



Strength Through Unity



ANNUAL REPORT 18/19

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Australian Dairy Farmers



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President's report

The dairy industry continues to face considerable challenges in 2018-19, with the national milk pool shrinking to 8.8 billion litres, the lowest it has been in more than 20 years. Farmer confidence in the future of the industry has also declined to a record low 34%, according to this year's National Dairy Farmer Survey. Sadly, farmers continue to leave the industry.

Against this backdrop, there is a determined appetite for change. There is agreement within industry that we do not want to simply maintain dairy's position as Australia's fourth largest food industry, but rather grow our market share. Australian Dairy Farmers (ADF) is a core partner in the Australian Dairy Plan. With this powerful blueprint, we aim to achieve a more profitable, confident and united dairy sector.

The challenges are pronounced, but not insurmountable, and we must look optimistically at what lies ahead. Part of our industry success has been due to a culture of optimism and preparedness to deal with adverse circumstances. In the next year ADF will continue the discussion about what can be accomplished, not what might seem impossible. We want to encourage a positive outlook that contributes to a target of steady growth, respectful of the circumstances the industry is currently managing.

This is no small task and takes nothing away from the numerous pressures on dairy farmers. But the statistics show that the fractured nature of the industry has had an impact on our ability to advocate for a stronger industry. It is incumbent upon us to communicate the needs of dairy farmers clearly and effectively to government if we are to influence government policy-making processes.

The message from government remains loud and clear – the dairy industry must learn to speak with one voice. Our advocacy presence must be coordinated and consistent. It is time to stop the plethora of different groups filtering through Canberra claiming to represent the Australian dairy industry. Only then will the industry be able to effectively capitalise on a relationship with government.

My aim, and the aim of the entire ADF team, is to empower strength through unity. I believe people support what they help build. We are asking all players in the dairy industry to imagine how strong we could be if we are all pointed towards the same objective. It is paramount now, more than before, for our industry to stand together. Only by supporting each other and the objectives of our industry representatives will we be able to achieve our full potential.

I would like to acknowledge the counsel and contribution of the ADF Board of Directors to the progress of ADF during the past year. Similarly, I thank the enthusiastic and committed team at ADF led by CEO David Inall.

This year Simone Jolliffe retires from the ADF Board, having made a valuable contribution over the past six years. I want to thank Simone for her commitment to ADF and the broader dairy industry.

Finally, I extend my gratitude to all ADF members and industry partners for their continued support. Without the involvement of our members, ADF would not be able to achieve the advocacy outcomes for farmers that we delivered this year.

Terry RichardsonPresident















CEO's Report

I am pleased to present Australian Dairy Farmers (ADF) 2018-19 Annual Report.

There is no doubt that this has been another challenging year for Australian dairy farmers. Unfavourable seasonal conditions prevail across many dairying regions, rising input costs have squeezed profitability for farmers and confidence is at an all-time low. It is pleasing to report that despite these trying times, we have delivered a number of key priorities.

ADF, in concert with the Australian Dairy Industry Council, delivered an ambitious and comprehensive federal election policy platform. This culminated in dairy receiving \$22 million in federal government projects, with ADF set to deliver \$1 million in Coalition Government election commitments.

After eight long years, ADF and its members could finally say that we won a significant victory against \$1-a-litre milk. Woolworths was the first to raise the price of its private label milk brand, with the extra 10 cents to go, in full, directly back to farmers. This outcome was most certainly a team effort, with many organisations, including our state dairy farmer organisation members, as well as countless individual farmers, making considerable noise since 2011.

With the objective of delivering greater confidence within the farming sector, ADF played a pivotal role in the drafting and subsequent consultation of the Mandatory Code of Conduct. Providing for a clear set of rules that support dairy farmers in their contractual relationship with processors has been a high priority for ADF for a number of years. We have now delivered to the Federal Government a working draft that will underpin industry consultation.

These and the myriad of other industry issues that the industry faces will undoubtedly continue. Importantly, we will ensure that ADF always manages the policy setting process and then engages in the public debate with dignity, respect and authority.

I would like to thank our committed staff for continually delivering positive outcomes for dairy farmers. This past 12 months have not been easy for many in our industry. I am inspired by the work that the ADF Board, state members and staff deliver on behalf of industry and look forward to those challenges and opportunities that lie ahead.

David Inall

Chief Executive Officer

- Lobbied the Federal Government for a \$22 million dairy industry package including \$1 million in projects for ADF
- Delivered draft mandatory code of conduct to government
- Worked with state dairy farmer organisations to end \$1-a-litre milk
- Advocated for stronger trespass laws to protect farmers
- Lobbied for labour agreement changes so skilled migrants working on dairy farms can apply for permanent residency in Australia.
- Revised the Bovine Johne's disease risk-profiling score for dairy cattle
- Advocated for a transparent socio-economic test in the Murray Darling Basin Plan to protect irrigation communities



ADF/AR 2018-19/6 ADF/AR 2018-19/ 7

Structure

Australian Dairy Farmers (ADF) is the national policy and advocacy body providing collective representation for dairy farmers in Australia. ADF's main objective is to develop policy and advocate on behalf of farmers to improve the profitability and sustainability of dairy farming in Australia.

Representing Australia's six dairving states. ADF provides advocacy support to state dairy farmer organisations (SDFOs) - New South Wales, Queensland, South Australia, Tasmania, Victoria and Western Australia.

ADF (representing farmers), together with the Australian Dairy Products Federation (ADPF; representing milk processors), come together to form the Australian Dairy Industry Council (ADIC). Where appropriate, this partnership takes a unified, industry approach to policy and advocacy.

Through the ADIC, dairy farmers and processors work together to create a more prosperous and sustainable future by advocating to government, industry and the community.

Working for you

Funding

ADF's activities during the 2018/19FY were funded through three investment streams:

- SDFO membership fees;
- ADIC Processor Funding Agreement: and
- Investment income

Through their membership, SDFO provides funding to support ADF and its delivery of national policy and advocacy. The amount of funding contributed by each state is dependent on its size.

sustainability and profitability of the entire value chain. It is through this function that ADF staff work on ADIC policy submissions.

investment capital was raised by the sale of properties. The capital is held by the ADIC, the income from which is distributed to ADF. Responsible management of the funds is an ongoing priority as the revenue produced supports ADF's annual investment in key projects and operating expenditure.

The fund now has approximately \$11 million under management.

The ADIC provides funding for investment in projects that will improve the

ADF utilises income generated by investments in annual budgets. The

Australian Dairy Farmers is one of the four partner organisations (along with Dairy Australia, the Australian Dairy Products Federation, and the Gardiner Dairy Foundation) responsible for developing and implementing a strategic plan for the Australian dairy industry.

Announced by ADF President and Australian Dairy Industry Council (ADIC) Chair Terry Richardson at the November 2018 dairy industry breakfast, the Australian Dairy Plan aims to create a profitable, confident and united dairy industry by providing a blueprint for the industry to operate.

Over 1,000 farmers, service providers, processors, retailers, investors and other key stakeholders participated in nationwide consultation for the Dairy Plan, culminating in a two-day national workshop attended by 140 industry representatives at the end of July 2019.

Major 2018-19 Projects Australian Dairy Plan

Key themes identified during the Dairy Plan process included:

- Transformational change to reform industry structures and strengthen advocacy to be more effective, united and efficient;
- New measures to increase transparency and help manage market risk including the establishment of a functioning milk price market and new risk measures backed by government legislation;
- A significant increase in marketing and promotion to build community trust and recognition of dairy products, the dairy industry and
- · Increased effort and new initiatives to attract and support more new people to the industry, particularly the next generation of farmers;
- A heightened focus to address rising costs, risks and volatility on farm, including building farmer capability, adopting new innovations, and accessing new risk management tools;
- A concerted effort to change the culture of the industry to position dairy as an agri-business leader with a clear and positive focus on excellence:

- Build on world-leading practice through the Sustainability Framework to ensure innovative new practices that meet and exceed consumer expectations;
- Better understand how climate change will affect our industry across Australia (particularly water availability) and more investment in the technological solutions that address a changing climate;
- Practical initiatives to work with the Federal Government and maximise support available from the \$100bn agriculture target and associated \$4.9bn drought fund; and
- A clear and ambitious vision for the future of the Australian dairy industry as "A united, profitable and growing dairy industry built on high standards of environmental sustainability and animal welfare, producing high quality and nutritious dairy products to the Australian and international markets".
- Development and implementation of the Dairy Plan will continue in the 2019-20 financial year.





ADF/AR 2018-19/8 ADF/AR 2018-19/9

Australian Dairy Farmers (ADF), through the Australian Dairy Industry Council (ADIC), released an election policy platform ahead of the May 2019 federal election outlining dairy industry priorities around trade and sustainability

Trade and Market Access

Free Trade Agreements

- 1. The Australian Parliament must ratify the Indonesia-Australia Comprehensive-Economic Partnership Agreement and Peru-Australia Free Trade Agreement.
- 2. The Australian Government must fight for high quality, comprehensive outcomes for dairy in trade negotiations with the Gulf Cooperation Council, Taiwan, Pacific Alliance, Regional Comprehensive Economic Partnership and India.
- 3. The Australian Government must take every possible step to minimise negative impacts on the Australian dairy industry caused by demands by the European Union to include geographical indications (GIs) in an Australia-EU FTA.
- 4. The Australian Government should develop a trade agreement with the United Kingdom.
- 5. The Australian Government must better leverage the World Trade Organisation's Most Favoured Nation (MFN) clause system, to secure the same trading rights as other countries.

2019 Federal Election

Non-Tariff Barriers

1. The Australian Government should partner with industry on the development and implementation of an action plan to remove non-tariff barriers.

Sustainability and Resource Management

Climate Change

- 1. The Australian Government must continue to invest in climate change mitigation research, development and extension programs
- 2. The Australian Government must significantly boost investment in drought preparedness initiatives.

1. The Australian Government must continue the bipartisan agreement for delivery of the Murray Darling Basin Plan consistent with the recommendations of the Productivity Commission's Five-Year

2. The Australian Government should commission the CSIRO to develop a transformational water supply blueprint for Australian agriculture, including an economic, hydrological, engineering and environmental analysis of dams, desalination, catchments, network connections and other water supply proposals to determine priority infrastructure projects

Energy

1. The Australian Government should provide tax relief to businesses installing or upgrading to more energy efficient or renewable energy systems.

\$22 million dairy industry in pledged: Dackage Dackage In addition, the Coalition pledged: • \$10 million to support dairy farmers investing in more energy efficient

- equipment to reduce energy costs through more energy efficient
- · \$8.1 million to extend the Australian Competition and Consumer Commission's (ACCC) agriculture unit, including the appointment of a dairy industry specialist;
- \$3 million in grants to assist farmer groups to establish farm cooperatives and other collaborative business models; and
- \$500,000 to services body Dairy Australia to continue its financial and legal advice service to farmers, and to improve legal and financial literacy for contract negotiations with processors;

Australian Dairy Farmers (ADF) negotiated a \$22 million dairy industry package with the Liberal-National Government ahead of the May 2019 federal election, including more than \$1 million in projects for the organisation to deliver.

As part of the package, ADF gained a commitment of:

- \$560,000 to facilitate the development of a new dairy industry trading platform;
- \$300,000 to develop a real time dairy payment system and supply chain information sharing capacity using blockchain technology; and
- \$150,000 to work with processors in developing a simple standard form contract that incorporates requirements of the industry's mandatory code of conduct.



ADF/AR 2018-19/ 10 ADF/AR 2018-19/ 11

Indonesia-Australia CEPA

The Australian Dairy Industry Council (ADIC) welcomed the signing of the Indonesia-Australia Comprehensive Economic Partnership (IA-CEPA).

This agreement, which is still to be ratified by the Australian parliament, will:

- Eliminate immediately any remaining tariffs for Skim Milk Powder and Whole Milk Powder:
- Eliminate immediately any remaining tariffs for grated or powdered
- Eliminate by 2026 any remaining tariffs on non-liquid milk, (6% or less fat) and by 2033 for tariffs on liquid milk (6% or less fat).

Bringing an end

Indonesia is a major destination for Australian dairy exports. In 2017/18, Australia exported over 60,000 tonnes of dairy to that market, valued at over A\$200 million.

Indonesia's demand for dairy is expected to rise on the back of its increasingly affluent 260 million strong population.

to \$1 milk

AUSTRALIAN Dairy Farmers (ADF) secured a major victory in the fight against discount dairy products with all major retailers agreeing to raise the price of their discount milk lines by 10 cents, with the extra revenue going directly back to farmers.

ADF engaged in constructive discussions with Woolworths, Coles and Metcash/IGA for several months before each supermarket made the decision to raise the price of discount milk.

The dairy industry has suffered from the debilitating effects of discount dairy products for eight years, since Australia Day 2011.

The 2018 National Dairy Farmer Survey found farmer confidence in the future of the dairy industry dropped from 75 to 47 per cent over the past four years. Alarmingly, 40 per cent of dairy farmers did not make an operating profit in the 2016-17 financial year.

Removing \$1 milk is not just intended to restore farmers' financial confidence, but also boost confidence in regional communities and

ADF develops draft mandatory code of conduct

Australian Dairy Farmers, through the Australian Dairy Industry Council (ADIC), developed a draft mandatory code of conduct for the dairy industry for consideration by the federal Department of Agriculture and Water Resources during the code consultation process.

Under this proposed mandatory code:

- · Retrospective price step-downs are banned, and processors must give farmers at least 30 days' notice of any forward step down, including a reason for the adjustment;
- Contract disputes are to be managed by an independent mediator or arbitrator if the issue cannot be resolved between the farmer
- Dairy businesses must act honestly in good faith, without duress or pressure during contract negotiations, or risk fines;

- Agreements must be for a minimum of 12-months operating over a financial year or other term as agreed by both parties;
- Processors must offer farmers a standard contract with an opening price by June 1 each year, one month before the start of the next
- Processors must pay farmers by the 15th day of the next month for milk delivered under their contract; and
- Both farmers and processors must give 30 days' written notice if they don't intend to renew a fixed term contract and agree on a debt repayment scheme for outstanding payments.

The draft ADIC code was the result of an extensive review the organisation conducted into the dairy industry's current voluntary code and addresses the recommendations handed down by the Australian Competition and Consumer Commission (ACCC) in its report into the

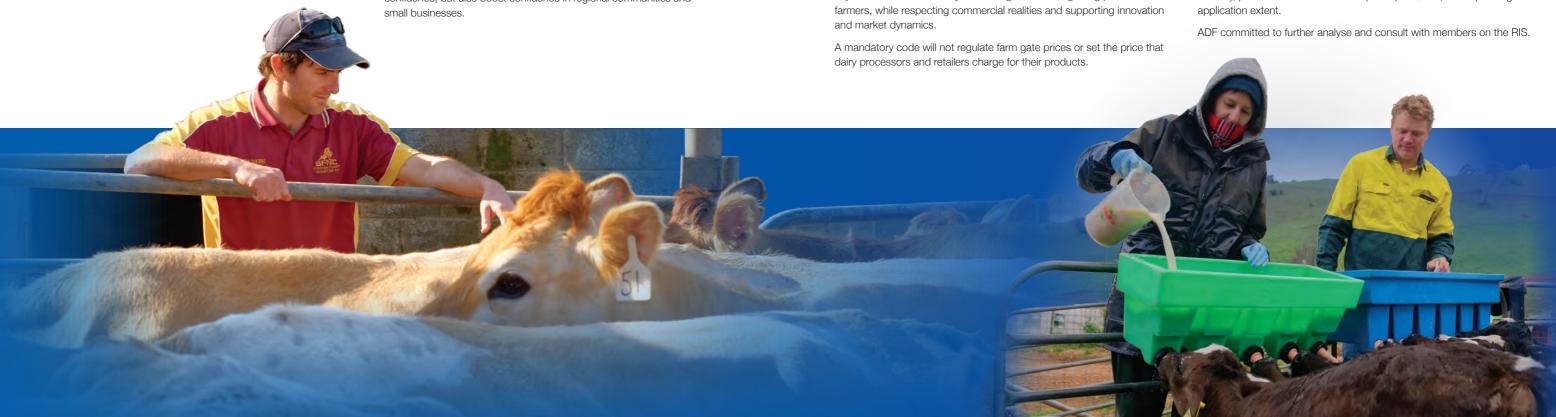
Dairy Industry Code of Conduct

Dairy farmers praise Government's mandatory code progress

Australian Dairy Farmers supported the federal Government's commitment to a mandatory Code of Conduct for the dairy industry to clarify and strengthen relationships between farmers and processors across Australia.

ADF's aim is for a mandatory code to address the information asymmetries in the industry and strengthen the bargaining power of ADF's support for a mandatory code follows an extensive review of the dairy industry's existing voluntary code.

A Regulatory Impact Statement (RIS) released by the Department of Agriculture and Water Resources and based on voluntary or mandatory application of the draft clauses across the entire or some parts of industry, predicted an annual cost impact up to \$900,000 depending on



Dairy farmers call for stronger trespass penalties

Australian Dairy Farmers (ADF) called on all state governments to beef up trespass laws to include imprisonment and a minimum fine equal to the cost of police intervention in an effort to crack down on bullying against regional communities amid safety fears after activist group Aussie Farms published the locations and contact details of Australian farms. ADF advocated for each state to allocate police resources and provide a directive for officers to remove and prosecute offenders, as well as for more transparency around sentencing for farm trespass related offences across jurisdictions.

Harmonisation is also required as the current penalties for trespass offences vary between states. When ADF raised the issue, New South Wales laws imposed a maximum fine of just \$550 for unlawful entry of public or private land, while in Western Australia, offenders faced a maximum penalty of 12 months' jail and a \$12,000 fine.

People and Human

Capacity

Australian Dairy Farmers (ADF) successfully advocated for changes to

the Australian Skilled Occupation List to help dairy businesses secure

a permanent skilled workforce by making it easier for farmers to attract

experienced and skilled overseas labour.

Permanent residency for skilled migrants to help fix dairy labour shortage

Australian Dairy Farmers successfully lobbied for changes to the Dairy Industry Labour Agreement (DILA) allowing skilled migrants working on dairy farms to apply for permanent residency in Australia.

The new changes are applicable to workers on Temporary Skill Shortage (TSS) visas and the defunct 457-visa.

The move was made by the federal Government after ADF wrote to Immigration Minister David Coleman urging him to help the industry secure a permanent skilled workforce.

The change will bring the dairy industry's labour agreement into alignment with the meat and pork industries.

New generation of dairy professionals bring leadership to Canberra

Dairy industry scores greater access to vital skilled labour

labour shortage crisis.

In the same week Scott Morrison replaced Malcolm Turnbull as Prime Minister, Australian Dairy Farmers (ADF) accompanied fourteen aspiring leaders from across the dairy supply chain to Canberra to witness the Australian political process in action.

This included interactive workshops, with participants conducting a research investigation on a topic of their choosing, which ranged from mental health awareness to opportunities presented by equity partnerships.

Under the changes, high level dairy farm managers who have

responsibility for overseeing farming operations are eligible for the

Temporary Skills Shortage (TSS) visa entry to Australia for up to four

years with the possibility of renewal and permanent residency via the 187

ADF highlighted to government that dairy businesses were losing up to

\$364 million each year in employee turnover as a result of the industry's



Farming Systems and Herd Improvement

ADF argues to streamline APVMA regulatory assessments

Australian Dairy Farmers (ADF) called on the Australian Pesticides and Veterinary Medicines Authority (APVMA) to clarify and streamline procedures for accepting international regulatory assessments, data, product registration status and history of use in support of registering products in Australia.

In a submission to the Senate Rural and Regional Affairs and Transport References Committee Inquiry into the independence of regulatory decisions made by the APVMA, ADF argued that the statutory authority would benefit from a deeper understanding of agricultural production systems, particularly the role chemicals play in sustainable milk production.

While acknowledging the critical role of the APVMA, ADF also expressed concern at the length of time it has taken to harmonise agvet chemicals between states, an issue that remains a priority for the dairy industry.

The dairy industry previously welcomed an extensive reform program to improve the efficiency and effectiveness of the APVMA, which included:

- · Fast track assessment
- · Making better use of international data
- Using outcomes-based standards
- · Contestable assessment services

between dairy farmers and processors: farmers are represented by
Australian Dairy Farmers (ADF), while processors are represented by the Australian Dairy Products Federation (ADPF). The ADIC is the vehicle for the industry to work together on industry and government policy development and advocacy, to create a more prosperous and sustainable future across the value chain in areas of mutual benefit. The 11 largest Australian processors make an annual payment to the ADIC Processor Investment Plan for three years (2016-19) pro-rated based on milk produced.

The Australian Dairy Industry Council (ADIC) is a collaborative partnership

ADF is the primary body through which the ADIC operates, including engagement with stakeholders, government, and community. This valuable partnership enables ADF and ADPF to achieve a broad industry approach when advocating to government.

Australian Dairy Industry Council

ADIC Processors Investment Plan

The Australian Dairy Industry Council (ADIC) funding agreement requires the use of funds "for the purposes of providing advocacy, policy development and communication services for the benefit of the dairy industry in Australia on a national or international basis." Funds employed for these purposes must be used for projects which are in the mutual interests of farmers and processors.

Policy and project proposals are presented to the ADIC Board each March in the ADIC Investment Plan. The policies contained in the ADIC Investment Plan are initially approved via the governance process of Australian Dairy Farmers (ADF) and the Australian Dairy Products Federation (ADPF) respectively, prior to their proposal to the ADIC Board. To be successful, the ADIC Investment Plan must be approved by 75 per cent of the ADIC Board.

Under the terms of the funding agreement, implementation of the plan is carried out by ADF. ADF provides reports of its progress to ensure project expenditure is in line with the plan. This report is provided to the ADIC, the 11 contributing processors and ADF's state members.

The plan focuses on six investment areas (trade, human capacity, industry sustainability and resource management, animal health and welfare, communication and industry strategic planning).

The ADIC funding agreement ended on 30 June 2019 and was not renewed, by mutual agreement between ADF and ADPF.

Animal Health and Welfare

Dairy farmers get new Johne's disease score

Australian Dairy Farmers (ADF) released a revised risk-profiling score to assess and manage the likelihood of Bovine Johne's disease (BJD) in dairy cattle.

The revised score, developed in consultation with industry veterinarians, Animal Health Australia and State Dairy Farming Organisations will:

- Provide an easily interpreted score for dairy farmers to profile their risk of BJD;
- Enable farmers to introduce or sell dairy animals with some assurance as to their BJD status; and
- Clarify how vaccination can be used to control and reduce risk of BJD.

The new system includes three outcome levels to BJD management (first steps-progressing, managed risk of clinical disease, and managed risk of infection)

There are eight scores within these levels to be obtained, with this revised score including both vaccination and testing interventions for farmers wanting to improve the score of their herd.

The new Dairy Score, which was last reviewed in March 2016, has been developed to meet the specific needs of the dairy industry.

It is vital for all farms to have an active biosecurity plan that meets industry assurance and regulatory requirements.



Natural Resources

New Basin Plan test a victory for dairy communities

Implementation of the Murray-Darling Basin Plan in a way that supports prosperous and sustainable dairy communities continued to be a major focus of the ADF.ADF was pleased to see an agreement reached between federal and state water ministers at the Ministerial Council meeting in December 2018 introducing a broad socio-economic test as part of the Murray-Darling Basin Plan to safeguard vulnerable irrigation communities from further water losses.

Australian Dairy Farmers (ADF), under the auspices of the Australian Dairy Industry Council (ADIC), has long fought for a robust and transparent socio-economic test that will provide positive – or at the very least neutral – benefits to Basin communities.

The ADIC urged, in a submission to the Department of Agricultural and Water Resources consultation on efficiency projects, for a new socio-economic test to include a cost-benefit analysis and consideration of any future effects on communities.

Basin ministers agreed to an extra \$132 million for southern states to deliver 605GL of down water projects and to push out the proposed completion date for constraints projects from 2024, in line with a request by the ADIC and a recommendation handed down by the Productivity Commission in its five-year review of the Basin Plan.

Australia-European Union Free Trade Agreement

Australian Dairy Farmers (ADF) has been instrumental in campaigning against the banning of common cheese names under a proposed Australia-European Union free trade agreement (FTA).

The EU has argued that including geographical indications (GIs) in an FTA will "protect distinctive EU food and drink products from imitations in Australia", but in practice Australian dairy manufacturers will be forced to change the names of locally produced common cheese brands.

Any move to restrict Australian cheese producers from using product names like feta and parmesan could impact local cheese varieties with an aggregate sales value of \$650 million a year.

ADF has urged the Australian Government to take stronger action during trade talks to ensure the local dairy industry would not suffer under a new trade agreement.

Markets, Trade and Value Chain

Australian dairy urges the Parliament to ratify the Peru-Australia Free Trade Agreement

Australian Dairy Farmers (ADF), under the auspices of the Australian Dairy Industry Council (ADIC), urged the Australian Parliament to expedite binding treaty action on the already-negotiated trade deal with Peru.

Peru has historically been a sensitive market for Australian dairy exports, but this agreement gives our industry Country Specific Quota access, which exceeds the volume of trade in recent years.



Australian dairy industry applauds bipartisan support for TPP-11

Australian Dairy Farmers (ADF), via the Australian Dairy Industry Council (ADIC), supported the federal Parliament's bipartisan support for the Comprehensive and Progressive Trans-Pacific Partnership (TPP-11).

The 11 member countries, including Japan (Australia's largest cheese customer) and Canada and Mexico (two countries that don't have existing trade agreements with Australia), collectively represent 32 per cent (\$1.1bn) of the total value and 35 per cent (298 thousand tonnes) of the total volume of Australian dairy exports.

Markets, Trade and Value Chain

Milk Price Index

Australian Dairy Farmers (ADF) provided input into the creation of a new milk price index (MPI) to provide independent and transparent market information to dairy farmers.

The index, an election commitment of the Turnbull Government, was released in July 2018 and supported by a one-year forecast of prices updated quarterly, along with regular global, national and regional commentary.

A Regional, Retrospective Farmgate Milk Price Index accompanied the index, with farmers urged to provide price data via an online form.

The index also included an awareness and education component to help dairy farmers understand what the index means for them and how they could consider it in their business planning.

ADF moves to reclaim "milk" label

Australian Dairy Farmers (ADF) urged the federal government to change the country's food standards in a bid to ban plant-based products from using the term "milk" on labels and in marketing.

The organisation wrote to federal agriculture minister Bridget McKenzie and Chair of the Australia and New Zealand Ministerial Forum on Food Regulation Richard Colbeck, requesting:

- a holistic review of labelling and marketing on non-dairy alternatives, including possible changes to the Food Standards Code; and
- the development of additional regulations to prevent plant-based alternatives from 'evoking' the qualities and values of dairy.

A 2017 survey by Dairy Australia showed 54 per cent of respondents bought plant-based milk alternatives because they perceived them to be healthier than dairy milk.

A ban on plant-based products using the "milk" label would bring Australia into line with other countries, after the European Court of Justice in 2017 mandated that dairy terms could not be used on plant-based products, even with clarifying terms.

Our Committees

Directors of Australian Dairy Farmers

T Richardson (President)

B Donnison

S Jolliffe

J Versteden

V Taylor - Independent

Meeting of Directors

	Directors Meetings		Audit Committee Meetings	
Directors	Number eligible to attend	Number attended	Number eligible to attend	Number attended
T Richardson	9	9	-	-
B Donnison	9	9	2	2
S Jolliffe	9	9	-	1
J Versteden	9	9	-	-
V Taylor	9	9	2	2



National Council of Australian Dairy Farmers

Members:

- T Richardson (Chair)
- A Jenkins (to November 2018)
- A Lester (to February 2019)
- C Thompson
- B Tessmann
- D Hoey
- D Murphy (to November 2018)
- E Chesworth
- G Cox (from March 2019)
- J Hunt
- J Keely
- M Partridge
- N Renyard
- P Mumford

Meetings:

The National Council met eight times during the 2018/19 financial year.

- 28-29 August 2018
- 6 September 2018 (teleconference)
- 10 October 2018 (teleconference)
- 25 October 2018
- 29 November 2018
- 13 March 2019
- 9 May 2019
- 19 June 2019

Company Secretary

Our committees

Audit risk and compliance committee

Members

- B Donnison (Chair)
- V Taylor (Independent Director)
- S Bolles (Independent Member)
- F Jones (Secretariat)

Meetings

The committee met twice during the 2018/19 financial year.



Policy advisory groups

Animal Health and Welfare

Chair: A Lester (to February 2019); B Tessmann (from February 2019)

Farming Systems and Herd Improvement

Chair: D Murphy (to November 2018); Vacant (November 2018-June 2019

Markets, Trade and Value Chain

Chair: A Jenkins (to November 2018); P Mumford (from January 2019)

Natural Resources

Chair: D Hoey

ADF Board of Directors



Terry Richardson

President

Terry Richardson was appointed ADF President in November 2017, after serving one year as Acting President and having been an ADF Director since 2015.

Terry operates a dairy farm with his family in Deans Marsh. South West Victoria, where he has lived since 2004.

He has held positions in the New Zealand and Australian dairy industry, including as a director of Kiwi Co-operative Dairies and Chair of Warrnambool Cheese and Butter.

Terry completed a Bachelor of Agricultural Economics, a Diploma of Business Studies, and is a Member of the Australian Institute of Company Directors.



Bruce Donnison

Director

Bruce Donnison has more than 30 years' experience across the dairy industry supply chain in New Zealand and Australia.

He led the Australian joint venture between Fonterra and Bonlac Foods Ltd in 2003 and continued a commercial career as Managing Director Ingredients for Fonterra Australia, responsible for farmer relationships. manufacturing and Ingredient sales and marketing. Bruce has also held a non-farmer director role with Dairy Australia.

Bruce is currently a Director with dairy consulting business Compass Agribusiness and is involved in farming investments in Tasmania.



Simone Jolliffe

Director

Simone Jolliffe and her husband Neil have been farming on the Murrumbidgee River, near Wagga Wagga, NSW, since 2000.

Simone joined the ADF Board in January 2014 and was elected President in November 2015, before becoming Vice President in May 2016. Simone was re-elected as an ADF Director in November 2017.

Simone has held a range of industry roles, including as a Director of DataGene, member of the NSW Primary Industries Ministerial Advisory Council, and as Deputy Chair of Dairy NSW.

Simone holds a Bachelor of Rural Science at the University of New England, Armidale and is a graduate of the Australian Institute of



ADF Board of Directors

John Versteden

Director

John Versteden is a dairy farmer from West Gippsland, Victoria, having previously worked in the construction industry.

John has held a range of industry leadership positions, including Vice President of the United Dairyfarmers of Victoria and Director and Chair of GippsDairy.

John is currently Chair of Dairy Australia's Dairy Industry People Development Council and played an instrumental role in the formation of the National Centre for Dairy

John believes dairy farming is one of the most rewarding careers that people can choose.



Victoria Taylor

Independent Director

Victoria Taylor brings over two decades' experience in agricultural policy and communications, non-profit management and stakeholder engagement to ADF.

A former Executive Director of the Ricegrowers' Association of Australia, she is passionate about the development of profitable and sustainable agricultural industries.

Victoria is also Ministerial appointment to the Rice Marketing Board for NSW.

She owns a business that provides strategic policy and communications support to clients in primary industries and manages the Horticulture Strategy under the National Primary Industries RD&E Framework on behalf of Commonwealth and State agencies.

Victoria holds a Graduate Certificate in Water Policy and Governance from Charles Sturt University and is a Graduate of the Australian Institute of Company Directors

Know the people working for you



David Inall

CEO

David Inall has nearly 30 years of experience in leadership roles in Australian and international agricultural peak bodies, including CEO of the Cattle Council of Australia and Senior Vice President of the United Egg Producers in the United States.

David also has extensive experience working with members, the broader industry and government on strategic policy matters.

David holds a Bachelor of Applied Science (Systems Agriculture) from the University of Western Sydney (Hawkesbury) and is a graduate of the Australian Institute of Company Directors.



Fred Jones

Operations Manager and Company Secretary

Fred Jones brings a wealth of experience in both operational and project management to ADF, having worked in commercial and retail environments for more than 35 years with Coles and other iconic retail brands.

Fred has extensive knowledge in budget preparation, auditing and compliance management, and is also tasked with managing human resource functions and maintaining internal policies and procedures.

Fred holds qualifications from the Governance Institute of Australia and Australian Institute of Company Directors.



Craig Hough

Director Policy & Strategy

Craig Hough spent 10 years in various policy roles in the Victorian Government, with a focus on driving growth and investment in Victorian agriculture.

Craig led the implementation of the Victorian Government's \$35.8 million Food to Asia Action Plan, and led the development of the Agriculture Victoria Strategy, as well as the Victorian Government's \$27 million digital agriculture program announcement.

Craig holds a Master of Social Science (Policy and Management) and Bachelor of Arts (Criminal Justice Administration) from RMIT University, and a Master of Business Administration from Victoria University



Know the people working for you



Patrick Kok

Accounts Manager

Patrick Kok has worked in finance for 30 years, including with the United Nations Office for Project Services, and in publishing, marketing, fashion and membership industries.

Patrick is committed to improving and maintaining transparency in ADF's operations.

He holds an Accounting degree from the United Kingdom.



Ashley Mackinnon

Media and Communications Manager

Ashley Mackinnon has brings communications and policy experience to ADF from his time as a journalist, political adviser and communications consultant.

Ashley began his career in rural radio before a brief stint working for the federal Government. He joins ADF after serving as the Public Affairs Adviser for the Victorian Farmers Federation.

Ashley holds a Bachelor of Journalism from the University of Queensland, Graduate Diploma in Law from Monash University and is currently completing a Master of Public Policy and Management from the University of Melbourne.



Caroline MacIntyre

Executive Assistant to President and CFO

Caroline MacIntyre has fulfilled administration duties in a broad range of industry sectors including finance, engineering, retail and the utilities sector. Her experience includes various executive assistant roles as well as project, office and facility management positions.

Caroline provides secretarial support as well as diary and travel arrangements for the President and CEO. She is also responsible for the planning and coordination of ADF and ADIC functions and events.



Financial reports





AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Directors' report

The directors present their report together with the financial report of Australian Dairy Farmers' Limited (ADF) for the year ended 30 June 2019 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

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The names of the directors in office at any time during or since the end of the year are:

Terry Richardson Simone Jolliffe Bruce Donnison

John Versteden Victoria Taylor

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Regulte

The surplus of the company for the year amounted to \$44,971 (2018: \$138,941 surplus).

Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Short-term and long-term objectives and strategies

The company's short-term objectives are to:

- Develop and deliver a strong member value proposition to state and business members of ADF.
- Deliver against the ADIC Processor Investment Fund, in accordance with agreed key performance indicators.

The company's long-term objectives are to:

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

Principal activities

ADF is the national policy and advocacy body working to improve the productivity and sustainability of dairy farming in Australia.

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

After balance date events

The Directors of Australian Dairy Industry Council (ADIC) resolved in June 2003 to transfer the assets of ADIC to ADF. A Heads of Agreement stipulating ADF undertake and comply with certain conditions was applied to the transfer and was signed in July 2003. The transfer was to formally be effected as at 31 July 2003. For reasons unknown, the transfer did not proceed at the time. Documents relating to the resolution and Heads of Agreement were discovered this year, and given the conditions applied to the transfer were and continue to be in effect, the directors agreed to completing the transfer as at 31 July 2019.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

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Directors' report

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Terry Richardson	Owner/Partner Dairy Farm - Pungarehu Farms in Deans Marsh, Western Victoria Director - Australian Dairy Industry Council
	Member - Victorian Farmers Federation
	Gardiner Foundation Processor Member
Simone Jolliffe	Owner/Partner Dairy Farm near Wagga Wagga, Southern New South Wales
	Director – Australian Dairy Industry Council
	Director – DataGene
	Chair - DataGene Genetics Evaluation Standing Committee Member - New South Wales Farmers' Association
	Member - Primary Industries Ministerial Advisory Council (New South Wales) (resigned February 2018)
	Member of NFF Working Grouping - Building Trust in Agriculture
Bruce Donnison	Director Tasmanian Land Company (resigned December 2018)
	Director Van Deimans Land Company. (Tasmania) (resigned December 2018)
	Director Compass Agri Business - Melbourne/Queenstown, New Zealand (resigned December 2018)
	Director Clearview Dairies/Clearview Properties. (Tasmania) Director Berkley Farms Limited (Tasmania)
	Director Ivanhoe Farms (Tasmania) Director – Australian Dairy Industry Council
John Versteden	Owner/Partner Dairy farm in Longwarry, South East Victoria
	Director - Australian Dairy Industry Council
	Chair - Dairy Australia Dairy Industry People Development Committee
	Chair – UDV/VFF DART Joint Taskforce (resigned December 2018) Shareholder – Genetics Australia
Victoria Taylor	Chair - Rice Marketing Board for the State of New South Wales
	Executive Officer - National Horticulture Research Network (funded by Hort. Innovation)
	Owner – Flourish Communications (sole trader)

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Directors' report

Meetings of directors

	Directors	Meetings	Audit Committee Meetings	
Directors	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Terry Richardson	8	8	0	0
Simone Jolliffe	8	8	0	1
Bruce Donnison	8	8	3	3
John Versteden	8	8	0	0
Victoria Taylor	8	8	3	3

Indemnification of officers

During the financial year, ADF purchased Directors & Officers Liability cover which insures all Directors and Officers of group entities including. The premium paid is commercially sensitive and is therefore not disclosed.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Directors' report

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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Signed on behalf of the Board of Directors.

Terry Richardson

XI

Director:

Bruce Donnison

Dated this day of October 2019



AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF AUSTRALIAN DAIRY FARMERS' LIMITED

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been no contraventions of any applicable code of professional conduct.

Colin Tuckwell

Partner

Statement of comprehensive income

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue and other income		·	
Other revenue	3	2,289,840	2,122,273
		2,289,840	2,122,273
Less: expenses			
Employment expenses	4	(864,591)	(827,642)
Remuneration	4,12	(161,810)	(205,860)
Affiliation fees		(149,410)	(135,628)
Occupancy expenses		(143,794)	(118,673)
Project expenses		(418,993)	(207,219)
Employee provisions		(28,271)	(732)
Policy and representation		(137,842)	(132,727)
Administration expenses		(335,124)	(349,796)
Depreciation and amortisation	4	(5,034)	(5,055)
		(2,244,869)	(1,983,332)
Surplus/(Deficit)		44,971	138,941
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss)		44,971	138,941

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The accompanying notes form part of these financial statements.

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Statement of financial position

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Current assets		·	· · · · · · · · · · · · · · · · · · ·
Cash and cash equivalents	5	3,646,926	2,897,340
Receivables	6	94,630	28,076
Other Assets	8	481,061	1,102,113
Total current assets		4,222,617	4,027,529
Non-current assets			
Property, plant and equipment	7	14,850	9,201
Total non-current assets		14,850	9,201
Total assets		4,237,467	4,036,730
Current liabilities			
Payables	9	763,231	1,422,370
Provisions	10	63,835	47,396
Total current liabilities		827,066	1,469,766
Non-current liabilities			
Payables	9	-	-
Provisions	10	23,947	16,709
Total non-current liabilities		23,947	16,709
Total liabilities		851,013	1,486,475
Net Assets		3,386,455	2,550,255
Equity			
Retained earnings	11	3,386,455	2,550,255
Total Equity		3,386,455	2,550,255

The accompanying notes form part of these financial statements.

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Statement of changes in equity FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained earnings \$	Total equity \$
Balance as at 1 July 2017		2,410,126	2,410,126
Surplus/(Deficit) for the year		138,941	138,941
Total comprehensive income/(loss) for the year		138,941	138,941
Adjustment to retained earnings for previous years		1,188	1,188
Balance as at 30 June 2018	11	2,550,255	2,550,255
Balance as at 1 July 2018		2,550,255	2,550,255
Surplus/(Deficit) for the year		44,971	44,971
Total comprehensive income/(loss) for the year		44,971	44,971
Adjustment to retained earnings for previous years		791,229	791,229
Balance as at 30 June 2019	11	3,386,455	3,386,455

The accompanying notes form part of these financial statements.

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AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Statement of cash flows FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Note	\$	\$
Cash flow from operating activities			
Receipts from customers		2,167,113	1,998,532
Payments to suppliers and employees		(2,254,245)	(1,764,823)
Interest received		56,172	8,117
Net cash provided by operating activities	13(b)	(30,960)	241,826
Cash flow from investing activities			
Purchase of property, plant and equipment		(10,684)	(1,927)
Net cash provided by / (used in) investing activities		(10,684)	(1,927)
Cash flow from financing activities			
Distribution received from associates		791,229	158,063
Net cash used in financing activities		791,229	158,063
Reconciliation of cash			
Cash at beginning of the financial year		2,897,340	2,499,378
Net increase / (decrease) in cash held		749,585	397,962
Cash at end of financial year	13(a)	3,646,926	2,897,340

The accompanying notes form part of these financial statements.

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Notes to financial statements

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity.

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The financial report is for the entity Australian Dairy Farmers' Limited as an individual entity. Australian Dairy Farmers' Limited by guarantee, incorporated and domiciled in Australia. Australian Dairy Farmers' Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with all applicable Accounting Standards, with the exception of the disclosure requirements of the following Accounting Standards:

AASB 7:	Financial Instruments: Disclosures
AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 116:	Property, Plant and Equipment
AASB 124:	Related Party Disclosures
AASB 132:	Financial Instruments: Presentation
AASB 136:	Impairments of Assets
AASB 15:	Revenue from Contracts with Customers

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

b) Revenue

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(e) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Notes to financial statements

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	15%	Straight line
Office equipment at cost	15% - 40%	Straight line
Computer equipment at cost	25%	Straight line

(f) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(g) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(i) Revenue from Contracts with Customers

We have reviewed ADF in consideration to the changes in revenue recognition under ASSB 15 and have concluded that it is not applicable as current operations do not include the definition of contracts with customers as detailed in the standard.

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Notes to financial statements

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2: ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT 30 JUNE 2019

The following standards and interpretations have been issued at the reporting date but are not yet effective.

AASB 16 Leases

AASB 16 Leases introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. The Company expects a material impact on the Company's financial statements as all current operating lease agreements would have to be recognised on the balance sheet.

This will be considered in the financial year ended 30 June 2020.

The effective date is annual reporting periods beginning on or after 1 January 2019.

	2019	2018
	\$	\$
NOTE 3: REVENUE AND OTHER INCOME		
Interest income	56,172	8,117
Other income	1,515,512	1,832,582
Distribution income	718,156	281,574
	2,289,840	2,122,273
NOTE 4: OPERATING PROFIT		
Profit/(losses) before income tax has been determined after:		
Depreciation	5,034	5,055
Employee benefits		
- Short term benefits	1,026,401	1,033,502
	1,031,435	1,038,557
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	180	221
Cash at bank	3,646,746	2,897,119
	3,646,926	2,897,340
NOTE 6: RECEIVABLES		
CURRENT		
Trade debtors	94,630	28,076
	94,630	28,076

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AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Notes to financial statements

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT	Ψ	Ψ
Leasehold improvements		
At cost	122,753	122,753
Accumulated depreciation	(122,753)	(122,274)
	-	479
Plant and equipment		
Office equipment at cost	174,275	167,775
Accumulated depreciation	(165,995)	(164,199)
	8,280	3,576
Computer equipment at cost	34,278	30,094
Accumulated depreciation	(27,707)	(24,948)
	6,570	5,146
Total plant and equipment	14,850	8,722
Total property, plant and equipment	14,850	9,201
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	9,558	16,440
Other current assets		
- Rental Bond	33,170	32,853
- Accrued Income	438,333	1,052,820
	481,061	1,102,113

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

Notes to financial statements FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 9: PAYABLES		
CURRENT		
Unsecured liabilities		
Trade creditors	176,728	130,378
Sundry creditors and accruals	586,502	1,291,992
Loan from associates	_	_
	763,231	1,422,370
NON CURRENT		
Loan from associates	_	_
NOTE 10: PROVISIONS		
CURRENT		
Employee benefits (a)	63,835	47,396
Other	_	-
	63,835	47,396
NON CURRENT		
Employee benefits (a)	23,947	16,709
- (a) Aggregate employee benefits liability	87,782	64,105
NOTE 11: RETAINED EARNINGS		
Retained earnings at the beginning of year	2,550,255	2,410,126
Adjustment for retained earnings for previous years	791,229	1,188
Net Surplus/(deficit)	44,972	138,941
	3,386,456	2,550,255
NOTE 12: REMUNERATION		
Presidents fees	79,380	136,413
Directors fees	29,237	14,000
Independent director	22,190	20,792
Independent ARCC member	5,475	5,475
Sitting Fees	25,528	29,180
	161,810	205,860

Notes to financial statements

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 13: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash at bank	3,646,746	2,897,119
Cash on hand	180	221
	3,646,926	2,897,340
(b) Reconciliation of cash flow from operations with profit		
Surplus/(deficit) from ordinary activities	44,971	138,941
Adjustments and non-cash items		
Depreciation	5,034	5,055
Changes in assets and liabilities		
(Increase) / decrease in receivables	(66,555)	(115,624)
(Increase) / decrease in other assets	621,052	(1,056,515)
Increase / (decrease) in payables	(659,139)	1,304,174
Increase / (decrease) in provisions	23,677	(34,204)
Cash flows from operating activities	(30,960)	241,826

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

There is a matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the company.

The transfer of the ADIC assets to ADF will be completed on 31 July 2019. Going forward, ADF will hold additional investment assets and receive the associated income.

NOTE 15: COMPANY DETAILS

The registered office of the company is:

Australian Dairy Farmers' Limited

Orion House Level 2

22 William Street

Melbourne VIC 3000

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Directors declaration

AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

- 1. In the opinion of the directors, the financial report and notes as set out on pages 7–16, presents fairly the company's financial position as at 30 June 2019 and performance for the year ended on that date of the company in accordance with the accounting policies outlined in Note 1 to the financial statements.
- 2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Terry Richardson

Discoston

Bruce Donnison



AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

COMPILATION REPORT TO AUSTRALIAN DAIRY FARMERS' LIMITED

We have compiled the accompanying special purpose financial statements of Australian Dairy Farmers' Limited, which comprise the statement of financial position as at 30 June 2019, the statement of comprehensive income and the statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The directors of Australian Dairy Farmers' Limited are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements.

Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Dobbyn and Carafa Pty Ltd Level 9, 636 St Kilda Road Melbourne

Anthony Carafa

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AUSTRALIAN DAIRY FARMERS' LIMITED ABN 76 060 549 653

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AUSTRALIAN DAIRY FARMERS' LIMITED

We have audited the accompanying financial report, being a special purpose financial report of Australian Dairy Farmers' Limited, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the governing committee determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In makin g those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the governing committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with APES 110 Code of Ethics for Professional Accountants.

Opinion

In our opinion, the financial report of Australian Dairy Farmers' Limited presents fairly, in all material respects, the entity's financial position as at 30 June 2019 and its performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards, the accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Australian Dairy Farmers' Limited to meet the financial reporting responsibilities under the Constitution. As a result, the financial report may not be suitable for another purpose.

Colin Tuckwell

Partner

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Member organisations

NSW Farmers' Association Dairy Committee SARMERS



The NSW Farmers Association Dairy Committee is an advisory committee of NSW Farmers, elected by members to provide specialist, practical advice on issues affecting the NSW dairy sector.

Year in Review

Markets and Competition

The committee expressed its support for the dairy industry mandatory code of conduct.

The committee successfully lobbied the NSW Government to appoint a Fresh Milk and Dairy Advocate to work within the NSW Department of Primary Industries (DPI). The Advocate would lead a dairy business advisory unit to develop a NSW dairy industry action plan, increase engagement between processors, retailers and farmers, and support the implementation of a national mandatory code for dairy.

Animal Health and Welfare

Animal welfare is a policy priority for the committee. During the year, the committee successfully lobbied for industry to develop a phasing out of calving induction across Australia including an end date for the practice, which the dairy industry agreed would be 1 January 2022.

Roads and Infrastructure

The committee has focused on reducing red tape around the transportation of agricultural equipment and supporting major infrastructure projects. The key achievement this year was the implementation of a cattle underpass scheme for NSW, which was launched in mid-2018 after several years of lobbying by NSW Farmers.

Drought

Throughout the year, NSW Farmers, in conjunction with Dairy NSW, hosted a series of drought workshops to inform dairy farmers of drought assistance programs available to them and the application process involved with the programs.

NSW Farmers successfully lobbied the NSW Government to introduce transport subsidies for drought affected farmers. Under these changes, costs associated with moving fodder and water between properties, stock to and from agistment, and stock to sale or slaughter could

The NSW Government also responded to lobbying by NSW Farmers for improved access to heavy vehicles carrying supplies and stock to drought affected farmers, collaborating with the National Heavy Vehicle Regulator to create exemption notices for vehicles transporting hay in NSW.

Water and Energy costs

NSW Farmers has worked with DPI on a project to understand the energy complications facing farmers, such as access variability based on location and time, and on developing real solutions to farmers.

During the year, NSW Farmers lobbied the state government for greater investment in water infrastructure. In February 2019, the NSW Government announced its commitment to raising the Wyangala Dam wall to help address water security and flood management.

Upcoming priorities United Dairy Industry

NSW Farmers is focused on ensuring unity within the NSW dairy industry to provide strong leadership during a challenging time, following a national unification effort through the Australian Dairy Plan.

Mandatory Code of Conduct & Competition

The committee is awaiting the implementation of the mandatory code of conduct for dairy, which is being developed by the Australian Competition and Consumer Commission and Department of Agriculture. The draft code, released in early 2019, includes a ban on retrospective price cuts and exclusive supply deals, and introduces a dispute resolution process. If implemented, the code will be a positive step toward alleviating the significant power imbalance between farmers and processors.

Continued advocacy for milk price rise

The committee will work to ensure supermarkets do not return to selling \$1-a-litre milk and that farmers continue to directly receive in full the 10cent a litre increase that was achieved in early 2019.

Marketing dairy as a premium product

The dairy committee will continue to work on ensuring dairy is recognised as a premium product that offers a wealth of nutritional benefits. This includes supporting the end to non-dairy beverages, such as those derived from almonds, soy and coconut, being labelled and marketed as 'milk'. The committee supports the industry's move to call on the federal Government to amend the Food Standards Code to prevent the term 'milk' being used on plant-based beverages.

EU Free Trade Agreement

The committee will advocate against the EU's protection of common cheese names such as feta and gruyere as geographical indications (Gls) in free trade negotiations with Australia. Gls have the potential to compromise the profitability of the dairy sector through forcing rebranding of cheese products, and through diminished name recognition. NSW Farmers' will make a submission to the federal consultation process on the EU's FTA conditions, highlighting the common use of names like 'feta' in Australia.

Water

The committee continues to work with both state and federal governments to improve water access, especially given the drought and water allocation restrictions.



ADF/AR 2018-19/46 ADF/AR 2018-19/47

Queensland Dairy farmers' Organisation



Over the past two years, QDO has re-evaluated its roles and responsibilities to both the Queensland and Australian dairy industries. We have a clear direction at the senior management level, greater transparency and better communication with members to ensure that all projects undertaken by the organisation are done for the betterment

Over the past 12 months, QDO has transformed its core agenda from traditional advocacy to action. We have gone from being a relatively small voice in the Australian dairy industry, to be a leader within the Industry.

Politicians, Government departments and the media turn to QDO first to find out the facts and strategies being undertaken to help the dairy industry get back on its feet.

We have been working hard to gain media and consumer support to put pressure on processors and supermarkets to provide members with sustainable farm gate returns. QDO will continue to advocate a number of consumer-focussed initiatives in 2019 that will drive the farmgate price towards a fair, equitable and sustainable figure that aligns with

Cyclone Debbie Project

QDO conducted Growth, Transition & Succession Options for Dairy Farmers workshops in Beaudesert and Marburg respectively which were attended by 51 farmers. QDO visited 89% of all farms in the Scenic Rim/ Lockyer Valley region for one-on-one sessions with farmers wanting to make changes on their farm. The Cyclone Debbie project concluded in December 2018.

Biosecurity

QDO contacted members to arrange for Johnes Diseas (JD) testing. To increase efficiencies, testing was batched by regions to maximise time and minimise wastage. QDO completed 221 JD tests between February and June 2019.

Dairy & Fodder Water for Profit

The program started in December 2017 and finished in August 2018. In collaboration with QDAF dairy officer Ross Warren a total of 48 on-farm assessments were delivered. Of the 48 assessments, 18 effluent systems and 30 irrigation systems were delivered to both dairy and fodder producers. Thirty-three applications were received with 13 irrigation and three effluent grants being awarded. Twelve farms completed the system changes to improve their water use efficiency. A number of training events were also held with a total of 71 participants. The program also saw additional soil moisture monitoring equipment installed on farms to be utilised for optimum irrigation scheduling.

Member organisations

Year in Review

End of \$1 litre milk in supermarkets nationally.

After almost a decade of supermarkets pushing an artificial floor price of \$1-a-litre for fresh milk, QDO drove a concerted national media campaign to end \$1 milk. This was initially campaigned at the start of August 2018 as a 10 cent Drought Levy to ensure heightened consumer and media support for the campaign. Consequent media interest and consumer support led to negotiations with the supermarkets, resulting in all major outlets committing to remove \$1/L milk from their shelves.

Since March 2019, the retail price for milk has risen twice and now sits around \$1.35 per litre in the major supermarkets. QDO is working with other state bodies to consult with processors to see a flow through the value chain so that farmers receive the benefit of the retail price increase.

A campaign funded under the Office of Small Businesses Go Local for Queensland Dairy banner to promote Queensland dairy brands was launched in late September 2018. The Cream of Australia campaign highlights the quality of Queensland dairy brands, the value of supporting Queensland farmers and the tireless work of farmers to bring consumers the great products they know and love.

QDO continues to work with the Queensland Department of Agriculture and Fisheries (DAF) on the development of the Fair Milk Logo which will help consumers to identify brands that offer its farmers a sustainable farm-gate price. Over the last 18 months it is fair to say that the minimum farm-gate price for raw milk has increased significantly, due largely to ongoing drought across Australia, under-supply and higher production costs. As part of the logo development and subsequent campaign, QDO is working to determine how the logo can be used practically by brands if the farm-gate price is subject to major fluctuations.

Dairy Farm Water Futures

QDO secured a grant to maintain capability and deliver similar outcomes as achieved through Dairy & Fodder Water for Profit. With this grant QDO will train project officers in extension to work with dairy and fodder producers to increase their irrigation systems' efficiency in energy and crop yield. This will be achieved using low-pressure irrigation, improved distribution and uniformity and irrigation scheduling. On farm activity is expected to start in August. The program runs until June 2021.

Reef alliance

Throughout the last financial year, most deliverables have been completed. A priority for this program has included extension with the following activities taking place:

- Business management discussion days
- Effluent management and reuse with farms having effluent samples taken to improve nutrient systems
- Succession Planning dinner

Animal Activism

Animal activists have targeted farms across Queensland over the past several months. Several dairy farms on the Darling Downs and areas close to Brisbane have been visited by these groups. QDO has worked with the Queensland Government and the Animal Industry Security Taskforce to ensure farmers are kept up to date with potential activism and have been provided with new signage incorporating changes to the Biosecurity Act to enable tougher prosecution of trespassers on farms.

Upcoming priorities

QDO will continue to deliver the above projects throughout the 2019-20 financial year. Two additional projects are now progressing for this year: Dairy WHS and Business Planning. Both projects will involve extensive workshops with farmers throughout Queensland and will be followed by one-on-one sessions on farm with QDO Project officers.



SA Dairy farmers' Association

The last year has seen some improvement in the South Australian dairy industry.

The supermarket price war seems to have finally ended with the removal of \$1-a-litre milk. However, the legacy damage of the \$1 milk decade will linger for some time. The price wars have cemented in the minds of many milk producers that supermarkets and processors think of themselves first before they think of the industry and where the milk comes from.

SADA played an active role in challenging the \$1 milk fight by supporting a mandatory code of conduct for the dairy industry and meeting will all major processors in the hope of creating greater co-operation across the sector.

The federal Government has promised to introduce the new mandatory code soon and SADA will have a strong input into that process until final resolution.

As an industry leader, SADA has also created, with the assistance of industry across the supply chain, the South Australian Dairy Industry Action Plan 2019-2024. This plan has been two years in the making and seeks to bring together processors and producers under a single umbrella of a unified dairy jurisdiction dedicated to both premium and

This plan was launched in early 2019 by the South Australian Minister for Primary Industries, the Hon Tim Whetstone and SADA President John Hunt.



The Plan will become the rallying point for creating co-operation across the SA dairy industry, positioning the industry as a premium supplier to the world. A summit, jointly convened by SADA, the SA Government and the SA Branch of the Dairy Industry Association of Australia (DIAA) will use the Plan as a base document for the future of the SA dairy industry. SADA and the SA Government have also dedicated funds to employ a full-time officer to give effect to the roll out of the Dairy Industry Action Plan.

SADA has also been at the forefront of pursuing law changes in SA regarding issues impacting on farmers. The SADA submission to the SA Government relating to genetically modified (GM) product was recognised nationally for its quality and its incisiveness.

The SA Government has announced the dropping of the GM moratorium in SA, (with the exception of Kangaroo Island), and SADA has been proudly at the front of that fight.

SADA has also been at the forefront of the fight for changes to trespass legislation in South Australia. SADA was already holding public meetings educating farmers on their roles and responsibilities regarding trespassers before the blow-up surrounding the Aussie Farms website.

SADA has also been closely involved with advising government on how it can change the legislation regarding trespass in positive ways

SADA is performing well with CEO Andrew Curtis putting into place policies and procedures to measure performance. The organisation's strategic plan, assisted by policy officer John Elferink, ensures SADA has valuable input into all matters impacting the SA dairy industry.

Tasmanian Farmers and Graziers Association



The TFGA's Dairy Council is a passionate advocate for the Tasmanian dairy industry, comprised of and directed by dairy farmers, and working closely with all levels of government and other industry stakeholders.

Year in Review

The TFGA Dairy Council has been actively involved in the following initiatives in the 2018-19 financial year:

- Foreign Investors Land Tax was reneged by the Treasurer. TFGA was prominent in the preceding discussions and final decision. It was proposed that the land tax would be 3% of the value of residential property and 0.5% of the value of primary production property;
- Working on the issue around geographical identifications (GIs) in the dairy industry. TFGA and ADF working together to help inform farmers of the risk that is poses to the industry;
- Still in discussion about the DairyPlan;
- The TFGA has recently had five new Dairy Council members;
- Charter for Working on Private Farmland. Improving the line of communication between farmers and 'utilities';
- TFGA Bobby Calf Working Group: Review of this years' calving season and possible projects that is being undertaken relating to bobby calves;
- TFGA conference and dinner;
- · Australian Dairy Plan; and
- · Industry Training, Biosecurity, Communications.

Upcoming Priorities

The TFGA Dairy Council is working on the following issues during the 2019-20 financial year:

- Submissions:
 - Deer Survey;
 - Cat Management Act;
 - Saputo acquisition of Lion;
- Irrigation tariffs;
- Landmark acquisition of Ruralco; and
- Tasmanian Emergency Management Arrangements Review;
- Department of Agriculture discussion paper on 'Modernising the Research and Development Corporation system'.



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United Dairy farmers of Victoria



United Dairyfarmers of Victoria (UDV) is the collective voice of Victorian dairy farmers and the largest member of ADF.

Additionally, as a commodity group of the Victorian Farmers Federation (VFF), the UDV provides representation on a broad range of agricultural issues affecting all farmers.

2018/19 has been a year focused on building sustainability into our industry, our communities and into Victorian advocacy,

Year in Review

Animal activists

Following several public protests and farm invasions in early 2019 from animal activist groups a great deal of work has gone into ensuring farmers and their families remain safe in their own homes. Victoria have remained vocal in this debate and engaged with key stakeholders to ensure that animal agriculture does not become misrepresented.

The Victorian Government opened submissions investigating the economic implications of animal activists on Victorian agriculture. UDV provided a comprehensive submission to this process and ran a campaign to encourage as many farmers as possible to provide submissions to the issue.

Dairy in Northern Victoria

Extensive work has been undertaken around the state of the Northern Irrigation District. With the area facing skyrocketing costs of feed and water as well as many leaving the industry the UDV has been instrumental in working towards a solution. The UDV has played a critical role in bringing together farmers, government and industry stakeholders to work towards a solution that will enable the Northern Victoria dairy industry to remain productive and profitable.

Upcoming priorities Markets and Trade

With the introduction of a mandatory code, the EU free trade agreement and the price of milk all hot topics for the year, the markets and trade portfolio will continue to be a key point of focus for the UDV. The UDV is focusing on the impact of geographical indications (GIs) under an Australia-EU FTA by holding roadshow events to engage dairy farmers in lobbying the government to oppose GIs. The UDV will stay active in this space and ensure that the interests of Victorian dairy farmers are represented.

Expanding membership

The UDV made the decision to broaden membership categories by allowing farm employees and industry representatives to become members with limited voting rights. This will provide all stakeholders with an opportunity to contribute to policy development and is an important step to keeping advocacy relevant and engaging.

Other efforts

Additional work from the UDV has secured successful outcomes for Victorian dairy farmers:

- Lobbying for \$2 million in funding for Pasture Recovery and Management to assist drought affected farmers;
- Streamlining energy grants to make it easier for farmers to improve efficiency of energy usage on farm;
- · Lobbying VicRoads to ensure practical road design requirements and
- Movement from processors towards a simplified milk price structure including Bega who moved to a 9:3 payment structure

Western Australia Farmers WAFARMERS Federation Dairy Committee



The WAFarmers Dairy Council aims to supply our consumers with a safe, wholesome and nutritious product. We aim to ensure the dairy industry is sustainable: profitable for farmers; safe for the environment and our animals; and valued by the community.

The Dairy Council works to ensure our industry is involved in shaping the regulations and laws under which dairy businesses operate. We contribute to strong leadership and nationally coordinated policy and advocacy work so the dairy industry can grow and prosper. The Dairy Council represents farmers on a wide range of industry issues including animal health and welfare, water and environment, milk pricing, supplier contracts and industry promotion.

Year in Review

Dairy Council representatives on the ADF policy advisory groups (PAGs) - Michael Partridge, Ian Noakes, Phil Depiazzi and Tammy Negus have travelled regularly to Melbourne to contribute to ongoing policy

Importantly, our advocacy has contributed to two milk price rises. Although farmers did receive all the price rise, this joint effort has been an excellent step in bringing value back to the farm gate and helping to restore optimism in the industry.

WAFarmers has had very constructive Calm the Farm meetings in response to on-farm animal activism, quickly defusing the situation, letting farmers know their rights and calming the situation before someone is hurt. About 120 farmers, livestock transport operators and industry group representatives attended the Calm the Farm information evening at Harvey recreation centre in February. WA Police, the National Farmers' Federation, ADF and government have been very supportive.

WAFarmers has contributed to the long and challenging journey of developing a mandatory code of conduct and have advocated for a 12-month termination clause to ensure processors can no longer leave farmers without their milk being collected.

In July 2018, WAFarmers ran a successful Dairy Conference on the theme Milk in the Balance, which was well received by the 78 delegates. Key speakers were national and state industry leaders.

In September 2018, WAFarmers again supported the Dairy Pavilion at the Royal Agricultural Show. In four years, the Dairy Pavilion has become excellent for WA dairy industry public relations and one of the top three visitor highlights of the Perth Royal Show, attracting 140,000 visitors in 2018.



Natural Resource Management

Rising input costs continue to be a key issue for farmers. Natural resources will remain a key area of focus on the UDV agenda for the coming year. Effective government policy must include an approach for farmers who are facing first-hand the effects of climate variability. Farmers must have the tools, resources and support to ensure our industry is prepared for ever increasing variability through the development of fit for purpose government policy, research and technology.

Western Australia Farmers Federation Dairy Committee WAFARMERS



Upcoming Priorities

There are productivity concerns facing the WA dairy industry, including:

- The WA Dairy Industry is one of the most isolated in the world;
- There is a lack of manufacturing infrastructure to supply export markets, which limits farmers' ability to grow; so individual growth comes at the expense of fellow farmers;
- WA's milk processing sector lacks scale, and struggles to compete internationally;
- Milk production has seasonal peaks and troughs and WA does not have a balancing mechanism or infrastructure to enable efficiencies, growth and diversity;
- There is no market mechanism to get value back to farmers;
- Milk prices have not kept pace with CPI since start of \$1/Litre milk price; and
- · Climate change is affecting growing seasons and increasing costs of stock feed.

As a result, dairy farmers are exiting the industry; only 130 are left out of 440 at deregulation in 2000. The WAFarmers Dairy Council plans to address these issues by:

- Promoting the uniqueness and importance of our fresh local
- Exploring mechanisms to develop a state balancing mechanism in the form of a state dairy cooperative;
- Ensuring the mandatory code of conduct includes 12 months termination clause;
- Continuing to support Western Dairy to deliver farm resilience programs; and
- Exploring regional geographical indications (Gls) such as Southwest Dairy and support 'truth in food product labelling'.

The Dairy Council's environmental concerns are:

• The need to minimise entry of fertiliser and effluent into waterways and minimise wastage of water and energy

The Council intends to address these issues by:

- Promoting understanding of the excellent work already being done by
- Continuing to support soil testing and effluent management systems;
- Encouraging all processors to reward farmers for environmental care;
- Encouraging government to financially incentivise farmers to better manage effluent and fertilizer, promoting renewable energy and revegetation.

People and human capacity concerns are:

• Finding, training and keeping good workers on a dairy farm is a key challenge.

The Dairy Council will address these issues by:

• Boosting image of industry to youth: promote dairy in all school curricula and careers programs

Animal welfare concerns are:

· Activist trespassers have impacted on dairy farmers and damaged the reputation of the dairy industry

The Dairy Council will address these concerns by:

- Supporting public education about the nutritional and heritage importance of dairy; and
- . Ensuring the public are aware of WA's leadership in not docking tails, not inducing calves, and growing on male calves.

Finally, the WA Dairy and Energy proposal to develop a 25,000-cow farm at Dandaragan north of Perth must create opportunities for the existing dairy industry such as providing a balancing mechanism for the seasonal peaks and troughs, and access to export markets.

The Dairy Council is looking forward to future success through strong advocacy and ongoing partnerships with ADF, Dairy Australia, Western

Member organisations

