

# 2012 - 2013

## Dairy NSW Annual Activity Report



Dairy NSW Ltd

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## Acknowledgements

Dairy NSW would sincerely like to thank all those involved in its activities for their participation, encouragement and support.

In particular we would like to express our appreciation to the dairy farmers of NSW and the following organisations: Dairy Australia, NSW Farmers’ Association and in particular the Dairy Section, Dairy Connect, NSW Department of Primary Industries, Sydney Catchment Authority, Department of Agriculture, Fisheries and Forestry, NSW Environmental Trust, Hawkesbury-Nepean Catchment Management Authority, Southern Rivers Catchment Management Authority, Women in Dairying, Office of Environment and Heritage and our Regional Dairy Groups (Far South Coast Dairy Development Group, Hunter Dairy Development Group, Inland Elite Dairy Network – Forbes and Wagga Wagga Groups, Mid Coast Dairy Advancement Group and the South Coast and Highlands Dairy Industry Group) and of course the never ending work of their Regional Co-ordinators and other support staff.



## Dairy NSW Vision

Dairy NSW is a trusted partner, valued resource and is engaged with NSW dairy farmers.

## What is Dairy NSW?

Dairy NSW Ltd is one of eight Regional Development Programs (RDPs) throughout the nation's key dairy areas and operates under the auspices of Dairy Australia.

It is a non-profit incorporated body established in 1996 to develop a strategic direction for dairy research, development and extension programs in the region.

It sets priorities, seeks submissions for dairy improvement projects and commissions them. Dairy NSW is also responsible for monitoring the success of these projects and their ability to make an appropriate return on the dairy farmers' service levy that part-funds them.

Dairy NSW works closely with farm policy organisations, government agencies, RDP's in other states/regions and with Dairy Australia, in carefully identifying and developing priorities for on-going research, development and extension. In doing so, it works hard to ensure its policies are linked and fully integrated with national policies and that the research and extension work carried out in the region provides productivity and efficiency gains.



## Dairy NSW Mission

Our mission is to co-ordinate regionally specific research, development, extension and education activities that deliver outcomes for the benefit of Dairy NSW farmers.

In order to achieve this Dairy NSW has, with the assistance of the Regional Dairy Groups that act on behalf of dairy farmers in our region, agreed to address the following six strategic priority areas:

1. Business systems
2. People systems
3. Farm systems
4. Industry awareness and capacity building
5. Managing regulations
6. Health and wellbeing

The individual importance of each of these six priority areas will be different in each sub region of Dairy NSW.

*For every \$1 dollar invested in both small and large projects combined Dairy NSW secured another \$17.40 for dairy farmers in the region.*

## Chairman's Report

The 2012/13 year revealed significant changes to both Dairy NSW and the wider dairy industry. The past year proved difficult with many dairy farmers' profitability being challenged by unfavourable seasonal conditions, falling farmgate prices and higher input costs with purchased feed continuing to be the largest single cost item for dairy farmers. Whilst production in the region rose marginally to 767 million litres, farmer confidence plummeted with only 41% of dairy farmers planning to increase their production in the next 12 months. The processing sector in our region is undergoing changes which is offering options for farmers but also creating uncertainty for others.

Dairy NSW has continued to implement the recommendations from the Cowan review. A new constitution was adopted by the members which allowed for the transition from a representative to a skills based board in April this year. To the new Dairy NSW skills based directors I'd like to formally offer you a warm welcome and look forward to working with you and the rest of the Dairy NSW team to see a future where Dairy NSW is a more engaged partner and trusted resource to the dairy farmers in our region.

Dairy NSW has continued to work with the University of Sydney and the Dairy Research Foundation to establish a 'dairy hub' in NSW and hope in the coming months to have a physical presence in the state. We have also addressed staffing levels for Dairy NSW in the short term and are currently in the process of appointing a full time Executive Officer who will be based from the 'dairy hub'. In addition, the Dairy Australia appointment of two Extension Co-ordinators into our region occurred in April and we look forward to effectively utilising this new resource for the ultimate benefit of our dairy farmers.

A new strategic planning process saw in depth consultation with the Regional Dairy Groups: Far South Coast Dairy Development Group; Inland Elite Dairy Network; Hunter Dairy Development Group; Mid Coast Dairy Advancement Group and the South Coast & Highlands Dairy Industry group, who represent the RDE&E interests and needs of local dairy farmers. The result of this farmer consultation has been a renewed focus for Dairy NSW investments and regional activities.

Dairy NSW investment and partnering in programs that had regional relevance to dairy farmers saw us effect a leverage of \$1:\$17 - more clearly put for every dollar received from Dairy Australia, Dairy NSW was able to secure more than \$17 from other sources for the benefit of the industry. This leverage has enabled us to continue to provide farmers with a measurable link to the value of the dairy service levy.

We will over the coming years continue to strive to bring value and deliver increased benefits to the farmers of the Dairy NSW region.

I would like to thank Kate McGilvray for all of her help to the board and especially myself, especially over the last 12 months. As Dairy NSW moved to a skills based board there was large amount of work that was involved in administration of Dairy NSW. Kate has helped all the new board members familiarise themselves with Dairy NSW. Thank you Kate from myself and the rest of the board of Dairy NSW.

To ex-directors Leanne Alley, Tim Burfitt and Scott Wheatley who all chose not to seek appointment to the new Board I'd like to thank you for your passion and contribution to Dairy NSW over your terms and particularly over the last 12 months during this time of immense change. Thanks also to the skilled Dairy NSW team for their efforts to make our industry a more vibrant, confident and profitable environment for all dairy farmers.

A final thanks to Joe Chittick, previous Chair of Dairy NSW, who stood down from the organisation at the last AGM. Your guidance, commitment and tolerance went far beyond the call of duty and the dairy industry should be forever grateful to have had you at the helm of Dairy NSW during this period of change. On behalf of Dairy NSW and the wider industry thank you.

**MICHAEL PERICH - DAIRY NSW CHAIRMAN**



## Project Funding

Each year Dairy NSW commits well over \$100,000 of the funding it receives from Dairy Australia to projects that specifically address regional priorities and build capability within the industry. Funding is typically allocated to Regional Dairy Groups (RDGs) as well as other dairy involved research organisations such as universities and private companies servicing the dairy industry.

Five Regional Dairy Groups (RDGs) operate within the Dairy NSW region conducting activities relevant to the dairy industry in their individual regions. Whilst RDGs are separate legal entities and operate as such, Dairy NSW provides support and assistance to the groups via resources and supplementary funding from its Small Project Applications budget allocation. In return the RDGs provide a link to dairy farmers in the region and keeps Dairy NSW informed on regional priorities. These Dairy NSW resources and funding are seen as ‘seeds’ to encourage and assist the RDGs to undertake additional projects and initiatives (ie non Dairy NSW funded) which are of particular relevance or significance to the dairy farmers in their areas. Below is a summary of the Dairy NSW funded projects typically initiated and implemented by the RDGs. All groups also undertake additional activities.

### **Far South Coast Dairy Development Group**

- Women in Dairy Lunch with Catherine Mariott
- Study tour to Ellinbank Research Farm and Farm World
- Regional Co-ordinator
- Travel and delegate fees to the Australian Dairy Conference
- Travel, accommodation, fees etc to the 2013 DRF Symposium

### **Hunter Dairy Development Group**

- Regional Co-ordinator
- Travel and delegate fees to the Australian Dairy Conference
- Travel, accommodation, fees etc to the 2013 DRF Symposium

### **Inland Elite Dairy Network**

- Travel and delegate fees to the Australian Dairy Conference
- Regional Co-ordinator - Forbes and Wagga Wagga
- Dairy Trainee Awards Dinner
- Travel, accommodation, fees etc to the 2013 DRF Symposium
- Cow behaviour workshop

### **Mid Coast Dairy Advancement Group**

- Rotary Youth in Agriculture Dairy Camp
- Regional Co-ordinator
- Travel and delegate fees to the Australian Dairy Conference
- Flood Information Days
- Travel, accommodation, fees etc to the 2013 DRF Symposium

### **South Coast & Highlands Dairy Industry Group**

- Development of social media communication strategy
- Travel and delegate fees to the Australian Dairy Conference
- Regional Co-ordinator
- Travel, accommodation, fees etc to the 2013 DRF Symposium

Investment in Small Projects and sponsorships alone in 2012-13 yielded a returned leverage of \$1:\$3.41. In total \$105,325 was earmarked for investment in small projects with 79% going to industry training and human resource development. A further 14% went towards feedbase research and extension and 7% to herd management extension.

In the 2012-13 year Dairy NSW also received proposals and approved funding towards heat detection accuracy, effects of feed additives during an induced acidosis challenge, sponsorship of the Professor of Dairy Science, Dairy Research Foundation Symposium, Cows Create Careers and the Moo'in Transfer.

With funding secured from outside of the dairy industry Dairy NSW has also continued to deliver additional projects specifically within the natural resource management realm. The combined leverage for these larger projects with the small projects previously listed is a respectable \$1:\$17.40.

## Protecting Biodiversity and Improving Soil Condition across the Dairy NSW Region

Since 2011, Dairy NSW has been delivering the Caring for our Country funded 'Protecting biodiversity and improving soil condition across the Dairy NSW region' project across NSW.

Farmer workshops were utilised to develop dairy farmer natural resource management knowledge and skills, specifically soil management practices and biodiversity protection. In total, 83 farmers utilised the Dairy Self Assessment Tool (DSAT) and Farm Nutrient Loss Index (FNLI) to carefully plan and design on-ground works to be incorporated into their own farm specific management plans.

A number of on-ground biodiversity improvement projects were selected to receive funding to implement specific elements of the farm specific management plan. During the last year farmers have continued to implement these on-ground works. A small number will be finalised in the coming year.

The majority of on-ground projects delivered financial and technical support to dairy farmers to eradicate and better manage effluent 'hot spots'. These projects are improving efficiency at the dairy through better traffic areas and actively managing effluent for on-farm nutrient re-use that promotes biodiversity as the project intended. A short series of case studies will also be available with the final reporting of this project to Caring for Our Country.



## Dairy Effluent Pond Desludging

The Dairy Effluent Pond Desludging project followed on from the Dairy Effluent Management Training (DEMT) Project. The DEMT improved on-farm effluent management in the region by providing one-on-one and group training to farmers and assisting them to develop and

implement farm specific dairy effluent management operation plans (DEMOPS) and specifically address sludge levels in effluent ponds and their recycling water quality.

Each participating farmer trialled their DEMOPS over 3 months and then received a follow up visit from an industry expert to discuss and further refine the plan to match their individual



requirements. The final DEMOPS provides a quickly accessible annual checklist for the efficient and effective operation of each farmer's system.

At the completion of the DEMA project a small amount of Environmental Trust funding had been unspent. Dairy NSW sought and was subsequently approved to retain this funding and put it towards the Dairy Effluent Pond Desludging project.

Additional funding and support was secured from the Sydney Catchment Authority, Hawkesbury-Nepean Catchment Management Authority and Southern Rivers Catchment Management Authority to further develop this second effluent project.

The new project has allowed nine farms in the Southern Highlands to desludge their effluent ponds and distribute effluent on their properties to achieve the best possible productivity and catchment-scale health outcomes in conjunction with the Sydney Catchment Authority. A co-ordinated approach to the desludging and application occurred with a set of two contractors being approved. This approach ensured value for money through a collaborative approach in contrast to isolated 'ad hoc' approaches when desludging is managed by individual farmers.

Soil testing of paddocks receiving sludge have been conducted to determine the economic value of the re-used sludge and further investigation will allow quantification of the reduction of water quality risks

## Cows Create Careers

Dairy NSW continued to provide opportunities for industry development and growth through support of the Cows Create Careers program. The Cows Create Careers program creates awareness about career opportunities in the dairy industry. It is not just about students rearing calves, but about students researching the dairy industry and potential career pathways, then linking students to further educational opportunities at both vocational and university levels. Surveys conducted following delivery of the project showed 839 students (nationally) were interested in a dairy industry work experience connection. Whilst the two top areas of interest were dairy farming and veterinary pathways, delivery of the manufacturing and camembert module in NSW in 2012 may provide increased consideration by student of careers in the processing sector in due course. These linkages and connections assist in providing future dairy industry employees with the correct skills and qualifications for their chosen career pathways. Importantly, the project continues to raise the image of the dairy industry and increases the capacity of local dairy farmers and industry mentors through their involvement.

In conjunction with Dairy Australia and other industry partners, funding from Dairy NSW enabled over 1,700 students from 44 schools in NSW to participate in the Cows Create Careers. Schools covered a vast area across



the state from the Eden in the Far South Coast to Condobolin in the Central West and Kempsey on the Mid North Coast.

### Senior Section Winners

Mount View High School - Hunter Valley region

Westport High School - Mid Coast region

Menai High School - South Coast, Far South Coast, Tablelands and Inland NSW regions

### Junior Section Winners

Tomaree High School - Hunter Valley region

Port Macquarie High School - Mid Coast region

Blayney High School - South Coast, Far South Coast, Tablelands and Inland NSW regions.



The national program Moo'in Transfer was staged again in 2012 and Cessnock High School invited to deliver a 3 minute presentation including a 60 second advertising pitch addressing 'how to convince consumers to pay \$3/litre for their milk'. Five students from Cessnock High School travelled to Victoria thanks to Dairy NSW support and were successful in being announced as the proud winners of the national competition.

Another continuing component of the program was the Probiotec competition. A great way for students to make a real-life connect with the fact that marketing is an

important element of the industry. Students were judged on the design of a full page advertisement for the Australian Dairyfarmer magazine.

Due to the continued success of the Cows Create Careers program, Dairy NSW continues to provide substantial financial support for its delivery in NSW.

## **Energy Efficiency for Small Business Program (rebate scheme)**

The Energy Efficiency for Small Business Program (EESPB) was part of the NSW Government's \$150 million Energy Efficiency Strategy to save energy and reduce greenhouse gas emissions but came to a close on 31 December 2012. The Program, administered by the Office of Environment and Heritage, was available to businesses that used up to approximately \$20,000 in electricity a year or had up to about 10 fulltime employees.

In 2010, Dairy NSW established a formal partnership with the then NSW Department of Environment, Climate Change and Water (now the Office of Environment and Heritage) to collaboratively promote participation and environmental outcomes from Dairy NSW's existing Natural Resource Management and climate change programs and deliver the EESBP to the dairy industry.

Specifically, Dairy NSW's major role in the EESB Program was to co-ordinate the building of service provider capacity in dairy specific energy assessors and to facilitate the rebate process. This



resulted in an increase in the uptake of the EESBP in the region in order to protect and restore the environment and add business value.

The following table shows industry participation in the scheme, external funds made available to the dairy industry as well as potential industry and environmental savings. By the end of 2012 the majority of NSW dairy farms participating in EESBP had completed onground energy efficiency upgrades of various kinds, all of which directly resulted in on farm cost savings, and overall reductions in green house gas emissions of the industry.

<b>EESBP Statistics – NSW dairy farmers as at October 2012</b>	
Registrations by dairy farmers	490
Retrofits conducted by dairy farmers (to date)	200
Total Rebate Value (claimed to date)	\$730,840
Total estimated savings –MWhrs of electricity	1118
Total estimated savings –Tonnes of CO2	1185
Total estimated savings	\$236,350
Total estimated savings –MWhrs of electricity*	2176
Total estimated savings - Tonnes of CO2*	2307
Total estimated savings*	\$478,720

\* Includes estimated savings associated with 60% of all farmers implementing no or low cost recommendations from their personally developed Action Plan.

## Detailed Profit & Loss Statement For the year ended 30 June 2013

	2013	2012
<b>Income</b>	<b>\$</b>	<b>\$</b>
Funding - Dairy Australia Program Conduct	312,393	263,904
Interest received	31,384	38,142
Specific project income	-	303,465
Service fees – ERS	17,007	7,445
Other income	1,333	882
<b>Total income</b>	<b>362,117</b>	<b>613,839</b>
<b>Expenses</b>		
Accountancy & bookkeeping	12,000	12,000
Advertising & promotion	891	-
Audit fees	3,750	4,200
Bank fees and charges	590	683
RDG Co-ordinator Fees	28,600	35,100
Filing Fees	103	-
Insurance	3,577	3,080
Meeting expenses	62,964	38,805
Postage	236	268
Printing & Stationery	6,957	1,323
Program Management Fees	65,256	64,347
Project Costs	54,139	456,341
Salaries & Wages	4,401	3,732
Small Project Payments	54,074	128,975
Sundry Expenses	10,713	1,639
Telephone and internet	1,884	2,765
<b>Total expenses</b>	<b>310,135</b>	<b>753,257</b>
<b>Surplus from Ordinary Activities</b>	<b>51,982</b>	<b>(139,418)</b>

# Balance Sheet

## For the year ended 30 June 2013

	Note	2013	2012
		\$	\$
<b>CURRENT ASSETS</b>			
Cash Assets	3	985,959	1,068,319
Receivables	4	703	26,938
Current tax assets	5	121	-
Other	6	2,363	1,573
<b>Total Current Assets</b>		<b>989,146</b>	<b>1,096,830</b>
<b>TOTAL ASSETS</b>		<b>989,146</b>	<b>1,096,830</b>
<b>CURRENT LIABILITIES</b>			
Payables	7	7,425	23,514
Current tax liabilities	8	-	4,021
Other	9	219,309	385,865
<b>Total Current Liabilities</b>		<b>226,734</b>	<b>386,400</b>
<b>TOTAL LIABILITIES</b>		<b>226,734</b>	<b>386,400</b>
<b>NET ASSETS</b>		<b>762,412</b>	<b>710,430</b>
<b>EQUITY</b>			
Retained surplus		762,412	710,430
<b>TOTAL EQUITY</b>		<b>762,412</b>	<b>710,430</b>
Notes			
<b>3. Cash Assets</b>			
Bank accounts:			
Cash at bank		983,711	1,066,071
Deposits at call		2,248	2,248
		<b>985,959</b>	<b>1,068,319</b>
<b>4. Receivables</b>			
<b>Current</b>			
Sundry Debtors		703	26,938
		<b>703</b>	<b>26,938</b>
<b>5. Tax Assets</b>			
<b>Current</b>			
Net GST receivable		121	-
			-
<b>6. Other Assets</b>			
<b>Current</b>			
Prepayments		2,363	1,573
		<b>2,363</b>	<b>1,573</b>
<b>7. Payables</b>			
<b>Current</b>			
Sundry Creditors and Accruals		7,425	23,514

		7,425	23,514
<b>8. Tax Liabilities</b>			
<b>Current</b>			
Net GST payable		-	4,021
			4,021
<b>9. Other Liabilities</b>			
<b>Current</b>			
Unearned grant income		219,309	358,865
		219,309	358,865

A detailed copy of the 2012/13 audited financial report can be requested by interested dairy farmers / stakeholders.

## Meetings held

**Members' Council** - 4 July 2012 - Camden

**Board Meeting** - 17 July 2012 - Camden

**Board meeting** - 19 July 2012 - Camden

**Board Meeting** - 22 August 2012 - Camden

**Board Meeting** - 5 October 2012 - via teleconference

**AGM, Members' Council & Board Meeting** - 24 & 25 October 2012 - Tocal

**Board Meeting** - 16 November 2012 - via teleconference

**Board Meeting** - 4 December 2012 - Camden

**Board Meeting** - 20 December 2012 - via teleconference

**Board Meeting** - 12 February 2013 - Camden

**Board Meeting** - 22 February 2013 - via teleconference

**Extraordinary Members' Meeting** - 14 April 2013 - via teleconference

**Board Meeting** - 5 May 2013 - Camden

**Board Meeting** - 14 June 2013 - Menangle

## Dairy NSW Contacts

### BOARD

Michael Perich - Chair (dairy farmer)

Simone Jolliffe - Deputy Chair (dairy farmer)

Ken Baxter - Director

Michelle Blakeney - Director (dairy farmer)

Delia Dray - Director

Ken Garner - Director

Dr. Ian Lean - Director

Sue McGinn - Director (dairy farmer)

### STAFF

Roxanne Cooley - Executive Officer

Kate McGilvray - Business Manager

Don Burrowes - Extension Co-ordinator South

Jacob O'Brien - Extension Co-ordinator North

## Membership on External Industry Committees

**Dairy Research Foundation** – M Perich

**Feedbase Community of Interest** - S Jolliffe

**Farm Business Management Community of Interest** - M Blakeney

**National Centre for Dairy Education Australia NSW RAC** – K McGilvray

**Northern Dairy Industry Group** – M Perich

