the decision making. Some of the members of the group include; Adelaide Hills Wine Region Association, Apple and Pear Association, Cherry Growers of SA, Horticulture section of SAFF, Olives SA, Nursery & Garden Industry Association, SAFF and Berry Growers of SA. We have had one meeting with the Government and we believe a good process of consultation has been established.

Up until now I have been representing SADA on this committee and in due course one or two dairy farmer members will take over the role. While there has been some open regional meetings to outline the process of "water prescription" nothing beats direct consultation with industry over the key concerns and issues. With this in mind SADA and the Department (DWL&BC) are planning a "Consultative" meeting, possibly at Flaxley in the near future.

Many dairy farmers have expressed concerns about the environmental and water issues. Yes; farmers all round the state, nation and the world are facing the challenges surrounding the issues of resource sustainability. But it is also true that where farmers form strong and effective associations they can manage the challenges and have confidence in the future. In fact a property right over water is expected to give dairy businesses a significant financial advantage.

During the second half of last year we made good progress on the river, eastern Mt Lofty Ranges and the Lakes.

Late News Western Region Water Meeting

DWL&BC/SADA will be holding an information Day for Hills and Fleurieu dairy farmers at Flaxley Research Centre on Monday 14 February from 10.00am until 12.30pm.

The program aims to give dairy farmers the opportunity to discuss the issues relating to water access, allocations and trading.

Farmers and their families will need to register with Jo at the SADA Office by Friday 11 February. I suggest you register by faxing Jo on 8293 8886 and at the same time list the questions you would like answered at the meetings.

EASTERN MT LOFTY RANGES WATER ISSUES

Congratulations, Warren Jacobs committee is fully operational and monitoring the development for members in this region.

RIVER MURRAY WATER UPDATE

SADA Board Member Andrew Stuart is in close contact with the senior government people and politicians facilitating the Rehabilitation Project.

Late last year some of our River Murray members were concerned delays in progressing the rehabilitation works along the river swamps may be costly if land was left out of production any longer than necessary. So we arranged a meeting with Rob Freeman (CEO) and Peter Hoey from DWL&BC. It was agreed that Peter would monitor weekly the progress of the project and as senior manager he was in a position to "fast track" the resolution of issues causing delays. He has been true to his word and the project has progressed much better by Peter "going the extra yard".

I was very pleased to see Peter rewarded in the recent Australia Day Awards with a Public Service Medal for his contribution to managing water resources.

Congratulations.

meant that Bob and the South Australian office are no longer required.

Bob's achievements are too numerous to mention here but his promotional work has been exceptional. My particular interest is with the Show Dairy which was an idea of Bob's many years ago and his continued involvement has kept the dairy the best in Australia, a fact of which we are all proud.

He organised farm visits to Colin Blacker's farm and introduced Dairy Classics to SA. When he took over the administration of the Dairy Pavilion at the Adelaide Show he took over a reasonably good attraction and turned it into the greatest, and busiest of the Royal Show.

His introduction and running of Dairy Day at the show means that we have one of the best promotional functions in Australia. As well as this he has turned the Royal Show Dairy Products Competition from a purely technical competition into one which means that successful competitors receive much more kudos from their efforts.

Combined SADA and DIAA conferences, support for the Mount Compass Field Day, seminars and organising national programs are some of Bob's other successes to name but a few.

At the same time he has done many things for Tasmania, Western Australia and the Northern Territory.

But Bob has not done this all on his own. He has been more than ably supported by his Personal Assistant Julie Couzner.

So thanks for your help Bob and Julie, you will be missed.

THE FUTURE OF THE SADA SHOW EXHIBITION DAIRY

Over the years SADA has been an important player with the processors, dairy retailers, the Australian Dairy Corporation (now Dairy Australia) and the Royal Show Society in the provision of a suite of show dairy promotions including the Exhibition Dairy, the Dairy Produce and Milk Bar Halls, the Dairy Product Awards, the Yellow Brick Road and Dairy Day with its massive media coverage.

It is hoped the DA will continue, at least in the short term, to provide the executive support from Melbourne for the existing Exhibition Dairy Committee. Many options need to be considered carefully including transferring responsibility for the Exhibition Dairy to the Show Society. The benefits may include; better co-ordination of the

whole of industry needs from farm to retail (not just SADA members) and the RAHS may be better placed today to attract sponsorship (the key to avoiding a user pay system for those showing cattle at the show). In fact it may be the only financially viable option.

MEMBERSHIP BENEFITS BROCHURE

A few days ago Kirstie suggested we review the current brochure we give to potential new members. I am sure there are lots of things that we do that are not currently mentioned. For instance there is no mention in this brochure of the role of the SADA Exhibition Dairy Committee in dairy promotion and the Show.

Sometimes it takes the threat of losing a facility like the Exhibition Dairy, or a resource like water, or protection from new taxes and charges that suddenly SADA is seen as important.

If we are going to put some genuine commitment and fire-power into our lobbying and committee work surely we should be equally bold, proud and loud about our achievements. In fact the latest hottest best selling book on management advocates "celebrating success and service is the best way to have more success".

NATIONAL FOODS TAKE-OVER BIDS

By David Basham

Currently there are two companies bidding for National Foods. As part of my role as Chairman of the Prices and Processors committee I have been monitoring the situation. The two companies are Fonterra and San Miguel. In February Ken and Jeff will be meeting with the Chair of Fonterra to discuss their role in South Australia if their bid is successful. San Miguel is a company that may not be known by many of you, so I am including some information on the company.

If you have any questions please contact me on 0417 865 962.

Overview of San Miguel Corporation

San Miguel Corporation is the largest publicly listed food, beverage and packaging company in the Philippines with a market capitalization as at 31 December 2004 of A\$4.2 billion. Established in 1890 as a brewery, San Miguel Corporation has grown and diversified its operations to include non-alcoholic beverages, food (fresh and processed meats, dairy and flour), alcoholic beverages (beer and spirits), agribusiness and packaging. As at 30 September 2004, San Miguel



THE GENE TECHNOLOGY PROGRAM COMES OUT TO THE REGIONS

The dairy gene technology program has been applauded by dairy industry leaders from all over Australia. I was one of the first attendees when the program was presented at the CSIRO in Canberra. But thanks to a discussion at the World Dairy Summit between John Nietschke (SADA Board) and Gabrielle Sheehan (CRC for Innovative Dairy Products) and further conversation between Jamie Nietschke (SADA) and Gabrielle at a reunion of dairy leadership graduates we are about to give many members the opportunity to benefit from the program. The program has been reduced to a one day program that will be delivered between 10am and 4pm. The proposal is to trial this new concept at the Nietschke dairy farm on 23 March. Trevor Clarke will be contacting dairy discussion groups in the region to see their level of interest but anyone interested should contact Gabrielle (03 9607 8608) ASAP as numbers will be limited.

Talking about Leadership programs

LEADERSHIP PROGRAMS

Thanks to Murray Goulburn for joining with SADA and DairySA in sponsoring Virginia Ewing and Sue Young.

Because of the number of inclusions in this Update I will hold over till the next issue Virginia Ewing's presentation from "The 2nd International Forum for Women in Dairying". I will also include the reports from our Japanese Exchangees in the next Update.

CONFERENCES

The recent January/February edition of The Australian Dairyfarmer provides a good overview of the information coming out of the World Dairy conference that was held in Melbourne. The paper presented by SADA member, James Mann, was especially well received. James is also on the program for the coming Australian Dairy Conference.

- **SADA BOARD TO ATTEND THE UDV CONFERENCE**

The SADA Board will be attending the UDV & Target 10 Conference in Warrnambool in April. This will provide the opportunity to visit WC&B Factory and hold a Board meeting in Mt Gambier.

We will also arrange time for our SE members to spend some time with the SADA Board.

- **AUSTRALIAN DAIRY CONFERENCE**

Members of our Dairy Industry Development Board will be attending this years Australian Dairy Conference at Shepparton in late February.

- **SOUTH AUSTRALIAN SUCCESS AT DAIRY WEEK**

Perhaps the most encouraging outcomes of the International Dairy Week were the comments by the International dairy judges, particularly in relation to the Holsteins that the quality was equal to the best in the world. "This was the best show I have ever judged".

Also our SADA members in the South East did really well. SA Board member Lyndon Cleggett had Champion Guernsey cow and Adrian and Sue Young again lead the way with their Holsteins. Paul Armour, International Cattle Judge and Sales and Marketing Manager (US & Canada) for Alta Genetics commented that the Young's 3 year old Holstein would have beaten the intermediate champion cow at the Madison show this year. (Madison is the biggest Holstein



cattle show in the world). I tried to get a comment from Adrian for this edition of the Update but he and Sue have taken a couple of days holiday so I have resisted dialling his mobile.

- **THE INTERNATIONAL DAIRY FEDERATION (IDF) WORLD DAIRY SUMMIT**

By John Nietschke

Held on 22-25 November 2004 at the Melbourne Convention Centre

SA farmers Ken Smith, Jeff Wright and John Nietschke attended the Summit, the Australian Grand Dairy Awards and the Dairy Australia AGM which was held on 26 November. 840 delegates from around the world registered. These included delegates from Europe, the Americas, Africa, China, India, Indonesia and Iran.

In summary world production is expected to run behind growing world demand, at least for the short term. A relatively small fluctuation in supply can have a huge impact on world prices. But the price must be such that the consumer can afford it or they will turn to another food. How much of any better prices will find their way into farmers pockets will be a continuing challenge.

as the group enjoyed the interaction with politicians, service providers, industry leaders as well as other farmers from the region.

Guest speakers Kirstie Murphy and Verity Ingham offered links, information and contacts to assist farmers and the industry in general to progress forward in 2005.

Feedback has generally suggested that a good time and a great night was had by all.

Thanks to all committee and those involved in the success

SAMH announces the appointment of new General Manager

Brennan McKinnon has accepted the position of General Manager with SA Milk Haulage P/L. SAMH is a milk collection and transport company jointly owned by Dairy Farmers and National Foods. The position has been occupied on an acting basis by Neil Kretschmer since the resignation of Graeme Whiting last July.

WORK WANTED

This came to the office via email this week.

We are two Italian Bachelor's students at Padua University and we are studying Animal Science. We are interested to spend 3 months in Australia for training. We would like to work on a farm with cattle (sheep or cows). We are interested in working in exchange for board and lodging, if it is possible. Please let us know if you have some contacts or information to give us.

We look forward to hearing from you soon. Thank you in advance.

Simonetta Lotto
simonetta.lotto@virgilio.it

Michele Barban
lurgan@tin.it

SUPER REPORTING MADE EASIER FOR BUSINESS

By the Australian Taxation Office

Recent changes to superannuation legislation will help businesses ease into the new year.

The Tax Office is reminding employers that from 1 January 2005 they are no longer required to provide their employees with quarterly Super - annuation statements.

It is important to remember that while employers do not have to report on contributions made on or after 1 January they still need to report to employees on contributions made up to 31 December 2004.

The changes will not affect employers who are covered under workplace legislation and award agreements that require the reporting of superannuation contributions on payslips.

Of course there is no requirement to stop reporting; in fact it may be beneficial to employee relationships and managing staff enquiries, especially if the systems are already in place.

Superannuation funds are still required to issue member contribution statements to members on an annual basis.

For more information on the superannuation guarantee visit the Tax Office website at www.ato.gov.au/super

COMING EVENTS

Mon Feb 7	DairySA/Effluent Mtg	SADA Office
Mon Feb 7	Women in Dairying	Hahndorf Old Mill 10.30 - 12.30
Tues Feb 8	SADA Board Mtg	SADA Office
Wed Feb 9	TAFE Information Day	Flaxley 10.00 - 1.00
Mon Feb 14	Western Region Water Meeting	Flaxley 10.00 - 12.30
Tues Feb 15	Meeting with Caroline Schaefer	
Fri Feb 18	SADA Strategic Planning Mtg	SADA Office
Mon Feb 21 - Wed Feb 23	Australian Dairy Conference	Shepparton
Thurs Feb 24	BJD Meeting	Mt Gambier 11.00am
Thurs Feb 24 - Sat Feb 25	ADF/NZDF pre conference tour	NSW
Sun Feb 27 - Mon Feb 28	ADF Board Meeting	Canberra
Tues Mar 1	Dairy Innovation Day	Flaxley 10.30am
Tues Mar 1 - Thurs Mar 3	ABARE Conference	Canberra
Wed Mar 9 - Fri Mar 11	South East Dairy Event	Mt Gambier Showgrounds
Wed Mar 30	Mt Compass Field Day	Mt Compass 9.00am - 4.15



*All the Best
 Ken Lyons*



Australian Dairy Farmers

ADF INFORMER - 21 JANUARY 2005

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

Welcome to a New Dairy Year

On behalf of the ADF Board and staff I hope the holiday season went well and again wish you all the best for the year ahead. Let's all wish for a year of good seasons for everyone and that world market prices for dairy products continue to be buoyant, that interest rates don't rise, and that the Australian dollar does not rise above the low to mid US\$0.70 mark. Now it is back to business.

New Zealand Production Down 5%

Speaking of world market prices, it was significant to note that Fonterra released a statement to the market this week stating New Zealand milk production was down 5% which meant Fonterra would be putting about 75,000 tonnes less dairy product on the world market this year than they budgeted. In addition, all their current season production is committed. This provides further support for a view that the world market will continue to be tight for milk supply and dairy products for this year which should keep prices in the right place for our farmers going into a new production season from July. Of course this last comment is based on our dollar not being much, if at all, above the US\$0.75 mark.

China Trade Talks in 2005

Trade reform is one of the key ways that ADF can have an influence on farmgate returns by providing opportunity for growth and higher margins. Currently the Chinese and Australian Governments are undertaking a scoping study to investigate the issues and opportunities for each country for a free trade agreement. This scoping study is expected to be completed by the end of March. The ADF has recently been involved in talks with officials from the Department of Foreign Affairs and Trade about the appropriate consideration of dairy in the scoping study. In addition, the ADF has had formal input into the study through a submission prepared by Dairy Australia.

Depending on the outcomes of the scoping study, the Australian and Chinese Governments may enter into negotiations for an Australia/China Free Trade Agreement. It is understood the Prime Minister will be visiting China in April when there may well be an announcement.

Heifer Exports to China

Further meetings have been held with exporters and other industry sectors following the meeting with Chinese Ministry of Agriculture (MOA) officials in late December regarding concerns from China on some elements of the export of dairy heifers to China. The ADF's letter formalising the proposal for the trade was handed to the MOA this week by DAFF officials who are in Beijing for discussions on the Australia/China FTA scoping study. The ADF understands the proposal was quite well received. However, there will be a further need to meet with the MOA to discuss several elements of the proposal for future trade in more detail.

NATIONAL UPDATE

By Peter Wilson, Dairy Australia's Industry Analyst – Australia.

Contact: (03) 9694 3777 or pwilson@dairyaustralia.com.au

Market overview

We've seen a steady start to the 2004/05 milk production season, with quite a mixed pattern across the country. As usual, a range of positive and negative influences are at play this year.

While seasonal conditions appear to be shaping up favourably, there is the risk of a warmer-than-average summer.

Feed grain costs are expected to be lower this season, and supplies of hay, silage and water are believed to be generally satisfactory.

Winter rain in the southern regions and spring rains in the northern States have helped improve soil moisture levels.

On the milk price front, all the major Victorian co-operatives have announced at least one step-up so far.

However, high oil prices are sending fertiliser and transport costs ever upwards, and a rising Australian dollar is again affecting export returns.

Production growing in south-east

The national milk production curve for July to October is nearly identical to that of the same period last year. We are seeing growth in milk production in Victoria and Tasmania, but falls in the other States. As a result, a higher proportion of milk is being produced in the continent's south-east region.

Weather update

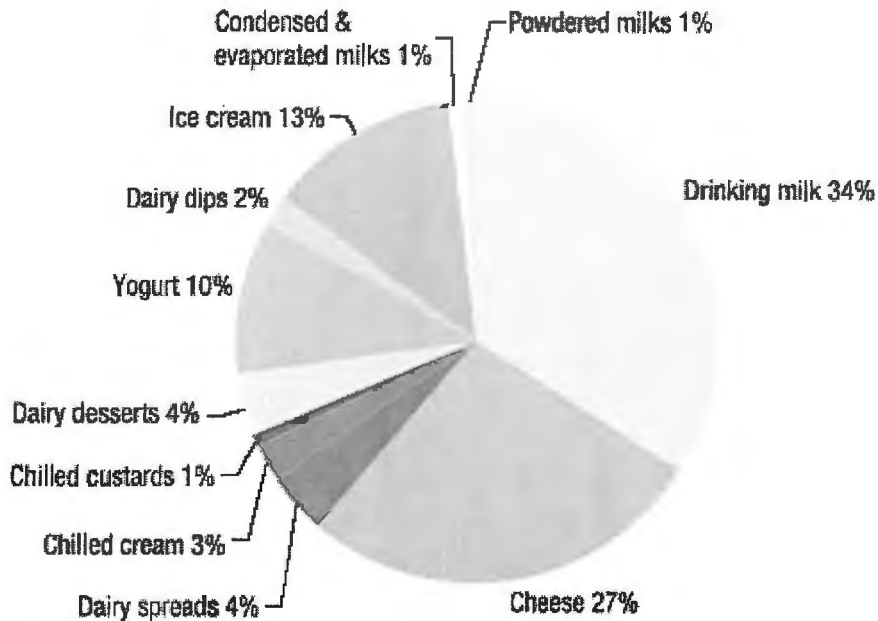
Seasonal conditions were generally favourable across the major southern dairying regions of Victoria, South Australia and Tasmania through the winter and spring periods.

In contrast, the northern regions of Queensland and NSW continued to suffer from a lack of rainfall, which reduced the spring milk production peak in those areas. However, there were very heavy rain falls in October along the NSW coast, which should help soil moisture levels this summer.

Exports starting to recover

Export volumes of dairy products increased 7.4% from July to September 2004, to 185,400 tonnes; while export values increased 18.2% to A\$563 million – delivering a promising 10% increase in overall average export returns (see Figure 1). While this early season growth in exports is encouraging, product availability may prove to be a constraining factor later in the year, as industry stock levels are still relatively low, following two years of drought-affected production volumes.

Figure 2: Supermarket dairy category sales – 2003/04.



INTERNATIONAL UPDATE

By Michael Harvey, Dairy Australia's Industry Analyst – International.

Contact: (03)9694 3700 or mharvey@dairyaustralia.com.au

Market overview

World dairy commodity prices are increasing as the tight balance between supply and demand on the global market intensifies. There is room for more increases, with strong world demand and an improving global economy.

Also, supplies of most dairy commodities on the world market are limited and a decline in milk production in key dairy-producing countries is worsening this situation.

However, world dairy prices are now at or above traditional buyer resistance levels and, with product substitution a growing possibility, there could be some negative impact on the global demand for dairy products.

Milk production in the European Union (EU) is still lower than last year's.

Some of the biggest falls have been in key dairy-producing member states, such as the Netherlands, Germany, France and the United Kingdom (UK).

In addition, milk production in the United States (US) is below last year's depressed levels and expected to finish the year down 0.5%.

New Zealand's milk production is reportedly down more than 3% compared with 2003/04.

Australian milk production is about the same as 2003/04, but inventory levels are still lower than normal.

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 March 2005

PRESIDENT'S REPORT

Jeff Wright

Since the last Update I have had many opportunities to mix with farmers from around Australia and New Zealand. I attended the Australian Dairy Conference, participated in the ADF/NZDF tour to central west of NSW, the Innovations Day at Flaxley and the 3-day dairy spectacular at Mt Gambier. The main message that I got from these events was one of optimism. After hearing what the processing leaders and the international speakers had to say about the export demand and the world production trends I could only look to the future with confidence. Then after seeing the confidence that some farmers have in this industry to invest in new infrastructure and systems to make their businesses even more efficient I could not help but think *'lets just do it!'*

A comment that I heard from a share farmer went like this "What other industry can I invest in and get more than 20% return on my capital". He was enthusiastic and the sky was his limit. So why do many of us who are at the other end of an industry, which has over time provided for us pretty well, put out such a negative vibe. Then wonder why we cannot get young people to enter the industry and take it to the next level just most of us did when we took over from the previous generation. The new technologies that they will have use of will make it look like we have been farming in the dark ages.

WHO?

We are coming up to that time of the year again when we have elections to the board. There are some board members who will not be standing this year so this leaves the way open for some new people to be elected to the board. There has not been very much change to the Board since SADA changed to a Board structure several years ago. Please give this some thought as SADA's role is becoming more important as both government, secular and private organisations seek our input and guidance.

All the best in your deliberations over who you would like to lead your industry into the future.



LATE NEWS GOOD NEWS

SADA PROTECTS DAIRIES FROM LENGTHY POWER OUTAGES

Within 24 hours of the proposed strike of the ETSA maintenance and repair staff SADA was able to secure agreement from the Union to give our dairies special consideration based on the animal welfare concerns. Without the Unions co-operation dairy farms could have been facing power outages of up to 6 days before being restored. Within hours of the industrial action commencing the Commission decreed that the Union could not strike for the next 30 days and that negotiations should continue. So the matter is not completely resolved but our actions may well have prevented a very unfortunate incident. Special thanks to David Basham and the Union organiser Bob Donnelly.

STATES CAN GIVE THE DAIRY LOBBY MORE "PUNCH".

Last year the Australian dairy industry learnt an important lesson and made a few grand for each dairy business in the way the US FTA was tackled. The successful strategy was to use our State Dairy Associations to lobby their local politicians AS WELL AS ADF WALKING THE HALLS OF THE PARLIAMENT. So let us put this winning strategy into action again. Our plan is to achieve extra returns for the dairy industry every time there is a new FTA. This is especially important because most of the federal politicians that need to have a "one on one" presentation come from states outside Victoria.

Perhaps the most topical issue around the dairy industry is the future of National Foods. As I write Fonterra has lifted their bid and the "market" is expecting a response from San Miguel. As I write, Australian advisors from ABN Amro are in Manila crunching the numbers. San Miguel (11th March) extended their takeover offer till April 15th so the saga continues. Many members have asked questions about the move on National Foods and importance for Fonterra in getting the right deal. So here are some thoughts on the matter.

FONTERRA BID FOR NATIONAL FOODS

After reading all the press day after day, following the takeover moves is a little like

continuing episodes of "Blue Hills". The simple basic for all investment deals is about getting value. For Fonterra it is about getting an "acceptable" return for the investment. So who and how in the Fonterra co-operative determines what is the acceptable level of return? Here is the way I see it.

The average NZ dairy farmers has about \$500,000 worth of Fonterra shares gaining in value around say 10% plus per year. So the earnings of the Fonterra shares are important to every NZ dairy farm business. The value and share earnings provide solid backing for borrowing and when interest rates are around 7% and farmers see opportunities for either on farm or off farm investment of over 10% there is a strong motivation to borrow. This in part explains the higher debt levels carried in NZ. The bid for National Foods is approximately equal to an investment of \$120,000 for each NZ dairy farm member. So if the Board and their CEO (Andrew Ferrier) fails to deliver a medium term return of over 10% on the National Foods deal their employment at Fonterra, as determined by the farmer members, will be short lived.

If the sums add up the deal will be done but remember there are bound to be other attractive options for Fonterra to invest internationally. Both bidders see value in gaining a strong foothold in both the Australian market and being able to deliver "fresh dairy" to the growing Asian market.

While moving on from the "take over issue" members may be interested in some of the comments from the Fonterra CEO at Shepparton.

ANDREW FERRIER, FONTERRA CEO

He concentrated on the reasons why Australia and NZ should work together. The issues included;

- Continued improved productivity. He felt the Fonterra involvement pulled Bonlac out of trouble. Further investment by Fonterra adds to the asset value and confidence in the future of dairy in general.
- Need to jointly champion and exploit the fact nature has delivered us the wonderful nutritious and health giving properties of dairy.
- We all need to back the Australian and NZ governments in their attempts to achieve trade reform. Lifting world trade from 7% to 11% is equal to lifting trade by the total current production by Fonterra.

All this has been well reported so let us move on.

▪ **SE WATER ISSUES**

I was pleased to be able to catch up with Ross Carruthers (DWL&BC) while down in the Mount. They have plans for continuing the excellent work with the irrigators. One of the good things about the several exciting dairy projects (including the proposed new Dairy SA Fodder Project) is that they are efficiently linked together. It is because the people are talking and working together at the regional level.

Ross has asked me to provide you with the dates (venues yet to be decided) for their upcoming irrigator workshops:

Monday 2 May, 1pm - 4pm, Bordertown
Thursday 5 May, 9am - 12pm, Kalangadoo
Wednesday 11 May, 10am - 1pm, Mil-Lel
Thursday 12 May, 10am - 1pm, Kongorong

WORKING SMARTER COULD SAVE SOME DOLLARS.

During our discussions with DWL&BC it became apparent that the "approval process" can be unnecessarily drawn out causing considerable cost to farmers. For example, the DWL&BC gives the go ahead on a new dam but later you find out there is an issue with either the Native Vegetation or Council. So we are looking to see how we can progress some of these developments in a more timely way without compromising the sustainability issues. As reported in the last Update we have had some success with achieving better co-ordination for the dairy rehabilitation program on the Murray.

The next meeting of the SADA Board will be in Mt Gambier on Tuesday 19th April and will be hosting an open Dairy Forum following the Board Meeting.

All will be welcome to attend the Forum which will include a light lunch.

For those in the SE pencil the following details into your diaries straight away. The Dairy Forum with SADA from 12.00 till 2.30pm at the Southgate Motel.

Could those wishing to attend book in by registering with the SADA Office (leave message on answering machine if unattended as Jo will be on leave in April) before 14 April.

COMMITTEE REPORTS

▪ **PRICES AND PROCESSORS COMMITTEE**
Report by David Basham

On Thursday 3 March, James Stacey, from the River and Lakes region, and I met with 4 members of staff from National Foods Ltd, Mark McDonald General Manager Supply & Trading, Paul Pafumi National Supply Manager - Milk, Richard Meredith Rural communications Manager and Glenn Bake Milk Supply Manager SA & Tasmania.

Some discussions were held about milk price and where they see their pricing to go in the next few months. They indicated that prices are certainly likely to be higher than the current season's prices but at this stage they were unable to give an accurate increase in price. They stated that at this stage next year's prices will be calculated during March and will be available in April for farmers.

Other issues that were discussed included minor changes to supply contracts and the continuation of sponsorship of the Adelaide Show Dairy. If you wish to discuss this meeting with me please ring me on 0417865962.

I would like to encourage all farmers to assess their milk supply arrangements and investigate supplying a different company before signing their contracts for the coming year. It is possible that you may be much better off changing companies depending on different supply curves matched against different pricing patterns. The people to contact are:

Greg Gilbert, DFG	08 8292 7777
Glen Bake, NF Ltd	08 8282 5627
Brian Tate, De Cicco	03 9350 5766
Noel Stratford, WCB	08 8724 7661
Ross Greenaway, MG	03 9389 6421

▪ **HUMAN RESOURCES COMMITTEE**

The SADA Human resources Committee met on 11 February and progressed the following issues:

- SADA to have input in to the draft audit guidelines for OH & S
- Committee looking for suitable training programs for people looking to employ labour
- Committee to have input into revising the Sharefarming Guidelines
- Committee swapped information with the UDV on Workplace Agreements and all other common issues relating to dairy labour
- Kym Mathew to report on the HR fax back survey which follows



hopeful that a lot of the programs promoting our dairy industry at the Show can continue.

The SADA Board has formed a sub-committee to be chaired by Jeff

Wright to negotiate the new arrangement following the closure of the DA Regional Office. Jeff has arranged a meeting with the Show Society for Thursday 17 March. The negotiations will involve the Show Society, DA, Sponsors, SADA and Banealla Consulting (Bob Snewin). Banealla is the name of a rail siding between Tintinara and Keith.

▪ DAIRY INDUSTRY DEVELOPMENT BOARD

The Board reviewed the implementation of the Plan, confirmed the revision to the targets for the Plan and discussed the re-launching of the Plan by the Premier. The Board felt State government was keen to see the economic target set by the Economic Development Board, the Food Plan and all these industry plans (including our dairy plan) delivering the intended outcomes including a significant boost to exports.

The SA dairy industry has been under the "pump" by being the first state to have a go at an Industry Plan. But now the other states and other commodity groups are also having a go.

SEMINARS AND CONFERENCES

▪ Australian Dairy Conference

This was the first Australian Dairy Conference I have attended and I thought the program was very good (including our own James Mann), the networking very worthwhile and it was a good opportunity for our SA Dairy Industry Development Board to spend some time together.

▪ ADF/DFNZ Conference

I find these joint conferences very informative and there is some "hybrid vigour" created in the debate about how best to tackle the common issues we face across the Tasman. I was disappointed that there were no other State EO's at the Australian Dairy Conference and only one other at the ADF/DFNZ Conference.

▪ Dairy Innovation Days

The Innovation Days Flaxley (1 March) and Mt. Gambier (9 March) continue to be extremely well supported and regarded by our industry. Well done to Verity, Kirstie and all who contributed to an excellent program. Both Greg Gilbert (Flaxley) and Rick Jordon (Mt Gambier) were excellent MC's.

We had the opportunity to get some publicity photos of SADA President Jeff Wright handing

over a SADA cheque of \$15,000 to Sally Schultz for the Dairy Plan implementation. The key to getting the \$800,000 for the Plan project was the need to have some industry money in the mix and this is why the SADA money was so vital.

Robotic Milking is coming as a commercial option perhaps sooner than we think according to Dr Kendra Davis. She believes some NZ dairies will change over to robotics within eighteen months.

Arriving at the Mt Gambier Airport I ran into my friend Peter Rymill only to discover later in the day he had donated wines to the Innovation Day guest speakers. So the next time you are buying a bottle or two remember Rymills make great wines.

▪ CRC for Innovative Dairy Products

CRC chief Paul Donnelly closed the SE Innovation



Day with a very enlightening and positive presentation about how the biosciences may play a most important role in tackling the "cost price squeeze". The challenge is to use the new technologies to both increase our prices and returns (there are a host of projects in this group) and reduce our costs (another big group of projects).

Especially for those unable to attend the Innovation Day, we have enclosed in this SADA Update the latest edition of the CRC News.

LAUNCH OF "DAIRY ManaJD" PROGRAM - by Jill Williams

On February 23 the Dairy ManaJD program was launched in Mt Gambier at a meeting attended by the Minister for Agriculture, government officers, veterinary leaders and approx 100 farmers. Rory McEwen, Minister for Agriculture, fully supported the new program, calling it a "celebration for common sense" and encouraging all dairy farmers to feel they have to be a part of the program.

Gary Spain outlined the long development of the program and the advantages of the new scheme. His involvement has been crucial in pushing the process along. Thanks Gary!

Dr David Kennedy gave a global view of the control and effects of BJD and the progress within Australia. Australia is seen as a world leader in trying to control the spread of the disease.

Dr Jeremy Rogers explained how the Dairy ManaJD program will be implemented. Briefly it involves having a scoring system of 0-10 where the higher the score the lower the risk. Note: all non-tested herds will start at score 3 but after

▪ **KEVIN WOODING**

Kevin will step down from the position of Chair of Dairy Farmers of New Zealand later this year. I have appreciated the relationship we have had with Kevin over the years. The yearly joint conferences have been extremely beneficial for both Dairy Farmer Associations and there are a whole rack of "opportunities" and "threats" involved in how this important relationship develops over the coming years.

▪ **PHILIP DOWN.**

Congratulations to SADA member Philip for a great job as Chair of the 2005 Australian Dairy Conference. It was one of the best dairy programs I have been fortunate to attend. You really have to be there to get the benefit from these conferences. It was pleasing to see a strong SA contingent, including our Dairy Industry Development Board.

▪ **KIRSTIE MURPHY**

Congratulations to SADA Membership Manager, Kirstie, for being appointed to the State FarmBis Advisory Board. The AAA FarmBis program is expected to be launched in April with a three year budget of around \$14m. We are keen to see dairy businesses given the opportunity take full benefit of the programs.

▪ **GRAHAME TONKIN**

Our Dairy Industry Development Board member and ex-Australian Dairy Corporation CEO, Grahame Tonkin, has been appointed to head-up the very important "Food for the Future" program.

▪ **GARY SPAIN**

Gary has recently indicated his intention to stand down from the SADA Board. During an interesting career in agriculture I have worked with many exceptional people who have made significant contributions to their industries. Gary Spain is right up there with, as they say at the Grand Dairy Awards "the best of the best".

▪ **MINISTER WARREN TRUSS**

All rural associations are expected to support the review of policies affecting the rural sector set up by the Minister. The reference group will be headed by the NFF and it will look at the main issues facing rural Australia.

While in Canberra recently we were able to meet with the senior policy managers in NFF. As I have report previously NFF is continuing to build an impressive team. There is a high turnover of executives working for rural associations and service industries. So it is a challenge to get the "team work" operating. But we are doing well.

▪ **PROFESSOR RICHARD BLANDY**

I was surprised that a recent ABS survey found

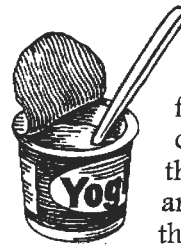
that SA leads the nation in our use of innovation. In The Advertiser article on the issue Richard concludes the survey suggests SA is keeping up with the globalising world. Certainly the smart innovation and achieving our Dairy Plan targets can deliver benefits to the farmers, regional development, and the State.

▪ **ROD LUKER**

SADA has had a long and happy association with Hume Taylor & Co, Barristers and Solicitors, Rod Luker in particular. Rod has volunteered to write a series of articles for our membership on various legal issues that can impinge on our dairy businesses. Succession Planning was an issue of particular interest at the recent Australian Dairy Conference. The first of Rod's articles is part of the attachments. Remember that the initial consultation with Rod is free to SADA members.

WHY YOGHURT IS GOOD FOR YOU

Fermented milk products have been known to help prevent infections for many years.



How this happens is that during fermentation good bacteria break down protein fragments into new components call peptides. It is these peptides that stimulate the immune system and have antimicrobial properties that protect the body against infection and pathogens. Scientists are trying to isolate the components (good bacteria) that produce the most immune enhancing effects. Then they will produce new dairy products that will benefit people of all ages that can attract a premium price.

The scope for "value adding" rural produce appears to have few limitations. I like including stories about ways dairy can "value add" because it is another option for pushing up demand and price.

SADA BOARD ELECTIONS 2005

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

Adelaide Hills – Ken Smith
Fleurieu – Jill Williams
River & Lakes – Jeff Wright
South East – Lyndon Cleggett

Gary Spain, Board member for the South East, will be standing down from his position. This leaves 2 Board positions vacant.

ESTATE PLANNING

“Matters of Life and Death”

**by Rod Luker, Partner, Hume Taylor & Co Barristers and Solicitors -
proudly remaining associated with the South Australian Dairy Farmer’s Association**

Since I started acting for the South Australian Dairyfarmer’s Association in 1977 I have had the pleasure of advising many dairy farmers in a broad range of matters. A significant number of those matters have involved issues in relation to the family business nature of dairy farming.

I have always said that dairy farmers are like any other business people in that those carrying on the business seek to create wealth and preserve wealth to benefit themselves and their families while maintaining a satisfactory standard of living along the way through the income produced from the business.

It remains a concern of mine that all too often situations develop where estate and succession planning issues are dealt with unwisely. In this and in subsequent articles I propose to highlight some of the important issues which should be addressed by the dairy farmer in the course of estate and succession planning.

One important issue is that of the structure of the business. It seems imperative that legal and accounting advice should be obtained prior to any new business venture being undertaken. It would be necessary to discuss with the advisors the options of a dairy farmer trading as a sole trader or in partnership with another or others (family or otherwise) or as a share farmer or joint venturer or through the vehicle of a corporation and whether or not a trading or holding or other form of trust should be involved. The structure should be reviewed from time to time.

In any event any person in business or holding or likely to hold assets should have a Will. Whilst a person who dies without having left a Will is said to have died “Intestate” and while intestacies can be and indeed are administered under the Administration and Probate Act 1919 as amended (South Australia) there can be significant issues in this type of administration.

Those issues include but are not limited to the following:

First, who should be entitled to administer the estate?

Secondly, is there likely to be additional cost in administering an intestacy?

Thirdly, who is entitled to the estate on an intestacy?

Fourthly, what time frame is involved in administering an intestacy compared with an estate governed by a Will?

Putting it simply, any responsible person wishing to have to his or her deceased estate dealt with in the most efficient manner should make a Will. It is the duty of that person (the “Testator”) to be wise and just in making the Will. In making the Will the Testator should carefully choose the person or persons to get in and administer the estate (the “Executor(s) and Trustee(s)”). It is also open to the Testator to carefully consider the beneficiary or beneficiaries of the Testator’s estate and indeed the level of benefit to each such beneficiary or beneficiaries and the terms thereof.

I shall expand on these issues in subsequent articles. I shall set out my reasons for urging private business clients to consider the appointment of an agent or agents under Power of Attorney (whether such power of Attorney is expressed to be an enduring Power of Attorney or otherwise). I shall also draw the readers’ attention to other relevant Acts of Parliament concerning succession and estate planning issues. They will include the Consent to Medical Treatment and Palliative Care Act 1995 (South Australia) and the Guardianship and Administration Act 1993 (South Australia).

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
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Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au

Friday 29 April 2005

PRESIDENT'S REPORT

Jeff Wright

It's that time of the year again when some of the positions of the Board become vacant (interpret that as you will) and nominations are sought from each region to fill the vacancies. Well guess what? The only nominations received by the Returning Officer were from the previous Board members except in the South East where there is still a position to be filled. I do not quite know how to take this situation! Is it too daunting to nominate for a position in the organisation that represents and lobbies for the dairy industry of which you are a part, or is it that you feel the people on the Board represent you well enough and are doing a good job? In a way I hope it is the latter because all of the board members have put in 100% for the Association over the last 12 months.

But for SADA to keep operating at the level we are at this time it is going to mean quite a few others are going to have to help out as well. Over the next few months we will be finalising the various committees of SADA, and we will be seeking at least one representative from each region to commit themselves for each of the committees. These are Prices and Processors, Finance, Technical, Human Resources, Environmental issues and the various water issues groups for each region. These committees are dealing with issues that have impacts on dairy farming so if you want to be dairying in the future be a part of the decision making now! The committees are a good way of seeing how SADA works and you can be working in the areas that you are concerned about.

So how about it?

One of the Board members that will not be part of the Board this year, as he stood to fill a vacancy and indicated he would only stand for one year, is Gary Spain. I am glad that Gary stayed on for the extra year, as he has been able to see what he has been passionately working on for many years become reality. That is the ManaJD program. It has been a very rocky road to this point but we have seen very good attendances at the program introduction meetings and a good acceptance by many. Thank you Gary for the huge effort you put into this and the work you have done for SADA during your time as one of the Board members.

I hope the season breaks soon as many of us are nearing crunch time and we will be up the creek without a paddle or water!

farmers and rural industries the opportunity to develop a new vision for rural Australia.

The Reference Group appointed to manage the project will have to address both the traditional and emerging challenges to ensure agriculture has a sustainable and profitable future.

The traditional issues include; declining terms of trade, competitive global markets, changing customer preferences, protectionist international trading policies and a fragile natural resource base.

The emerging issues include; animal rights activism, scepticism about new technology such as genetically modified organisms, biosecurity risks, rural labour shortages, rising land prices and the demand for the farm sector to demonstrate its environmental credentials.

The Reference Group will be consulting widely with stakeholders before finalising their report by 14 December, 2005. To kick the project off the government has produced what they call The Stocktake Paper. You can read the few pages on dairy in the Stocktake by e-mailing foodinfo@daff.gov.au

In fact we can quantify these "big rural industry issues" to be tackled by this review by looking back over the feedback we obtained from the regional meetings we held prior to the Dairy Forum held in Parliament House last year. *About one quarter of the issues concerning our "grass roots" farmers fell into this broad rural industry big picture stuff, as opposed to dairy specific issues.*

The Review announced by Minister Truss provides an ideal opportunity for rural Australia to have these issues properly addressed. A review like this only happens once every twenty years but the timing appears right. There are important traditional and new challenges facing rural Australia that should be addressed by industry, government and the community in this review so that farmer businesses can generate the profitability and encouragement to invest in agriculture.

- *Agreement on a new drought policy*

After many months of lobbying progress has been made in getting to a recent meeting of Primary Industry Ministers a proposal to overhaul the existing Exceptional Circumstances drought relief program. Thank you to Adrian Peake (QDO) who put together a lot of suggestions that will benefit dairy farmers.

Unfortunately at this important ministerial meeting held on Thursday 15 April the Ministers failed to get an agreement. Disappointing but we need to keep up the pressure because we do need

to get these changes made.

Another important lesson from the last drought was that there needs to be better arrangements in place to ensure the intensive livestock industries have access to fodder and feed grains during droughts. The recent negotiations between the Grains Council (GCA) and the Livestock Feed Grain User Group, as reported in our SADA Updates, has led to the formation of a new company that will improve the relationship between the grain producers and the feed users like dairy. Another issue is that of fodder being moved interstate during shortages due to interstate government fodder subsidies.

- *SA to suffer from River Murray funding cuts*

Another area suffering from the difficulty of getting the co-operation of the states and the federal government is the River Murray. The recent decision by both NSW and Victoria to cut funding for the Murray Basin Commission will see a delay in the construction of phase two of the Waikerie Salt Interception Scheme designed to stop 23 tonnes of salt entering the river each day. Hopefully this matter can be rectified ASAP.

It is important for members to remember that most of the issues reported in our Update and in the media do in fact get addressed eventually. For example a couple of years ago I can remember having dinner with the board of Animal Health Australia and we were discussing securing a deal for a government/industry agreement to secure a commercial supply of Foot and Mouth vaccine. Well the agreement was eventually done with the funding contract share of 40-40-20 (Australian/State/Industry). This was a first government/industry partnership funding of an emergency animal disease vaccine bank.

- *AHA announces FMD vaccine contract*

We now have in place a contract with an international animal health pharmaceutical company to supply antigen sufficient to provide 500,000 cattle-equivalent doses of nine FMD strains.

While thinking about animal health issues a recent Dairy Web News reported a case of acute bovine liver disease in Gippsland. So be on the lookout this autumn/winter.

Before getting onto the regional issues one of the issues that all industry associations need to address is their efficiency and effectiveness of their communications.

COMMUNICATION IS A KEY TO SUCCESS

Recently in Canada the Dairy Farmers of Ontario elected a new Chair, Bruce Saunders. One of the

- *Using the additional government funding for the river wisely*

The Agronomy Consultant for the Lower Murray Reclaimed Irrigation Area, Vanessa Grieger, has resigned to take up a position interstate. We thank Vanessa for her contribution and wish her well with the Victorian No-Till Farmers Association. You will recall this position was created following concerns we expressed to the State government agencies (specifically Jim Hallion, PIRSA CEO and Rob Freeman, DWL&BC CEO) about the pasture management of the Murray Swamps. The aim was to get the best management of both the irrigated pasture on the rehabilitated areas and the land which has had the water sold. The remaining funds may be better used by employing private consultants rather than Rural Solutions. Getting the right people for these important roles can be a real challenge. SADA and the government will be guided by the wishes of the local farmers.

- *Western Mount Lofty Ranges Water Prescription*

Congratulations to Rod Mulhern and his dairy industry working group for sending (20 March) an initial list of industry recommendations for the management of the water resources in the region.

Our industry/government working group for the Western Mount Lofty Ranges met on 6 April and a number of issues were dealt with and some others need some further attention. I requested clarification on who gets the water entitlement (owner, sharefarmer and lessee). Certainly from now on water is a matter that should be included in any lease or share-farm agreement. Another matter to be considered is that from the 1st July the new NRM Boards take over and there will be some transition of role and responsibilities.

In a brief period of time these government/industry committees have to collect and evaluate a lot of information to come up with sound policies. It is becoming apparent to me that given the large and diverse area we are dealing with the best outcomes may come from a catchment by catchment approach.

By the way, because water is essential for the long-term survival and viability for rural industry in the region, we did request the Minister, and we were granted, an extension to the closing date for public submissions.

- *Will the rural interests be sufficiently represented on the NRM Boards?*

This western Mt Lofty Ranges Working Group is functioning well BUT our committee is very concerned that rural interests are sufficiently well represented on these new NRM Committees. We are not being dramatic but experience has shown just how important it is to get the right and sensible balance between the environment and production.

- *Review of the Barossa Water Action Plan*

Following discussions with members in this region and Trevor Clarke we are planning a meeting in mid May.

EXPLAINING THE NEW "DAIRY MANAJD" PROGRAM

Thank you to those involved in presenting the regional meetings explaining the exciting new optional program for dairy farmers in managing BJD. Since Jill Williams reported on the successful Mt Gambier meeting in the last SADA Update this month meetings were held in Meningie and Murray Bridge.

HUMAN RESOURCES

The new SADA Human Resources Committee chaired by Lesley Fischer is really taking on a number of issues with a huge amount of enthusiasm. The next meeting of this committee is to be held on Friday 29 April and yesterday we added some extra items and extended the meeting time. The external guests attending this meeting include Patricia Murdoch a lawyer heading up the UDV Industrial Relations portfolio, Chas Cini a private consultant working with SAFF on Industrial Relations, and Colin Stephan the Manager of the Dairy OH & S Program.

Two ways that I have attempted to help the SADA Board and the Committees achieve more is by:

- Better prior planning of meetings to give members the opportunity to make decisive decisions.
- Arranging for key people in the decision making process (whether they are politicians, government managers or business people) to participate in our meetings. Again the emphasis is on getting things done.

LEADERSHIP PROGRAMS

- *NZ Dairy Business Program*

The SADA Board is pleased to announce that Craig Zilm has been selected to represent SA this year on the NZ Dairy Business Program.

- *Advance in dairy Leadership presentations*

I have been invited to the program presentations in Canberra in May and it would be great to be there for Sue Young and Virginia Ewings presentations.

- *Rural Leaders Forum at West Beach*

Thanks to Andrew Stewart for gathering a talented dairy presence at the recent Young Leaders Forum. It is good to see Rob Kerin and Warren Truss right in there behind these very worthwhile activities. The rural political voice, given the move of seats to the city, needs talented leadership. I believe we have a very strong and

The sad news is that the Principal of the Shikoku Dairy College, Hideo Koyoshi, recently wrote informing us of his retirement. He is very committed to the Exchange Program continuing and thanked SADA for their support in taking over the program when TAFE withdrew.

GENE TECHNOLOGY COURSE



Thank you to the Nietschke family for hosting the first regional presentation of this important program. Those attending reported the day had been very informative. At the national level we are continually reviewing our investment in biotechnology and in particular have commenced a review of the dairy industry GMO policy.

DAIRY YOUTH CAMP AT MYPONGA

I have had so many good reports, including from Kym, of the recent Camp held at the Myponga Footy Clubrooms and the Pacitti farms at Hindmarsh Tiers. A very special thank you to Mandy and Gino Pacitti for co-ordinating the program. Programs like this clearly put dairy farming up there as a career choice for these young people. Perhaps the biggest surprise for the organisers was the demand for the program with 41 attending.

POWER OF ATTORNEY

We include in this Update another report from Rob Luker, Partner, Hume Taylor & Co.

MT. GAMBIER DAIRY FORUM

Following the SADA board meeting held in Mt. Gambier on Tuesday 19th April we held a very successful Open Dairy Forum. Three excellent presentations were by Steve Coats, Dairy Australia; Sally Schultz, State Dairy Plan; and Brett Fiebig, Japanese Exchange Student. Jeff Wright then chaired an open discussion session that reflected both a range of views and the willingness to work collectively for the benefit of dairy farmers.

UDV CONFERENCE

The SADA Board were particularly keen to attend this conference to farewell and thank Peter Owens for his contribution to the dairy industry and to meet with the incoming UDV directors. Congratulations to incoming UDV President Doug Chant. Doug is a fourth generation dairy farmer from Colac and brings a lot of experience from serving on VFF committees.

MEETING WITH WC&B OPENS UP NEW OPPORTUNITIES



When San Miguel completes the National Foods takeover WC&B will be the only dairy listed producer. Next month WC&B celebrates its first year on the ASX. We at SADA have their shares in our portfolio and they are on the rise. At this point in time the company is keeping predators at bay with their rule that no investor can hold more than 5% of the stock.

A quick look at the figures show its revenue rose by 18.4% to \$285.1m and net profit up by 19.3% to \$6.7m.

So this was the back drop to our SADA Board meeting with CEO, John McLean on Wednesday 20 April at the Allansford Plant.

David Basham reported that *"WC&B are confident of at least one more "step-up" this year. Even more important was the comment by CEO John McLean that he could see no reason why the prices will not hold at similar levels next year.*

The SADA Board was pleased to see the genuine interest by WC&B in further developing their business into SA".

The Advertiser headlines this week centred on our own SA dairy company Golden North's success at both winning a national contract with 2000 IGA stores and the shipping of the first container of ice-cream yoghurt to China.

GOLDEN NORTH GROWING



Especially for our northern dairy farmer members the expansion of Golden North interstate and overseas is to be commended. Well done to Brenton Higgins and his expanding team.

ELECTRICITY DEALS

There are a few new retailers entering the market offering deals. We are pleased to see growing competition in the market but it also pleasing to hear from members that the SADA/AGL deal is still the one to beat.

“Matters of Life and Death – The importance of the Power of Attorney”
by Rod Luker, Partner, Hume Taylor & Co Barristers and Solicitors -
proud to remain associated with the South Australian Dairyfarmers’ Association.

By granting to another person or persons your “Power of Attorney” you give that person or those persons the power to be able to act on your behalf and to attend to your nominated private business and/or financial affairs if you are unable to or unwilling to do so. This type of document does not give someone the right to make decisions about your medical treatment or your welfare. A Medical Power of Attorney to appoint a medical agent will be discussed in a later article as will powers of Guardianship.

The person or persons appointed as private business and/or financial affairs Attorney(s) would be empowered to act in the event of you giving instructions to do so or if the Power of Attorney is an “enduring power” then the person or persons empowered to act would act for you in the event of your loss of legal capacity. You cannot make an Enduring Power of Attorney if you do not have legal capacity.

The South Australian Powers of Attorney and Agency Act 1994 enables the person granting the Attorney to have his or her affairs handled by the person or persons appointed after the loss of legal capacity. Importantly it is possible to appoint an Attorney or Attorneys of your choice. You should trust the person or persons you appoint absolutely and he she or they must be willing to act for you. Clearly the person or persons appointed should be fit and proper. The Attorney(s) cannot be paid for the work done although reimbursement of out-of-pocket expenses relating to the work can be made. Receipts establishing this expenditure would be required. With an Enduring Power of Attorney the person or persons you appoint must sign an Acceptance of responsibilities. If need be the Power of Attorney can be activated if and when the need arises. Any individual over the age eighteen (18) years can be appointed as your Attorney. A single Attorney can be appointed or a multiple number could be appointed with power to act either alone or jointly depending upon your requirements.

It is important to note that with an enduring Power of attorney that your appointed Attorney(s) must always act in your best interests and make sure that your assets and your interests are protected. Proper accountability is required. If the Attorney(s) did not act in your best interests or keep full and accurate records then your Attorney(s) could be personally responsible. Just remember that the Power of Attorney may be used against your interests so choose wisely and if need be get legal advice on how the appointment can be structured to minimise this risk.

It is an easy process for you to sign a Revocation of a Power of Attorney should you feel the need to do so.

It is sometimes appropriate to register the Power of Attorney. This is required if a land transaction is to be conducted on your behalf by your Attorney(s). Currently the government fee for registration is \$98.00. If it is not presently necessary to use the document for a land transaction that is not to say that it may not be required later for that purpose. Multiple originals of the document should be signed to allow for one to be retained at the Lands Titles Office and one or two others to be made available for use.

It is important to note that your Power of Attorney is only of use during your lifetime and would come to an end upon your death.

All in all, while do-it-yourself Power of Attorney kits can be bought, an experienced solicitor can produce quality documentation promptly and in cost effective manner without you having the worry of preparing it.

HUME TAYLOR & CO
84 Flinders Street ADELAIDE SA 5000
Telephone: (08) 8223 3199



Australian Dairy Farmers

ADF INFORMER – 22 April 2005

UDV Annual Conference

Several ADF board members and staff were present at this week's United Dairyfarmers of Victoria (UDV) Annual Conference which was held in Warrnambool. The ADF would like to thank retiring UDV President, Peter Owen, for the passion and commitment he has brought to the dairy industry as a farmer representative. Peter worked at an incredible pace putting his own well being second to that of the industry he loves. He was particularly passionate about natural resource management, trade reform, animal health and biotechnology. Peter read in a meticulous fashion and understood issues to the highest degree of detail. Peter's friendship, along with that of wife June, is highly valued by all at ADF and we wish them well in the future.

We also congratulate Doug Chant upon his election as UDV President. We look forward to working with Doug as we aim to influence change that brings real benefits to the members of our state dairy farmer organisations.

Speaking at the UDV conference, ADF Deputy CEO, Robert Poole said that ADF is conscious to always talk about the benefit to the farmer when referring to the activities being undertaken. This is a reminder to everyone involved why we are doing what we do, making a difference for the dairy farmer. In developing the strategies outlined in ADF's strategic plan Robert said that ADF asked two main questions:

1. Can we capture the benefits of the strategy at the dairy farm?
2. Will the strategy contribute to the competitive advantage of dairy farmers in the future?

Robert said that if ADF has a clear and justifiable view of what farmers want and need, then governments, agencies, Dairy Australia and companies are usually prepared to support key initiatives. Robert's presentation to the conference is available on the ADF website.

World Trade Organisation Symposium

ADF representatives are currently in Geneva at the WTO Symposium. Reports to date indicate the importance of the trip in terms of continued clarification of the Australian dairy industry's position about the importance of real outcomes for agriculture and dairy in the WTO's Doha round. For Australian dairy farmers, trade reform is about improving milk price as new opportunities for our dairy companies are created that lead to higher farmgate returns.

China FTA Talks

The Australian Dairy Industry Council (representing the ADF and the Australian Dairy Products Federation) welcomed the announcement for a planned Australia/China Free Trade Agreement (FTA). The ADIC wrote that negotiations for a FTA provide an opportunity to work towards closer relationships with China at all levels of the value chain. This will build on previous work of governments and industry such as the recent talks held as part of the trade of Australian dairy heifers to China. According to the ADIC it is important that Department of Foreign Affairs and Trade be appropriately resourced to achieve the maximum benefits to Australian dairy farmers from the WTO, without reducing the resources available to ongoing bilateral negotiations such as the China FTA.

University of Melbourne VET Review

ADF met with the consultants responsible for co-ordinating the University of Melbourne's review of their Vocational Education and Training (VET) program. The meeting was organised by Dairy Australia. ADF expressed the view that first and foremost the University should understand the needs of the dairy

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
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Monday 30 May 2005

ADF GETTING A BETTER DEAL FOR DAIRY



Ken Smith (SADA) and Tony Pratico (WAFF) at ADF

Ken Smith and Ken Lyons made several important contributions at the recent ADF Board meeting on the following issues:

- Farmgate milk prices (contracts and negotiations)
- Cost effective animal bio-diversity (NLIS)
- Protecting international dairy markets (BJD)
- Improving the dialogue between dairy farmers and Dairy Australia (strategic and operational planning)

DAIRY PROMOTION/COMMUNITY BENEFITS FROM DAIRY

SADA Exhibition Dairy committee met with John Rothwell to ensure the Exhibition Dairy and dairy promotions can be placed on a sound commercial footing.

A positive perception by the community on the importance and value of a strong dairy industry is the platform for launching effective lobbying on the numerous issues facing our industry.



Frank Beauchamp (SADA) and John Rothwell (RAHS)

contracting specialist consultancy services to SADA and then on to you the members. As we have discussed many times it is often difficult to pass on the benefits negotiated by SADA only to our members. But we are hopeful that through the HR area we will be able to provide a suite of "member only" services.

While thinking of people issues. Congratulations to both Sue Young and Virginia Ewing for doing so well at the national dairy leadership course.

OUR DAIRY INDUSTRY INVESTING IN FUTURE LEADERS

It was pleasing to receive an email from Cheryl Phillips singing the praises of both Sue and Virginia. Sue spoke on behalf of the group following the project presentations and Virginia chaired the VIP Canberra Course Dinner.



Virginia Ewing with Max Roberts, Director Dairy Australia (left) and Grant Munro, CEO Holstein Australia

Their project the "In Crisis" fridge magnet came from a Salmonella outbreak that struck the Young's herd last November and the trouble they had finding out who to contact after hours. Each dairy farmer in SA will receive one of the magnets they designed. Again the Stock Journal yesterday ran an excellent story on their project adding again to the positive picture of our industry.



Sue Young with Max Roberts, Director Dairy Australia

It is particularly pleasing to hear that Sue Young will be seeking support from the SE for a seat on the SADA Board.

NLIS IMPLEMENTATION

Last week the SA NLIS Implementation Committee may have held its last formal meeting. Both Ken Smith and myself have been most impressed with the chairmanship of this committee by John Crosby and it was one of those committees that it was a pleasure to be on. As farmers will know the implementation has not been easy but we believe that we have done very well in comparison to the other states. The State Government subsidies have been very well received by the industry.

A major issue for the final meeting was the recommendation in relation to bobby calves. You may be aware that the Victorian NLIS Implementation Committee recently recommended to their Minister that there be no exception to NLIS tagging for bobby calves. At the recent committee meeting I argued on your behalf that we in SA continue with bobby calves going directly to slaughter needing only a calf tag and the committee has agreed to retain this position for now but will review the issue in December. This will give the industry time to demonstrate they can ensure there are no calves without NLIS tags going anywhere but immediate slaughter. If there is slippage of calves (to hobby farms) for instance the risks and potential costs of enforcement may be prohibitive.

With the passage of time the price difference between the plastic and electronic tags will narrow. The price of plastic will not change and will remain at around \$1.60 but the electronic bits will get cheaper.

NLIS IDENTIFICATION FOR LARGE GROUPS

Lines of 20 or more breeding animals consigned from their property of birth directly to an abattoir are exempt from any electronic tagging requirements until 2010, they can be consigned directly with a tail tag only. This exemption has been established to allow larger producers to get rid of older lines of animals without electronically tagging them.

This exemption may be reviewed earlier than 2010 depending on abattoir requirements, it is important that producers check with their individual abattoirs to ensure they are happy to accept these animals without NLIS tags.

Late News

Early reports from China indicate a major outbreak of foot and mouth disease among the nation's dairy herd.

There will be an increase in the cap level from \$1307.12 to \$1478.53 beginning 1 July 2005. This hasn't been raised since the mid 90's. The cap is now linked to the average production on SA dairy farms. As farms increase in size (on average) the cap will increase proportionately.

JAPANESE EXCHANGE PROGRAM

We are still looking for a young person involved in the dairy industry interested in traveling to Japan on the Japanese Exchange program. We already have one young dairy farmer (Andrew Varcoe) interested in the program but would like another to accompany him. So if you have any interest in traveling to Japan, living and working within the Japanese Dairy industry and learning about another culture then please contact Jamie Nietschke on 0427 619 840.

DAIRY CONTACT BOOK

It is again time for Jo to put together the Dairy Contact Book. If you think that there are any contacts or businesses and their details that could be included please contact the office.

CONGRATULATIONS

Congratulations to Dan & Krystyna McCaul of the Alexandrina Cheese Company whose Crème Fraiche was highly regarded by Vogue Entertaining & Travel magazine in the June/July 2005 issue behind the more traditional French product. This is truly a feather in the cap for the McCauls and raises the awareness of the quality products being made in South Australia with South Australian milk.



Kirstie, baby Akacia and partner (and proud Dad) Paul

LATE NEWS ON WATER

We are expecting the Government to announce the opening allocations for river irrigators shortly.

Water issues affecting dairy farmers on the Fleurieu will be a topic raised with Dean Brown when he meets with various SADA members, Vice President David Basham and Ken Lyons on 27 May.

REGIONAL AGM's

South East AGM – June 9, 10.30am at the Southgate Motel. Light Lunch provided.

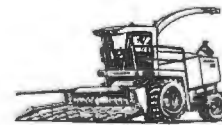
Fleurieu AGM – June 21, 10.30am at the Hindmarsh Valley Hall.

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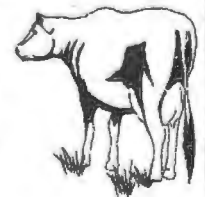
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Australian Dairy Farmers

ADF INFORMER – 20 May 2005

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

A New Look ADF Board

There is an ADF Board meeting next Monday and Tuesday where there will be several Board members attending their first meeting. There is a comprehensive agenda for consideration by the Board, including trade, Dairy Australia strategic plan, education and training, Cooperative Research Centre for Innovative Dairy Products, timber plantations, natural resource management, live exports to China, Johnes disease, issues associated with MLA including NVD's and LPA, and natural resource management, to name just a few agenda items. ADF Board will also be meeting with members of the Fonterra Shareholders Council on Monday night.

Collective Bargaining

ADF was also pleased to receive notice from the Australian Competition and Consumer Commission (ACCC) that they had agreed to provide interim authorisation for the ADF's Collective Bargaining groups (CBG's). This will ensure all the CBG's that have been formed under the ADF's to continue to collectively bargain with dairy companies past the final date for the current authorisation (exemption) from the Trade Practices Act. The ADF's submission to the ACCC for the authorisation to be reinstated for a further 5 year period is currently being progressed by the ACCC. The next step will be the release of an interim determination on the ADF's request, following which there will be an opportunity for the ADF and other interested parties to comment prior to the ACCC announcing a final determination.

Coles Myer Meeting

ADF met with senior representatives from Coles Myer this week having sought the meeting in response to recent changes to dairy product lines in Coles and Bi-Lo stores. ADF believes it is important that Australia's retailers take time to understand the dairy farm sector and the way that decisions retailers make can affect the farm sector. ADF has held similar meetings with Woolworth's executives in the past.

The key issues raised by ADF included the recent impact of drought, the world market for dairy products and pricing in the world market, falling milk supplies in Australia, particularly in Queensland, NSW and Western Australia and the importance of dairy farmer owned companies in setting farmgate price. We reported that there are strong regional factors at work in the dairy industry and that it was important to understand emerging supply issues, particularly in northern states and Western Australia. In turn, Coles made it clear that they were committed to their fresh milk being provided locally.

ADF said the changes at Coles came as a complete shock to dairy farmers and there should have been a deeper understanding amongst dairy farmers as to why this was coming. With this in mind, the ADF and Coles saw merit in regular meetings to discuss the dairy supply chain. ADF expect that Australian supermarkets would have a strong desire to sell Australian-made dairy products that support Australian dairy farmer businesses and the regional communities whose economies so strongly rely on dairy farm revenue. Cole's executives responded strongly and positively to this statement.

Education and Training Workshop

ADF and Dairy Australia hosted a workshop of dairy farmer and education industry leaders to discuss the future of Vocational Education and Training (VET) in the dairy industry. The workshop was convened in response to recently announced reviews (Commonwealth Government and University of Melbourne) and the need for renewed industry direction in this area.

The workshop focused on the VET sector which covers post-secondary education taking in traineeships, apprenticeships, diploma courses, and short courses for farmers (including those provided by universities, TAFE and private colleges which offer technical and further education programs). But it was also clear that the industry must be open to the many different ways that dairy farmers learn and that the system must be first and foremost flexible and relevant to farmers' needs.

Overall the participants set a vision for Australian dairy farmers to be the best in the world, as we seek to maintain an advantage over our competitors. A new direction for learning was required as the existing structures were failing to deliver the services and outcomes needed to fulfill the vision. It was conceded that more direction and commitment was required from industry leaders and that providers of extension, education and training needed to be more closely aligned. A report from the workshop will be submitted to the Commonwealth Government and University of Melbourne reviews and be used as a springboard for ongoing change towards our vision.



The Market

Brazil's dairy exports are expected to reach 600 million litres (in milk equivalents) this year, up from 385 million litres last year. In terms of value, exports could almost double to US\$ 180m. Most trade will centre on neighbouring South American countries.

The United States (US) produced 6.78 million tonnes of milk in April bringing year-to-date production to 26.38 million tonnes, up 1.5% on last year. New forecasts suggest milk production will increase 2.0% to 78.8 million tonnes in 2005 then surge 2.4% in 2006 to 80.7 million tonnes.

A US government agency is predicting NZ milk production, which has been hit by bad weather, will fall 3% this season. It is also forecasting that NZ butter exports could plunge 18% while cheese and WMP shipments could drop 8% and 11%, respectively. This could be bad news for the NZ economy with dairy exports making up about 30% of NZ GDP.

Current Global Issues

Fonterra has opened a new NZ\$25million plant with new partner Glaxo Smith Kline to produce inhalation grade pharmaceutical lactose, which is used as a carrier in medicines.

A letter warning foot and mouth disease had been released on NZ's Waikeke Island was received by Helen Clark on May 10. Monitoring for signs of the disease has been costing NZ taxpayers approximately NZ\$1million a day. Despite authorities being confident the threat is a hoax, NZ will not be able to give the official 'all clear' until May 23 when the maximum gestation period for the disease has passed.

The National Front

Export volumes of Australian dairy products increased 0.4% to 627,400 tonnes for the nine months to March 2005. Average export returns increased by 13.1%, resulting in total export values increasing 13.5% to \$1,869 million.

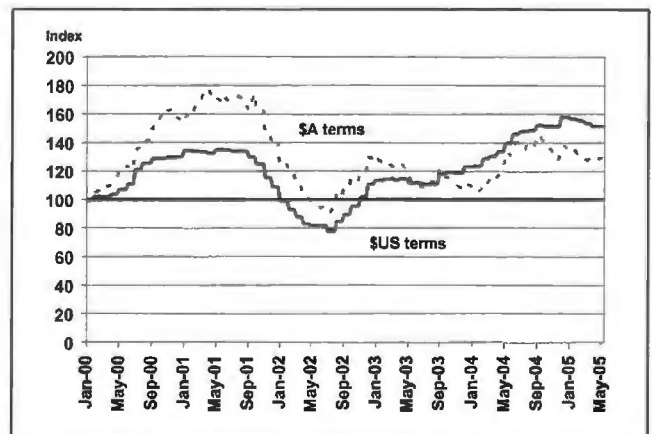
Cheese and whey powder export volumes increased strongly, while we continue to experience volume declines in the commodity products of butter/AMF, SMP/BMP and WMP as companies move their product mixes to higher value products.

Dairy Farmers Group recently announced major changes to its workforce – cutting 20% or 460 jobs; closing three milk factories – Bomaderry, Deniliquin & Mt Gambier; and significantly restructuring manufacturing operations at Toowoomba & Hexham. The objective is to cut costs & streamline operations, with all the changes planned to be in place by March 2006 – in preparation for a share market listing of the manufacturing & marketing division probably by late 2006 / early 2007.

Strong levels of dairy farmers' confidence [recent NAB survey] are being challenged by the absence of rain in the southeast corner of the continent - particularly across SA, VIC, NSW & TAS. The Bureau of Meteorology's seasonal outlook for June to August indicates that the odds favour drier and warmer than usual conditions across most of Australia's dairying regions. The chance of an El Niño event occurring this year is still assessed at between 30% and 50%. In a normal year, the risk is around 25%.

Our Export Index

Australian Export Index (Base = 100 at 1 Jan 2000)



	This week	Last Month	3 Months ago
Index (\$US)	151.4	151.4	155.4
Index (\$A)	132.4	130.3	131.2
AUD/USD	0.7534	0.7657	0.7799

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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
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Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au

Friday 10 June 2005

PRESIDENT'S REPORT

Jeff Wright

It was good to have some inspiring pictures on the front of the last Update instead of my usual diatribe. The reason for the change was I was too busy to write a front page due to some issues on the farm and the first round of calving (we synchronise all the cows and most of the heifers with a planned calving start date of 25 May). This situation has seen me unable to do very much SADA or ADF business other than what I can do from home after hours for the last few weeks. Hopefully the light at the end of the tunnel is getting brighter so I can get back to doing the stuff that I enjoy doing on behalf of you my fellow farmers. I guess the upside of this is that I have lost nearly 10kgs!!

I would like to acknowledge the work and extra effort that David Basham, Ken Lyons and other Board members have put in during this time. I would also like to publicly apologise to the people who have phoned or tried to contact me and I just have not had the time to return their call, I am sorry and feel like I have let some of you down. It is nothing personal but sometimes the farm and my health just have to come first.

Speaking of health, we learnt of a very successful program that is operating in Western Victoria. It helps dairy farmers and their families to focus on their health and helps them to do something about it. We are hoping to get this program happening here in SA later this year or early next year. This is even more important when we put our personal health and stresses alongside of the "Stress in Dairy Farming" report that was released last year.

As I write this there is thunder and lightening outside and we have had a few showers so I hope this is going to be the break in the season. Do any of you remember the conference that we had at Victor Harbor when the first real rain we had for the year happened that day and boy was it cold! The venue had just gone into receivership and they had turned the heating off when there were inches of hail outside.

That was this time of the year and it is etched into my memory.

Would you like to see an annual SADA conference happen again?
Let us know your thoughts on this issue.

Farmers today are becoming much more aware of the prices and contract options. As with all rural associations (wine, seafood, wool, meat, etc) we are providing information about prices and some support in the bargaining process (such as access to collective bargaining). Associations can be important in both providing members with information about all the processors (generally farmers have a close relationship with their own company but may not be fully aware of the other alternatives) and together with DA and at every opportunity (including the latest 2005 Dairy Survey) provide members with information about how the dairy market works and the outlook.

At the recent ADF meeting it was agreed that the ADF and the SDFO's need to develop a deeper understanding of milk price factors. Members are also looking for information on the rapid rationalisation (the entry of Fonterra and San Miguel into the Australian market and the corporatisation of some of our co-ops).

As I write the Fonterra Chair and CEO are holding a Press Conference announcing a further strengthening of their position in Australia.

FONTERRA IN AUSTRALIAN GROWTH STRATEGY

The attached media release provides the Update.

There is no doubt we are moving further down the track in business where information is power and important for decision making. Farmers need to know milk prices, fodder prices, water prices/costs, power prices, labour rates, contract rates and on and on. So to help SA dairy farmers we are putting together a dairy website that over time we will build into a "one stop shop".

THE DAIRY WEBSITE

Sally Schultz and the dairy plan team with the assistance of SADA are planning to launch the new service in August.



L-R: Jo Gilbert (SADA Office) and Sally Schultz

THE 2005 NATIONAL DAIRY SURVEY

The 2005 Dairy Survey included inputs from 1,276 farmers and a wide cross section of associated dairy industry businesses. The report provides a clear statement of where the industry is today, the trends and challenges, and the future production intentions of the farmers. This year an even more detailed analysis has been done on each of the dairy regions and there has been a survey of those who have exited from the industry.

There will be so much written about the results I will not attempt to provide yet another summary. But I would recommend the three page regional summaries. If you would like a copy you can get one through the SADA Office. There are two: Central South Australia and Western Victoria & South East South Australia.



L-R: Steve Spencer, John Bywater, DFG General Manager and Ken Lyons

There are many reasons why these surveys are important.

1. Perhaps most important is that they provide a detailed picture of the views of the "grass roots" farmers and their business conditions. There is a danger with big rural industries where there are so many experts in Melbourne, Sydney and Canberra that the members are not heard well enough. This provides Dairy Australia and the Dairy Associations with really good industry feedback for getting the policy settings right.

2. To effectively move forward we need a common understanding of where we are and where we are going. Politicians need to have confidence in the advice they are being given by industry. CREDIBILITY is so important in all facets of business today.

With so much happening in the environmental area with the EPA, water issues, biodiversity issues, bio-security issues, animal welfare issues, reclamation and revegetation projects etc you will notice we are strengthening our capacity to deal

SADA MEMBERSHIP FEES

The SADA Financial year is coming to a close (30 June 2005) and any member who has reached or passed the cap of \$1307.12 may claim a refund from the Association no later than the end of October annually. Contact Jo on 8293 2399.

There will be an increase in the cap level from \$1307.12 to \$1478.53 beginning 1 July 2005. The cap is now linked to the average production on SA dairy farms. As farms increase in size (on average) the cap will increase proportionately.

DIARY DATES

SADA Board Meeting – June 14
SE Effluent Field Day – June 15
Fleurieu AGM – June 21, 10.30am at the Hindmarsh Valley Hall. BBQ Lunch supplied.
Adelaide Hills AGM – June 23, 10.30am at the Blumberg Hotel, Birdwood. Subsidised Lunch
River & Lakes AGM – June 30, 11.00am at the Riverside Hotel. Subsidised Lunch

2005 DAIRY SCIENCE WORLD SERIES CONFERENCE



Functional Dairy Foods 2005 will look at the Scientific and Technical Elements that are driving dairy to be a foremost functional food. Some of the topics to be presented over the 2-day conference on 27 & 28 July 2005 held at the Stamford Plaza Hotel include: Dairy Components for Preventative Health, Farm Research and Emerging Technologies and Future Challenges.

DSWS Dinner 7.00pm Wednesday 27 July.

In the style of previous DSWS dinners the CHR Hansen sponsored dinner promises to be a highlight of the social program. Sited in the beautiful and historic Ayers House the dinner will give delegates an opportunity to wine, dine and mingle in the gracious atmosphere of this bygone era.

DIAA Awards Function 6.30pm – 9.00pm Thursday 28 July.

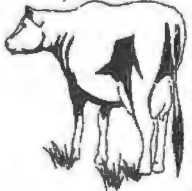
To showcase the elite in Australian dairy products at the DIAA Product Awards this year we have chosen to hold a cocktail function at a venue that in the past has showcased some of Australia's greatest cricketers – the Bradman Room at Adelaide Oval.



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ADF INFORMER – 3 June 2005

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

New Board Members

The ADF board met last week and welcomed six new board members namely: Doug Chant, Warren Miles, Naomi Pye, Nick Renyard, Chris Griffin and Alan Davenport. Doug Chant was elected to the position of ADF Vice-President and consequently will serve on the ADF Executive and the Australian Dairy Industry Council (ADIC) with Allan Burgess and Wes Judd.

The ADF Board recognised the significant contribution of retiring board members Peter Owen, Geoff Akers, Peter Sherman, Charlie Zuidima, Shirley Harlock and Chook Downie.

Collective Negotiation Authorisation

The ADF has received notice from the ACCC that it has agreed to provide an interim authorisation to continue with the current collective negotiation arrangements until the new application has been assessed and a determination finalised.

ADF has written to the Minister for Small Business, Fran Bailey, to provide arguments why it would not be appropriate to apply a \$3 million turnover limit to a dairy farmer with respect to new legislation for collective bargaining. Under proposed new legislative arrangements, any small business with a turnover above this limit would be excluded from participating in collective bargaining groups. The Government has recognised that this may not necessarily be appropriate in all circumstances and has sought comment from ADF and NFF for a case to exempt dairy farmers and farmers in general from this proposed clause to the new trade practices legislation currently being considered by the Government and Parliament.

Meat and Livestock Australia Cattle Transaction Levy

The ADF considered the proposed increase in the cattle transaction levy from \$3.50 to \$5.00. It was resolved that state dairy farmer organisations (SDFO's) would communicate to their members the fact that dairy farmers are also beef producers and, as such, they contribute significantly to Meat and Livestock Australia via the transaction levy. States will encourage them to register to vote and/or join MLA. While ADF has not taken a position on the levy increase, it does encourage dairy farmers to join MLA and/or register for the vote, so that in future, dairy farmers can have a say in how cattle levy funds are invested.

For an existing member of MLA, voting papers will be sent to you on 10 June. Non-MLA members wishing to vote in the forthcoming levy poll must register with MLA by calling **1800 550 060**. Voting is open until 27 July and you can still register to vote during this period. Applications can be processed in a short space of time but obviously we advise that dairy farmers register to vote well before 27 July. In registering to vote you will need to certify the number of head sold in the 2003/2004 financial year.

ADF review for Dairy CRC 2

Last week the ADF board formally received and discussed a review of the CRC for Innovative Dairy Products that was undertaken by the ADF's CRC Project Team. The ADF board adopted the comprehensive report in full, which included; support for a second-term funding application and key strategic advice. ADF believes that biotechnology-based research, such as that undertaken by the CRC, is an important part of a balanced industry R&D strategy that has the potential to provide significant benefits to Australian dairy farmers.

The CRC has formed a Board Sub-committee which is chaired by ADF nominee to the CRC Board, John McQueen, to develop the detailed proposal for a second round of funding application for the dairy CRC.

Natural Resource Issues – Industry Structures and DairyGains Project

ADF has progressed the project known as DairyGains. Approval for \$150,000 initial funding has been received from the National Action Plan (NAP) program (part of the Natural Heritage Trust Funding) to assist with the development of a dairy effluent code of practice and a Memorandum of Understanding (MOU) with key stakeholders including government, dairy companies and agencies such as the CMAs and EPAs. These stakeholders have supported this collaborative approach. DairyGains is a Victorian based initiative that was initially developed with the UDV and other stakeholders. ADF has become involved as a funding leader and because the issues are of national significance. Jenny McMillan has been asked to chair the project executive on behalf of ADF and UDV.

ADF CEO John McQueen is the current Chair of the Forum which was held in Sydney this week. The forum provides a valuable mechanism for all the livestock industry members of AHA to discuss issues of common interest and develop policies for issues critically important to our animal biosecurity and ongoing market access. This meeting devoted considerable time to developing a common view on proposals to restructure the mechanisms for developing animal welfare codes of practice in Australia. Other important animal health issues dealt with included the intention to train 1000 animal producers throughout Australia over the next couple of years as Industry Liaison Officers in the event of an emergency disease outbreak; new consultation arrangements with the Australian Animal Health Laboratories (AAHL); and discussions on the recently released report into Operation Minotaur – the simulated FMD outbreak that was undertaken in 2003. The Forum formally meets with the Board of AHA to provide a briefing on the outcomes of the discussions amongst industry.

Live Dairy Heifer Exports to China

ADF has held a series of meetings over the past week to further progress the development of software and other infrastructure to facilitate the long term opportunities for exports of cattle to China. ADF has received some of the necessary funding for this project from the Department of Agriculture, Fisheries and Forestry.

UDV Warrnambool Dinner

ADF was pleased to address a dinner gathering of the UDV's Warrnambool branch members. The objective of the evening was to highlight the important and professional work of ADF and its direct link to UDV membership. Furthermore to encourage members to actively support the branch and district leadership in the development of clear needs and policies through to the UDV and ADF.

NFF Business and Economics Committee and Drought

This Committee met this week and considered a raft of issues. First on the agenda was drought assistance with a review of the additional government initiatives and a commitment from the Committee to the need for real reform. The ADF has congratulated the NFF on their efforts in obtaining additional support for drought-affected farmers.

Queensland Dairyfarmers' Organisation President, Wes Judd, said that about 50% of Queensland dairy farmers had accessed drought assistance. With dry conditions ongoing the new guidelines allow for four previously declared regions to be reviewed.

The soon to be released Dairy 2005 Situation and Outlook Report demonstrates that significant numbers of dairy farmers across several states have accessed drought assistance in the last few years. State dairy farmer organisations have worked hard in recent years to support regional dairy industry access to drought assistance.

John McQueen
Chief Executive Officer

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Functional Dairy Foods 2005

the 2005 Dairy Science World Series conference, Adelaide, Australia

27-28 July 2005



WEDNESDAY 27 JULY 2005

9:00 am Prof. Linda Tapsell, Director, National Centre of Excellence in Functional Foods, Australia

9.10-10.35 am

Session 1: Genomics

9:10 am **Prof. Bruce German**, Nestlé Research Centre, Switzerland, & University of California, US

Keynote *The 'milk' genome*

9:45 am **Dr Eric Johansen**, Applied Biotechnology, Chr. Hansen, Denmark

Keynote *Genomics and probiotic research*

10:20 am **Dr Michael Fenech**, CSIRO & National Centre of Excellence in Functional Foods, Australia

Functional foods for genome health

11:00-12:20 pm

Session 2: Dairy Foods: Metabolic Imprinting, Immunity and Allergy

11:00 am **Prof. Seppo Salminen**, University of Turku, Finland

Keynote *Probiotics and reduction in risk of disease*

11:35 am **Dr Imme Penttila**, Child Nutrition Research Centre, Child Health Research Institute, Australia

Maternal milk cytokines and infant immune development

11:50 am **Dr Louise Bennett**, Food Science Australia

Evaluation of immune modulatory properties of selected dairy peptide fractions

12:05 pm **Dr Ross Crittenden**, Food Science Australia

The Mam Study: a clinical study of milk allergy mechanisms in adults

1:35-2:55 pm

Session 3: Dairy Components for Preventative Health

1:35 pm **Dr Angela Rowan**, Fonterra Research Centre, New Zealand

Keynote *Bioactives: discovery and proof of efficacy*

2:10 pm **Dr Catherine Stanton**, Teagasc, Ireland

Development of dairy-based functional foods containing probiotics and prebiotics

2:25 pm **Ms Kim Staples**, University of Western Sydney, Australia

Evidence for the role of dairy minerals and lactose in enhancing intestinal health

2:40 pm **Dr Peter Clifton**, CSIRO Health Sciences and Nutrition, Australia

Interaction between grape seed polyphenols and dairy-based bacteria: implications for vascular health

3:20-4:55 pm

Session 4: Dairy Macronutrients

3:20 pm **Dr Adam L. Lock**, Cornell University, New York, United States

Keynote *The biology of trans fatty acids: implications for human health and the dairy industry*

3:55 pm **Ms Roxanne Portolesi**, Flinders University, Australia

The accumulation of DHA in HEPG2 cell membranes is elevated following supplementation with fatty acids found in dairy fat

4:10 pm **Mr Shusuke Toden**, CSIRO Health Sciences and Nutrition, Australia

Differential effects of dietary whey and casein on colonic genetic damage in rats

4:25 pm **Dr Yu Pan**, University of Melbourne, Australia

Effect of chemical modification on antimicrobial and antiviral properties of milk proteins

4:40 pm **Dr Manny Noakes**, CSIRO Health Sciences and Nutrition, Australia

Dairy proteins and appetite control – substantiation and opportunities

Welcome to Adelaide in 2005

It is with much pleasure that I invite all DIAA members and our industry colleagues within Australia and internationally to attend the Dairy Science World Series (DSWS) and DIAA National conferences.

This year we have moved to Adelaide, a first for the DSWS. 'Functional Dairy Foods 2005' will look at the scientific and technical elements that are driving dairy to be a foremost functional food.

Our objective is to go behind the hype and focus on the practicalities for today and tomorrow. Leading scientists from overseas and Australia will present the latest research across the broad scope of functional dairy foods.

The National Conference, 'Capitalising on the Quality in Dairy' will see senior industry leaders and experts address technical, political and marketing issues relating to the culture of 'quality' in the dairy industry.

Quality farm management, quality production systems, quality people with quality training building quality customer service relationships.

With the support of our valued sponsors, the conference will feature eminent speakers and a wide variety of social activities, giving everyone the chance to catch up with old friends and make some new ones.

Once again these will be landmark conferences that talk to the future of the industry, and I urge you to set aside the time and register now.

Janos Kaldy
Federal President, DIAA,
and Chair, Organising Committee



ACCOMMODATION

Adelaide has a range of hotel accommodation available within 10 minute walking distance of the conference venue. The DIAA has negotiated special rates at the conference venue - the Stamford Plaza Hotel and the Hyatt Regency and Holiday Inn Adelaide.

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150 North Terrace, Adelaide
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Superior Room \$185
including buffet breakfast
Please quote "DIAA National Conference"

Hyatt Regency Adelaide ★★★★★
North Terrace, Adelaide
Ph: 131 234
Hyatt Guest Room \$185
including 1 buffet breakfast per room
Please quote the code G-D127

Holiday Inn on Hindley ★★★★★
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Accommodation must be booked through the hotels directly.

REGISTRATIONS CLOSE

Registrations close 22 July 2005.
Registrations after this date may incur an additional \$50 administration fee.

To assist the management of catering requirements, all additional bookings for social functions close 22 July 2005.

DISCLAIMER

Details are correct at the time of printing. In the event of unforeseen circumstances, organisers reserve the right to remove or alter items in the conference program.

CANCELLATIONS

Cancellations must be in writing and if received by the 30 June 2005, payment will be refunded less \$75 administration fee.

There are no conference fee refunds after 30 June 2005. However, at any time registrations are transferable by you to another attendee (transfers must be notified in writing).

PROMOTIONAL OPPORTUNITIES

There is still the opportunity for your company to promote its products directly to a varied cross section of the dairy industry through sponsorship of the conference or hosting a trade booth. For further details on sponsorship packages and the trade exhibition contact:

MAX HYDE
DIAA Business Manager
Ph: 61 3 9870 4161 or email:
max@hydemedia.com.au

INQUIRIES & REGISTRATION

Please direct all other inquiries and registrations to:

KRISTINE MANSER
DIAA Conference Secretariat
Private Bag 16
Werribee, Vic 3030, Australia
Ph: 61 3 9731 3393
Fax: 61 3 9731 3206
Email: diaa@dairy.com.au
www.diaa.asn.au



Media Release
June 6, 2005

Fonterra Takes Next Steps in Australian Growth Strategy

Fonterra Co-operative Group Ltd has signalled its intention to be a leading player in the Australian dairy industry by consolidating all its interests in Australia under the Fonterra name and further expanding its milk collection and processing capacity.

Fonterra's consumer products companies in Australia – Bonland Dairies in Melbourne and Peters & Brownes in Perth – are being consolidated under Fonterra Brands.

Fonterra Chief Executive Andrew Ferrier said that consolidating the consumer businesses would create a strong foundation for future growth.

"Bringing our Australian consumer businesses together will enhance our business objective of growing our branded consumer dairy business, with a strong Australasian base."

Fonterra's brand portfolio in Australia includes Mainland, Bega, Perfect Italiano, Western Star, Brownes and Peters.

Expansion in Fonterra Brands will include the acquisition of Murrumbidgee Dairy Products (MDP) – the liquid milk, desserts and yoghurt company based in Wagga Wagga – formerly owned by Bonlac Foods Limited (BFL). This brings the Riverina Fresh brand portfolio into the business. Fonterra's intention is to grow the MDP business.

At the same time, Fonterra has moved to strengthen its position as a purchaser, processor and marketer of milk in Australia, replicating its successful cow to customer supply chain in New Zealand.

As part of this, Fonterra is seeking to move from 50 per cent to full ownership of BFL, a move supported by the Board of Bonlac Supply Company (BSC), its joint venture partner, but still to be ratified by BSC shareholders.

Fonterra will acquire Nestlé's plant at Dennington on Victoria's south west coast and integrate this into its dairy manufacturing business, along with the BFL plants. As part of the agreement, Fonterra will take over the collection of milk from around 420 farmers in Victoria who currently sell their milk to Nestlé and will manufacture a range of powdered milk products for Nestlé in Australia. Nestlé is one of Fonterra's large global customers and this relationship builds on that partnership.

Fonterra will take over the Dennington plant from the start of August and begin a process to transform it into a world class, milk powder manufacturing plant. Fonterra will integrate Dennington with its other facilities to maximise economies of scale and ensure optimum product mix across its plants. After a transition period of up to five months, employees at Dennington will become Fonterra employees on January 1, 2006.

Mr Ferrier said Fonterra is committed to retaining the support and loyalty of suppliers to its plants in Victoria, Tasmania, New South Wales and Western Australia by paying a competitive milk price and delivering quality services.

The transition to Fonterra will be seamless for farmer suppliers, allowing them to continue with business as usual.

He said the changes Fonterra was making to its businesses reinforced its commitment to its Australasian base.

"We are consolidating and strengthening our businesses in Australia because we believe that there is a significant opportunity for the Australian and the New Zealand dairy industries to work closer together to compete more aggressively in the global marketplace.

"For this to happen, however, we need a stronger presence in the Australian dairy industry.

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 10 June 2005

PRESIDENT'S REPORT

Jeff Wright

It was good to have some inspiring pictures on the front of the last Update instead of my usual diatribe. The reason for the change was I was too busy to write a front page due to some issues on the farm and the first round of calving (we synchronise all the cows and most of the heifers with a planned calving start date of 25 May). This situation has seen me unable to do very much SADA or ADF business other than what I can do from home after hours for the last few weeks. Hopefully the light at the end of the tunnel is getting brighter so I can get back to doing the stuff that I enjoy doing on behalf of you my fellow farmers. I guess the upside of this is that I have lost nearly 10kgs!!

I would like to acknowledge the work and extra effort that David Basham, Ken Lyons and other Board members have put in during this time. I would also like to publicly apologise to the people who have phoned or tried to contact me and I just have not had the time to return their call, I am sorry and feel like I have let some of you down. It is nothing personal but sometimes the farm and my health just have to come first.

Speaking of health, we learnt of a very successful program that is operating in Western Victoria. It helps dairy farmers and their families to focus on their health and helps them to do something about it. We are hoping to get this program happening here in SA later this year or early next year. This is even more important when we put our personal health and stresses alongside of the "Stress in Dairy Farming" report that was released last year.

As I write this there is thunder and lightening outside and we have had a few showers so I hope this is going to be the break in the season. Do any of you remember the conference that we had at Victor Harbor when the first real rain we had for the year happened that day and boy was it cold! The venue had just gone into receivership and they had turned the heating off when there were inches of hail outside.

That was this time of the year and it is etched into my memory.

Would you like to see an annual SADA conference happen again?
Let us know your thoughts on this issue.

Farmers today are becoming much more aware of the prices and contract options. As with all rural associations (wine, seafood, wool, meat, etc) we are providing information about prices and some support in the bargaining process (such as access to collective bargaining). Associations can be important in both providing members with information about all the processors (generally farmers have a close relationship with their own company but may not be fully aware of the other alternatives) and together with DA and at every opportunity (including the latest 2005 Dairy Survey) provide members with information about how the dairy market works and the outlook.

At the recent ADF meeting it was agreed that the ADF and the SDFO's need to develop a deeper understanding of milk price factors. Members are also looking for information on the rapid rationalisation (the entry of Fonterra and San Miguel into the Australian market and the corporatisation of some of our co-ops).

As I write the Fonterra Chair and CEO are holding a Press Conference announcing a further strengthening of their position in Australia.

FONTERRA IN AUSTRALIAN GROWTH STRATEGY

The attached media release provides the Update.

There is no doubt we are moving further down the track in business where information is power and important for decision making. Farmers need to know milk prices, fodder prices, water prices/costs, power prices, labour rates, contract rates and on and on. So to help SA dairy farmers we are putting together a dairy website that over time we will build into a "one stop shop".

THE DAIRY WEBSITE

Sally Schultz and the dairy plan team with the assistance of SADA are planning to launch the new service in August.



L-R: Jo Gilbert (SADA Office) and Sally Schultz

THE 2005 NATIONAL DAIRY SURVEY

The 2005 Dairy Survey included inputs from 1,276 farmers and a wide cross section of associated dairy industry businesses. The report provides a clear statement of where the industry is today, the trends and challenges, and the future production intentions of the farmers. This year an even more detailed analysis has been done on each of the dairy regions and there has been a survey of those who have exited from the industry.

There will be so much written about the results I will not attempt to provide yet another summary. But I would recommend the three page regional summaries. If you would like a copy you can get one through the SADA Office. There are two: Central South Australia and Western Victoria & South East South Australia.



L-R: Steve Spencer, John Bywater, DFG General Manager and Ken Lyons

There are many reasons why these surveys are important.

1. Perhaps most important is that they provide a detailed picture of the views of the "grass roots" farmers and their business conditions. There is a danger with big rural industries where there are so many experts in Melbourne, Sydney and Canberra that the members are not heard well enough. This provides Dairy Australia and the Dairy Associations with really good industry feed back for getting the policy settings right.

2. To effectively move forward we need a common understanding of where we are and where we are going. Politicians need to have confidence in the advice they are being given by industry. CREDIBILITY is so important in all facets of business today.

With so much happening in the environmental area with the EPA, water issues, biodiversity issues, bio-security issues, animal welfare issues, reclamation and revegetation projects etc you will notice we are strengthening our capacity to deal

SADA MEMBERSHIP FEES

The SADA Financial year is coming to a close (30 June 2005) and any member who has reached or passed the cap of \$1307.12 may claim a refund from the Association no later than the end of October annually. Contact Jo on 8293 2399.

There will be an increase in the cap level from \$1307.12 to \$1478.53 beginning 1 July 2005. The cap is now linked to the average production on SA dairy farms. As farms increase in size (on average) the cap will increase proportionately.

DIARY DATES

SADA Board Meeting – June 14

SE Effluent Field Day – June 15

Fleurieu AGM – June 21, 10.30am at the Hindmarsh Valley Hall. BBQ Lunch supplied.

Adelaide Hills AGM – June 23, 10.30am at the Blumberg Hotel, Birdwood. Subsidised Lunch

River & Lakes AGM – June 30, 11.00am at the Riverside Hotel. Subsidised Lunch

2005 DAIRY SCIENCE WORLD SERIES CONFERENCE



Functional Dairy Foods 2005 will look at the Scientific and Technical Elements that are driving dairy to be a foremost functional food. Some of the topics to be presented over the 2-day conference on 27 & 28 July 2005 held at the Stamford Plaza Hotel include: Dairy Components for Preventative Health, Farm Research and Emerging Technologies and Future Challenges.

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To showcase the elite in Australian dairy products at the DIAA Product Awards this year we have chosen to hold a cocktail function at a venue that in the past has showcased some of Australia's greatest cricketers – the Bradman Room at Adelaide Oval.



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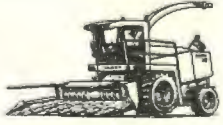
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Australian Dairy Farmers

ADF INFORMER – 3 June 2005

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

New Board Members

The ADF board met last week and welcomed six new board members namely: Doug Chant, Warren Miles, Naomi Pye, Nick Renyard, Chris Griffin and Alan Davenport. Doug Chant was elected to the position of ADF Vice-President and consequently will serve on the ADF Executive and the Australian Dairy Industry Council (ADIC) with Allan Burgess and Wes Judd.

The ADF Board recognised the significant contribution of retiring board members Peter Owen, Geoff Akers, Peter Sherman, Charlie Zuidima, Shirley Harlock and Chook Downie.

Collective Negotiation Authorisation

The ADF has received notice from the ACCC that it has agreed to provide an interim authorisation to continue with the current collective negotiation arrangements until the new application has been assessed and a determination finalised.

ADF has written to the Minister for Small Business, Fran Bailey, to provide arguments why it would not be appropriate to apply a \$3 million turnover limit to a dairy farmer with respect to new legislation for collective bargaining. Under proposed new legislative arrangements, any small business with a turnover above this limit would be excluded from participating in collective bargaining groups. The Government has recognised that this may not necessarily be appropriate in all circumstances and has sought comment from ADF and NFF for a case to exempt dairy farmers and farmers in general from this proposed clause to the new trade practices legislation currently being considered by the Government and Parliament.

Meat and Livestock Australia Cattle Transaction Levy

The ADF considered the proposed increase in the cattle transaction levy from \$3.50 to \$5.00. It was resolved that state dairy farmer organisations (SDFO's) would communicate to their members the fact that dairy farmers are also beef producers and, as such, they contribute significantly to Meat and Livestock Australia via the transaction levy. States will encourage them to register to vote and/or join MLA. While ADF has not taken a position on the levy increase, it does encourage dairy farmers to join MLA and/or register for the vote, so that in future, dairy farmers can have a say in how cattle levy funds are invested.

For an existing member of MLA, voting papers will be sent to you on 10 June. Non-MLA members wishing to vote in the forthcoming levy poll must register with MLA by calling **1800 550 060**. Voting is open until 27 July and you can still register to vote during this period. Applications can be processed in a short space of time but obviously we advise that dairy farmers register to vote well before 27 July. In registering to vote you will need to certify the number of head sold in the 2003/2004 financial year.

ADF review for Dairy CRC 2

Last week the ADF board formally received and discussed a review of the CRC for Innovative Dairy Products that was undertaken by the ADF's CRC Project Team. The ADF board adopted the comprehensive report in full, which included; support for a second-term funding application and key strategic advice. ADF believes that biotechnology-based research, such as that undertaken by the CRC, is an important part of a balanced industry R&D strategy that has the potential to provide significant benefits to Australian dairy farmers.

The CRC has formed a Board Sub-committee which is chaired by ADF nominee to the CRC Board, John McQueen, to develop the detailed proposal for a second round of funding application for the dairy CRC.

Natural Resource Issues – Industry Structures and DairyGains Project

ADF has progressed the project known as DairyGains. Approval for \$150,000 initial funding has been received from the National Action Plan (NAP) program (part of the Natural Heritage Trust Funding) to assist with the development of a dairy effluent code of practice and a Memorandum of Understanding (MOU) with key stakeholders including government, dairy companies and agencies such as the CMAs and EPAs. These stakeholders have supported this collaborative approach. DairyGains is a Victorian based initiative that was initially developed with the UDV and other stakeholders. ADF has become involved as a funding leader and because the issues are of national significance. Jenny McMillan has been asked to chair the project executive on behalf of ADF and UDV.

ADF CEO John McQueen is the current Chair of the Forum which was held in Sydney this week. The forum provides a valuable mechanism for all the livestock industry members of AHA to discuss issues of common interest and develop policies for issues critically important to our animal biosecurity and ongoing market access. This meeting devoted considerable time to developing a common view on proposals to restructure the mechanisms for developing animal welfare codes of practice in Australia. Other important animal health issues dealt with included the intention to train 1000 animal producers throughout Australia over the next couple of years as Industry Liaison Officers in the event of an emergency disease outbreak; new consultation arrangements with the Australian Animal Health Laboratories (AAHL); and discussions on the recently released report into Operation Minotaur – the simulated FMD outbreak that was undertaken in 2003. The Forum formally meets with the Board of AHA to provide a briefing on the outcomes of the discussions amongst industry.

Live Dairy Heifer Exports to China

ADF has held a series of meetings over the past week to further progress the development of software and other infrastructure to facilitate the long term opportunities for exports of cattle to China. ADF has received some of the necessary funding for this project from the Department of Agriculture, Fisheries and Forestry.

UDV Warrnambool Dinner

ADF was pleased to address a dinner gathering of the UDV's Warrnambool branch members. The objective of the evening was to highlight the important and professional work of ADF and its direct link to UDV membership. Furthermore to encourage members to actively support the branch and district leadership in the development of clear needs and policies through to the UDV and ADF.

NFF Business and Economics Committee and Drought

This Committee met this week and considered a raft of issues. First on the agenda was drought assistance with a review of the additional government initiatives and a commitment from the Committee to the need for real reform. The ADF has congratulated the NFF on their efforts in obtaining additional support for drought-affected farmers.

Queensland Dairyfarmers' Organisation President, Wes Judd, said that about 50% of Queensland dairy farmers had accessed drought assistance. With dry conditions ongoing the new guidelines allow for four previously declared regions to be reviewed.

The soon to be released Dairy 2005 Situation and Outlook Report demonstrates that significant numbers of dairy farmers across several states have accessed drought assistance in the last few years. State dairy farmer organisations have worked hard in recent years to support regional dairy industry access to drought assistance.

John McQueen
Chief Executive Officer

To unsubscribe to the ADF Informer distribution list, please advise by return email.

Australian Dairy Farmers Limited
Level 6, 84 William Street
Melbourne VIC 3000

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Fax: (03) 9642 8166
Email: adf@dairy.com.au

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 18 July 2005

President's Report

Jeff Wright

Most of us have or are going through a most challenging time as we decide what we will do with the contracts that are before us. Thanks to the requirement for more milk, the continued relationships and discussions that have been nurtured between SADA and all the dairy companies over the last few years, coming together with the disenchantment by some members with their existing processors we now have some competition for our milk. Warrnambool Cheese and Butter along with Murray Goulburn have both ventured further into South Australia after responding to contact from SADA and milk suppliers. This has put the cat amongst the pigeons, as the formulations for determining the milk price have had to be re-worked to meet the challenge of securing milk supply. This has meant a price increase for all milk in SA.

I would like to thank all the members who have contributed in any way to this positive outcome for our industry. By working together we have actually achieved a major change in the way milk is purchased and contracted, now and into the future. This could not have come any later as many farmers were seriously considering their futures in dairying. The price squeeze, labour issues and red tape requirements along with the asset value we have in our business are all taken into account but when it is difficult to make a profit and we do not see a light at the end of the tunnel the decision to leave is easier. Many of our fellow farmers have made this decision over the last couple of years.

But enough is enough.

If the South Australian industry is to prosper and grow as the industry plan forecast it might, we need to stop the rot and take the newfound power and prices while we have them and put them to good use. It would be easy to fritter them away and not have any real gain for South Australian dairy farmers. We need to work together as a united group of dairy farmers seeking the best outcome from all who we deal with. We need to continue to nurture our relationships with all the processors across Australia because we will never know when these relationships might come in handy as we deal with the many issues that confront us.

Do you know where the extra income is going to go with in your business? I bet you do, but is that the best place? Have you done Taking Stock? If not then I recommend that you contact Kirstie Murphy or your Field Officer, as it might help you prioritise and focus on the areas that will provide the greatest benefit for your business. If you have, than take another look at it and see if you are on the right track.

All the best in your decision making and remember SADA is there to help you.

ANIMAL HEALTH

SADA, particularly through the very special efforts of Gary Spain and Ken Smith, has been a major player in developing and introducing a new voluntary program for SA dairy farmers to control BJD. The uptake of the offer to join the program has been excellent. One of the benefits for farmers is that there is about \$2.5m in the Cattle Compensation Fund to cover the costs of testing and slaughter programs.

One of the reasons that the rest of Australia is looking to introduce the program is that if dairy importing countries demand a BJD control program as a condition of sale we here in Australia will have a huge "competitive marketing advantage" over our dairy export competitors.

While thinking about "competitive advantages" there was a report from the Bank of New Zealand saying that the Australian dairy industry was in much better shape than the NZ industry. The basis for the comment was the higher debt levels. The NZ farmers had on average 54% ownership compared to 82% here in Australia.

ENVIRONMENTAL ISSUES



L-R: Amy Williams, Jill Williams, Trevor Clark (PIRSA) and Greg Gilbert (Dairy Farmers) at the South East Effluent Day

South East Dairy Effluent Guidelines Field Day
The Field Day held on 15th June at "Lochinvar" Kongorong was very well attended. This has been a really exciting project and a real "team effort".

What I found most interesting included:

1. The new program will deliver excellent environmental outcomes that will protect the quality of the underground water.
2. The project funding paid for consultants to provide every farmer with plans to meet their specific requirements.
3. The infrastructure costs associated with complying with the new program could be paid-off over time with the fertiliser value of the effluent harvested.

Environment Committee Meeting

We discussed the release of the Draft State NRM Plan. If members have any comments on the Plan could they pass them onto Monique Aucote.

It was important to get a briefing from Nick Ronan (Dairy Australia) and Peter Day on the environmental programs being developed nationally.

Most of the meeting was taken up with planning the effluent programs for the Hills and Fleurieu.

Meeting with the EPA Board

We will be meeting with the EPA Board on 12 and 13 July. I will report on these important meetings in the next issue. Thank you to Dean Brown for his assistance.

Barossa Water Allocation Plan

The Draft Concept Plan is currently out for consultation and this is another issue that is currently being progressed.

REGIONAL AGM's

The SADA Regional AGM's were held during June. The agendas were quite different reflecting the issues that have priority in each of the regions. At all the meetings there was plenty of time to discuss the key issues in detail.

Just a brief comment on the issues raised at each of the meetings.

o South East

The key issue here was the review of the Water Allocation Plan. While we thought we had advertised the SADA Board meeting and Forum well we may need to do even a little more next year.



Charles Wallis – South East Regional President

Thanks to Sue Young and congratulations to Charles Wallis for taking over the Regional President's role.

o Fleurieu

Water, "collective bargaining", the environment, the Japanese Exchange and the new ManaJD program were the issues discussed at this meeting.

Congratulations to Kym Mathew on his re-election as Regional President.

Williams farm at Parawa on the Fleurieu Peninsula and have a long history of contribution and involvement in dairy industry affairs.

Lew Owens

The former energy regulator is the new chief executive of ETSA. Access to reliable power is a concern for our industry and I am sure we can work well with Lew in his new position.

Congratulations to both Elaine Trevilyan and Rob Muhern for their very fine efforts and reappointment to the Dairy SA Board.

Neil McNish is leaving his position as a Deputy Director in the Department of Trade and Economic Development. Neil was a supporter of the dairy industry in the state government economic development area and we thank him for his efforts over the years.

John Anderson

The former Deputy PM John Anderson has received praise from the dairy industry for his work in promoting rural issues. The incoming Mark Vaile has strong dairy connections in helping to secure the \$1.8bn DRAP package and getting dairy into the various FTA's.

NATIONAL ISSUES

Changes to the NLIS to come into force on 1 July.

All stock leaving properties need an NLIS tag from 1 July. The only two exceptions are for lines of 20 or more breeding cattle that are going straight from their birth property to slaughter (identifiable with a tail tag) or bobby calves going straight from their birth property to slaughter (identifiable with a bobby calf ear tag).

There are times when the grain producers are at odds with the grain users such as dairy farmers. One such current issue is the possible extensions of the current subsidies for grain based ethanol production. Our dairy associations are arguing strongly that these subsidies are competing up the price of grain for our dairy farmers.

ADF/Dairy Australia Priority Setting workshop for SA was held at the SADA Office on Friday 1 July.

The new National Party Team, with the Victorian Peter McGauran as Agriculture Minister, has immediately come out publicly (The Australian front page 4th July) arguing for a better go for Australian farmers from Coles, Woolworths and McDonalds.

MEMBERSHIP

Kirstie with the new bubs is not quite as mobile as she was but she will be phoning members in

the coming weeks just to check on things and to keep a sense of contact with the association.

Over the years many non-members have issued the challenge that they would rejoin SADA if we could do something about milk prices so it will be interesting to see if the recent events can help in this regard.

COMING EVENTS

2005 DAIRY SCIENCE WORLD SERIES CONFERENCE



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DIAA NATIONAL CONFERENCE

"Capitalising on the Quality in Dairy" is the theme of this years DIAA National Conference and will be held at the Stamford Plaza Hotel on Friday 29 July. Sessions on this day include: Functional Foods - an Industry Perspective, a whole of industry approach to dairy product quality, safety & nutrition, Mergers & acquisitions in the global dairy industry and Hearing the Farmers voice. Cost for this day will be \$88, for SADA/DIAA members and \$132 for non members. This includes lunch, dairy breaks and satchel. See Program attached at end of Update.

DIAA/SADA GALA DINNER

7.00pm Friday 29 July.

Concluding the Conference on a high note the DIAA SA Division and SADA have organised an



Celebrity milking competition showcases SA dairy industry

It's fun, educational and it's free – and it's an excellent promotion for every aspect of the South Australian dairy industry.

Come and see dairy industry representatives, Adelaide's celebrities and media personalities do battle against each other with just their bare hands and a cow's udder in the Great Dairy Day Celebrity Milk-Off at the Royal Adelaide Show.

Each year the boundaries of "fair" competition are pushed just a little further, providing outstanding entertainment for a capacity crowd in the dairy cattle judging area adjacent to the exhibition dairy.

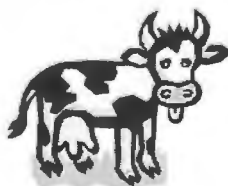
Six teams of four will compete in the relay-style competition to see which team can produce the most milk from their team cow. Well known Postcards presenter Keith Conlon will be master of ceremonies, and some of the State's best known radio, television and newspaper personalities are expected to feature in the teams.

In the past the competition has generated more than a little mayhem and mischief, with controversies over hidden sources of milk and 'accidental' bucket kicking but well known international cricket umpire Steve Davis will be back on duty this year to sort it out as the official referee.

The Celebrity Milk-Off is held as part of Dairy Day – the annual showcase for South Australia's dairy industry. Supported by SADA, Dairy Australia and the Royal Agricultural and Horticultural Society of SA, the program will feature a parade of cow "celebrities" – the champions from the 2005 classes.

There will also be children's entertainment, face painters and free milking sessions at the Exhibition Dairy, which is recognised as one of the best facilities of its kind in Australia.

This year's event will be held on Thursday September 8, starting at 11.30am. For more information contact Bob Snewin on 0418 531 402.





Australian Dairy Farmers

ADF INFORMER - 15 July 2005

Priority Setting for the Farm Sector Continues

In the past fortnight the priority setting process continued with a joint meeting of the NSW and Queensland industry leaders and likewise in Western Victoria. The NSW/Queensland joint meeting highlighted the need to work across state borders and plan collaboratively on key issues such as milk supply management, research and education. Congratulations to the leadership team for bringing this historic planning session together. The Western Victorian meeting was the third and final Victorian regional meeting and farm sector leaders will now meet with Victorian state level leaders such as companies and government, to further develop priorities. The state and national leadership group will begin distribution of a monthly update to all those who participated in the priority setting process. The aim is to keep the participants informed of the development of outputs from the meetings and how these are being considered and eventually acted upon. We will also keep stakeholders informed through ADF Informer.

Education and Training

With the decision of the University of Melbourne to withdraw from Vocational Education and Training (VET), at both farm and factory level, the Victorian Government was required to call for expressions of interest to deliver the University's hours. The importance of this was evident to the UDV and ADF and urgent meetings and discussion papers were arranged with the support of the Australian Dairy Industry Council (ADIC) and Dairy Australia. In hindsight it was fortunate that the May industry workshop had given ADF a clear set of principles upon which to go forward in the VET sector (see Appendix below). On the basis of these principles the ADIC agreed that the industry should become more actively involved in the VET sector and Dairy Australia was asked to develop a path to go forward. The process is far from complete but to date we have done our best to set the industry on a path of better learning outcomes.

Live Exports to China

After several months of negotiations the arrangements with the Chinese Ministry of Agriculture (MoA) have concluded. Clearly this trade was at risk and we believe the outcomes do provide the basis for the long-term sustainability of live exports to China for those producers who chose to access the trade. We have maintained excellent relationships with MoA officials and this augers well for ongoing discussions for future trade opportunities in dairy products. Increased information will be required for heifers to be exported to China duty-free. The ADF is working with partners to develop the systems and information required to support farmers in this area. The key changes involve NLIS tagging of all heifers, date of birth and increased pedigree information. The hard work continues as the stakeholders begin implementation of the new arrangements. Farmers will be provided with an information guide so they can plan accordingly if they wish to be in the market.

China Free Trade Agreement (FTA)

Meanwhile, pre-planning for the proposed Australia/China FTA continued with ADF attending a meeting of the China FTA Industry Working Group in Canberra. The Dairy Australia Trade Reference Group, which includes several ADF representatives, also met this week to further develop the collective industry approach to the forthcoming WTO and China negotiations. The WTO is at a very intensive time and over the next few weeks an even more intensive involvement of industry will occur.

DairyGains

ADF, along with managing consultants RMCG, met with the dairy companies' senior field officers this week to discuss the DairyGains project. Dairy industry leaders and government agree that the effective management and monitoring of dairy effluent is critical to the long-term success of the industry. Furthermore, it is agreed that the evidence shows that current systems are insufficient to underpin that success.

DairyGains is a Victorian-based project that is focused on managing dairy effluent on dairy farms to maximise its use in sustainable and profitable farming and to minimise its impact on the environment. Specifically, DairyGains aims to achieve agreement between government and industry based on a common code of

WANTED

Beef and Dairy Cattle Owners/Breeders/Managers to fill positions on the SA Cattle Advisory Group

Nominations are invited from persons interested in providing policy advice to the Minister in relation to the cattle industry and in particular cattle health issues.

The SA Cattle Advisory Group (SA CAG) was established by the Minister in 1998 under the Livestock Act 1997. The group has been instrumental in providing the Minister with advice on issues affecting the industry - particularly those issues relating to animal health (such as bovine Johnes disease control), property registration, livestock traceability and supportive regulations where necessary. The group also provides advice to the Minister on the use of the Cattle Industry Fund.

The group consists of two beef industry representatives, two dairy industry representatives, a pastoralist (Cattle) representative, a SA Dairy Association representative, a SA Farmers Federation (Beef) representative and a Ministerial representative.

Members are reimbursed for attendance, travel and other related expenses at standard Government rates. A minimum of two meetings are held per financial year, with further meetings scheduled if necessary.

Nominations are now sought from women and men for one beef and two dairy industry representatives on the advisory group. Nominations should be accompanied by a resume outlining the nominee's background (including committee work), knowledge and interests in the industry, as well as at least two referees. Selection will be based on merit. Appointment will be for a 2 year term and self nominations (other than for industry association nominations) are welcome.

Prior to submitting an application, interested persons should obtain a copy of the group's Terms of Reference from the contact details shown below.

Applications should be received by close of business Friday 5 August 2005 and addressed to:

Ms Elena Petrenas
Manager, Livestock Advisory Groups
PIRSA Animal Health
GPO Box 1671
ADELAIDE SA 5001
Phone: 08 8207 7976
Fax: 08 8207 7852
E-mail: elena.petrenas@state.sa.gov.au

REGISTRATION FORM/TAX INVOICE

THIS FORM WILL BECOME A TAX INVOICE WHEN PAYMENT IS MADE ABN 98 549 642 932

Title: First name: Last Name:

Company: Position:

Address: Suburb/City: Postcode: State:

Telephone: Mob: Fax: Email:

Special Dietary Requirements:

FILL IN A, B, C, D, OR E

Tick this box if you wish to become a member of the DIAA and TAKE ADVANTAGE of the DIAA Member discount for this conference. Annual fee \$99.00. We will forward an application form to you.

A FUNCTIONAL DAIRY FOODS 2005 & DIAA NATIONAL CONFERENCE \$990

Includes ALL SOCIAL FUNCTIONS lunches, dairy breaks, conference proceedings and satchel. Fill in social functions if EXTRA tickets required

ESS Member Discount (DIAA/SADA) \$110

ESS Early Registration Discount Before 4/07/05 \$220

TOTAL REGISTRATION

E FUNCTIONAL DAIRY FOODS 2005 DAY REGISTRATION \$385

Includes lunches, dairy breaks, and satchel. IT DOES NOT INCLUDE SOCIAL FUNCTIONS. Fill in social functions if tickets required

LESS Member Discount (DIAA/SADA) \$55

LESS Early Registration Discount Before 4/07/05 \$110

WEDNESDAY THURSDAY

TOTAL REGISTRATION

B FUNCTIONAL DAIRY FOODS 2005 ONLY \$880

Includes DSWS Dinner, Awards Functions, lunches, dairy breaks, conference proceedings and satchel

ESS Member Discount (DIAA/SADA) \$110

ESS Early Registration Discount Before 4/07/05 \$220

TOTAL REGISTRATION

SOCIAL FUNCTIONS

	MEMBER DIAA/SADA	NON MEMBER	NO. OF TICKETS	TOTAL
DSWS Dinner	\$88	\$99		
Awards Function	\$55	\$66		
DIAA/SADA Gala Dinner	\$77	\$110		
ADDITIONAL TICKETS CAN BE PURCHASED				TOTAL

TOTAL REGISTRATIONS

TOTAL FUNCTIONS

TOTAL PAYABLE

C DIAA NATIONAL CONFERENCE ONLY \$132

Includes lunches, dairy breaks, and satchel. IT DOES NOT INCLUDE SOCIAL FUNCTIONS. Fill in social functions if tickets required

ESS Member Discount (DIAA/SADA) \$44

ESS Early Registration Discount Before 4/07/05 \$22

TOTAL REGISTRATION

D ASSOCIATE MEMBER/STUDENT REGISTRATION

Includes lunches, dairy breaks, conference proceedings and satchel. IT DOES NOT INCLUDE SOCIAL FUNCTIONS. Fill in social functions if tickets required

Joint Conference \$440

Functional Dairy Foods 2005 \$330

Functional Dairy Foods 2005 - Day \$176

DIAA National Conference Only \$66

LESS Member Discount (DIAA/SADA) \$22

TOTAL REGISTRATION

PAYMENT

CHEQUE Please Make Payable to: DIAA (Dairy Industry Association of Australia)

CREDIT

Please Debit My Credit Card for the Total Payable

VISA AMEX MASTERCARD BANKCARD

Cardholders Name:

Account Number:

Expiry Date:

Signature:

- Payment by cheque in Australian dollars or credit card.
- GST is included in all fees.
- Cheques payable to Dairy Industry Association of Australia.
- Early registration discounts are only available for bookings WITH PAYMENT received by 4 July 2005
- Registrations received by fax or email will not be processed until payment is received.

Dairy Science World Series – 27 & 28 July

Stamford Plaza Hotel – Adelaide

Leading scientists from overseas and Australia will present the latest research across the broad scope of functional dairy foods.

DSWS Conference Dinner - 27 July 7.00pm

In the style of previous DSWS dinners the CHR Hansen sponsored dinner promises to be a highlight of the social program. Sited in the beautiful and historic Ayers House the dinner will give delegates an opportunity to wine, dine and mingle in the gracious atmosphere of this bygone era.

DIAA Awards - 28 July 6.30pm – 9.00pm

To showcase the elite in Australian dairy products at the DIAA Product Awards this year we have chosen to hold a cocktail function at a venue that in the past has showcased some of Australia's greatest cricketing stars - the Bradman Room at Adelaide Oval.

DIAA Conference – 29 July

Stamford Plaza Hotel

“Capitalising on the Quality of Dairy” will see senior industry leaders and experts address technical, political and marketing issues relating to the culture of ‘quality’ in the dairy industry. Quality farm management, quality production systems, quality people with quality training building quality customer service relationships.

DIAA/SADA Gala Dinner - 29 July 7.00pm

Concluding the conference on a high note the DIAA SA Division and SADA have organised an evening of festivity at the Adelaide Festival Centre, a breathtaking venue on the banks of the Torrens River. Be entertained by leading South Australian comedian, Raymond Crowe, and then dance the night away to the dulcet tones of the Jazz band E Type Jazz.

Please make all cheques payable to DIAA (Dairy Industry Association of Australia)

Please send registrations and payment to:

Jo Gilbert
SADA, U5, 780 South Road
GLANDORE SA 5037

Please note: Cost for the Gala Dinner for DIAA(SA) and SADA members will be \$57 if registered and paid by 4 July. (DIAA(SA) and SADA are subsidising their members \$20 per person)

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 17 August 2005

President's Report
David Basham



As the new SADA President I would like to thank Jeff Wright for his term in the office. He has held the position during a very difficult period where droughts and low milk prices applied pressure to the dairy farming industry here in South Australia. As an organisation we will make further recognition of Jeff's efforts in the near future. Jeff has decided to step down from the Board and concentrate on his personal interests.

Thanks on behalf of all members for your efforts Jeff.

I would like to thank Gary Spain for his time on the SADA board. Gary has been a leader in several areas over the last few years. Gary certainly helped achieve a better outcome in the allocation of volumetric water licenses in the South East. Gary's latest passion has been part of his animal health portfolio, where he assisted in the development of the new Bovine Johne's Disease management program, Dairy ManaJD. Thanks Gary for your commitment to SADA over the years.

Lesley Fischer has held the Presidents replacement position on the Board from the River & Lakes region. As Jeff is no longer President Lesley's position has lapsed. Lesley has been a great asset to the Board with her work as chair of the Human Resources committee.

There are now two vacancies on the Board, one from the River & Lakes region and the other from the Fleurieu. Meetings in both these regions will be held in the near future so we can finalise the Board's makeup.

As I stated above drought, high fodder costs and low milk prices have been a burden to our industry. The industry is showing signs of being more positive now we have a third large milk processor in the regions close to Adelaide. Farmers are showing greater confidence in their industry. A clear example of this could be seen at a Farm discussion group meeting on the Fleurieu on Thursday 4th of August when the group of farmers supplying all three processors applauded the arrival of a milk tanker - a Warrnambool Cheese & Butter tanker.

The new leadership team is myself as President, Lyndon Cleggett as Vice-president, Jill Williams as Treasurer and Ken Smith as the Boards' Australian Dairy Farmers (ADF) representative.

There are many issues for the leadership team and the rest of the Board to focus on, offering direction for our members into the future so the dairy industry can prosper. If you have any issues you would like the Board to address please contact me or any other Board member with your comments and concerns. I can be contacted on 0417 865 962 or email

dbasham@bigpond.com

stronger or weaker collective powers. Given our recent experience with "collective action" the dairy industry may wish to explore further options and possibilities for action in the future.

ACCC managers from Canberra discussed the recent developments with SADA and visited the Fleurieu Group on Tuesday 2 August.

DAIRY FARMERS MEETING WITH THEIR SUPPLIERS

I recently (25 July) attended a Dairy Farmers suppliers meeting at Murray Bridge. I have been going to these meetings for a number of years and I find it really important in gaining an understanding of how the dairy market is seen by the various players. It is a good opportunity to get the farmer issues out into the open and to have Ian Langdon and Ian Zandstra respond. I thought Trevor Connor, as Chair of the meeting, did an excellent job in ensuring the issues were thoroughly addressed. Neither the farmers nor the company got it all their own way but the openness and frankness of the discussion at least identified some "challenges" and "opportunities" for all.

The offer by Dairy Farmers of 2-3 year contracts is well worthy of a mention. In theory by offering long term contracts, incorporating a sharing (between the processor and the supplier) the risks of a price drop, could be an advantage for suppliers. There were some very astute questions from the suppliers on this issue.

NATIONAL FOODS STANDS BY THE EXHIBITION DAIRY



Frank Beauchamp and Glenn Bake, National Foods

SADA would like to thank National Foods and Glenn Bake especially for agreeing to continue their sponsorship of the Exhibition Dairy for this year. Together with Dairy Australia their sponsorship has enabled the facility to continue to operate this year and this provides the "breathing space" for the industry and the RAHS

to develop a management and funding plan for the future.

Members will be pleased to also hear that funding for "Dairy Day" at the RAHS from DA has been achieved for this year. There are meetings involving Grant Piggott (RAHS), John McKew (DA) and SADA planned for mid August to progress this issue. To achieve a reasonable dairy promotion in the future will be a major challenge. Perhaps the various dairy breed societies and their members could also provide support.

We are aware that the Holstein exhibitors at last years show have not been paid. So we are working through this issue with all those involved, including Grace Kroehn at the Holstein Friesian Association, to sort out the problem.

OPERATION OF THE EXHIBITION DAIRY

Our Exhibition Dairy committee has arranged for the funding and management of the Exhibition Dairy. The SADA Vice President, Lyndon Cleggett, (mobile: 0427 604 288) will be on hand at the Show to support Bob Butler who has again agreed to manage the Exhibition Dairy.

We have been very appreciative of the assistance given by Grant Piggott (Marketing Manager, RAHS) in helping the dairy industry maintain some of our key show promotions. We believe our SADA members should be encouraged to "experience" Dairy Day at the Show. With this in mind Grant has made the following offer to SADA families.

INVITATION TO THE SHOW FOR ALL MEMBERS

Grant Piggott

The SA Dairyfarmers Association and the Royal Agricultural & Horticultural Society of SA Inc. would like to provide members an opportunity to attend Dairy Day at the Royal Adelaide Show - Thursday 8 September 2005.

Dairy Day is a day of activities highlighting the importance of dairy and achieving significant media coverage for our industry. It is supported by your Association with financial assistance from Dairy Australia. Activities begin at 11.30am including the Parade of Champion Dairy Cattle and the Great Dairy Day Celebrity Milk-Off.

The Royal Adelaide Show features significant dairy components, including the Exhibition Dairy (arranged by the Association), the Dairy Cattle and Dairy Foods competitions and the Dairy Pavilion featuring major industry manufacturers and distributors.

DAIRY FARMS RISE IN VALUE

The median price for a NZ dairy farm has risen NZ\$500,000 in the past year to NZ\$2.5m.

The current positive attitude in NZ has a lot to do with the global dairy demand keeping butter, cheese and milk powder prices at near record levels. Fonterra being the world's biggest exporter of dairy products is having a great time, exceeding payment forecasts to farmers, good retained earning for investment and having significant borrowing power due to its conservative level of gearing.

Dairy land prices are increasing everywhere. Dairy land in Tasmania is reported to have risen to \$5,500/ha in recent weeks.

LEADERSHIP COURSES

One of the Dairy Australia programs we at SADA have found to be of great value is the national dairy leadership programs. All of the people that have been sponsored through these programs have gone on to make a significant contribution to our dairy industry.



Cheryl Phillips

I had the opportunity to discuss the program with Cheryl Phillips here in Adelaide on 18th July. To demonstrate the point the current edition of the Stock Journal prominently featured David Basham (a past leadership program participant) and now the collective bargaining group co-ordinator.

FARMBIS

There is a very pro-active story featuring the "Ewing" family in the latest FarmBis publication. FarmBis also contributes to our Dairy Industry Development Program.

SAMI AGM

I attended the SAMI AGM at Waikerie on August 2. SAMI is developing into the main voice for River Murray irrigators and as such it would appear very important that river and lakes dairy farmers should be involved. We have a similar situation in the South East with the SE Irrigators

Association.

SAMI will be having a membership drive in the near future and there is a case for those along the river considering taking out membership of both SADA and SAMI.

I have included, for our River and Lakes members, information on the SA Murray Irrigators Inc (SAMI).

The guest speaker Phil Cole spoke very well on the battle to remove the salt from the river. The day of the AGM the PM was down the road with Karlene Maywald and announced further funding for salt interception works. It is estimated that about 2,000 tonnes enters the river every day. Most of the salt coming in from SA comes from the clearing of the Mallee. There are two important political imperatives; the 1988 Salinity Drainage Scheme means that each state must account for salt debits and credits, and secondly the quality of Adelaide's drinking water.

DAIRY INDUSTRY DEVELOPMENT BOARD MEETING

The Board Meeting held on Monday 1 August adopted a new format. The new approach is for the agenda to relate to the strategies in the Industry Plan so they can continually monitor change, progress and recommendations made by the board at its meetings.

NEW DAIRY FOOD SAFETY SCHEME COMMENCES

The new Dairy Food Safety Scheme commenced on Monday 1st August. The new scheme and supporting legislation has been developed over recent years and involved a lot of consultation between our industry and the government. The scheme will ensure South Australia has one of the best dairy food safety systems in the world while also being one of the most "cost effective". *The saving our farmers and processors enjoy in SA contributes to our lower cost /competitiveness to produce and process dairy.*

SADA Updates have followed the lengthy process beginning with the Ministerial Committee chaired by Frank Beauchamp, the excellent leadership by the Dairy Authority of SA, and the various submissions from the dairy industry. *Throughout the process industry and government have appreciated the highly respected "expertise and leadership" of Steve Rice.*

Moving from food safety to general farm safety.

Neil Shillabeer

Neil was at the recent SAMI AGM and has played an important role along with Lesley Fischer in keeping the lakes end of the river well at the front of this very important lobby group.



Tony Reichelt

Tony Reichelt has been very effective in building relations between WC&BF Board and our dairy industry.

SADA SUBSCRIPTION FEE INCREASE

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

CAP FEES

By now you should have all received your final tax invoices for the 2004/05 financial year. Any member who has passed the cap of \$1307.12 may claim a refund from the Association no later than the end of October annually. Contact Jo on 8293 2399.

SADA MEMBERSHIP

Membership of the SADA doesn't follow you when you change to another company. So in order to remain a financial member you will need to fill in another membership form and get it back to Jo as soon as you can. If you need a form please contact Jo and she will forward one to you.

COMING ACTIVITIES

Activities following the SADA AGM held on 9 August

- The ADF/Dairy Australia National Priority Setting Workshop. Held in Melbourne 10-11 August
- Western Mt Lofty Water Users Committee Meeting. Lenswood 2.30pm to 5pm. Wednesday 10 August
- Dairy Industry/Government planning a potential project for Myponga dairies. Stirling Mt Lofty Watershed Offices 9.30am Thursday 11 August
- ADF Board Meeting. Melbourne 12 August
- 2005 SA Agribusiness Showdown Conference, Friday 12 August
- Meeting with the Stock Journal to discuss the future of the dairy section 18 August

- Presentations to the winners of the 2005 Royal Adelaide Show Dairy Products Section. RAHS Thursday 18 August
- SADA, Dairy Australia and RAHS Meeting to discuss the future of dairy Show activities 19 August
- Tentative date (23 August) for meeting with Myponga dairies
- Royal Show 2 – 10 September
- Show BBQ for members, exhibitors and their families 7 September at 6.00pm
- Dairy Day at the Showgrounds 8 September
- SADA Board Meeting 11 October SADA Office

SPECIAL REGIONAL MEETINGS TO ELECT BOARD MEMBERS

Fleurieu Region – August 31 at 11.00am at the Hindmarsh Valley Hall to elect the replacement Board member for David Basham who was elected SADA President at the AGM on Tuesday 9 August.

River & Lakes Region – August 31 at 7.30pm at the Riverside Hotel, Taillem Bend to elect a Board member to replace Jeff Wright who resigned from the SADA Board at the AGM on Tuesday 9 August.

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Australian Dairy Farmers

ADF INFORMER - 15 August 2005

ADF Board

The ADF Board met on Friday, 12 August with a full agenda of business. Important discussions took place regarding the drafting of regulations for future dairy industry levy polls and consultation with state dairy farmer organisations. Other key issues under management discussed by the Board were: education and training, trade, BJD, animal welfare, industrial relations reform, blue dye, Animal Health Australia National Management Group training, the Dairy CRC, and a report on the Young Dairy Farmer Business Tour to New Zealand, to name a few.

It was noted that policies and/or submissions had been finalised regarding: Dairy Australia's strategic and operational plans, timber plantations, natural resource management structures and ethanol. Furthermore, submissions have been made to the Commonwealth Government's Biofuels Taskforce, Agriculture and Food Policy Reference Group and the review of the Gene Technology Act 2000.

National Priority Setting for the Farm Sector

Several months of planning and participation culminated in the National Priority Setting workshop last week. Prior to last week's national forum, eight regional and state level meetings had been held across Australia, primarily with farmer representatives from the farmer organisations and Regional Development Programs (RDP), supported by other key industry stakeholders such as dairy companies and Departments of Agriculture.

The output from the meetings will be a single document of regional/state/national visions and priorities for the farm sector. This document will advise over \$100 million of annual collective investment from Governments, Dairy Australia, farm organisations and the private sector.

Importantly the process has brought the various organisations within the industry closer together and helped align our visions and broader priorities. As industry organisations we will work together to achieve these outcomes in both the representative and service sectors.

The final report should be released in about one month.

Queensland Dairyfarmers' Organisation (QDO) Conference

The QDO held their annual conference on 3 August and ADF President, Allan Burgess, was pleased to have attended. The program included the Dairy Day Breakfast which was attended by dairy industry service providers who were briefed on the findings of Dairy 2005 Situation and Outlook. QDO President, Wes Judd, said that the briefing to service providers via the report has become an important annual event in providing clear facts about the status and future of the Queensland industry.

Speaking at the conference Allan Burgess spoke about the link between ADF and the state dairy farmer membership and importance of collective action via our farmer-owned organisations.

Western Australian Farmers' Federation (WAFF) Dairy Section - Annual Dairy Conference

From Queensland Allan Burgess hopped across the country to WA for the WAFF Annual Dairy Conference. UDV President and ADF Deputy President, Doug Chant, also attended. A business breakfast was also well attended in WA providing good information into the service sector. At the



Fortnightly Update



Issue 16 – 12 Aug 2005

The Market

Latest milk production figures from Europe show milk supplies were slightly higher in the January to May period than a year earlier. Meanwhile, EU-25 butter production was 1.1% higher but SMP output was virtually unchanged. WMP output was 2.9% lower and cheese production grew 1.3%.

Current Global Issues

In the EU Commission's latest forecasts for the agricultural sector to 2012, EU-25 milk production is expected to show little change because of the milk quota situation. While more milk will go into cheese and other products, butter production is forecast to drop by 9% over eight years while exports will fall rapidly by 45% simply because less butter will be available for export, allowing intervention stocks to virtually disappear. EU cheese output is expected to grow by nearly 10% but SMP production will fall 18% and exports are predicted to decline by 58% because of the lack of available supplies. The need for intervention is predicted to disappear around 2006.

Following on from last week's NZ milk price update, Westland had closed the 2004/05 season with a final payout of NZ\$4.53/kg milk solids (A\$ \$4.26 /kgMS) plus six cents per kilogram of costs to be paid by the company. This puts Westland's payment to suppliers on par with Fonterra's payment of NZ\$4.59/kg (A\$ \$4.32/kg) of milk solids.

The National Front

Fonterra have announced the first step-up of the new season for Bonlac suppliers with 7 cents/kg butterfat and 17 cents / kg.

Australian exports of dairy products decreased 1.6% to 851,000 tonnes in 2004/05. However, average export returns increased 10.3% and, in turn, increased the total export sales value 8.5% to \$2.5 billion. In particular, cheese exports increased strongly with volumes up by 7.4% and an 18.6% increase in sales value. While volume declined for other products, with butterfat [down 14.5%], SMP/BMP [down 9.3%] and WMP [down 7.3%]; international prices are now at a level high enough to mean that virtually all our

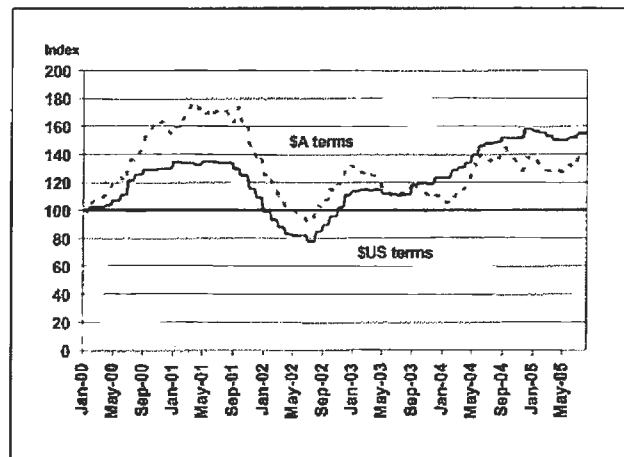
commodity product groups have increased their total export value over those achieved last year.

Australian exports of dairy cows increased 10.7% during 2004/05 to 70,800 animals according to the ABS – for a value of \$122 million. 84% of these animals went to China, and 8% to Mexico.

Bonlac farmer suppliers have voted 82% in favour of allowing Fonterra to increase its stake from 50% to full ownership. In return for the positive vote, Fonterra have guaranteed farmer income including dividends and milk price will not be less than that offered by Victoria's current highest volume processor, Murray Goulburn. For the last three years, Bonlac hasn't been able to pay a dividend to farmers, however Fonterra intend to lower borrowing costs, invest in new technology and improve overall returns. Bonlac Supply Company chairman, Noel Campbell said the average supplier would be better off by around \$10,000 a year as a result of the transaction going ahead.

Our Export Index

Australian Export Index (Base = 100 at 1 Jan 2000)



	This week	Last Month	3 Months ago
Index (\$US)	154.6	154.6	149.9
Index (\$A)	133.6	137.2	128.7
AUD/USD	0.7621	0.7420	0.7666

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Contact: Michael Harvey
ph (03) 9694 3873 or e-mail
mharvey@dairyaustralia.com.au

SA Murray Irrigators Inc. (SAMI)

irrigators looking after irrigators

MAJOR ISSUES THAT WILL AFFECT YOU IN THE NEAR FUTURE ARE:

1. High Salinity Impact Zoning will result in:
 - limitations in water trading
 - increased requirements and costs for both new and expanding irrigation developments
2. Water restrictions are likely to continue for the foreseeable future
3. The drive to increase environmental flows
4. Over allocation – currently the amount of water allocated through licences exceeds the SA cap on extractions agreed to by the Murray Darling Basin Commission.

FOCUS AREAS

1. **Ensure access to natural resources (land & water) is maintained and enhanced.**
 - Investigate options to improve river flows and storage capacity
 - Actively engage Governments in policy development such as:
 - High salinity impact zoning
 - Water restrictions
 - Over allocation
 - Living Murray (environmental flows)
 - National Water Initiative (water trading, water rights)
2. **Improving water quality for irrigation**
 - work with government to influence policies such as salinity, salinity charges, pollutant levels & floodplain management
3. **Water use efficiency**
 - On-farm - support training & education for irrigators
 - Environment – improve management of wetlands
 - Provide input into the Water Allocation Plan
4. **Improve public awareness of irrigation practices**
 - Promote achievements of innovative irrigation in S.A.
5. **Represent irrigators on State and National Forums**

Membership or participation in groups such as Irrigators Inc., Cooperative Research Centre for Irrigation Futures, National Water Initiative, The Living Murray, the Murray Darling Basin Community Reference Group, Drought Liaison Group, Natural Resource Management Groups

KEY ACHIEVEMENTS OF SAMI

In the last two years SAMI has achieved the following;

1. Recognition by the Minister for the River Murray, Minister for Agriculture & Minister for the Environment
2. Greater influence in the implementation and easing of water restrictions.
 - earlier notification of intended restrictions
 - input into indicators that determine the extent and timing of restrictions.
3. Influenced SA Government position on water trading within high impact salinity zones.
4. Lobbied SA Government to waive stamp duty on temporary water transfers (inter and intra state) during water restrictions
5. Regular meetings with the Minister for the River Murray & Government Departments
 - Providing SAMI with first hand information of future SA Government proposals.
 - Assisting Government with the industry's concerns and positions.
6. SAMI has made representation to State & Federal parliamentary committees.

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 19 September 2005

President's Report
David Basham



On Wednesday the 31 August regional meetings were held in the Fleurieu and River & Lakes regions. At these meetings two new Board members were elected, Michael Connor representing the Fleurieu and James Stacey representing the River and Lakes region. I believe both have plenty to offer the Board. James has taken on the role for the River & Lakes region but is willing to step down if anyone else is prepared to represent the region.

The Board has a very different composition than last year with one new member from three of the four regions. Due to these changes I believe it is important that we make the Board member easily accessible to members so I have asked Jo to include the contact details for all of the Board in each Update. If a member has a query or an idea please pick up the phone or email your comments to the Board members, they are here to represent you and your ideas.

It is important for the dairy industry in South Australia to capitalise on the increased competition for milk. We need to strengthen the long-term viability of dairy farming here in SA. SADA has a very important role in this with its ability to influence decisions made by Government that affect dairy farmers. I will be encouraging all the Board members to communicate with politicians and government departments if they believe they can influence a decision in favour of dairy farmers.

Another important part of SADA is maintaining good two-way communication with milk processors collecting milk in South Australia. Australian Dairy Farmers (ADF) have organised meetings between the Managing Directors of the milk companies, ADF President Alan Burgess, and the state Presidents. I will be attending these meetings over the next month, if you have any issues you would liked raised please contact me.

The first week of September is always show week in Adelaide. On Wednesday night during show week SADA with Wesfarmers, National Foods & Dairy Farmers put on a BBQ for the exhibitors in the dairy section. We catered for 150 – 200 people and we had very little left so I expect we had pretty close to that number of people. It was pleasing to see more than half the Board there to talk with the exhibitors. I would personally like to thank Jo Gilbert (Office Manager) and her family for the effort they put into the organisation and running of the BBQ.

A long-term attendee of the Royal Adelaide show is my Grandfather, Bunny Basham. It was very pleasing to see him spend four days at the show enjoying himself on his gopher at the age of 95. This is the first year he has had the gopher and it enabled him to get around the show and see more than he had seen for years. He started exhibiting Guernseys in 1930 and has not missed a Show since. He last exhibited cattle in 1977 but has continued to attend and catch up with friends at the show each year. I hope you & I am as lucky as him at that age.



as a group, are performing. We need to ensure that our dairy industry R&D provider Dairy Australia is as good as, if not better than the others.

The winner of the Australian Government Prize for Rural Innovation was the CSIRO Cotton Breeding Team. The value of their plant breeding R&D to each cotton farmer has been estimated at \$250,000 per year. *A BIG RETURN ON THE LEVY INVESTED.*

During the short Canberra visit I was also able to catch up with many interesting people including the Federal Member for Hindmarsh, Steve Georganas, the ex-Minister of Agriculture responsible for setting up the Rural Industry R&D Corporations, John Kerin, and the Shadow Minister for Primary Industry, Gavan O'Connor.

CATTLE COUNCIL GET SUPPORT FOR THE EXTRA LEVY

Cattle producers around Australia supported the increase in the transaction levy from \$3.50 to \$5.00 again because they believe the investment return from the extra levy will be profitable. The extra funds will be spent in market development and promotion.

HUMAN RESOURCES SUPPORT

The key requirements for farming are land, water, power and people. As dairy farms expand finding access to people with the necessary skills and astute management is becoming difficult right around Australia. When we find people to work for our businesses we need to have good HR support to ensure these relationships are productive.

Negotiations are progressing with Chas Cini (Principal, Mediation & Employment Relations Services) to provide services to SADA members, our HR Committee and the SADA Board. Kirstie Murphy and I had a preliminary meeting with Chas on 25 August and an outline of an arrangement proposal took shape very quickly. We are hoping to get the SADA Board to agree to SADA entering a business arrangement with MERS as soon as the next Board Meeting in October.

STATE DAIRY PLAN AND DAIRY WEB SITE

All SA dairy farmers should now have received their copy of the update of the State Dairy Plan and a brochure describing the new dairy industry SA website, www.dairyindustrysa.com.au sent out by our Dairy Industry Development Board. The site needs quite a bit of work still but we have a start.

MANAJD PROGRAM

Dr Jeremy Rogers has provided SADA members with an Update on the Dairy ManaJD Program. You will note that Jeremy has provided members with his contact details and I would encourage members to talk through any issues you may have with Jeremy.

Report by Dr Jeremy Rogers SA Dairy ManaJD program

A new program to help manage Bovine Johnes Disease in South Australia has been taken up on many dairy farms since its launch earlier this year.

Dairy ManaJD encourages farmers to have their stock tested for BJD, with a Dairy Assurance Score (DAS) allocated to the property for trading purposes.

Farmers throughout the State are enthusiastic about the new approach, with more than 30% of the SA dairy herd being tested to date, and an expectation that more than half the State herd may be tested by the end of this year.

So far, only six herds have been diagnosed with BJD which is a prevalence of only 8% infected herds in SA - very much lower than interstate figures that may be 30% or higher.

The Cattle Industry Fund is supporting the program. Due to the rapid uptake of the program, some funding restrictions may have to be imposed in future, but at this stage the level of subsidy allows most farmers to test for free.

Declaration of the DAS is now required for all sales of dairy cattle in SA, including private sales and trade of cross-bred cattle born on dairy farms. There is a great deal of interest in the beef sector to know the dairy score of cross-bred stock, to minimise the risk of BJD.

Costs of BJD

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

If you would like a copy of the paper, contact PIRSA Veterinary Officer Dr Jeremy Rogers on 8391 7100 or fax 8388 8455.

Therefore the region has a history of lots of environmental/landcare activity and funding. Even so some farmers are feeling threatened over environmental issues. The purpose of the recent Myponga meeting was to give farmers a better sense of control over their land and natural resources. There are some issues that need further investigation but by and large the farmers were relieved to find they are heading in the right direction.

But there appears to be little commitment by government agencies to fund further catchment activities aimed at improving the water quality going into the reservoir. SA Water has invested heavily in post-reservoir treatment infrastructure to cope with the contamination that comes with heavy flooding.

Another concern expressed by farmers at Myponga was the large number of different government and environmental agencies that appear to have a finger in the pie. So by having DairySA, SADA, the EPA and SA Water all there listening to the farmers views was an attempt (another half a dozen agencies and authorities could also have justified being there) to see if we can "apply the kiss principle" and keep it simple...!

Thank you to the farmers for ensuring an excellent turn out to the meeting. The farmers felt that the follow-up meeting should be open to the general public.



Liz Kellaway from Porter Novelli facilitated the meeting

WATER ALLOCATION PLANNING AND REVIEWING OF THE PLANS

These activities generally will involve our SADA regional groups and some interaction with the other regional rural users before entering into the consultation. Gary Spain and Andrew Stewart have been very much involved at our Board level. Having good contacts with the new NRM Boards should also assist.

LATE NEWS

PRESCRIPTION OF THE EASTERN MT LOFTY RANGES

On 8 September 2005, the Minister for Environment and Conservation announced the prescription of the Eastern Mount Lofty Ranges after extensive consultation with the community.

Existing water users in the Eastern Mount Lofty Ranges are required to apply for a water licence by 8 March 2006. Letters advising of this decision (including a fact sheet and frequently asked questions) are currently being mailed to all landholders in the Eastern Mount Lofty Ranges. Briefings for industry groups will be organised in coming days. The Department will be hosting public forums at various locations in the Eastern Mount Lofty Ranges during October 2005. These forums will provide general information about prescription, water licences, and the moratorium. They will also allow individuals to talk to a Department staff member about their own circumstances. Dates and locations of the forums will be posted on the Department's website, and advertised in the local press. I will forward through fact sheets and details of the meetings as they become available.

A licence is not required for water users who:

- o only use mains water from SA Water; and/or
- o only use water for domestic purposes (including watering less than 0.4 of a hectare of land); and/or
- o only use water to provide drinking water for stock that are not intensively farmed.

A temporary moratorium (Notice of Prohibition) to maintain water use in the Eastern Mount Lofty Ranges at historic levels will continue until a Water Allocation Plan is adopted.

Additional information is contained on the Department's website at www.dwlbc.sa.gov.au or by calling 8204 8590.

Dr Micheal Deering

Manager, Resource Allocation (Mount Lofty Ranges) DWLBC

Fortunately the Association has a group chaired by Warren Jacobs who have been anticipating this development and have been working for the interests of dairy farmers for some time.

COLLECTIVE ACTION IS EXCITING

The move by WC&BF into the central region has been very exciting but the way we are managing the water and effluent issues is also significant and trail blazing. For voluntary associations the norm is that only between 5-10% of members become actively involved. But at SADA we are well ahead and as more members become involved the stronger is our support.

SADA MEMBERSHIP

Membership of the SADA doesn't follow you when you change to another company. So if you have changed from another supplier to WC&BF you will need to fill in another membership form

Team, lead by Peter Goers (who championed the values of honesty, leadership and hard work), failed to take out the prize.

The positive dairy industry PR is not just the presence on the prime time news and daily papers on the day but it is the lead up and follow-up comments in the media by the "celebrities" before and after the event that give the event such a great profile.



Ken Lyons and friend in the Celebrity Milk off

The Dairy Hall and Milk Bar

This is one of the areas that attracts nearly every show visitor. It works really well and lots of thanks need to go to Bob Snewin who had the vision to build this facility to the standard we enjoy today. One of those big milkshakes was lunch for me on Dairy Day.

Dairy Cattle Awards.

While the numbers were down the quality was world class. The facilities here at Adelaide see people coming from all over Australia to compete. A special thank you to David Fechner for a fabulous job of managing the dairy presence at the show. Our SADA Board member Lyndon Cleggett again took out a swag of ribbons.



David Fechner in action

The Show Luncheon

This is also a wonderful opportunity to network and concludes the show program. Some of the people I caught up with this year included Dale Baker (ex-Liberal leader), Ian Gillfillan (Democrat), Leigh Radford (Producer of ABC - Rural) and Carol Vincent (SAFF).

UNDERSTANDING FARM FINANCES

Making sense of farm finances, debt, cash flow and budgeting is set to become easier with the release of the Taking Stock Farm Finance Package.

The package is designed to help dairy farmers make sense of financial jargon and work through which financial figures are important in their business and why.

A lot of financial information is available for farmers, but this is the first time that independent financial information has been developed specifically for the dairy industry.

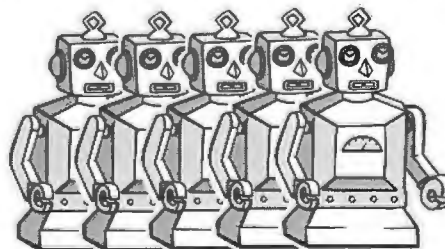
The information in the farm finance package can help farmers work through their financial options with their Taking Stock adviser and with farm finance professionals.

Topics covered in the package include debt management, balance sheets, cash flow budgets and the renegotiating and refinancing of loans.

The package recognises debt is part of operating most businesses but highlights the need to make sure debt is used to create wealth over the long term and not pose a threat to the business. It also covers a range of financial parameters to assess farm business performance and uses practical examples to work through financing options.

The Taking Stock Farm Finance Package is available through Taking Stock at www.dairymovingforward.com.au or contact your regional coordinator on phone 8536 3958.

THE ROBOTS ARE COMING



The Future Dairy Project will develop an automatic milking system to suit Australian conditions. The cows will move to and from the dairy on their own accord.

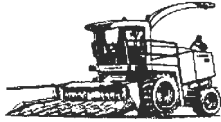
This project will begin in March 2006 at NSW DPI Elizabeth Macarthur Agricultural Institute at

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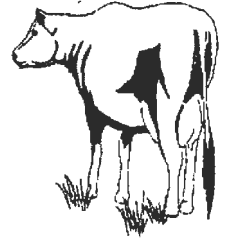
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For further information on any of these discount offers available
to members please contact Jo at the office on 8293 2399

Meeting with Dairy Farmers CEO

ADF President Allan Burgess, met with Dairy Farmers CEO, Rob Gordon, this week. This is the first of a series of meetings between the ADF and dairy company heads from around Australia. The meetings aim to further consider ways in which farmers can work more closely with companies to develop beneficial outcomes for both groups. The meetings are against a backdrop of forecast slow growth of milk production. The recent Priority Setting process strongly supported collaboration across the supply chain to develop strategies for sustainable wealth creation for all sectors of the industry.

Heifer Buying Recommences for China Market

News came through this week that sourcing of heifers for export to China had recommenced. ADF and ADHIS staff have been working tirelessly with industry stakeholders to prepare the systems required for the trade. This includes the data management systems to provide the information required by the Chinese Ministry of Agriculture (MoA) and the extension material for farmers and suppliers in Australia. ADHIS Executive Officer, Daniel Abernethy, is working with herd improvement centres, the Holstein Association, exporters and state organisations to prepare for farmer queries. ADF CEO, John McQueen, also travelled to Simpson this week to brief the local UDV branch about the Chinese MoA's requirements.

Dairy Update 2005

Dairy Australia and ADF representatives presented the industry outlook to about 100 government officials in Canberra this week. Department of Primary Industries, Fisheries and Forestry (DAFF) Minister, Peter McGauran, opened the forum and spoke of importance of the industry and the professional way that the dairy industry understands and influences its own future. The Forum was chaired by DAFF Meat, Wool and Dairy General Manager, Sally Standen, with Allan Burgess, Mike Ginnivan, Steve Coats and Jo Bills addressing the audience. They outlined the future priorities for the broader industry and Dairy Australia as well as providing detailed briefings on the Situation and Outlook 2005 Report and the important role Taking Stock has undertaken in the drought recovery process for dairy farmers across Australia.

Rewards from Innovation

All 14 Rural Research and Development Corporations combined their resources to host a day in Parliament House in Canberra this week to showcase the outcomes of research and development in all rural sectors. Dairy Australia was one of those participating with dairy farmer leaders from ADF and its State Organisations in attendance.

One of the important objectives of the day was to highlight to federal politicians of all political persuasions, the importance of the industry/government funding partnership for rural research and development that is so critical to ensure Australia continues to have world-leading technology for its agricultural production.

In his speech to 400 representatives of Australia's agricultural industries and their respective R&D corporations, Minister McGauran stressed three critical points. Firstly, that it was most important that benefits from R&D got to farmers through strong extension efforts. Secondly, that R&D corporations should not be driven by the development and ownership of intellectual property, but rather they should have a primary focus of delivering research outcomes for implementation on farm. Thirdly, that the Government realised the importance of biotechnology to the future of agriculture and would continue to support industries down this path.

Off the Farm and into the Future

Younger dairy farmers presented to industry representatives this week as part of the 'Off the Farm and into the Future' initiative. Hosted by the UDV, the initiative aimed to further develop the participants' understanding of the industry and develop leadership skills. The presentations were of an excellent standard and covered: collective bargaining, GMO's, young farmer finance, water reform, succession planning and UDV membership relations.

John McQueen
Chief Executive Officer

Australian Dairy Farmers Limited
Level 6, 84 William Street
Melbourne VIC 3000
Tel: (03) 9642 8066
Fax: (03) 9642 8166

Email: adf@dairy.com.au

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 27 October 2005

President's Report

David Basham



The number of dairy farms in South Australia has been declining at an increased rate over the last few years. It is important that this decline slows for our industry to prosper into the future. At SADA it is believed that every dairy farm is important to the industry, small farms or large farms, members or non-members of SADA.

We have decided to send the Update to all dairy farmers on a six month trial. This will enable non-members to access information that may help them remain in the industry. I believe this is in the best interest of our members by helping all farmers remain in the industry. I hope that the non-members may see the issues that SADA addresses and consider joining to enable the organisation to continue the work that is required. The more members SADA has the more income we receive and the more issues we can tackle. If you are a non-member and do not wish to receive the Update please contact the office on (08) 8293 2399.

At the board meeting two weeks ago the chair positions for our committees were decided.

Prices & Processors-
Technical-
Human Resources-
Finance-

Lyndon Cleggett
Andrew Stewart
Michael Connor
Jill Williams

Brief outlines of the roles of the committees are as follows:

The Prices & Processors committee looks at issues concerning pricing including contracts for milk and any issue relating to the processing companies.

The Technical committee looks at issues that affect the running of your farms on a day-to-day basis. This may include power contacts, animal welfare issues and government regulation.

The Human Resources looks at all the issues that relate to people working on dairy farms (including Owners, Sharefarmers and staff). This also includes Occupational Health and Safety, pastoral awards and staff management.

The Finance committee manages the finances of SADA including recommending large capital purchases (eg cars, computers) and increases in membership fees.

If you have any issues that you would like SADA to look at please contact the chair of the appropriate committee or any of the Board members who can refer it on to a committee. The committees also require input from other farmers and if you wish to be part of any of the committees then please contact your Regional President and ask if you can represent your region. For our committee structure to work effectively it needs your input and support so if you believe you have something to offer then please speak up.

SADA is not an organisation that is run by a large number of paid staff, it is run by dairy farmers for dairy farmers. SADA speaks for dairy farmers in South Australia and the larger the membership the stronger our voice so non-members please consider joining.

al ADF sponsored meetings to finalise the dairy animal welfare framework. Members can discuss any issues relation to this topic with Ken smith, David Basham or the office.

CATTLE ADVISORY GROUP

This Ministerial advisory group CAG (dairy and beef) has been very influential and effective. Our Dairy representatives have been Gary Spain, Ken Smith and Peter Doman. We are expecting the Minister to announce the members of the new group shortly. Two big issues have been BJD and the NLIS implementation. As you know the implementation of the NLIS has been a major project for both industry and government. SA was slow into action in terms of NLIS because our state government did not come in with a subsidy until after the last state election. But the good news is we will be one of the first states through the implementation stage. Getting agreement of both dairy and beef on the committee is often a challenge but when the parties come together the Group is a powerful lobby and their actions contributed to securing the initial farmer tag subsidy.

NLIS has been another significant challenge for the dairy associations and next to animal welfare NLIS took up the rest of the time of the recent EO phone hoop-up. There is a strong move right around Australia for some time now for the universal application of electronic tags including bobby-calves.

ManaJD PROGRAM

Congratulations to everyone for the introduction of the new program and voluntary uptake has been excellent. Recently at the major BJD conference in Copenhagen it was confirmed that we are on the right track with ManaJD and the SA implementation this year will make the subsequent adoption of the program around Australia so much easier.

PS: According to modeling by Massey University presented to the Copenhagen conference NZ would see annual losses from BJD jump from NZ\$2,300 to NZ\$23,400 without control measures.

DAIRY CRISIS MANAGEMENT PLAN REVISED

The dairy industry has given responsibility for providing an issues management framework for the Australian Dairy Industry Crisis Management Plan to Dairy Australia. David Basham will be attending an Industry Forum on your behalf on 17 November to review the recently revised Crisis Plan. Importantly the forum will highlight the roles the various groups will play. To assess the

revised Plan those participating will be involved in some simulation exercises.

While thinking about our preparedness in relation to exotic diseases. Sue Young and Virginia Ewing for their Advance in Dairy Leadership Program (sponsors DA, DairySA, SADA and Murray Goulburn Co-op) developed an animal health crisis emergency fridge magnet.

Reminder: The suspect exotic animal disease hotline is 1800 675 888.

THE FRIDGE MAGNET

ANIMAL HEALTH CRISIS - LAUNCH OF FRIDGE MAGNET

Sue Young and Virginia Ewing both Dairy Farmers in the South East of SA, have stepped up to the challenge. Earlier this year Sue and Virginia completed the "Advance in Dairy Leadership and Development Program", which SADA, DairySA and Murray Goulburn kindly sponsored them to attend.

The program had a project which the two had to complete and in time make into a National project. Their project aim was to supply easy access to phone numbers and departments when hit with an animal health crisis. The first stage of their project was to get a magnet designed and presented at Canberra. This was done with lots of great feedback and support.

The second stage of the project was involving the state Government and Departments to distribute the magnets statewide.

After discussion with The Hon Rory McEwen MP, Minister for Agriculture, Forestry and Fisheries SA he was very keen to support the project.

So on October the 22 at the Mt. Gambier Show the "Animal Health Crisis" Fridge Magnets will be launched with The Hon Rory McEwen as special Guest and Dr. Neil Buchanan Head Veterinary officer from PIRSA as guest speaker.

We will be delivering the day and have many invited guests and lots of farmer support too.

At the end of October the Minister will be taking the magnet to a meeting in Tasmania to present to all the other state Ag ministers to gain their support to distribute into their states, therefore this will complete stage three of the project and the national side.

All there is left to do is complete stage 4 and that is to involve all the other Agricultural areas of livestock animals.

There has been much work involved and plenty of support and feedback, which has been great. A big thanks to all the sponsors and also to our Mentors, Gary Spain and James Mann, and especially the Hon Rory McEwen MP for his on going input, support and belief in us. Without all of these people our goals would not have been achieved.

- Virginia Ewing & Sue Young

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MEETING WITH THE PIRSA CEO AND THE EXECUTIVE TEAM

Earlier this month Ken Smith and myself joined together with other rural industry groups at a dinner with Jim Hallion (PIRSA CEO, and his senior managers). One of the outcomes was a developing a closer relationship with PIRSA. This follows SADA meetings (previously reported) with the EPA Board, and on another occasion the senior managers of the Conservation Department. All these events have lead to positive outcomes.

RIVER MURRAY IRRIGATED DAIRY CONSULTANCY OPPORTUNITY

Important information for Dairy Farmers on the Lower Murray Reclaimed Irrigation Area (LMRIA)

All dairy farmers on the LMRIA should have received notification that financial support is now available for them to employ a consultant to provide agronomy and farm and land management advice. This support can also be used for advice on wetland development, revegetation, alternative land and water uses and other natural resource management programs.

Tony Morbey from PIRSA says that the aim of this program is to assist landowners to improve the viability of their farm businesses as they progress with rehabilitation, as well as contributing to the improved health of the River Murray and the LMRIA environment.

The grants will fund 90% of reasonable (GST exclusive) costs up to a maximum of \$1800.

This program is a development of the previous LMRIA Agronomy Advisory Service that was initiated after representations from SADA and LMI to Executive Directors from both PIRSA and DWLBC. It is jointly funded by PIRSA and DWLBC in 2005-06.

APPLYING FOR A GRANT

Applications for this grant close on 31st March 2006 or when funds are fully allocated. We suggest that eligible farmers should apply for this grant as soon as possible.

ADDITIONAL INFORMATION

Can be obtained from:
Steve Treasure
Program Administrator
PIRSA Rural Finance & Development
On freecall number: 1800 182 235

LOWER MURRAY RECLAIMED IRRIGATION AREAS (LMRIA) PROGRAM

An update by **Richard Brown**, LMRIA Contract Manager, Department of Water, Land and Biodiversity Conservation

The arrival of Spring has coincided with some real on-ground activity in the LMRIA program, which will deliver improved water quality and better water usage efficiencies in the region's riverside pastures.

Although Andrew Stewart and the other Woods Point irrigators can still claim to be the first landowners to call in the excavators (back in February this year), most of the remaining Irrigation Districts are now taking delivery of supplies, checking final designs and beginning their rehabilitation work.

All but two areas have been given full clearance to proceed with their rehabilitation works. Most have also now signed the necessary legal agreements with the Minister for the River Murray to receive funding and other support provided by the program. A total of 3,950 hectares will be rehabilitated under the LMRIA program, providing a substantial boost for the dairy industry in the Lower Murray region.

There have been several recent developments in the LMRIA program that will further benefit local irrigators. A new Agronomy consultation grant became available to current irrigators and former irrigators (who have retired their properties from irrigation). Also, the LMRIA team has set up a pro-active farm support initiative to provide free and confidential advice and assistance to individuals affected by the stresses and difficulties associated with the recent changes and challenges experienced in farming in the Lower Murray.

The first phase of the LMRIA Program includes improved water delivery systems and the installation of the meters necessary to regulate use of River Murray water.

The South Australian and Australian Governments are providing \$3,135 per hectare under the National Action

the provision of VET training. This is to ensure dairy gets access to top class education, skill and training right across Australia. This is an Australian project that is having its genesis in Victoria. You can be sure that DairySA and SADA will be keen to see the benefits flow to SA. The new name for the training initiative will be "The National Centre for Dairy training".

□ LEADERSHIP PROGRAM

RE: Advance in Dairy National Leadership Development Program

The Australian Dairy Industry's fifth **Advance in Dairy Leadership Development Program** begins in December 2005. Participants will learn how to skilfully achieve meeting outcomes; lobby to bring about change; plan and implement industry projects; communicate with impact and gain a national perspective of industry.

The five month program will commence in Melbourne with the first session being held from the 5th to the 7th of December, 2005. The second two-day session will be conducted in Canberra in May, 2006 (depending on parliament sitting dates). The **Advance in Dairy Program** provides an opportunity for participants to develop skills, knowledge and a national industry perspective and network.

Nominations/applications for the Program need to be received by 1st November 2005 and forms can be obtained from Leading Industries Coordinator Kelly Tape on 08 8357 8319 or kelly@corvel.com.au

Leading Industries
reach your potential


DAIRY AUSTRALIA
Delivering for the dairy industry

□ SCHOOLS PROGRAMS

Dairy Australia has released a program for primary schools. There has been an exceptionally good uptake by the teachers. Kym Mathew is heading off to Canberra to get an inside into options for the future in this area. So we will hear back from Kym in due course.

□ SADA JAPANESE DAIRY EXCHANGE

The two visiting exchange students from the Japanese Dairy College are currently enjoying their time in South Australia.



Mitsuhiko (Mitsu) with Andrew Varcoe



Naoyuki (Ned) at Cleland NP

□ OHS SEMINARS AROUND THE REGIONS

Several SADA regional committees are in the process of arranging field days with the OHS people.

The OHS Manager, Colin Stephan, called into the SADA Office this morning and this is how he described the content of the sessions.

"Many farm activities place workers at risk as shown by the high number of farm fatalities and injuries. Take this opportunity to keep yourself and your workers safe by walking around the farm with an OHS inspector who will identify the hazards."

SADA CAP FEES

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

SADA MEMBER BENEFITS

SADA will have some exciting new Member benefits to announce next month that will include deals with MBF, Beaurepaire, Trims, Flight Centre and NAB. Current discounts still apply with Mitsubishi, Hume Taylor, Budget Car & truck Rentals and Telstra.

NFF/TELSTRA DEAL

Are you getting 6% discount on your Telstra bills? As an SADA member you are entitled to an exclusive offer: 6% discount on all eligible calls made from a range of Telstra services on a Single Bill.

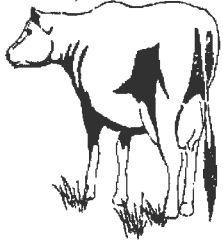
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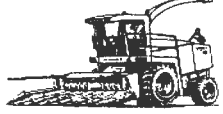
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Dairy Farmers churns \$12m loss

Geoffrey Newman, Agribusiness
 The Australian October 25, 2005

MILK co-operative Dairy Farmers has swallowed a \$12.2 million annual loss as it underwent a painful restructure last financial year in preparation for a public listing. Dairy Farmers yesterday reported a loss of \$12.2 million for the year to June, after absorbing a blow to the balance sheet of \$46.2 million as it shed staff and rationalised its distribution network.

Before these one-off items, the co-operative posted an annual profit of \$22.6 million, down from \$28.7 million the previous year. Australia's largest milk co-op is shedding a third of its workforce as it prepares the business for a listing -- planned for no later than 2008.

It has also increased prices to recoup rises in the price of petrol and other inputs which cost it an additional \$40 million in the year. The latest price hike was a 4 to 8 per cent increase in dairy product prices for convenience and corner stores implemented this month.

Chief executive Rob Gordon, a year into the job, said 2004-05 was the last year when the company would be affected by large abnormal costs. Dairy Farmers has absorbed the full cost of redundancies in that year, even though it is only a third of the way through the plan to reduce its 2400 workforce by one-third.

"We've really left no stone unturned this year," Mr Gordon said of 2004-05. "Now we are about investing in the brands." Dairy Farmers' approximately 2000 members voted 18 months ago for a major overhaul of the 105-year-old business, which makes brands such as Coon and Cracker Barrel cheese and Ski yoghurt.

One-off costs for the 2004-05 year included \$44.6 million in redundancy payments, provisions, site closures and other restructure costs as well as funds to bolster the route distribution channel -- together with \$49.2 million in non-cash asset writedowns. These costs were partially offset by gains from the sale of non-core assets during the first half of the year of \$47.6 million. Net debt was reduced to \$103.9 million -- the lowest level in eight years.

Mr Gordon said the listing date would depend on the financial health of Dairy Farmers, the receptiveness of the stock market and the health of its supply network. The co-op gave farmers an additional \$16 million in increases in the farm gate price of milk.

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Andrew Stewart

- Pasture Trials
- More milk per hectare

Rural Finance Group

- Lower Murray Consultancy grant scheme



Contact:
Monique Aucote
Mob: 0439 815 844
Fax: 08 8531 1843
Email: Monique@lm.net.au



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DAIRY UPDATE FROM SADA

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

Thursday 24 November 2005

President's Report
David Basham



Milk collection from farms has changed slowly over the last thirty years since switching from cans to bulk milk collection. The next change is about to occur in the regions around Adelaide, and has already occurred in the Southeast. B-doubles are going to be used to collect milk off farms to reduce the cost of cartage. A problem that occurs with B-doubles is they are much longer so to reduce the time that they are on the wrong side of the road farmers may need to widen farm entrances.

If there are savings in the cost of milk collection I believe that farmers should receive some of those benefits if they need to invest some money towards the project. SADA will look at the options of a reduced charge for milk collection by milk companies if B-double access is available and present this to the milk companies. In Victoria the State government has assisted farms with entrance changes. The funding model has been looked at here in SA but at this stage no monies have been forthcoming.

Before you make any changes to your entrance or turning circle please contact your processor to ask what is required so money is not wasted having to make further changes.

An issue that is very important to dairy farmers is management of a crisis if it were ever to occur in our industry. I spent a day last week in Melbourne at a Dairy Australia (DA) workshop on managing and recovering after an industry crisis. DA with Australian Dairy Farmers (ADF) has developed a plan to address this issue so reduce the losses within the industry. SADA and other SA industry stakeholders need to tap into the DA plan but also develop a first response strategy before help can arrive from interstate.

If the industry suffered a major crisis (eg severe food poisoning, disease outbreak etc.) in South Australia there needs to be a plan in place to address the issue to the public straight away. If the wrong message goes out to the public the losses to the industry may be much greater than necessary. The first hours are the most important to maintain confidence in the products sold domestically and internationally.

I have asked Andrew Stewart's Technical Committee to have a look at this issue and develop a strategy for SADA to put to the industry here in SA. If anyone has any ideas that may assist please contact Andrew on 0409 093 763 or one of the members of the technical committee (Roger Kowald (Adel Hills) 0407 838 073, Jeff Green (Fleur) 0417 837 309, Kym Mathew (Fleur) 0427 604 969 or Deb Rolley (SE) 8739 9381). It is very important that we get this process right but I hope we never have to use it.



DAIRY AUSTRALIA STRATEGY FORMULATED TO 2007

To further build on the above mentioned National farm Priority Setting Process SADA participated in the recently held Dairy Australia industry consultation workshop.

The outcomes of the workshop will be used in Dairy Australia's internal planning process which will ultimately be articulated in the Five Year Strategic Plan and the 2007 Operating Plan.

There is a report on this workshop in The Australian Dairyfarmer November/December edition on page 15.

MINISTER LAUNCHES THE FRIDGE MAGNET AT FLAXLEY

Minister McEwen will launch the Animal health Crisis line Fridge Magnet at Flaxley at 12noon on Tuesday 6 December. He launched the magnet in the SE at the Mt Gambier Show on 22 October.

DAIRY AUSTRALIA MEMBERSHIP

To join up it is really simple, just phone the help line on 1800 004 377 and you will be a member. If you are not sure whether you are a member it may be worth a call to simply check it out.

DEFENDING THE "DAIRY GOOD" MESSAGE

Members may have noticed the article in The Advertiser (dated 20th October) by Angela Goode questioning the nutritional value of milk. Left unchallenged the many millions of dollars of your levy spent on promotions can be negated. SADA brought the issue to the attention of Dairy Australia and they responded immediately to The Advertiser indicating the weaknesses in the published article.

Thanks also to Grahame Tonkin, Director of Food SA for also coming out so strongly supportive of the value of dairy. The good news, as shown in this case, is that Dairy Australia is ready to act quickly and decisively in the media to defend our "dairy good" nutritional claims.

The dairy industry has the potential through R&D to deliver considerably more benefits to the community and enhance farm returns. We are not just defending the current nutritional values of dairy but we are intent on making some significant "value adds". Here's just another story among the many.

HELPING MANAGE CARDIO-VASCULAR DISEASE, ETC

The Biotechnology company Cyprome Pharmaceuticals Ltd will receive more than \$850,000 from Dairy Australia to seek bioactives in milk proteins. These could help manage cardiovascular disease, cancer and chronic inflammatory disorders.

REPORTS ON DAIRY PRICES STILL "UP-BEAT"

Dairy farmers will be pleased to read reports that the outlook for dairy prices is still up-beat with continuing strong world demand for dairy commodities.

HUMAN RESOURCES COMMITTEE

Let me run through some of the issues dealt with at the recent (Wednesday 9 November) meeting of the SADA Human resources Committee.

There has been considerable media attention focused on the Federal Governments proposed Industrial Relations (IR) Reforms so let's begin with this.

A "briefing" on the proposed IR reforms Both the ADF and NFF have been actively involved for many months in the lobbying for the farm sector in the negotiations with Government on their proposed reforms.

The National Farmers Federation (NFF) has recently backed the overhaul of the current workplace relations system in its submission to the Senate Inquiry into the Workplace Relations Amendments (Work Choices) Bill 2005.

The SADA HR Committee asked Chas Cini to prepare and present a report for SADA on the implications of the proposed legislation for the SA Dairy Industry. The key points from the report are:

- At time of writing the detailed legislation has not been tabled. So this report is based on what has been reported in the media. Remember this will be a moving landscape.
- At this time only Victoria has passed over its IR powers to the Commonwealth and there is plenty of time for the other States to challenge the proposals in the High Court.
- The changes proposed are not simply minor amendments this proposes a completely new approach and a radical reform.

But a key issue for SADA, ADF and NFF in 2005 will be to keep our membership fully informed about the changes and implications to the changes that will come out of this. Ensuring that the membership is properly informed will be the

Dairy Cattle Exhibitors
November 2005
Royal Adelaide Show 2005

Dear Exhibitor,

Cow numbers through the Dairy showed a decrease again this year down to 105 from 120 last year. In spite of this Dairy Manager, Bob Butler, reported that it seemed to take a long time to milk as the dairy ran more frequently this year.

Once again National Foods and Dairy Australia (DA) were our sponsors. It would be difficult for us to operate without their tremendous support over the years. I understand that there is a possibility that they may both continue with their help in the future.

Other people and organisations whose help is invaluable are:-

- National Foods for milk collection
- Rosetta Rural Agencies for their timely work and sponsorship by way of reduced fees
- Daviesway for supplying dairy chemicals and teat dip free of charge
- Matthew our machine technician
- The Dairy Authority and Fiona Little for the audit and helpful advice
- The Show Society and their Staff for their ever friendly and timely advice
- HISCOL for their testing services
- Trevor Manning for his help with some refrigeration issues before the show
- Cow time for the clock and aprons for the dairy staff

Also to all the Exhibitors for their participation, without them we would have no cows to milk for the general public to see that milk doesn't just come from cartons!

On top of all of this I would like to thank the South Australian Dairyfarmers' Association Inc (SADA) for their continued help in organising the Show Dairy.

Those of us who were around at the time remember that it was the idea of SADA to establish the Dairy. Since then their support has been enormous (even lending finance for the purchase of the vat and other essential equipment).

I am sure you will all remember that I was the President of SADA for five years. As such I was most disappointed to learn, at our last Show Dairy meeting, that many of the exhibitors are not members. I would be most grateful if those who are not members would give consideration to joining. I can assure you, you will not be disappointed.

Yours Sincerely,

Frank Beauchamp
(Chairman, Show Dairy Committee)



John Rothwell (RA&HS) and John McKew (DA)

SUMMER POWER BLACKOUTS

The media has been running stories for months now warning of "power blackouts" this summer. Also both Business SA and the Victorian counterpart, the Victorian Employers Chamber of Commerce and Industry have been warning their respective state governments on the need to ensure the business community has access to reliable power supplies.

This week two additional reports are reinforcing the risks. The Weather Bureau is predicting a hotter than average summer and the Electricity Supply Industry Planning Council are warning of a 500mw shortfall in summer reserves.

SADA has been quite successful in facilitating communication between our members and ETSA. So if you experience a power problem please get on to myself on the mobile 0419 137 569 or alternatively if we get news from ESTA of an impending problem we will use our regional network to get the message to you.

DAIRY INNOVATORS FORUM AT MT. GAMBIER

The Australian Dairy Conference has announced plans to stage the Dairy Innovators' Forum in Mt Gambier on February 15 and 16 2006.

I have included early advice to SADA Members because the event will be limited to 150 to allow a much higher degree of interaction between the speakers and the delegates. Also the SADA Board is keen to attend and hold their Board Meeting in Mt Gambier in conjunction with the Forum. This would provide a good opportunity for members to catch up with their SADA Board Members.

The program and registration brochure will be available in early December but I think we can assume it will be a program of the highest calibre. So be ready to make a fast decision on this one.

LOCATION, LOCATION, LOCATION

Two recent reports provide some good news for

SA MILK HAULAGE AGM

At the recent SAMH AGM Chairman Zane Treloar reported on another good years results. The company though has a fair share of challenges including falling milk supply along the river, new equipment new staff and new competition. At the meeting I thanked the Board on behalf of farmers for making progress on a number of fronts and asked that they work with WC&BF to keep costs down.

PEOPLE

John and Margaret Mason

SADA congratulates John for his 18 years service on the MG Board. John has kept in close contact with SADA and was part of the move in 1996 by MG to sign on SA suppliers. We have enjoyed John and Margaret's company at our Gala Dairy Dinners over the years.

John Pye has been elected to replace John Mason on the MG board. SADA looks forward to continuing the contact to the MG Board through John and Naomi Pye from Bessiebelle.

Peter Margin

Former National Foods Chief Executive Peter Margin has been appointed the new Chief Executive of Goodman Fielder. Peter has been very reasonable to work with and certainly defended the continuation of the Murray Bridge Plant. We wish Peter well in his new career change. Peter will guide Goodman Fielder (Burns Philip purchased GF a little over two years ago) towards a share market listing.

Verity Ingham

Verity Ingham (Exec Officer for DairySA) and her husband Greg recently announced the arrival of baby Tessa born on 8 November. Mother and baby are doing well. Congratulations to you all.



Howard King

Howard King, the CEO of Wesfarmers Insurance, hosted a Cocktail Function for member associations on the 16 November. Our relationship with Wesfarmers has been very rewarding for both our members and the association. Recently Steve Gilder (State Wesfarmers Manager) presented SADA with a quarterly sponsorship cheque of \$23,000.

There are a number of reasons why we like Wesfarmers as insurance providers but the main two are; their experience in dealing with rural clients, and they have regional staff that can give that personal service.

SADA DECEMBER BOARD MEETING

The SADA Board in recent years has adopted the approach for the December Board Meeting of finishing the actual Board Meeting by lunchtime and then inviting various people to meet with them for about forty five minutes each during the afternoon. The invitees for the afternoon session this year are:

- Steve Spencer and Joanne Bills discussing the future options for conducting the Annual Dairy Situation Outlook Reports and the Industry Survey.
- Ian Zadow (Chair) and Rhett Marlowe (Executive) from the South Australian Murray Irrigators (SAMI) on working together to achieve good policy options for both the river and the irrigation industries.
- Pat Rowley (Chair, Dairy Australia) to discuss our relationship with Dairy Australia.
- John McLean (Managing Director and several Board members of WCB) to discuss the issues that will allow us to continue to mutually benefit from the presence of WCB in South Australia.

COMING EVENTS

22 November - ADF and State Dairy Farm Organisations will participate in a Workshop on how to develop a collective communication strategy looking for ways to improve outcomes for dairy farmers and ultimately increase overall membership.

23 - 24 November - ADF Board Meeting

25 November - Dairy Australia AGM

30 November - Dairy briefing with Shadow Minister, Caroline Schaefer

5 December - Meeting with Felix Sher, Australian Primary Super

5 December - Meeting with National Australia Bank

5 December - Dairy Industry Development Board Meeting with Dairy Australia

6 December - Launch of the Fridge Magnet by Hon Rory McEwen at Flaxley

6 December - Upper SE Focus Farm Meeting (Mundulla) - contact Melanie Welsh 0427 799 388

6-9 December - AI course - contact Tony Sutherland 0427 600 153

8 December - Hills Focus Farm Meeting (Birdwood) - contact Peter De Garis 0419 314 470

12 December - DairySA Board Meeting & SA Dairy Network Board Meeting

13 December - SADA Board Meeting

13 December - Dairy Industry Development Board Meeting

13 December - Meningie Dryland Focus Farm Meeting (Meningie) - contact Rick Jordan 0427 447 753

15 December - Dairy Environment Committee (Dennis Mutton guest speaker)

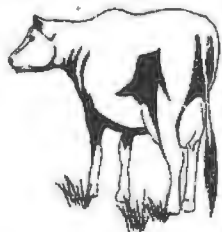
19 January 2006 - River Murray Focus Farm Meeting (Woods Point) - contact Rick Jordan 0427 447 753

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

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Mark McLoughlin

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REMINDER

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

DON'T FORGET

to fill in and return a new
membership form as your
details don't transfer with you
and your membership will lapse.



Australian
Dairy Farmers

ADF INFORMER – 18 November 2005

Still Confident on Trade Outcomes

ADF President, Allan Burgess, has been in Uruguay for the Cairns Group Ministerial meeting. Allan attended the meeting in his capacity as Chairman of the NFF Trade Committee. This was an important meeting to have the opportunity to meet with the Cairns Group Ministers and farmer leaders prior to the forthcoming WTO negotiations in Hong Kong. It is particularly important to ensure there remains a strong resolve for trade reform through removal of export subsidies, increased market access and reduced domestic support.

You may have seen media reports that the Hong Kong WTO talks are not looking promising primarily because the European Union is not prepared to make significant movement on market access. The positive about this situation is that most of the rest of the world are remaining strong that there must be significant improvement in market access for agricultural products.

There must be a WTO agreement reached before the middle of 2006 and with continued strength from most countries for significant gains on market access for agriculture, there will be increasing pressure on the EU to make further movements in their market access offers.

Farm Sector Priorities Presented to the National Dairy Alliance (NDA)

The alignment of industry goals was the highlight of ADF and Dairy Australia presentations to the NDA Forum last week. Drawing on the recently completed outcomes from *Priority Setting for the Farm Sector*, ADF and Dairy Australia were able to articulate their respective roles in addressing identified industry issues. ADF believes that this alignment of goals will lead to more targeted investment of collective industry funds from farmer organisations, levy funds and government activities. The NDA is comprised of key investors in the dairy industry and the future vision and priorities of the industry were reportedly well-received.

Company Head Meetings Continue

ADF continued to raise issues of supplier confidence in meetings with National Foods and Lactos this week. State dairy farmer organisation Presidents joined ADF in the meetings which also canvassed issues such as transport rationalisation. ADF continues to promote ways that farmers and companies can work together to improve supply chain efficiency and increase returns to both farmers and companies. ADF will continue to promote mechanisms such as co-operatives and collective negotiation groups that maximise returns from the market and these gains are passed on to dairy farmers.

Managing Dairy Risks

Ensuring effective management of major threats to industry is one of the key roles of farmer organisations. Understanding and managing risks such as disease outbreak and food contamination was the focus of the Dairy Australia-hosted workshop this week. Dairy industry leaders from all sectors of the industry and all parts of the country considered the potential for such risks to occur and worked through scenarios on how events might unfold and how they might be managed. ADF places high priority in this area as we seek to maintain Australian dairy's competitive advantage.

Drought Assistance Reform Still on the Agenda

The NFF Business and Economics Committee met this week with the goal of reform to Exceptional Circumstances (EC) drought assistance still on the agenda. The committee recognized the short-term improvements made to drought assistance in May this year. This followed calls from NFF to make the rollover of EC simpler. The NFF wants simpler EC declaration processes and increased emphasis on preparedness. Household support should also be available in severe drought for those farmers in need of safety net support.

Technical Issues Reference Group

The ADF Technical Issues team participated in the Dairy Australia Technical Issues Reference group this week. This meeting was particularly important in reviewing our industries preparedness for managing issues that can impact adversely on the industry and to consider our approach towards addressing the issues. There was also a strong recognition of the need to further develop partnerships with other industries in Australia and international organisations to ensure we remain well aware of possible issues to be addressed and to ensure we achieve common approaches to the issue wherever possible.

Animal Welfare Reference Group

Dairy Australia's Animal Welfare Reference group met this week with ADF's nominees participating. Animal welfare is growing in importance through the development of the Australian Animal Welfare Strategy and the implementation plan for the national strategy. Much of the increased attention to animal welfare is, in part, a result of the issues faced during the Cormo Express live sheep export situation of a couple of years ago. ADF strongly takes the view that dairy farmers are good custodians of animal welfare because it is essential to have good animal welfare practices if our cows are to perform to the best of their productive ability. The ADF is involved

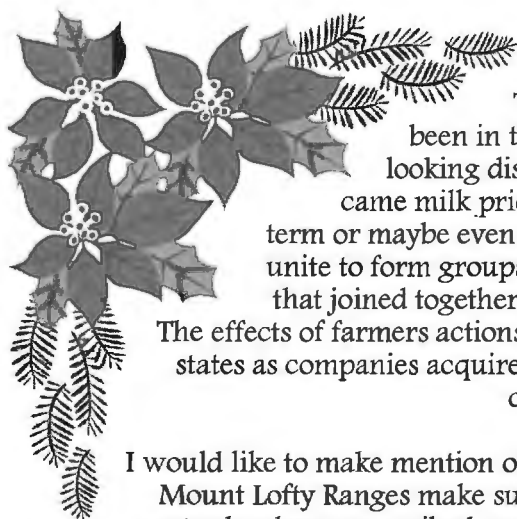
DAIRY UPDATE FROM SADA

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

Monday 19 December 2005

President's Report

David Basham



The year is almost to an end and what an interesting year it has been in the South Australian dairy industry. The first half of the year was looking disastrous with very little rain right across the state. On top of this came milk prices that were not good enough to sustain the industry in the long term or maybe even into the medium term. I guess all these factors helped farmers unite to form groups to tackle the problem. I would again like to thank the farmers that joined together to help protect the future for dairy farming in South Australia.

The effects of farmers actions, are not only being enjoyed here in South Australia but in other states as companies acquired milk to meet short falls from losses in SA. It is amazing what can be achieved with a united voice.

I would like to make mention of an article later in the Update, it is important that farmers in the Mount Lofty Ranges make sure they read it. As most are aware in the Mount Lofty Ranges, water has been prescribed, meaning farmers need to apply for a licence to keep using water, with the exception of Stock and Domestic (a licence is also required for stock and domestic if you are in the Western Mt Lofty Ranges and take the water from dams 5Ml or more). This means dairy farmers need to apply for a licence not only for irrigation water but water to operate the dairies on their farms; this includes water for washdown, plate cooler, machine washing, sprinklers to cool cows and other uses that may occur to operate the dairy. If you do not apply for a licence by the dates mentioned you will no longer be entitled to use that water and will have to apply as a new user and have no guarantee of receiving an entitlement.

The year 2005 for me personally has been challenging and enjoyable, taking on the role of SADA's President. On top of that my wife Kate and I moved into my parents old home last week, the home I grew up in for almost 20 years. I do not believe anything will top or be as enjoyable as my next challenge, which is to become a father for the first time. Kate is due early January and we will let you know the news in the next Update. Ken Lyons has suggested to me that Kate hold on until the 16th of January, which is SADA's 70th birthday, he believes this would make a good news story!

On behalf of Kate and I, we would like to wish you all a Merry Christmas and a happy, prosperous New Year.



SADA OFFICE CLOSURE

The SADA Office will be closed from Thursday December 22 until Monday January 9 2006.
But remember for urgent matters we are available all the time on the mobile.

Ken Lyons – 0419 037 569
David Basham – 0417 865 962
Jo Gilbert – 0419 035 459



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Members are well aware that part of your SADA membership enables us to be represented at the national level by ADF and NFF. One of the important roles played by NFF is to argue strongly for Australian Agriculture in the lead-up to the 2006-07 Federal Budget. Given the projections of a \$13billion surplus and given that spending money in agriculture creates enormous flow-on economic benefits to the wider economy the timing is right for agriculture to do really well providing we get the lobby right. In recognition of the importance of NFF getting the government to deliver on our proposals *I have decided to include in this Update the actual NFF News Release on their Pre-Budget Submission.* This is a good example of your membership at work at the national level. You will also note that some of the suggestions made at the SA Dairy Forum held in Parliament House have been incorporated into the submission.

Update readers will recall that since my first meeting with the NFF President, Peter Corish, I have been following his progress for you in the Dairy Update because under his leadership NFF is performing well. I am confident NFF will get the government to deliver on quite a lot of our suggestions.

By the way the NFF President and our ADF President, Allan Burgess, are both currently in Hong Kong as part of the push to get Australian Dairy better access to world markets. As you know progress is slow with the WTO but every little gain is lifting the bar on farm-gate milk prices. Pat Rowley, Chair of Dairy Australia, in his address to the SADA Board (13 December) paid tribute to the excellent work of DA's Chris Phillips in planning and managing our trade lobby. There is no doubt Chris's expertise in getting a better go for dairy is highly respected by the Australian government and internationally. There has been a lot discussion about dairy

training, employment and the dairy industry image during the year so I thought I would devote some time in this Dairy Update on this topic.

DELIVERING A PROFITABLE DAIRY FUTURE

On Wednesday 7 December I attended (as a replacement for Kym Mathew) the launch of the new state Primary Industry Skills Council. The new Council has been operating for a year now and will be the peak primary industry training organisation to interact with the state government.

There is no doubt this is a step in the right direction but the reality, that appeared to be accepted by all those present, was that while this is a different "structure" (perhaps better because it pulls all the different industry groups into a single entity) the real "driver" for putting relevant programs into operation will be the various industries themselves. Some industries will see the opportunities and benefits of ensuring their industries are well provided with training programs at all levels. *These industries will ensure they "invest" some of their compulsory levy funds (in our case Dairy Australia) into training and will attract matching funds from the state government agencies to build their industry skills and management abilities.* Fortunately Dairy Australia is already moving in this direction. Just as governments no longer provide free dairy extension services they are also moving away from being the sole provider of industry training programs.

So where are we heading with "training" for our dairy industry? Notice that I used the term "we" meaning SADA, DairySA, DIDB (Dairy Industry Development Board), Dairy Authority etc. Having a "collective" voice is also helping our small SA industry. Some of the recent developments include:

- We have (Ten Year Dairy Plan funding) just completed the report "Training Needs Analysis for the South Australian Dairy Industry". This paper seeks to identify the existing training programs and gaps. The next step is for the DIDB at their meeting on 13 December to direct some funds to priority programs.
- Dairy Australia has become a very key player in the dairy training area with the partnership with GoTAFE and established the National Centre for Dairy Education. These initiatives will be extended beyond Victoria in 2006.
- We have dairy training as a key focus for our SADA Human Resources Committee. This committee is linking through to the, also new, National Dairy Employment Manage-

ment Committee so South Australia can share programs with the other states. The DEMC is placing a strong emphasis on building industry capacity to manage labour well, so the dairy industry can become an "employer of choice" and can promote good labour management credentials to attract labour. To ensure progress is made during 2006 the DairySA Board and the SADA executive met with the DEMC project manager (12 December) to set some targets for 2006.

- We have people like Kym (on the new Primary Industry Skills Council) and Kirstie (on the Farmbis Board) making the "linkages" so programs that we want, are funded and delivered how and where we want them.
- The TAFE Dairy Management Committee, following their meeting on the 17 November, will be announcing some exciting enhancements to the TAFE Dairy programs for 2006.
- The investment by SA, including SADA, in management and leadership training over the years is paying dividends. We have some of the brightest, community minded, young farm leaders in the country.

So there is movement in the camp but hold on!

HAVING THE RIGHT PEOPLE IS AN "ONGOING CHALLENGE"

Perhaps all this is a waste of time unless we all share a common understanding of the exciting and challenging role to be played by our future dairy farm managers. Certainly the image and status of our dairy managers needs to be widely appreciated. Some of Australia's most successful business people are farmers. So lets us think this idea through!

FARMERS OF THE FUTURE

Lesley Fischer recently sent me the transcript of a very positive interview of Mike Stephens on the topic "Busting Myths about Farming" and presented by Robyn Williams on Radio National. I will repeat the part where he describes the farmers of the future and why "the new agriculture is an exciting, vibrant place for people to work".

"They are part of a new breed of farm manager. They might be owners of the business or an employed manager. They might be employed by a family business run on corporate lines, they might be working for corporate agriculture.

They measure water use efficiency, think of crop yield in terms of tonnes per hectare per 100 millimetres of rain, think about wool and beef production in the same terms. They have

sophisticated risk management strategies, forward sell, and take a position in the market. They have the same skill set as CEO's of major corporations.

This group of farmers are in the knowledge business. They are sensitive to environmental concerns. They value office time more than time in the paddock. They measure, monitor, benchmark, adjust, and change. They change their crop rotations to suit ever-changing overseas markets. They make decisions about input to crops depending on how advanced the crop is and what the state of the moisture status of the paddock is, and they subscribe to climate forecasts, employ market consultants and use satellite mapping. They breed livestock which are adaptive and adaptable. They are prepared to change marketing tack and respond to different market situations very quickly. They are articulate, well-educated. This group of farmers will never be heard to say, 'I'm only a farmer'. They are forward thinking and superbly equipped to handle the challenges that are thrown up, the challenges of uncertain markets, uncertain climate.

You will see a new combination of farm ownership. In the new agriculture one person may own the land, another livestock, another do the cropping, a contractor might do the livestock work. The strategic thinking and management could be provided by one entity while another does the work. Tree crops may be owned by another person and the carbon credits from those trees by yet another. The new agriculture breaks the nexus between ownership and activity. The new agriculture is an exciting, vibrant place for people to work."

EMBRACING THE NEW DAIRY GENETIC TECHNOLOGIES CAN BE MADE EASY

Some of the ways our dairy industry is meeting the challenge of ensuring our people are up with the latest and the best information and technology is to make the training accessible and relevant. Two years ago many dairy industry leaders were given a two day course in gene technology applicable to the dairy industry. It was a great program and people both from academic and farm operative backgrounds were equally enlightened. Remember this new technology is new to everyone. But the point was you had to go to the CSIRO Laboratory in Canberra for two days. Earlier this year (with the support of both the Dairy CRC and Dairy Australia) this biotechnology course was run on just one day and in a shed on the Nietschke dairy farm for the local dairy farmers. I was reminded of this course because it is a feature article in the latest edition of the Dairy CRC News. But the point of the "trial at the Barossa" was to show these programs can be done ANYWHERE and it can open up a whole new world of opportunities.

So if you think there may be interest in your region for the program contact your regional SADA Committee.

Kym Mathew (Fleurieu, Regional President) has been actively involved with the Mt Compass School and in the Fleurieu region with several projects and a recent workshop in Canberra focused on lifting the profile of agriculture at the school level.

PROMOTION OF AGRICULTURE TO SCHOOLS 14-15 NOVEMBER 2005

Kym Mathew

I travelled to Canberra with the help of the SADA Board for this workshop to assist in maintaining linkages and to expand the networking capabilities of SADA and the dairy industry.

This consisted of a series of presentations and workshops involving people from all over Australia and some overseas (NZ) with a common goal to raise the profile of Agriculture and its related industries within the education/learning environment.

Basically the outcomes were:

- 1. Create a national network that can provide effective, inclusive, ongoing communications to the education system and their provider funding bodies.*
- 2. Source a convenor to facilitate the network.*
- 3. That any national program be delivered to the needs and wants of each state on a state by state basis (one size does not fit all)*
- 4. National bodies such as NFF, CRC's and DA should have a greater interest in the promotion of Agriculture to schools.*
- 5. The national bodies need to be in closer relationships in the overall promotion of "Agriculture".*
- 6. All the participants in workshops have an ability to arouse curiosity/interest in agriculture on a wider scale.*
- 7. Extensive co-operation between Ag industries and educators is required*
- 8. Make available good industry representative to schools and good school reps to Ag etc*
- 9. Engage wider community involvement in Ag projects*

There was a strong representation of SA people involved in the workshop with several great presentations from: Belinda Barr and Heather Bray: Getting into Genes, Jane Bartlett: Wool Industry Induction Program and Australian Schools Wine Show and Linden Masters: Cleve Area School Agricultural Education and Innovation Manager and Rural Solutions SA.

There is a good opportunity for dairy farmers or groups looking for really interesting and local people to talk to them about great programs by

contacting me to get in touch these people.

It was very interesting to hear and see that other industries are experiencing similar problems to the dairy industry. I found it rewarding that these industries are looking to use some of the strategies that the dairy industry has in place. The most valuable thought though was that there are a lot of positive, progressive people interested in the promotion and long term sustainability of agriculture in Australia.

REPORT ON THE LAUNCH OF THE FRIDGE MAGNET



L-R: Virginia Ewing, Hon Rory McEwen and Sue Young at the Fridge Magnet Launch

You all will shortly receive a fridge magnet with the Emergency Animal Health number and room for the number of your private Vet. The point being that when a problem occurs often panic will also occur so it is important to have the numbers at hand.

Both Minister Rory McEwen and Shadow Minister Caroline Schaefer attended the launch of the magnet by Sue Young and Virginia Ewing at Flaxley on 6 December.

Not only is the Minister keen to ensure every dairy farmer in Australia has a magnet he wants all the livestock industries to ensure all their farmers also has one.

Remember the symptoms for several of the exotic diseases may not be that dramatic so our advice is that if you are unsure the first step is your local vet. But if you cannot get them out straight away do not hesitate to phone the emergency number.

1800 675 888

For extra information on exotic animal diseases try www.aahc.com.au/palc

SE OH&S WORKSHOP

The South East SADA committee and WorkSafe SA organised an on farm Occupational Health & Safety workshop in November at Charles & Stacey Wallis's farm "Harrimar". The workshop was open to all farmers, members and non members

of SADA and provided a practical insight into OH&S.

The day was "really positive". Charles Wallis President of the South East Committee said, "I found the on farm session to be very practical and dispelled many of the myths you hear about OH&S. WorkSafe SA explained the legislation in a farmer friendly and practical way, for example they talked about what we can do at a farm level to protect ourselves and provide a safe work place. After all no-one wants to get hurt, so its about everyone working together for on farm safety." For more information about the OH&S Workshop or SADA in the South East please contact Charles Wallis on 8726 6105.

ENROLMENT IN THE MANJD PROGRAM - TIME TO ACT

Approximately 200 SA dairy herds have enrolled in the new program. Farmers have benefited from having the costs of the testing covered and this will continue providing you enrol before June 2006. Remember if you do not enrol and then are found with the disease you will come under the existing regulatory approach with all the associated problems and costs.

The adoption of the new BJD scheme across Australia is proceeding with the support of ADF, Animal Australia and Dairy Australia.

WATER LICENCE APPLICATION FORMS

The State Government recently prescribed the water resources of the Eastern and Western Mount Lofty Ranges. In October and November 2005 dairy farmers should have received a letter and fact sheet explaining what this means. A number of open house forums were also held throughout both regions.

If you did not receive a letter, or if you would like a Water Licence application form, please phone one of the following numbers and ask for an application form to be sent out to you.

Eastern Mount Lofty Ranges: 8204 8590

Western Mount Lofty Ranges: 8204 8581

If you aren't sure which prescribed water resources area your property falls within you can call either number and an officer will be able to help. Alternatively, licence application forms and answers to frequently asked questions are available on the Department of Water, Land and Biodiversity Conservation's website www.dwlbc.sa.gov.au.

AWARD RATES & IR REFORMS

The current conditions and guidelines relate to the current State Pastoral Award.

a. The Current State Award

Guidelines for Dairy Employers in SA

Kirstie Murphy

All financial members of SADA will be receiving a fact sheet "Guidelines for Dairy Employers in SA" with their pre Christmas Update. The fact sheet outlines the requirements of the State Pastoral Award in an easy to read format that is relevant to the dairy industry.

Persons employed on dairy farms in South Australia are generally covered by the State Pastoral Industry Award (South Australia).

The Guidelines clearly outline the rates of pay for permanent and casual staff, overtime allowances and leave entitlements.

Farmers are encouraged to check the guidelines against their current pay rates to ensure award conditions are being met. For example the fact sheet highlights what overtime must be paid on weekends and public holidays and employees leave entitlements. These overtime & leave entitlements are especially relevant during the Christmas and New Year holiday season.

It is the responsibility of the employer to ensure that all their employees are receiving conditions and pay rates as set out in the award relevant to their employment.

These guidelines have been developed by SADA's Development Officer in consultation with WorkSafe SA, for SADA members. This is another example of SADA (your organisation) working hard for your dairy farm business.

Remember all our dairy farms are covered under the State Pastoral Award, unless you are a member of the SAFF industrial association and then you are covered under the Federal Pastoral Award.

Both the State and Federal Pastoral Awards are being reviewed. We have attempted to make the changes to the State and Federal Pastoral Awards (currently under review) as dairy friendly as possible. Thanks to Chas Cini, Jill Williams and Kirstie Murphy for the work they have done for us in the review process.

b. The new State Award. We expect agreement on the new Award conditions before Christmas (any day now) and the changes to come into effect on about 1st March. So SADA will keep you advised of the new conditions early in 2006 with plenty of time for you to adjust to the new conditions.

c. The new Federal Award. Our intention is to keep our members fully informed. Specifically we will work with NFF to ensure there are some regional forums (for SADA members) to explain

how the changes may effect dairy farmers. The Federal government has put funding for the exercise but NFF and SADA will need to apply for the funds and develop the program.

DAIRY CONTACT BOOK AND DIARY

Within the Update envelope all **MEMBERS** will find a smaller envelope and this will contain a 2006 Dairy Contact Book, 2006 Diary, Member Benefits Brochure, Membership card and current Guidelines for Dairy employers flyer. It will also contain a flyer explaining the MBF Health Corporate discount to commence on 1 February 2006.

DAIRY AUSTRALIA AGM



L-R: Ken and Helen Smith with Duncan Langdon Dairy Australia Group Manager Corporate Services.

David Basham and Ken and Helen Smith attended the Dairy Australia AGM. One of the highlights of the address given by DA Chair, Pat Rowley, was DA's entry into education and the establishment of the National Centre for Dairy Education.

Dairy Australia members will shortly receive a copy of "The Dairy Industry in Focus" which is our key source of information and statistics. Milk prices and productivity improved while milk prices reached record levels.

Another DA publication The Dairy Australian, December issue, carries a number of positive stories relating to the work of DA. The cover story relates to WCB being judged the best cheese maker by the DIAA. Congratulations to John McLean and the WC&BF team from SADA.

DAIRY ASSOCIATIONS WORKSHOP

On 22 November ADF and the State Dairy Farmer Organisations met to explore ways of providing better services to members. One thing that all associations need is a very easy and clear message to communicate. As the facilitator to our workshop suggested, we need to have an agreed "brand". The brand is everything people hear,

see and say about you. In fact we need a "brand story" that is a "compelling common story". After much discussion we decided that our common compelling brand story would be "we are the guardians of dairy farming".

In terms of the membership base we have set the target of all dairy associations to have better than 80% membership by 2010. Not many people are aware there are a few industry associations with close to 100% membership and as you would expect they are industries doing very well thank you.

SADA.....GIVING DAIRY FARMERS A VOICE

This is a nice little tag for SADA and you will see that we are using it on some of our publications and correspondence. Today I received in the mail a brochure from NFF and surprise, surprise they are running with a new tag "The voice of Australian Farmers since 1979".

You might like to read this bit of history from the Advertiser on 17 July 1935.

NEW DAIRYING ORGANISATION FORMED

The Secretary of the Affiliated Dairymen's Association (Mr JR Hewland) said last night that at a meeting at the Oriental Hotel yesterday a large gathering of delegates decided to form a South Australian Dairymen's Association. Twelve branches would be established immediately. The following provisional committee was appointed:- President, Mr HR Walsh, other members, Messer's L Hampton, T Smee, J Gormlie, JY Hudd, H Duell, LJ Cailles, AS Brabham, GE Boord and BB Wilhelm; Secretary and Treasurer Mr Hewland.

"The meeting was enthusiastic and everything is in train for the building up of a large and powerful dairymen's organisation in this state" said Mr Hewland. "The new association will include many dairymen who have not been organised previously. The men feel the need for organisation in order that their problems may be solved in a satisfactory manner"

In fact the Incorporation date and therefore our birthday on 16 January 1936 means that this January the South Australian Dairymen's Association will be 70 years old.

SADA THANKS ITS SUPPORTERS AND THE NAB

Following the December SADA Board meeting the SADA Board acknowledged the assistance of our important SADA supporters at a Christmas function sponsored by the National Australia Bank.

Pat Rowley, Chair of Dairy Australia, and John

McLean, CEO of WC&BF, provided excellent addresses. Adrian Daniel (NAB Agri-business Manager) also spoke of the important partnership between the NAB and SADA.

This is also an opportunity to say a special thanks to someone recognised as making a contribution to our State Dairy Industry. Last year you will recall we paid tribute to Ken Smith and this year we acknowledged both Dean Brown and Ron Roberts.

The SADA Board is most appreciative of our relationship with the National Bank, Malcolm Pridham and his team of agri-business specialists. Their sponsorship of the Dairy Industry SADA Christmas function provides the ideal platform to further encourage the team work that is becoming a real and recognised feature of the SA Dairy Industry.

WESFARMERS WEEKEND GETAWAY



L-R: Steve Gilder and Karryn Pope from Wesfarmers with Ken Lyons drawing the winning ticket

The fantastic Wesfarmers Insurance weekend getaway at the Stamford Grand Glenelg has been won by Chris and Dianne Williams from Meningie. Past Sharefarmers of the Year and a quite inspirational couple we wish them a great time at Glenelg. When I think back on that popular Dairy Field Day at Rocky Camp celebrating their winning of the Sharefarmer of the Year Award (just a few years ago) I cannot help remembering our past Office Manager, Jenny Harris. Jenny was very, very sick but insisted on going to her last dairy field day.

PEOPLE

Dean Brown

Dean throughout his parliamentary career has been a strong and effective driver of rural development. His contribution to the state dairy industry was recognised by way of a media release from SADA President David Basham.

Ron Roberts

Our Legislative Council President, Ron Roberts, has been one of the few credible voices for primary industry in the State Government. Having an electorate outside of Adelaide and with

the experience as Shadow Minister for Primary Industry Ron has always been a champion for developing rural and regional South Australia.

Deanna Lush

Congratulations to Deanna who won the main prize at the Telstra Rural Media Awards. Congratulations to the other winners including, Nigel Austin, Kerrie Lush, Leigh Radford, Sam Wundke, Graeme Jennings, Mary-Jane Angus and Kate Dowler.

Peter Corish

Peter Corish (NFF President) chaired a meeting of the Cairns Group Farm Leaders in the lead up to the WTO meeting in Hong Kong. Our ADF President Allan Burgess is also there in Hong Kong also arguing for better access for Aussie dairy around the world. It is hard going as you all know but all the experts believe if there is one area that has the potential to lift dairy returns very significantly rather than incrementally it is trade reform. That is why we have to be there.

DAIRY INNOVATORS FORUM AT MT. GAMBIER

The Australian Dairy Conference will stage the Dairy Innovators' Forum in Mt Gambier on February 15 and 16 2006.

The event will be limited to 150 (with 100 seats reserved exclusively for dairy farmers) to allow a much higher degree of interaction between the speakers and the delegates. The SADA Board will be holding their Board Meeting in Mt Gambier in conjunction with the Forum. This will provide a good opportunity for members to catch up with their SADA Board Members.

The program and registration brochure is now available. It is recommended that you register and make accommodation arrangements early to avoid missing out. Please phone Jo on 8293 2399 and she will send it to you either by email or post.

REMINDER

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

DON'T FORGET

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

AUSTRALIAN PRIMARY SUPER

Australian Primary Superannuation Fund has recently appointed Rod Stewart as Regional Manager (Vic, SA & Tas), to replace Felix Sher. Formerly employed by Trust Company of Australia (14 years) and more recently Australian Administration Services, Rod has more than 25 years experience in the financial services and superannuation industry.

Rod can be contacted on his mobile 428 558 158.



Ken Lyons with Rod Stewart at the SADA Office

COMING EVENTS

19 January 2006 – River Murray Focus Farm Meeting (Woods Point) – contact Rick Jordan 0427 447 753

14 February 2006 – SADA Board Meeting, Mt Gambier

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

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

“Happy Dairy Farming from SADA”



SADA would like to wish you
and your loved ones a very
Merry Christmas and a safe and
Happy New Year

VIP REMINDERS TO DAIRY FARMERS

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

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



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

NLIS TAGS

As you are aware there has been delays (although it is getting better) in the getting the orders processed. If your requirements are urgent SADA Board member, Sue Young, has recommended you make it clear when you order the tags your need is URGENT and your order will be processed immediately. If you are really caught out you should approach your stock agent to see how the situation can be managed.

CONSIDER NOW ENROLLING IN THE MANAJD PROGRAM

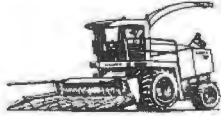
While you have until June 2006 to enrol to get the funding we encourage all farmers to consider the advantages of the new program.

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You may forward book any cattle with me
today on 0400 225 101

I hope you all have a Merry & Safe
Christmas & a Prosperous New Year



Mark McLoughlin

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Sue Young

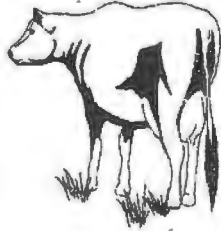
South East Region
Ph: 0429 994 337

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Note:

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Australian dairy farmers until June
2006

Contact your field officer or
Phone 8536 3958 to participate



Wesfarmers Federation Insurance We're never far away.

Wesfarmers Federation Insurance
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providing you with direct, personal service.

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WFI Adelaide on (08) 8373 9205.



www.wfi.com.au



VERY GOOD DAIRY NEWS

At Lunchtime Friday 16 December we received the following 2 great emails

1. The SA Dairy Industry through DairySA, and with support from SADA, PIRSA and the EPA, has just heard that its application for funding of a major state wide dairy effluent management program has been successful. The Commonwealth Government through its National Landcare Program will be providing \$233,000 for a 3 year program. Key components of the program will be to provide regional guidelines and technical advice for farmers to improve their effluent management systems. This program follows on from the continuing success of the highly regarded program in the South East of SA. The SA industry will continue to lead the nation with its proactive best practice programs to manage effluent on dairy farms. Well done by Monique Aucote who in her DairySA NRM role has coordinated this proposal.

2. The ACCC have released a draft determination that will allow the ADF to continue to have groups of farmers form into collective bargaining groups to negotiate supply term and conditions with dairy companies.

8 December 2005

NR 159/05

NFF RELEASES FARM VISION FOR 2006-07 FEDERAL BUDGET

Tax reform, transport infrastructure and environmental sustainability are three key pillars of the National Farmers' Federation submission to the Australian Government ahead of the 2006-07 Federal Budget.

NFF President, Mr Peter Corish said today that projections of around a \$13 billion surplus in 2005-06 and continued strong surpluses into the future meant the Government had never been in a better position to drive forward with nation building reforms necessary to secure Australia's sustainability and prosperity.

NFF, in a Pre-Budget Submission released today, has put forward a range of budget proposals and reform measures on behalf of Australian agriculture in the lead-up to the Budget to be handed down next May.

"These measures and reforms, if implemented by Government, will actually pay dividends for the fiscal balance by strengthening the economy at a time when global and domestic pressures are starting to reveal that we are at the end of the longest period of economic growth since Federation," Mr Corish said.

"Australian Farm Institute research shows that for every dollar of value created in the Agricultural sector three additional dollars are created in up or down stream industries."

Proposals in the NFF Pre-Budget Submission include:

- A package of tax reform measures, including revamping the tax zone rebate.
- A new set of goals for improving Australia's vital transport infrastructure, including additional funding for expanding AusLink to our port system.
- A new National Environmental Management Program to recognise farmers who undertake the delivery of public-good environmental works.
- Accelerating fuel excise reform to respond to the unplanned increase in fuel costs.
- A new National Productivity and Sustainability Strategy to replace National Competition Policy, which lapses in June 2006.
- Drought Policy reform and a range of other agriculture programs.

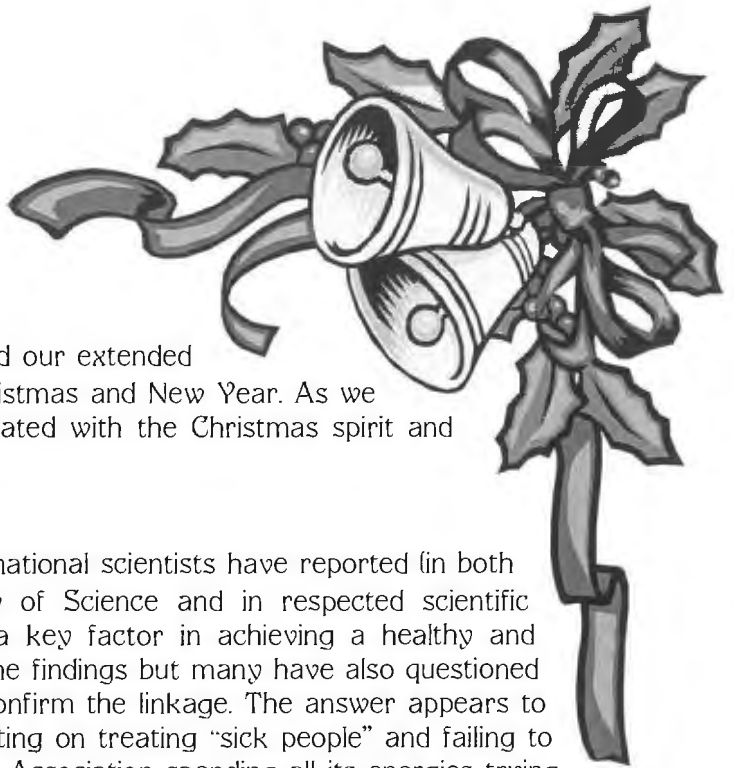
"NFF's tax reform measures target issues such as regional development, labour shortages, and drought and risk management," Mr Corish said.

"Improving our road, rail and port network is an effective way to increase the competitiveness of our export industries, including agriculture, particularly given rising fuel and transport costs.

"Australian agriculture is growing again after one of the worst droughts on record. However, there are significant challenges ahead and the targeted Budget measures proposed in NFF's submission will ensure a strong and sustainable future for Australian farmers and the broader economy."

NFF's Pre-Budget Submission is available in the media centre on the NFF website: www.nff.org.au

Christmas Message from SADA



We wish all our members, their families, and our extended family of "friends of SADA" a very Happy Christmas and New Year. As we approach Christmas our homes become decorated with the Christmas spirit and Christmas cards are prominently displayed.

This year some of our most respected international scientists have reported (in both presentations to the London Royal Academy of Science and in respected scientific publications) confirmation that "happiness" is a key factor in achieving a healthy and successful lifestyle. Many people will relate to the findings but many have also questioned why the professionals have taken so long to confirm the linkage. The answer appears to be that the psychologists have been concentrating on treating "sick people" and failing to also look to why people are well. It is like your Association spending all its energies trying to "defend" dairy rather than capture "opportunities" to add value to dairy incomes. One researcher said there was not a lot of happiness research in the UK, because if you do it, people think you are trivial. Others thought positive psychology had a schmaltzy American feel rather than real science. But how trivial is it to find a way to get happy if it leads to a long life, good health, job satisfaction and social success.

How often when we open our cards and we read the wishes of "happiness" do we have a sense of familiarity. Even those writing these best wishes often feel a sense of routine rather than any real connection with wishing something of great value. *Yet we now know, from this latest research, that to wish someone "happiness" is about the very best thing you can do.* I am sure in the coming year you will hear more in the general media of the studies of "wellbeing" and the science of "happiness".

Perhaps Rob Lewis, the SARDI CEO, should seriously think of getting some scientists working on humour and laughter and their connection to health. Bring out the tickle machines and start measuring the effects on the immune system, cortisol and chemical plasma fibrinogen levels.

Members will recall that when we started the new Update format (courtesy of Rob Mulhern) I signed off with the phrase "Happy milking, Ken". Then as times got tough and we introduced "Coming Events" and the phrase got dropped. Well for the coming year we will reintroduce a tribute to 'happiness'. So for 2006 our Dairy Update from SADA signature will be, "Happy dairy farming from SADA".

So we at SADA wish you all a Very
Merry Christmas and Happy New Year

**CERTIFICATE IN AGRICULTURE (DAIRY)
TIMETABLE – TERM 1 – 2006**

DATE	VENUE	TIME	TRAINING	LECTURER
February – 7 th	TAFE SA Murray Bridge	10.00am – 1.00pm	Induction Day/ Information Day	A Sutherland R Holman
February 10 th	TAFE SA Mt Barker	9.30am – 4.00pm	Front End Loader	T Lacey
February – 16 th (DAIRY STUDENTS ONLY)	Flaxley Agricultural Centre	9.30am – 4.00pm	Quality Assurance & Effluent Disposal	A Sutherland
February – 21 st	Flaxley Agricultural Centre	9.30am – 4.00pm	Farm Safety including Manual Lifting	Workplace Services (Steve Dohnt)
February – 22 nd	TAFE SA Mt Barker	9.00am – 5.00pm	First Aid	St John
February – 28 th	TAFE SA Murray Bridge (Conference Rm)	9.30am – 4.00pm	Fire Arms Course	Geoff Smith
March – 2 nd March – 3 rd	TAFE SA Murray Bridge	9.30am – 4.00pm	Intro to Mechanical Maintenance Small Petrol Engine (Maint & O/Haul)	R Holman
March – 7 th (DAIRY STUDENTS ONLY)	Flaxley Agricultural Centre	9.30am – 4.00pm	Dairy Cow Health	Dr G Beath
March – 9 (DAIRY STUDENTS ONLY)	Murray Bridge	9.30am – 4.00pm	Dairy Innovation Day	
April 4 – 8 th (DAIRY & BEEF)	Flaxley Agricultural Centre	9.30am – 4.00pm	Artificial Insemination	A Sutherland
April – 11 th April – 12 th	Flaxley Agricultural Centre	9.30am – 4.00pm	Chemical Safety	A Burgess
April – 6 th	Flaxley Agricultural Centre	9.30am – 4.00pm	Intro to Soils	M Lee
April – 26 th April – 27 th	Mt Barker Workshop Mt Barker Workshop	9.30am – 4.00pm 9.30am – 4.00pm	Tractor Operations) Tractor Maintenance)	R Holman
April – 28 th	Mt Barker Workshop	9.30am – 4.00pm	Hydraulics	R Holman

SOUTH EAST DAIRY PROGRAM

Any enquiries for the South East region, please contact Jennifer Sparks – TAFE SA (Mt Gambier Campus) – Telephone: 8735 1455

