



2020 Annual Report



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DO DAIRY
Support SA

Mission Statement

*“To provide strong leadership and effective
advocacy enabling a growing
profitable and sustainable industry for members.”*

Our Values:

Integrity Respect Passion Representation Ethical Practice Accountability

South Australian Dairyfarmers' Association Inc.
2019—2020 Annual Report

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President's Message

What a year has just passed, I don't think anyone could predict what we were in for with drought still effecting so many, fires that we haven't seen for a long time and to top it off let's throw a pandemic in there, as we move into the second half of 2020 there is little on the horizon to alleviate the uncertainty of

what the world has in line for us, though things have had a positive start with good spring rains, lower input costs and a strong opening price.

A highlight for us was seeing the response from people regarding the droughts and fires. The fodder that was donated, trucks, fuel, time it really is great to see that side of humanity raining supreme in distressing situations. We still have to follow up on health aspects of farmers who have taken on a heavy toll.

SADA was leading the national drive for an enquiry into the dairy industry from the ACCC as could see there was an imbalance of power between some processors and farmers. This led to a mandatory dairy industry code where farmers could feel confident their contracts were being overseen by an independent body. Toughening of trespass laws, ending of \$1 litre milk are just a few of the highlights we managed to achieve.

In November SADA was driving the whole SA dairy industry by leading the way with the state-wide dairy summit attended by farmers, processors, regulators and government departments. The South Australian Dairy Industry Action Plan 2019-2024 continues to roll out the takeaways from that summit and again there is a positive message and goals that the whole of chain can strive for.

SADA has submitted numerous submissions into the dairy industry including GM, right to farm, performance and profitability since deregulation and Dairy Plan. We have a few projects underway with cows in schools, traceability project grass to glass.

Would like to thank our PAG representatives who help identify and develop policy needed to keep ahead of industry needs and issues

SADA and the SA Dairy industry will meet the targets set by the SA State Growth Plan and the industry expects to not only meet that 3% target but exceed it. SADA and SA Dairy will continue to perform to maximise in any way we can, higher returns for farmers.

SADA rallied behind Livestock SA and supplied staff for six weeks in the fire relief effort for their members, with a focus on the challenge of getting fodder to the animals on

Kangaroo Island. We gladly did this for Livestock SA as we know that they would do the same for us. As it was, the Livestock SA effort also assisted dairy farmers in the Adelaide Hills. SADA have assisted in an enquiry to look at improving notification and firefighting support.

As per the mandatory code of conduct the first day of June all major processors in Australia posted their prices and their contract available for farmers to see. It was clear that unlike in the past the contracting playing field had been substantially levelled and prices looked like an actual attempt at competition rather than a mere tipping of the hat to competition policy while processors lined up with each other to bid for milk.

Prices like \$7.20 were welcomed by farmers and it was good to see other processors quickly adjusting their prices in an attempt to become competitive. Coles became a direct milk purchaser and in doing so started offering a price that reflected the cost of production being one of the more competitive offers in the marketplace.

In February the Bureau of Meteorology, after years of being the prognosticators of doom, finally started to find optimistic signs among the entrails of their science. El Nino shifted toward the neutral and the Indian Ocean dipole began to change its temperature. Rain was on the horizon.

The rise of Covid 19 was an unappreciated event of what I have not seen in my life time. From a dairy perspective on farm there was enough information put out from Dairy Safe and Dairy SA to make certain farms did all they could to keep employees and other service providers safe. We were fortunate as markets have remained steady though people shifted their consumption from the coffee shop to the supermarket, export and domestic prices have remained reasonably steady.

However, in the SADA office, staff were relegated to their homes. In spite of this SADA continued to function due to the foresight of our CEO Andrew Curtis who has been steadily creating a paperless and remote office functionality over the year that allowed SADA to continue delivering members services assuring and keeping all up to date with ongoing changes daily during the lock down.

A big thankyou to our staff in the SADA office, we have a team who are just as passionate about farmers as we are about our farms. Nothing is ever too much trouble and are constantly improving, again to bring the most benefit to our members

In May the rain began to fall and many farmers enjoyed rain they haven't seen in a number of years. June was drier with August and September pretty good, we will see if the rain continues in the 2020-2021 year.

The year ahead promises even more challenges and doubtlessly there will be even bigger bridges that we will have to cross. But I remain confident of one thing, and that is SADA will continue to be there and continue to perform for its members.

John Hunt
President



CEO's Message

The 2019-20 year has been a year of many fluctuations. Over the year we saw a range of programs and initiatives come to fruition while we also experienced a number of unprecedented disruptors.

The past year has seen continuous change from tackling drought, bush fires and now a global pandemic, to delivering industry development outcomes supporting the whole dairy chain. A strong strategic plan has given our team the ability to keep focus on our key areas of advocacy, member services and industry development as each opportunity and issue presents itself.

While much of the work of SADA is reported elsewhere in this document, it is important to recognise a few key areas:

- In November SADA was able to host a dairy Industry Summit with drew delegates from across the dairy value chain and government departments. The commitment to work together and "Partner for Premium" will stand the industry in good stead in the coming years.
- The start of 2020 saw the introduction of the Dairy Industry Code of Practice. It was pleasing that SADA was able to take a lead role nationally in the development of the code and in its role out during 2020 across the industry.
- The development of the Australian Dairy Plan has been an involved and in some cases drawn out process. It is pleasing the SADA has been able to provide significant input into the development of the plan and that we have been able in some instances provide a unique insight based on the experience of the SA Dairy Industry Action Plan.
- 2019 also saw the transition of the management of cattle industry funds from PIRSA to industry. A new industry fund board has been established by SADA and Livestock SA to manage these funds for the benefit of industry .

- SADA has worked closely with the SA government, Primary Producers SA and the National Farmers Federation to ensure that the response to drought and bushfire policy is considered across the livestock industry to meet the needs and opportunities of our South Australian dairy farmers.

It is important to note the support the SADA team provided in the wake of the summer bushfires, As an Association we assisted in delivering more than 4200 tonnes of donated hay to the Adelaide Hills, Keilira and Kangaroo Island affected regions. This included facilitating 150 truck loads on the ferry across to the Island adding to the administration burden for our office. As we emerged from this time, March arrived and with it came the challenge of COVID 19 and working from home.

The continued support from PIRSA with communications and updates on border crossing applications and enquiries while keeping the industry up to date with changes on COVID19 restrictions has been invaluable.

It must be recognised that the events of 2020 have placed the industry in a strong position to better deal with disruption. Both as an Association and as an industry we better understand what is required to continue and who are partners are in ensuring that continuation.

The efforts of SADA is the result of a diverse and committed team that in addition to supporting advocacy and policy development, includes the delivery of many projects aligned with the Action Plan.

We continue to welcome and encourage members engaging in committees and the board. They work with a committed and talented office team. Drop into the office when you're next in the Adelaide and check out the revamped office space to accommodate our team.

The year that has passed has been challenging and as we move into 2020-21, we are strengthened in our ability to advocate for the industry and provide services to our members.

Andrew Curtis
Chief Executive Officer

Key Priority Areas

In 2016 SADA developed a strategic plan to create a clear pathway for the future. The Vision for SADA is to become the premier industry body in South Australia. To support this ambition SADA has now taken a number of steps to achieve this ambition, not least of which is the launch in March 2019 of the South Australian Dairy Industry Action Plan 2019-2024.

The Strategic Plan of SADA maintains 7 Key priority areas:

1. Membership
2. Financials
3. Communication
4. Advocacy and Relevance
5. Board and Governance
6. Industry Growth
7. The Management of SADA Fresh

These areas form the spine of SADA's activities.

SADA has not lost its sense of direction in spite of the many distractions that occur in the lobbying and representative space from time to time. SADA is engaged and remains the go to organisation of the South Australian dairy industry.

The plan reflects the needs of SADA and its members. Contractual arrangements, the Right to Farm, Industry Confidence, Social Licence and Regulatory oversight are all issues that are top of mind for the Members of SADA. It is SADA's function to advocate, represent, lobby and to address these real and present issues facing Dairy Farmers today.

Priority Area Number 1: Membership

In the 2018-19 year SADA completed a rationalisation of its membership numbers revealing that SADA membership sat at 96 active and operational members.

In 2019-2020 those numbers improved to 103.

Again in the previous recorded year there have also been a shrinkage in the number of dairy farms in South Australia. This needs to be understood in the national context where the trend towards shrinkage of the number of farms is reflected in all jurisdictions.

Nationally, since 1980 there has been a downward trend in the number of dairy farms.

Australia in 1980 had 21,994 farms. In 2019 that had fallen to 5,213 farms.

The national herd size has fluctuated during the same period from 1.88 million cows in 1980 to 1.56 million cows in 2018. However by the end of the 2019-2020 financial year the herd contracted to 1.44 million cows.

Milk production in the same 2017 equalled 483 megalitres and in 2018 it was 496 megalitres in financial year starting in 2019 that number again contracted to 488 megalitres.

The trend to farms are becoming larger and more efficient continues.

This represents a challenge to SADA in maintaining its membership into the future.

Outcomes

Better informed membership through effective delivery of useful, current and timely information through communication. This information should reflect the local, national and global environment. SADA developed the South Australian Dairy Industry Action Plan to benefit members. This plan was launched by Minister Whetstone in March 2019 and has been embraced by industry.

SADA continues to maintain and build upon a strong advocacy capacity. SADA has maintained its advocacy in a number of important ways including appearing before a parliamentary committee inquiring into the GM moratorium in SA. Notably in 2019 the Government announced that it would be stepping away from the moratorium.

We maintain a list of organisations and service providers who can quickly and effectively meet the needs of SADA members.

Strategies

Providing Services to Members to make membership more attractive: In the 2019-2020 year SADA continued to provide policy and legal services to members and in some instances non members. As well as supplying legal advice to ADF and Dairy Australia during the roll out of the Dairy Industry Code.

SADA has been assertive in demonstrating to its membership that they can come to SADA with confidence that their issues, whatever those issues may be, will be attended to in a professional and comprehensive way.

Develop a Concierge Service approach: In the 2017-18 SADA commenced its farm visitation program. That has continued in the 2019-2020 year with most farms members farms receiving direct visits from SADA Staff.

SADA staff have made repeated visits to some farms with particular issues.

The program of farm visits will be repeated in 2020-2021 year.

Year	Number of Farms SA
2010-11	286
2011-12	275
2012-13	268
2013-14	264
2014-15	252
2015-16	259
2016-17	240
2017-18	228
2018-19	212

Performance Indicators:

Membership numbers:

As at end of financial year 103 down from 96.

Number of discount arrangements:

As at end of financial year 9 associate memberships, unchanged up by 3 from the previous year.

Number of referral events:

7 related to Industrial relations matters and legal issues.

Number of communication events:

31 - 2019-2020

23 - 2018-2019

25 - 2017-2018

Priority Area 2—Financial

In 2019-20 SADA continued to maintain a financially secure position.

The rise of Covid 19 has again served to put pressure on farmers over the course of the year.

Consequently the board determined to restrain levy increases to CPI again in the financial year.

In spite of this the organisation remains on a strong footing financially and an expansion of income sources are anticipated in the next financial year.

Outcomes

2019-2020 again saw Membership Fees restricted to a CPI increase. The SADA Board has been very aware of the pressure on the industry in the past few years and Covid 19 hasn't helped. Consequently, SADA has kept membership fee increases to a minimum again this year limiting the membership fees to CPI.

SADA's income was also assisted with a \$60,000 grant from the Government to support a Dairy Industry Action Plan Officer position, in the person of Ashleigh Pulford. Ash has made an important contribution to the SADA world since arriving in late 2019.

SADA Fresh is continuing to perform well in terms of domestic sales however, exports however remain problematic as the impact of Covid-19 on aircraft movements have had a pronounced impact on export sales bringing them to an absolute halt by the end of the financial year.

The South Australia Dairy Industry Fund board continues to maintain oversight of the funds collected from the SADA Fresh product. By the end of the 2019-2020 year the fund had expended just over \$1 million dollars since its inception.

In spite of the impacts of Covid-19 it remains the ambition that with there will be an increase over time of the export product, including the expansion of the product base we will increase the amount of available income to reduce the stress on the SADA membership in membership fees.

By the end of the financial year SADA Fresh had commenced negotiations with Coles regarding placing cheeses on Coles' shelves. There talks were trending in a positive fashion.

Membership has presented as a continuing issue. Declining membership will threaten income moving into the future.

SADA has been rolling out a concierge service over the 2019-2020 year. This has stemmed the loss of members but recruiting members remains challenging.

Strategies

Membership Fees

SADA continues to collect membership fees from the people we represent. As stated elsewhere in this report we have attempted to keep the demand for dues as light as possible. Nevertheless they are collected and applied to the benefit of all SADA Members.

WFI Income

The Westarmers Insurance income remains a valuable source of income for our organisation.

Grants

We have been successful in raising \$120,000 to fund the position for the roll out of the South Australian Dairy Industry Action Plan. \$60,000 from SA Govt and SADIF respectively.

Rental Income

SADA also makes a small income from rental space leased to Livestock SA.

SADA Fresh

Has made limited contributions to SADA's expenses as most of that income has been transferred to the Fund. All income is outlined in this reports' financial statements.

Performance Indicators

Collection of Membership Fees including CPI increase:

Completed and continuing.

Increased income from this source:

Only to CPI in the 2019-2020 year.

Grant opportunities to be identified and applied for when appropriate:

SADA continues to receive grant funding from SADIF.

SADA continues to operate it's business from Unit 5, 780-802 South Road in Glandore. The building is owned by SADA and is in part rented to Livestock SA for a rental return to SADA.

In 2019-2020 financial year the offices were refurbished to accommodate increased staff numbers. These staff are related to the work of the Cattle Industry Fund, the Sheep Industry Fund, SADIF as well as the expansion of SADA regarding the roll our the SA Dairy Industry Action Plan 2019-2024.

Priority Area 3—Communication

In 2019-2020 SADA continued its assertive communication campaign, not only with members but also with the industry at large.

The year saw SADA continue to roll out its support for both farmers and processors ensuring maximum compliance with the Dairy Industry Code which became operational in the beginning of 2020.

SADA worked with and supported ADF, Dairy Australia, a number of SA based processors with their contractual development as well as assisting members with interpreting the industry code and making certain those members were clear on their rights and responsibilities under the Code.

Outcomes

The outcomes that we have aimed for as an organisation in the communications sphere are aimed at:

- Ongoing personal contact
- Continued maintenance of Websites and social media pages.
- The continuing of Newsletters, including matters of local, national and international relevance
- Regular contact with individual members via electronic means.
- Effective contact with Political Leaders, Senior Management in Dairy related Industries and other interested organisations such as animal welfare organisations
- Media releases on issues effecting the industry leading to greater confidence in the industry at a consumer level
- Maintaining the Social Licence of the Industry

The websites continue to be maintained. The <https://sada.asn.au> portal has been supported by the www.sadafresh.com.au web address which is the website for the SADA Fresh Milk Brand.

SADA continues to also maintain a presence through the Facebook page.

SADA continues to be active in the social media space which enables SADA to keep itself firmly on the map with communicating with farmers.

Strategies

In 2019 –2020 contact with external organisations and external interests have been regularly created and maintained.

This is particularly true of Government officials including Ministers, Shadow Ministers and senior public servants.

SADA has continued to have meetings with both the Ministry, backbenchers and also with the Shadow Minister and his staff.

The Media and public are repeatedly contacted regarding developments in the industry.

SADA remained at the forefront of the Trespass issue which started saw legislation amended to toughen up trespass laws substantially. SADA led the primary sector in these changes and while the Government didn't adopt all recommendations the steps take reflect in a substantially firming of the offences.

SADA has held member education programs, issues press releases, written to multiple ministers and has been forceful in recommending to government what needs to be done to attend to the issue in SA.

SADA is pleased that the government has announced there will be amendments to legislation, however, SADA will continue to lobby for stronger laws to protect farms.

Performance Indicators:

Website complete by end Feb 2017

Completed in 2017 and continues to be maintained.

Number of Newsletters

Monthly, 11 issued in the last year.

Number of specific advices issued

As required updates have been circulated to members. 11 such updates have now been issued in the financial year. The increased activity in this space reflects the Covid—19 messaging to members.

Number of external contacts

These contacts with external organisations have been occurring on a daily basis

Number of Press releases issued

9 press releases had been issued across a number of issues

Qualitative feedback to board members

The board members report consistent communication with the membership.

Priority Area 4—Advocacy and Relevance

Advocacy remains the core function of SADA and as an organisation we continue to perform well both on a national and state stage.

The introduction of the South Australian Dairy Industry Action Plan 2019—2020 saw SADA bring the industry together in a Dairy Summit in December 2019. This summit has led to a number of direct actions over the year with an ongoing examination of the supply chain in anticipation of emerging block chain technologies.

Outcomes

Lobbying that SADA has engaged in directly or in partnership has seen successes in many areas not least of which were;

- A substantial increase in supermarket milk prices arising from the cessation of the \$1 milk price war between the major supermarkets.
- The passage of the Australian Dairy Industry Code into law.
- The passage of South Australia's beefed up trespass laws by the South Australian Parliament.
- Direct assistance to two processors in developing their dairy contracts.
- Drafting a standard form contract for ADF's consideration
- Writing DA's nationally circulated flyers explaining the operation of the Dairy Code.
- Advising Farmers on collective bargaining in South Australia.
- Continuing to provide advice to the NFF regarding native title issues.
- Continued lobbying regarding amendment of SA's GM laws.
- Taking an active roll in issues impacting on PPSA.
- Participating in the ACCC's Dairy Code consultative committee.
- Conducting a dairy industry summit
- Multiple Meetings with the DIAA SA branch.

The Mandatory Code The Action Plan was funded in the 2019 - 2020 financial year and a position has been filled to ensure its roll out. SADA looks forward to reporting in the next year the outcomes of this plan and SADA's activity.

Strategies

Government and SADA continue to enjoy a close relationship. Nevertheless, SADA and the state Opposition also maintain regular communications regarding the interests of the industry in SA. As predicted in the 2018-2019 annual report former SADA president David Basham continued to impress in government. At the time of publishing this report Mr Basham has now become the minister for Primary Industries and Regional Development In SA

Independently of David's elevation SADA maintained contact with several of the government's ministers particularly, David Speirs and Tim Whetstone both of which continued to be generous with their time in dealing with SADA.

Since developing the strategic plan there is little doubt that SADA is in a stronger and better connected environment than it was even just 2 years ago.

SADA will continue to press on and continue to develop it's sphere of influence and advance its interests on the national as well as the local stage.

Performance Indicators:

Qualitative feedback from members

Positive responses from members. As SADA continues to visit farmers personally and on their farms. Members appreciate the direct contact and that will remain an ongoing policy of the organisation.

Number of successful lobbying events

SADA engaged in over 20 events last financial year. (Including meetings with Political leaders). These events also included meeting major processors, attending parliamentary committees, meeting with the ACCC and meeting ministers at both a state and Commonwealth level.

Number of contacts created

The expanded SADA staff maintain and develop many contacts, locally, nationally and internationally. SADA continues to work with our national and international contacts to pursue the aims of the Dairy Industry Action Plan.

Growth in the size of the overall network

The network possessed by the SADA team has continued to expand.

Qualitative feedback from public

SADA continues to enjoy overwhelming public support for our industry. The support from the public regarding our push for expanded Trespass Laws reflect the quality of the appreciation the public have for the SA Dairy Industry.

Priority Area 5—Board and Governance

This report is the fourth annual report which directly relates to the operation of the strategic plan. By comparing the reports over the past 4 years a picture can be formed regarding the strategic plan and positioning of the organisation. This has enabled SADA to effectively track its progress on behalf of members in a methodical and philosophically consistent fashion. Members of SADA can now clearly track the progress of their representative organisation.

SADA continued to manage its affairs through the careful application of the principles of governance incorporating 4 face to face board meetings per year as well as weekly phone hook ups in spite of the impacts of Covid - 19.

Nevertheless, there are still challenges including the reality of:

- Shrinking numbers of farms and,
- Shrinking numbers of farmers.

While the amount of milk being produced has not fallen in the reporting period the change in numbers indicate that the future of dairying will mean SADA will have to consider its model going forward when dealing with larger company farms.

A number of options have been under consideration in the 2019-2020 year and it is anticipated that there will be a substantial change to the structure of the organisation by the end of the next reporting period.

Outcomes

SADA's strategic plan was developed and endorsed by the board in March 2017. After ratification the plan has now been rolled out and has continued to be expanded on in the 2018-19 years projected out to 2022. This will enable consistency of reporting on KPI's which have remained relevant since the publishing of the first Strategic Plan.

Equally, the SADA Fresh strategic plan was developed in April 2017. While China has proven to be particularly difficult to expand the foothold we have into the market SADA Fresh persists. Covid - 19 has caused a complete halt in exports to China by the end of the 2019-2020 year.

In 2019-2020 SADA Fresh continued to develop its cheese products. As indicated communications with Coles continue to show positive signs for adoption in SA.

Staff have continued to provide prompt and effective advice to board members as an when required.

There have been 4 board meetings as required by the constitution.

Strategies

Last year the strategic plan was extended for 2 years to enable it to build on the successes and challenges which the organisation has faced.

At that time the Board considered the plan and agreed that its functionality would continue to serve the organisation and a an increased longitudinal approach would enable a more effective measure of the performance of SADA as an organisation. It is anticipated that this would lead to better and more reliable results going forward.

Consequently in 2018-19 it was determined by the board to use the existing plan until 2021-22.

The development of SADA Fresh Strategic Plan is complete and is being rolled out. This has seen a substantial improvement in domestic growth but the international market remains challenging.

In 2019-20 it was expected that there would be a greater emphasis on the China market to explore expansion into that space.

Early in the financial year SADA attended the CIIE China trade show in Shanghai and useful contact however, the arrival of Covid – 19 resulted in the complete cessation of exported SADA Fresh milk into China.

The counterpoint to that adverse outcome however, was a substantial increase in the number of facings for the domestic SADA Fresh milk products.

This lead to a substantial improvement in the income for the SADIF fund.

Indicators of Success:

SADA Strategic Plan Delivered

Complete and on going.

SADA Fresh Strategic Plan Delivered

Complete and on going.

Number of Board Meetings Achieved

1 AGM

4 Face to Face board meetings

Weekly phone hook ups.

Priority Area 6—Industry Growth

In 2019—2020 SADA continued to represent only part of the bigger picture in terms of the overall structure of the South Australian dairy industry.

However, the organisation still played a substantial role in the advancement and growth of the South Australian Dairy Industry and continues to commit its energies into the industry.

In the 2016-17 financial year the milk production of the state amounted to 468 million litres. For the 2017-18 year the production levels increased to 504 million litres. In 2018-19 production fell to 496 million litres. In 2019-20 year the production fell again to 488 million litres.

The Dairy Industry Action Plan 2019-24 represents the SA dairy industry's response to the contracting industry. It is aimed at increasing state outcomes through the twin aims of increasing exports and positioning South Australia as a premier dairy producing jurisdiction.

Beginning In 2019-20 SADA commenced work in rolling out the Dairy Industry Action Plan.

While the Action Plan and resulting Summit has started it remains too early to observe positive impacts on the industry in South Australia. Covid—19 will also have a distorting effect on the plan.

Nevertheless, the state Government's Growth State targets remain on the horizon and it is expected that in the next reporting period an improvement will occur in SA production rates.

Industry growth means promoting the South Australian milk product in other places where the market share for the South Australian dairy farmer can see positive returns.

Outcomes

The Dairy Industry Action Plan 2019—2023 was published early in the financial year.

During the course of the year SADA travelled to Shanghai to promote the SADA Fresh product. This led to a number of positive inquiries however, Covid—19 was saw not only inquiries stop but all sales of SADA Fresh come to a halt into China.

China's lockdown was one of the most severe in the world and that was reflected in the movement of goods across international borders in aircraft.

Strategies

The core of SADA's industry growth strategy is now the Dairy Industry Action Plan 2019-2024 which was endorsed and launched by Minister Tim Whetstone in March 2019.

This plan is the product of two years of consultations across the state with both farmers and processors. It sets the blue print for advancing the dairy industry in South Australia with eyes clearly on two linked but distinct elements, namely, a focus on export and a desire to produce premium.

This plan will have a dedicated officer applied to it in the 2019-20 financial year and government will be engaged to not only pay half the wage but also engaged to assist with facilitating the roll out of the plan.

The Dairy Industry Action Plan is at the heart of SADA's commitment to growth of the South Australian dairy product.

As the plan was only 3 months old by the end of the financial year, SADA hopes to give positive feedback by the time of the 2019-20 annual report.

Indicators of Success:

Volume of milk sold:

Down 1.6% in the 2019-20 financial year. However there was an increase in the state's share of the national production total to 5.6% (up from 5.5% from the previous year) which speaks to the resilience of the SA jurisdiction as a milk producing jurisdiction.

Number of new relationships generated:

None. Prior to the Covid—19 event, there were several possible leads which stopped suddenly as a result of Covid impacts.

Increase in dollar value of sales

In the past three years the amount of milk sold has fluctuated. The fluctuation has been between 468m/l, 504m/l and in 2018-19 496m/l and 2019-20 488m/l.

Increased demand in South Australian Product

A decrease of 0.2% reported.

Completion of SADA Fresh Strategic Plan to explore new markets.

Complete and ongoing.

Priority Area 7—The Management of SADA

Fresh

SADA Fresh has continued to form part of SADA's focus in supporting South Australian dairy farmers. Late in the 2018-19 year Coles has doubled the number of facings of the SADA Fresh product and that has been reflected in sales income for the South Australian Dairy Industry Fund.

The Chinese market stopped dead in the 2019—2020 financial year because of Covid—19.



Outcomes

Domestically, SADA Fresh has continued to enjoy robust sales and with increased facings in Coles SA, SADA Fresh continues to be a firm source of income for the Dairy Industry fund which continues to grow and support projects for the SA dairy industry.

As demonstrated in the financials for SADA there has been a pronounced increase in the income of SADA Fresh milk directly as a result of the increased facings of SADA Fresh milk on the shelves in Coles.

Internationally outcomes have reflected the devastating impacts of an effective international shutdown. In last year's annual report there was a clear plan to substantially increase efforts with the SADA Fresh brand in the south east Asian countries. None of this occurred as a result of the pandemic and at the time of reporting a vaccine was still not available leaving a no end in sight dampener on exports.

By the end of the financial year however, cheese into Coles was looking increasingly positive. The creation of SADA Fresh cheeses has been completed with a range of Gouda, Colby and Cheddar.

This was taken to the Australia/China trade show in June 2019 which generated interest from our exporter into China, High Hope.

However, it is expected that in the 2020-2021 year there will be a recovery in the China market for the SADA Fresh milk exports.

Strategies

While not exporting at the end of the reporting period, SADA Fresh will re-establish a presence in China and will focus on developing a number of other markets, both within and outside of China continue to be pursued once the pandemic has passed.

These markets continue to be challenging as they are highly competitive and there is much competition in the international market place.



SADA remains proud of the SADA Fresh premium product and the excellent reputation that South Australia has carved for itself as a premium food producing jurisdiction. The roll out of the South Australian Dairy Industry Action Plan 2019-2023 will serve to advance these ambitions.

SADA Fresh intends to continue expanding as much as possible into these new markets so that returns can be directed to better outcomes for South Australian dairy farmers.

Sadly, the pandemic of 2020 continues to present challenges for these ambitions.

Indicators of Success:

Delivery of a SADA Fresh Strategic plan by April 2017

SADA Fresh Strategic Plan completed.

Domestic sales grew sharply.

International sales had stopped by the end of the year.

Our SADA Board



John Hunt President

John joined SADA in 2013 with a keen interest in helping facilitate the next generation of dairy farmers; protecting the farmer's right to farm; securing profitability in the industry and establishing more transparency in industry-relevant government policy and planning.

John firmly believes that despite the occasional bump in the road, the future is bright for dairy farming in South Australia. He is committed to working with South Australia's dairy industry and key stakeholders to achieve SADA's mission of giving a voice to all dairy farmers and improving the viability and profitability of dairying now and into the future.

Nick Brokenshire Vice President

Nick Brokenshire is a third generation dairy farmer from the Fleurieu Peninsula. After finishing high school, Nick joined the family enterprise at Mount Compass and took on managing the farm in 2006. Nick joined the board in 2011 when he was 24 because he believed it was important that the next generation had a say in guiding the industry's future. Also an active member of his local community and a keen sportsman, Nick has captained the Mount Compass A grade football team for almost 10 years.



Sharon Joppich Board Member

As a part of her move into advocacy, Sharon is also keen to help the industry progress in areas of processor/farm gate relations and transparency, government relations, international and domestic market access and investment as well as better recognition for the role of women in dairy. She believes by taking a whole-of-industry approach, dairy in South Australia has a promising future.

Side-by-side with husband Neville, Sharon milks 350 cows at 'Manga Dairy'; a 600-hectare high production, grass and grain system at Tri Hi, near Penola, in South Australia's lower South East. Calving the 80% Holstein – 20% Stud Guernsey and Ayrshire herd takes place in Spring and Autumn as well as in December, and the duo rear and grow-out their AI heifers as well as some Angus-cross and Holstein bull calves.

Richard Gladigau Treasurer

Richard joined the SADA board in July 2007. He is a fifth generation dairy farmer from Mt Torrens in the Adelaide Hills, South Australia, where he farms with wife Tania and their 3 children. He grew up on his parents dairy farm where he became a share farmer before buying his own property in 1993. He has had a keen interest in the industry since leaving college having been a farmer Ward Rep for Dairy Farmers and DFMC for 16 years before becoming a farmer director for 3 years as well as a farmer director for ADFC for 18 months.



Ben McHugh Board Member

I am a 3rd generation dairy farmer at Mt Compass, I work with my wife Katie, and 3 boys, in a family partnership with my Brother and our parents. I have been involved in the dairy industry for 16 years. We milk 300 Jersey Cows in an all year round calving herd. We also run a cropping enterprise at Finnis which we grow Hay, Wheat, barley, Lupins, Beans & Canola for our dairy and other markets. I completed a Diploma of Agriculture with TAFE in 2010. I was on the SADA board for 2 years in 2014-15 before the board restructure. I have been on the board for 1 year and sitting on the Dairy SA board as the SADA rep.



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