



**Australian
Dairy Farmers**

Annual Review

2014/2015



Australian Dairy Farmers is proud to be a part of the dairy industry. We are passionate about growing competitive, innovative and sustainable dairy farm businesses.

We are a not-for-profit organisation and have represented the interests of Australian dairy farmers nationally for over 70 years. **Australian Dairy Farmers** has a long history of successfully fighting for the rights of dairy farmers on many fronts – trade, water, carbon and advocacy on animal welfare issues.

ADF VISION

A sustainable, innovative, competitive and valued dairy industry.

ADF MISSION

To improve the profitability and sustainability of all Australian dairy farmers.

STRATEGIC GOALS

The Australian Dairy Farmers Strategic Plan assists the Executive and staff to focus efforts and resources, and implement actions in five key areas:

- Drive sustainable farm profitability
- Secure market access and maximise value chain returns
 - Develop people and build human capacity
 - Effective communication and engagement
- Deliver member value and organisational capacity

Animal Health
& Welfare

Farming
Systems & Herd
Improvement

Markets, Trade
& Value Chain

Natural
Resources

People & Human
Capacity

In all that we do, Australian Dairy Farmers operates:

- With independence, honesty and integrity
- By listening to and valuing all voices, all views and all regions
- Within an environment of creativity, to improve service, efficiency and effectiveness
- Within a culture of respect for the individual, acceptance of responsibility and teamwork

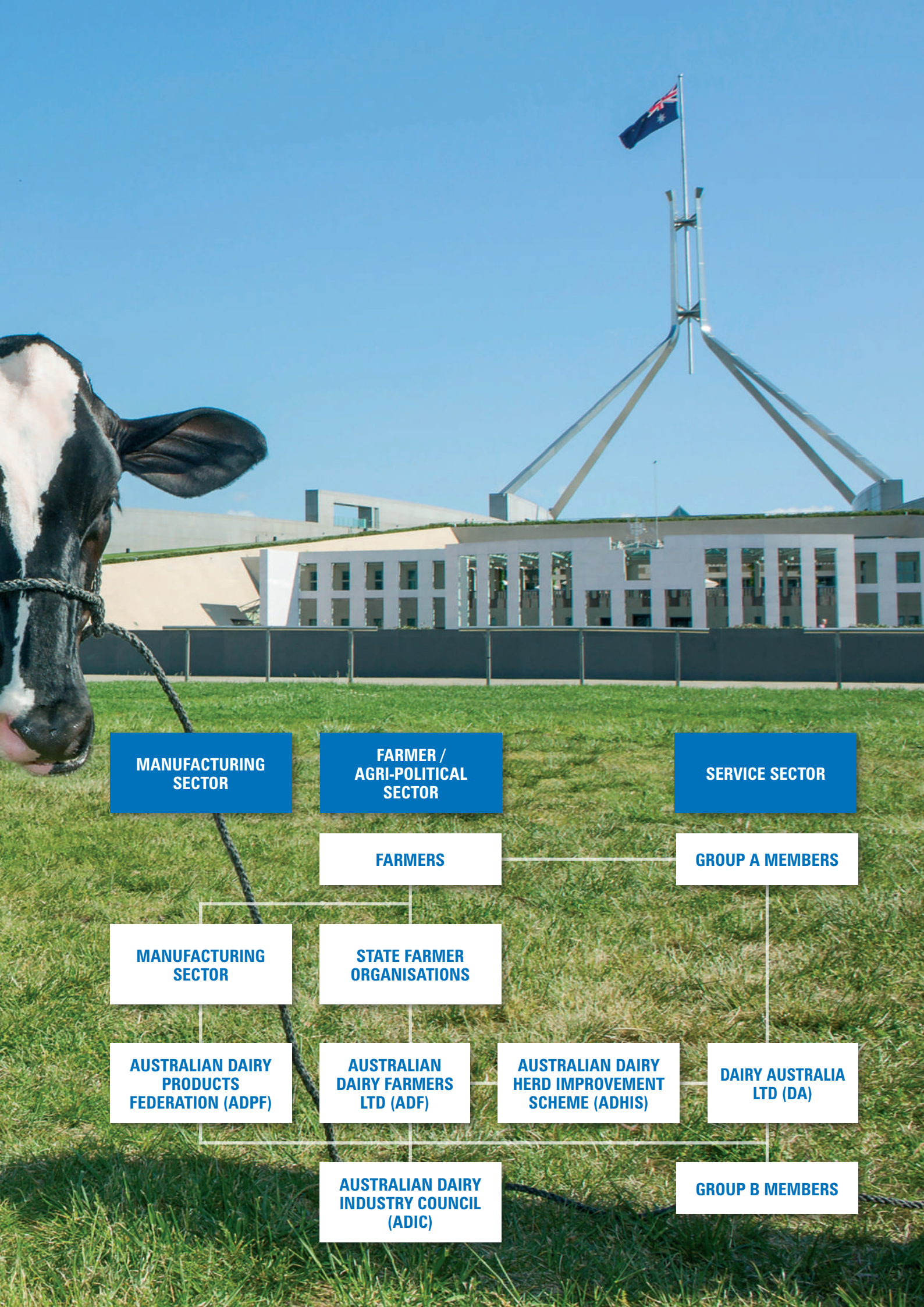
This report provides members, staff and interested stakeholders an insight into Australian Dairy Farmers' key strategic issues and deliverables during the 2013/2014 financial year.

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AUSTRALIAN DAIRY INDUSTRY ORGANISATIONS STRUCTURE





**MANUFACTURING
SECTOR**

**FARMER /
AGRI-POLITICAL
SECTOR**

SERVICE SECTOR

FARMERS

GROUP A MEMBERS

**MANUFACTURING
SECTOR**

**STATE FARMER
ORGANISATIONS**

**AUSTRALIAN DAIRY
PRODUCTS
FEDERATION (ADPF)**

**AUSTRALIAN
DAIRY FARMERS
LTD (ADF)**

**AUSTRALIAN DAIRY
HERD IMPROVEMENT
SCHEME (ADHIS)**

**DAIRY AUSTRALIA
LTD (DA)**

**AUSTRALIAN DAIRY
INDUSTRY COUNCIL
(ADIC)**

GROUP B MEMBERS

PRESIDENT'S MESSAGE



Noel Campbell became President of Australian Dairy Farmers (ADF) in November 2012. Alongside his wife Anne, Noel runs a dairy farm near Gippsland, Victoria and has been involved in agricultural representation for over 10 years, including three years as Chair of the ADF Markets, Trade and Value Chain Policy Advisory Group.

2014-15 has been a year of ongoing change for the Australian dairy industry, and in many ways a period of contradiction. A period of extended dry conditions continues to affect many dairying regions, while severe flooding has impacted others. Increased input costs and fluctuating commodity prices have put downward pressure on all farmers. Yet, just as there are challenges facing our industry at the moment, there are also strong opportunities for growth ahead. With the interests of dairy farmers and their long-term profitability as our driving motivation, over the past 12 months ADF in partnership with its state dairy farming member organisations and industry partners has achieved significant progress for our sector. Importantly ADF has delivered in the areas promised.

It would be remiss to start anywhere but the successful conclusion of the China-Australia Free Trade Agreement (ChAFTA). With the support of the Federal Government, ADF as the delivery arm of the Australian Dairy Industry Council (ADIC) and its members saw the successful conclusion of a pro-dairy ChAFTA. With tariffs coming down to zero over the next 10 years on key products such as infant formula, ice cream, liquid milk, cheese, butter and yoghurt, as well as the removal of safeguards that apply to New Zealand, this deal is well and truly free trade.

ADF and the ADIC have been lobbying strongly for the trade deal to be ratified and brought into force as quickly as possible to ensure our farmers can enjoy the benefits of two tariff cuts in quick succession. While the effects won't be immediate, once ratified the ChAFTA will ensure that Australian dairy does not fall further behind key trading partners who already have a free trade agreement with China and opens up the gate to an expanding export market.

Dairy industry advocacy has been instrumental in a number of key outcomes for competition policy. The announcement of the Competition and Consumer (Industry Codes – Food and Grocery) Regulation 2015 on 2 March 2015 is a constructive first step toward addressing the imbalance of market power between retailers and suppliers. ADF will continue to monitor the implementation and progress of this Prescribed Code.

Positive dairy initiatives sought by ADF were reflected in the Agricultural Competitiveness White Paper. These included, the provision of \$11.4 million over four years to boost the Australian Competition and Consumer Commission's engagement with the agriculture sector including a new commissioner dedicated to agriculture, additionally the planned increase to the limit for Farm Management Deposits (FMDs) to \$800,000, and decision to allow FMD accounts to be used as a farm business loan offset, will help build farmers' confidence levels and improve on farm profitability.

We look forward to working with Government to see swift implementation of these and other positive initiatives in the White Paper, to ensure they translate into real outcomes for the dairy industry.

ADF continued to strengthen ties with all sides of Parliament this year. This is the result of a concerted and strategic engagement campaign. It has included all parliamentarians by portfolio, electorate, committee and interest area. ADF has maintained our reputation of acting apolitically, being accessible to all politicians, and being willing to listen. We have been well received and I am confident that we have laid a strong foundation for the future, which will ensure our advocacy is heard in Parliament.

A key highlight of 2014-15 was the launch of the Australian Dairy Industry Vision. Officially launched to Federal parliamentarians in Canberra last October following the ADF National Dairy Farmers' Summit in March 2014, the Australian Dairy Vision is underpinned by five binding elements which highlight our industry's aim to be valued, innovative, responsible, preferred and unified by 2025. The vision and its priority areas will help our industry partners work together in order to grow confidence and prosperity throughout our industry. I was immensely proud to launch the vision and to lead our industry in its whole of value chain approach.

ADF in collaboration with industry partners is working hard to safeguard a more sustainable future for Australian dairy. Essential to this is ensuring dairy farmers' good practices, from minimising their environmental footprint to highlighting how much we care for our livestock is recognised across the Australian community.

Work on promoting the dairy industry's efforts has continued via the Sustainability Framework, which we have promoted to all levels of government. The Framework has received considerable endorsement from both sides of Parliament and continues to be well received by industry partners from retailers to the World Wild Life Fund for Nature. We continue to build the industry's profile as a responsible, sustainable industry with the support of its stakeholders and consumers.

Caring for cows has always been a key priority for Australian dairy farmers. We are dedicated to providing a high standard of care for our animals, and to change our practices when it is in the best interests of our livestock. For this reason, after in depth consultation with farmers, industry partners and the dairying community, ADF changed its policy on calving induction to a zero tolerance policy for routine calving induction. ADF will continue to consult with industry and farmers and is committed to ensuring that the timing, process and outcomes are right for all involved.

ADF recognises the importance of leading the dairy sector by maintaining the industry's social licence. We cannot achieve this on our own. Over the coming year ADF will build on the foundations we have laid for collective action across the dairy value chain. This may mean challenging the way in which we've operated publically in the past, but in my view this is the only way we will maintain community and consumer trust long-term.

I would like to take this opportunity to thank our dedicated and talented staff at ADF for their continued efforts as well as our Board, National Council, policy advisory groups, state dairy farming members and industry partners for their support and commitment in meeting the collective challenges facing dairy farmers.

It has been a great honour to serve as ADF's President, working on behalf of farmers across all dairying regions with the purpose of seeing our sector grow and prosper sustainably. We look forward to continuing this important work.

Noel Campbell
President

FROM THE IMMEDIATE PAST CEO



Former ADF CEO Natalie Collard stepped down from the helm of the dairy industry's peak representative body in April 2015, having held the position since 2010 and after joining ADF as a General Manager - Policy and Strategic Initiatives in 2008.

I am pleased to report that ADF has continued to deliver a strong policy and advocacy work program, with the aim of creating a more sustainable and profitable future for Australian dairy farmers. From the challenges of negotiating free trade agreements, to the Murray–Darling Basin Plan and everything in between, there has been much to occupy our small and dedicated team at ADF and indeed our member organisations.

As always, it is an honour to discuss ADF's ongoing efforts to advocate at a national level on your behalf. In line with ADF's Strategic Plan, the policy priorities that we have vigorously pursued are:

1. Driving markets, trade and farm prosperity;
2. Building a highly skilled and productive workforce;
3. Creating fair and sustainable access to natural resources;
4. Promoting and protecting animal health and welfare standards; and
5. Ensuring critical Government initiatives are implemented.

ADF is actively advocating policies that will enhance business outcomes for Australian dairy farmers in more areas than ever before. We are vocal through formal government processes as well as the strategic use of media and communications work to strengthen our influence. Lodging over 35 submissions during the financial year on issues critical to farmers as well as the industry more broadly, ADF communicated the industry's interests on the Energy White Paper, the Competition and Consumer Policy (Harper) Review and the Agricultural Competitiveness White Paper.

Through the combined efforts of the ADF Board, National Council, five Policy Advisory Groups (PAGs) and the ADF team, we have achieved major successes in 2014-15. Highlights include the signing of the dairy-positive China-Australia Free Trade Agreement, constructive initiatives in the Agricultural Competitiveness White Paper that focus on balancing major retailer market power, the implementation of a Prescribed Grocery Code of Conduct, certainty on the Murray-Darling Basin Plan 1500GL buyback caps and the streamlining of on farm irrigation efficiency audits.

To strengthen and support our traditional advocacy efforts, ADF has also been working to build stronger stakeholder and public relations through a concerted communications effort. As issues of sustainability take on greater community importance, dairy is well-positioned to respond and demonstrate our credentials and commitment to continuous improvement as we deliver outcomes and measure progress against our Australian Dairy Sustainability Framework targets.

ADF continues to promote a shift toward greater unity and cooperation across the dairy value chain. Together with our state dairy farming organisations and industry partners, we developed the Dairy Industry Vision to better align our whole of value chain toward our shared vision, which the industry can be known for and proud of by 2025.

Two key areas of focus are innovation and our people. We have utilised two events in this financial period to explore these two essential components of success at the Australian Dairy Industry Council's (ADIC) November 2014 Industry Leaders' Breakfast and the April 2015 Business Breakfast respectively. At each of these events the ADIC and its industry partners have cast a critical eye over what dairy representation currently looks like and pathways towards achieving our shared vision of improved long-term prosperity and sustainability.

This year is my last at ADF after six consecutive years as CEO. It has been an honour and a privilege working on your behalf and rest assured that though I am moving on, I will always remain a dedicated dairy advocate and close friend of this great industry and its people.

ADF remains not only the peak body for Australia's dairy farming sector, but also one of the most respected advocacy bodies in Canberra. I am proud that ADF has earned this mantle and know that the stewardship, capability and passion of ADF President Noel Campbell and the fine team at ADF will uphold and grow this mantle. I wish my successor, Interim CEO, Dr. Clive Noble all the best as he takes on a challenging, but ultimately rewarding role.

My sincere thanks to the Board, National Council, PAG's, my team and the people of dairy for their support and ongoing friendship. I wish you all the very best for the future.

Natalie Collard
CEO

INTERIM CEO'S MESSAGE



Dr Clive Noble was appointed as Interim CEO in March 2015, taking over from outgoing CEO Natalie Collard in April 2015.

I am pleased to report to our stakeholders on ADF's significant progress over the 2014-15 financial year. Our policy and advocacy efforts have been instrumental in securing a number of positive outcomes for Australian dairy farmers, which Natalie Collard highlighted in her overview of the year.

With the current ADIC Processor Funding agreement set to be renewed for another three year term, ADF remains on track to deliver in all priority areas. Our advocacy efforts are delivering strong results through the strengthened relationships we have with government, key industry bodies and farming associations.

In the last reporting period the ADF Project Fund has supported four positive initiatives led by our state member organisations. Now in its final year, the ADF Project Fund has helped strengthen ties between our organisations and farmer support for national representation. This places ADF in a sound position

to address future challenges and opportunities for dairy going forward by establishing the proper two-way communication channels to ensure issues affecting farmers on a national level are heard and recognised.

Since commencing with ADF in early May 2015, I have spent time with all of the ADF team, and have experienced firsthand their absolute focus on our purpose, which is to drive a more profitable, sustainable dairy industry. I am proud to lead such a dedicated team, working on behalf of one of our country's most important industries and look forward to helping drive our collective vision.

Dr Clive Noble
Interim CEO

This year, ADF has firmly led the dairy industry's discussions on major challenges, opportunities, and helped define its vision for the future. 2014-15 has also seen policy developments in areas critical to the industry's future sustainability and profitability.



ADF HIGHLIGHTS FOR 2014/2015

Signing of China-Australia Free Trade Agreement

The ADIC welcomed the official signing of the China-Australia Free Trade Agreement (ChAFTA) on 17 June 2015 as a further positive step toward securing improved trade liberalisation with Australia's largest dairy export market. ADF and the ADIC's advocacy on the need for a pro-dairy deal in the ChAFTA played a fundamental role in the whole of value chain approach to securing a deal which recognises dairy as one of Australia's export strongholds.

With tariffs coming down to zero on key dairy products such as infant nutrition, cheese, milk powder and packaged milk over the next four to 11 years once the ChAFTA is ratified, the deal is truly free trade, putting Australia on a level playing field with its global dairy competitors. The ADIC thanked the Federal Government and the Department of Foreign Affairs and Trade for their continued efforts and engagement with dairy throughout the trade negotiations process, which was vital to securing a commercially meaningful deal for the industry.

ADF, as part of the ADIC is advocating strongly for the agreement to be ratified before the end of the 2015 calendar year to ensure the benefits start to reach both countries' economies in this calendar year.

Agricultural Competitiveness – The White Paper

The ADIC welcomed positive initiatives provided in the Federal Government's release of the Agricultural Competitiveness White Paper in 2015, which will assist Australian dairy to sustainably grow and prosper. The long awaited White Paper, which outlines the government's overarching policy and vision for the agriculture sector's future, was launched on ADF National Councillor Roma Britnell's dairy farm in South West Victoria.

Key benefits for dairy farmers which have been championed by ADF as part of the ADIC include:

- › Increased funding for Agricultural Counsellors abroad to address technical barriers to trade in overseas markets;
- › Improved flexibility of Farm Management Deposits;
- › The provision of \$11.4 million over four years toward boosting the Australian Competition and Consumer Commission (ACCC) engagement with agriculture, including an Agricultural Commissioner;
- › Enhanced commitment to research, development and extension projects with a focus on innovation and risk management; and
- › Water efficiency projects combined with improving existing water infrastructure and developing new infrastructure.

The ADIC looks forward to working with Government to see swift implementation of the positive initiatives delivered in the White Paper.

Harper Review of Competition Policy

On 30 March 2015, ADF welcomed the release of the Competition Policy Review Panel's final report as crucial to creating a healthier, more competitive and successful market place for consumers, food suppliers and retailers. The Harper Review, has a stronger focus on balancing market power between supplier and retailers and proposed changes to collective bargaining. This will assist farmers in seizing opportunities to improve their negotiating power for profitability and returns at the farm-gate and has been well received as acknowledgement of ADF's significant input into the Competition Policy Review.

However, ADF is disappointed that there was no meaningful consideration in the review of the role of a Mandatory Code of Conduct, or the need for a Supermarket Ombudsman "with teeth" to address the issue of potential misuse of market power.



Dairy farmers, industry and parliament all came together in 2014 to support a dairy deal for the China - Australia FTA.



Above: ADF President, Noel Campbell presents as a guest speaker at the China Dairy Industry Association conference in Shanghai, in September 2014.

ADF HIGHLIGHTS FOR 2014/2015

Trans-Pacific Partnership Agreement

ADF continues to advocate strongly for a commercially meaningful conclusion to the Trans-Pacific Partnership (TPP) to further reduce the industry's competitive disadvantage to its major global competitors. The TPP offers a historic opportunity to address a broad range of distortions affecting Australian dairy producers in multiple Asia-Pacific markets, and to ensure consumers throughout the region involved have access to safe, high quality Australian products.

As part of the ADIC, ADF is lobbying for the TPP to address both tariff and non-tariff barriers to trade, especially in the Japanese and Canadian markets where these restrictions are most pervasive. While the ADIC was disappointed that the latest round of TPP ministerial meetings held in Hawaii did not result in a comprehensive outcome, it remains committed to working with Government to reach a transformative outcome that provides opportunity for its farmers and processors.

Calving Induction Phase Out

After extensive consultation with dairy farmers, industry and veterinary experts, ADF have agreed to adopt a new policy, which will see the phase out of calving induction nationally.

In early 2015, over 35 industry stakeholders, the majority of whom were dairy farmers and veterinarians, met to discuss and develop a national policy recommendation regarding calving induction. Following the industry forum the ADF National Council met and agreed to modify ADF's policy position to the following:

“ADF does not support routine calving induction and will work to phase it out through improved herd improvement practices, tools and technologies.”

ADF is working with farmers, veterinarians, state dairy farmer organisations and other industry stakeholders, to ensure the phase out is effective for both animals and farmers. ADF will continue to consult with industry and farmers and is committed to ensuring that the timing, process and outcomes are right for all involved.

Carbon Emissions and Climate Change

A focus of ADF's policy work on climate and emissions reduction this year has been input to the Government's consideration of Australia's post-2020 emissions target, and the Energy Green Paper.

The Federal Government's focus on energy issues and their objectives to keep prices down in the Energy White Paper, released in late 2014, as well as to increase energy productivity and investment in a strong energy sector is a positive step. However, the proposals to increase investment in the energy sector do not include any new solutions to provide regional consumers with the same reliable supply access enjoyed in urban regions.

ADF is seeking an approach to emissions targets that does not undermine our trade exposed industry, recognises an emissions intensity approach to support continued growth of dairy, and is supported by Government policy and actions to promote and support the dairy industry's contribution towards greenhouse gas emissions reduction goals. ADF will continue to advocate for a stronger Emissions Reduction Fund and other programs which will effectively support dairy's contribution through energy use and on-farm practice changes.

Sustainable Farm Profitability Report

The Sustainable Farm Profitability Report, commissioned by the ADIC and produced in collaboration with Dairy Australia has identified efficient input use, strict cost control and sound management skills as the key areas of focus that can help all dairy farmers achieve better profits.

The report, launched in early 2015, focuses on farm business profitability, pinpointing key drivers of successful dairying businesses and highlighting long-term strategies for success. Focusing on those tactics and strategies under farmers' control, the report highlights that every operation, big or small, has areas where it can improve its profitability. To achieve consistently high results, farmers require a broad range of both farming and business management skills.

The report brings together various studies and data to highlight key findings for improved dairy business.

ADF Project Fund

To deliver long-term growth and strong performance for ADF and our members, ADF invests in projects that complement our policy, advocacy and member value. The ADF Project Fund has a three year timeframe with the first two years now completed. It is intended to help secure ADF's sustainability in two ways: both directly through ADF-led projects and, indirectly by supporting projects led by our state member organisations.

This reporting period the ADF's Project Fund has supported the following projects:

An "ADF Tour" held across Western Australia by WAFarmers to increase communications with non-member dairy farmers, and deliver member value and organisational capacity.

Farm visits by Tasmanian Farmers and Graziers Association (TFGA) to help increase dairy farmer involvement and memberships.

Queensland Dairyfarmers Organisation's (QDO) "New Horizons" project which highlights the industry now and future possibilities for the industry.

South Australia's DairyFarmers Association (SADA) to increase engagement and highlight the importance of focusing on national and regional issues, and developing a survey for South Australian dairy farmers to gain insight on how SADA can grow its membership.



ADF President, Noel Campbell with the Victorian Parliamentary Secretary for Treasury and Finance, Daniel Mulino.



Policy Officer Rachel Jones, Fonterra Australia Supplier Manager, Matt Watt, Senior Policy Manger Irene Clarke and Chair of the ADIC Sustainability Framework Chris Griffin at the launch of the Sustainable Farm Profitability Report.

ADIC HIGHLIGHTS FOR 2014/2015

The Australian Dairy Industry Council (ADIC) is a collaborative partnership between dairy farmers and processors. It is the vehicle through which farmers, represented by ADF and manufacturers, represented by Australian Dairy Products Federation (ADPF), work together in areas of mutual benefit to create a more prosperous and sustainable future across the value chain, through industry and government policy development and advocacy.

ADF is the primary body through which the ADIC operates, including its communications and engagement with stakeholders, government and community. The partnership enables ADF and the ADPF to achieve a whole of industry approach which is important when advocating to government, and is a valuable asset to the industry.

ADIC Investment Plan

The ADIC's processor funding is based on a three-year contract with Australia's 13 largest dairy processors to help fund the ADIC's activities, through the ADIC Annual Investment Plan (AAIP). These processors provide \$130 per million litres of milk processed and is calculated annually.

ADF is now in the final term of the three year ADIC Investment Plan. ADF has prepared two status reports during this annual period, detailing the organisation's strong progress against the Investment Plans key performance indicators and marking positive advancements in all eight areas of the plan. A significant benefit of the plan's whole of supply chain approach is ADF and the ADIC's continued cohesive and vigorous advocacy, which is evident in our new policies developed and strategic engagement implemented over this annual period.

Australian Dairy Vision

The Australian Dairy Vision provides the opportunity to align industry activities and projects against the five pillars of the vision: innovative, responsible, valued, unified and preferred. Implementation of the Australian Dairy Vision focuses on developing and advancing new projects to complement existing activities so that the industry can progress toward achieving the Vision's priorities. The vision and priorities it sets will help our industry partner's work together, in order to grow and be competitive on a local and international scale.

Launch of the Australian Dairy Vision

Held in Canberra on 1 October 2014, the ADIC in collaboration with ADF brought together over 100 Parliamentary representatives and industry dignitaries to acknowledge the industry's significant contribution to the Australian economy over the past 225 years, and to mark the formal unveiling of the Australian Dairy Vision. The dinner showcased a dairy-inspired menu with products sourced from each region and a selection of the 2013 Annual Grand Dairy Award cheese winners, raising awareness for Australia's high quality produce.

Dairy industry leaders and political representatives forged strong connections at the ADIC dinner, which will continue to ensure that the interests and concerns of the dairy industry are heard in Parliament.

Prior to the ADIC Dairy Dinner and as part of the Dairy Comes to Parliament media event, two Holstein-Friesian cows grazed the lawns of Federation Mall, Parliament House to mark the formal unveiling of the Australian Dairy Vision. With strong bipartisan turnout from both sides of Parliament at the event, the occasion proved an invaluable opportunity for the industry to present its proactive desire to be "prosperous, trusted and world renowned for nutrition" into the future, generating bipartisan support for our actions to achieve these aims.



ADF President, Noel Campbell with Minister for Agriculture and Water Resources, the Hon. Barnaby Joyce.



Industry, parliament and broader community came together in Canberra on 1 October 2014 to celebrate the launch of the Australian Dairy Vision.

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ADIC Sustainability Framework – 2014 Progress Report

The Australian Dairy Industry Sustainability Framework provides an opportunity for our industry to demonstrate its commitment to sustainability. The Framework was implemented in 2012 by the ADIC, in conjunction with Dairy Australia. Since then, targets have been set and two progress reports have been produced to track our industry’s progress against the Framework. The most recent of these was released in 2014.

Building long-term industry prosperity is one of the Framework’s priority areas. One indicator of prosperity is investment on-farm with a 2012 baseline of 40 per cent of dairy farmers making capital investment. In 2014, our farmers exceeded this target with 48 per cent investing, helping to secure their future competitiveness and profitability. While positive progress can be identified in many areas, the 2014 Progress Report also highlights the challenges and need to give greater priority to other areas, including farm occupational health and safety.

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ADIC 2014 Industry Leaders’ Breakfast

Over 230 of Australia’s leading dairy representatives gathered in Melbourne for the tenth annual ADIC Industry Leaders’ Breakfast held in Melbourne on 28 November 2014. With the theme ‘Sustainable farm profitability and innovation’, industry representatives were given the opportunity to explore ground breaking technology and science which will assist in growing a more sustainable future for dairy. Irish dairy farmer and genetics innovator, Patrick Kelly was the keynote speaker at the Breakfast, sharing his insights into how herd improvement strategies and genomics have helped Irish dairy farming to flourish over the last 15 years.

The Breakfast also marked the official launch of two key industry initiatives that will contribute to the future prosperity of dairy; the Australian Dairy Herd Improvement Scheme’s National Breeding Objective and the Herd Improvement Industry’s Strategy for 2020. ADF was involved in developing this Strategy and in 2014 provided its full endorsement.

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ADIC Business Breakfast – “Our industry, our future: Generation Dairy”

Sponsored by Prime Super, the ADIC Business Breakfast held in April 2015 received an enthusiastic response, with over 100 farmers, processors and dairy service representatives taking the opportunity to explore what is working well to support young peoples’ development and growth in dairy, as well as what else need to be done.

With the theme “Our industry, Our future: Generation Dairy”, the Business Breakfast provided an opportunity to focus on the importance of attracting, developing and retaining the next generation of entrants into dairy career pathways. A panel of young dairy talent articulated the journey they have taken so far and what opportunities they see for the industry in the years ahead.

On the heels of the event, renewed industry focus has been placed on highlighting the various pathways available to people in dairy, whether stepping up or stepping back, and getting the current dairying generation to place more trust in their successors - an issue brought to the forefront by keynote speaker Paul Roderick, Queensland dairy farmer and former Chair of the Australian Dairy Conference 2014.



ADIC Chair, Noel Campbell with Outstanding Service Award winners Lindsay and Anne Jarvis, and ADIC Deputy Chair, Robert Poole at the 2014 Industry Leaders Breakfast.



Old dairy farmer Paul Roderick, ADHIS Extension Officer Sarah Saxton, Victorian dairy farmer Stuart Griffin and Tasmanian dairy farmer Nick Dornauff at the ADIC’s “Generation Dairy” Business Breakfast.



BOARD COMMITTEES 2014/2015

All ADF Policy Advisory Group (PAG) Committee members were appointed on 26 February 2015, unless stated otherwise

Audit, Risk and Compliance Committee

Anne Astin (Chair)
Simone Jolliffe
Fred Jones (Secretariat)

Animal Health and Welfare Policy Advisory Group

David Basham
(Chair to 26 November 2014)
Terry Toohey
(Chair, to 26 February 2015)
Phil Depiazzi
Chris Griffin (to 26 February 2015)
Adam Jenkins
Tyran Jones (to 26 February 2015)
Andrew Lester
David Losberg (Secretariat)
Robert McIntosh
Lynne Strong
Brian Tessmann

Farming Systems Policy Advisory Group

Tyran Jones (Chair)
Peter Evans (Chair, to 26 February 2015)
Rick Cross (to 26 February 2015)
Patrick Glass
Daryl Hoey
Chris Hofing
Catherine Jenkins
(to 26 February 2015)
Simone Jolliffe
Ross McInnes
Brian Wilson
Gary Zweck
Irene Clarke (Secretariat)

Markets, Trade and Value Chain Policy Advisory Group

Roma Britnell (Chair)
Erika Chesworth
Geoff Cox
Richard Gladigau
Adam Jenkins
Tyran Jones
Michael Partridge
Nick Renyard (to 26 February 2015)
Brian Tessmann
David Losberg (Secretariat)

Natural Resources Policy Advisory Group

Daryl Hoey (Chair)
Kate Bartlett
Dianne Bowles
Alan Davenport
James Geraghty
Chris Griffin
John Keely
Robert McIntosh
Irene Clarke (Secretariat)

People and Human Capacity Policy Advisory Group

John Versteden (Chair)
Dianne Bowles (to 26 February 2015)
Nigel Brock
Nathan Cox (to 26 February 2015)
Liza Fahey
Tammy Negus
Simone Renyard
Jeanne Van Der Geest Dekker
Charles Wallace
Rachel Jones (Secretariat,
resigned 28 November)
Kelly Im (Secretariat)

AUDIT, RISK & COMPLIANCE COMMITTEE REPORT

The primary objective of the Audit, Risk and Compliance Committee is to assist the ADF Board in fulfilling its corporate governance and oversight responsibilities, with respect to internal control and compliance, risk management frameworks, external accountability responsibilities and monitoring the integrity of financial reporting.

Members

Anne Astin
(Chair, appointed 6 March 2014)

Simone Jolliffe
(appointed 29 January 2014)

Fred Jones (Secretariat)

Key responsibilities

Key matters considered by the committee included:

- › Review of the ADF Annual Financial statements and liaison with the external auditors (Pitcher Partners);
- › Review of the ADF Investment Strategy with investment fund managers (Equity Trustees);
- › Review of the procedures relating to financial controls and reporting requirements;
- › Review of the ADF internal policies and procedures relating to ADF communications strategy, occupational health and safety procedures, workplace behaviours, staff performance management and information technology life-cycle management policy;
- › Review and recommendation to the Board of the ADF Risk Register and Risk Management Strategy and insurance requirements;
- › Review and recommendation of the ADF Business Continuity Plan; and
- › Review and recommendation to the Board of the ADF Operating Budget for 2015/16.

Meetings

The committee met three times during the 2014/15 financial year:

17 September 2014

10 March 2015

24 June 2015 (teleconference)

COMPANY OBJECTIVES

ADF's key company objectives for the financial year remain:

Short-term objectives

- › Develop and deliver a strong member value proposition to state and business members of ADF, including the delivery of the Australian Dairy Farmers Project Fund; and
- › Deliver against the Australian Dairy Industry Council Processor Investment Fund, in accordance with agreed key performance indicators.

Long-term objectives

- › Improve the long-term social and economic well being of dairy farmers; and
- › Provide strong leadership and representation for the continued growth of internationally competitive, innovative and sustainable dairy farm businesses.

Strategy for achieving these objectives

Our rationale is to act where collective initiatives will lead to better outcomes for individual dairy farmers and state dairy farmer organisations.

The strategy is based around:

- › Achieving sustainable farm profitability through focusing on robust farming systems, improved natural resource management and gains through enhanced genetic technologies.

- › Improvements to farmer profitability through an innovative dairy value chain, including influencing market trading conditions, and the creation and extraction of value for farmers across the value chain activities, in addition to market analysis and information.
- › Securing market access through responsible animal health and welfare practices international trade negotiations, protection from biosecurity threats and support for innovative healthy and nutritious products through improved farm and food safety practices.
- › Developing strong human capacity through support and development of dairy industry education and training, leadership development programs, strategic leadership and advice on a national future employment strategy

Principal role

To implement ADF's strategies and achieve its short-term and long-term objectives. The principal activity of ADF throughout the year was to provide strong leadership and representation for the continued growth of internationally competitive, innovative and sustainable dairy farm businesses and to provide strategic planning and management of policy and initiatives across the Australian dairy value chain.

No significant change in the nature of these activities occurred during the year.

Key performance indicators

All activities undertaken by ADF align directly with ADF's strategic plan and priority setting process undertaken by the Australian Dairy Industry Council and Dairy Australia. To evaluate ADF's achievement of the organisation's short-term and long-term objectives, the group uses the following key performance indicators based on soft data to measure, analyse and monitor its performance:

Member and stakeholder feedback and support

Uptake of submissions, policy responses and project deliverables by government and industry

Beneficial outcomes from trade negotiations and long-term sustainability of both dairy farmers and ADF as an organisation.

Members guarantee

ADF is incorporated under the Corporations Act 2001 and is a group limited by guarantee. If the group is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations to the group.

As at 30 June 2015, the group had a constitution of six members. The combined total amount that the members of the group are liable to contribute if the group is wound up is \$6. Members who have resigned in the past 12 months are liable for the contribution within one year after the member ceases to be a member of the company.

The Australian Dairy Vision is underpinned by five binding elements, which highlight our industry's aim to be valued, innovative, responsible, preferred and unified by 2025.



DIRECTOR'S REPORT

Information on directors, national councillors and company secretary

Directors

N Campbell

- › Owner and Partner of a dairy farm in Yannathan, Victoria
- › President of Australian Dairy Farmers
- › Chair of Australian Dairy Industry Council
- › Director of Australian Dairy Farmers Limited
- › Shareholder of Bonlac Supply Company
- › Shareholder of Genetics Australia Cooperative

Dr A Astin

- › Director of Australian Dairy Farmers
- › Chair of Australian Dairy Farmers Audit, Risk and Compliance Committee
- › President of Australian Institute of Food Science and Technology
- › Director of William Angliss Institute
- › Chair of Forum of Food Regulators Implementation Sub-Committee (Australia and New Zealand)
- › Chair of Wellsprings for Women Inc.
- › Member of Audit & Risk Committee at EnergySafe Victoria
- › Member of Clean Technology Food and Foundries Investment Committee
- › Member of New Zealand Government Inquiry into the Whey Protein Concentrate Contamination Incident
- › Member of Health Star Rating Advisory Committee

C Griffin

- › Manager and Partner of a dairy farm in Gippsland, Victoria
- › Director of Australian Dairy Farmers (resigned 26 November 2014)
- › Director Australian Dairy Industry Council (resigned 26 November 2014)

D Basham

- › Owner and Partner of a dairy farm in Mount Compass, South Australia
- › Director of Australian Dairy Farmers (appointed 26 November 2014)
- › Director Australian Dairy Industry Council (appointed 20 January 2015)

- › President of South Australian Dairyfarmers Association
- › Director of South Australian Dairyfarmers Association
- › Director of SA Dairy Industry Fund Ltd
- › Director of Primary Producers SA
- › Treasurer of Primary Producers SA
- › Director of Veterinary Surgeons Board of South Australia
- › Member of SA Cattle Advisory Group
- › Member of Dairy Australia Trade Reference Group
- › Member of Dairy Australia Sustainability Steering Committee

K Jolliffe

- › Owner and Partner of a dairy farm in Wagga Wagga, New South Wales
- › Director of Australian Dairy Farmers
- › Director of Australian Dairy Industry Council
- › Deputy Chair of Dairy NSW
- › Chair of Inland Elite Dairy Network
- › Member of Australian Dairy Farmers Audit, Risk and Compliance Committee

P Evans

- › Owner and Partner of a dairy farm near Busselton, Western Australia
- › Director of Australian Dairy Farmers (resigned 26 November 2014)
- › Director Australian Dairy Industry Council (resigned 26 November 2014)

T Jones

- › Partner of a dairy farm in Gruyere, Victoria
- › President of United Dairyfarmers of Victoria (resigned 28 January 2015)
- › Director of Australian Dairy Farmers (appointed 26 November 2014)
- › Director Australian Dairy Industry Council (appointed 20 January 2015)
- › Member of Dairy Constitutional Review Committee
- › Member of Victorian Farmers Federation
- › Director of Geoffrey Gardiner Foundation
- › Shareholder Bega Cheese

National Council

N Campbell

- › Owner and Partner of a dairy farm in Yannathan, Victoria
- › President of Australian Dairy Farmers
- › Chair of Australian Dairy Industry Council
- › Director of Australian Dairy Farmers Limited
- › Shareholder of Bonlac Supply Company
- › Shareholder of Genetics Australia Cooperative

D Basham

- › Owner and Partner of a dairy farm in Mount Compass, South Australia
- › National Councillor of Australian Dairy Farmers Limited
- › Director of Australian Dairy Farmers (appointed 26 November 2014)
- › Director Australian Dairy Industry Council (appointed 20 January 2015)
- › President of South Australian Dairyfarmers Association
- › Director of South Australian Dairyfarmers Association
- › Director of SA Dairy Industry Fund Ltd
- › Director of Primary Producers SA
- › Treasurer of Primary Producers SA
- › Director of Veterinary Surgeons Board of South Australia
- › Member of SA Cattle Advisory Group
- › Member of Dairy Australia Trade Reference Group
- › Member of Dairy Australia Sustainability Steering Committee

R Britnell

- › Manager and Partner of a dairy business in South West Victoria
- › National Councillor of Australian Dairy Farmers Limited
- › Vice President of United Dairy Farmers' of Victoria (appointed 28 January 2015)
- › Director of Geoffrey Gardiner Foundation
- › Chair of Regional Strategic Planning Committee
- › Board Member of Catchment Management Authority
- › Shareholder of Genetics Australia

E Chesworth

- › Owner and Partner of a dairy farm in Dubbo, New South Wales
- › National Councillor of Australian Dairy Farmers Limited (appointed 19 June 2015)
- › Central Councillor of United Dairyfarmers of Victoria
- › Director of Australian Dairy Herd Improvement Scheme
- › Director of Murray Dairy

D Hoey

- › Manager and Partner of a dairy farm in Katunga, Northern Victoria
- › National Councillor of Australian Dairy Farmers Limited
- › Central Councillor of United Dairyfarmers of Victoria
- › Director of Australian Dairy Herd Improvement Scheme
- › Director of Murray Dairy

A Jenkins

- › Manager and Partner of a dairy farm in South Purrumbete, South West Victoria
- › National Councillor of Australian Dairy Farmers Limited
- › President of United Dairyfarmers of Victoria (appointed 28 January 2015)
- › Member of Victorian Farmers Federation

T Jones

- › Partner of a dairy farm in Gruyere, Victoria
- › National Councillor of Australian Dairy Farmers Limited (resigned 28 January 2015)
- › President of United Dairyfarmers of Victoria (resigned 28 January 2015)
- › Director of Australian Dairy Farmers (appointed 26 November 2014)
- › Director Australian Dairy Industry Council (appointed 20 January 2015)
- › Member of Dairy Constitutional Review Committee
- › Member of Victorian Farmers Federation
- › Director of Geoffrey Gardiner Foundation
- › Shareholder Bega Cheese

J Keely

- › Manager and Partner of a dairy farm in Cohuna, Northern Victoria
- › National Councillor of Australian Dairy Farmers Limited
- › Central Councillor of United Dairyfarmers of Victoria
- › Shareholder - Murray Goulburn

A Lester

- › Manager and Partner of a dairy farm in Herrick, North East Tasmania
- › National Councillor of Australian Dairy Farmers Limited
- › Chair of Tasmanian Farmers & Graziers Association Dairy Council
- › Chair of Animal Health & Welfare Action Group
- › Board Member Winnaleah Irrigation Scheme

R McIntosh

- › Manager and Partner of a dairy farm in Berry, New South Wales
- › National Councillor of Australian Dairy Farmers Limited
- › Chair of NSW Farmers Dairy Committee
- › Chair of NSW Farmers BJD Steering Committee
- › Member of NSW Farmers Association
- › Shareholder of Murray Goulburn

M Partridge

- › Manager and Partner of White Rocks dairy farm, in Brunswick Western Australia
- › National Councillor of Australian Dairy Farmers Limited
- › Vice President of WA Farmers Dairy Council
- › Member of WA Farmers Federation

G Robb

- › Manager and Partner of a dairy farm in Alstonville, Far North Coast of NSW
- › National Councillor of Australian Dairy Farmers Limited (resigned 19 June 2015)
- › Member of NSW Farmers Dairy Committee
- › Supplier and Shareholder of Norco Cooperative
- › Shareholder of Genetics Australia

B Tessmann

- › Manager and Partner in a dairy farm in South Burnett Region, Queensland
- › National Councillor of Australian Dairy Farmers Limited
- › President of Queensland Dairyfarmers Organisation
- › Vice President of Queensland Farmers Federation

J Verstedden

- › Manager and Partner in a dairy farm in Longwarry, South East Victoria
- › National Councillor of Australian Dairy Farmers Limited
- › Chair of Dairy Australia Dairy Industry People Development Committee
- › Member of United Dairyfarmers of Victoria Policy Council
- › Shareholder of Genetics Australia

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Company Secretary
N R Collard

- › Chief Executive Officer, Australian Dairy Farmers (resigned 10 April 2015)
- › Public Officer, Australian Dairy Industry Council (resigned 10 April 2015)
- › Graduate Certificate in Management (in progress)
- › Graduate Diploma, Company Directors course
- › Bachelor of Arts (Social Sciences)

S Chahine

- › Business and Engagement Manager (appointed 10 April 2015)

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Chief Executive Officer
N R Collard

- › Chief Executive Officer, Australian Dairy Farmers (resigned 10 April 2015)
- › Public Officer, Australian Dairy Industry Council (resigned 10 April 2015)
- › Graduate Certificate in Management (in progress)
- › Graduate Diploma, Company Directors course
- › Bachelor of Arts (Social Sciences)

Dr C Noble

- › Interim Chief Executive Officer, Australian Dairy Farmers (appointed 16 March 2015)

Meeting of directors

DIRECTORS	DIRECTOR'S MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
N R Campbell	6	6	-	-
C J Griffin	4	4	-	-
P D Evans	4	4	-	-
A Astin	6	6	3	3
S K Jolliffe	6	6	3	3
D K Basham	2	2	-	-
T Jones	2	2	-	2

Board Committee, National Council, Advisory Group and Representational Meetings

In addition to Board Meetings, all Directors and National Councillors participated in during the financial year in ADF formally appointed committees, advisory groups and representational appointments.

ADF had five advisory groups in 2014/15 being:

- › Animal Health and Welfare;
- › Farming Systems and Herd Improvement;
- › Markets, Trade and Value Chain;
- › Natural resources; and
- › People and Human Capacity.

Both ADF Directors and National Councillors provide their skills and expertise on an informal basis for all aspects of ADF's operations.



ADF in collaboration with industry partners is working hard to safeguard a more sustainable future for Australian dairy.

ADF CURRENT BOARD OF DIRECTORS



Noel Campbell, President

Noel Campbell is a third-generation dairy farmer from Yannathan, south east Victoria. The family operation is run by Noel and his wife Ann, milking 450 cows. Noel was elected President of Australian Dairy Farmers (ADF) and Chair of the Australian Dairy Industry Council in 2012.

Prior to his election as ADF's Vice President in 2011, Noel was Chair of the Markets, Trade and Value Chain Policy Advisory Group for two years and a Director on the ADF Board since 2008. Noel has also held positions on various other industry boards including as a Director of Genetics Australia, Chair and Director of Bonlac Foods and Bonlac Supply Company, and Chair of the Fonterra Australia Supplier Forum.

Noel is a strong advocate for whole of industry unification, believing that with a strong, united front Australian dairy will remain on the international stage as a provider of high quality, nutritious and sustainable food.

Most recently, Noel's advocacy efforts were instrumental in the achievement of a pro-dairy China-Australia free trade outcome, where he attended the Minister for Agriculture, Barnaby Joyce's delegation to China and presented as a guest speaker at the China Dairy Industry Association conference in Shanghai, in August and September 2014.

Noel has a Diploma of Mechanical Engineering and is a Fellow Australian Institute of Company Directors. He is married to Ann and has four adult children.



Dr Anne Astin

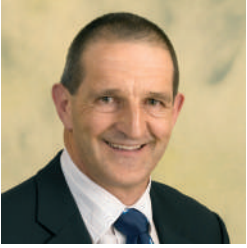
Dr Anne Astin has held senior executive roles in State and Federal Governments covering food safety and biosecurity, drugs and poisons, public health, primary industries, natural resource management and land administration. She spent four years in post-Doctoral biochemistry research and lecturing at Monash University. Anne retired as the inaugural CEO at Dairy Food Safety Victoria in January 2011.

Anne currently holds Directorships on a number of government and not-for-profit Boards including William Angliss Institute, the Australian Institute of Food Science and Technology Ltd, Safe Fish and Wellsprings for Women Inc.

Anne was awarded the Public Service Medal in the Victorian Division of the Queen's Birthday Honours for her services to the dairy industry, national food regulation and rural women. Anne was also inducted into the Victorian Women's Honour Roll for her work in biochemistry and as an advocate of women's leadership.

She was the first woman to receive the Australian Dairy Industry Council's Outstanding Service Award in recognition of her leadership to the Australian dairy industry.

Anne and her husband Peter have two daughters, Claire and Liz.



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Chris Griffin

Chris Griffin is the immediate past President of Australian Dairy Farmers and past Chairman of the Australian Dairy Industry Council. He was the President of the United Dairy Farmers of Victoria in 2009 and has been member of the Australian Dairy Farmers Board since 2005.

Chris is a dairy farmer with more than 35 years experience in dairy farming and has a long history of industry involvement and a strong commitment to achieve the best outcomes for the dairy industry and the dairy farmers of Australia. Chris and his wife Jan are partners in their 350 cow dairy farm at Westbury, near Moe, Gippsland Victoria.



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David Basham

David Basham operates a 380 cow dairy farm with his wife, Kate and two daughters. Their property is located in Mount Compass, 65 kilometres south of Adelaide, on the Fleurieu Peninsular in South Australia (SA). David's family has been milking cows for more than 120 years.

David is the President of the South Australian Dairyfarmers' Association (SADA) in a role he has held since August 2005. SADA is a membership organisation that advocates and develops policies to benefit SA dairy farmers.

David has been instrumental in the development of a new brand of fresh milk, SADA Fresh, being sold in one of his state's major retail supermarkets to generate funds for SA industry development.



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Peter Evans

Peter Evans has been on the Australian Dairy Farmers Board since 2007. Peter is the Chair of the Australian Dairy Farmers Farming Systems and Herd Improvement Policy Advisory Group (PAG). Active in farmer associations since 1978, Peter was Chairman of Horizon Farming WA from 2003-2005, Chairman of Western Dairy board (which he joined in 2003) from 2005-2007 and President of the Dairy Section of WA Farmers from 2007.

A dairy farmer from Busselton in Western Australia, Peter is married to Sue. Peter started dairying with his parents in 1969. From 1972, Peter grew his own business to today's herd of 850 cows on 470 hectares. The business has won WA Dairy Business of the Year 2010 & 2011 and National Dryland Business of the Year 2011.

ADF CURRENT BOARD OF DIRECTORS



Simone Jolliffe

Simone Jolliffe joined the Australian Dairy Farmers (ADF) Board in January 2014. Simone's passion for agriculture was fostered by her family and a childhood spent on a cattle farm. Her interest in agriculture was further developed through her studies at the University of New England in Armidale, where she completed her Bachelor of Rural Science.

Raised on a beef property, Simone has embraced the commitment, intensity and challenges of dairy since joining her husband, Neil, on the Jolliffe farm in 2000. Situated on the Murrumbidgee River, near Wagga Wagga, NSW, Neil and Simone purchased the property in 2008. Farming with her husband and young family, Simone is involved in all aspects of the business from livestock and pastures, through to finances and human resource management.

Simone is passionate about supporting farmers' at the grassroots. She has a strong community leadership base having been a part of the Young Cattleman's Union, as well as the Murrumbidgee Holstein Branch, Possum's Daycare and Rainbow Preschool Management committees, and North Wagga Public School's Parents and Citizens Association.

Simone is also Deputy Chair of Dairy NSW's Board and a graduate of the Australian Institute of Company Directors.



Tyran Jones

Tyran Jones completed a Bachelor of Engineering and worked in that capacity, before returning to the family farm. Tyran holds a number of industry leadership positions. He is a member of the Australian Dairy Farmers (ADF) Board and National Council, and former President of the United Dairyfarmers of Victoria (UDV).

In addition to these advocacy roles, Tyran was a Director of The Geoffrey Gardiner Foundation, Chair of GippsDairy, and is currently a member of the industry Steering Committees which oversee critical research, development and extension (R, D & E) national programs.

Tyran is a partner in a Victorian dairy farm and is a strong advocate for agricultural innovation. He believes that the sector needs to focus on driving a profitable, growing, industry. His vision sets bold targets and mechanisms for increasing returns on assets, growing milk production, embracing new tools and technologies, and establishing Australia's position as a key global dairy exporter.

STAFF PROFILES



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Natalie Collard

Natalie Collard was appointed Chief Executive Officer of ADF in June 2011. Prior to joining ADF in November 2008 as General Manager, Natalie was the Manager - Rural Affairs for the NFF, Australia's peak agricultural lobby group. A former Director of Agsafe Limited, Natalie played a key role in driving improved environmental stewardship and training outcomes for the agriculture sector, including founding AgStewardship Australia to deliver agricultural recycling programs.

In October 2013, Natalie was awarded Telstra's Business Woman of the Year for Victoria, in the Community & Government category. In March 2013, she was a national Emerging Leader finalist for the National Australia Bank Women's Agenda Leadership Awards.

Natalie's non-agricultural career highlights include experience in political offices, managing an emergency post-September 11 arms control in 32 countries, and addressing the United Nations in Geneva on the Optional Protocol to the Biological Weapons Convention. She has managed two \$600 million corporate contracts and, as Defence's lead negotiator on security treaties, delivered Australia's first treaty with the North Atlantic Treaty Organisation (NATO).

Natalie is a Graduate of the Australian Institute of Company Directors and has a Bachelor of Arts (Social Sciences) from La Trobe University for which she was awarded membership of the Golden Key Honour Society. Natalie is currently undertaking a Graduate Diploma of Management.



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Dr Clive Noble

Dr Clive Noble commenced his role as Australian Dairy Farmers (ADF) Acting Chief Executive Officer in March 2015. Clive brings a wealth of agricultural science and research knowledge from his 32-year career with the Department of Environment and Primary Industries (DEPI), Victoria.

Spanning his time at DEPI, Clive has held the position of Institute Director (Tatura), Regional Manager (Northern Irrigation Region), Executive Director of Research and Development, Chief of Science and Technology, and Head of Strategic Partnerships.

Clive has also been an active member of the Dairy Moving Forward Steering Committee between 2008-2013, providing strategic direction and support for the Australian dairy industry's national research, development and extension framework.

Alongside Clive's part-time position as ADF Acting CEO, he is Managing Director of AgInsight – a consulting firm that provides science and technology advice to government, industry, the university and private sectors.

STAFF PROFILES



Betty Helou

Betty Helou joined the ADF team in March 2015 as a Policy Support Officer. Her main role is to support ADF's Senior Policy Managers, Irene Clarke and David Losberg.

Betty is currently pursuing her Masters in Environmental Policy and Management (with a focus on agriculture) at the University of Melbourne. Previously, she completed her Honours degree in Canada, focusing on biological sciences and genetics. Following her Bachelor's degree, Betty worked in South Korea at an international middle school as a science teacher.

With her science background and her knowledge of food policy, planning and development, Betty aspires to make a difference in the Australian agricultural food systems. She is also eager to learn and gain insight on collaboration across diverse sectors, and enriching the national dairy industries.



David Losberg

A Senior Policy Manager, David has been working with ADF since 2010 where he is responsible for the Markets, Trade and Value Chain areas, as well as Animal Health and Welfare policy.

David has worked in the Federal Government at senior levels, has been involved with rural health policy and was manager of government relations at a major private health fund. These roles have given David a strong understanding and background in policy development, stakeholder relations and advocacy with government.

David has extensive experience working with a wide variety of stakeholders to develop unified national policy and enjoys the challenges of advocating an industry position in a tight fiscal environment.



Doris Gauci

Doris joined ADF in April 2014 as an Office Administrator and Receptionist. Doris has over 30 years of experience within a broad range of industry sectors, specialising in Corporate Receptionist and Office Administration roles.

As part of her varied role, Doris manages and directs work flow to various departments, inducts new staff members, maintains the petty cash and security pass registers, coordinates all travel and related logistics and reconciles monthly expenses for senior management. Doris is the primary point of contact for all general ad-hoc administrative duties.

Doris is an integral member of the team at ADF, her input and strong work ethic ensures the smooth operation of the team and broader organisation.



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Emily Martyn

Emily Martyn was appointed Communications Officer at ADF in January 2014. She is responsible for providing writing and editing support for outbound communications, brand management and sponsorship, digital and social media management, delivering key ADIC and ADF events, and stakeholder management.

Emily managed and directed the inaugural ADF National Dairy Farmers’ Summit in March 2014 and played a key role in the development of the Australian Dairy Vision.

Emily is in her final year of studies at Deakin University, studying Public Relations. Last year, Emily worked in the auto manufacturing industry in Internal Communications and Community Relations, Corporate Affairs at GM Holden. Prior to this, Emily worked at Flemington’s Victoria Racing Club (VRC) as a Public Relations Assistant.

Emily relishes the opportunity to work in such a dynamic and challenging industry environment. She sees wonderful potential for the Australian dairy – domestically and internationally – and is committed to strongly supporting ADF’s role in securing a more competitive and prosperous future for Australian dairy farmers.



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Florence Rooney

Florence Roney joined Australian Dairy Farmers as Executive Assistant to the President, Chief Executive Officer and Support Officer in September 2014. She manages the offices of the President and CEO, assisting in the facilitation and execution of administrative tasks including the coordination of calendars, correspondence and travel, and providing secretarial and executive support.

Florence also assists in the day-to-day functioning of the ADF office, liaising with staff on industry matters, assisting the CEO and staff in recruitment activities and managing external service providers.

Currently completing a Bachelor of Arts at Monash University, Florence is studying politics, history, journalism and literature. She recently worked for the Monash Student Association as editor of student magazine, Lot’s Wife and has also interned with media group, The Conversation.

Florence enjoys working with the dynamic ADF team to represent dairy farmers nationally.



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Fred Jones

Fred joined the ADF team as Operations Manager in August, after assisting in a business advisory capacity since March 2014. Fred brings a wealth of experience in both operational and project management to the role having worked in the commercial and retail environment for over 35 years with Coles and other iconic retail brands.

Most recently Fred was the Regional Administration Manager at Target, a position he held for six years, in an area that covered 80 sites across Victoria and Tasmania. Fred’s extensive knowledge in budget preparation, auditing and compliance management are of significant benefit to ADF given the financial and governance requirements of the group.

Fred has also been tasked with forming enduring alliance partnerships with organisations that recognise the importance of the advocacy work performed by ADF, and through the ongoing development of the relationships, provide support and commercial benefits that will assist the capacity of ADF to continue to be the voice of dairy farmers.

STAFF PROFILES



Irene Clarke

Irene was appointed Senior Policy Manager at ADF in March 2013. She is responsible for natural resources policy as well as farming systems and herd improvement policy. Irene is also the policy lead in strategic industry projects, including the development and implementation of the Australian Dairy Vision, the Dairy Industry Sustainability Framework, and ADF input to Dairy Australia strategy.

Irene came to ADF with over 20 years experience in policy and advocacy. Prior to joining ADF, Irene was a consultant for GHD Limited where she prepared strategic plans, submissions and project applications.

This included assisting with government policy following the Christchurch earthquakes, and preparing water permit applications for dairy farm developments.

Irene previously worked for the NZ local government peak body on policy, advocacy and best practice across a range of issues including energy, climate change, food safety, water management, hazard management and environmental approvals. Irene began her career as a planner and has an environmental planning degree and a post graduate law qualification.



Kelly Im

Kelly joined ADF in February 2014 as a Policy Support Officer. She provides assistance to senior policy managers, Irene Clarke and David Losberg, across their respective portfolios. Kelly's position as Policy Support Officer involves a wide range of tasks including preparing board papers, contributing to submissions, and taking minutes at PAG meetings.

Kelly recently completed her Masters of International Relations at Monash University for which she wrote her dissertation on Australian food security and trade with Asia. Her role as Policy Support Officer at ADF allows her to apply and improve upon many of the skills she acquired throughout her studies.

Previously, Kelly has been involved in the fashion and entertainment industries. Working in dairy has been an exciting and challenging move. Kelly appreciates the wealth of experience, knowledge and passion in the policy team and wider ADF staff.



Patrick Kok

Patrick has an Accounting degree from the U.K. and has 28 years in the finance role where he has gained his experience from various industries.

With his Audit background, Patrick had a short stint with the United Nations Office for Project Services and moved on to Finance Manager roles in the publishing & membership industries before moving on to marketing & fashion industries as Financial Controller.

Throughout his career, Patrick has made significant contribution to the organisations he was with. This holds true since Patrick has joined ADF in its pursuit to improve the transparency of the organisation.



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Sarah Chahine

Sarah was appointed Business and Engagement Manager in 2014. She is responsible for managing ADF’s corporate governance and provides secretarial support to the ADF and ADIC Boards and ADF National Council. In addition, Sarah provides business support by coordinating the annual ADF and ADIC business operating plans, manages and delivers ADF and ADIC events, and plays an important role in building and maintaining effective business relationships with ADF and ADIC external stakeholders.

Previously, Sarah was Executive Assistant to the President and Chief Executive Officer, and Office Manager, having joined ADF in 2011.

Sarah has a strong strategic planning, communication and marketing, and event management background, having previously managed corporate events and marketing for over eight years. This has contributed to her extensive knowledge of business and operational procedures.

Sarah continues to pride herself on her work delivered, and values the opportunity to work in such a dynamic and challenging industry. She is committed to strongly supporting ADF’s role in securing a more competitive and prosperous future for Australian dairy farmers.



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Shona McPherson

Shona McPherson was appointed Media Officer at ADF in September 2014. Shona’s role involves a wide range of responsibilities, from writing and editing outbound communications, to liaising with media contacts and monitoring media coverage of the organisation.

Prior to her appointment at ADF, Shona began her career as a contributor and sub-editor for online magazine Mildred, where she was responsible for developing original, engaging and eloquent content on a range of topics including political and environmental issues. She also worked as a media liaison for the Small Technologies Cluster, writing case studies on bio and nano-technology projects funded by the Victorian Government’s Small Technologies Uptake Program.

Having recently graduated from Monash University with a Bachelor of Arts (Media and Communications), and a Masters in Journalism, Shona is enthusiastic about expanding ADF’s reach and capacity to act as the voice of dairy farmers across Australia.



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Rachel Jones

Rachel joined ADF in January 2013 as Policy Officer, and is responsible for people and human capacity policy.

Prior to joining the ADF team, Rachel worked in federal politics as a Communications Officer to the Shadow Minister for Finance and Deregulation and as a Policy Adviser to the Shadow Parliamentary Secretary for Public Security and Policing. These roles have given Rachel a strong understanding and background in policy development, stakeholder relations, political campaigning, and advocacy with government.

Rachel has extensive experience in working with a broad range of stakeholders in developing effective and responsible policy, and enjoys the challenge of advocating an industry position in a tight fiscal environment.

Rachel graduated from La Trobe University in 2006 with a Bachelor of Arts (Politics).

ANIMAL HEALTH AND WELFARE POLICY ADVISORY GROUP

Chair – Terry Toohey (to 26 February 2015) / Chair – David Basham (current) / Secretariat – David Losberg

Healthy and well cared for cows are a priority for every dairy farmer. The Animal Health and Welfare Policy Advisory Group (PAG) aims to maintain and improve Australia's dairy animal health and welfare systems, as well as the industry's emergency response capability, through cooperative programs aligned with other industries and governments.

ADF cares deeply about the health and wellbeing of their animals, and the PAG works hard to ensure that this is recognised by government, regulators, retailers, animal groups and, most importantly, consumers. The Animal Health and Welfare PAG provides guidance on current issues and regulations.

Calving Induction

After extensive consultation with dairy farmers, industry and veterinary experts, ADF has adopted a new policy, which will see the phasing out of calving induction nationally. In February this year, over 35 industry stakeholders, the majority of whom were dairy farmers met to discuss and develop a national policy recommendation regarding calving induction.

Following the industry forum the AH&W PAG met and recommended a phasing out of calving induction to the ADF National Council which then agreed to modify ADF's policy position to the following: "ADF does not support routine calving induction and will work to phase it out through improved herd improvement practices, tools and technologies."

The dairy industry's breeding programs such as InCalf and the improvement of fertility by genetic selection are already making a difference and the use of calving induction is reducing. In 2014, fewer than 2% of the national herd were induced (approximately 24,000 cows) and the industry is now working to reduce the need to use this management tool even further.

A Steering Group, including dairy farmers, representatives from the Australian Cattle Veterinarians, Dairy Australia, the Australian Dairy Products Federation and ADF, has been established to develop an action plan. The Steering Group has developed communications and data collection materials that have been distributed to cattle veterinarians to help progress the phasing out process.

ADF continues to liaise with its counterparts in New Zealand to understand and learn from their approach; in particular the setting of annual limits with certain exemptions. A particular concern raised at the industry forum, was the use of late calving induction. It is worth highlighting that late inductions provide no reproductive benefit and should not be performed.

ADF is working with farmers, veterinarians, state member organisations and other stakeholders, to ensure the phase out works for both animals and farmers. ADF will continue to consult with industry and farmers and is committed to ensuring that the timing, process and outcomes are right for all involved.

Bovine Johne's Disease

Animal Health Australia (AHA) commenced a review of Bovine Johne's Disease (BJD) management in 2015. The review has been progressed in the first half of 2015 with Forums, meetings of the Review Panel and two discussion papers.

Dairy farmers were represented on the Review Panel by members of ADF and Dairy Australia as well as members of their state dairy farming organisations at both the Forum and at the meetings held thus far. The dairy industry has provided collective input to and feedback on, the discussion papers.

There has been wide support for a change in the management of BJD to remove the stigma and significant trade impacts of the current arrangements. The latest AHA discussion papers propose that reducing third-party regulation and allowing for a greater industry-led strategy will achieve this change.

Key issues being examined in the BJD review include:

- › Monitoring and surveillance;
- › Definitional issues regarding the various strains of BJD;
- › Consistency of application across jurisdictions;
- › Quarantining; and
- › The importance of disease reduction/ minimisation.

The AHA review is expected to be finalised in late 2015. ADF is hopeful that the approach being discussed will lead to better outcomes for dairy farmers.

Dairy Moving Forward Animal Husbandry Steering Group

The Dairy Moving Forward Animal Husbandry Steering Group, which is chaired by PAG Chair David Basham, plays a significant role in guiding coordinated and focussed investment in research, development and extension (R, D&E) and training activities in animal husbandry and welfare for the dairy industry.

The Steering Group aims to ensure that the key stakeholders with an interest in dairy animal husbandry and welfare are engaged in developing strategy and identifying gaps in the area.

Over the annual review period the Animal Husbandry Steering Group has discussed key issues including:

- › An audit of R,D&E in key priority areas that impact on animal welfare;
- › Intensification of dairy farming in Australia and the need to identify information gaps and set priorities for R,D&E; and
- › Extension activities:
 - › Improving decision making and management of downer cows;
 - › Improving farmer access to captive bolt technology and training;
 - › National lameness control strategy; and
 - › Improving access and use of analgesics for disbudding.

Biosecurity

Biosecurity has far reaching implications at the individual, regional and national level. Australia's biosecurity system lies at the heart of our position as a trading nation. A large outbreak of foot and mouth disease has the potential to reduce Australia's Gross Domestic Product by \$10.3 to \$16.7 billion.

The Biosecurity Bill 2014 will provide the primary legislative means and regulatory framework for the Australian Government to manage the risk of pests and diseases entering Australian territory and causing harm to animal, plant and human health, the environment and the economy.

Dairy industry advocacy was essential in developing and reviewing the Biosecurity Bill 2014, as well as lobbying for its passage with independent Senators and the Opposition, both of whom passed the Bill in mid-2015.

ADF will be directly involved in the development of the regulations and administrative arrangements underpinning the Bill through the National Farmers Federation. The legislation is expected to be implemented in a little over 12 months time. ADF will continue to work on Biosecurity and is engaging with the Government on the implementation of the \$200 million initiative to improve biosecurity surveillance and analysis announced in the Agricultural Competitiveness White Paper.

Cattle Standards and Guidelines

The draft Australian Welfare Standards and Guidelines for Cattle have been developed over the last five years with the dairy industry providing considerable input into their drafting. The recommended Standards and Guidelines, as they apply to dairy cattle, reflect the dairy industry's policies, including areas that have been identified as priorities in the National Dairy Industry Animal Welfare Strategy.

ADF and Dairy Australia have participated in Writing Group (comprising Government, Research and Industry Representatives) and Reference Group (Government, Research, Industry and Animal Welfare Group representatives) meetings.

It is anticipated that the draft Standards and Guidelines will be endorsed by State, Territory and Federal Agriculture Ministers in August 2015. If Ministerial endorsement is received the Australian Animal Welfare Standards and Guidelines for Cattle will then be used by states and territories as a basis for relevant animal welfare law. ADF has been briefing relevant Ministers and will continue to liaise regularly with state dairy farmer organisations.



FARMING SYSTEMS POLICY ADVISORY GROUP

Chair – Peter Evans (to 26 February 2015) / Chair – Tyran Jones (current) / Secretariat – Irene Clarke

Research, development and extension (R, D&E) strategy, and the delivery and adoption of innovation opportunities such as biotechnology, farm business management and herd improvement, all play an important role in securing the long-term sustainability and profitability of dairy farming. These strategies and opportunities are the focus of the Farming Systems and Herd Improvement Policy Advisory Group (PAG) which help better equip farmers for a prosperous future. The PAG has important links to both the Australian Dairy Herd Improvement Scheme (ADHIS), the Dairy Futures Cooperative Research Centre (Dairy Futures CRC) and Dairy Australia's Farm Profit and Innovation Group. The PAG's work has been strongly supported through technical input of Dairy Australia.

Research, Development and Extension Funding

In September 2014, the Senate agreed to an Inquiry into "The industry structures and systems governing the imposition and disbursement of marketing and research, and development (R&D) levies in the agriculture sector". The ADIC lodged a comprehensive submission to the Inquiry and appeared at the Committee hearing. The Committee report was released on 30 June 2015.

The Committee report strongly states that there is no one-size-fits-all solution, and that mechanisms used around consultation and changes to the levy will be a matter for each industry to determine. The Committee recognised the diversity across the various commodities subject to levies and the unique characteristics of each industry. The findings of the Committee do not indicate any significant changes for the Dairy Levy arrangements.

ADF has also been fully engaged in the Dairy Australia review of the Levy Poll process and seeking improvements to the process, particularly around the approach to consultation for the Poll and ensuring fair, but cost-effective, means of providing farmers the ability to influence the levy and how it is spent.

The dairy industry submission on the Government's Agricultural Competitiveness Green Paper provided strong commentary on the value of Rural R&D Corporations and the role of Government in supporting the agricultural R, D&E system. Government funding and support of R, D&E is reducing, particularly at State level, posing a critical risk for the industry's competitive future. With the release of the White Paper providing a framework of the Government's priorities for agricultural R, D&E, ADF will now increase advocacy for continued Government support on R, D&E for the continued sustainable growth of the Australian dairy industry.

New Technologies

ADF has sought to increase engagement with the Dairy Futures CRC, in particular to understand the current status and next steps required in the work on the high energy GM Ryegrass. The March 2015 PAG meeting was held at the Agribio Centre, Melbourne Victoria and provided an opportunity for increased collaboration between the PAG and the CRC Chief Executive, David Nation. A Business case for the new DairyBio has been prepared by the Dairy Futures CRC and Dairy Australia. This will replace the Dairy Futures CRC after June 2016. ADF has a strong interest in the priorities, focus and funding for the future DairyBio centre and will continue to engage with Dairy Australia as arrangements are finalised.

ADF supports current research and development of high energy GM Ryegrass and the broader hybrid pasture breeding program, noting its future use will depend on commercialisation and market considerations.

ADF will continue to monitor and lead agri-political opportunities to promote gene technology developments, the progress of the Dairy Future CRC's GM ryegrass research through to commercial delivery, community perceptions, dairy company understanding of the potential benefits, and state and federal policy and regulatory settings.



Elanco has engaged with ADF and industry partners through workshops, presentations and reports on the technical science, trials, and preliminary market analysis of Recombinant Bovine Somatotropin (rbST). This new product is currently going through the Australian Pesticides and Veterinary Medicines Authority (APVMA) registration process. As for any new technology that may assist some dairy farmers with productivity and profitability, ADF has been open to farmers having the choice of this opportunity, noting that industry assurance of any market implications will be critical.

Herd Improvement Strategy

The Herd Improvement Strategy's 2020 vision aims for dairy farmers to "maximise their profit through a vibrant herd improvement industry offering effective and highly valued services". This vision will be achieved through the utilisation of Australian genetic evaluation services; improved understanding of the link between decisions on herd improvement and profit; a strong Australian herd improvement industry; and a collaborative and constructive approach within the herd improvement industry to adopting new technology and innovation.

Representatives of the herd improvement industry, including ADF and Dairy Australia, make up the Herd Improvement Strategic Steering Group (HISSG). The industry strategy was finalised in August 2014 following endorsement by ADF and other industry organisations. The herd improvement strategy identifies six strategic themes as key drivers to deliver the vision:

- › Increase the ability of herd improvement to deliver farm profit
- › Redesign oversight of the herd improvement sector
- › Demonstrate value from herd improvement
- › Improve service provision at farm level
- › Reset genetic evaluation to changed conditions
- › Refocus industry on the importance of people in herd improvement.

HISSG is now dedicated to implementing the initiatives identified in the Strategy to work towards achievement of the vision. Progress has been made on some initiatives including a new herd testing report; improved use of data and databases; improved schedules for ABV release; a new demonstration project to look at how genetics and herd testing contribute to profit; and options for future phenotypic data collection.

As the strategy is implemented, ADF will continue to ensure farmer's interests are the focus for the herd improvement industry.

Sustainable Farm Profitability Report

The Sustainable Farm Profitability report was officially released on 3 July 2015 at a launch on Aubrey Pellet and Jaqui Morrison's dairy farm in Gippsland, Victoria. Commissioned by (ADIC) and produced by Dairy Australia, the Sustainable Farm Profitability Report examines farm business profitability, pinpointing key drivers of successful dairying businesses and highlighting long-term strategies within farmers' control. Recognising that volatility is here to stay, the report brings together various studies and data to highlight findings and tactics for improved farm business management. Through the development of the report in 2014 and early 2015, the PAG provided input and review.

Submissions

The dairy industry submission on the Agricultural Competitiveness Green Paper included components relevant to this policy area including R, D&E priorities and funding, agvet regulation reform, and Research and Development Corporation operations. ADF and the PAG have also provided input to technical submissions led by Dairy Australia on separate consultation exercises by the Government for aspects of agvet chemical reform. Submissions were made during this annual period on the following:

- › Reducing the Regulation of Stock Food and Pet Food, Regulatory Impact Statement
- › Senate Inquiry on Industry Structures and Systems Governing the Imposition of and Disbursement of Marketing and Research and Development (R&D) Levies in the Agricultural Sector.

MARKETS, TRADE AND VALUE CHAIN POLICY ADVISORY GROUP

Chair – Roma Britnell / Secretariat – David Losberg

The Markets, Trade and Value Chain Policy Advisory Group (PAG) is committed to improving value chain profitability and ensuring sustainable growth for Australian dairy production. The PAG also deals with issues relating to market insights, collective bargaining, health and nutrition, sustainable farm input costs, competitive domestic and international market access, and food safety.

China-Australia Free Trade Agreement

After strong and sustained advocacy from ADF and state dairy farming organisations in a coordinated and strategic campaign, the China-Australia Free Trade Agreement (ChAFTA) was officially signed on Wednesday 17 June 2014.

The ChAFTA places Australia on a more level playing field with key commercial rivals who already have a free trade agreement with China with all tariffs coming down to zero over time on key dairy products such as infant formula, cheese, milk powder and packaged milk. The ChAFTA is a truly 'free' trade and will allow Australian dairy to further develop its long-term relationship with China to the mutual benefits of both countries. ADF continues to liaise with the Government, Opposition and key Senators on ratification of ChAFTA, urging implementation before the end of the 2015 calendar year, in order for the industry to take advantage of two tariff cuts in rapid succession.

Trans-Pacific Partnership Agreement

The Trans-Pacific Partnership Agreement is a multi-country Free Trade Agreement (FTA) currently under negotiation between Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Japan, the United States, Vietnam, Mexico and Canada. With sustained economic and population growth driving an increase in dairy demand for the Asia-Pacific, the TPP offers a historic opportunity to address a broad range of distortions affecting Australian dairy producers, and to ensure consumers throughout the region involved have access to safe, high quality Australian products.

ADF has been advocating strongly for a positive dairy outcome in the TPP, engaging with the Federal Government as well as the Department of Foreign Affairs and Trade on key issues such as dairy market access. ADF has

highlighted that for the TPP to be commercially meaningful, markets like Japan and Canada must demonstrate that they are prepared to significantly increase their existing dairy market access positions.

The Maui Trade Ministerial meetings on 28 – 31 July, which ADF President, Noel Campbell was invited to attend in an advisory capacity, concluded without final agreement. ADF, on behalf of the ADIC will continue to promote the interests of Australian dairy as negotiations progress and remains dedicated to working with Government to achieve a comprehensive and commercially meaningful outcome for dairy.

Agricultural Competitiveness White Paper

ADF welcomed the long-awaited release of the Agricultural Competitiveness White Paper on Saturday 4 July 2015, which delivered several positive initiatives which will assist the dairy industry in becoming more competitive. Released on Markets, Trade and Value Chain PAG Chair, Roma Britnell's dairy farm in Western Victoria by Prime Minister Tony Abbott, the White Paper reflected many of the key points recommended by ADF on behalf of the ADIC to the Green Paper.

Key benefits for dairy farmers which have been championed by ADF include;

- › Increased funding for Agricultural Counsellors abroad to address technical barriers to trade in overseas markets;
- › The provision of \$11.4 million toward the appointment of an Agriculture Commissioner to the Australian Competition and Consumer Commission (ACCC), to foster a more competitive business environment throughout the supply chain; and
- › Improved flexibility of the Farm Management Deposits Scheme.

ADF also welcomed the Government's enhanced commitment to R, D&E projects with a focus on innovation and risk management. The commitment of \$200 million to improve biosecurity surveillance and analysis nationally will also play an essential role in creating a more durable, profitable and competitive dairy industry.

ADF is committed to working with Government to see swift implementation of the initiatives delivered in the White Paper.

Competition Policy Review Panel

In late March 2015, ADF welcomed the release of the Competition Policy Review Panel's final report, also known as the Harper Review, as crucial to creating a healthier, more competitive and successful market place for consumers, food suppliers and retailers.

ADF and state dairy farming organisations played a key role in initiating the review, appearing at consultation proceedings and providing several submissions to the draft report. The independent review's strong focus on balancing market power between supplier and retailers has been well received and highlights that ADF's input and recommendations were acknowledged.

The review's recommendation to re-introduce an Effects Test to measure the 'purpose, effect or likely effect' of retailer actions on suppliers was strongly endorsed by ADF, as was the recommendation that collective bargaining be made more flexible.

ADF was disappointed that there was no meaningful consideration in the review of the role of a Mandatory Code of Conduct, or the need for a Supermarket Ombudsman "with teeth" to address the issue of potential misuse of market power. However, as the first evaluation of Australia's competition policy in over 20 years the recommendations made are constructive steps forward. ADF will continue to advocate as legislative amendments are developed.

Food and Grocery Code of Conduct

On 2 March 2015, the Minister for Small Business announced that the Competition and Consumer (Industry Codes – Food and Grocery) Regulation 2015 was prescribed as a code, which ADF welcomed as a positive first step towards addressing market power imbalances.

The Food and Grocery Code of Conduct adopts many of the recommendations developed by ADF in collaboration with Queensland Dairyfarmers Organisation (QDO). The Prescribed Code is voluntary and will only apply to retailers or wholesalers who have elected to be bound by the Code by giving written notice to the ACCC. At the time of writing this report, Woolworths has formally committed to the Prescribed Code, while ALDI and Coles have both expressed intent to do so in the coming months.

Following recommendations from three National Party Senators in May 2015, a Small Business and Family Enterprise Ombudsman will replace the Institute of Arbitrators and Mediators as the Prescribed Code's enforcer. ADF believes this will assist in strengthening the protection for supplier under the Prescribed Code.

The Prescribed Code is to be reviewed three years after commencement, during which time ADF will watch the implementation of the Code carefully, with a view to seek the strengthening of regulations if necessary. ADF still maintains its policy position that a mandatory code of conduct is necessary.

Submissions

- › Submissions made during this annual period are the following:
- › Agricultural Competitiveness Green Paper
- › Competition Policy Review Draft Report
- › Food and Grocery Code of Conduct Consultation Paper
- › Inquiry into Australia's Trade and Investment Relationships with Countries of the Middle East
- › The Joint Standing Committee on Treaties regarding the Japan Australia Economic Partnership Agreement
- › The Joint Standing Committee on Treaties regarding the China Australia Free Trade Agreement
- › Unfair Contract Terms Consultation Paper
- › Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015 – Exposure Draft
- › Competition and Consumer (Industry Codes – Food and Grocery) Regulation 2015
- › Competition Policy Review Final Report
- › Australia – India Comprehensive Economic Cooperation Agreement
- › Australian Small Business and Family Enterprise Ombudsman Bill 2015
- › Inquiry into inhibitors to employment for small business and disincentives to working for individual
- › Taxation Discussion Paper

NATURAL RESOURCES POLICY ADVISORY GROUP

Chair – Daryl Hoey / Secretariat – Irene Clarke

Dairy farmers have a strong record of responsibly managing natural resources and sound stewardship of natural resources is key to the industry's long term future. Policy settings that provide fair and assured access to natural resources and support dairy's sustainability initiatives are also critical. The focus of the Natural Resources Policy Advisory Group (PAG) this year has included the implementation of the industry's sustainability framework, identifying issues and the industry's policy response for unconventional gas mining development, advocating for energy policy that will benefit dairy, and providing input to Murray Darling Basin Plan implementation. The PAG's work has been strongly supported through technical input of Dairy Australia.

Dairy Industry Sustainability Framework

The Australian Dairy Industry Sustainability Framework, led by the ADIC and supported by Dairy Australia, provides an opportunity to demonstrate our credentials and evidence of our progress towards eleven industry targets. The 2014 Progress Report was released in January 2015. The 2013 report set the eleven targets the industry is seeking to achieve by 2020 along with 41 measures and some baselines. The 2014 report provides further baseline data along with the first tracking of the performance of dairy farmers and manufacturers towards achievement of the targets.

We have built on our progress already since 2013. For example, dairy manufacturers have reduced greenhouse gas emissions intensity by 14.5%, and consumptive water intensity of dairy manufacturers has dropped by 10.5%. But there are still challenges to be overcome to achieve our 2020 targets and work towards even better performance.

A focus for 2015 has been engaging with farmers through State Dairy Farmer Organisations and Regional Development Programs to inform them about the Sustainability Framework and increase farmers recognition of how they contribute to it. Work this year has also looked to fill the gaps in targets, baselines and indicators where these have not been finalized or it is apparent that they can be improved.

Unconventional Gas Mining

Following receipt in August 2014 of the briefing report commissioned through Dairy Australia on A review of the key considerations on the current and potential interactions between dairy and unconventional gas mining activities in co-existing regions of eastern Australia, the dairy industry worked through a process to develop a national policy position on unconventional gas mining.

Consideration of the potential issues for dairy and our bottom lines for industry protection were discussed by the PAG, an industry working group (including farmers, dairy company representatives and dairy industry organisation representatives), and in various industry forum. An industry policy position was endorsed in July 2015.

Key aspects of the policy position are:

1. The Australian dairy industry must continue to operate and prosper without unconventional gas mining activity compromising the natural resources upon which the industry relies, and without loss to industry reputation or market access.
2. All risks of unconventional gas mining impacting natural resources or dairy industry reputation must be addressed. This may be achieved through:
 - › Ensuring robust legislative frameworks are fully developed and implemented;
 - › Fully and transparently assessing, monitoring, and managing environmental, economic and social implications of unconventional gas mining;
 - › Limiting the expansion of unconventional gas mining areas; and
 - › The Australian dairy industry working with government agencies and stakeholders to ensure appropriate consideration of the co-existence of unconventional gas mining and dairy farming.

Further information about the policy position on co-existence and the six principles which underpin the position are available on the ADF website.

Water Act and Murray Darling Basin Plan

Farmers need more certainty about how water will be recovered under the Murray-Darling Basin Plan (MDBP) to ensure clarity and efficiency in delivering the Basin Plan by the path of least socio-economic impact. The dairy industry has a long-standing policy to support a 1500GL cap on buybacks as part of the 2750GL target under the MDBP. We welcomed the Government's confirmed policy on this and the introduction of the Bill to legislate the cap this year. The Water Amendment Bill 2015 is currently in the legislative process and the dairy industry will continue to advocate for it.

A letter to ADF in May 2015 from Parliamentary Secretary to the Minister for the Environment confirmed amendments to the audit procedures for farmers involved in the On Farm Irrigation Efficiency Programme. The dairy industry has raised concerns about the programme's red tape and cost for farmers, and these amendments are a significant win for the dairy industry.

Following submissions and meetings on the Water Act review in 2014, the Independent Panel released their report in December 2014. Some of the Panel's recommendations align with the dairy industry submission to the review and ongoing points of our advocacy on implementation of the Basin Plan. For example, the Panel called for better alignment of reporting on the Basin Plan, use of Commonwealth Environmental Water Holder revenue for environmental activities, and clarity in roles and process for both monitoring and environmental watering.

The dairy industry has been involved in various activities to contribute to the Murray Darling Basin Authority's monitoring program for the MDBP. Identifying the impacts of the Basin Plan separate from other drivers of change can be difficult but we continue to advocate for a robust monitoring program that fairly reports on the impacts of the Basin Plan for dairy.

Australia's Emissions Reduction Target

A focus of ADF's policy work on climate and emissions reduction this year has been input to the Government's consideration of Australia's post-2020 emissions target, including through attendance at a Ministerial roundtable meeting and lodging submissions. The dairy industry has a particular interest in the policies that the Government puts in place to achieve the new targets. We are seeking an approach that does not undermine our trade exposed industry, recognises an emissions intensity approach to support continued growth of dairy, and is supported by Government policy and actions to promote and support the dairy industry's contribution towards greenhouse gas emissions reduction goals.

We have advocated for two particular areas for Government support. Firstly, investment in long-term research, development and extension initiatives for on-farm emissions reduction; and secondly, support for energy productivity and efficiency. The Government's key policy program, the Emissions Reduction Fund, is not conducive to dairy's participation. We continue to advocate for a stronger Emissions Reduction Fund and other programs which will effectively support dairy's contribution through energy use and on-farm practice changes.

Energy policy

The dairy industry made submissions as the Government's Energy White Paper was developed this year. Our advocacy has called for greater investment in rural energy infrastructure, policy settings that will encourage downward pressure on network charges, and more incentive schemes for the adoption of energy efficient measures. Government policy announced in the White paper has been disappointing with no assurances of response to pricing and supply issues for regional areas.

Drought policy

ADF has worked with the NFF through this reporting period on drought issues and government assistance options, and the NFF released an updated drought assistance package in December 2014. Drought measures were also an aspect of the dairy submission to the Agricultural Competitiveness Green Paper. We will continue to work with NFF on their drought relief priorities and advocacy, and complement this with our own work to consider the possibility of additional financial/tax options to assist with drought preparedness as the Government's work on the Tax White Paper progresses.

Submissions

The dairy industry submission on the Agricultural Competitiveness Green Paper included components relevant to this policy area including on water management, water infrastructure, and drought. Separate submissions were made during this annual period on the following:

- › Review of the Water Act 2007
- › Inquiry on the Australia Fund Establishment
- › Energy Green Paper
- › Murray Darling Basin-Wide Environmental Watering Strategy
- › Setting Australia's post-2020 Target for Greenhouse Gas Emissions.

PEOPLE AND HUMAN CAPACITY POLICY ADVISORY GROUP

Chair – John Verstedden / Secretariat – Rachel Jones (To November 2014) And Kelly Im (Appointed November 2014)

The People and Human Capacity Policy Advisory Group (PAG) supports ADF's policy development and advocacy in the crucial area of people and workforce capacity. The PAG addresses policy that supports the attraction, development and retention of a highly skilled workforce to drive Australia's innovative and growing dairy industry. This enables the PAG to address the diverse nature of its existing practices by promoting dairy industry participation, building leadership capacity and addressing workforce and skills shortages.

Developing Dairy Leaders Programme

The Developing Dairy Leaders Programme (DDLDP) is an initiative to develop the capability and capacity of people in the industry who are interested in becoming more actively involved in representative and leadership roles within dairy. It was established to support the industry's leadership strategy Dairy Leadership: An Industry Blueprint 2010–2015, which ADF runs in partnership with Dairy Australia.

This year, as part of a larger review of the industry's leadership development framework, the DDLDP was updated in accordance with feedback from previous participants. One of the most important changes was the continued development of graduates after completion of the course by creating an 'Alumni Masterclass' to be held every alternate year.

2015's DDLDP Alumni Masterclass took place in Canberra and comprised nine highly motivated dairy farmers from across the country. The participants attended workshops focused on honing their leadership skills and an emphasis on leadership as a set of behaviours rather than a fixed position.

Alumni Masterclass participants were given the opportunity to hear former Queensland Premier Anna Bligh speak about her personal journey and her experience in various leadership positions. The participants also attended the Dairy Australia Legendairy Breakfast in Canberra, where they were able to network with politicians from across the political spectrum and see advocacy in action.

Dairy Industry People Development Council

The chief function of the Dairy Industry People Development Council (DIPDC) is to take responsibility for the dairy industry's workforce planning and action strategy. In pursuing this, the DIPDC acts as the Community of Interest for the Dairy Moving Forward People priority area.

This year, there has been a strong effort to align DIPDC and PAG activities with dairy farmer John Verstedden, the chair of both the PAG and the DIPDC, removing any potential duplication and identifying areas for cooperation. This has also been facilitated by the DIPDC's presence in PAG meetings and active consultations in PAG activities.

Stepping Stones

Another valuable and positive development in the DIPDC this year was the launch of All-Star Stepping Stones, which is a national version of the Stepping Stones document. Promoting different career pathways and helpful tips for those interested in entering or progressing in the dairy industry, the All-Star Stepping Stones was aptly launched at the DDLDP Alumni Masterclass dinner in June 2015.



Share Farmer Code of Practice

Following a request from GippsDairy and the ADF People and Human Capacity PAG for “a clearer definition of the term share farmer”, the DIPDC established a working group in order to analyse current share farmer arrangements for legality and risk. The working group drafted a Code of Practice to provide farmers with the information they require in order to make informed decisions on share farming, including assisting discussion between parties and setting up contracts.

The Code of Practice was launched at the ADIC Industry Leaders Breakfast in November 2014, and since then, workshops arranged by the regional development programs (RDPs) have been held in Tasmania, Gippsland, Northern Victoria, and Western Victoria, to offer training for service providers. Pleasingly, there has been strong traction with members of the community, who have been eager to further understand this important tool. This will ultimately lead to more accessibility for farmers to enter these arrangements.

457 Visas

The shortfall in skilled local labour and the need for improved access to suitable overseas workers has been a major policy priority for ADF and we have strongly advocated for streamlining and fast-tracking the application and approvals process for 457 visas for skilled dairy workers.

ADF welcomed the Government’s response to the Independent Review of the Integrity of the 457 Visa Programme, which importantly recommended improved streamlining of the programme and refining of the Consolidated Sponsored Occupations List (CSOL).

In April 2015, ADF lodged a submission to the Inquiry on the Impact of Temporary Work Visa Programs on the domestic labour market and the temporary work visa holders, emphasising the industry’s commitment to attracting, retaining and developing a strong domestic workforce, and its requirement for greater flexibility in accessing foreign labour when skilled local workers are unavailable. Dairy was also represented in a subsequent Senate hearing on the Inquiry.

Dairy Industry Labour Agreement

Dairy farmers now have the opportunity to recruit senior farmhands overseas under the Temporary Work (Skilled) visa program (457). Dairy is now the second agricultural commodity to have secured an industry template labour agreement. These workers were previously ineligible for 457 visas but can now be employed under a Dairy Industry Template Labour Agreement with the Department of Immigration and Border Protection.

The template labour agreement acknowledges that the industry standard working week is longer in dairy than in many other sectors, with caring for animals, the land, and producing healthy nutritious food making for long hours. Importantly, the Agreement also recognises that dairy is a skilled industry and the skill level aligns with the position description.

Submissions

Submissions made during this annual period are the following:

- › Industry Engagement in Training Package Development Discussion Paper
- › Reviewing the Skilled Migration and 400 Series Visa Programmes Discussion Paper
- › Productivity Commission Review of the Workplace Relations Framework Issues Paper
- › The impact of Australia’s temporary work visa programs on Australia’s labour market and on the temporary work visa holders
- › Inquiry into the Seasonal Worker Programme

MEMBER ORGANISATIONS – NEW SOUTH WALES FARMERS ASSOCIATION

Chair – Robert McIntosh / Executive Officer – Jaimie Lovell

NSW Farmers' Association Dairy Committee for 2014-15 comprised of Rob McIntosh (Chair), Brian Wilson, Howard Lee, Erika Chesworth, Gavin Robb, Lynne Strong and Scott Hurrell (Young Farmer representative). The Committee is responsible for creating policy for the Association with regards to dairy, ensuring representation for Association dairy members in State, Federal and industry matters.



NSW Farmers Dairy Committee Chair Robert McIntosh and Minister for Primary Industries Niall Blair at the NSW Dairy Industry Forum 2015 in Camden, NSW

THE YEAR IN REVIEW

Animal Health and Welfare

The committee has been actively involved in the national Bovine Johne's Disease (BJD) management review, engaging with Animals Health Australia, Department of Primary Industries and ADF to work towards a revised system to reduce the prevalence on the disease. It has also been the priority of the committee to drive a national discussion about early induction and bobby calves. A national industry forum held in February 2015 agreed to consult on phasing out routine calving induction in the Australian dairy industry by a date to be agreed through the consultation process.

Free Trade Agreements

NSW Farmers' has engaged at all levels (including with ADF, NFF and Dairy Australia) in regard to lobbying for the China Free Trade Agreement. Representatives of NSW Farmers' Dairy Committee met with the Deputy Premier to underline the value of the FTA to the NSW dairy industry.

Dairy Underpasses

The Association has long had policy on ensuring safe stock crossings and the Committee took up the fight for a dairy underpass scheme similar to that in Victoria before the recent state election. In the MOU signed with the Liberal and National parties before the election, the Association was able to secure a commitment from the government for the "development of a cattle underpass scheme." This has resulted in a further commitment from the NSW Government to establish a task force to work on the issue, and the Association will continue its advocacy to ensure the best outcome.

PRIORITIES FOR THE YEAR AHEAD

Animal Welfare & Biosecurity

With the BJD review to be completed by February 2016, the Committee will focus on collaboration with key stakeholders to analyse and implement the recommended changes to BJD management in NSW.

Connecting with Community

The Committee seeks to build social capacity through improved relations along the supply chain. This includes greater engagement with consumers, supermarkets, farmers and dairy industry bodies such as ADF, Dairy Australia, and Dairy NSW.

Energy & Inputs

Using expertise from the Association in this area, the Committee is examining how to reduce input costs for members, specifically related to the dairy industry in the areas of energy and water usage.

**NSW Farmers Dairy Council
is in a sound position to
address future challenges and
opportunities for dairy going
forward by establishing the proper
two-way communication channels
to ensure issues affecting farmers
are heard and recognised.**



Dairy Committee member Howard Lee
at his property in Mooneba, NSW

MEMBER ORGANISATIONS – QUEENSLAND DAIRYFARMERS' ORGANISATION

President – Brian Tessman / Executive Officer – Adrian Peake

THE YEAR IN REVIEW

The Queensland Dairyfarmers' Organisation (QDO) is the peak industry group representing the interests of Queensland dairy farmers and the northern dairy industry. The QDO provides a wide range of information and other services to members as well as continuing to manage and deliver a range of projects in collaboration with industry partners, for the progression of the industry.

Queensland dairy farmers continue to be challenged by a combination of natural and man-made disasters. At the time of writing this review, QDO is continuing to assist farmers in some areas recovering from the impacts of Tropical Cyclone Marcia. In other regions worsening drought conditions prevail with 80 per cent of Queensland now drought declared. Simultaneously, QDO continues to confront the impacts of the 'milk price war', seeking Government intervention, while continuing to support the pursuit of new markets with industry stakeholders. QDO has also been working with potential new entrants, including new planned major dairy projects targeting the growing Asian market.

Continuing extreme environmental conditions, rising production costs and suppressed farm gate prices has seen the majority of Queensland dairy farmers recording negative returns for the year. This has seen more farmers exit the industry, while Queensland is short of milk to meet local market demand. During the year, a high rate of decline of Queensland dairy farm numbers has continued, falling by approximately 37 farms to around 443.

The Queensland industry produced 405ML of milk in 2014/15, which is a reduction of 6.4 per cent from the 2013/14 and is a significant reduction from the 530ML produced in 2009/10. 2014/15 packaged milk sales in Queensland reached 580ML. As such Queensland milk production has fallen below the requirements of the Queensland market, by more than 175ML.

Without significant improvements in farm gate prices, returns and contract terms, Queensland milk production is expected to remain suppressed, even though with transport costs Queensland dairy farmers still offer the best option for the year round supply of high quality fresh milk.

Despite these significant challenges, QDO continues to assist ADF with national issues, actively collaborating with key industry bodies and meeting with all sides of parliament to seek action on ADF and QDO priorities. QDO has provided input on a range of ADF initiatives including the ADF Policy Advisory Groups (PAGs), the ADF National Council and providing input into the review of ADF's constitution as well as delivering input on a range of submissions to Federal Government, such as The Australian Agricultural Competitiveness White Paper.

QDO provided significant input into promoting initiatives and policy change to address the imbalance of retailer market power. This has included collaborative input with ADF to a proposed Mandatory Code of Conduct, legislative amendments to competition policy and advocating for strengthened collective bargaining provisions as well as extending unfair contract protection provisions to small business. QDO has lobbied strongly to Federal Government in collaboration with ADF on the need for increased liberalized market access, particularly with regards to the China-Australia Free Trade Agreement.



QDO continues to confront the impacts of the 'milk price war', while continuing to support the pursuit of new markets with industry stakeholders.

With the support of the ADF Project Fund, this year QDO hosted two regional all-day conferences, which were attended by over 250 farm-based participants.

At the State level, QDO continues to work on a range of issues directly and with the Queensland Farmers Federation and other partners, including lobbying parliamentarians contesting the State election on the priorities in QDO's policy platform, "Dairy, an Essential Part of Queensland"; surveying dairy farmers and providing input into the northern Dairy Industry Situation & Outlook report; leading a whole of industry response and recovery program to assist dairy farmers impacted by Cyclone Marcia and assisting drought affected producers to access drought assistance and support services.

QDO continues to be particularly active in the ongoing analysis of the 'milk price wars' impact on industry, continuing to lobby supermarkets to present the impacts of unsustainable pricing, as well as meeting with milk processor representative to discuss the ongoing effects of this issue and the potential solutions.

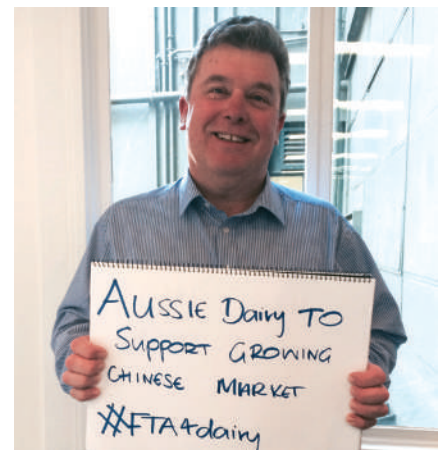
Where possible QDO seeks to support collective bargaining groups as well as dairy farmer public protests against predatory pricing and continues to promote the benefits of purchasing branded milk to consumers.

QDO engages directly with industry and trade officials to seek development of potentially high value export opportunities in order to diversify away from the domestic fresh milk market. Simultaneously, QDO continues to lobby for state legislation support for consumers to back higher prices being paid to dairy farmers through a voluntary Fair Milk Mark label on milk bottles.

Further to these initiatives, QDO provides ongoing support and delivery of joint industry initiatives with the Subtropical Dairy Program, including the Natural Resource Management program, the Young Dairy Network, the Northern Dairy Industry Magazine and Rural Discovery day. These efforts feed into QDO's pursuit of the Northern Dairy Industry Strategic plan priorities, which stakeholders including, Dairy Australia, support. QDO also continue to provide member services, including weekly newsletters, columns, magazine and website briefs, as well as membership benefit services.

PRIORITIES FOR THE YEAR AHEAD

For the year ahead the QDO will continue to work on existing policy priorities and projects, as well as seeking new market opportunities for the Northern Dairying region, lobbying for Federal Government action to address the abuse of market power by major supermarkets and supporting farmers to deal with and recovery from natural disaster impacts.



QDO President, Brian Tessman supporting the push for a China-Australia FTA 'dairy deal'.



MEMBER ORGANISATIONS – SOUTH AUSTRALIAN DAIRY FARMERS ASSOCIATION

President – David Basham / Executive Officer – Ken Lyons

THE YEAR IN REVIEW

SADA Fresh and the new SA Dairy Industry Fund

When the dairy industry was hit with the “perfect storm” in 2013, triggering a series of protest marches and crisis meetings in SA, dairy farmers turned to SADA for strategies to generate a more viable future. SADA responded by launching its own brand of milk, SADA Fresh, in Coles supermarkets across the State in October 2013. In doing so, SADA became the first farmer organisation in Australia to create its own consumer brand, which has been an outstanding success, despite minimal advertising. Sales topped 1 million litres in October 2014. In April, further history was made when SADA Fresh became the first fresh milk brand in SA exported to mainland China. As hoped, this has led to other SA dairy products also entering the Chinese market.

Royalties generated from the sale of SADA Fresh have been used to create a new SA Dairy Industry Fund to finance projects that will help secure the future of State’s dairy industry, its farmers and communities. The new incorporated body held its first Board meeting on November 13, 2014, chaired by Dennis Mutton, a well known figure in Australian agriculture, with considerable experience in the research and development sector.

The Fund issued its first call for projects in December 2014. Recipients were announced in June 2015, with almost \$60,000 allocated to four projects involving a broad range of government and industry partners. The Fund intends to call another round in late 2015.

Promoting investment in the SA dairy industry

SADA played key roles in a series of significant announcements in 2014-15 relating to major investments in SA. SADA worked with Primary Industries and Resources SA (PIRSA) and the ANZ Bank to hold a Dairy Investment Seminar in Mt Gambier in June 2015.

The seminar explored alternative sources of finance to help dairy farmers expand their operations.

SADA also collaborated with PIRSA to develop a document that will give potential investors key information about the industry in SA and what it has to offer. Financed by the Fund, the document was prepared by dairy industry analyst Stephen Spencer. A draft was released for feedback at the investment seminar.

SADA also worked closely behind the scenes with the Midfield Group which announced plans in April 2015 to open a processing plant in the South East, and Beston Global Foods, which in June 2015 purchased the former UDP plants at Murray Bridge. The UDP plants closed in April leaving suppliers 48 hours to find alternative buyers for their milk. SADA organised an emergency meeting bringing together farmers and processors, and played a central role in finding takers for every farmer effected by the closure before the deadline.

SADA continues to build stronger links with government agencies aimed at encouraging new opportunities for both the domestic and international markets. The association has also added to its own existing income by leasing office space to LivestockSA, and sharing administration costs with three other farmer bodies (PPSA, LivestockSA, and the Wine Grape Council of SA).

Assisting in the implementation of new water allocation plans for most dairy regions

Perhaps the issue creating the most work for SADA over the past year has been the ongoing negotiations and consultations over regional Water Allocation Plans (WAPs) developed by regional NRM boards.

The inclusion of plantation forestry into the South East WAP as a water using activity created a precedent for Australia. WAPs for the Eastern and Western Mt Lofty Ranges have been in negotiation for 12 years and some important ongoing issues are still being addressed.



Dairy SA Chair, Dennis Mutton prior to announcing funding from the new SA Dairy Industry Fund.



Minister Andrew Robb supporting SADA Fresh in between trade negotiations.



SADA President David Basham, Primary Industry Minister Leon Bignell, SA Premier Jay Weatherill, and SA Dairy Fund Chair, Dennis Mutton celebrating the first anniversary of the SADA Fresh brand.

PRIORITIES FOR THE YEAR AHEAD

Encouraging investment

Encouraging investment in both the farm and processing sectors, with its potential to increase market diversity and demand and farm-gate prices, will continue to be a high priority for SADA in 2015-16. The document drafted by Stephen Spence to provide important information to potential investors will be finalised and distributed in a targeted effort. We believe that by working together farmers, processors and government agencies can make SA a preferred location for dairy industry investment. Meanwhile, processing is due to commence at Beston Group's Murray Bridge plants in September 2015 and Midfield's new facility at Penola in July 2016.

SA Dairy Industry Fund

Sales of SADA Fresh had already topped 2 million litres by early August 2015, with sales growing in the second year of the brand despite minimal advertising. The focus is accumulating proceeds for the Fund so that it can finance 'game changing' projects that benefit the State's dairy industry.

Environmental issues

The concept of "user pays" is becoming all the more common as State governments seek great contributions from industry. In SA, there are rising concerns that water levies could be seen as a source of funding for the general activities of regional NRM Boards. SADA is working with a new State farmer organisation, Primary Producers SA, to deliver a united position.

Farmers in the South East region are also becoming increasingly concerned about coal seam gas mining and fracking, supporting the 'Lock the Gate' movement in huge numbers. Thousands of Lock the Gate signs have gone up on properties in the region and a motion raising concerns about unconventional gas mining was passed by the South East Local Government Association in June 2014. A State Government inquiry into unconventional gas mining is due to hand down its findings this financial year.

Animal Welfare and GM are also issues rated of concern by SA farmers.



MEMBER ORGANISATIONS – TASMANIAN FARMERS & GRAZIERS ASSOCIATION

Dairy Council President – Andrew Lester / Executive Officer – Nick Steel

The Tasmanian Farmers' and Graziers' Association (TFGA) is the leading representative body for Tasmanian primary producers and, according to the Australian Farm Institute. Operationally, the TFGA is divided into separate councils that deal with each of the major commodity areas. As well, we have a number of standing committees that deal with cross-commodity issues such as climate change, biosecurity, forestry, water and weeds.

TFGA members are responsible for generating approximately 80 per cent of the value created by the Tasmanian agricultural sector. The TFGA is constantly in contact with farmers and other related service providers across the state. As a result, we believe that we are well aware of the outlook, expectations and practical needs of our industry.

The Tasmanian agricultural sector generates over \$1.1 billion at the farm gate every year. This is approximately 10 per cent of the overall state income, and one in every three dollars of private sector income. We employ (directly and indirectly) one in every ten Tasmanians. So every Tasmanian has a stake in the future success of the agriculture sector.

THE YEAR IN REVIEW

The start of 2014 saw a change in government for Tasmania, as the Liberals took office for the first time in sixteen years. This presented both new opportunities and new challenges.

TFGA invested a great deal of time and energy lobbying all sides of parliament prior to the election. This investment paid off when the newly elected government named agriculture as one of the key pillars of Tasmania's future economy. To support this claim the government, in consultation with industry, particularly the TFGA, developed the Agrivision 2050 plan. The Agrivision plan is the government's 'road map' to grow the value of Tasmanian agriculture tenfold by the year 2050. TFGA worked with government to identify and reduce the myriad of red and green tape that has escalated over the past decade, detracting from the productivity and profitability of Tasmanian farmers. This process will take some time, particularly for the more complicated legislation, but the TFGA will keep the government to its commitment.

The development of the irrigation schemes in Tasmania, under the National Partnership Agreement on Water for the Future continue to take shape. Total development costs to date are approximately \$310 million, comprising an Australian Government component (\$140 million) and a Tasmanian Government component (\$80 million), with the balance of \$90 million provided by farm-user contributions and investors through the purchase of tradeable water rights. Furthermore, an estimated additional \$265 million will be invested in on-farm infrastructure by the private sector. These developments are estimated to deliver up to 100 000 mega litres of water per year, to an area of around 146 000 hectares with the potential to deliver up to \$192 million of new produce per annum at the farm gate.

The increased irrigation capacity will open new opportunities for growth of the dairy horticultural sectors and support the capacity for Tasmanian agriculture to develop previously unattainable markets.

TFGA is working with the Tasmanian government to shape programs designed to help Tasmanian farmers capitalise on the opportunities being created through the irrigation investment.

The State government funded TFGA led, AgriSkills project has taken shape during the past year. It aims to improve the uptake of careers in agriculture, develop improved career pathways and encourage an industry wide commitment to workforce planning. This project received a further two and a half year commitment from government in late 2014.

TFGA continues to work as a part of the Sense-T consortium. The aim of the Sense-T program is to help build an economy-wide sensor network and data resource, creating a digital view of Tasmania and giving industry, governments and communities the tools to solve practical problems and make better decisions. In particular TFGA is a direct partner in the Ringarooma Adaptive Water Resources project, which aims to provide irrigators with real-time information about river flows, weather and water quality, better decisions about water management can be made for the benefit of farmers, regulators and the environment.

We held a successful policy forum in place of our usual annual conference. The forum focused on four significant issues including freight, energy, agricultural export opportunities and local government. All issues affect farmers in one way or another and from the policy forum discussions we are formulating either solutions to present to government or options to assist our members on these important issues.

PRIORITIES FOR THE YEAR AHEAD

TFGA has had a change in CEO in 2015, with Peter Skillern taking the reins, and we look forward to further building on the profile and capacity developed over the past five years, while also consolidating its credentials with government and other industry stakeholders.

Some of the challenges and opportunities that lie ahead will include: further development of export markets into Asia, particularly China; exploring new on-farm opportunities to maximise irrigation investment returns; developing a long-term freight solution; capitalising on the enhancement of productivity afforded by Sense-T developments; and minimising energy costs in a challenging regulatory environment and monopoly market.



MEMBER ORGANISATIONS –

UNITED DAIRYFARMERS OF VICTORIA (VICTORIAN FARMERS FEDERATION)

President – Adam Jenkins / Executive Officer – Vin Delahunty

THE YEAR IN REVIEW

This past year has been one where the UDV focus has been clearly on the key issues impacting the Victorian dairy industry. It has been a year where the focus has been more to the longer term than the immediate. This focus continues on from a strategy agreed to in 2012.

The Victorian dairy industry headline issues were the negotiations around the China Free Trade Agreement and the election of a new Victorian government.

But there has been so much more this year. It was the UDV that found a solution to the immigration impasse experienced by hundreds of former New Zealand dairy farming families that have owned and operated dairy farms in this state for years. It was the UDV that offered a voice for the hundreds of farming businesses that feel commercially trapped in what many regard as an ineffective program that manages BJD in this state. It is the UDV voice that continues to represent dairy farmers on the NVD cost impost unfairness with dairy stock sales; and it is the UDV that continues to challenge the power company's supply and pricing arrangements.

Influence expanding

In recent years the UDV has been rebuilding relationships in the industry. More recently that focus has expanded beyond the industry. We have been particularly active with state and federal members and their staff be they Ministers, backbenchers or opposition spokesman.

Our objective with the CFTA was that the dairy industry voice be heard through the negotiations, just as it was through the WCB takeover period.

With the CFTA the industry defined an objective – New Zealand Plus. The UDV was determined that no matter the outcome of the negotiations, the message of what outcome best served Victoria's dairy farmers would be widely known. Under the leadership of ADF and with the professional support of Dairy Australia, the industry 'ask' was refined into a clear and unambiguous story and it was widely communicated. Members and other dairy farmers; state dairy farm organisations; rural, regional and business media; politicians and all manner of like-minded souls became familiar with the industry 'ask'.

Partners were identified and contacted. Support was sought and provided. The Federal backbenchers played a critical role. They were important and influential. Their contribution to the industry argument was significant.

The CFTA became known as the 'Dairy Deal', not just in the rural or regional media but also in the popular and business media.

FTA negotiators were aware of the dairy industry position. Our job was done. We believe the co-ordinated and effective lobbying by the dairy industry had a positive, and therefore important, influence on the outcome.

A lesson for the state

That FTA lesson learned is being applied at the state level. There are 10 Victorian lower house electorates with dairy farming in them. There are also a number of key Victorian Upper House members with interest and influence on dairy matters. They received the UDV state election priorities. These focus on the long term, strategic needs of the industry.

The dairy industry requires meaningful ongoing government investment in R & D especially, but also in E. Growth will also not occur or be sustained without meaningful government investment in power and transport infrastructure to maximise the potential from the \$1 – 1.5 billion processors have spent or committed to spend in Victoria alone this past year.

The dairy industry needs more allies. We need to have more advocates understanding and explaining the prosperity enjoyed across the regions when the dairy industry is profitable. We need more of our state elected leaders arguing on our behalf in the key forums where they can be our voice.

The impact of these changes is already being felt with greater pressure on DA project funding.



PRIORITIES FOR THE YEAR AHEAD

The UDV continues to play a central role in industry debate. Our focus is to inform; to provide dairy farmers with information relevant to our industry, our circumstances, and our farms. We need to keep reminding ourselves that lots of people have a view about some of our farm practices including the technologies we do or could use and how we manage our livestock.

The UDV has run information sessions on the merit and possible application of GM rye grass; offered a considered dairy voice on the industry impact with onshore gas mining; and a farmer's voice with the future of BJD management in this state.

We have been actively engaged in industry discussions around a number of animal management practices and we will again look at milk price structures. We will also continue to seek traction for the Future Farmers Ownership proposal.

Importantly for the industry there will also be discussions around the most effective and efficient future farmer representation structures given the current discussions on the future of the National Farmers' Federation. The dairy industry needs to use this opportunity to evaluate what best suits the future needs of the dairy industry.

The year ahead has many challenges but the strengthening of the UDV voice means the challenges offer opportunities. The question is how we maximise those opportunities for the future.

MEMBER ORGANISATIONS – WESTERN AUSTRALIAN FARMERS FEDERATION

Chair – Phil Depiazzi / Executive Officer – Kim Haywood

THE YEAR IN REVIEW

The increase in farm gate price by two of the major processors, summer incentive payments and favourable seasonal conditions has seen Western Australia's (WA) milk production move in a positive direction in the 2014-15 financial year. This is the first time WA has seen an increase in four years, with milk production rising from 21 million litres to 349 million litres. The WAFarmers' Dairy Council, competently chaired by Phil Depiazzi, continues to work toward achieving a more sustainable price for all the states dairy farmers.

The WAFarmers' Dairy Council has continued to present its case on the \$1/litre milk campaign initiated by Coles in 2011. It took the opportunity to highlight the negative impact the decision has had on our industry through a combined national and state media campaign for the anniversary in January 2015. The Dairy Council has an excellent working partnership with Western Dairy and ADF and this continued relationship will provide future benefits for all dairy farmers.

October 2014 saw the launch of WAFarmers First Milk and sales have been steadily increasing since the launch. We have now gone passed the 700,000 litre sale mark and the brand reached the number one spot on Coles' online sales list. The contract with Coles finishes in November and the Council is considering a number of options, which include renewing its contract with Coles and looking at alternative retail outlets to increase sale volumes.

WAFarmers recognised that membership alone could not sustain the organisation at a level that would ensure a well-resourced and effective advocacy group. Alternate means of raising income had to be explored and implemented, hence the launch of

WAFarmers First milk. Dairy Council in consultation with WAFarmers Board have established a Dairy Fund which retains a portion of the income generated from the milk sales. This will be allocated to projects that will benefit the WA Dairy Industry. It is envisaged that project applications will be called for early in 2016.

As many would be aware farm safety is a very real issue, something we all need to take very seriously. Worksafe has been auditing all dairy farms in the state. The Council have endeavoured to ensure everyone was aware of this and to offer assistance and advice where possible.

The council continues to address these and other areas of concern as raised by our members, having had a win on enabling farmers to obtain exemptions from earmarking calves under the age of six (6) weeks. The council is currently working on obtaining licensing exemptions for captive bolts which will be a great benefit for all livestock industries in regard to humanely euthanizing stock in a safe manner when required.

Phil Depiazzi and Warrick Tyrrell have worked closely with members of the WAFarmers Meat Council on the national Bovine Johnne's Disease (BJD) management plan review with the aim of maintaining WA's BJD status to protect our dairy herds from the disease in the future.

In late July 2015, WAFarmers Dairy Council, including its new Dairy Executive Officer Kim Haywood hosted another successful dairy conference at Busselton kindly sponsored by Western Dairy, the three milk processors and a number of other industry service providers. An array of excellent speakers and witty jokes from Phil and the comedian 'the old fella' kept the audience entertained throughout the conference and dinner.

Dale Park, WA Farmers President, presented the DA Australian Milk Quality Awards to sixteen Western Australian businesses, with six WA dairy enterprises in the top 100 in Australia in terms of milk quality. The best six WA dairy farms were Terry, Kaye and Matt Brett; Luke and Vicki Fitzpatrick; R & E Moody Trading as Glenwood Estate; Harold, Joan and Bevan Harrison; J & C Italiano and the Letchford Family's Walsall Dairy, near Busselton. There are 6314 registered dairy farms in Australia, only 160 are in WA. The prestigious milk bottle was awarded to a very worthy winner in John Lucey. The award is presented by the Dairy Section president to a person in recognition of their outstanding contribution to the WA Dairy Industry.

At the WAFarmers Dairy Council's Annual General Meeting, held during the Dairy Conference, Phil Depiazzi was re-elected as President for the fourth consecutive year. Mike Partridge was elected as Senior Vice President and Paul Ieraci was elected as Vice President. WAFarmers' sincerely thanked each of the representatives and all the dairy council members for their ongoing support and assistance.

In June 2015, Stephanie Tarlinton stepped down from her position as the Dairy Executive Officer, after two and a half consecutive years in the role. We sincerely thank Stephanie for her dedication and efforts and wish her all the very best for the future.



WA Farmers launched 'First Milk' this year to establish a Dairy Fund aimed at helping projects to benefit the WA dairy industry.

PRIORITIES FOR THE YEAR AHEAD

Western Australia has continued to be well represented at a national level with a number of farmers holding positions on ADF's Policy Advisory Groups (PAGs)., Michael Partridge on the Markets Trade and Value Chain, Peter Evans on the Farming Systems and Herd Improvement, young dairy farmer Tammy Negus on the People and Human Capacity while Phil Depiazzi is on the Animal Health and Welfare PAG. Michael Partridge also represents WA on ADF's National Council.



INDUSTRY PARTNERS –

AUSTRALIAN DAIRY HERD IMPROVEMENT SCHEME

Chair – Adrian Drury / General Manager – Daniel Abernathy

The Australian Dairy Herd Improvement Scheme (ADHIS) is an Australian Dairy Farmers initiative that receives the majority of its funding from Dairy Australia through the Dairy Service Levy.

THE YEAR IN REVIEW

Over the last 12 months the Australian Dairy Herd Improvement Scheme (ADHIS) has focused on maximising the opportunity for farmers to benefit from genetics through the use of Australian Breeding Values (ABVS).

Australia's Three New Indices

Indices combine several ABVs in a way that maximises genetic gain towards the National Breeding Objective (Figure 1). The three new indices, replace the old Australian Profit Ranking to better help farmers select bulls to produce profitable replacement heifers.

1. The Balanced Performance Index (BPI) is an economic index that blends production, type and health traits for maximum profit. It will reflect most farmers' preferences.
2. The Health Weighted Index (HWI) allows farmers to fast track traits such as fertility, mastitis resistance and feed efficiency.
3. The Type Weighted Index (TWI) allows farmers to fine tune type traits.

The indices are born of ADHIS' largest ever cross-country survey of farmers' breeding preferences. The result is a precision tool for ensuring farmers find the best bulls, anywhere in the world, to fulfil their business objectives.

Farmers and their advisors have committed to learning more about the indices through a range of extension and education activities. Almost 3000 farmers and industry representatives have heard directly from the ADHIS team in the first eight months of 2015 in addition to media and catalogue advertising, feature articles in traditional media and social media campaigns using dynamic images, video and animations.

Indices that are backed by strong science and are in line with farmer trait preferences set a new breeding direction in 2015.

Feed Saved Australian Breeding Values (ABVs)

Dairy farmers can now identify bulls with Feed Saved ABVs of at least 100kg DM (dry matter) difference. Farmers have been making gains in feed efficiency over the last 10 years through better nutrition and intense selection on milk production. Modern cows have become more feed efficient in the sense that their substantial increase in milk production has had the effect of diluting their maintenance requirements. The Feed Saved ABV allows farmers to breed cows in a new way: by identifying the cows that eat less for the same amount of milk produced.

The Feed Saved ABV is included in the three new indices: Balanced Performance Index (BPI), Health Weighted Index (HWI) and Type Weighted Index (TWI), published for the first time in April 2015. On average, farmers will find more bulls with a positive Feed Saved ABV on the HWI. By choosing bulls that are positive for Feed Saved from the top of the BPI or HWI, the saving will be 50-100 kg feed (DM) per cow per year in 10 years time.

Feed Saved ABV was the first practical use of genomic tests to measure a trait that can't be routinely measured on farm. Visually, it is difficult to accurately spot a highly feed efficient cow, but with the help of genomics and research collaborations, farmers can now breed for it.

The project was a collaborative effort involving researchers from across the globe. The Australian team included the Dairy Futures CRC, ADHIS, AgriBio and the Victorian Department of Economic Development, Jobs, Transport and Resources with funding from Dairy Australia and the Gardiner Foundation.

Herd '15

Herd '15 was a highly successful conference, hosted by ADHIS featuring ground-breaking research and fresh ideas from Australia and international speakers. A record crowd of farmers and industry representatives from bull companies, resellers, breed associations, herd recording centres, extension, research and industry organisations met in Bendigo during March 2015. The clear focus was collaboration in herd improvement.

The conference uncovered the latest trends in genomic evaluations, breeding objectives, herd recording, decision tools and use of sexed semen.

Farmers benefit from a strong and collaborative herd improvement industry. The size of the prize from increased rates of genetic gain is significant - \$25million in additional profit per annum for farmers – and its cumulative year-on-year. Herd '15 reported results on initiatives that build a stronger industry but also introduced new ideas to go even further.

Herd Improvement Strategy (HISSG)

ADHIS has been an active member of the Dairy Australia led Herd Improvement Strategic Steering Group (HISSG) and is represented on the Genetics Marketing Taskforce, Herd Test Taskforce and Future Phenotype Taskforce. Another key initiative under development is a review of the future governance and organisational requirements for the Herd Improvement Industry. This review is analysing the opportunities to deliver farmer benefits via consolidation of governance and investment in herd improvement research and development (R&D), genetic evaluation and industry data and the on-farm delivery of services based on these initiatives. This work is on-going and will continue to be a focus for ADHIS in the coming year.

PRIORITIES FOR THE YEAR AHEAD

The herd is one of the most valuable assets for most farmers and it is improved every year through the bull selections made. Given that genetic choices are permanent and compounding, it is important that sound decisions are made with every joining. This is why ADHIS, supported by Dairy Australia, continually improves its science and service to ensure farmers are in a strong position to apply the latest technology so they can breed the kind of cows they want to milk.



INDUSTRY PARTNERS –

AUSTRALIAN DAIRY PRODUCTS FEDERATION

President – Robert Poole / Chief Executive Officer – Peter Stahle

Australian Dairy Products Federation (ADPF) is the peak policy body for commercial/non-farm members of the Australian dairy industry.

THE YEAR IN REVIEW

Trade has dominated the political agenda for the Australian dairy industry's advocacy bodies over the past 12 months. Korean, Japanese and Chinese bilateral trade agreements have each tested the experience and determination of the Australian Dairy Products Federation (ADPF), ADF and Dairy Australia 'trade team' as they have wrestled them to conclusion with varying success.

Undoubtedly, the Chinese-Australia Free Trade Agreement (ChAFTA) is the big win that will significantly impact dairy exports and profitability. The plurilateral Trans-Pacific Partnership, if brought to a meaningful conclusion for Australian dairy, will go some way to improve the delivery of the Japanese deal, and could have a wide impact on global dairy trade opportunities generally, and with the US and Canada in particular. However, given the diverse range of issues involving the 13 member countries, reaching a comprehensive outcome for Australian dairy is proving difficult. Canada's protectionist dairy industry is just one of the stumbling blocks proving difficult to overcome.

The ADIC Investment Plan, underwritten by funding from the major dairy processing companies, continues to pay dividends for the industry and has enabled closer and more comprehensive collaboration between ADPF and ADF. Collectively our organisations have ameliorated the impact of the Health Star Rating Scheme by ensuring concessions for the scores of dairy products. Thus far however, dairy industry advocacy has been unsuccessful in getting a minimum of three stars applied to all core foods (dairy, cereals, meat, poultry, eggs, fish, and vegetables). As a consequence of this, and the working of the algorithm, discretionary foods of little nutritional value are scoring star ratings as high, or higher than, core dairy foods, thus contributing to consumer confusion and effectively discounting of the Australian Dietary Guidelines.

In a similar vein, ADPF and ADF have been working to minimise the market impact of recently introduced Country of Origin Labels mandated by the Federal Government. The proposed scheme, which will be implemented under Australian Consumer Law, rather than Food Standards Code, is yet to be subjected to a Regulation Impact Statement, or legislative cost benefit analysis. The industry will continue to advocate for a robust scheme that does not disadvantage Australian dairy products in domestic and international markets.

With respect to social licence to operate the ADPF has moved to enunciate the dairy companies' position on recombinant bovine somatotropin, genetically modified pastures, unconventional gas mining, induction and tail-docking. Within the industry there is a divergence of opinion on how these various issues should be addressed, thus the ADPF formally consulted with its Members to arrive at a consensus focused on meeting customer and consumer needs. In this context, with respect to phasing out induction and tail docking, the ADPF position aligns with the State Dairy Farmer Organisations and ADF and contributes to Target 7, Caring for our Animals of the Dairy Industry Sustainability Framework.

With respect to GM technology, ADPF does not support the commercialization of GM pastures at this point in time. The ADPF believes this position is the best for the whole industry given the likelihood of a negative customer response and potential consumer backlash to the introduction of GM pastures on dairy farms, and strongly holds the view the risks associated with that negative market reaction far outweigh any benefits. Further, it is held that the introduction of GM pasture to Australia would be commercially disadvantageous in both domestic and global markets, particularly with reference to competition from New Zealand (who have a ban on growing GM plants). The ADPF does recognize the importance of the research to date and supports the application of non-GM research outcomes to improving the productivity of pasture species.

Similarly the Members of the ADPF are unanimous in their resolve not to support the registration and introduction of rBST to the Australian dairy herd for the same negative response that could be expected from customers and consumers alike. Further, it is held that the introduction of rBST to Australia would be commercially disadvantageous in both domestic and global markets, particularly with reference to competition from New Zealand (where rBST is not registered). The ADPF acknowledges that the efficacy and safety aspects of rBST are not in question and thus will not

challenge the Elanco registration application with APVMA from this quarter. However, given the certainty of rejection of milk derived from cows treated with rBST from export markets such as India, and the current embargo imposed by major international customers, the Federation will object hormone's registration to the APVMA because of the consequences to trade and the reputation of the Australian industry.

PRIORITIES FOR THE YEAR AHEAD

With reference to ADIC priorities and initiatives the ADPF and its Member companies have played a continuing role in promoting the industry domestically and globally. The ongoing close and effective collaboration of the ADPF with ADF and Dairy Australia is fundamental to successful advocacy for the industry its ability to respond to the intrinsic and extrinsic challenges which arise.



INDUSTRY PARTNERS – DAIRY AUSTRALIA

Chair – Geoff Akers / Managing Director – Ian Halliday

Dairy Australia is the national services body for dairy farmers and the industry, working with ADF to help farmers adapt to changing operating environment, and achieve a profitable, sustainable dairy industry.

At Dairy Australia, we are committed to sustainable growth in the industry by providing farmers with programs that support farm profitability, promote and protect the industry and its reputation, and grow people skills and capability. In 2014–15, Dairy Australia delivered a number of programs that address the needs identified by dairy farmers as priorities. Key examples include:

STRATEGIC PRIORITY ONE

Increasing farm profitability and competitiveness

Better management of business

performance: In May 2015 we successfully launched DairyBase, a web based tool that enables dairy farmers to measure and compare their farm business and financial performance over time. We began promoting it in early June and by the end of the financial year Dairy Base had accumulated more than 300 registered users. It is simple to use and provides meaningful financial information with which farmers can compare past performance and prepare budgets using industry benchmarks. Feedback across all sectors of the dairy industry has been overwhelmingly positive. The data collected through DairyBase allows farm business performance to be calculated in a consistent manner across the entire dairy industry, making it an important industry resource.

Free Trade Agreement with

China signed: Dairy Australia supported the ADIC and the Department of Foreign Affairs and Trade to ensure that the China-Australia free trade agreement delivered an outcome in the interests of the Australian dairy industry. The final agreement (signed but not yet ratified) has been widely recognised as a transformational deal for the Australian dairy industry that will ultimately lead to complete liberalisation for dairy exports to the world's largest and fastest growing dairy market.

Indices set a new breeding direction:

Working with the Australian Dairy Herd Improvement Scheme, three new breeding indices that set a new breeding direction for Australian dairy herds were introduced in April 2015. The introduction of a Balanced Performance Index (BPI), a Health Weighted Index (HWI) and a Type Weighted Index (TWI) follow an extensive review of the National Breeding Objective with farmers,

industry and scientists. The new system for ranking bulls, cows and herds produces cows that fit Australian dairy businesses.

Trade market development:

Building on the success of existing programs with China and Japan, Dairy Australia hosted the inaugural South East Asian Scholarship program which saw 15 delegates from Thailand, Malaysia, Singapore, Indonesia, the Philippines and South Korea, learn more about the industry. The program included presentations and technical seminars, visits to manufacturing sites in Melbourne and Gippsland, a farm visit in Gippsland and a tour of the Ellinbank Dairy Research Institute.

Energy savings generate

a 'win-win': Dairy farmers have continued to take advantage of the Australian Government funded "Smarter Energy Use on Australian Dairy Farms" project and in doing so, contributing to on-farm emissions mitigation strategies.

Two more rounds of energy assessments were completed in the past year, delivering a total 1,400 to date. Cost savings ranged from \$2,000 per year for more than half (55 per cent) of the assessments and 40 per cent of properties having the potential to save \$2,000–\$10,000/year. A smaller number identified savings of up to \$29,000. Dairy Australia developed a range of energy efficiency information resources including renewable energy fact sheets and conducted twenty farm energy workshops across Australia. It was heartening to see 95 per cent of farmers surveyed thought the assessments were useful.

Investment forum: Responding to a key outcome of the National Dairy Farmers Summit led by ADF in early 2014, Dairy Australia began a program of engagement in the area of attracting capital into the Australian dairy sector (with a pre-farm gate focus). This commenced with a Dairy Farm Investment Forum in September 2014 which had an overwhelmingly positive response and participation. In follow up to this event, we held



a dairy investment workshop in partnership with Austrade in February 2015 to help streamline the discussion between the various state investment agencies on how to engage with the investment community on dairy issues. The workshop discussed opportunities to increase and improve collaboration, coordination and effectiveness for delivering investment attraction and facilitation across the sector (governments, industry and commercial entities).

STRATEGIC PRIORITY TWO

Protecting and promoting our industry

Promoting daily dairy in your diet:

Our Legendairy program was put into action with the new "Start and End Your Day with Dairy" slogan and we were pleased to see the increased participation across all dairy regions in industry promotion activities, which supported the Regional Development Programs (RDP) own growth programs. A Legendairy Societal Shapers breakfast was held at Parliament House in Canberra on 25 June 2015 with more than 60 MPs, advisers, staff and journalists. The breakfast celebration highlighted the value and importance of the dairy industry across Australia. We established a number of high profile Legendairy partnerships, one with Michael Klim (Olympic Gold medallist) who was recruited as a Legendairy ambassador.

Leading on critical events:

Dairy Australia played an important coordination role when the industry's reputation was under threat. Critical issues the dairy industry faced range from physical events like flood and fire to risks to the industry's reputation from product scares to animal welfare concerns. On all these fronts Dairy Australia continued to take a lead and/or support role, working with dairy farmers, state farming organisations, government, processors and advisers. Examples included the Hunter Valley floods in April 2015 and providing support to farmers affected by Cyclone Marcia in Queensland in February 2015.

STRATEGIC PRIORITY THREE

Growing people capability and skills

Regional partnerships strengthened:

During 2014-15 we continued to strengthen the partnerships between Dairy Australia and each of the eight the RDPs. The implementation of a new regional services model has provided the RDPs with financial, IT, payroll and HR support from Dairy Australia's Southbank office. This will enable the RDPs to focus on providing farmers with enhanced support in their local regions.

Drive to attract people: The drive to attract and retain capable people in all parts of the dairy industry continued to reach out to those already working in the industry and those interested in making a career in dairy. The success of the Cows Create Careers Farm Module was celebrated on its 10th anniversary at an event attended by more than 180 people.

More than 50,000 students have participated in the Cows Create Careers program since it began. Stepping Stones, career planning assistance for school leavers and farm employees, was launched in western Victoria, Gippsland and South Australia. A national version was also created which features farmers from across Australia who share their experiences, advice and tips about working and progressing in the dairy industry. The Young Dairy Network Australia continues to gather interest from passionate young dairy farmers by organising local activities and interstate visits and staying in touch through social media.

An industry endorsed Model Code of Practice for share dairy farming was developed and launched at the ADIC breakfast in November 2014. The Model Code of Practice sets out guidelines owners and share farmers can follow in setting up an agreement that will work equitably for both parties. More than 100 farm advisers have attended the share dairy farming workshops since its launch.

These are just a few examples of the work undertaken in the last year.



INDUSTRY PARTNERS – NATIONAL FARMERS' FEDERATION

President – Brent Finlay / Chief Executive Officer – Simon Talbot

The National Farmers' Federation (NFF) is the peak national body representing farmers and more broadly, agriculture across Australia.

Since its inception in 1979, the NFF has earned a reputation as a leader in the development and achievement of policy outcomes, championing issues affecting farmers and helping to advance Australian agriculture. Members of the NFF include state farm organisations, commodity councils – like the Australian Dairy Farmers – and other affiliate members to represent the interests of the agricultural sector at the national level.



President – Brent Finlay

THE YEAR IN REVIEW

2014-15 was a significant year for the NFF. Key achievements included:

The Federal Government successfully delivered a trifecta of trade agreements with China, Japan and Korea, eliminating tariffs on dairy, red meat, horticulture and wine. NFF and its Members provided crucial support during these long and often difficult negotiations.

With measures totalling more than \$4 billion, the Agricultural Competitiveness White Paper, launched in July, delivered on a number of NFF priorities, including trade and market access, infrastructure, R&D, drought management and a stronger business environment. This built on progress made in the Northern Australia White Paper, which saw considerable expansion of migration programs to boost on-farm productivity.

Over the year, the NFF's policy and advocacy efforts secured considerable funding for a range of vital areas across agriculture, including \$100 million for R&D, immediate access to farm tax concessions, \$2 million for the Ag in Education programme and millions of dollars for drought assistance.

In a genuine move to more effective national farm advocacy, the NFF family has moved closer to a unified platform to amplify the farmer voice on the issues that matter most.

PRIORITIES FOR THE YEAR AHEAD

The year ahead is shaping up to be action-packed for the farm sector, with many initiatives well underway. Aligned with our strategy to unify the farmer voice, the NFF will unveil a cutting edge online platform to connect rural and regional Australia in 2016. This platform will benefit all Australian farmers, and will enable farmers to more effectively and efficiently manage farm operations, and significantly improve farm gate returns.

We will continue to work with MLA on expanding the True Aussie brand to other agricultural commodities. Successful uptake of the True Aussie brand offers the opportunity to all commodities, including dairy, to reinforce their position as world-leaders in quality and safety, driving premium prices in export markets and increasing farm profitability.

Underpinning all of this, the NFF will continue to work with its Members on policy-development and advocacy across all areas of national agricultural policy, including infrastructure, natural resources, telecommunications, trade and market access and workforce productivity.



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