



THE SOUTH AUSTRALIAN DAIRY FARMERS'

JOURNAL

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IF I WERE A DAIRYFARMER



Members have quite rightly been asking me in recent weeks about the prospects for the industry. Some have sent me literature to consider, letters to contemplate and questions to grapple with. I thank them all sincerely because these thinking members are contributing to my learning process and giving me insights into your concerns. I have decided to try to offer you a perspective on the industry from my vantage place by endeavouring to dream about what I would do if I were you.

Before I launch into my prosaic piece I lay some data before you to consider. This data is derived from various statistical summaries, such as the Department of Agriculture's dairy farm survey, the ABARE Farm Surveys Report, Australian Dairy Corporation publications and Bureau of Statistics material.

1. It seems that on average larger operations have a lower per cow cost and a higher yield thus a higher return per cow and per unit area.
2. Certain regions demonstrate much lower operation costs than others particularly in off-farm purchases such as grain, fodder and irrigation costs.
3. There is a point, because of world prices, beyond which the market will not pay any more for dairy products. Before that point is reached Government will intervene and allow imports to substitute for local products.

Given these facts, and others I have taken in over the past 15 months, I allowed them to impact on my thinking as I wrote the following:

IN THIS ISSUE -

- ▣ DRC NEWS
- Ryegrass Trials
on National Basis
- ▣ PRESIDENT'S
COMMUNIQUE
- ▣ CANADIAN VIEW
ON CHOLESTEROL

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"If I were a dairyfarmer, over the next two years, I would work hard to increase my milk flow as much as possible. I would seek to establish my farm as a more than viable unit by improving its carrying capacity and paring my costs to a minimum.

"The more cows I can carry and milk the greater will be my yields and my returns. I am told constantly that we need more milk. I understand that if I can contribute more to factory throughput the gains in processing efficiencies will release more money to the farmgate.

"I would supply the Company that openly proclaimed its intention to grow and gave me solid evidence of how it would achieve that growth. I would not close my eyes to supplying a small factory that might start up provided it was entrepreneurial, viable and competitive. I would shun the conservative, steady-as-she-goes company because our industry needs to be bold if it is to prosper. We need visionary thinking to take us into the next century as an exciting industry. We need to capture high returning markets on the domestic and export fronts. Most likely this will be in short shelf life products or specialty lines.

"On the political front I would expect to be a better student of my industry's politics. I would want to be very sure that there was a national export market support scheme in order to enable me to continue farming in South Australia. Without a mechanism to keep Victorian products, or indeed any products from any State, that are in an over supply situation out in the world markets, our prices will fall and unless our costs fall at a greater rate my margins will disappear.

"I would want SADA to push beyond compositional payment by fully investigating multiple component pricing.

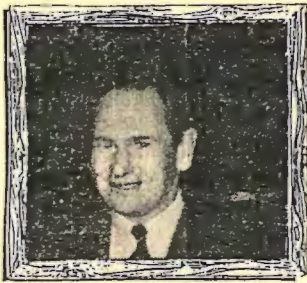
"I would deliver the goods - more milk, as efficiently as I could. In return I would expect better manufacturing prices and fulfilment from involvement in a dynamic industry".

TERRY INGLIS
SADA Executive Officer



**"Progress always involves
risk; you can't steal
second base and keep
your foot on first."**

Frederick Wilcox



PRESIDENT'S COMMUNIQUE

With 8 months of protein testing behind us, I believe there is now a better understanding of seasonal fluctuations, feed variance and their effect on the amount of protein our herds can produce. I would hope that it is now clearly understood by all industry participants the reason why Central Council has so strongly defended compositional payment.

It is clearly dangerous to take one component of milk, calculate a value for it, (based on other component values) then use that component to reflect a clear message to producers. I suppose I could say we have made that mistake with our historical payment for fat alone.

With a gazetted price of 37.59c per litre for market milk and a known value of approximately \$2.50 per kg of fat and the enthusiasm of our companies to pay for protein, we must be well down the track of achieving a compositional payment system. However, your Executive has another challenge to confront. The problem is best described by quoting Farmers' Union Manager Geoff Babidge, "It is difficult for negotiation on these matters to further proceed until the other element of true equalization is accepted by all parties, namely the equalization of volume of milk used in city milk sales in proportion to the percentage volume of milk collected by each company in any one month". Milk transfer is a problem that can be best described by high-lighting a clause within the 53 year old equalization agreement. When the original agreement was drafted there were approximately 17 companies participating, now there are only 2. Some of these companies were principally market milk suppliers. If one or more of these companies did not have enough milk to meet their needs in the lean season, milk would be purchased (i.e. accommodation milk) from another company or companies participating in the equalization agreement. The criteria for need was that the market milk companies were obliged to have used their very last litre (gallon) of milk.

Today with 2 companies, we as farmers still share the Market Milk premium equitably, but there is an imbalance (as has been the case for many years) between the volumes of milk collected and sold by each of the companies that is -

Dairy Vale - greater intake - less sales
Farmers' Union - less intake - greater sales

I am quite prepared to assist the 2 companies either resolve or diffuse the apparent inequity.

But surely when referring to supply and demand the Companies must realize their constraint that applies to producers when giving notice to change supply from one company to another stifles market demand signals. Currently as you are well aware we must give 12 months notice to change companies. Victorian farmers can change immediately following the necessary courteous phone calls.

In Western Australia there was Legislative change recently which now allows free exchange of producers to any one of the three processors (which, by the way, has coincided with a 50% increase in the price paid for non-quota milk).

Although we acknowledge the increase in the basic price from \$4.05 in 88-89 to the current basic of \$4.70 and also appreciate the response to our calls for flavoured milk payment and some up-front distributions, the reality of our current level of production must be addressed .

In the MMEC area, during the period January 31 1989 to January 31 1990 we have produced 264,332,000 litres compared with the previous period January 1988 to January 1989 283,891,000 a cumulative fall of 6.9%. Taking into account the excellent spring growth in 1989 you can understand my concern. The Golden North Region have managed to hold their production to date, but likewise need incentives to drive them into the future.

The Farm Survey Report recently published by the Australian Bureau of Agricultural and Resource Economics highlights our position. The income per work year of family labour in SA during 1988-89 was only \$8,300 compared with an Australian average for the same period of \$19,700. The Companies must recognise the situation by addressing the price paid and likewise we must acknowledge the SA costs are high, and make every effort to improve our efficiency.

Goals set by the Dairy Industry Think Tank are still being energetically pursued

1. Our contribution to the Green Paper
2. A new approach for Milk Vendors
3. A State-wide Dairy Industry Authority
4. Farmer equity arrangements for market milk premiums
5. Dairy Farmer Unity; One voice State-wide

Export Market Support Scheme (All Milk Levy) - The account sales for your milk supplied during February will of course include a city milk bonus for January as you would expect. This month will be a greater amount in dollar terms than has been the case for some time. I daresay you all well know the reason. The Market Support Levy is now clearly exposed by being deducted from the basic price. We have all been paying a Market Support Levy since 1986. Right now is a critical time to be aware of the purpose, the function and the future role of the levy.

The purpose of Market Support is to raise domestic prices in Australia relative to FOB (free on board)* export parity thereby increasing farmgate return for manufacturing milk.

The function of the levy is achieved by supporting all export sales, i.e. encourage marketers to sell on the corrupt export market rather than flood or dump products in the domestic arena. In 1986 the levy enabled support of the export price by 30%. As export prices gradually improved, more money was needed to meet the 30% requirement.

The levy was increased each year until the ceiling of 45c per kilogram fat was reached. (The figure stated to be the maximum levy when the Kerin Legislation was passed).

At this level the Export Market Support is 18.5% of returns. When we talk about reducing the current levy we need to make a conscious judgement as to how much incentive is required to ensure our domestic price is underpinned. The future level of Market Support in 1990-91 and also post 1992 will be discussed at a workshop in Melbourne on 3 and 4 March. I will participate as a member of the ADIC Executive.

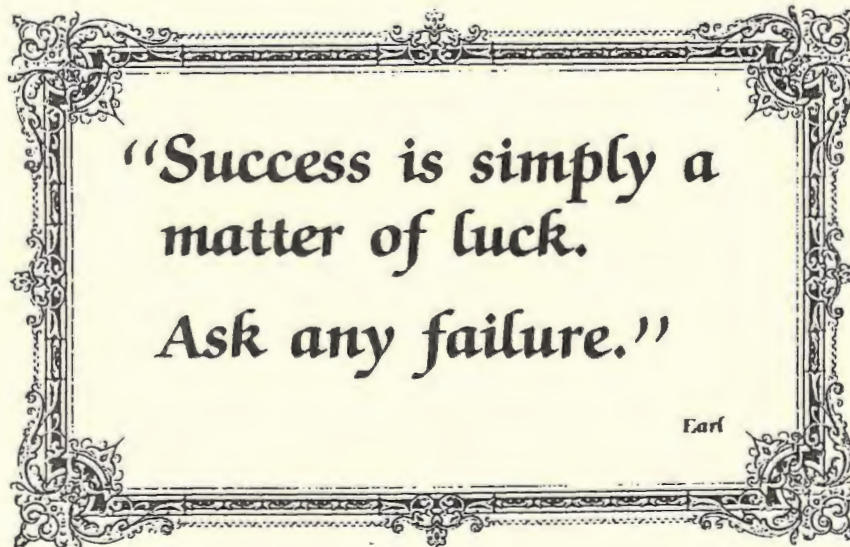
*Free on board - This economic term indicates the price delivered into a ship's hold. The purchaser then pays for transport, insurance, care etc. of the product.

Key areas of concern are:

1. The range of product attracting support
2. The mechanism to determine support for each product
3. The future rate of the Market Support Levy
4. The impact of ANZCERTA post 1992
5. Better communications within the industry of the benefits and costs of Market Support

The Australian forecasts for the rest of 89-90 include a 9% rise for manufactured dairy product. This coupled with our impending market milk price increase makes the short term future look good. SADA has applied for a significant market milk price rise. Cabinet is currently considering the level of the next increase.

ALLAN MANNING
General President



DUAL MEMBERSHIP

Following a recommendation from the Executive Committee, Central Council has endorsed the policy that membership will cost \$50 for each person who wishes to vote on SADA matters. The first membership provides services of SADA for a property and its nominee. All additional memberships carrying voting rights are to be at the current SADA membership fee.



FROM
EC

EC MINISTERS AGREE ON MILK QUOTAS

On November 21 EC Agriculture Ministers reached agreement on a 1 per cent increase in national milk quota reserves to help young dairy farmers and other special cases. They also decided to cut butter and skimmed milk powder prices in exchange. The Ministers also hammered out a compromise on future arrangements for calculating and collecting the additional coresponsibility levy for cereals and on the reform of the EC's socio-structural funds. However, the Ministers once again decided to refer back to the experts the question of veterinary checks after national border controls are abolished at the end of 1992.

FROM
NEW ZEALAND

MILK PRODUCTION CAN BE INCREASED BY CUTTING GRAIN & BOOSTING FIBRE FED

The August 1989 issue of 'Feedstuffs' reported that maximum efficiency from dairy rations can be achieved by cutting grain feeding rates and increasing high quality forages in the animals' diet. Moorman Manufacturing Company have developed a feeding programme that stresses a 1:3 grain to milk feeding ratio. The concept behind this 1:3 ratio is the development of balanced rations that maximize high quality forages for peak production. Forages with protein levels as high as 20-21% should be used, and acid detergent fibre levels should be between 30 and 40%.

STUDY OF SHORT TERM EFFECTS OF FREQUENT MILKING OF DAIRY COWS

The August 1989 'Journal of Dairy Research' reported on a study of six cows which were milked every 4 hours over 48 hours. The average milk yield per cow increased by 10.7% for the last 24 hour period compared with the previous 5 days. Milk composition was similar to pre-experimental values although fat content was 0.5% lower in the last 24 hours. The somatic cell count rose to twice the pre-experimental value over the first 24 hours but was not significantly different by the second 24 hours. It appears that cows responded quickly to an increased frequency of milking and milk of an acceptable composition was produced.

FROM
SCOTLAND

FINE-TUNED COW DIET CAN MATCH BST INJECTIONS

Fine-tuning of the diet could boost milk production by the same amount as BST injections, according to research at the Hannah Research Institute, Ayr, Scotland. Increases of 15% in milk production have been achieved by infusing protein into the abomasum in mid-lactation cows. Milk fat and protein content were also increased. Farmers would need to feed about 1.5 kg/day of fishmeal, soymeal or casein to equal the results obtained with 200g infused directly into the rumen, due to the losses of protein in the rumen. If proteins can be protected in the rumen, the method will be a workable system for increasing milk production from poorer quality pastures.



THINK TANK

The Executive Committee is about to flesh out the outline report produced by Quest Associates to provide a more complete picture for Districts. The resulting document will be rather large, but essential for developing a plan for our industry's future. Whilst SADA believes that everyone in the industry should have access to the Think Tank material the practicalities are a bit daunting. From a SADA viewpoint the Journal will serialize the resulting paper. This supplemented by District meetings about the Think Tank will give as many of you as want it, access to the outcome of that meeting.

A MATTER OF DIFFICULTY...

In Farmers' Union's February 1990 Dairy Digest an oversight by Geoff Babidge may well have caused SADA members some consternation. Whilst not wanting to comment on the questions Geoff raises which are still sub judice I must correct the oversight.

SADA laid before both companies a proposal for a Method of Payment exactly the same as the Victorian method minus the volume charge. This included the transferring of surplus butterfat and protein from market milk into manufacturing milk. Likewise any milk below the agreed market milk standard would suffer a penalty at a manufacturing milk rate.

The SADA proposal had 3 parts not the 2 as cited by Geoff. We appreciate that editorial pressures could have caused the oversight but I have felt it necessary to set the record perfectly straight. The SADA proposal has sought to have farmers paid for the marketable products they produce.

Terry Inglis

COMMUNICATION COURSES FOR DISTRICTS

Last year a series of communication, negotiation and meeting participation courses were run by Tim Newbery and myself to assist members in their skills at meetings. The enthusiasm with which the participants responded to those courses suggested they were of benefit. The recent Think Tank recommended such courses be made more widely available. Consequently Districts could run such a course either within their own District or in association with other neighbouring Districts by simply asking. So if you want to gain some insight into effective communication it is only a matter of secretaries ringing me on (08) 231 3752 to get the ball rolling.

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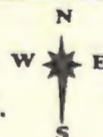
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The lean facts on fat

(taken from the Ontario Milk Producer, August 1989)

Even as consumers shy away from eating animal fats, evidence is growing that milk, with its unique combination of minerals, vitamins, proteins, carbohydrates and even fats, contributes to sound human health. Milk producers must spread the word, a panel of four health experts has urged.

"Milk has become a bad guy," Dr. Phil Gold, one of the panelists, told the recent Dairy Bureau of Canada (DBC) annual meeting. Milk producers should show leadership in setting fat and cholesterol facts straight. Gold, principal researcher at Montreal General Hospital's Research Institute, believes the bureau, operated by producers across Canada, should undertake more research to set down a solid scientific base for milk's benefits. He and the other panelists are members of the DBC executive scientific advisory committee.

Current research into calcium and milk product effects on cardiovascular disease looks promising, noted Dr. Pavel Hamet, laboratory director of molecular pathophysiology at the clinical Research Institute of Montreal, and a hypertension specialist. Several studies worldwide show increased intake of calcium, including that from dairy products, is associated with reduced hypertension.

Contrary to popular belief, hypertension, not high cholesterol level, is the biggest factor in cardiovascular disease development. The condition causes two-thirds of all deaths in Canada. Now treated almost exclusively with prescription drugs, hypertension carries huge social costs. Milk and dairy products could help prevent it.

Scientists have yet to show which aspects of cholesterol and animal fats affect cardiovascular disease and cancer, said Dr. David McCarron, director of the Institute for Nutrition and Cardiovascular Research in Oregon. His studies back up the contention that milk could have a preventive role.

His work even indicates that animal research would conclude that milk fats are a factor in reducing arterial hypertension. Such a study should be undertaken quickly, he urged. This research would determine how certain minerals - calcium, potassium and a small quantity of sodium - and fats in milk act and interact at the cellular level.

Even as evidence is gathered to debunk heart disease myths, science is shedding light on other aspects of human health. Consumers who eat large amounts of linoleic acid, for example, have a higher risk of developing colon cancer, said Dr. Cedric Garland, director of the Cancer Epidemiology Program at the University of California's cancer centre in San Diego. This acid is a vegetable fat found in large quantities in oils used to make margarine.

Increased intake of saturated fats, such as those in dairy products, doesn't increase incidence. Moreover, consuming 1,200 mg daily of calcium from milk or dairy products, about three servings, reduces colon cancer risk by two-thirds, his studies show.

Getting these kinds of facts across to consumers requires collaboration of provincial and national producer groups, Gold said. Investing in research would let producers give health professionals and consumers proof that milk and dairy product consumption benefits human health.

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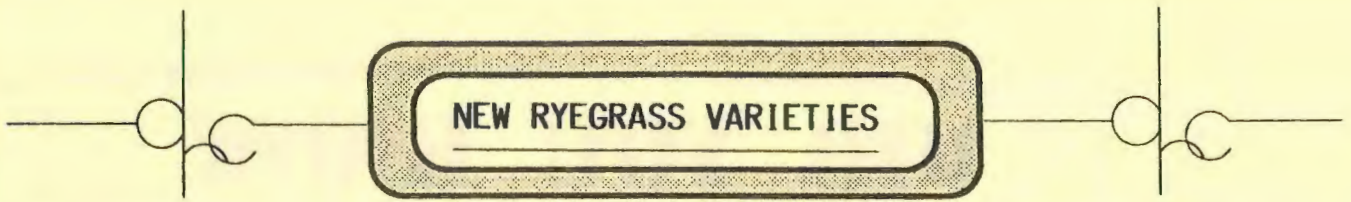
DAIRY MARKETING ARRANGEMENTS POST-1992

Primary Industries and Energy Minister, John Kerin, has confirmed that some form of dairy marketing arrangements would be put into place after the termination of the "Kerin Plan" in 1992.

Speaking in Launceston at a meeting of the Tasmanian Farmers and Graziers Association, Mr. Kerin said details of the new arrangements would be decided after an Industries Commission inquiry later this year.

The Minister said he was confident that an equitable and efficient marketing framework would be based on the "bones" of the existing arrangements, which he described as working well.





NEW RYEGRASS VARIETIES

A number of new ryegrass varieties are to be test marketed in Australia this year.

Seed companies will test the market potential of four overseas ryegrasses varieties which have been identified as having superior production and potential for use in the Australian dairy industry in a major ryegrass cultivar assessment trial.

The trial is funded by the Dairy Research Council, and conducted in South Australia. Project supervisor, senior dairy officer with the South Australian Department of Agriculture, Mr. Tim Newbery, said a total of 120 perennial and 60 short rotation ryegrass varieties will be compared by the time the trial is completed. The Ryegrasses are tested under irrigation and dry-land conditions.

The ryegrasses to be test marketed include three perennials and one short rotation ryegrass.

Two perennials, Edgar and Heraut, will be available from the Adelaide Seed Company, along with a short rotation ryegrass called Tribune. At this stage, only small tonnages of seed are available. Wright Stephenson is extending the evaluation of Edgar, Heraut and Tribune to other States this year.

Hodder and Tolley, the seed division of Elders Pastoral, should have available a small quantity of seed of the late maturing perennial variety called Javelin.

Prices for the seed will be marginally more expensive than the currently available New Zealand imported seed.

Seed from another New Zealand variety, Yatesyn 1, which also did well in the trials, will be available next year.

Tim Newbery said after the first sowing under irrigation in 1986, Heraut and Edgar produced three tonnes a hectare more than the commonly used Nui. In the second year, the new varieties produced about 8 tonnes a hectare more grass, while in year three, Nui collapsed, and Heraut and Edgar produced 18 and 19 tonnes per hectare more than Nui.

Nui performed better in the 1987 sowing. (See Table) Commenting on other aspects of the ryegrass trial, Mr. Newbery said at the irrigation site, several perennial varieties (such as Nui) virtually died out with competition from volunteer grasses such as paspalum and brome grass. However, several overseas cultivars persisted and continued to produce well over three years.

He also said most of the new varieties are from Europe, and these have a no endophyte in the seed. This compares with a majority of the New Zealand seed which contains endophyte. Mr. Newbery said at this stage, it is not known what is the relationship between endophyte level in the seed, and subsequent dry matter production of the ryegrass, the milk yield from it and how it affects animal health.

The trial has also identified there is variation in the degree of rust resistance between varieties.

With the short rotation ryegrasses in the trial, Mr. Newbery said many overseas varieties out-yielded local ones, and under irrigation, one cultivar, Tribune, has produced the highest dry matter yield each year.

Summary of results:

DRY MATTER YIELD OF PERENNIAL RYEGRASSES (TONNES/HA/YEAR)

Perennials	YEAR					
	Sown 1986			Sown 1987		
	1986	1987	1988	1987	1988	
Irrigated						
Heraut	17.0	23.6	20.4	Heraut	24.1	21.1
Edgar	17.0	23.7	19.8	Javelin	24.8	22.0
Nui	13.8	15.7	1.1	Nui	24.1	21.1

DRY MATTER YIELD OF SHORT ROTATION RYEGRASS (TONNES/HA/YEAR)

Irrigated

Sown 1986	YEAR						Sown 1988
	Sown 1987			Sown 1988			
Tama Moata Tribune	Tama Moata Tribune	Tama Moata Tribune	Concord	Moata	Tribune	Tribune	
10.2 13.7 16.5	12.9	14.3	18.0	19.4	19.2	25.0	

For further details contact:

MR. TIM NEWBERY - SOUTH AUSTRALIAN DEPARTMENT OF AGRICULTURE
- (08) 226 0441

MR. STUART GRAY - DAIRY RESEARCH COUNCIL
- (03) 805 3830



EXECUTIVE COMMITTEE:

The Executive Committee is currently addressing:

- | S.A. response to future of Market Support Scheme
- | Method of Payment
- | Statewide Equity of Dairyfarmers
- | 1990 Conference Venue
- | City Milk Price Rise
- | Murray Darling Review Strategy
- | Mount Lofty Ranges Review

CENTRAL COUNCIL:

The Central Council is due to meet on Wednesday 28 March. The following issues were dealt with at the December meeting:

Confirmation of Federation as Endorsed Insurers

- See article in this Journal

Method of Payment - Refined Attitude

Method needs to give clear market signals at farmgate. City Milk and Manufacture Milk should be separated and the payment for City Milk based on litres at a standard. (Surplus protein and/or butterfat is transferred to manufacture milk. Conversely any shortfall is made up from manufacture milk.) Manufacture Milk is paid for on the basis of protein and butterfat at values reflecting the market prices.

Dual Membership

It was decided that any additional memberships from within family units be available at a cost of \$50.00.

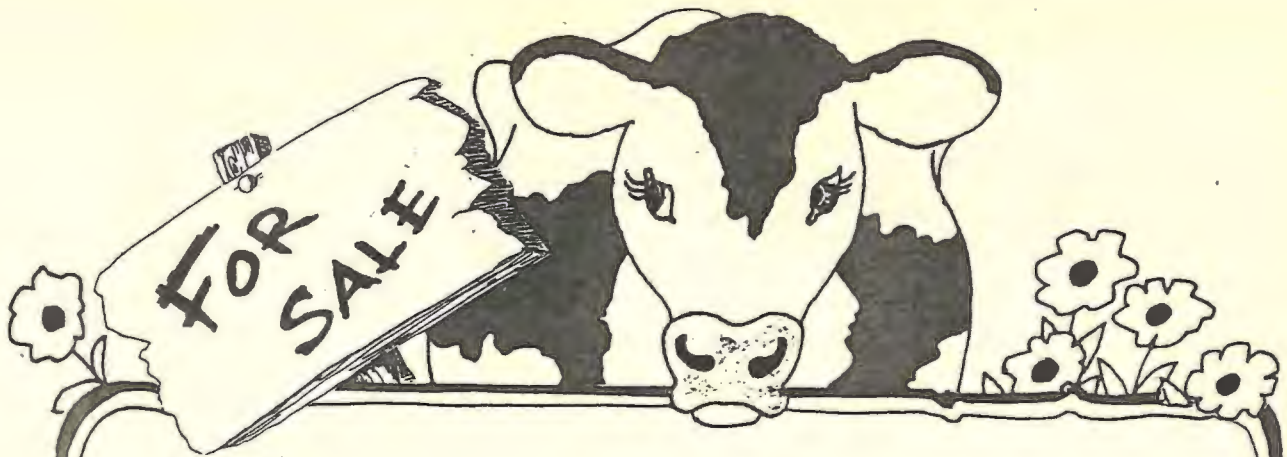
Market Support Scheme

The importance of the Market Support Scheme was acknowledged but it needed to be more flexible and responsive to circumstances. The Executive Committee was asked to develop SADA attitudes further.

MARCH MEETING:

If you have any issues you want raised, contact your Central Council delegates through your District Committee or ring Terry Inglis directly on (08) 231 3752.

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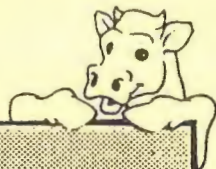
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AVERAGE SIZE OF DAIRY HERDS

Country	1983	1984	1985	1986	1987	1988
Germany	4,824	4,607	4,629	4,833	4,700	4,719
France	3,858	3,850	4,159	4,315	4,294	4,405
Italy	3,590	3,456 ^b	3,537	3,618	3,685	3,682 ^a
Netherlands	5,290	5,270	5,330	5,650	5,713	5,861
Belgium	3,935	3,866	3,930	4,153	4,107	4,082
Luxembourg ^b	4,211	4,238	4,396	4,477	4,461	4,467
United Kingdom	5,020	4,792	4,888	4,983	4,878	4,950
Irish Republic	3,684	3,809	3,926	3,883	3,940	3,953 ^a
Denmark	5,416	5,452	5,622	5,875	5,949	6,107
Greece	3,068	3,100	3,200	3,200	3,230	3,230 ^a
Total Ten^b	4,385	4,283	4,424	4,580	4,534	4,582
Spain	3,359	3,371	3,382	3,534	3,382	3,369
Portugal	3,014	3,014	3,021	3,029	3,165 ^a	3,181 ^a

Notes: a Estimated.
b New series.

Sources: EEC Ag. Stats; OECD; ZMP; MMB; National statistics.

The two tables shown on this page were taken from the publication EEC DAIRY FACTS & FIGURES 1989. It is interesting to rank South Australia against these statistics.

South Australia
Average Herd Size:
93
Milk Yield L/Cow:
3,978

The indication from the highest yielding cows is that there are tremendous gains possible in production per unit (cow, land etc.) in South Australia.

MILK YIELDS (litres per cow)

Country	Number of Cows per Herd					
	1983	1984	1985	1986	1987	1988
Germany	14.9	15.1	15.3	16.0	15.9	na
France	16.8	18.4	19.8	19.9	20.0	20.8
Italy	7.2	na	9.1	9.1	9.7	na
Netherlands	41.3	42.3	40.8	41.5	39.8	39.2
Belgium	20.1	21.1	21.7	23.3	24.2	24.9
Luxembourg	27.4	29.3	29.7	30.8	31.2	na
United Kingdom	57.8	58.2	58.2	60.0	60.9	na
Irish Republic	17.8	na	19.9	na	20.9	na
Denmark	28.3	28.4	28.2	28.0	30.0	na
Total Nine^a	16.7	na	18.6	na	18.6	na

Notes: a Average estimated size of herds (all cows) in Greece: 1983 - 3.1 head; 1985 and 1986 - 3.0 head; 1987 - 3.7 head.

Average estimated size of dairy herds in Spain and Portugal respectively: 1985 - 6.1 and 3.2 head; 1987 - 7.1 and 3.6 head.

Sources: EEC Census; MAFF; National statistics.

Our Goal Must Always Be... SMARTER FARMING TO KEEP THE COMPETITIVE EDGE

REMEMBER WHEN?

IN JANUARY/FEBRUARY 1970

An article in the Journal entitled *SENSE AND NONSENSE ABOUT DAIRY FOODS* written by a panel of eminent nutritionists said such things as:

"MILK more than any other food supplies protein, vitamins and minerals, and is a great provider of energy."

If only we could convert the term FAT to ENERGY what a marketing point!

The article also said:

"Nutritionists and doctors have given pride of place to milk as a food for adults as well as for children and young people, and we too regard it as the most nearly perfect food."

Have we lost the message in 1990?

IN 1940

The minutes of Central Council and Executive Committee for January- February 1940 indicate margarine, transport of milk, milk quality, insurance matters and payment levels were the contentious issues.

Sound familiar?

AND IN 1890

The first exports of Australian dairy products began. 400 tons of butter at an average price of 9½d per lb (Roughly \$85,000 worth - ignoring inflation!).

Let's hope 1990 will see the confirmation of our exporter status.

Developed and proven on S.A. farms by practical dairy farmers as the best balanced SUPPLEMENT CALF FOOD...

Triple M

(Morses Mineral Mixture)

raises butterfat!

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increases milk yield!

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THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL

Jan.-Feb., 1966

A Letter to the Editor

Dear Sir,

As a member of the SADA I feel a little let down that the manufacturing price paid by Farmers Union in 1988-89 has been able to pass without much if any comment.

Perhaps the SADA feels there has to be a first and a second because in that year the price we were paid for manufacturing milk along with some other Farmers Union suppliers was very low, so low, in fact what we received from Farmers Union would have been the lowest manufacturing price paid in South Australia and perhaps Australia in some cases.

Dairy Vale paid their manufacturing bonuses on butterfat, and Farmers Union paid their bonuses mostly through the litre incentive scheme, which as it turned out wasn't an incentive but at best, a catch-up to Dairy Vale which didn't work for most.

For example, Dairy Vale's manufacturing price was \$4.60 and Farmers Union average manufacturing payment was \$4.46.

Even though half of our production is done through the summer and early autumn, with irrigation to capitalize on the so-called incentive scheme, we still finished six cents a kilogram fat below the average Farmers Union supplier, partly because of our Jersey herd which is lower in volume than a Friesian herd.

Before you dismiss me as a winging Jersey dairy farmer, I have discussed the matter with a few seasonal Friesian farmers and I have established that they are only one or two cents either side of what I received.

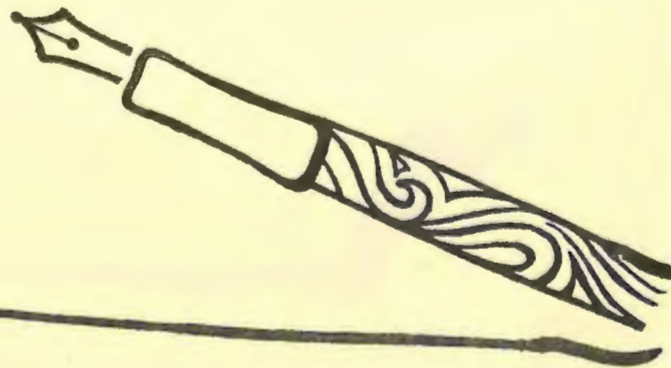
There were a few Farmers Union big volume suppliers on irrigation who matched Dairy Vale's \$4.60. If the incentive scheme was a true one surely they should have received a lot more than \$4.60. One case I know of spent thousands of dollars on brewers grain and pumping extra water, not to mention the long hours and hard work involved in irrigation, to try and lift his production, to cash in on what he must now know was the biggest con job of the 1980's. With us and a lost of seasonal producers only receiving \$4.46 and below, it is easy to see that we and others must have suffered at the expense of the litre incentive scheme.

I am in favour of production incentives, but the payment must be based on what the milk is made up of, butterfat or protein or a combination of both, instead of these cheap volume schemes dreamed up by using calculators to divide money between suppliers, with some getting more at the expense of others.

I think it is about time the SADA did some random surveys of suppliers in relation to manufacturing milk prices and published their results in the SADA Journal to help make farmers aware of what they and their fellow suppliers are receiving that way we might get paid fairly.

Yours sincerely

Lee McKenzie
Mount Compass



Dear Mr. McKenzie

SADA expressed its disappointment to Farmers Union concerning its continued performance relative to Dairy Vale. Needless to say Farmers Union was embarrassed by the situation they found themselves in, in late November.

SADA holds that until market milk returns and manufacture milk returns are clearly separated the situation you have outlined will continue.

SADA has consistently explained why a higher basic milk price should be struck which would help your situation relative to "incentives" or "bonuses". Money in dairyfarmer pockets is preferable at its earliest possible moment.

SADA does not see any Jersey dairyfarmers as whingers. I agree with you whole-heartedly about compositional payment and have said so since I have been here at SADA.

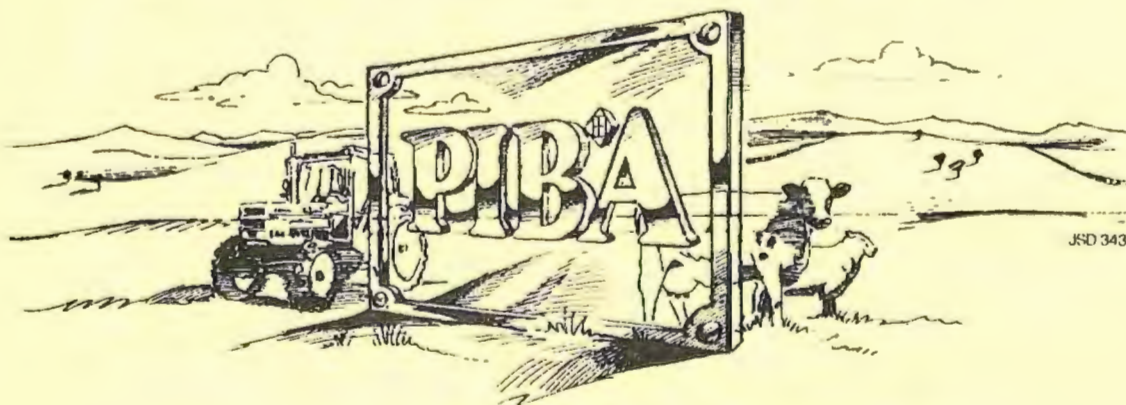
The random surveys were done on a very restricted scale. Perhaps if members reading this would advise me of their final overall return per kilogram for 1988/89, I could publish a composite table giving the data you called for in your letter.

With respect to the Farmers Union solution to the problem they have created perhaps they would care to provide the Journal with a publishable explanation.



Ed.

If you're serious about farming we should be your primary bank.



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Call PIBA now and find out from one of our Rural Lending Specialists why we should be your primary bank.

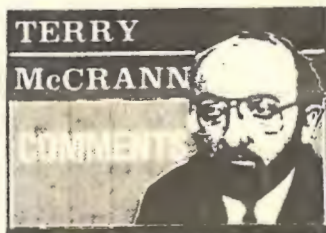
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The following article appeared in "The Advertiser" on February 6 1990. I found it to be relevant and important to us all and worth printing in our Journal. I would like to thank Terry McCrann for his permission to reprint it. *Ed.*



A hard rain's going to fall on our party

IDON'T want to spoil the party after the Commonwealth Games, but we are headed into extremely stormy economic waters this year, and ordinary Australians are going to be hurt, either through sharply rising unemployment or higher costs and inflation and, most probably, some combination of both.

This makes all the more cruel the hoax played last month by the Federal Government of the promise of lower interest rates, especially on home mortgages.

It's entirely possible that rates will fall, but only at the cost of lost jobs. And, in any event, falls are likely to be small and temporary.

An ominous pointer to what lies ahead is provided by the rising toll of corporate crashes, largely rationalised away as just involving high-flying paper-shuffling entrepreneurs and property speculators.

Indeed, in many cases it is seen as the justified end for poor and even improper business behavior.

But this is a dangerously misleading perception because the crashes of the Hookers, Goldbergs, Avrams and the rest are indicators of the much more fundamental malaise afflicting Australia.

They also mirror the real pain and damage to great swathes of Australia's business, especially among small businesses which provide the great bulk of jobs in this country.

Majority bleeding

And further, ordinary Australians — and healthy businesses — will in some way directly foot the bill imposed by those crashes and the ensuing losses to banks and investors, in part through relatively higher interest rates on their borrowings.

True, there is much of Australian industry that has never had it so good — much of the mining industry luxuriating in the happy combination of very strong commodity prices and low debt, plus the strong industrial companies such as BTR-Nylex and Dunlop Pacific.

But the overwhelming majority of employers are bleeding, and bleeding badly, under heavy borrowings and interest rates of 24 per cent and higher.

Sure, they and ordinary Australian consumers were being hammered by those sorts of interest rates last year. But the pain was bearable with the economy strong and business healthy. And comparatively few Australians did not have jobs.

But the reality is that many businesses have been all but surviving into the new year, hoping that "something would turn up".

They now face a rapidly slowing economy, and the falls that they might see on their interest bill simply won't be enough to keep them in business.

WHEN the grim corporate reaper turns from the high flyers to rip great swathes out of small business, medium business and even some precariously placed big business, the seriousness of the situation will become more evident.

And ordinary Australians will see the more fundamental pain of lost jobs added to continuing high, if slightly lower, interest rates on home mortgages and credit cards — but perhaps only after an early March or April election.

Now, The Treasurer, Mr Keating, has tried to paint the economic picture and his policy responses as mere touching-up to a masterpiece that he personally has so skilfully crafted over the years.

Thus, his claims that the "problem" was that things were too good: people were spending "too much", especially the business sector embarking on "unparalleled" levels of investment to build the new industries and export earnings of the 21st century.

The truth is that Australia's prosperity of the past five years or so has been built largely on sand, on the combination of the longest sustained period of economic health in the world economy, plus borrowing over \$100 billion from overseas lenders.

And the high-flying entrepreneurs and property speculators were the most spectacular demonstration of this false boom.

This is why their collapse is such a graphic pointer to what is in store for the rest of us.

The National Safety Council, Mr Alan Bond's \$10 billion "bubble of South Sea debt" — as Lonrho's Mr "Tiny" Rowland so aptly described it — are not side-shows to a basically healthy, booming economy.

They were the economy. They were exactly why things looked so good, and Mr Hawke and Mr Keating were able to boast of all those new jobs.

But now the party is over (it actually ended back in October 1987, but for various reasons the music played on in 1988 and into 1989) and we face the sobering, bleak morning after.

And it will pose some extremely unpalatable choices for whomever is in power after the election.

Many commentators have been con-ned by Mr Keating's prediction of a so-called "soft-landing" as he skilfully massages the economy slower on the basis that the last two hard-landing recessions in Australia, in 1974 and 1981, came after wages explosions. And of course the Accord will avoid another.

Yet people thrown out of work because businesses go broke through higher interest rates are just as much out of work as those who lost their jobs in 1982 because of the sharp rise in metal industry wages.

We may not have a wages explosion in 1990, but as sure as anything we do have an unprecedented interest explosion.

So what does the Government do when bankruptcies spread and unemployment starts to rise through the year? Does it release the brakes, force down interest rates and try to boost activity?

The consequences of doing something like that would almost certainly be a currency crisis, interest rates actually rising as overseas lenders demanded more, and an even worse recession.

This is what makes so laughable, if it wasn't so serious, the enthusiastic response to the December trade figures which showed the deficit falling below \$1 billion.

The reality is that through the 1980s Australia spent \$120 billion more overseas than it earned, and now Australians are going to have to start paying the bill for that lavish international binge.

And paying that bill is going to hurt, and hurt for a long time. The only pain relief will be a world economy staying relatively buoyant — so for purely selfish reasons we should pray for Mr Gorbachev's good health.



THE FUNNY FARM...



"I'VE JUST TAKEN ANOTHER LOOK AT OUR BUDGET. WHAT WOULD YOU THINK OF STORING NUTS FOR THE WINTER?"



V. C. de
McClure



"All he thinks about is that stupid ball."

INSURANCE REVIEW COMPLETED

Following suggestions from members and as a consequence of a Central Council directive, the Executive Committee established a review sub-committee to collate, compare and investigate options for SADA's endorsed insurance arrangement.

After many months of discussion and negotiation the Executive Committee recommended to Central Council that Federation Insurance be retained as SADA's endorsed insurer.

Investigations extended into other companies active in the rural sector, brokerage firms and total financial services for members.

Federation have made significant changes to accommodate problems drawn to their attention. Their commitment to the SADA-Federation relationship enabled them to come up trumps under pressure. Federation ask of SADA that you the members give them a fair go in quoting for your insurance business.

All business written means a transfer of commission from Federation to SADA. This enables your membership fees to be contained at a minimal level.

Members are asked to inform Terry Inglis or Federation's Phil Taylor if there are any problems.

Members are also urged to keep SADA informed of positive results from our relationship as well as the negatives that may occur.

The Insurance Scheme is for your benefit in all ways. Your best form of insurance is ensuring your farm management is as effective as it can be. Maintenance is cheaper than breakdown. Care must replace any she'll-be-right attitudes. Insurance is a classic example of user pays principles at work.

If we can get claim levels down within the total dairy industry our calculated premiums will fall - and we will all have more funds available for alternative uses.

If you have had any differences with Federation we ask you give them a go and see if they have improved. If you have never used Federation we ask that you give them a chance to quote on your business.



FEDERATION
INSURANCE

The President of the Soil Association of SA, Mr. Gerry Butler, invited me to a recent meeting where two very interesting speakers addressed the gathering in the Royal Australia Airforce Association's meeting room in Finniss Street, North Adelaide.

The following two articles are results of that meeting:



SWISS RESPONSE TO ORGANIC FOOD DEMAND

Beat Stierl is an agricultural adviser for the Niver Organic Yoghurt Company in Basil Switzerland. Beat (pronounced Beert) has an Honours degree in Agricultural Economics and is especially interested in marketing. He did his Thesis on the marketing of organic products with particular reference to cheese from small factories. Small means exactly that - with the subjects of his study averaging around 1½ to 2 million litres per year.

(Before you dismiss this size factory as sustainable because of EC Agricultural policy and before you turn a blind ear to Beat's message, recall that Switzerland is NOT a member of the EC. Switzerland is neutral in every sense of the word - politically, militarily and economically.)

Beat provided some interesting basic data on Switzerland which is summarized below.

SWITZERLAND	SIZE:	41,000km ²	POPULATION:	6.5 MILLION
	ECONOMY:	56% SERVICES, 38% INDUSTRY/SMALL BUSINESS, 6% AGRICULTURE		
	RAINFALL:	600MM - 1400MM	WEST TO EAST (Rainshadow to Alps)	

The main message Beat had for the audience was that marketing of organic produce takes more effort than most realize, but provided the demand is sustained it can be worth it all in the long run.

He cited 4 major marketing elements:

PRODUCT -- PRICE -- DISTRIBUTION -- PROMOTION

1. PRODUCT

Organic products were those that met organic standards but scientifically there is no way to prove a food product is organic or otherwise. The taste criteria was a subjective measure as was the concept of the healthiness of organic foods - if compared with residue-free alternatives.

The best argument for organic food was that in producing it a healthier environment is created and if we have a healthier environment we should have healthier food. As little packaging as possible is a key.

2. PRICE

Demand determines the price for organic foods.

3. DISTRIBUTION

Beat cited two main methods which he called ALTERNATIVE and TRADITIONAL.

Traditional methods of distribution included retail outlets and sales to wholesalers.

ALTERNATIVE methods included direct selling, establishing market places, posting products (could Australia Post cop?), consumer contracts and pick-up depots on regional basis.

4. PROMOTION

Health, although scientifically dubious, was important and the best contemporary message was the environment.

Beat then spoke about organic products and their marketing in Switzerland. Vegetables and free range eggs were well established. Meat attracted a 30-40% premium because of the high demand for organically produced meat.

Dairy products sales were facilitated by the regional and population dynamics of Switzerland with local shops and direct selling major outlets.

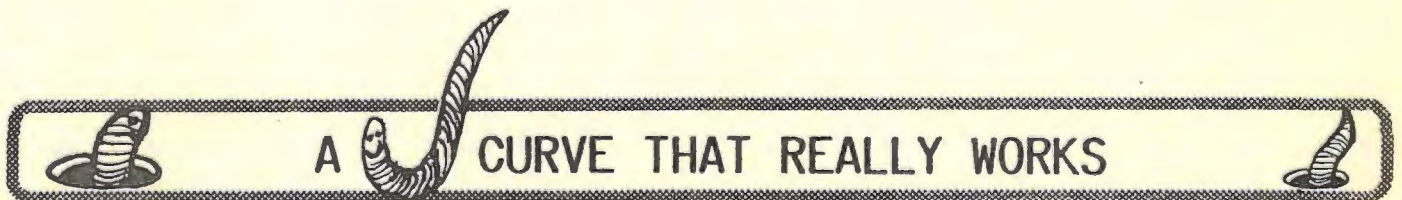
Organic quark, yoghurt and cheeses were mostly produced on-farm, but in recent years factories were discovering the potentials of this market. In 1990 two factories will be marketing organic dairy produce.

Honesty was the key to successful marketing.

Beat was a most interesting character and he delighted the audience with his explanation of the Swiss political system.

Apparently in Switzerland they have a two house parliament. The least popular party would provide one minister, the most popular may provide more than one. The idea is that all parties are then responsible for running the country, therefore they have to co-operate, not run each other down.

If an issue is controversial 100,000 signatures on a petition will bring about a referendum. Democracy has a future!



Dr. Keith Smettem is an expert in earthworms and their interaction with soils. He assures people that he has a J curve that really works. Earthworms make it work. Dr. Smettem is a research scientist with the CSIRO Soils Division here in Adelaide.

He says that introduction of earthworms can be of great benefit to pasture but it takes about 4 years for the results to really take off. He cites cases where dry matter per hectare had increased 25% from the original pasture at time of introducing the worms to the point where they are well established.

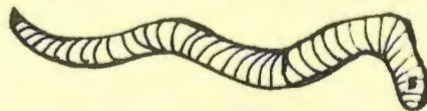
The reasons earthworms are so beneficial is more complicated than saying they aerate the soil or their droppings are fertile.

Dr. Smettem suggests that they in fact make certain key mineral elements, such as phosphorous, more accessible. Another major importance of worm activity is the permeability improvement they make in soils. This aids moisture infiltration, retention and availability to plants. Soil erosion is reduced by earthworm activity because more moisture is able to penetrate the soil.

Fat worms are not necessarily the best ones. Dr. Smettem recommends deep burrowing worms as the most helpful.

Can he put figures on pasture improvement? In a controlled experiment he conducted, pasture improvement was in the order of 9.4 tonnes/hectare dry matter to 12.1 tonnes/hectare - worms being the only variable.

For those members seeking to improve pastures efficiently and effectively consider the humble earthworm as an ally.



briefs

AG-EXPO

SADA is supporting Bob Snewin our South Australian ADC State Manager and will have a static display at the Ag-Expo. The Ag-Expo will be held at the Royal Exhibition Centre, Wayville Showgrounds from March 14 - 17 1990.

The Breed Societies and Farmers' Union Foods will also be on the Dairy Industry Stand. This is an opportunity to lift the profile of the dairy industry in this State and SADA members are encouraged to visit the stand and offer their support.

Polyunsaturated fats have been linked with heart disease by British Scientists. Dietitians have been warned that they must not tell the public that using polyunsaturated fat products will prevent heart disease. Indeed according to the head of the Cambridge University team, Professor Brown, "It would look very silly if it turns out in the next five years that eating more of these fats has the opposite effect to the one intended". Apparently Vitamin C and E help reduce the oxygen radicals which cause cholesterol to oxidize and adhere to blood vessels.

Victorian Prices (Gross) as at February 1990

Allowrie	2.45 /kg bf	4.10 /kg pr	Nestle Tongala	4.98 /kg bf
Bonlac	2.50	4.37	Tatura	5.30
Kraft	2.50	4.25	Warrnambool	5.21
Murray Goulburn	2.50	4.38		

(This does not list incentives for winter production which vary from company to company depending on product mix.)

John Kerin has indicated that if he is returned as Minister for Primary Industries and Energy he expects to see -

"..... further change during my next term as Minister in industry assistance, in research and development, in the organisation and operation of our public utilities, in the organisation of the waterfront and operations of State authorities in ports and harbours, and in the operations of statutory marketing authorities, particularly at the State level."

South Australia's rag bag of a dairy industry will not escape Federal attention and re-organization will be forced on us if we do not choose to make the necessary changes ourselves.

Kerin's top seven issues for agriculture in the 1990's are:

1. What are the barriers to farmers adopting known, economically viable, environmentally sound technologies and practices?
2. What targets, if any, should we set on repairing the legacy of land degradation?
3. What market mechanisms can be introduced or strengthened to encourage sustainability? And what regulations, and what education services, including extension, are required?
4. Are stocking rates excessive in some areas? What can be done about that? What validity is there in recent publicity about "marginal" land?
5. Drought - how will the recommendations of the Drought Review Policy Task Force prevent drought policies from making the problem worse and, preferably, contribute to a solution?
6. What is the role of land and water regulations and administrative arrangements in both the problem and the solution?
7. Chemical use - have the reforms of recent years, including recent Commonwealth legislation, brought us up to where we should be?"

KERIN LEVY

The Kerin Levy has been paid by MMEC out of the City Milk Bonus using money to pay the levy that was collected one month in advance. Hence the Kerin Levy and DPI Levy were actually paid two months in arrears.

As of 1 January the processors are paying the Levies on the basis of milk receivals. They have decided not to pay the levy 2 months in arrears but in the month subsequent to its collection. This brought about a double payment in January but it means the Levy is now paid on a true all milk basis at its due time.

There are some concerns that have been expressed to SADA and the Executive is following these up at present.

FEDERATION

INSURANCE NEWS

Dairy farming like all forms of industry is currently experiencing sweeping change; some would say radical change.

The key is to operate smarter, not harder, without on-going unnecessary wasted expense.

Our recommended Insurers, FEDERATION Insurance, the major underwriter in our industry, have successfully introduced and promoted their unique Dairy Package which rewards the safety conscious risk manager and promotes accordingly unequalled protection and premium advantages to our many members.

During recent discussions with our Insurers, FEDERATION Insurance, concern was generally expressed at the rising incidence of claims, the escalation of associated repair/replacement costs and, of course, the inevitable increase of premium which is born by the consumer.

In a time where continual increases in all costs have become a burdening practice it was a pleasant surprise to be informed that by "ensuring" that a little extra precaution within the work place and the resultant decrease in claims as a result of safety precautions, would promote reduction in premium to those concerned.

It's called Risk Management or

ENSURANCE vs INSURANCE

The aim is to indicate the little things we all take for granted. As is often said, "Reward only comes to those who are prepared to help themselves".

For example with respect to Fire Insurance for farm outbuildings, farm machinery, fencing, hay and livestock:

CHECKLIST

- (1) Ensure electrical wiring is to standard and as stipulated by Authorities
- (2) Ensure that hidden wiring remains vermin free - where possible utilise conduit
- (3) Ensure dust, bird nestings, etc. do not accumulate and are regularly cleaned
- (4) Do not stack/store combustibles near wiring.
- (5) Replace old electrical wiring where exterior coating is cracked.
- (6) Utilise circuit breakers or lightning strike registers to ensure safety of electrical appliances.
- (7) Use ground sterilants within 12 feet of sheds and outbuildings.
- (8) Store combustibles away from fuels and if possible, in one area minimising your risk exposure.
- (9) Store fuels outside of buildings where possible.

- (10) Don't leave tins of fuel open near work benches, particularly if welding or grinding is common place.
- (11) Wherever possible spread your storage minimising a maximum loss.
- (12) Ensure gutters are cleaned regularly of leaves and sticks, not only for fire protection but to ensure heavy rains do not increase your water damage possibility.
- (13) Days of extreme wind endanger large sliding doors on sheds. Close doors minimising possibility of door and building roof damage.
- (14) Where permissible and practical, remove overhanging tree limbs from buildings/power lines.
- (15) Ensure silos are securely footed and bolted and not left free standing
- (16) Ensure tractors/machinery are cleaned after use in chaff/grasses etc.
- (17) Stored powered machinery should have batteries disconnected, minimal fuel should be allowed to remain in tanks.
- (18) Store machinery on clearings or fire breaks when left overnight when in use.
- (19) Maintain bearings/belts and replace if at all suspect.
- (20) Where possible, promotion of fire breaks bordering fencing should be practiced. Slashing of grasses on roadside minimises fire carry capacity.
- (21) Replace deteriorated posts which become highly combustible with age.
- (22) Store new hay in the open until its temperature permits shed storage. Test by using steel pipe or a crowbar. As temperatures increase, break up the stack. Eliminate the chance of spontaneous combustion.
- (23) In the hotter months where possible utilise feed paddocks for stock near accessible irrigation land, fallow paddocks.
- (24) Above all, ensure that your fire fighter is in sound working condition, always full and readily accessible with minimal delay.

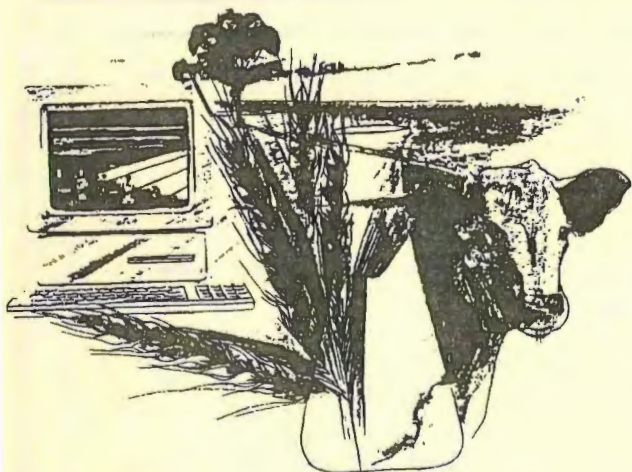
In future issues we will look at such areas as:

Straying Stock
Domestic House
Machinery Breakdown

Above all, we stress to all members that the recent Insurance review conducted by the Association reinforced that our Insurers, "FEDERATION" are the "Dairy Farmers'" Company and that if you are thinking Insurance we ask that you not hesitate in contacting any one of the Company's salaried representatives.

FEDERATION
INSURANCE

ADELAIDE:	440 King William Street, Adelaide (08) 212 4541
CLARE:	2/266 Main North Road, Clare (088) 42 3717
MURRAY BRIDGE:	22 Seventh Street, Murray Bridge (085) 32 1224
TANUNDA:	78 Murray Street, Tanunda (085) 63 3466



Dairy Research and extension programs designed to service the priorities identified by the Department of Agriculture's Dairy Research and Extension Advisory Committee are well under way in South Australia. The priorities identified at a meeting on 29 August 1988 were:

- . improved pasture production
- . improved conception rates, especially with high producing cows
- . methods for disseminating interstate and overseas research results to the dairy farming community
- . basis of payment for milk

DREAC NEWS

- . to ensure Flaxley Research Centre is partly used as a demonstration farm

In the area of improved pasture production, the Dairy Research Council is currently funding a program conducted by Dr. Ian Kaehne to breed disease and pest resistant lucerne cultivars. Dr. Kaehne has applied to the Dairy Research Council for funds to extend his current screening program to include stem nematode. Tim Newbery is in the final year of a program evaluating overseas perennial ryegrass cultivars and is conducting a feasibility study aimed at establishing a national ryegrass monitoring program. Both these projects are being financed by the Dairy Research Council. Greg Mitchell is currently evaluating a range of pasture cultivars including subterranean and white clovers as well as grasses in high rainfall areas including sites at the Flaxley Research Centre. Steve Valentine has applied to the Dairy Research Council for funds for two projects to investigate the role of fungal endophytes present in perennial ryegrass on agronomic performance of ryegrass cultivars and on the productivity of dairy cows grazing endophyte infected pastures.

Chris Salter and Doug McLean are in the final stages of conducting a survey of dairy herd fertility. Analysis of the data collected is carried out using the Retrospective Mating Package designed by Mr. Mike Larcombe located at Maffra. The survey will allow specific causes of herd infertility to be identified and form the basis of future research programs. Dr. Greg Stevens is investigating the selenium and magnesium status of dairy herds in South Australia to clarify the role of these elements on herd fertility.

A demonstration farm has been set up on 20 hectares at the Flaxley Research Centre. A pasture renovation program has commenced and 24 cows due to calve in Autumn have been assigned to the demonstration farm herd.

An extensive amount of information on feeding and breeding for the production of milk protein has been extended to the dairy industry through industry newsletters, seminars and bureau group meetings. When the milk payment scheme has been finalised more specific information will be prepared.

Up to date information on world-wide dairy research is being distributed to dairy advisers and the South Australian Dairyfarmers' Association through subscription to "Agriscan", a New Zealand produced publication containing abstracts of relevant research.

At the next meeting in June the Dairy Research and Extension Advisory Council will critically review its operation to date.

FROM THE DAIRY...
TO THE TABLE...



Accompaniments for your summer eating.

CHEDDAR TOSS

2 cups cooked shell noodles
125g Australian Matured
Cheddar cheese, diced,
1 red pepper diced,
8 spring onions, sliced,
Salt and pepper to taste
 $\frac{1}{4}$ cup French dressing



Combine all ingredients together in a bowl. Chill. Serve in a bowl lined with lettuce leaves or in capsicum halves. Serves 4.

ZUCCHINI NOODLE TOSS.

2 cups 2cm long diagonally cut noodles.
125g Australian feta cheese, crumbled.
125g Butter
500g small zucchini, cut into thin diagonal slices.
2 medium onions, thinly sliced.
2 tablespoons sesame seeds.
Black pepper and garlic salt to taste.

Cook the noodles in boiling salted water until just tender. Drain well then return to saucepan. Add cheese and toss together lightly. Place a lid on the saucepan to keep warm. Melt butter in a frypan until foaming. Saute sliced onions, sesame seeds and zucchini stirring occasionally until zucchini is cooked but still crisp. Season to taste. Combine pasta with zucchini mixture. Transfer to a serving dish. Serve as an accompaniment to grilled steak, veal or chicken. Serves 6.

CAMEMBERT HOT BREAD

1 X 35 cm bread stick
1 X 125g Australian camembert, at refrigerator temperature.
3 tablespoons Butter.
2 tablespoons chopped parsley.
 $\frac{1}{4}$ teaspoon freshly ground black pepper/
 $\frac{1}{4}$ teaspoon salt.
Sesame or poppy seeds



Cut the bread stick into 2 cm slices almost through to base. Finely chop the camembert. Cream the butter till smooth, add camembert and seasonings and beat well. Spread each side of bread with camembert butter. Sprinkle top of bread stick with the sesame or poppy seeds. Wrap securely in aluminium foil and bake in a hot oven for 20 minutes. For a crisp crust, open the foil during the last 5 minutes of cooking. Serve as a snack or as an accompaniment to soups or grills. Makes 6 servings.

QUARK - PIQUANT

Ingredients:



500 gms Quark
 $\frac{1}{4}$ litre sweet Cream
2 large sour Apples
150 gms grated Horseradish
2 tablespoons, finely chopped Onions
pinch of Salt, Pepper and Sugar to taste
2 tablespoons fresh Cucumbers, cubed

Mix Quark and Cream evenly. Add grated Apples and Horseradish, add Onions, Sugar, Pepper and Salt. Mix and add Oil gradually. Cucumbers to be added last. Serve straightaway.



ASSOCIATION GOODS

- °M5 Non-Chlorinated Alkaline Cleaner
- °D588 Formulated Acidic Cleaner
- °Iodine Cleaner/Sanitiser
- °Non-Iodine Heavy Duty Sanitiser
- °Sulphamic Acid
- °Glycerine
- °Molasses
- °Stock-On-Road signs

ASSOCIATION SERVICES

- °Legal Service
- °Industrial Matters - Wages, Work Conditions
Sharefarming Agreements
- °Lobbying
- °Representation On Concerns
- °Information
- °Watchdog Role
- °Sounding Board
- °Friendly Stop In The Big City
(with conveniences!!)

South Australian Dairyfarmers' Association Incorporated
1st Floor Aston House, 13 Leigh Street, Adelaide
Telephone (08) 231 3752 AH (08) 384 1061

THE SOUTH AUSTRALIAN DAIRYFARMERS JOURNAL

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THE SOUTH AUSTRALIAN DAIRY FARMERS'

JOURNAL

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MARCH-APRIL 1990

THE ALL MILK LEVY

WHY IS IT NECESSARY FOR SOUTH AUSTRALIAN DAIRYFARMERS?

HOW DOES IT WORK?

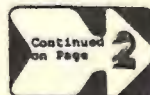
The recent announcement by Mr. Kerin, the Minister for Primary Industry and Energy, that the All Milk Levy is to be reduced from 45 cents to 43 cents per kilogram of butterfat is as a consequence of the recommendation made by ADIC and ADC as to the most effective level of market support.

HOW DOES THE ALL MILK LEVY WORK?

Money is collected from all farmers via a levy on all milk sold to companies. Currently this is 45 cents per kilogram butterfat but as of 1 July 1990 it will become 43 cents per kilogram butterfat for the ensuing 12 months. The money is collected by the Department of Primary Industry and Energy and paid into the Dairy Produce Market Support Fund. This Fund is administered by the Australian Dairy Corporation.

The ADC pays out support funds upon proof of sales by manufacturers. Currently the payment on exports is at about 18% of export returns. This "Top Up" payment encourages manufacturers to sell onto the export market because it helps smooth out the variation in returns to exporters caused by the corrupt world market. By encouraging export of dairy produce about 25% of Australia's dairy produce is placed on the export market. This helps keep domestic prices buoyant and stable.

By coincidence the current level of export support places the domestic price at about the same price, indeed a little lower, than New Zealand produce landed in Australia.



IN THIS ISSUE -

- | MORE ON THE ALL MILK LEVY
- | HOW A.D.H.I.S. RANKS BULLS
- | NEW APPOINTMENTS WITHIN THE INDUSTRY

plus
Our Regular
Features

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WHAT WOULD HAPPEN WITHOUT THE ALL MILK LEVY?

The problem with any answer to this question is that it is hypothetical. The impact of removing an incentive is however fairly logical - it will cause people to stop seeking the incentive. In terms of national dairy produce this would mean that a portion, if not all, of the current export destined produce would translate into domestic market produce. With more produce available on the domestic market prices would fall and the vicious cycle of discounting would mean a dramatic decline in dairyfarmer returns.

Profitability would give way to cash flow demands and more liquid milk would enter the market. The premium for market milk would be spread over more milk. Market milk returns would suffer greatly. Manufacture milk returns would suffer as badly.

WHAT IS THE IMPACT ON SOUTH AUSTRALIAN DAIRYFARMERS?

The principles outlined above would have the same impact on all dairyfarmers regardless of location. In 1990 location is not a buffer to desperate marketing strategies. The smaller market areas would be most susceptible to attack because of their inherent vulnerability. Bigger markets would not be free from attack.

The actual dollar impact on South Australian dairyfarmers can be quantified in a simplistic way. However, any such evaluation is, like predicting the impact of the removal of the All Milk Levy, hypothetical.

In order to quantify the value to South Australian Dairyfarmers of the All Milk Levy we need to remove it from the scene and ask what then would be the price for our milk? It would, optimistically, lift prices 45 cents per kilogram butterfat. I would suggest however that in reality it would not lift the returns to dairyfarmers one iota. If you are currently receiving \$5.00 for your milk, across the board, including the levy, you are really only receiving \$4.55. Why should they pay you more? There is no commercial reason to pay you more than you are willing to receive.

Indeed the real impact would be to increase the profit margin of the companies and because of the impact on export sales accelerate discount wars to achieve market share.

If there are dairyfarmers in this State who believe our industry - in its fragmented form - can outlast a discount war with companies who as individual units have over 3 times as many suppliers as farms in our entire State they are indeed out of touch with reality. We could not as a State industry service the onslaught of the export produce if it became domestic market destined.

We need an All Milk Levy or some alternative market support mechanism that encourages export of dairy products.

The value of the All Milk Levy to South Australian Dairyfarmers is to be found in the notional difference between current prices and a price level, based on a current price of \$6.00, of around \$3.50 - \$4.00. This price would reflect a loss of 45 cents plus the discount caused by putting export milk into our system.

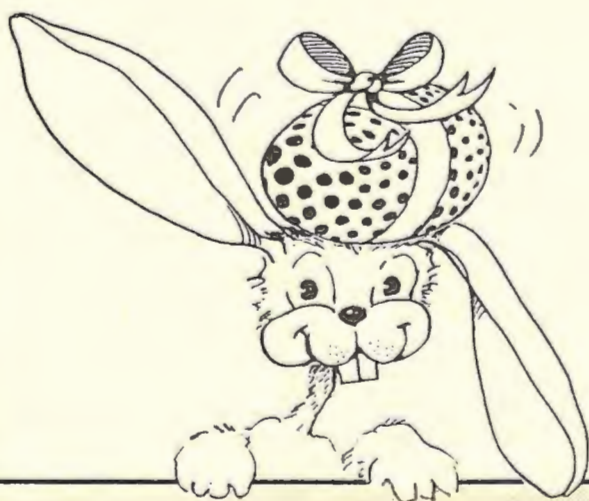
I have included in the Journal an article by Pat Rowley on Why We Should Pay the All Milk Levy. My aim is to help members understand the principles of the All Milk Levy at a time when it is increasingly being placed under pressure by our friends the faceless economists in the backrooms of bureaucracy who decide so many industries fates without recourse to the People who are the industries.

TERRY INGLIS
SADA Executive Officer



"It is a funny thing
about life; if you
refuse to accept
anything but the best,
you very often get it."

Somerset Maugham



Everyone in the
SADA Office
hope you had a
HAPPY EASTER.



PRESIDENT'S COMMUNIQUÉ

The trend of increased returns for milk has continued with the welcome news of the newly gazetted Market Milk prices. On the 11th March the producer farmgate price increased to 39.83 cents per litre (i.e. nett of license fee paid to the South East).

This constitutes a just reward for the positive application submitted by SADA to the Metropolitan Milk Board, and combined with the current basic price of \$4.70 (kg butterfat) calculates a payment for March of \$7.11c gross (i.e. before All Milk Levy is deducted). It seems a long time since our equalised price broke the \$6 barrier; consequently we can perceive this \$7 milestone as a positive progression of increased returns for SA farmers. Coupled with the incentives and progressive stepups paid by both Companies, this level of income will contribute significantly to arresting the slide of production levels in the MMEC area which are currently 5.6% behind last year.

Talking of production levels, I will take this opportunity to express my bitter disappointment concerning the decision of Farmers Union Foods to purchase milk from Victoria this month.

Although I have been assured by Geoff Babidge that the amount is very small, the action constitutes a mighty big principle as far as FUFL suppliers are concerned. I daresay if I were given access to the FUFL application to the Department of State Development I may well be able to explain the political motivation. (This document apparently expresses the Company's future ideals).

In the meantime I find the action hard to swallow - knowing that Kraft Suppliers who produced the milk are probably being paid higher prices than FUFL suppliers during the same period.

* * * * *

"All Milk Levy" - As a delegate to the Australian Dairy Industry Conference (ADIC) Executive Council meeting, held on April 6th, I feel comfortable with the decision of ADIC to endorse the recommendation of the ADC board that the Levy for 1990/1991 be set at 43c being 2c less than the maximum allowable in the legislation. The ADIC also carried a resolution to improve the flexibility of the allocation of export market support payments by allowing the ADC to vary the support rates between products; however any variation must be endorsed by the ADIC Executive Council.

We can clearly justify a levy of 43c to ensure the continuation of a healthy Australian dairy industry capable of not only supplying our domestic requirements but also generating a significant export income from value added products.

Whilst the support is paid on exports only, the system effectively increases domestic returns. It is this domestic market level that actually holds the key to the size of the levy. Although it would appear tempting to support domestic prices more, we must be aware that a higher level of support could add attractiveness to the Australian market from the N.Z. exporters point of view.

* * * * *

"Market Discipline" is a topic that has reared its head in recent discussions at national level during the All Milk Levy debate. It is reluctantly accepted that Companies will always use price to develop brand names etc., - however UHT milks, white and flavoured are products that suffer price abuse to a level bordering on absurdity.

e.g. In Victoria sect. 38 Legislation assures the farmer receives the full farm gate price for all milk including UHT milks sold in Victoria (NSW has similar legislation). For UHT milk sold out of the State farmers only receive approx. 70% of the gazetted farm gate price and likewise in NSW. Consequently NSW supplies the Victorian market, Victoria supplies the NSW market, and both NSW and Victoria supply the S.A. UHT market - all at discount prices. To make matters worse Nippy's UHT flavoured milks (supplied by Dairy Vale at a price less than 39.83c per litre) are sold in presumably large volumes in Victoria, NSW and Tasmania at prices below those that would apply for milk purchased and processed on the home ground.

At a meeting on the 5th April in Adelaide the President of each State dairyfarmer organisation along with the General Managers of each State Milk Authority met to discuss a solution for this market disruption. Sometime in the future, hopefully in the next few months, there will be an effort to simultaneously co-ordinate legislative, or voluntary discipline, to ensure that a full farm gate price, (equivalent to the white milk price paid in each State), be paid for milk used in all flavoured, speciality and UHT milks.

SA does not have a state-wide authority to enforce this discipline; therefore I appeal to all industry participants to ensure this principle is adhered to when nationally co-ordinated.

FUFL currently pay a voluntary premium, for flavoured milk, to their suppliers at a level equal to that paid to Victorian farmers for UHT milks sold in Adelaide. This is a commendable initiative, greatly appreciated by suppliers, and we can clearly understand why the payment is not at a higher level whilst the interstate UHT scenario remains.

* * * * *

"A Payment System" for milk supplied from the 1st July 1990 is almost confirmed. I say almost, simply because a mechanism for calculating the Levy on Whole Milk Sales paid by the Companies into Equalisation appears to be the only principle requiring confirmation. Terry Inglis as secretary of MMEC is currently working with the companies on this matter.

The principle of the system is compositional payment for fat and protein as a base payment, and the City Milk Bonus to continue being paid on a protein basis. The interim agreement with the Companies involves a guarantee of continued discussions, regarding some of the principles raised during the long debate.

SADA members and delegates to Central Council can readily perceive this system as a strategic win, for it is totally consistent with our "highly criticised" stand taken at the Murray Bridge Annual Meeting last year.

I am concerned that some members still feel strongly that our payment system should not change, but the reality is that the future will always differ from the past, and this transition is another one of the many changes our industry has experienced and will experience in the years to come.

* * * * *
"Changes in our Industry" are often forced upon us, the payment system was no exception, but it is the view of SADA that we, the farmers, should be at the helm when our ship changes course in the future. The SA Industry Think Tank was organised for the purpose of ensuring total industry co-operation and that these are planned and predicted times of change.

* * * * *
"Unity of dairyfarmers" in South Australia was high on the predicted necessity list. One voice, one direction, one political opinion a unified approach.


Equity was clearly identified as a key to achieving such a goal.

Mr. Ric Teichert has been commissioned to facilitate equitable sharing of the S.A. market milk premium - similar to the goal achieved by the S.E. license fee but more flexible, and efficiency driven.

Whilst there has been some publicity about changes in our production area members are earnestly advised to be cautious about any recent claims. It would be most advisable to wait for total industry guidance before making any plans regarding your production base.

On behalf of SADA I wish Aub Kretschmer all the best in his appointment to the Metropolitan Milk Board.

ALLAN MANNING.



DON'T PAY IT!!!

Members have recently been presented with pieces of paper implying they must register their refrigeration units with the Department of Environment and Planning and to pay a \$50 fee for the privilege.

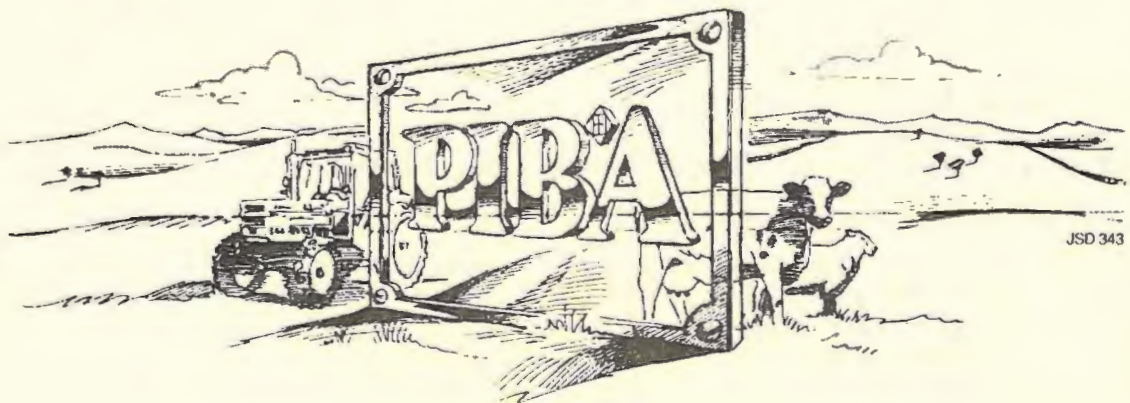
This is to be treated in the same manner you treated the Bull license fee. Don't pay it.

SADA will contact the Department of Environment and Planning to make it clear what our advice is to members and why we make it.

At no time has any person made contact with SADA to discuss this bureaucratic madness. Cut the red tape and ignore the communication until further notice from SADA.

Terry Inglis

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EXECUTIVE COMMITTEE

Current issues being dealt with:

- . Method of payment
- . Statewide Equity of Dairyfarmers
- . Unity of Dairyfarmers
- . Refrigeration Tax
- . Visit of Tom Townsend - USA Co-operative - Mid-west
- . Calf Run Alternatives
- . Effluent Problems
- . SADA Conference

CENTRAL COUNCIL

Issues dealt with by Central Council on 28 March

- . Method of Payment
- . Visit by Australian Dairy Corporation Chairman, Mr. John Frearson
- . Vetlab foux pas
- . All Milk Levy
- . Conference

* * * * *

DISTRICT AGM's

BAROSSA	Thurs April 26	Vine Hotel, Nuriootpa
SPRING VALLEY	Wed May 9	Eden Valley Institute, Supper Room
ONKAPARINGA)		
TORRENS VALLEY)	Thurs May 10	Charleston Hall
SOUTHERN HILLS	Tues May 29	Mt. Compass Hall-Supper Room
MYPONGA	Thurs May 31	Sanders Hall
SOUTH COAST	Fri June 1	CWA Hall, Victor Harbour
CENTRAL HILLS	Wed June 6	Meadows Hall-Supper Room
MILANG	Thurs June 7	Langhorne Creek Institute
LAKES	Mon June 11	To be advised
NORTHERN	Tues June 12	To be advised 2.30p.m.
MID NORTH	Tues June 12	To be advised 8.00p.m.
RIVER MURRAY	Thurs June 14	Banquet Room, Town Hall, Murray Bridge
JERVOIS	Fri June 15	Jervois Combined Sporting Clubrooms 7.30p.m.
GAWLER	Wed June 20	St. Jacobi Lutheran School Lyndoch Valley Rd., Lyndoch.

All meetings to commence at 8 p.m. unless specified.

P.S. Thank you to all Secretaries who have advised us of venues.

STABILITY GUARANTEED FOR DAIRY INDUSTRY 1990-91 LEVY RATE

The Minister for Primary Industries and Energy, John Kerin, announced on 11 April his agreement to an "all milk" levy rate of 43 cents per kilogram milk fat for 1990-91. This is a reduction of 2 cents on the 1989-90 rate.

Mr. Kerin took the decision following consultations with Mr. Pat Rowley, Chairman of the Australian Dairy Industry Conference, and Mr. John Frearson, Chairman of the Australian Dairy Corporation.

"This decision does all the right things. It provides a signal to individual farmers about the competitive nature of the international market. It also provides stability during the coming year," Mr. Kerin said.

"In fact, this reduction was recommended by the peak industry organisations. I judged it to be appropriate in the circumstances.

Mr. Kerin said that the current marketing arrangements should not, however, be taken for granted.

"I have long since signalled to the industry that the levy rate needs to come down."

"The levy for the 1991-92 year will be assessed in the light of the situation at the time. Such an assessment will also take into account the conclusions of the Industries Commission review of the dairy industry. This review is to be conducted during 1990-91."

The current dairy marketing arrangements were introduced in July 1986 and terminate in June 1992. They are focused on the manufacturing products section of the industry.

They are aimed at improving the industry's competitive position by exposing the industry more directly to world market prices and by adjusting domestic prices to a level that will be competitive with any dairy imports (i.e. to import parity).

Domestic prices are adjusted indirectly via a system of export refunds. These are entirely industry funded by a levy on all milk produced in Australia calculated as a rate per kilogram of milk fat (the "all-milk" levy).

THE ANNUAL CONFERENCE!

CROWN HOTEL - VICTOR HARBOUR - WEDNESDAY 27 JUNE 1990

WHY PAY THE ALL-MILK LEVY?

- by Pat Rowley, President of the Australian Dairy Federation and Chairman of the Australian Dairy Industry Conference.

The all-milk levy funds are used to support exports. By supporting exports, all farmers benefit because the domestic market price is supported to at least the level of supported export prices.

In making a judgement on the value of paying export support to maintain domestic dairy product prices above the corrupted world market prices, a number of critically important points need to be carefully considered.

|| Australia produced 6,350 million litres of milk in 1988-89.

|| The Australian domestic market consumes about 4,650 million litres of milk equivalent to production.

|| The balance of production of approximately 1,700 million litres milk equivalent has to be exported.

|| The world market price for dairy products is heavily corrupted by the export subsidy practices of the European Economic Community.

|| Farm quotas in the EEC have reduced their production from 108,000 million litres to 98,000 million. Despite this reduced production, the EEC still produces 14,000 million litres more milk than is required for their domestic consumption. This means the EEC has to dump on the world market more than double the total Australian production.

|| World market prices will remain volatile while ever the world market is driven by political decisions within the EEC, such as increases in farm quota and increases in export subsidies.

The OECD estimates the world market price for dairy products would be 44% higher than it is today if export subsidies of countries such as the EEC and USA were removed. The USA Department of Agriculture estimate is that the world market price would be 65% higher.

The Australian dairy market is freely open to imports of any dairy product. If we do not maintain a production buffer for exports we could find our market being short of some products at times which would allow international competitors to come in and take the market for that particular product.

To ensure we do not allow competitors to grab a substantial portion of our domestic market we must maintain our export component. Exports of Australian dairy products not only provide a buffer for the Australian industry to supply the domestic market, they also return 'Australia more than \$700 million a year in valuable foreign exchange income.

If the Australian dairy industry did not give financial support to the 1,700 million litres of milk equivalent being exported, the volatile and corrupted world market price would quickly become the domestic market price.

No dairy industry in the world, including New Zealand, can survive at the world market price.

Any of our major export manufacturers who are faced with a build-up of stocks through declining world market prices would have to attempt to sell that product on the domestic market at discounted prices as an alternative to selling on the world market.

Of course it can be argued that major manufacturers in this situation would not be able to quickly change their product mix to the fresh and short shelf life end of the market. However, there is no doubt that falling world prices would change the product mix by degrees and, therefore, have a severe and far reaching influence on prices for all dairy products.

The market milk price at farm gate would not be immune from this pressure without export support payments.

The worth of the all-milk levy payments cannot be judged by States and farmers as simply the amount of money paid out against the amount of money the State or manufacturer receives in total export support payments.

Victoria produces 61% of total Australian milk production and has 80% of all Australian exports. If the price of manufacturing milk paid to farmers in Victoria falls in sympathy with world market prices, then there is little doubt that farm gate returns for manufacturing and market milk for all other Australian dairyfarmers will come under enormous pressure to fall also.

The reality is that the payment of the all-milk levy has kept domestic prices higher than they would have been if the levy had not been operating to support exports. The extent of the higher domestic prices varies for a whole variety of reasons, but the major factor influencing the higher domestic returns is the proximity to local markets.

There would be no dairyfarmer in Australia who has not benefited from higher farm gate prices through the payment of the levy.

We are now witnessing the first fall in world prices since the introduction of the Kerin Plan Levy. We are also moving into full CER with New Zealand from July 1st this year. While these two factors may change the numbers in calculating the levy rate, the continuation of export support will ensure domestic prices do not fall to the same levels as corrupted world market prices.

Although our Trade Minister, Mr. Duffy, has done an excellent job in trying to reform world agricultural trade, the stark reality is that the world will remain a difficult place for dairy trade. The EEC will not reform its subsidy practices overnight, if at all.

While the EEC continues to subsidise exports the Australian dairy industry will continue to need export support arrangements to maintain a viable domestic dairy industry after the Kerin Plan terminates in June, 1992.

A WORD FROM THE EDITOR

In the last edition I published a letter from Lee McKenzie of Mount Compass. In my response I invited members to advise me of their returns for 1988/89 on a kilogram of butterfat basis. Very few have done so. Consequently I am unable as of yet to publish a table of returns by region. Perhaps other members do not share Lee's concern.

I also invited Farmers Union to respond with respect to their position. I was told verbally that there would be a response but as of now I have received no correspondence from Farmers Union on the matter. Perhaps they are simply speechless.



Ed.



FROM
USA

CONTROL OF CALF SCOURS

Diarrhoea is a major problem in calf rearing. The 'Hoards Dairyman' reports that the primary causes are infection (bacteria or viruses) and nutritional imbalances, and the degree to which the calf can cope is related to the extent to which it has been stressed. It is vital that calves receive adequate colostrum within the first 24 hours, and it is suggested that first and second lactation cows may not provide adequate supplies. Supplemental colostrum from a mature cow may help protect the calves. Oral rehydration and the balance of electrolyte are important factors of treatment.

REGULAR CARE KEEPS WATER HEATERS WORKING

Another article from 'Hoards Dairyman' reports - Milking shed water heaters need regular cleaning and replacement of elements to avoid costly emergency repairs. It is noted that if water is extremely hard, the life of a heater may be only 5 to 7 years, even with regular attention (every 3 to 4 months in extreme cases). Most problems are caused by lime magnesium and iron deposition on tank surfaces, heating elements and water pipes. These can corrode tanks, clog pipes and reduce efficiency of heating. Cleaning involves disconnecting the heater, filling it with muriatic acid, then flushing with clean water.

RAPID-EXIT GATE MOVES COWS FAST

A dairyfarmer in Texas is using an advanced milking parlour set-up which combines 'parallel' milking with a unique stall gate that allows rapid entry and exit of animals. The time from release on one 'side' or 20 cows until the next batch is in place averages 25-35 seconds. The cows enter a double-sided parallel system and are milked from the rear. When milking is completed on one side, the holding gate is rolled up to release all the cows at once, and a shoving action gently pushes them out of the stall. The system operates on a three quarter hp motor and a small gearbox, and can be operated manually if necessary. Savings in space and equipment as a result of the new design are discussed.

FROM
NEW ZEALAND

'TEA COSY' CUTS THOSE POWER BILLS

A simple idea along the lines of a tea-cosy can cut up to 60% off the cost of heating water for backwashing milk vats on farms so reports 'Farm Equipment News'. The Thermal Dairy Blanket wraps around the plastic backwash water cylinders which heat the water for vat cleaning. These have no insulation properties and can waste considerable power as the water inside has to be heated to 50 C. The blanket is made of vinyl material filled with lightweight fibreglass matting, and sells for NZ\$184. The tank sits on a padded base piece and the side and lid sections attach with velcro.

VAT SHIELD CUTS BILLS

A new type of insulation which has been developed for dairy farm milk vats has been advertised in 'Farm Equipment News'. It costs 1/10 the price of currently available systems and could save farmers more than 30% in electricity. Bay milk Products, Whakatane, is currently finishing trials on the low density polyethylene shield for outdoor or indoor vats. As well as cutting power bills, the shield protects milk quality by preventing the temperature fluctuations which can occur with outside vats. The shield material will tolerate scrubbing with milk acid and is not affected by vat cleaning chemicals. The shields are easy to install and cost around NZ\$450 for a 6000-8000 l vat.

SPRAYS IN DAIRIES CAUSING CONCERN

The February edition of the 'New Zealand Farmer' says MAF farm dairy consultants are concerned that many dairy farmers are risking contamination of their milk through storing toxic chemicals in or around the dairy. Although many farmers are aware of the potential dangers of these chemicals to the water supply and the environment, there have been several instances where gorse sprays have been put into dairy detergent containers. Once the chemical accidentally enters the food it presents a risk to the farmer and to the quality of the milk.

WHEY A NUTRITIOUS SUPPLEMENT

Whey is a cheap, nutritious supplement for dairy stock which, when incorporated into a farm management system, raises stocking rate and improves income per hectare. The 'New Zealand Dairy Exporter' tells us whey contains 6.5% dry matter, and at NZ\$4/1000 litres compares very favourably with other supplements. It is rich in lactose and also contains nutrients such as phosphorous, potassium, calcium, nitrogen, and sulphur. Various whey feeding systems are in use in New Zealand, but the most successful involves the whey being reticulated from a central storage tank to troughs in the paddocks. Whey can be incorporated readily into most dairying systems and despite the initial capital outlay for a reticulation system, the financial benefits of whey feeding will soon be apparent.

GRAZING TRIALS SHOW BIG RESULTS

A predominantly Jersey herd has out-produced Friesians at identical stocking rates in early spring grazing management trials at Ruakura's No. 2 Dairy. 'National Farming News' reports differences of up to 10-15kg of milkfat per cow were evident under the different spring management systems in the trial along with differences in mating performances. The No. 2 Dairy trial is designed to minimize the risk of a feed shortage during the two months from the start of calving (mid-July) until daily pasture growth rates exceed herd requirements in late September. The current trial is comparing the effects of four combinations of rotations during mid-July to mid-September on cow and pasture performance.



REMEMBER WHEN ?

IN MARCH/APRIL 1970

A nice quote from the March/April 1970 edition of *The Journal* with respect to greater efficiency in the Australian Dairy farming sector:

"Efficiency and Productivity

Of course it may be argued that, faced with such a situation, and with the possibility of Britain's entry into the EEC still unresolved, the Australian dairy industry should not have expanded by even a modest 11 per cent. Against this must be set the fact that increased cost efficiency can come only through increased productivity; the capital and fixed costs of the enterprise must be applied to a greater output.

That this aim of greater efficiency has been achieved is demonstrated most effectively in productivity per cow which, over the 5-year period 1964 to 1969, has increased, in total, by 12 per cent, from 467 gallons to 522 gallons annual average. But this result, laudable though it is, is dwarfed by the performance of South Australia, the "driest State in the world's driest continent", the leading State in 1964 with 614 gallons which has, during that period, increased productivity per cow by 15.5 per cent to a staggering 709 gallons average, a figure which not only makes it the first Australian State to exceed 700 gallons average, but also puts South Australia ahead of such other world dairy leaders as New Zealand (600 gallons), Eire (520 gallons), France (640 gallons), as well as all the dairying countries in Eastern Europe, these leaders having, for many years, been held up to us as examples we should follow if we were ever to be efficient in dairying."

Australian dairyfarmers have no peers in efficiency, so where does it all go wrong?

IN 1940

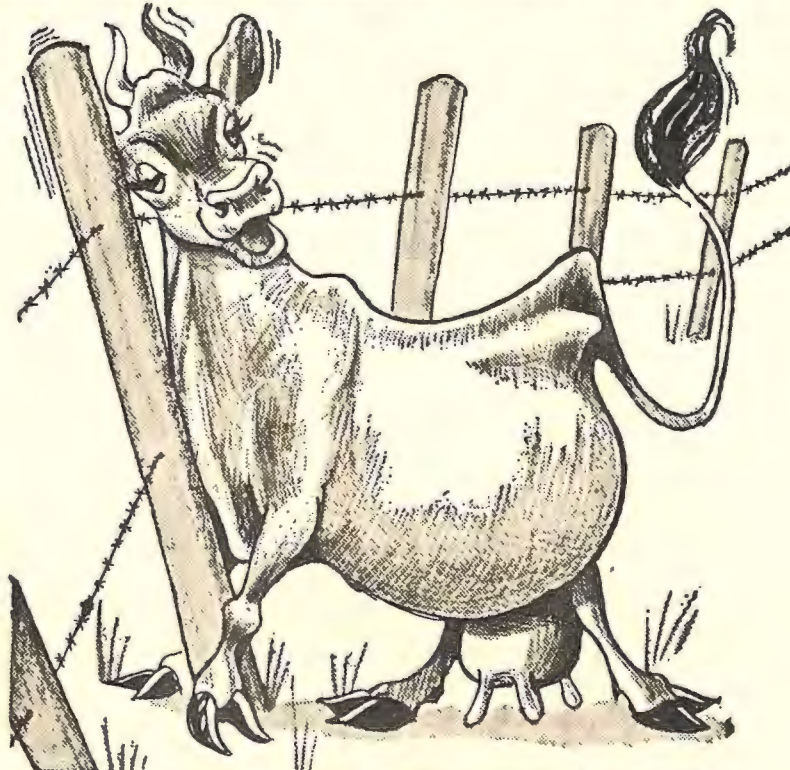
"...that the affiliation with the South East Dairymen's Association be left in the hands of the Executive to arrange terms of affiliation..."

We're still working on it!

AND IN 1890

"In mid-1890, the extraordinary news came that after years of attempts, a milking machine had been developed in Great Britain. It was the dawn of a new epoch in agriculture." (Dairy Vale: A History of Co-operation by Rob Linn p 13)

Will 1990 provide another dawn for our industry?



SAVE YOUR FENCES

With the coming of winter and the colder weather, cattle lice will become an increasing problem.

The principal symptom is irritation, and this is seen most commonly in winter and early spring. Affected cattle constantly rub themselves, causing patches of hair to fall out, giving a shaggy appearance to the rest of the coat, and the skin becomes extremely scurfy.

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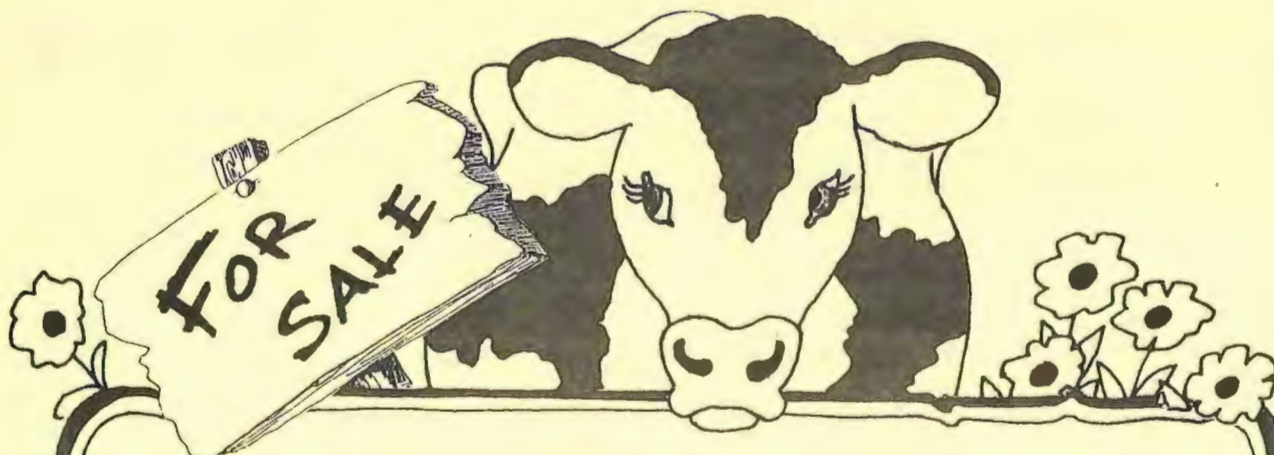
and

DALGETY - N.Z.L.



WC/489

THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL Jan-Feb 1971



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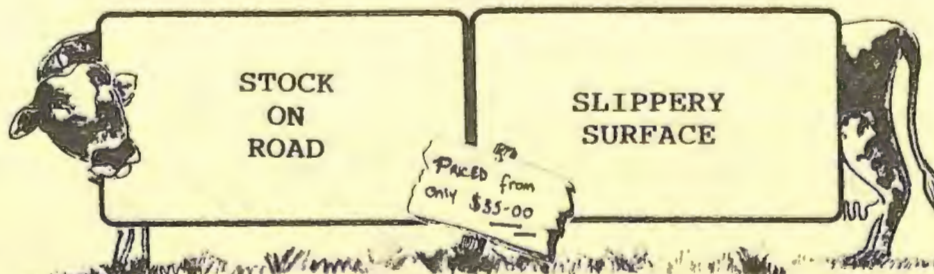
Great Gift Idea!

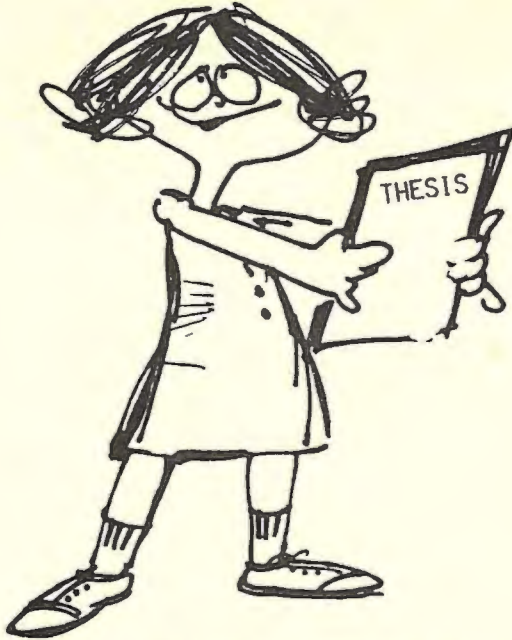
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signs

CHOOSE FROM A VARIETY OF SIGNS,
WITH OR WITHOUT STURDY FRAMES.

AVAILABLE FROM SADA HEAD OFFICE.
(Orders filled as required)





WHO IS JUDITH WOOD?

Judith Wood is a delightful young lady who is embarking on a Master of Arts degree in Economic Geography at The University of Adelaide.

Judith is aiming to investigate some economic problems of the dairy industry relating to farmers. Consequently she will be conducting an initial survey of about 10-12 farmers where she will be trying to identify a problem suitable for her to investigate in her thesis.

She will select farmers at random.

Once she has decided on her area of study she will want to undertake a more comprehensive study involving a large number of farmers. She will again select participants at random.

I will be preparing a letter-of-introduction for Judith that both Allan Manning and I will sign.

I can assure all members that information collected by Judith will be for the purpose of her study only and all data will be used in a consolidated form.

Potentially Judith may be able to help the industry resolve a difficulty.

If you have any ideas for Judith to pursue as a topic for her M.A. Thesis please contact her on 228 5645 or ring me.

Terry Inglis.

IMPROVING THE EXPRESSION OF THE SIRE WORKABILITY ABV'S

Mark Jeffries and Les Jones

How A.D.H.I.S. ranks bulls on Workability ABV's

Many AB sires now receive Workability ABV's from A.D.H.I.S.. Farmers score daughters of progeny-test bulls for Milking Speed, Temperament, and Likeability Characters.

This article explains how A.D.H.I.S. uses farmer-collected information to generate a ranking for sires on workability breeding values. It is important to recognise that there are two systems of ranking used in the Workability analysis: the one used by farmers to rank daughters on an A to E basis, and secondly the system used by A.D.H.I.S. to **predict or estimate** the percentage of **future** daughters of a sire which will be classified unsatisfactory (D or E) on the scale used by farmers.

On a scale of A (most favourable) to E (least favourable), farmers give heifers mostly "C"'s. This can be seen in the table below.

The percentage of heifers classified as A to E for these characters on the A.D.H.I.S. data file up to May 1989 were:



FARMER COLLECTED DATA	A	B	C	D	E
Milking Speed	6.6	38.0	45.4	8.0	2.0
Temperament	8.7	39.3	39.5	11.0	1.5
Likeability	9.5	34.1	42.1	10.1	4.2

As you can see, there are more daughters of average or above, than there are below average. A.D.H.I.S. releases Workability ABV's using this information but expresses the results in terms of the population average. You can see from the table that the average score given by farmers lies between B and C for all three characters.

ABV's relate only to the differences between individual sires and the average of all sires. Sires are ranked on their ability to produce less or more unsatisfactory daughters than an average bull ("C"), ranking sires on the "A" to "E" basis.

A.D.H.I.S. uses a scale based on the expected percentage of unsatisfactory daughters. Some farmers may expect most daughters of a bull to be the same as the bull ABV, but this is not the case.

This is the reason why sires with an ABV of "A" will most likely have a few unsatisfactory daughters, while sires with "D" or "E" will have **greater percentages of unsatisfactory daughters**. It is important to remember that while we are focusing on unsatisfactory daughters, most bulls' daughters will be satisfactory, even "E" rated bulls: refer to the above table.

A further point to explain the analysis is that like the Production ABV Analysis, the Workability ABV's are also calculated on a herd-mate comparison. This is why A.D.H.I.S. can account for the fact that you may be an easy scorer while your neighbour is a hard scorer - the comparison is made within herd.

Also, A.D.H.I.S. can make use of pedigree information. The ABV is a prediction of what is expected from a sire. The more information A.D.H.I.S. has to make this prediction, the better.

What are the Workability ABV's telling farmers?

The ABV's are an expression of the **expected percentage of future daughters that can be classified "D" or "E" - unsatisfactory daughters**. As with all ABV's, the estimate given is basically an average prediction of daughter performance. The ABV's do not relate directly to the scores given by farmers.

The expected percentages of future daughters classed as D or worse fit roughly into categories below-

Bulls classed as	PREDICTED% of unsatisfactory daughters	
A		7%
B	7%	- 9%
C	10%	- 13%
D	14%	- 17%
E		17%

Note that the grades here (eg 10% - 13%) relate to future daughters, not daughters already scored.

Bulls given an ABV of "A", have an expectation of having less than 7% of future daughters receiving "D" or "E" from farmers for that character. Bulls with an ABV for Milking Speed of "D" are expected to have between 14% to 17% of future daughters falling into the unsatisfactory category.

The Workability ABV's give farmers the opportunity to decide whether to take the risk in using bulls with a greater chance of producing unsatisfactory daughters. This has to balance against other characters of the bull (Production ABV) and semen price.

Variation between bulls

Let's say that a bull fits into the B category. Three years after his proof becomes available, another 100 heifers of his are scored. That means that between 7 and 10 daughters can be expected to receive "D" or "E" scores for temperament. Some farmers would say that knowing their luck, they'd be stuck with all 10 of them in their herd.

This is where farmers ask themselves whether paying a bit extra for semen from a bull with higher Workability ABV's is worth it or not.

If we are talking about Milking Speed, some farmers would claim that there is little difference between bulls with 10% of future daughters being unsatisfactory, and bulls with 15% of future daughters being unsatisfactory. Others would argue that their herd cannot afford to have a strong influence from sires that have a greater chance of producing slower milking daughters, so these people may place a premium on bulls with ABV's of "A" or "B" to reduce the risk of having slow milking heifers.

Improving the Information Available on Sire Workability ABV's

The 1990 ABV release will incorporate for the first time the expected frequency of unsatisfactory daughters for bulls. This value will be given alongside the A to E result farmers have used to date. Remember, A.D.H.I.S. is providing an estimate, using data currently available, of the **expected** percentage of **future** daughters to be classed as unsatisfactory - the percentage estimate is not relating to the heifers milking now, but of future daughters.

Bulls which have Temperament ABV's of "B" could now have ABV's of B7 to B9. Bulls ranked "C" could have ABV's C10 to C13, etc.

This reporting format effectively spreads out the range from 5 classes of ABV's (A to E) to around 20 classes. This will allow farmers to determine whether the extra cost of semen from a bull with C13 is really worth paying when a bull with an ABV of D14 is also being considered.

There is also the opportunity to really gauge what the difference is between the expectations of bulls with "A" ABV's compared with bulls with "D" or "E" ABV's.

1990 ABV Booklets

Orders are now being taken for the 1990 ABV Booklets. The Production ABV Booklets contain the listing of the Workability ABV's for all AB sires with sufficient reliability. These booklets also list the Survival ABV's.

For the Production ABV booklet containing the full listing of all bulls reaching the minimum reliability criteria for publication please write to A.D.H.I.S. Pty. Ltd., First Floor, 1601 Malvern Road, Glen Iris, Victoria 3146 enclosing a cheque for \$20.00 which includes postage. Type ABV booklets will be available for \$20.00 as will listings of the Top 2000 ABV Cows at \$20.00 for each of the Friesian and Jersey breeds and \$10.00 for each of the other breeds.

The Australian Dairy Herd Improvement Scheme is funded by the Dairy Research and Development Corporation.



A CONSIDERATION

Is anybody happier because you passed his way?
Does anyone remember that you spoke to him
today?

Were you selfish (pure and simple) as you
rushed along your way.

Or is someone mighty grateful for a deed you
did today?

Can you say tonight in parting with the day
that's slipping fast,

That you helped a single brother in the many
that you passed?

Is a single heart rejoicing over what you did
or said?

Does a man whose hopes are fading now with
courage look ahead?

Did you waste your day or lose it? Was it well
or poorly spent?

Did you leave a trail of kindness or a scar
of discontent?

As you close your eyes in slumber do you
think that God would say:

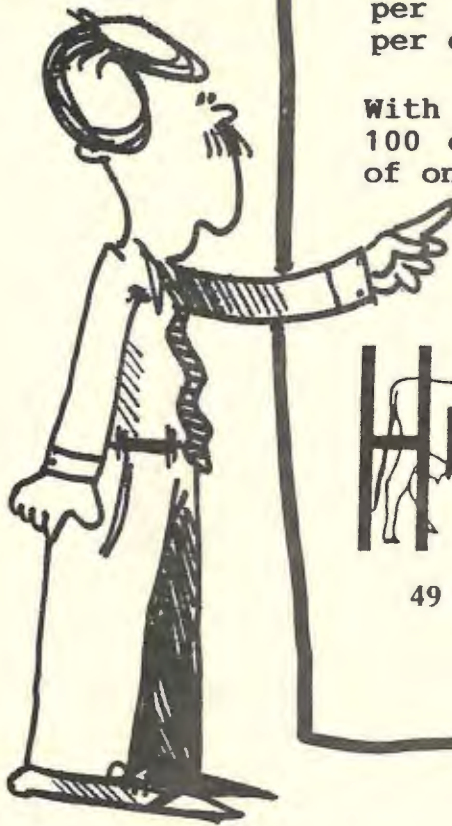
"You have earned one more tomorrow by the
work you did today."

DID YOU KNOW

that, on average, Herd Tested cows produced 549 litres more per cow per lactation than the State's average per cow production last year?

With butterfat at \$5.00 per kg that means each 100 cow herd returned an extra \$11,529 with a cost of only \$1,228.00!

IS THERE ANY BETTER INVESTMENT AVAILABLE IN THE DAIRY INDUSTRY TODAY?



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briefs

A Queensland survey carried out on beef cattle found that bruising occurred more in cows than steers or bulls. Fat did not appear to act as a buffer. Bruising tended to increase with increasing fat depth and age. Horns were a bruising factor to the order of 100% over dehorned mobs. Rail travel was much better than road transport.

It was interesting to see a mail bag full of cartons delivered to the Metropolitan Milk Board prior to Easter. These were supposedly sent in by concerned citizens - yet of the 40 to 50 cartons I saw there were only 3 types of writing. Perhaps some people are not as clean as they are green.

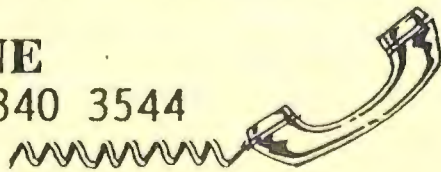
It was also interesting to see how MMB Secretary Ric Teichert has taken the need to cut costs to heart. Ric was removing the stamps from the above mentioned cartons because not one of them had been franked. At 80 to 82 cents per carton you can see Ric was pleased with the Green Parties' effort.

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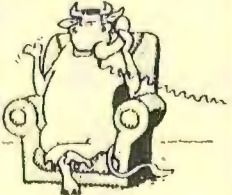


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Boost your production levels by adding milled grains to your herd's diet.

Grain Milling can be a simple and cost effective process and your stock will respond.

We specialise in roller mills, storage silos, auger systems and feed systems tailor made to suit specific requirements.



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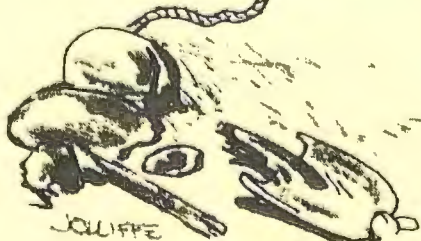
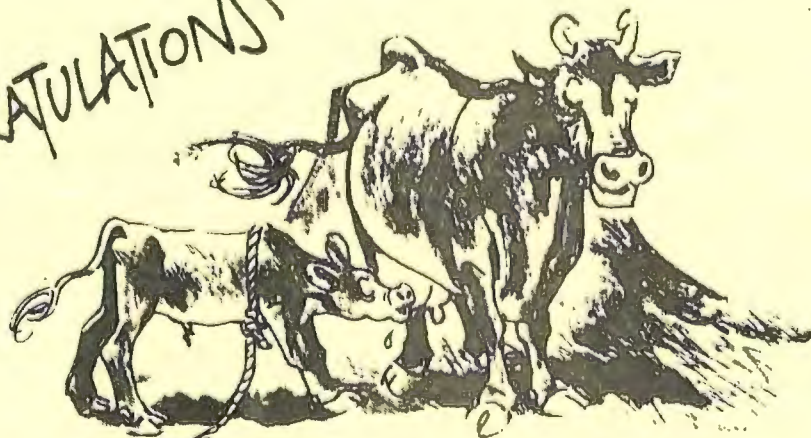
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...CONGRATULATIONS



*Best Wishes to Joanne
(Central Councillor-VP
River Murray District)
and Barry Pfeiffer
on the arrival of
their second daughter
-Julia Elizabeth
March 27 1990 at
M.B.S.M.H.A.*

DAIRY RESEARCH AND DEVELOPMENT APPOINTMENTS

The Minister for Primary Industries and Energy, John Kerin, today announced the appointment of a chairperson and directors to the new Dairy Research and Development Corporation.

The appointments take effect from 1 April 1990, the commencement date for the Corporation.

Mr. Kerin said that he would not normally make such appointments during the caretaker period prior to the election, but he has bipartisan support to proceed with these appointments given the 1 April commencement date for the Corporation.

The Chairperson is Mr. Ken Baxter, currently Chairperson of the Dairy Research Council which will be replaced by the new Corporation.

"Mr. Baxter has broad experience in business and government and has a long association with the agricultural sector. He is also Deputy Director-General of the Premier's Department of New South Wales," Mr. Kerin said.

"In addition to Mr. Baxter's appointment, I have appointed six directors nominated by the Dairy Research and Development Corporation Selection Committee."

These directors are:

Mr. John Cordner - Business Consultant; **Mr. Barry Croke** - Dairy Farmer; **Dr. John Drinan** - Head of the School of Administration and Technology at the University of Newcastle, grazier and current member of the Dairy Research Council; **Dr. Barry Kitchen** - Development and Scientific Director and Director of Australasian Industrial Sales for the Confectionary Division of Cadbury Schweppes Pty. Ltd. and current member of the Dairy Research Council; **Mr. Terry Makin** - dairy farmer and current member of the Dairy Research Council; and **Mr. Ed Neff** - Lecturer in Manufacturing Management, David Syme Business School, Chisholm Institute of Technology, and Consultant.

Mr. Kerin said that he has also appointed Mr. Ron Messer as Government nominated director of the new Corporation. Mr. Messer is currently the government member of the Dairy Research Council.

"I am confident the high calibre of the directors of the new Corporation will make it effective during a period which will see a significant increase in dairy research and development expenditure."

Mr. Kerin thanked the retiring members of the Dairy Research Council for their valuable contribution to the dairy industry.

GREATER FLEXIBILITY ENHANCES THE BENEFITS OF PIBA LOANS

Most South Australian farmers are aware of details concerning credit facilities extended to them by the major credit institutions. They may, however, not be as familiar with recent changes in lending facilities offered by one of these institutions, the Primary Industry Bank of Australia (PIBA).

Since its formation in 1978, PIBA has become a major provider of loan funds to Australia's important agricultural sector.

Initially, it operated as a refinance bank by providing funds to prime lenders, mainly trading banks and pastoral finance companies, who then provided that finance to individual rural producers.

In 1987, the Bank was granted a full banking licence and replaced these refinancing services with direct, competitively priced financial packages for commercially viable farming units.

The Bank's Senior Manager, Mr. Ian Charlton said that PIBA has quickly gained a market share of the rural financing sector with its main lending product, the \$250,000 plus interest-only loan.

This has been done by targeting and approving loans for those farmers who have sound management, a record of achievement and future viability.

Farmers should also have sound equity in their total assets and be able to secure the loan with a mortgage over land.

The Bank's main aim is to provide primary producers with the most cost effective lending facility available. Mr. Charlton said the Bank can fund loans at competitive rates of interest and that the facility can provide an almost unparalleled degree of flexibility. Interest payments can be timed to suit seasonal cashflows, and loans can be extended, reduced or otherwise altered as needs and priorities develop.

The attractive pricing of the loan is further enhanced by the absence of any roll-over or annual fees once the facility has been established.

PIBA's preferred loan minimum is \$250,000 offered on an interest-only basis, and can cover purchase of new or additional property, debt consolidation or any worthwhile on-farm purpose. In addition, the Bank has now extended this service for off-farm investments.

Mr. Charlton said he would welcome the opportunity to discuss borrowing requirement at any time and stressed that enquiries concerning the Bank's lending should now be made direct to the Bank's office in Adelaide on (08) 373 0858 or Head Office Sydney on STD Toll Free on (008) 22 2275. Lending personnel are readily available to travel anywhere in South Australia to assess loan proposals.

DEBILERATE ERRORS

In the January/February Edition we made two deliberate errors to find out who actually reads the Journal.

We know that Allan Sargeant from Nairne does because he told us about the two errors. (*Very tactfully at a District Meeting - thanks Allan.*)

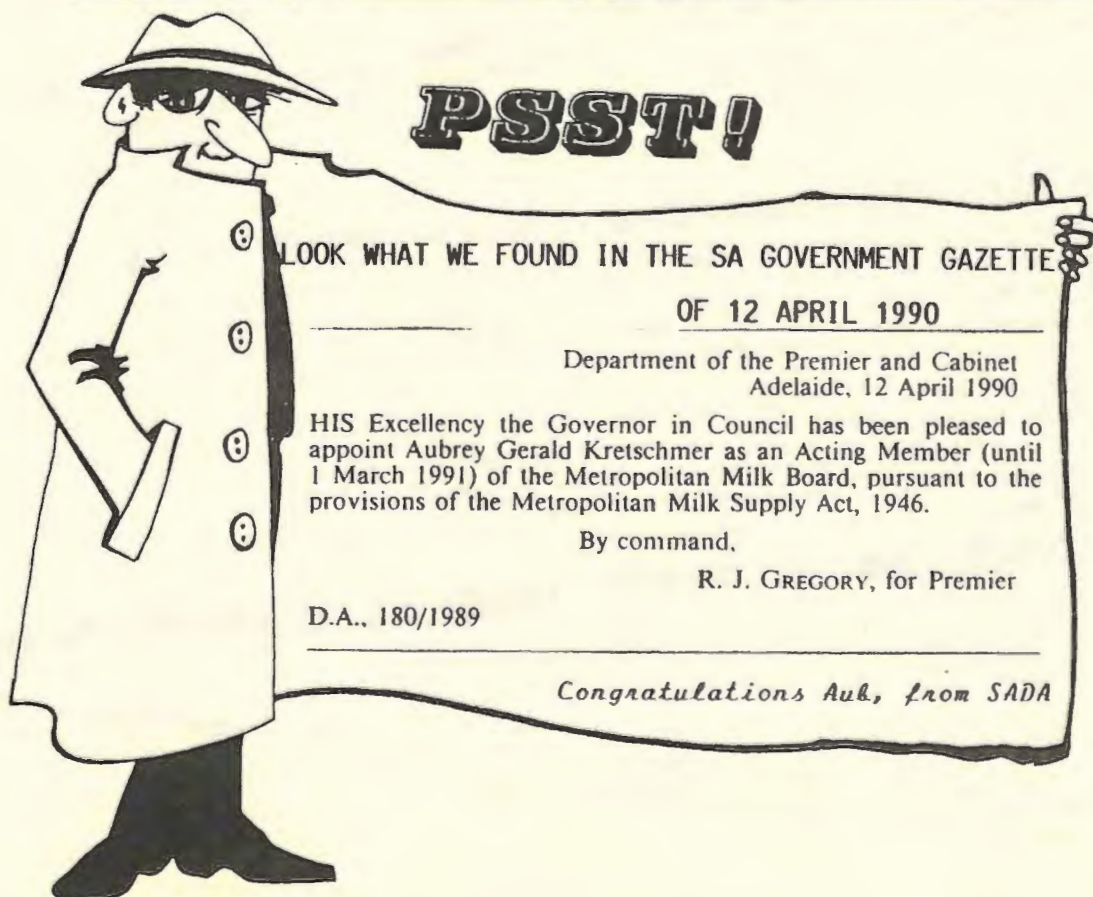
One of those errors was in an advertisement for HISCOL. Frank Beauchamp is such a gentleman that he rang SADA and thanked us for making the error (*which I hope we've fixed in this edition, ed*). Frank was pleased that people were ringing him to place orders for the miracle cows that returned an extra \$11,259 per year, because it proved the advertisement was being read. The copy HISCOL gave us actually referred to a 100 cow herd - so it should have read

With butterfat at \$5.00 per kg that means that each 100 cow herd returned an extra \$11,259 with a cost of only \$1,228.00!"

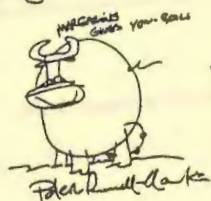
Our apologies to HISCOL, our thanks to Frank Beauchamp for his tact and our earnest recommendation of HISCOL whose work is a positive influence for all dairyfarmers.

Terry Inglis

P.S. The second deliberate error is the subject of a competition. Those who can find it should enter. Just write in pointing it out to me and I'll give the neatest correct entry a copy of Gordon Pickhaver's book "People, Places and Cheese".



G'day.



THE FUNNY FARM....

SOCIALISM:

You have two cows and give one to a neighbour.

COMMUNISM:

You have two cows, the Government takes both and gives you the milk

FACISM:

You have two cows, the Government takes both and sells you the milk.

NAZISM:

You have two cows, the Government takes both and shoots you.

BUREAUCRACISM:

You have two cows, the Government takes both, shoots one, milks the other and throws the milk away.

CAPITALISM:

You have two cows, you sell one and buy a bull.

After waiting over three frustrating hours at the airport for the arrival of a plane that had been delayed, a man approached the airline's desk and asked for an arrival-time update. He was concerned because he was meeting his nephew and this was the boy's first flight.
"How old is the boy?" the airline clerk asked solicitously.
"He was six when he left," the man replied sharply.

Brendan Kelly, superintendent of a hospital for the disabled, was one day showing a millionaire round the place in the hope of getting a large donation from him. So he took him into a ward where there was a man with no arms.

"That's dreadful," said the millionaire. "Look, here's a cheque for \$50,000."

Brendan thought he would squeeze a little more money out of him, so he took him into a ward where there was a man with neither arms nor legs.

"That's terrible", said the millionaire. "I'll increase that to \$100,000."

Never one to miss a good opportunity, Brendan decided to squeeze just a little more money out of his benefactor, so he took him to a ward where there was a bed with just a single tooth lying on the pillow.

"Oh my God", gasped the millionaire, "is that all that's left of the poor fellow?"

"Worse still," said Brendan, "He's having it out tomorrow".

... And you'll remember also the Irishman who got a job as a doorman in a big building. He managed very well with the PUSH and PULL signs but he was seen struggling with his fingers under a door marked LIFT.

SOME DAIRY SNACKS
BEFORE YOU GO
DAIRYING



MILK DRINKS

The Milk Method

Banana Satin

1½ C. milk
1 ripe peeled banana
1 C. crushed ice
1 T. sugar
Beat altogether.

Chocolate Delight

1 C. milk 1½ C. cream
2 t. cocoa 1 t. honey
½ peeled banana
Beat altogether

Pineapple Malted Milk

½ pt. milk
1 scoop ice cream
2 t. malted milk powder
¼ C. diced pineapple
1 T. sugar
Beat altogether

COFFEE NUT CAKES

½ C. milk 1 T. coffee essence
3 oz. butter 1 o.z. walnuts, chopped
2 eggs 1¾ C s.r. flour
¾ C. sugar

Place all ingredients (except flour and walnuts) in bowl and beat till smooth. Add sifted flour & walnuts & mix. Place in patty pans & bake in moderate oven. Top with coffee icing and walnuts.

HAM-QUARK

Ingredients:
400 g Quark (or Cottage Cheese)
4 slices Ryebread
4 slices cooked Ham
4 pieces Celery
8 slices Tomato
Parsley
Butter for Spreading
Salt and Pepper



Spread bread with butter and the rest of the ingredients on in the following order. One slice Ham, one piece sliced celery, one layer Quark, spiced with Salt & Pepper. Top with Tomato slices and chopped parsley.

MUNCHIES

Makes about 3 dozen

125 g butter
½ cup brown sugar
1 tablespoon golden syrup
1 teaspoon baking soda
1 cup wholemeal flour
1½ cups rolled oats
½ cup wheatgerm
½ cup sultanas
2 tablespoons boiling water



Heat oven to 180 degrees C. In a medium-sized saucepan, melt the butter, brown sugar and goldensyrup. Add the baking soda. Stir until frothy. Remove from heat. Mix in the flour, rolled oats, wheatgerm and sultanas. Finally stir in the boiling water. Place spoonfuls of the mixture on three oven trays. Bake 10 to 12 minutes or until golden brown. Remove from oven and allow to cool on trays for 2 to 3 minutes before transferring to a wire rack.



ASSOCIATION GOODS

- °M5 Non-Chlorinated Alkaline Cleaner
- °D588 Formulated Acidic Cleaner
- °Iodine Cleaner/Sanitiser
- °Non-Iodine Heavy Duty Sanitiser
- °Sulphamic Acid
- °Glycerine
- °Molasses
- °Stock-On-Road signs

ASSOCIATION SERVICES

- °Legal Service
- °Industrial Matters - Wages, Work Conditions
Sharefarming Agreements
- °Lobbying
- °Representation On Concerns
- °Information
- °Watchdog Role
- °Sounding Board
- °Friendly Stop In The Big City
(with conveniences!!)

South Australian Dairyfarmers' Association Incorporated
1st Floor Aston House, 13 Leigh Street, Adelaide
Telephone (08) 231 3752 AH (08) 384 1061

THE SOUTH AUSTRALIAN DAIRYFARMERS JOURNAL

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Telephone (08) 231 3752



THE SOUTH AUSTRALIAN DAIRY FARMERS'

JOURNAL

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REFRIGERATION TAX

THE CURRENT SITUATION

The recent debate that has been generated by SADA over the imposition of the refrigeration tax is not solely based on the prescribed \$50 registration fee. There are a whole range of impacts this tax will have on dairyfarmers and you should be aware of the total position. Correspondence with Ms. Lenehan, the Minister for Environment and Planning, has indicated our opposition to the tax and the regulations her departmental officers have created.

The situation is that there has been an extension in time by the Minister from June 1 to August 1 to allow the 80% of SADA Members who have yet to see the registration form to get one delivered by the Department of Environment and Planning (DEP). You do not have to pay or register until August 1.

However, I sincerely hope that we will have had some MEANINGFUL discussions with the DEP by August 1 and a more sensible outcome can be announced. If you have a refrigeration mechanic who refuses to deal with you unless you have a DEP registration number, ring Mr. Alex Smith (08) 216 7638 and explain your situation. Mr. Smith will happily give you an interim exemption number over the telephone. The mechanic will also be able to act as a DEP agent. The Minister has clearly stated the position in her press release, printed in full below. The mechanic cannot over-ride the Minister's decision (-unless he is John Bannon!)

SADA has put forward the following points for discussion:



IN THIS ISSUE -

| ANNUAL REPORTS TO 1990 CENTRAL COUNCIL AGM

| WORK COVER - WHAT HAS HAPPENED?

plus
Our Regular Features

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PRICE \$2.00 \$12.00 a year, post paid

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CODE 097090

- (1) SADA should be able to pay one \$50 fee for all of its members.
- (2) There be a three month moratorium to allow full discussion of the issues involved.
- (3) Some scheme - such as interest free loans - to enable dairyfarmers to adopt the "new technology", if it exists.
- (4) Development of a long-term strategy
- (5) The 2 to 3 million kilograms of domestic R12 be included in "cost bearing" exercise (if 10,000 kgs on dairy farms)
- (6) A clear and detailed explanation of the relative importance of ozone depletion as opposed to greenhouse effect because solutions to one appear to exacerbate the other.
- (7) Media will be used if negotiations are not successful.

The Refrigeration Tax has made me more determined than ever to fight every imposition on your lot. Until the bureaucrats, and politicians, realize that they are super-hypocritical, in telling us we must face up to deregulation, and yet, in the same breathe, they are imposing more regulations than ever before, we must fight them. I have been told New Zealanders are enthusiastic about their industry. I know Victorians are enthusiasts. The South Australian industry must develop an aggressive enthusiasm that aims to ensure a positive future for dairying in this State.

This can be commenced by resolving to fight all future impositions on the farmgate as a united group of dairyfarmers. It must be as one group not as factions or individuals. Dairyfarmers must stick together if this enthusiasm is to be developed.

- - - - -ooOoo-- - - - -

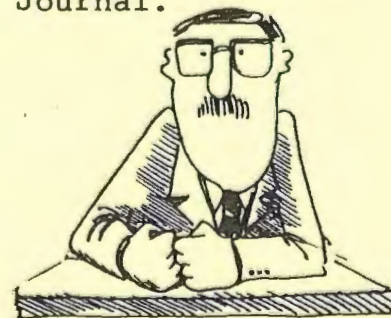
Whilst talking about refrigeration and your vats I would urge all members to use their regular refrigeration mechanics and services. Your local agents have built up an expertise, a range of spare parts and a service that cannot be matched by "new" refrigeration businesses.

Many of your electrical agents are "the" experts in bulk vats. There are no vats made in this State and so all new vats are imported. Your local refrigeration technicians are generally local people who live in your region. Some of them have been involved with dairying their whole working life.

I have heard of refrigeration agents in rural areas who have pulled calves, dehorned cows, milked herds and indeed helped you out in ways other than just servicing your vats. Don't forget them.

Advertisements in the Journal should not be equated with SADA endorsement of any company or product. It is a purely commercial arrangement where people buy advertising space in the Journal.

TERRY INGLIS
SADA Executive Officer



NEWS RELEASE

MINISTER GRANTS EXTENSION OF DEADLINE

Following discussions with Mr. Terry Inglis of the SA Dairyfarmers Association, this morning, the Minister for Environment and Planning, Ms Susan Lenehan, has agreed to extend the period for compliance with the new guidelines regulating the servicing of commercial refrigeration units.

"Some small business people, and dairyfarmers in particular, have had some difficulty in seeking the necessary exemptions before the deadline. Having spoken to Mr Inglis and having heard at first hand of some of the difficulties faced by the dairy industry, I have decided not to take any action for non-compliance until all concerned have had ample time to comply with the requirements of the Act.

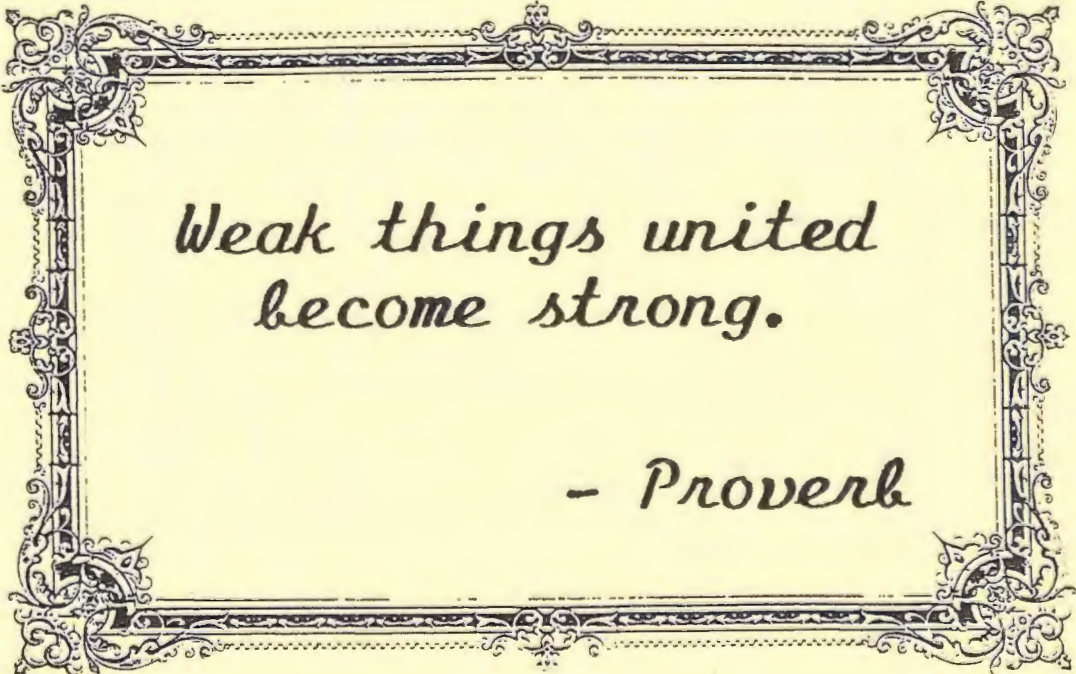
The question of protecting the ozone layer from attack by chlorofluorocarbons is of global importance however, and we cannot afford to delay a moment longer than is absolutely necessary.

We must know where CFC's are located, and we must ensure that used CFC's are properly contained and not allowed to escape into the atmosphere. The imposition placed on dairyfarmers and business people is unfortunate but necessary, and all parties in the Parliament have agreed with that principle.

I have therefore decided to allow a period for compliance until the end of July. After that time, however, the law must accept the need to protect our environment from the ravages of CFC's and seek the necessary exemption for their refrigeration equipment.

In the meantime, discussions with all interested parties will continue so that the legislation can be made to work not just for South Australians, but for everyone else on the plant" Ms Lenehan said.

For further enquiries please phone Derek Robertson on 226 4305.



*Weak things united
become strong.*

- Proverb



PRESIDENT'S COMMUNIQUÉ

The Annual Conference at Victor Harbor has clearly created a focus on the potential of the SA industry. The 5 dairying regions in Central and Southern Hills, Northern, River Murray Flats, Meningie and the South East of the State were clearly demonstrated to have plenty of scope for increased production.

Such a positive approach to milk production with a stronger emphasis on increased productivity will ensure production levels compatible with the increased markets the Companies have developed.

I will use this opportunity to express gratitude to Geoff Walker, Murray Klemm, Roger Schmidt, Mick Fischer and Ray Heinrich for the work and effort they put into preparing their Conference presentations. These commendable efforts will be incorporated in a Conference Proceedings Booklet that will be sent to all who registered for the Conference and will be available at cost price to any interested parties within a few weeks.

I wish to personally thank everyone who contributed to the success of the 7th Annual Conference - our office staff, Terry, Jenny and Sue, and our guest speakers, John Watson, Max Fehring, Terry Makin, Steve Rice, Darren Arthur, Dr. John Radcliffe, Don Pfitzner and Pat Rowley C.M.G.

A special thank you to my Executive, not just for the effort at Victor Harbor, but for their supportive role throughout the last challenging year.

Having been elected for a further term as President of SADA I intend to generate a sound industry approach that will guide our industry into the future by continuing to achieve goals consistent with those already set at our Industry Think Tank.

We will meet with the Companies, to discuss the necessity of a healthy opening price consistent with the call for increased production, starting this week (July 1-7).

Despite the depressive outlook created by the lack of rain over the last 6 months there is cause for optimism. The current heavy falls of rain, the potential for a positive opening price, a new system of payment commencing July 1st and the clear message that productivity gains are possible in all 5 regions, indicate the **FUTURE LOOKS POSITIVE.**

I wish all members a successful year in 1990-1991.

ALLAN MANNING
General President

CONGRATULATIONS - to the Executive Committee, who have been re-elected as follows:

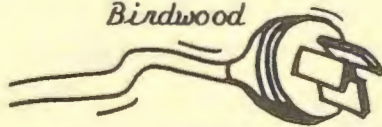
President:
Senior Vice President:
Junior Vice President:
Executive Committee:



Allan Manning, Birdwood
Roger Basham, Mt. Compass
Ian Newman, Meadows
Don Holly, Yundi
John Nietschke, Koonunga
Stephen Treloar, Meningie
Ian Williams, Parawa

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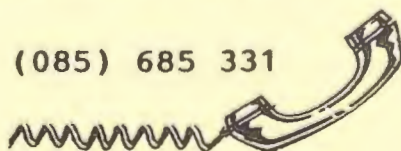
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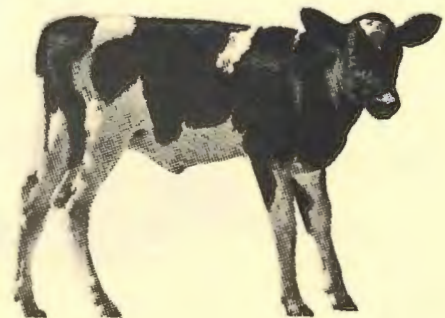
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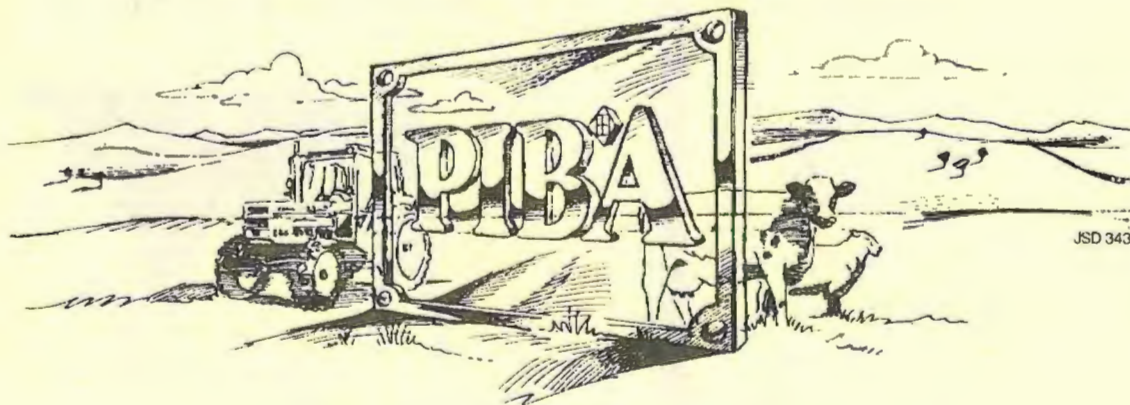
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WHAT HAS HAPPENED TO WORK COVER?



All registered workplaces would have received the May Work Cover date newsletter. The revision in Work Cover rates is a consequence of the \$80 million dollar deficit for 1989/90 about which we would have all heard. The Government intends Work Cover to be a self-funding agency sooner than later. Hence the revision in rates. The recommendations made to the Board of Work Cover ranged from open ended rates to no change. The political reality is the new 7.5% top levy rate, the average levy of 3.8% and the Bonus/Penalty Scheme.

The old 10 rate scale has been replaced with a new 24 rate premium scale. The highest 2 rates are of concern to dairyfarmers to help explain why the dairy farm rate has been set at 7.5%

The top two levy rates are 6.7% and 7.5%.

Based on industry statistics, including claim frequency, claim cost and limited costs, dairy farmers should be at a rate of 7.3% but because of the 24 rate scale they have been set at 7.5%.

However with bonuses this will put 90% of SADA members at the real rate of 6.375%. Nearly 93% will be below the industry rate and only about 0.8% will be actually on the industry rate.

Currently I have Work Cover withdrawing some statistics to show us where the majority of claims are occurring in terms of type of injury. It would seem that "strains and sprains" are number one compensation claim. I am investigating some training videos to help us as an Association develop a campaign to reduce the claim level and hence impact on our industry levy rate. If dairyfarmers can develop safer work practices and work places it will save on premiums. As an industry we can bring our levy rate down. So let's be positive about this apparent imposition. If we can attack the cause of the rate we can reduce it quite significantly.

If you have any individual queries about Work Cover and Work Cover give you no satisfaction, I will follow them up for you. Address your initial enquiries to Work Cover and use SADA as your support vehicle if things go wrong.

Terry Inglis

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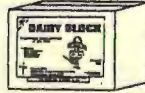
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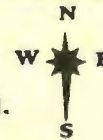
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**THE PRESIDENT'S ANNUAL REPORT to the CENTRAL COUNCIL ANNUAL GENERAL MEETING
and including the activities of
THE AUSTRALIAN DAIRY INDUSTRY CONFERENCE and the AUSTRALIAN DAIRY FARMERS FEDERATION**

ADIC

The structure of the ADIC comprises a full Conference of 46 members including 23 farmer members.

The major governing body of the Conference is the Executive Council to which 8 Councillors are nominated by the following industry organisations:-

Australian Dairy Farmers Federation	10	Australian Dairy Traders Federation	1
Australian Dairy Products Federation	5	Australian Council of Trade Unions	1
Conference of Milk Authorities	1		

The Chairman of the ADIC is ex officio the President of the ADFF, currently Mr. Pat Rowley.

The Deputy Chairman Mr. Don Kinnersley is the President of the ADPF.

Together with respective Deputy Presidents, Mr. John Watson and Mr. Tony Bardsley, they comprise the Management Committee of the ADIC.

The Administrative Director is Mr. Clay Manners. The Administrative Officer is Ms. Nola Anderson and the Executive Technical Officer is Ms. Helen Dornom.

I believe it is imperative that Central Council Delegates fully comprehend this structure and the role of this important industry group.

The Australian Dairy Industry Conference is the peak policy body within the Australian Dairy Industry. The Conference's principal functions are to:

- || Represent the views of the Australian Dairy Industry to the Commonwealth Government and advise the Government on issues affecting the Industry.
- || Provide an avenue for accountability of the Australian Dairy Corporation and the Dairy Research and Development Corporation to the industry.
- || Provide a forum for Industry planning and policy development.

A number of specific responsibilities are defined for the ADIC under the Dairy Produce Act and associated legislation. These include:

- || Providing recommendations to the Minister for Primary Industries and Energy as to the appropriate level of the Australian Dairy Corporation Administration and Promotion Levies and the Dairy Research Levy.
- || Endorsement of the Australian Dairy Corporation's Export marketing activities.
- || The Australian Dairy Corporation and the Dairy Research and Development Corporation are obliged under their respective legislation to report to and consult with the ADIC in preparation of their corporate plans.
- || The ADIC is responsible for recommending to the Minister, persons for appointment to the Australian Dairy Corporation Board and the Dairy Research and Development Corporation Selection Committee (other than the presiding Member).

The Commonwealth Government recognises the ADIC as the peak policy body in the Dairy Industry and looks to the Conference for advice on policy issues that arise from time to time.

This role has increased as the Dairy Industry has undergone significant change over the last five years. The introduction of new marketing arrangements in 1986 provided a catalyst for much of this change in direction.

The amalgamation of dairy companies into larger units in the eastern states, has meant the companies themselves are capable and eager to take greater responsibility in all areas of marketing and research.

Taking into account these changing trends, Industry started questioning whether all the past functions of the Australian Dairy Corporation are appropriate in the 1990's.

The roles and responsibilities of the ADC and the newly formed DRDC have been critically reviewed by the ADIC with the assistance of Mr. Adolf Hanich a partner in Deloitte Haskins and Sells, who undertook a study, which on completion, recommended substantial changes.

As a result of these recommendations, the ADC was restricted in funding which has resulted in the development of a slimmer and fitter ADC. I believe the success of these internal changes can be, to a large extent, contributed to the strong, capable and positive leadership of both Mr. Pat Rowley and Mr. John Frearson the newly appointed chairman of the ADC.

There is now a commendable degree of co-operation between these key industry policy making bodies.

The most successful example of this interaction was the Strategic Planning Seminar held from March 2nd to 4th at Burnham Beeches in Victoria. The aim was to develop a united industry policy regarding the administration of the Kerin Plan in 1990/91 and 1991/92 and to consider options for arrangements after 1992 when the legislation expires.

This workshop played an integral part in the subsequent decision to set the All Milk Levy at 43c for 1990/91 season.

Consistent with the point I made in my Presidential Address yesterday, I iterate that it is imperative that all Australian farmers continue to contribute funds to ensure that returns from our export sales are built up to a realistic level that can be used to set a flow in the Australian domestic market.

However the ADIC has faced consistent pressure from Minister Kerin to ensure that Australian consumers are able purchase dairy product at rates similar to the price paid on the corrupt export market.

To demonstrate this point may I quote from a letter in July last year to the ADIC where the Minister stated:

"I therefore request conference in conjunction with the ADC to keep the issue under close scrutiny over the coming months and to provide me with advice early in the new calendar year on the then level of domestic prices compared with equivalent import parity prices. If the gap between domestic prices and import parity prices is not narrowing I would expect the industry to recommend a reduction in market support payments for 1990-91. If the industry does not provide the appropriate advice I will have to give consideration to an approach to the Government for direct intervention through the levy mechanism to remedy the situation."

The wool industry has already experienced this power of Federal Government intervention. You will now clearly understand why I emphasised yesterday that a supported export price must be compatible with the New Zealand Guide Price F.O.B. This I believe is fair import parity which involves an allowance for trans-Tasman freight and recognition of the additional financial benefit New Zealand receives from its preferred access to the European Community and North American markets.

DRDC

The Dairy Research Council has now been incorporated to become the Dairy Research and Development Corporation (DRDC).

Legislation enabling the Council to become an independent incorporated organization passed through Federal Parliament in the final days of the 1989 Parliamentary sitting.

The Legislation known as the Primary Industries and Energy Research and Development Act will enable all rural research councils to incorporate.

During the passage of this Legislation the ADIC successfully sought amendments which will allow co-operative dairy companies to contribute directly to the DRDC's research programme.

Company contributions will receive \$ for \$ matching Commonwealth Grants on the same basis that our Dairy Research Levy is supported.

The Chairperson of the DRC, Mr. Ken Baxter, has been appointed to chair the new DRDC.

Appointments to the DRDC Board were recommended to Minister Kerin by a Selection Committee comprising the ADIC Management Committee plus Mr. Bruce Vaughan acting as independent chairman.

The directors are as follows: Messrs. John Cordner (business consultant, Barry Croke and Terry Makin (dairy farmer), Dr. John Drinan (senior academic), Dr. Barry Kitchen (Cadbury Schweppes), Ed Neff (Senior Academic) and Ron Messer (government representative).

The announcement of the appointed Executive Director to Head up the new DRDC is imminent.

ADIC RESEARCH TASK FORCE

With a view that there is a need to continually improve communication between Industry and DRDC, the Executive Council has requested the ADIC Research Task Force to consider a preferred structure.

The suggested structure involves the ADIC task force becoming the ADIC Research Committee:

Convenor - Mr. Tony Bardsley
Members - Mr. John Hughes
 Mr. Allan Manning
 Mr. Ivan Jones
 Executive Director, DRDC
Secretary -Ms. Helen Dornom

Mr. John McQueen (Exec.)
Mr. Glen Davies (Exec.)
Mr. Clay Manners (Exec.)

There will be ADIC Farm Research and Manufacture Research Sub-committees.

FARM RESEARCH SUB-COMMITTEE	MANUFACTURING RESEARCH SUB-COMMITTEE
Convenor - Allan Manning	Convenor - John Hughes
Members - John McQueen (Exec)	Members - Glen Davies (Exec.)
plus - Representatives from all State farmer organisations	plus - Representatives from all companies

The Sub-committees will provide input to the ADIC Research Committee via the Sub-committee convenors.

The ADIC Farm Research Sub-committee will take on the work of the Farm Link Group previously established to ensure communication from farmers through to the old DRC. The immediate task facing these 2 groups is to develop research strategies necessary to be included in a 5-year research plan. These strategies will be communicated to the DRDC at a joint meeting on the 25th July:

I wish to report the Dairy Research and Development Corporation (DRDC) is organising a workshop to determine priorities for research into soils, pastures and fodder crops and their utilisation in Australian dairy systems.

The workshop is called FEEDBASE 2000. It will be held at the Hovell Tree Inn, Albury-Wodonga, from the evening of Monday 6th August, till the afternoon of Thursday 9th August.

The format of the workshop will include formal and group sessions. The formal sessions will be an overview of dairy feed costs, and contract sessions on soils, annual pastures, perennial pastures, fodder crops, grazing management and machine harvesting. There will be an introductory session where farmers and extension officers describe different dairy production systems.

Bronte Wilson from the South East and I have been invited to attend as representatives of South Australian producers.

ADFF

The role of the ADFF overlaps from time to time with that of the ADIC. This of course is imperative and ensures that farmer driven policy is being strongly debated at Conference level.

To continue on the subject of research the following are areas of concern expressed at ADFP level where resolutions were passed.

- ▮ "That the research and promotion levy needs to be fully accountable to dairy farmers."
- ▮ "That the ADFP request the DRDC for 6-monthly reports on current research and percentage of funds involved in each project."
- ▮ "That any increase in Research Levy not be directed to the establishment of a central research facility, but be allocated to existing research centres."
- ▮ A motion with which I have some personal misgivings: "That the DRDC be asked to allocate greater sums of research funds on a cost benefit basis so that the DRDC will be partially self-funding." (I believe this must not apply to farm projects).
- ▮ Two specific motions were: "ADFP to request DRDC to do more research into infertility and bloat control in Dairy Cattle" and "That increased funds be made available to ensure that the full potential of dung beetle distribution is achieved."
- ▮ "That ADFP take up with the Dairy Research and Development Corporation the results of the market survey carried out by Websters regarding the mastitis vaccine. In addition, ask the DRDC for details of the current position regarding the vaccines use and what further action is required to have the vaccine available to farmers as soon as possible."
- ▮ "That the ADFP request the Dairy Research and Development Corporation commission a study into the viable alternatives that could be available to the Australian Dairy Industry for the purpose of on-farm cooling of milk and incorporating the following terms of reference:
 - (i) The identification of problems associated with the adequate cooling of milk produced on individual farms.
 - (ii) The reduction on refrigeration costs, including the efficiency gains available using the principle of formal transfer combined with off peak tariffs.
 - (iii) Environmental constraints in the refrigeration of milk, including the national strategy for ozone protection approved by the Australian environment council in July 1989, involving the perceive necessity for a massive reduction in chlorofluorocarbons (CFC's), in particular R12."

ADFP has decided not to continue to employ Jack Green, but has offered Jack the services of the ADFP office facilities as a clearing house and communication link to enable him to act as a Consultant to various sectors of the Dairy Industry on a "user pays" basis (this arrangement to be reviewed annually).

Following discussions with Mark Jeffries ADFP has requested a cost benefit analysis of a possible national numbering system for cattle.

ADFP strongly supports the continued funding arrangements of ADHIS.

MMPC

This year's MMPC conference was held at Mt. Gambier to coincide with the 50th birthday of the South East Dairyfarmers Association. Roger Basham very capably represented SADA at the Conference.

The suggested date for next years conference is the week of April 8th - 12th to be held in New South Wales.

ADFP has proposed that the MMPC conference be replaced with a total industry conference with 1 day being dedicated to market milk issues, incorporating New Zealand as currently practiced.

UDV has been asked to review its policy to boycott MMPC conferences in the future. Reference has been highlighted to the changed format and the need for all States to be present for any national conference to be successful.

ADC PROMOTION LEVY

ADIC & ADFP have agreed -

1. that the ADC Promotion Levy remain at 4.65 cents/kg fat for 1990/91.
2. that the Levy rate be stabilised for the next 3 years for ADC budget purposes.
3. ADC Administration Levy was set at 1.05 cents per kg butterfat (no change).
4. DRDC Research Levy has increased to 1.8 cents per kg butterfat. It was decided to increase from 1.3 cents at the projected rate of increase to reach 0.5% of gross value in 1993.

NATIONAL FARMERS FEDERATION

The ADFP has continued its affiliation with NFF at an increased rate of \$101,100 per year.

The NFF Trade Policy has caused considerable concern, but it was decided to support the latest draft policy with one amendment to Policy Recommendation No. 2.

i.e. "Australia should implement a program to rapidly reduce protection". the words "rapidly reduce" were to replace the word "eliminate".

I believe the amendment has subsequently been supported at NFF level.

FARMGATE PRICE

The biggest challenge that ADFP has attempted to confront this year is the problem of UHT pricing across State borders.

The Victorian amended Section 38.1 of its Dairy Industry Act (known as the Walker Amendment) controls the price of raw milk regardless of its destination and is considered a goal to be achieved in other States.

Currently Victoria permits the purchase of raw milk, destined for interstate markets, as UHT product at less than the regulated farmgate price.

New South Wales operates in a similar manner and South Australia sells UHT flavoured with the same lack of discipline.

The State Presidents have now met twice with a representative group of the Conference of Milk Authorities (CAMA) to address this damaging lack of discipline.

Prior to the second meeting Mr. Barry Rowe, the Victorian Minister of Agriculture, announced his preferred changes to the liquid milk marketing system in Victoria.

The dramatic changes he prefers are basically a result of the recommendations of the Public Bodies Review Committee in Victoria. His intended removal of the farmgate price for market milk is a major threat to the National Industry and will be vigorously opposed by all Australian farmers. His suggested changes to sourcing market milk are equally unacceptable.

Terry Inglis and I were present at the UDV conference where Barry Rowe addressed some 200 UDV delegates. Any producer that was present would have been proud of the solid, logical case that farmers used to argue against Barry Rowe. The Minister was unable to identify any logic or significant gains from the proposed change. It appears his proposal was based on blind faith in "deregulation".

The UDV is to be commended on its action thus far, for I believe Minister Rowe has backed off considerably from his original stand.

However, the focus of the State Presidents' meeting with CAMA was subsequently broadened as a result of this potential disarray.

Consequently a deliberate effort was made to devise a policy that embraced all of the sensitive aspects of Market Milk.

I include in this report a draft of Priority Objectives set for the ADFP with a view to encouraging discussion by Central Council Delegates.

---DRAFT--- Priority Objectives for ADFP ---DRAFT---

State Ministers for Agriculture and/or Primary Industries should be approached to present the following propositions in respect of market milk.

1. Dairy farmers are prepared to support the removal of unnecessary regulation in the market milk industry with the aim of improving efficiency in the marketing area. However, because of the individual and diverse nature of the producer sector and thus limited market power, plus the need to provide the consumer with continuity of supply, ADFP supports the need for legislated protection for a farmgate price.
2. The Victorian industry produced 60% of the total Australian milk production and there is the opportunity for commercial movement of milk across State borders. Therefore all State Ministers should be encouraged to influence the Victorian Minister, Mr. Barry Rowe, to legislate for a farmgate price as is presently determined with adequate provisions for adjustment for increased costs.

State Ministers should be acquainted with the unacceptable position of allowing the world dairy market to set the base for market milk along with the unacceptability of a fixed premium which will erode with inflation.

Ministers must be made aware that the final decision of farmgate price in Victoria will influence prices in other States.

3. In 1987 Victoria amended Section 38.1 of its Dairy Industry Act (1984) which, by means of the controlling powers of the VDIA, has successfully disciplined the price at which raw milk enters the market milk trade, regardless of its origin or destination within Australia. In order to provide continuing discipline, all States should urgently consider similar legislation. Each State will have different problems in approaching this requirement.
4. State Ministers should be requested to introduce legislation which defines the minimum criteria for market milk as, fresh white milk, flavoured milk, skim milk, modified milk, UHT milk, RE milk and any form of ultra filtered milks or long life milks sold for consumption in liquid form.

1994 will be an important year for the AUSTRALIAN DAIRY INDUSTRY.

The 78th Annual Sessions of the International Dairy Federation will be held in Adelaide and followed by the IDF Congress to be held in Melbourne.

SADA will be assisting with organization of the Annual Sessions to be held at the Adelaide Convention Centre.

Roger Basham and I are members of the organising sub-committee and will meet for the first time on 10th July this year.

TO SUMMARIZE THE ACTIVITIES OF SADA (in 1989/90 without unnecessary repetition)

I ask delegates to:

FIRSTLY refer to my Presidential Address

SECONDLY I intend to itemise only the list of subjects I have discussed with you at the recent round of Annual Meetings.

1. Method of Payment (i.e. composite fat + protein for manufacture + City Milk Bonus paid in protein).
2. Dairy Industry Think Tank (on-going)
3. State-wide Equity of Market Milk
4. State-wide Unity of all Dairyfarmers
5. State-wide Authority to replace MMB
6. Market Milk Price increase 39.83 (+1.98 SE license fee)
7. Motions to Central Council (Procedure for debate)
8. Insurance Review - Recommendation - Federation Insurance
9. Ozone Protection (Refrigeration Tax)
10. Company Changes - Allowrie Farmers (i.e. FUFL)
11. Effluent Disposal (Plan for the future)
12. Notice to change supply (currently 12 months)
13. FUFL Purchases of Milk from Kraft in Victoria (estimate 75,000kg/week)
14. Proposed Calf Run Changes (Alternative buyer)
15. Vet Lab Survey (copper & selenium)
16. Changes to structure of SAMH (Chairman Peter Edwards)

FINALLY I would like to sincerely thank all members of Central Council for your diligence, commitment, enthusiasm and constructive criticisms throughout the 1989/90 year.

I particularly commend Central Council on the leadership quality of the executive with whom I have had the pleasure of working with throughout this year.

I am particularly grateful to the Executive Members Roger Basham, Don Holly, Ian Williams, John Nietschke, Ian Newman and Steven Treloar; I sincerely thank you for your efforts and support throughout this extremely busy period. The numerous positions the executive must accept have been handled admirably as you will have noticed.

On behalf of all members of SADA I take this opportunity to thank our 3 capable staff members - Jenny Harris, not just for running a trouble-free office, but also for those cups of coffee and those special lunches. Sue Phillips - the whiz on the word processor who leaves her mark with the style and format of our Journals.

Last, but, by no means least, the "quiet achiever" Terry Inglis. Thank you Terry for the extra-ordinary effort, the extra role you have carried within Equalization, the time you have spent working after hours, the vigour, and the enthusiasm which culminates in the success of our Journal this year.

Our Industry has changed dramatically in the last twenty years, it will continue to change, and the South Australian dairyfarmers have a major role to play.

ALLAN MANNING
General President



Motions passed at the Annual Meeting of Central Council on 28 June 1990 -

- | THAT SADA INVESTIGATE THE "RIGHT TO FARM" LEGISLATION AND REPORT TO MEMBERS.
- | THAT SADA AND SEDA MERGE AND THEN SEEK TO ASSOCIATE WITH UFS.
- | THAT CENTRAL COUNCIL PURSUE ALL POSSIBLE MEANS TO INCREASE THE OPPORTUNITIES FOR YOUNG PEOPLE TO ENTER INTO THE DAIRY INDUSTRY.
- | THAT SADA APPROACH THE SMALL BUSINESS ASSOCIATION WITH A VIEW TO CO-OPERATION ON MATTERS OF COMMON CONCERN.
- | THAT SADA SEEK FUNDING FROM THE MINISTER OF ENVIRONMENT AND PLANNING TO PAY FOR THE CONVERSION OF BULK VATS TO OZONE FRIENDLY GASES.
- | THAT THE EXECUTIVE COMMITTEE LOBBY FARMERS UNION FOODS TO PAY PRODUCERS AN AUTUMN INCENTIVE TO ALLOW FOR MANAGEMENT DECISIONS TO BE MADE BY FARMERS TO REMOVE THE NEED FOR THE IMPORTATION OF VICTORIAN MILK.
- | THAT THE EXECUTIVE COMMITTEE INVESTIGATE THE ELIMINATION OF THE 12 MONTH NOTICE OF INTENTION TO CHANGE COMPANY SUPPLIED, AND THE EFFECT OF A 30 DAY NOTICE TO CHANGE, AND REPORT TO CENTRAL COUNCIL AT ITS NEXT REGULAR MEETING.



FROM
NEW ZEALAND

RATIONAL APPROACH TO SELENIUM SUPPLEMENTATION

"Feedstuffs" tells us Selenium is an essential nutrient which must be supplemented in cattle diets in areas where soil levels are low. Because of its toxicity, supplementation must be carefully monitored. However, questions remain about dietary requirements and the efficacy of supplementation protocols for cattle. The current recommendation for Se concentration of dairy rations is 0.3mg/kg dietary dry matter, and it is noted that ruminants absorb oral Se much less efficiently (29%) than non-ruminants (77%). There may be elevated requirements in lactating dairy cows due to further increases in ruminal inactivation.

WHICH COW HAD THAT ANTIBIOTIC TREATMENT?

"Farm Equipment News" provides a number of practical suggestions for ways to remind milking shed staff that antibiotic treatment has been given to a cow and to identify the treated quarter(s). This ensures that milk from these animals is not put into the main vat. Paint, raddle, tags and insulation tape can be used to catch the eye, but good written records must also be maintained, using a permanent blackboard which is visible from the pit, or a notebook kept in the milking shed. A leg strap can also be used to alert milkers to codes on the back of udders.

ONE FORM OF MASTITIS THAT CAN BE ERADICATED

An article in "Farmers Weekly" last December reports that infection from *Streptococcus agalactiae* is one of the few forms of mastitis which can be eradicated from a dairy herd. The udder is the main source of infection, although the bacterium can survive for up to 3 weeks outside the udders. If hygiene is poor, cross-contamination can arise during milking, particularly if teat sores are present. The symptoms of infection are described. Treatment depends on antibiotic sensitivity as determined by a vet, since some strains are now resistant to slow-release penicillin. Control involves dry cow therapy, culling where necessary, teat dipping, regular milking machine maintenance and treatment of acute cases. Consistent good hygiene can then prevent recurrences of disease.

FROM
ENGLAND

AMAZING MAIZE

British dairy farmers are amazed by maize silage. In some areas of the country, new, easier-to-grow, earlier maturing varieties are improving herd performances. Now, owing to a revival of interest in the feed crop, the Milk Marketing Board for England and Wales and the British Maize Growers Association (MGA) are jointly funding research by Dr. Richard Phipps to monitor the effects of introducing maize into cows' diets at different periods after calving. Feeding maize is claimed to improve protein percentages in milk yields.

**EXECUTIVE OFFICERS' REPORT TO THE FIFTY-FIFTH ANNUAL
MEETING OF THE SOUTH AUSTRALIAN DAIRYFARMERS' ASSOCIATION
CENTRAL COUNCIL, 28 JUNE 1990**

There have been many issues confronting SADA over the past 12 months. The major issues demanding attention have been:

- i) Method of Payment
- ii) All Milk Levy
- iii) Think Tank and its outcomes especially -
 - a) Equity and Unity
 - b) Young People
 - c) Green Paper
 - d) Communication
 - e) State-wide Body
 - f) Farmer Courses
- iv) Review of Insurance Scheme
- v) Refrigeration Tax
- vi) Calf Run Alternative
- vii) Market Milk Price Rise
- viii) Mount Lofty Ranges Review
- ix) Murray-Darling Basin Management Strategy
- x) Valuer General
- xi) Tanker Drivers' Duties
- xii) Political Liaisons
- xiii) Management of Investment Portfolio
- xiv) Milk and Cream Promotion Council

There are other issues involving time such as legal difficulties, industrial representation, Journal development, lobbying in various circumstances, indemnity insurance study, re-organisation of Districts, SADA location, Work Cover and Finance. To report fully on all of the activities of SADA for 1989-90 would take too long. This report will concentrate on a few of the major issues/tasks and address those deemed important at Central Council as reflected in the Minutes.

i) METHOD OF PAYMENT

Undoubtedly the issue that consumed more of the Executive Committee's time and Central Council's time.

Was it all worth it?

At the time many wondered if it was worth the effort expended but on reflection the final outcome vindicates Central Council's decision at the Murray Bridge meeting in 1989. Central Council has fully debated the issue - a number of times. To its credit the directions and revisions of thinking have supported the final outcome.

As we move into 1990/91 there is no doubt that dairyfarmers have done more than their fair share to provide a sound basis for the dairy industry's future. A method of payment that acknowledges the consumer trend to lower fat market milk yet allows a realistic return for butterfat in manufacture milk to reflect its place in the markets we have. There is nothing surer than further refinement will be necessary in the future.

ii) ALL MILK LEVY

Already the President has touched on the All Milk Levy. Considerable time has been spent by the Executive Committee and by me to ensure SADA has a firm grasp on how the levy works and whether it is necessary for South Australia. The future of the All Milk Levy is dependent upon what happens over the next 12 months. It will be on our agenda for some time yet.

iii) THINK TANK

The Think Tank has provided a base document for, and an impetus to, the industry. It has a large number of ideas dormant in it. The key points requiring urgent attention have been addressed and some very substantial progress has been made towards resolving some very old dilemmas.

a) Equity and Unity

Ric Teichert, SEDA, SADA, Barossa Mid-North Co-op, UFS and the merchants have all contributed in some way to the discussions and work on this age-old dilemma. Is equity essential to gain Unity?

I believe it is. I do not believe SEDA will unite with SADA until the members of that body are convinced they are considered to be South Australian dairyfarmers by SADA members. The proof of this is a system that will enable them to share equally in the market milk premium of this State. In the short term it will seem a hard decision. In the long term it will ensure the SA dairy industry has a future.

I also believe a link with UFS is possible if only that body will accept the reality of dairyfarmers' views.

b) Young People

We need to improve the profile of our industry to attract young people to it. We need to develop some smart strategies to enable young people to enter into it. It is not impossible, merely a little difficult. We need to foster youth and I congratulate those Districts who put the issue high on their priorities at the recent round of AGMs.

c) Green Paper

True to its name it is being recycled. The Minister now wants it to incorporate more of the Think Tank ideals and to look at the Acts as well as the Regulations. I will continue as an observer on the Working Party unless the Minister decrees otherwise. It should be public by the next full Central Council meeting.

d) Communication

The Think Tank identified a need to improve the intra-industry communication channels. There is evidence that the Think Tank itself has facilitated that process. I would like to see greater involvement of dairyfarmers with DIAA, even to the extent of joint conferences to help open up channels of communication.

e) State-wide Body

The existence of this lean, monitoring body is dependent upon the outcomes of equity, unity and the Green Paper.

f) Farmer Courses

There are a number of strategies emerging that will enable a greater variety of relevant courses to be run and developed. Demand will determine their worth. Leadership, communication skills, management, finance and personnel issues are all prospective course topics.

iv) REVIEW OF INSURANCE SCHEME

It now behoves SADA to get behind the scheme, monitor Federation's performance and not be afraid to do it all again more frequently but perhaps more concisely.

v) CALF RUN ALTERNATIVE

After a number of complaints brought about by a lack of competition a serious look at a SADA based calf run in conjunction with Vicstock has been taken. Tim Gore will be here today to speak about what Vicstock has to offer SADA members. Again its a matter of whose pocket you want your money in. If you want to make some money out of calves then we have to set the floor. We can do it easily by using Vicstock. I would urge you to seriously consider the potential of such an SADA endorsed scheme.

vi) MARKET MILK PRICE

The Executive Committee has considered its approach to the issue of market milk price rises and I believe in 1990/91 there will be greater input into submissions by your elected administrators. This can only improve the standard of our submissions.

viii) MOUNT LOFTY RANGES REVIEW

A dormant giant sleeps. Its release is imminent.

viii) MURRAY-DARLING BASIN MANAGEMENT STRATEGY

Ditto. My concern is that the political motivation behind this "strategy" is fairly limpid. We will continue to be involved.

ix) VALUER GENERAL

If in doubt - question the valuation.

x) TANKER DRIVERS' DUTIES

The onus is on dairyfarmers to keep communication open with the tanker drivers. We still wait for the handbook. We have invited SAMH to contribute to our Journal but no response is the reply.

xi) POLITICAL LIAISONS

The development of stronger ties with the Opposition has been most useful already. Our task as SADA is to keep our points of view before the politicians' eyes. We have continued with the responsible attitude of being frank with the politicians, speaking to them as infrequently as is necessary in order to subconsciously unsettle them. There is much to be said in making friends.

xii) MANAGEMENT OF INVESTMENT PORTFOLIO

David Baker has been invited here today to explain to you what he does with your money. He is one of Adelaide's leading brokers and he has steered our ship of investment safely through some troubled waters. (Estate Mortgages, Elders IXL, BHP are three examples).

xiii) MILK AND CREAM PROMOTION COUNCIL

This advisory Council is a very useful forum for SADA to ensure market milk is being promoted effectively.

xiv) REFRIGERATION TAX

Attached is the letter I sent to Ms Lenehan and the South Australian motion that was passed at ADFP in May. Central Council needs to direct the Executive Committee and me as to the extent of our commitment to fight the issue.

We need to sit down with DEP and thrash out the problems. There are some alternative strategies we need to consider.

xv) OTHER MATTERS

a) Indemnity Insurance

I have completed a lengthy paper on the issue of the need for indemnity insurance. My recommendations to Central Council are:

- (1) There is no need for SADA to have indemnity insurance for the Executive Committee or Central Council provided we have "reasonable men" elected.
- (2) There is a need to insure the Executive Officer because of the common law precedents.

b) SADA Re-organisation

A detailed look at the re-organisation of Districts has been put on hold pending the outcome of unity talks.

I believe that regardless of these I should prepare a report with recommendations for Central Council to consider.

Representation should be on the basis that will ensure a continuation of our grass root contact.

c) SADA Location

I would seriously urge Central Council to consider relocating SADA Head Office to a location outside the city square mile or into a country town central to our industry. For the benefit of our members and an improved buying service I see this as essential in the near future.

SUMMARY

There are other matters I could include in this report but perhaps it is best I leave myself open for questioning on the issues that concern Central Councillors.

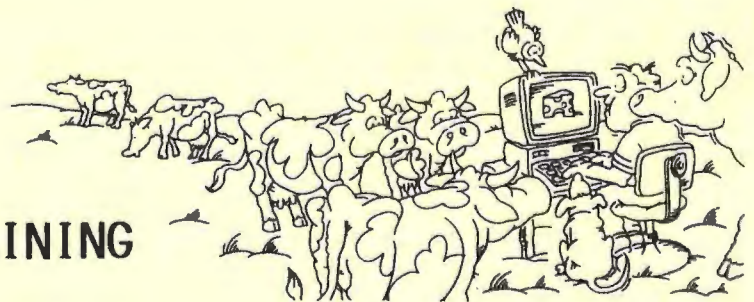
I might add that the past 12 months have been the busiest in my life but also the most rewarding in a lot of ways. There is no shortage of work only the time to do it and the extended time periods needed to round off many of the tasks.

I have enjoyed meeting members, attending meetings, visiting farms, working for Central Council, working for the Executive Committee and have appreciated your interaction with me. I have been gratified by the support given to me over the past 12 months and look forward to the future with a great deal of optimism. I resolve to be more positive and more enthusiastic over the next 12 months. We have a great industry, one that is worth fighting for, and one of which I am very proud.

The focus for our future must be positive but I am convinced that we cannot afford to let any "minor" encroachments, such as the refrigeration tax, reduce your incomes any further. To develop an industry spirit characterized by enthusiasms we must attack those that would attack our industry from without and/or from within.

TERRY INGLIS

RURAL TRAINING



My participation as Rural Training Delegate for 1989/90 has been in two main areas. First with Noarlunga College of TAFE which conducts the On Farm Training Scheme (Dairying), and the second with the South Australian Rural Industry Training Committee.

The Group III on Farm Training of 10 students continued from the previous year under guidance from Ross Seaman until 1st December when Glen Aldridge returned from leave. This group will graduate next month (July 1990).

Group IV began in September with 18 students and from reports I have heard is running smoothly thanks to the organization of Glen Aldridge and the Management Committee.

The South Australian Rural Industry Training Committee has met on three occasions and a greater amount of time has been spent in preparing a submission to the Commonwealth Government review of the teaching of agriculture and related subjects in Australian colleges and universities.

To aid the preparation of this submission an all-day search conference was held in April at the Adelaide College of TAFE with representation from many involved schools, colleges and universities.

Both Federal and State Governments appear more committed to Agricultural Training at all levels, possibly because there is concern that the farming community has been slow to implement new methods and proven researched results.

The SARITC also held one meeting at Adelaide TAFE in the High Tech classroom which allows visual and audio contact with fellow students in TAFE colleges at Gawler, Clare and Nuriootpa. The next campuses to be linked to the video network are at Port Pirie, Whyalla and Port Augusta.

The SARITC also completed and released the booklet for schools "Careers in Agriculture" a guide to help Year 11 and 12 students in choosing a future profession in farming and its allied support industries.

IAN NEWMAN
Rural Training - SADA Executive Committee

REMEMBER WHEN ?

IN MAY/JUNE 1970....

In the May/June 1970 Journal Two articles strike me as eternally topical

- (1) Metropolitan Watersheds water pollution control*
- (2) Dubious Nitrogen - the need to apply nitrogen fertilizers*

The debate surrounding these two topics bubbles along in 1990.

IN JUNE 1940....

General President, Ivan Elliott, in the Sixth Annual Report spoke about cattle compensation, co-operative factories, Methylene Blue Test, condensed milk, new branch at Chain-of-Ponds, veterinary surgeon at Murray Bridge, but perhaps the most influential topic he discussed was the endeavour to secure a Milk Bill to control Adelaide's milk supply.

The latter issue is interesting in the light of the current Green Paper activity relative to new legislation that might be possible.

AND IN 1890....

"In 1890 a factory was established at Baccus Marsh for the manufacture of preserved and concentrated milk on a commercial scale..."

The excitement of new developments must not be lost in our industry, indeed it must be heightened.

SADA PRESIDENTS

For the students of history, who read Remember When, some interesting facts about the General Presidency of SADA.

There have been 8 General Presidents of SADA since it was formed in 1935, namely:

- | | |
|--------------------------------------|-----------------------------|
| <i>(1) July 1935 - July 1936</i> | <i>HERBERT R. WALSH</i> |
| <i>(2) July 1936 - November 1936</i> | <i>G. LLOYD HAMPTON</i> |
| <i>(3) November 1936 - May 1939</i> | <i>A. S. BRABHAM</i> |
| <i>(4) May 1939 - December 1963</i> | <i>IVAN R. ELLIOTT</i> |
| <i>(5) December 1963 - July 1969</i> | <i>HAROLD E. LOECHEL</i> |
| <i>(6) July 1969 - July 1981</i> | <i>NORMAN M. GREEN</i> |
| <i>(7) July 1981 - July 1989</i> | <i>AUBREY G. KRETSCHMER</i> |
| <i>(8) July 1989 -</i> | <i>ALLAN P. MANNING</i> |

A Letter to the Editor

Dear Terry

After thinking about the SADA Survey, I was tempted to put it into the too hard basket, but I decided to tackle the questions by looking at the past 10-15 years. I have come to the conclusion that by adopting new practices and being prepared to learn from other dairy farmers and the Department of Agriculture, as long as the financial rewards are there, dairy farmers in the hills should be confident for the future.

You may be interested in the list, (which is enclosed with this letter), of what we have produced and the pattern of production we have followed over the last 15 years. We have set ourselves some goals which are achievable in the next 510 years, or should I say, has to be achieved if the McKenzie's are to stay in the SA dairy industry in the long term. Three years ago, we looked at our all jersey herd with 25 years of A.I breeding and an average of 3326 litres per cow in 1987-88. With the company that we supply pushing litres incentives, it was easy to see something drastic, in the way of more litres per cow had to be produced. The first steps were tighter pasture management in the form of a 20 or 30 acre paddock, they got as much as they required, a fresh strip every day. Grain feeding went from 1.2kg to 4kg in November 1988, to 6kg in February 1989. At that time all the talk had just started on protein which we now know made it even more important to push our high fat herd to more litres.

The extra grain exercise turned out to be pleasing. For every 1kg grain, we got an extra 1.27 litres of milk or \$155 net profit per cow over the previous year. In 1988-89 we had a lift in litres of 10% over 1987-88. Now, for this year with controlled grazing and keeping the cows fully fed with grain, (when there is a feed shortage in the paddock), we found that even with 25 years of A.I breeding, probably a third to half of our herd genetically could not convert the extra feed - they put it on their backs instead of in the vat. The decision was made - any cow under 4000 litres was, or is to be culled and heifers must do 3500 litres. With two months to go in the 198990 season, we look like achieving a 14% increase above 1988-89. With some farms doing 200kg average protein now, I believe for us the goal to be achieved by 1995 has to be around 5000 litres per cow for jerseys and 6000 litres for Friesians which is around 200kgs of protein. With the use of American jersey semen and to calve all cows in July and August next year, (so we can keep a tighter reign on management), I believe that 5000 litres average can be achieved.

Those who class themselves as average commercial farmers, by trying to control pasture, grain feeding and genetics, a lift of production by 33% or even 50% in some cases, could be gained in the long term by farmers dairying in the hills.

Yours sincerely

Lee McKenzie
(Mt. Compass)

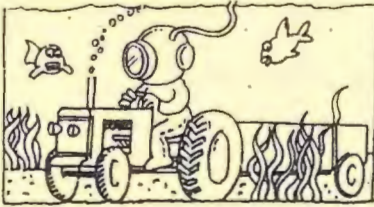
Dear Mr. McKenzie

Your positive attitude speaks for itself and is a lesson to all in our industry. We must make the future happen for us - not allow it to happen to us.

Yours appreciatively

ED.

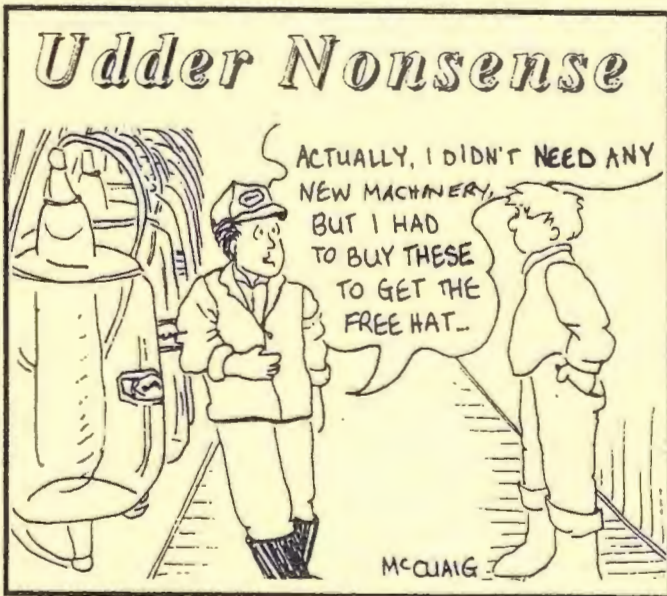
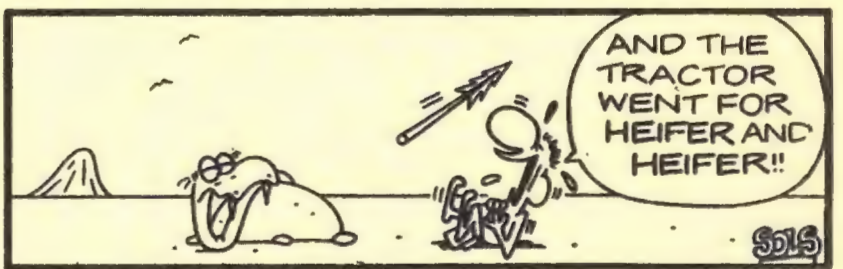
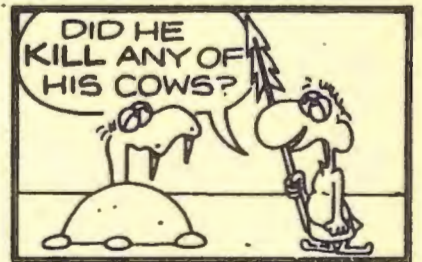
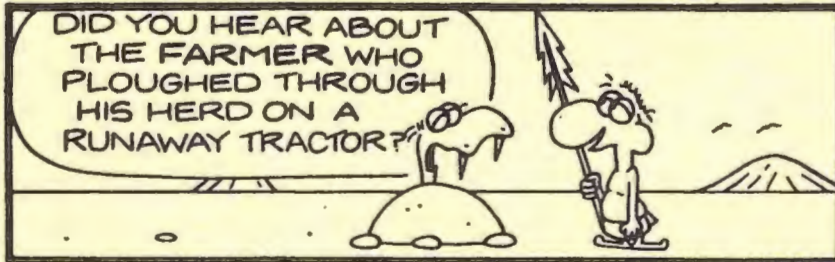




THE FUNNY FARM



SNAKE
Tales by **Sols**



The inebriated commuter had been trying to get on a train all evening. He had boarded four different ones, but none was his. Finally, a fellow commuter helped him on the right train and sat him next to a minister. Noticing the fellow's condition, the Minister said, "My heart goes out to you, brother. Do you realise that you are travelling the rough and rocky road to perdition?"

"Well, I'll be blowed, replied the commuter. "I'm on the wrong train again!"

Some Freudian Slips . . .

These are genuine extracts from letters received by the Ministry of Social Security which deals with Public Welfare in the UK.

Please send me a form for cheap milk I have a baby two month old and did not know anything about it until the neighbour told me.

In accordance with your instructions I gave birth to twins in the enclosed envelope.



**REPORT ON THE
14TH ANNUAL CONFERENCE OF THE MARKET MILK PRODUCERS CONFERENCE
held at Mt. Gambier on 30th April & 1st May 1990**

Delegates representing the six States and New Zealand attended. South Australia was represented by R. Basham (SADA) and R. Heinrich (SEDA). A. Manning and T. Inglis attended as observers.

New Zealand and each State presented a comprehensive report on their market milk situation.

Matters of concern discussed at the conference included:

- Sales levels and patterns
- UHT pricing
- Victorian Public Bodies Review Committee report
- Compositional payment
- Dairy research (Mastitis vaccine)
- Milk refrigeration
- Farmgate pricing

Mr. Maurice Hanrahan (formerly with Farmers Union Foods and now with Tasmaid) addressed the conference on environmental issues and on the likely effects of deregulation in the market milk industry.

The UDV had given notice of its intention to withdraw from the MMPC at the end of this year. The conference asked that the UDV reconsider that decision.

Opposite is a table showing comparisons of all States' market milk pricing.

-----ooOoo-----

CATTLE COMPENSATION FUND ADVISORY COMMITTEE

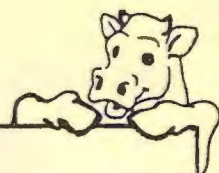
The Committee exists to advise the Minister of Agriculture on the level of funds needed to be kept in reserve for possible compensation claims and on the suitability of projects to receive funding from the Cattle Compensation Fund.

The committee members are Dr. John Holmden (Chairman) Dr. Barbara Wilson, Dennis Rowe (Tintinara) John Spiers (Hawker) Roger Basham (Mt. Compass) and Dr. Ron Newlands (Secretary).

The committee met on 21st June 1990 and considered 20 new projects and 24 current projects. Eleven of the current projects were seeking further funding.

The recommendations of the committee have been put before the Minister for his approval. A more detailed report will be made following the Minister's decisions.

**ROGER BASHAM
Senior Vice President
SADA Executive Committee**



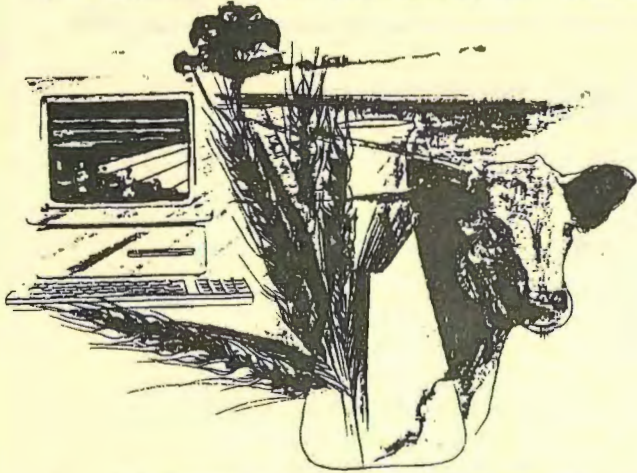
INTERSTATE COMPARISONS - FLUID MILK PRICE STRUCTURE

Prices and margins for one litre cartons operating in each State are as follows:

	Vic.	Tas.	NSW	SA	Qld	WA
Producer Farmgate Return	37.45	40.89	37.18	39.83 ²	39.96	37.94
Federal Levies ⁵	2.29	2.29	2.29	2.29	2.29	2.29
Net Producer Farmgate Return	35.16	38.6	34.89	37.54	37.67	35.65
Cartage Farm to Depot	1.68	1.7 ¹	1.8 ¹		1.8 ¹	2.2 ¹
Depot Handling Allowance	1.50		1.8		1.7 ¹	2.3 ¹
Cartage - Depot to Factory	2.09	0.9	2.2 ¹		2.2 ¹	2.1 ¹
Factory Gate Price	<u>40.43</u>	<u>41.2</u>	<u>40.69</u>		<u>43.37</u>	<u>42.25</u>
Factory Margins	18.23 ³	22.94	24.11		25.67	24.28
Total Processing ⁴ Plant Costs				23.66		
Milk Authority Margins	2.20	1.87 ¹	2.27	1.13	0.60 ¹	2.60
Distribution & Retail Margins	23.85 ³	23.6	21.3	23.4	21.07	21.58
Price to Consumer	87.00 ³	92.00	90.00 ³	90.00 ³	93.00 ³	93.00 ⁶
Net Producer return as % of price	40.41	44.45	38.77	41.71	40.51	38.33
Effective date	1/5/90	15/10/89	1/10/89	11/3/90	26/1/89	1/1/90

1. Estimated by ADFP
2. Excludes 1.98c/L "Licence Fee" paid to S.E. farmers
3. Maximum prices and charges
4. Applies to S.A. only and covers the total cost for processing and transport of milk from the farm gate to the vendor depot.
5. Federal levies includes All Milk (45 c/kg), Promotion (4.65 c/kg), Research (1.3 c/kg) and Administration levies (1.05 c/kg). Levies converted to c/L based on a 4.4% fat test.
6. Recommended consumer price only.

RESEARCH AND EXTENSION REPORT TO CENTRAL COUNCIL 28 JUNE 1990



Dairy Research and Extension Advisory Committee

The committee consists of about 15 dairy farmers, 5 dairy specialists from the Department of Agriculture and 3 field officers from the Dairy Companies.

SADA is represented on DREAC by Ian Williams and Stephen Treloar.

Priorities which have been set for State research and extension are:

1. to improve pasture production
 - assessment of new species/cultivars
 - breeding lucerne for pest and disease resistance
 - establishment and management of pastures
2. to improve conception rates, especially in high producing cows.
3. to find methods of disseminating interstate and overseas research results to the dairy farming community.
4. to maintain part of the Flaxley Research Centre as a demonstration farm.
5. to assist farmers with information as the basis of payment for milk changes.

Many other topics have been discussed including effluent disposal, mastitis control, the Rotavirus project, new reproductive/embryo technologies, focus farms, selenium and magnesium status of dairy cows, liming trials and Operation Mid Lactation.

The demonstration unit at Flaxley has been established with a management committee including 4 farmers.

Considerable work has been done in all of the other areas. However, some has not yet reached the stage where results are ready for publication.

Central Southern District Agricultural Council

The Council is comprised of officers of the Department of Agriculture and representatives from the Agricultural Bureau, UFS, SADA and the SA Horse Council.

The objective of the Council is to "to provide a forum for interaction and liaison between the Department of Agriculture, farmers and industry groups within the Central Southern District of the Central Region regarding research, extension and regulatory programs".

Priorities for research and extension programs are determined on a regional basis and in the broader agricultural field.

Some of the subjects that have recently been discussed have included Mt. Lofty Ranges Review, Land Care Groups, Southern Hills Soil Board activities, tree planting programs, mastitis control program and soil and plant nutrition research priorities.

At the National level Allan Manning is a member of the ADIC Research Committee and the Convenor of the ADFP Research Committee.

In April I represented the SADA at the National Conference on Agricultural Extension. A short report follows.

NATIONAL CONFERENCE ON AGRICULTURAL EXTENSION

- - - - CANBERRA 30 APRIL 1990 - - - -

The following is a short summary of some of the information and impressions gained from the Conference.

1. The objective of extension is to help farmers improve profitability, but it should also take into account risk, way of life and environmental considerations.

The success of extension can only be measured by the changes created, not merely the information and advice provided.

2. New technology is more readily applied if farmers are involved in every stage of the R & D Process.

This is done well by the SA Department of Agriculture. However, other bodies such as the CSIRO and tertiary institutions could possibly do more to co-ordinate their activities and involve farmers in their planning and review processes.

3. The new Act (the Primary Industries and Energy Research and Development Act 1989) makes provision for the establishment of Research and Development Corporations.

It ... "is designed to encourage close co-operation between industries, researchers and commercial institutions and to create a favourable setting for the transfer of information between these participants and a more rapid uptake of research results by industry".

4. The trend is towards packages of information tailored to regional needs and even more specifically to individual farmer needs on a whole farm basis.

5. Extension programs should be set out with clearly quantified objectives and a time schedule. The cost of the program can then be measured against the value of the change which has been created. This can be used to assess the effectiveness of the programs.

6. Government extension activities are declining and private industry activity is increasing. There is a trend towards fees for service. An increasing role of Government extension services is to provide information and training to commercial agri-business - in future, probably on a contract basis. However it is acknowledged that much work is done in the public interest and that the public should pay.

There is some suspicion of the motives of the commercial sector. However the supplier will try to foster a long term relationship with the client and a positive appreciation of the information and advice provided is needed.

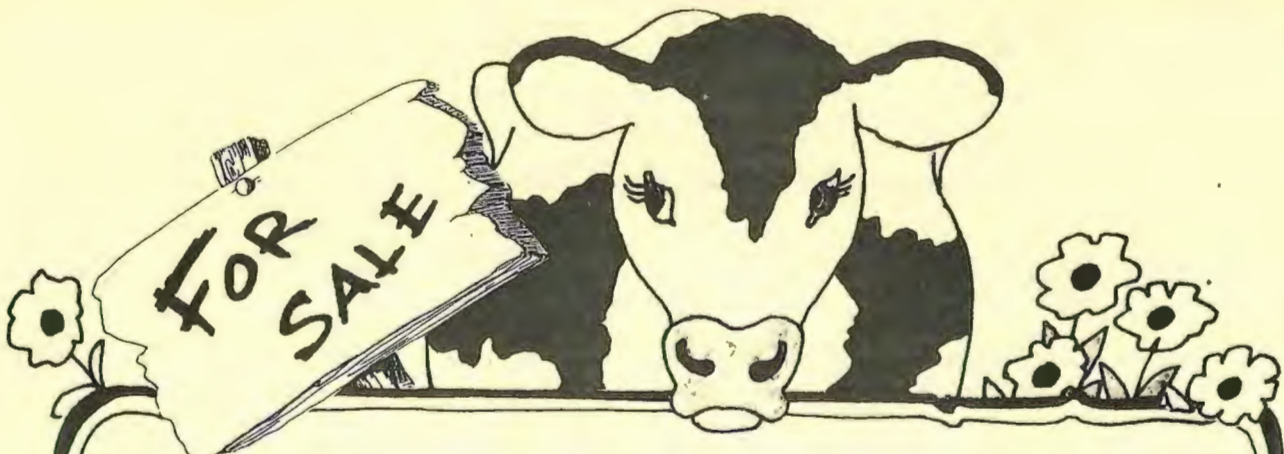
7. Apparently 80% of Australian farmers believe that the key to success is minimising costs. The notion of increasing costs to increase output or quality is not widely held. Extension faces the challenge of influencing producers to adopt productivity related practices. High interest rates will demand greater capital productivity as opposed to the previous emphasis on labour productivity.

8. Noted Changes in Agriculture

1. The change in emphasis from livestock production in the 1980's to crop related activities in the 2000's.
2. Farm units getting larger.
3. Farm managers better educated.
4. Greater consideration for the environment.
5. Continuing decline in the agricultural terms of trade.

9. Extension workers should take note of the importance of all family members in the farm management structure.

IAN WILLIAMS
SADA Executive Committee



BULK GLYCERINE

Use your own containers for cheaper glycerine



Dairy chemicals such as sulphate acids and cleansers.

IAN WHITE - LAURA - (086) 632 581

"PEOPLE, PLACES AND CHEESE IN SOUTH AUSTRALIA 1842 - 1984"

By Gordon Pickhaver



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signs

CHOOSE FROM A VARIETY OF SIGNS, WITH OR WITHOUT STURDY FRAMES.

AVAILABLE FROM SADA HEAD OFFICE. (Orders filled as required)



FROM THE DAIRY.....
TO THE TABLE.....

Definitely the weather for soups and a tasty Ham and Asparagus Bake as an accompaniment.

HAM & ASPARAGUS BAKE

- 1 large tin Asparagus pieces
- 2 tablespoons butter
- 2 tablespoons flour
- 3/4 pint milk
- 1/2 cup grated cheese
- salt
- Cayenne pepper
- 2 hard boiled eggs (chopped)
- 1/2 lb. chopped ham

Drain and reserve liquid from Asparagus pieces. Melt butter in saucepan, add flour. Cook 1 minute. Add milk and asparagus liquid, bring to boil, stirring constantly. Add cheese and season to taste with salt and cayenne pepper. Simmer 3 minutes. Fold in asparagus pieces, chopped eggs and ham. Spoon into greased ovenproof dish. Bake in a moderate oven 20 minutes, or until thoroughly reheated. Garnish with egg slices and parsley.

QUARK- Dumplings in Soups.

- Ingredients: for 10 Dumplings*
- 120 g Quark
 - 1 Egg
 - 60 g Flour
 - Nutmeg and Salt to taste

Mix quark, egg yolk, flour and nutmeg together. Fold in whipped egg white. Form small dumplings with two teaspoons and drop into boiling water. Simmer for about 10 minutes. Remove from water and drain. Add to soup and serve.

--000000--



CARROT AND STILTON SOUP

If stilton cheese is not available, use a blue cheese instead. Recipe unsuitable to freeze.

- 60g butter
- 3 medium carrots, chopped
- 1 small chicken stock cube, crumbled
- 2 cups hot water
- 60g stilton cheese, crumbled
- 1/2 cup cream

Combine butter and carrots in a large bowl, cover, cook on HIGH for about 6 minutes or until carrots are tender. Add stock cube and water, cover, cook on HIGH for 6 minutes. Blend or process mixture in several batches until smooth; return to bowl. Add cheese and cream, reheat without boiling. Serve sprinkled with a little extra cheese, if preferred.

Serves 4.

RECIPE FOR LIFE

1 cup of confidence, 1 cup of love, in a pan of happiness, mix the above.

Add a pinch of tenderness, 1 tablespoon of trust, stir well in the sunshine, rolling out a loving crust.

Flour with contentment, keep all free from strife, fill with understanding and bake well all your life.

GOLDEN BROCCOLI SOUP

- | | | |
|--------|---|--------------|
| 500 mL | broccoli flowerets | 2 cups |
| 125 mL | grated carrot | 1/2 cup |
| 125 mL | chopped onion | 1/2 cup |
| 50 mL | water | 1/4 cup |
| 284 mL | can Campbell's Condensed Cream of Potato Soup | 10 ounce |
| 1 | soup can milk | 1 |
| 250 mL | grated Cheddar Cheese | 1 cup |
| 1 mL | pepper | 1/4 teaspoon |

1. In 3 L (3 quart) microwave-safe casserole, combine broccoli, carrot, onion and water. Cover with lid; microwave on HIGH 5 min or until vegetables are tender.
2. In small bowl, stir soup until smooth. Stir in remaining ingredients. Stir into vegetables. Cover; microwave on HIGH 8 min or until hot and bubbling, stirring twice during cooking. Let stand, covered, 5 min before serving. Makes 1 L (4 cups) or 4 servings.





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THE SOUTH AUSTRALIAN DAIRYFARMERS JOURNAL

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BEING POSITIVE

"I can't do it, its just too hard"

If I could have a dollar for each time I have heard that comment passed by students, by soldiers, by footballers, by cricketers, by basketballers, by scouts, by my children and by peers, I could almost match a Managing Director's salary.

My response has been standard.

"The easy thing in life is to go with the flow, to not do the right thing, to not do the hard thing, to avoid the difficult encounters, to evade the difficult tasks and to opt out.

"The toughest part of life is to do the right thing at all times, to face up to the difficulties confronting us and to accept any hardship as a challenge to be conquered.

"But the rewards of achievement far outweigh the guilt feelings of opting out."

I hear that many of you are depressed, upset, unhappy with current events in our industry. Don't be. The industry will be better for facing up to the real problems and overcoming them. The future is exciting and will be rewarding. Perhaps as a group we are too involved in prices and company performance. Our focus should be addressed to the areas of greatest opportunity for increasing our incomes and hence improving our lifestyle.

I believe that productivity improvement and cost cutting are a single two-edged sword in the war against the pressures we face. We need to wield it with more force and greater accuracy.

Productivity increases are not fictitious or out of your reach. They are real, they are both short and long term. Attacking the problems associated with productivity gains not only give the cash flow a real boost they can give you a sense of achievement negative people never experience. Be it improving pastures, genetic base, milk flow, fodder conservation, calving rates, milk composition, additional value-adding on-farm or any aspect of farm management.

Cost cutting requires budget planning and tough decisions that may reduce development rates. The cost-benefit of undertaking a project needs to be done as fiercely as possible to ensure it is either necessary or deferrable. (Conscious deferral of high cost projects is not to be seen as procrastination which is a poor use of time.)

In the current atmosphere it would be easy to spit-the-dummy, toss-in-the-towel or opt out. But we can't do that. It is not a solution to out problems, it is giving in to those who want us to or those who don't even know about us - let

alone not care - because of their ignorance.

We must be positive in our outlook, positive in our actions and truthful in our every thought and word. We can make a sound future but we should not expect it given on-ice.

TERRY INGLIS



P.S. SADA is assembling a video library as a member service. We will have in our library soon.

"ON BORROWED TIME" *The Potter Farm Plan at Work*

"MANUAL HANDLING" *How to reduce strains & sprains (Your major problem under Work Cover!)*

These and other videos will be available for loan to members in the near future.

in this issue -

☞ NOT-SO-NEW
MARKETING
SCHEME

☞ SAFETY

☞ PERMANENT
PRODUCTIVITY
IMPROVEMENT

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PRESIDENT'S COMMUNIQUE

During the last 3 months export prices have fallen dramatically. This fall in prices has been at a faster rate than previous cyclical downturns. Dairyfarmers across Australia will feel the impact of this price fall in some shape or form. SADA members need to be very conscious of these facts whilst making financial decisions. Be prepared to ride the bump.

The Barossa-Mid North has been given a healthy projection for 1990-91. In the Central Region the opening price looks certain to be not less than \$3.55 per kg protein and \$2.00 per kg butterfat. The payment system change has meant a need to change the mechanics of Equalization. The debate over the changes needed has been prolonged further than I would have liked but hopefully it will be settled for 1990/91 as you receive this Journal. Discussions about further changes will continue taking into account the Green Paper.

One change to Equalization that members should be aware of is the removal of the Cream Levy Rebate to processors. This will mean the City Milk Bonus will be larger. It also means that manufacture prices will be depressed by about 15 cents per kilogram butterfat or its equivalent.

The news then that the basic price will hold at apparently the same level as last season needs to be weighed up against these facts.

Given the removal of the cream levy rebate and the world price decline we could have expected a price fall like Victoria and the South East. The news that our price will be relatively static is good news. At least we won't be going backwards.

The Green Paper is upon us and SADA is working on a submission to the working party. The timing of the Green Paper is now most appropriate for restructuring of our industry. The Green Paper is the initial stage of the review process by government.

The objectives of the review are:

- i) To avoid duplication between government agencies.*
- ii) To update legislation and regulations in accordance with present requirements.*
- iii) To eliminate unnecessary regulation where possible.*
- iv) To maintain community health safeguards without sacrificing technological flexibility.*

The Green Paper is of vital importance to all dairy farmers and I urge you to keep a keen interest in its progress. In fact I would invite you all to make your personal points of view known to Central Council Delegates before 13 September, or to Executive Committee members or in writing to Terry Inglis.

Below my communique is printed the full introductory comments to the Review Paper which provide the reasons, the scope, the objectives and the method of the review.

I intend to meet with Minister Lynn Arnold soon to keep him fully informed about our long term objectives for milk production in South Australia.

The questions of Unity and Equity are major issues facing us and must be dealt with a sense of finality and urgency. They are questions that have been around for a long time and have never been resolved. The mood is right to address them and solve them. We must have a system that gives you all the freedom to decide your operational issues purely on the basis of commercial reality. Our production is falling making us weaker nationally and weaker internally. Farmers need to put a united view to the Green Paper. Already this has been discussed with SEDA. We have a tremendous reputation for reliable production of a quality product. We have a good market base and good products. As an industry we should fight to keep all of these assets.

Dairy farmer unity is more important than most of us can realize. Divisions between dairy farmers make it so much easier for other groups to push their sectional interests at the expense of farmers' well-being.

I would like to stress to members that your Executive has done a lot of work and played a key role in Equalization developments. There have been various claims about who has done what. I just want to assure you all that the Executive Committee has been fighting very hard for what it believes is best for you.

The Refrigeration Tax has caused a lot of work and whilst there are still one or two administrative matters Terry Inglis has to clear up, I can tell you that the Minister has agreed to amend the regulations in 1991 in a manner that will benefit all farmers in South Australia. In the next Journal we will publish a full explanation of what we have achieved.

On a very positive note I believe that a new appointment to the Flaxley staff will be made soon. This will be to a half-time veterinary research position which will focus on reproduction problems. SADA has been battling to establish such a position through the Cattle Compensation Fund Advisory Committee for a few years now. It seems it has been worthwhile.

The tentative date for the official opening of the Flaxley Research Centre is 1 November 1990 so pencil it into your diaries.

ALLAN MANNING, GENERAL PRESIDENT

GREEN PAPER REVIEW

REASONS FOR THE REVIEW

Legislation is designed to ensure the long term community interest is protected. With the growth of regulatory legislation some conflicts have arisen and there have been significant calls for less regulation in a number of areas.

The Government has stated its concern to maintain a regulatory system which includes the necessary safeguards against potential health risks and trading malpractices, but is also committed to reducing the burden on the community and business of any unnecessary or outdated regulatory mechanisms and to streamlining those which are needed.

The government through the Attorney-General has established an 'automatic' revocation program incorporated in the Subordinate Legislation Act to provide a timetable for legislative review.

This program encourages the thoughtful review and assessment of the purposes of legislation and regulatory means of achieving those purposes by placing an expiry timetable on the regulations under all legislation.

The paper is the initial stage of the review process required under the 'automatic revocation program'.

SCOPE OF REVIEW

It should be noted that there are two Acts regulating the South Australian Dairy Industry, namely the Dairy Industry Act, 1928 and the Metropolitan Milk Supply Act, 1946. Between 1928 and 1946 the Dairy Industry Act applied throughout the State. When the Metropolitan

Milk Supply Act was introduced to regulate the supply of fresh milk and cream to the metropolitan area, a metropolitan milk production area was defined. The Dairy Industry Act now applies only to the dairy industry outside the metropolitan supply area and to the manufacture of other milk products statewide.

This paper reviews, both Acts and the regulations under both Acts. The reasons for the focus taken are

(i) the Commonwealth Industries Commission is to review the Australian dairy industry starting in the second half of 1990,

(ii) that review will precede further negotiations between Australia and New Zealand of the 'Closer Economic Relations' Agreement and hence

(iii) any changes to state Acts may be overridden by changes in Commonwealth legislation.

OBJECTIVES OF THE REVIEW

(i) To avoid duplication between government agencies.

(ii) To update legislation and regulations in accordance with present requirements.

(iii) To eliminate unnecessary regulation where possible.

(iv) To maintain community health safeguards without sacrificing technological flexibility.

METHOD OF REVIEW

The procedure requires examination of the following matters:

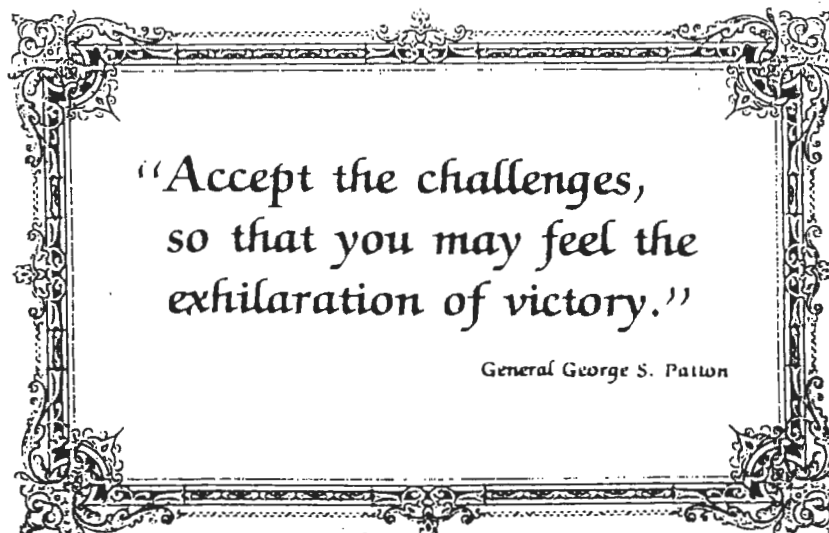
(1) background to the legislation and regulations;

(2) objectives of the legislation and regulations;

(3) alternate ways of meeting the objectives, including total deregulation;

(4) assurance that the regulations are a least cost option for meeting the objectives; and

(5) the benefits of the regulations outweigh the costs to the government and the community.





1990 DAIRY EXPERIENCE OF A LIFETIME

You will recall 12 months ago I reported on the efforts of Bob Snewin our Australian Dairy Corporation State Manager and his "Dairy Experience of a Lifetime" held in the Bradman Room at Adelaide Oval.

Well I'm back to tell you he did it again!

This year there were more people from the catering trades present. There were more displays and more contacts made. As a trade fair it was an outstanding success.

Once again Farmers Union won the prize as the best display although I felt the stand that was best targetted to the dairying trade was not rewarded as it should have been.

Bob Snewin must be congratulated for this event which has become a diary must for the catering trade. Bob's energy, enthusiasm and love for the products is just what we need in our industry.

Well done Robert - I can't wait to see how you beat it next year!



see page 26 for details

It's ON AGAIN!

A NOT-SO-NEW MARKETING SCHEME...

Almost by chance I recently read some bold logic that struck me as important to the future of the dairy industry in this nation. In the May/June Journal last year I outlined an Inglis View on a marketing scheme from farmgate to market place. I was proud of my scheme because I believed it brought a new strength to farmers through a strong degree of control over the total industry infrastructure.

Imagine my deflation when I read in Ralph Maynard's book THE AUSTRALIAN DAIRYMAN'S handbook the following:

"The fact remains...that the average return to the producer for butter and for milk has not increased in the same proportion as the prices of the goods that the farmer must buy. This fact is bringing home to him the need for a complete marketing organization on sound lines. He is being urged, ...

to put the same enthusiasm and loyalty into the organization of the marketing end of his business as... he has put into the organization of manufacture. When he does that he will solve his marketing difficulties and be in a position to get, locally, the highest price consistent with the maintenance of consumption at its maximum.

ORGANIZED SELF-HELP NECESSARY IN MARKETING

"Sir Horace Plunkett... (said)... the farmer's problem must be approached on three sides. Agriculture is an industry, a business and a life. Into the industry the teachings of science must be introduced as they have... Into every important industry. Into the business must be imported methods of combination, simply because..., transactions to be economical must be on a large scale, ... the dairy industry comes in contact with highly organized industries... its only hope of meeting the opposing forces on equal ground is to be effectively organized as they are. ... - the life of the rural community

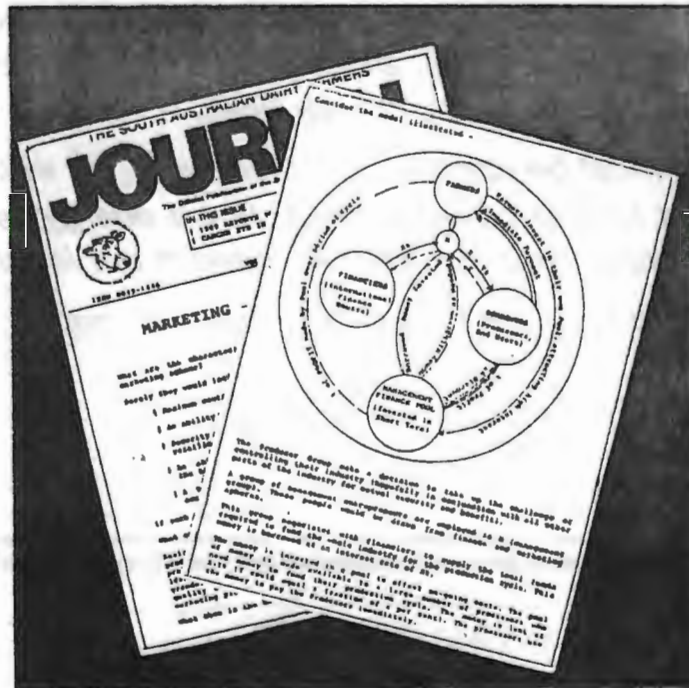
found... that the complete co-operative organization of any large-scale farming industry is not only highly effective as a method of business, but is also the secret of the political power that enables to get from governments whatever assistance they need.

"...when it (dairying) has been faced with the problem of marketing its products, it has abandoned, to a large extent its policy of organized self-help and has allowed its products to be marketed through channels not primarily interested in benefitting the producer..." organized self-help" is a good definition of "co-operation".

"...the leaders of the dairy industry have developed what the psychologists call an "inferiority complex". They have taken the attitude that the industry is down trodden; that prosperity would come to the industry if the government would pass new legislation... [T]his attitude is entirely wrong. There is no need for the industry to go whining to any government; it is able to solve its own marketing problems. Dairy farmers must rely mainly on organized self-help, which

will lead them farther than any plan sanctioned by a legislature. ...it is extremely doubtful whether it is the business of any government to do anything for an industry which the industry is well equipped to do for itself."

A PLAN OF ORGANIZATION -
"No proper organization can be effected unless there is unified



- ...must be...physically more comfortable, mentally more stimulating and socially more satisfying. Sir Horace Plunkett's formula was: Better Farming, Better Business, and Better Living.

"...success due to government help is insignificant when compared with that due to co-operative production and marketing. European farmers have

control; unless the whole industry is organized as large manufacturing or commercial or banking concerns are, namely, with branch establishments carrying on as self-contained units under the direction of the central board of directors. Dairying lends itself to such a plan as this.

"An ideal basic principle would be farmer-ownership of the industry from top to bottom. In each State there would be one, and only one, co-operative manufacturing and marketing company. These six companies would own the factories in their States, and in turn would be owned by a central company. From this it follows that the central company would be in the position of owning at the moment of manufacture the pro-

duct of all the factories in Australia, and of being able to market that product how, when, where, and at whatever price it wished.

"The spirit of the dairy farmer is the co-operative spirit. Is it strong enough, under able and enlightened leadership, to carry the industry along the steps necessary to solve its marketing problems? The author believes that it is. He believes that such a plan as he has outlined above, if properly developed and properly explained to the dairy farmers of Australia, would meet with their unqualified approval. They have been nurtured on the doctrine of co-operation, and such a plan for the control of their industry from top to bottom would seize upon and hold their imaginations." [pp

My deflation was brought about by finding out that my wheel was written about in 1934 by Mr. Maynard.

I wonder how many times the wheel has been re-invented by people who tried to solve a problem themselves rather than using the co-operative spirit and reading about it or discussing it with those who share like concerns.

It suggests to me that communication is the crucial key to many of our perceived problems.

TERRY INGLIS

DID YOU KNOW

that, on average, Herd Tested cows produced 549 litres more per cow per lactation than the State's average per cow production last year?

With butterfat at \$5.00 per kg that means each 100 cow herd returned an extra \$11,529 with a cost of only \$1,228.00!

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JULY/AUGUST 1970

The Journal had an article on Economic Illiteracy and quoted Professor A.G. Lloyd.

"I found that a recent gathering of farmers was not unanimously amused by my story that a U.S. economist had done a light-

hearted extrapolation of the fall in the number of U.S. farmers and the proliferation of agricultural economists, and had found that the economists would outnumber the farmers in a few years." (p. 23)

Seems the disease has taken root in Australia quite strongly!

JULY 1940

July 26 1940 a resolution recorded in the minutes of the Annual Meeting - "...that the next Central Council meeting be held prior to petrol rationing coming into force."

At 80 cents/litre we might have self-imposed rationing in 1990!

AND IN THE 1890'S

"...the dairy industry boom of the 1890's was the cradle of the modern dairy industry. To the industry and its farmers, it gave status and a view of how success could be achieved through co-operation, a little government guidance, and enthusiasm." (p. 32 Dairy Vale: A History of Co-operation, Rob Linn)

Can we hope that the 1990's will be a boom period for the industry for the same reasons?

South Australian
Dairymen's Journal

July-August 1966

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thrive on

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The high performance feed with



50% PROTEIN

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FARMERS TAP INTO PERMANENT PRODUCTIVITY IMPROVEMENT

The earlier release of the Australian Breeding Values (ABV's) this year means that more farmers have the opportunity to use breeding strategies. Dairyfarmers around the country can maximise productivity by using the sires with highest ABV's for production traits.

The majority of dairyfarmers use artificial insemination to breed their replacement stock. The best breeding animals are identified through the Australian Dairy Herd Improvement Scheme, which applies sophisticated computing technology to national dairy performance records to generate Australian Breeding Values (ABV's). The majority of dairy cows are performance recorded.

Funded and managed by dairyfarmers, the scheme is in its eighth year of operation. During this time there has been on-going research and development to refine the system to identify the animals of highest genetic merit. A result of these improved procedures has been to release results earlier.

ABV's are a measure of the ability of an animal to pass on superior genetics to its offspring. The graph below illustrates that by using artificial-breeding sires with ABV's, farmers on the average, are breeding replacements which are better genetically than if they had used natural-breeding bulls. (see graph, Genetic Trends of Australian Dairy Cows).

When farmers breed young cows in their herds to AB sires, then the overall effect on the population average, as shown in this graph, is that the next generation of young cows will have the breeding for even greater productivity improvement.

Once animals of superior genetic merit are introduced to the farmer's breeding programme, the gains in productivity are there forever - a foundation for improvements in other farm operations. The trend of improving genetic merit should continue to rise for considerable years to come.

Facts and Figures

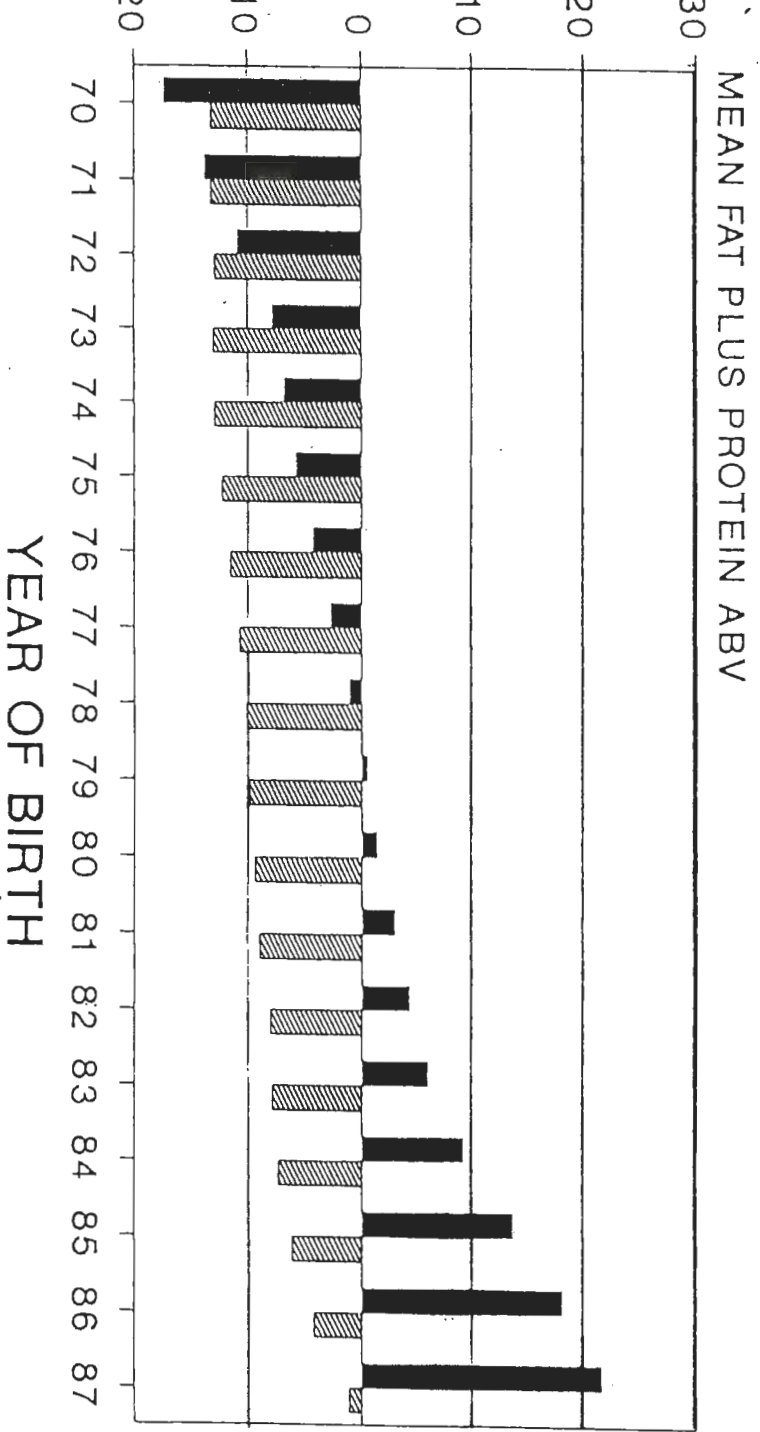
The scheme makes available sire listings of the ABV's for a number of characters. As well as Production traits, ABV's are calculated for Milking Speed, Temperament, Likeability, Survival, and a host of conformation traits. For the Production ABV's, Workability ABV's and Survival ABV's, please write to ADHIS Pty. Ltd., First Floor, 1601 Malvern Road, Glen Iris, Victoria 3146, enclosing a cheque for \$20.00 which includes postage. Type ABV booklets will be available for \$20.00 as will listings of the top 2000 ABV Cows at \$20.00 for Friesians, \$20.00 for Jerseys and \$10.00 for each of the other breeds.

Farmers Can Assess The Genetic Progress of Their Herd

While farmers select semen on the basis of the ABV's, those farmers herd-testing also receive ABV's on their cows. A measure of the genetic progress being made

GENETIC TREND OF AUSTRALIAN DAIRY COWS

AB-BRED COWS VERSUS NAT-BRED COWS



MEAN FAT+PROTEIN ABV

■ AB-BRED FRIESIAN ▨ NAT-BRED FRIESIAN

in individual herds is the Herd Average ABV. Listed below is the National Distribution for Herd Average Fat Plus Protein ABV'S. Farmers can find where their herd average lies in the Top 50%.

The figures below are based on all herds with greater than 40 Holstein-Friesian or 40 Jersey cows (greater than 20 cows in a herd for other breeds):

NATIONAL DISTRIBUTION								
	No. of Herds Used	TOP 50%	TOP 40%	TOP 30%	TOP 20%	TOP 10%	TOP 5%	TOP 2%
HOLSTEIN-FRIESIAN	4,370							
Herd Average Fat Plus Protein ABV (Rounded to Whole Number)		11	13	15	17	19	21	23
JERSEY	1,176							
Herd Average Fat Plus Protein ABV (Rounded to Whole Number)		7	11	14	17	21	23	27
ILLAWARRA	235							
Herd Average Fat Plus Protein ABV (Rounded to Whole Number)		-3	-1	1	2	4	7	11
AYRSHIRE	97							
Herd Average Fat Plus Protein ABV (Rounded to Whole Number)		-3	-2	1	5	9	16	21
GUERNSEY	89							
Herd Average Fat Plus Protein ABV (Rounded to Whole Number)		2	3	6	8	11	16	18

Note: ABV's are breed specific. An ABV for a Jersey animal cannot be compared with an ABV for an Illawarra, etc.

So, if a Holstein-Friesian herd has an Average Fat Plus Protein ABV of 17, that herd is among the Top 20% in Australia for Fat Plus Protein ABV. Likewise Illawarra herds with at least 20 cows of the Illawarra breed in that herd with an Average Fat Plus Protein ABV of -3 are among the Top 50% of all production-recorded Illawarra herds receiving ABV's.

Mark Jeffries, Executive Officer

The Australian Dairy Herd Improvement Scheme is a major project of the Dairy Research and Development Corporation.

CAN YOU GET SOMATIC CELLS TOO LOW?

THE ANSWER
MIGHT SURPRISE
YOU. CHECK OUT
THE ANSWERS
TO THE 10
QUESTIONS
PRODUCERS ASK
MOST
FREQUENTLY
ABOUT UDDER
HEALTH.

*By Mark McDougall and
Paul Prekec (Ontario Milk
Producer, May 1990)*

During farm visits, producers ask Ontario Milk Marketing Board Udder Health Specialists many questions about subjects ranging from somatic cell counts to milking equipment. Often questions have no single or simple answers and may vary somewhat within the industry. Also, a question may have two or three different, but correct, answers.



*Photo by
David Barr*

Although this article is written for and refers to, the Canadian Industry, I found it informative and quite relevant to our industry.

1. Can I get my somatic cell count (SCC) too low? I have been told that if I do, there is no natural immunity left in the udder to fight infection. This will then cause more acute flareups.

Answer: Opinions vary, but research suggests the lower the SCC, the better.

First of all, let us simply define a high SCC as greater than 500,000 cells per ml and a low SCC as less than 100,000 cells per ml. The key in udder infection response is how quickly and efficiently white blood cells are mobilized from the bloodstream to the udder.

In high-SCC cows, there are usually a large number of "contagious" bacteria, most commonly staph aureus or strep agalactiae. Virginia State researchers have examined somatic cell numbers and immune "competency" on such cows. Although SCCs are high, the competency, or the cells' ability to kill bacteria, is low. Con-

sequently, we often end up with a chronically infected animal.

Healthy, low SCC cows respond quickly. Herds with low SCCs have virtually eliminated contagious mastitis. This is why mastitis flareups in such herds are often "environmental". However, the competency of the cells is high in this case and they quickly respond to a bacterial invasion. Environmental mastitis, unfortunately, often shows up as an acute, watery flareup and a sick cow.

Low-SCC cows are not more susceptible to environmental organisms, but they are the only organism to which these cows are continually exposed.

It is essential to minimize bacterial exposure to such cows by maintaining a 24-hour clean, stress-free, environment. Healthy, low-SCC cows in a clean environment have as much natural immunity as high-SCC cows.

We want to produce the

lowest SCCs possible, within reason, to maximize the animal's productivity and the processor's ability to process milk and milk products.

Although you may experience more flareups due to environmental bacteria, the benefits from a low herd SCC will far outweigh this change in type of infection.

You are well advised to discuss this with your veterinarian also. In some cases, low SCC herds are more at risk than others due to environmental conditions.

2. We have been on the Ontario DHI's individual cow SCC for one year now. We find it of little value since cows may have visible mastitis three times before we get our sheets back. How is this service of value?

Answer: Ontario DHI's individual cow SCC testing program is seldom used as a tool for identifying flareups before they happen. Also, it should not be used as a basis for treating cows in lactation. This should only be done by laboratory identification of specific infections and drug sensitivity. Individual SCC is simply a monitoring device to determine items such as:

i) Which cows have consistently high SCCs? Such cows should be milked last or separately, possibly sampled for infection identification or culled.

ii) Are cows calving with high SCCs and staying high? This may warrant a change in dry cow treatment, dry cow housing or calving facilities.

iii) Do cows fluctuate with high and low counts over a six-month period? This often indicates spontaneous environmental infection or teat injuries. Improvements may be necessary in certain areas of the environment.

Ontario DHI and the Ontario Ministry of Agriculture and Food both have more detail fact-sheets on this subject. Interpretation of your sheets is usually the first item we address when performing a farm evaluation.

3. Is udder wash needed to prepare cows? Many of my neighbours have been advised to "dry stimulate". They simply rub the cows's udder with a single dry paper and attach the unit. We are considering the same.

Answer: Cornell University research in 1988 has shown that udder washing has only a minimal advantage in controlling new mastitis infections. "Dry stimulating" is a better procedure than wetting teats if you don't thoroughly dry. However, this procedure often results in very dry, scaling teat skin. Most udder washes marketed in Ontario have germicidal, detergent, and skin conditioning properties. We prefer to use udder wash applied with either an indi-

vidual paper or a very fine diluted spray. This encourages additional udder stimulation from the person preparing the udder, appears to improve teat skin condition and provides detergent if some dirty teats are encountered.

4. Does a change in feed cause mastitis or a high SCC? We find that when we switch grain mixes or minerals, we get more flareups.

Answer: Research has shown little relationship between nutrition and mastitis. The only well-documented data indicate that a deficiency in Vitamin E, selenium or both may be related to udder health.

Ohio and Pennsylvania research on environmental intramammary infection shows a 37 per cent reduction in clinical mastitis and a 62 per cent decrease in duration of clinical symptoms when adequately supplemented Vitamin E and selenium in the dry period also show a decreased incidence of new infections pre- and post-partum.

To reach suitable blood plasma levels of these nutrients, it is suggested that lactating selenium supplement should consist of three mg per day in the dry period and six to seven mg per day during lactation. Recommendations for Vitamin E range from 400 to 600 international units (IU) during lactation and 800 to 1,000 IU during the dry period. You should

consult your nutritionist. These figures may vary from herd to herd depending on your present ration, season and breed.

Other studies examined the influence of Vitamin A, Beta carotene, zinc, iron and copper but were unable to establish any significant relationship to udder health.

A properly balanced diet will probably may for a healthier udder and natural immune system. Dairy cows are sensitive to any change. Changes in diet, even for the better, may result in increased mastitis flareups or SCC for the short term.

5. Is it necessary to teat dip year round? I have been told that dipping is most important during wet weather. The dip will then seal and protect the teat end.

Answer: This is fiction. The most researched mastitis control measure over the last 30 years is the effectiveness of post-milking teat dipping. It is proven to reduce the new infection rate by 50 per cent. Most teat dips marketed in North America have no sealing properties. The only sealing is the cows' own defense with the teat-end sphincter muscle closing. It is important to dip at least one-half to two-thirds of every teat at every milking. This in effect "sterilizes" the teat end and teat skin, allowing the physiological teat-end closure to occur without new infections colonizing the end between milkings.

Teat dips provide most of their effect in the first minute of application. Also, if you are just starting to teat dip, the improvement in udder health may be long range. Do not expect dramatic changes over a short period.

6. I don't believe our pink cards are accurate our SCC has jumped from 300,000 to 800,000 in the last nine months. However, I have never noticed any clots or abnormalities on the milk filter. How is this possible?

Answer: Visible or clinical mastitis is often unrelated to bulk tank SCC. Some research has even indicated that low SCC herds may be more susceptible to visible or acute mastitis flareups than high SCC herds. Visible mastitis that may be noticed on your filter as clots or a mucous film, account for less than five per cent of actual SCC.

Somatic cells are a measure of blood's white cells. Their concentration increases with the prevalence of infection and most often is not visible in the milk.

Many producers with high SCC herds indicate to us that they have not experienced any flareups for months at a time. There are still a large number of pathogens in most udders and corrective measures must be taken.

7. Our bulk tank SCC has been high for two to

three months. We are milking more late-lactation cows than usual. Can this raise bulk tank SCC?

Answer: Milking late-lactation cows is probably not a major reason for your increase in bulk tank SCC. It is common, however, for late- or early-lactation cows to have slightly elevated SCCs due to the sloughing of additional epithelial or skin cells from the udder at these times. Conversely, based on what we see from individual cow SCC data, many cows never have high monthly counts regardless of lactation stage.

Late-lactation cows also contribute comparatively small amounts of milk to the bulk tank, making it difficult for them to raise counts significantly.

8. Our SCC has been high since the spring of 1989. We suspect that cooling problems in our bulk tank are a cause. Is this related to high SCC?

Answer: No. To help you better understand your quality report, it is best simplified like this.

Your SCC is an indirect measure of infection inside the cow's udder. With SCC problems, we look at areas such as environment, milking-equipment function and general management.

Your plate loop count (PLC) is a measure of total bacteria in your raw milk supply outside the udder. These counts

are most often related to milking equipment cleaning and milk cooling. Consequently, your cooler problems will show up in your "bacteria" or plate loop count.

Q. We have a tail-tail tie-stall barn. It has been suggested that over-milking is causing our mastitis problems. We have been advised to purchase automatic takeoffs or put a "beeper" on the units so we know when cows are done. Do these work well? Are they required?

Answer: An automatic take-off or a flow sensing device on milker units has only one advantage. It allows consistency in unit removal regardless of who is milking. These devices have some benefit in larger operations where three or four different people milk. Based on our udder health program experience, we believe that only a very small percentage of tie-stall setups can benefit from automatic takeoffs. When possible, we prefer to have all operators milk cows similarly and well, without automation.

If you decide to purchase such devices, you are well advised to consider all the options and your future labour plans. Automated devices vary from simple mechanical to advanced electronic units. The specialists from the OMMB or your milking equipment dealer can provide the necessary advice for you to make your decision.

Q. We have just received our second SCC penalty. Our milking equipment dealer has visited us and has suggested a complete update of our 15-year-old milking system. Will this gradually lower my SCC?

Answer: Indirectly it can, but in most cases equipment updates alone will not improve SCC. Your dealer I am sure, is justified in advising you that improvements in upsized lines and pumps, pulsators, regulators and milking units will improve your milking system.

However, improving udder health is also related to many other management factors.

Research has shown that milking equipment is related

to increased incidence of new infection and SCC in these four main ways:

- i) malfunction of any component on a system that causes teat-end damage;
- ii) inflation slippage during milking, which causes a reverse flow of milk from quarter to quarter;
- iii) pulsation failure;
- iv) the machine simply carrying bacteria from cow to cow.

Depending on how well your system is functioning and the amount of milk you are asking it to "carry", your system, regardless of size and age, may have no bearing on your SCC problems.

Mark McDougall and Paul Freke are Udder Health Specialists with the Ontario Milk Marketing Board.

RURAL MANAGEMENT FOR DAIRY FARMERS

A certificate course in Rural Management for Dairy Farmers is planned to begin in November this year. The course will be run in the Meningie Jervois area. The 2 year course will bring students together for 3 day workshops, 3 times per year. In between workshops, students will analyze Dairy Farm Management and prepare assignments using their own dairy as a focus.

The three main areas of study are:

*Financial Management
Enterprises - evaluating existing and new
People Management*

The workshop will be tailored to suit the Dairy Farmer's program and will probably run from 10:00 a.m. to 3.00 p.m. between November and March.

For further information regarding the course contact:

*Peter Williams,
Barker College of TAFE
Phone: 32 1455.*



FROM THE USA

DRY COW CARE SETS THE PACE FOR MILKING

Studies at Cornell University, USA, suggest that poor performance in lactation is often due to the methods of feeding and handling of cows during the dry period. In the dry period, cows should maintain body condition and gain weight moderately. Even mild underfeeding can severely depress growth rate, and any factors which boost the cow's maintenance needs can have a tremendous impact on performance. Particular attention is paid to the effect of fluctuations in environmental temperature, and also to the needs of in-calf heifers, who are still growing and consequently need higher inputs of protein than older cows. Studies suggest that improved production is obtained from rations with at least 12% protein, with 35-38% of it undegraded. Appropriate mineral balances are also discussed.

FINANCIAL COMPARISON OF THREE TESTING STRATEGIES

Three commercial tests that measure progesterone content in milk were evaluated for accuracy of oestrus detection in dairy cattle. The Journal of the American Veterinary Medical Association reports test results were compared with results of radioimmunoassay on the same sample. Comparisons were made by calculating the sensitivities, specificities and predictive values of the 3 tests. It is noted that oestrus-mount detector patches are the easiest system for farmers to use, but that these have a high proportion of false-positive results. The most useful of the progesterone tests was the cowside test, which gave the highest return on investment. For this reason it is recommended as the preferred field test for detecting oestrus.

BOOST MILK AND PROFITS WITH COW COOLING

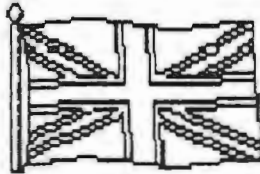
Research has shown that shade for dairy cows improves milk production, feed consumption and breeding, and in dry cows, it improves milk production in the next lactation. In one study, cows that were shaded had approximately 20% higher conception rates and no evidence of embryonic death. The birth weight of calves was also improved, and for cows on a high-forage ration, shade increased milk production by 18%. The economics of shading, or cooling using sprinklers and fans, is discussed.



FROM HOLLAND

ROBOT MILKING AND THE GENTLE ART OF PERSUASION

Dutch company Gascoigne-Melotte claims that it will have a robot milker on the market by the end of 1992, although recent demonstrations showed that misbehaving cows can still cause problems. The design of the Gascoigne-Melotte system is outlined, including the use of wider than normal teat cups which inflate after insertion of the teat, avoiding the need for totally accurate location of the teats by the system. However, in one demonstration case, the different interval between milkings meant that the cow's teats had changed their relative positions, requiring human intervention to get final attachment of the cups. Nervous jiggling during milking can also cause teat cups to detach slightly, again requiring manual reattachment.



FROM BRITAIN

MACS MILK

By 1993, dairy farmers in Britain will have their milk collected by tankers with MACS - Milk Automatic Collection System - devised and developed by the Milk Marketing Board for England and Wales.

The number of litres, the producer's name and code number, the date and time of collection and the milk temperature will all be recorded. Producer identification will be by magnetic card put through a small computer on the back of the milk tanker.

When the driver arrives to collect milk, he will connect the tanker hose in the normal way and identify the producer with the farmer's magnetic identity card. The driver will press the computer keypad and the milk will be transferred from farm tank to bulk tanker.

A printed receipt giving all relevant data of the consignment will be passed to the producer.

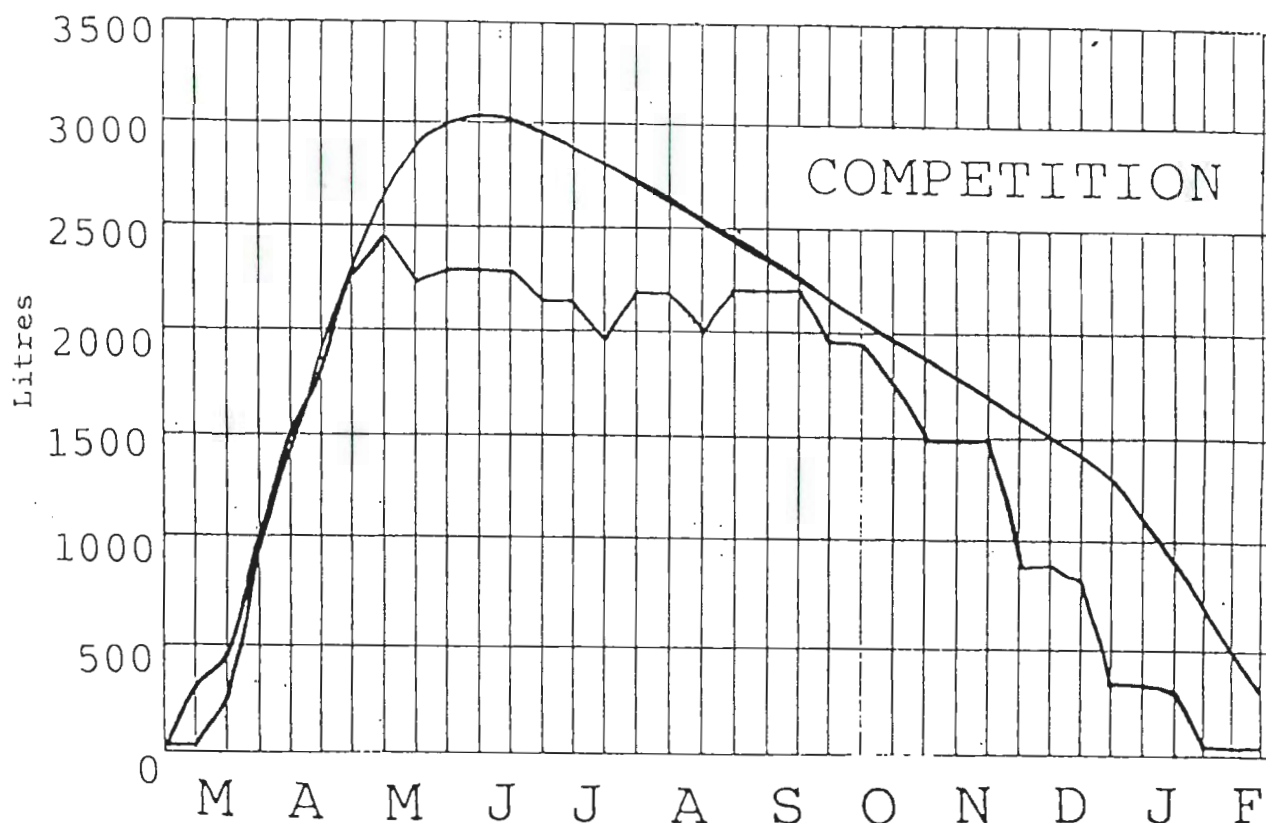
The board hopes MACS will reduce paperwork and increase efficiency by transferring stored collection data via a computer link to its head office.

Additional features of MACS include a test of collection notes warning the producer of faults such as vat temperature gauge, timer, agitator or electricity supply failure. A filter in the tanker hose will provide an instant check on parlour hygiene and milking practice.





DEPARTMENT OF AGRICULTURE



WHAT IS IT?

Recently at the SADA conference we ran a competition about the graph above, asking what it represented and what it meant in dollars. By now some of you know what it is. For those of you who are still wondering, here is the explanation.

The Y axis (upright axis) is litres of milk in the vat. The X axis (horizontal axis) is time, in months of the year.

The jagged, bottom line is the actual production achieved by a 107 cow March calving seasonal herd in 1989-90. The smooth top line is the potential production of that same herd for 1989-90.

The difference between the two lines (the shaded area) is potential production 'lost' that year and most probably due to the cows not being fully fed during the winter months. The number of litres 'lost' from May to September is 75 000 litres (each square is equivalent to 5 000 litres).

At a value of 21 cents per litre the 'lost' production is worth \$15 750. Some of the lost production can be made up by better pasture management. Depending on your situation it may not be economic to do anything about the lost production after September.

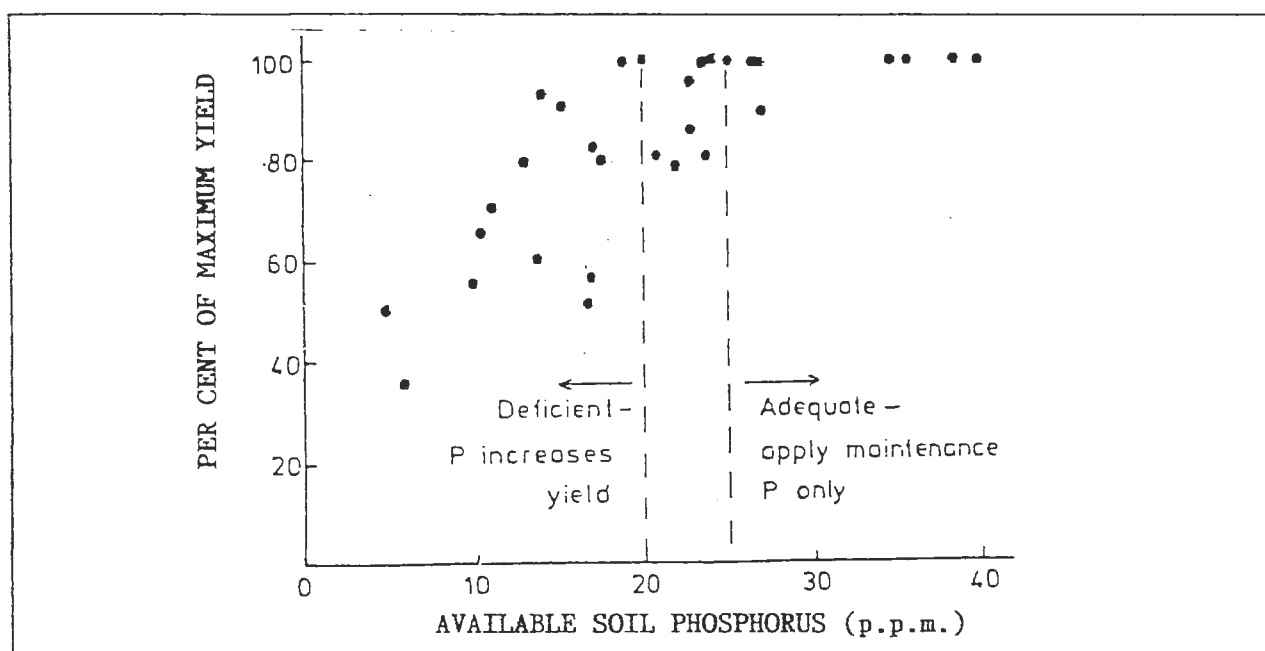
SOIL & PLANT TESTING

With an ever increasing spiral in fertiliser prices, the need to use the most appropriate product at the correct rate is essential. One aid to getting this decision right is soil and plant analysis.



Dale C. Lewis
**Senior Soils
 Officer**
DREAC

Soil testing has over the years received varying degrees of support from both researchers and farmers. A soil test is of little use until it has been calibrated to plant response in field experiments. Adequate calibration requires numerous experiments on the soils to be tested and the pasture or crop grown. An example of a locally calibrated soil phosphorus test for legume pasture developed in the South East is shown in Figure 1. The value of this test is in predicting those soils where a phosphorus response can be expected (<20ppm) or where no response will be observed (>25ppm). Note: This test only shows the likelihood of a response; the actual rate of phosphorus to apply needs to be calculated by balancing removal.



A similar relationship has been developed for potassium.

Soil PH is the other test generally performed on a soil sample. The test is a good guide to selecting the most appropriate species for a soil. It is worth noting that PH is generally measured in water, but some labs are now using calcium chloride. Soil PH's measured in calcium chloride are generally 0.7 to 1.0 unit lower than those measured in water.

Although some laboratories perform trace element tests on soil samples the interpretation of these results suffer from the lack of good calibrations. As such plant analysis offers an alternative approach to assessing trace element status. Excellent pasture test calibrations have been developed for copper and zinc. Critical values of 6 and 20ppm have been derived respectively.

Remember soil and plant tests are an aid to making better decisions, but only when those tests are accurately calibrated are the values worth the paper they are printed on.

A Letter to the Editor

Dear Editor,

Our partnership has been discussing recently the constant reference made by our company to the comparisons to be drawn between Victoria and South Australia with respect to pricing of milk. We are in a dilemma.

Is our company right in comparing Victorian and South Australian pricing? Would it not be more correct to compare us with say New South Wales or Queensland where market milk sales are higher as a proportion of milk sales? Do the market milk ratios have any bearing on the spurious comparisons of our company?

Concerned Partnership
(Name and Address Supplied)

Dear Concerned Partnership,

You are correct. It is more appropriate in terms of pricing regimes to compare South Australia with Queensland, New South Wales and Western Australia. Victoria and Tasmania have a different product mix because of their relatively low market milk sales. Price paid for non-cheese/butter product mixes should be higher. South Australia is still a significant cheddar production centre and the quality of cheese ensures its sales. Our proximity to Victoria is a complication highlighted by the activities of one company who advised SADA they would bring a small amount of milk into this State from Victoria. This was to end in June but there are rumours that 5 to 6 tanker loads of milk are still crossing into our State. For the sake of that company I hope that it is not true.



ED.



CALF RUN

Every member of SADA has been notified of the new SADA-VicStock calf run. A buyer in the Myponga/Southern Fleurieu and a buyer in the Northern Hills/Barossa-Mid North Area are still needed to complete the Central Region coverage.

You have all seen the impact this alternate calf run has had on prices. So you must do your part to protect the floor-price VicStock have brought to the market place. You must support the calf run as best you can by patronising it.

Importantly you must not shoot yourselves in the feet by abusing the system. It is the only chance you will have to ensure a floor price is maintained for bobby calves.

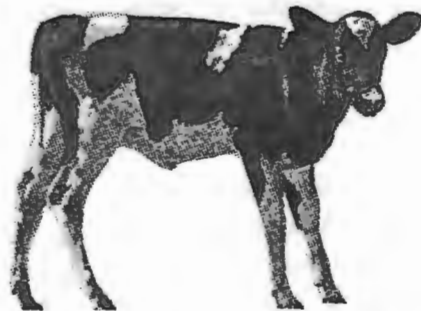
This calf run is on a 12-month trial basis. If you cheat on it you cheat on yourself and your neighbour. Look after your calf run by keeping the standard of calves up.

Any members interested in acting as buyers in the regions mentioned please contact:

Ian Newman
Junior Vice-President
on (08) 399 3088

**We are only doing this for
YOU because we care
about YOU!**

Treating calf scours is now easier.



Vy'Trate liquid concentrate. New 2.5 litre pack.

Easy-to-use.

Vy'Trate liquid formulation mixes instantly with water. Make up the exact quantity you need! 2.5 litres makes up over 30 litres of palatable solution.

Effective.

When you're faced with scouring calves, Vy'Trate liquid concentrate quickly reverses the life threatening dehydration.

Proven.

Attempted copies of Vy'Trate can't offer the world-proven reputation of the Beecham formulation. The glucose, glycine, electrolytes and citrate in Vy'Trate provide active water absorption through the small intestine without upsetting critical stomach activity.

VY'TRATE

The easy-to-use, effective and proven rehydration agent.



Beecham Animal Health,
300 Frankston Road, Dandenong, Victoria 3175.
® Registered Trade Mark of Beecham (Australia) Pty Ltd.

VFHNSSE-235 5 90

STOCK WAYBILL/HGP DECLARATION

Members would be aware of the need to declare the Hormonal Growth Promotant of any stock sold. The forms used for this purpose are supposedly held by stock agents. As a service to members SADA will make available bundles of forms for members free of charge.

To begin with we will provide bundles of 25 forms on each request. After a period of time we will reassess the cost effectiveness of the service and make any adjustments necessary.

If you need forms, simply ring SADA on (08) 231 3752.

SAFETY

**BE AWARE
TAKE CARE**

Safety is everybody's concern, but all too often nobody is concerned. Safety for tanker drivers depends on lots of people's concern, not the least their own. However, tanker drivers' safety also depends on the concern of hundreds of farmers whose milk they collect.

AWARENESS - SAFETY IS EVERY- BODY'S BUSINESS

We are all inescapably involved in safety and accident prevention because we ALL pay for ALL accidents whether we like it or not.

We pay in the form of increased taxes required to subsidise health care, and increased insurance premiums required to allow payments for restoring property losses and paying for medical costs. Lawyers also extract fat fees. Those alone are more than enough reasons for us all to declare "safety is my business".

Another important reason for everybody to take an interest in safety is that everybody can do something useful. The only problem here is that the better we do it, the less we have to show for it - positive safety action produces negative accident

things differently, and we all see different things; noticing safety hazards is a case in point. All of us can spot some hazards, but none of us can spot all hazards, so if we all do or say something about those we see there is a good chance most hazards can be avoided. The remedies are usually the easy part of the exercise.

AWARENESS OF RISKS

If we "think safety" for ourselves we will gradually develop an eye for hazards and potential hazards to us and others. These can vary from obvious things like holes in the ground or slippery steps to risky practices and taking unnecessary short cuts.

ACTION

Risks are often noticed but neglected. There is no excuse for this. Anybody can be forgiven for failing to notice a hazard, but it is simply irresponsible not to do something about it.

ACCESS ROADS - IS YOURS SAFE?

One safety aspect of milk pick-up that can easily be neglected is the access road into the dairy. This road must be able to withstand the heavy tanker about four times a

week all year round - punishing treatment for most farm tracks and driveways. And the risks are high. Apart from the danger of the tanker getting stuck or damaged, poorly made and laid out roads result in waste of the driver's time and undue wear and tear on the tanker. The driver may even refuse to enter the property.

If the present roadway does not shape up, farmers should take steps to improve the situation before the roadway becomes unusable, the tanker is damaged or somebody (even yourself) is injured. Either way your milk pick-up can be jeopardized.

If the road needs to be re-made, expert advice is available from your local district council.

Always keep in mind:

- The road should follow the shortest route - avoid undrained areas, steep slopes and very sharp turns.
- A loop near the dairy allows the tanker to be driven away without reversing.
- Stock grids must be strongly built - reinforced concrete foundations and railway rails or 3in (7-1/2cm) water piping is ideal.



Recent Achievements

- ☆ Refrigeration Tax Issue settled amicably with DEP
- ☆ Calf Run established with VicStock lifting prices
- ☆ Extension of time for Green Paper
- ☆ Very positive 1990 Conference

Current issues being dealt with include:

Executive Committee:

- ☆ Method of payment
- ☆ Unity
- ☆ Green Paper
- ☆ Equity
- ☆ Veterinary position at Flaxley specializing in reproductive problems

Central Council:

- ☆ Reduction in time required to change companies
- ☆ Lifting the image of dairy farming
- ☆ Milk imported from Victoria
- ☆ Encouraging young people into dairying
- ☆ 1991 Conference

FOR SALE

700 litre working
"Dairy Cold Milk Vat"
single phase motor
Phone: Dennis Schulz
Eudunda (085) 811148

WANTED TO BUY

2000 litre milk vat
(round vat preferred)
Phone : Dennis Schulz
Eudunda (085) 811148

CONCRETE SAFETY GROOVING

NON-SLIP DAIRY
YARDS

PIGGERIES

WALK WAYS

DRIVE WAYS

PHONE:

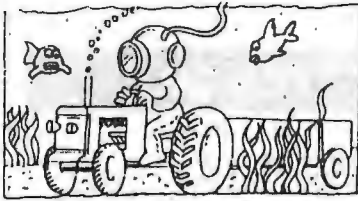
TAILEM BEND

(085) 325599

WORK EXPERIENCE WANTED. Raymond Gresham is 17 years of age and currently studying Farm Management full-time at the Queensland Agricultural College. To complete his course, Raymond needs 50 days (at least) of work experience during mid-December to end-January on a dairy farm. He is from a dairy farming family, is keen, honest and reliable. He is skilled in tractor and machinery work, looking after stock, milking and has completed an artificial insemination course. If anyone is interested, please contact:

Raymond Gresham - Farm 11, M.S. 624, Gympie QLD 4570 Ph: (074) 835130 OR

Mark Holmes - 60 Moculta Road, Angaston SA 5353 Ph: (085) 642382



THE FUNNY FARM

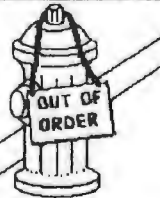


Udder Nonsense

SURE I KNOW HOW TO SOLVE YOUR MASTITIS PROBLEMS ... START DIPPING YOUR COWS' TEATS INSTEAD OF TELLING THEM, "WHEN YOU SEE BACTERIA, RUN LIKE HECK!"



WILLI McCLEOD



SOME MORE FREUDIAN SLIPS ...

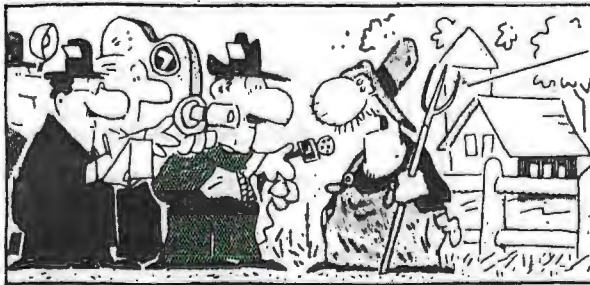
Here are some more genuine extracts from letters received by the Ministry of Social Security which deals with Public Welfare in the UK.



- I want money badly as quick as you can sent it. I have been in bed with the doctor for a weeks and he doesn't seem to be doing any good. If things don't improve I will have to get another doctor.
- My son has been unable to go to the school. He has diarrhoea through a hole in his shoe.
- Milk is need for the baby. Father is unable to supply it.
- The man I live with won't work as he wants to know if my husband is dead. Will you search the records for him and let me know.

Frank and Ernest

by Bob Thaves



WHAT'LL I DO WITH ALL THE LOTTERY MONEY I WON?... KEEP FARMING UNTIL IT'S ALL GONE, I GUESS.

11-3 THAVES



I beg your pardon . . .

Some twisted English seen by travellers:

In a Bucharest hotel lobby: The lift is being fixed for the next day. During that time we regret you will be unbearable.

In a Paris hotel lift: Please leave your values at the front desk.

In a Japanese hotel: You are invited to take advantage of the chambermaid.

On the wine list of a Swiss restaurant: Our wines leave you nothing to hope for.

In a Bangkok dry cleaners: Drop your trousers here for best results.

In an ad for a Hong Kong dentist: Teeth extracted by the latest Methodists.

Ad for donkey rides in Thailand: Would you like to ride on your own ass?

On the tap in a Finnish bathroom: To stop the drip, turn cock to right.

In an Acapulco hotel: The manager has passed all the water served here.

From a brochure of a car rental firm in Tokyo: When passenger of foot heave in sight, tootle the horn. Trumpet him melodiously at first, but if he still obstacles your passage then tootle him with vigour.

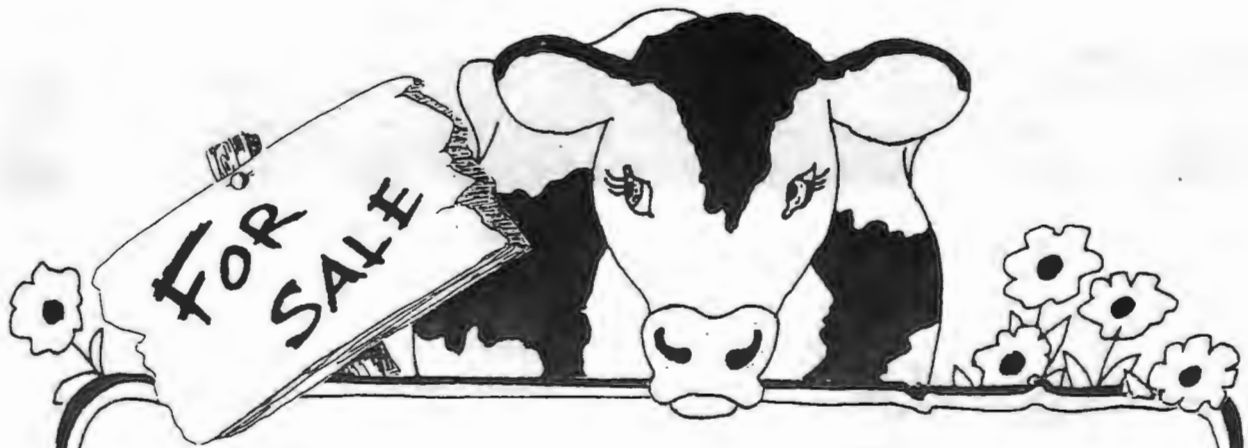
In a Tokyo bar: Special cocktails for the ladies with nuts.

Udder Nonsense

SHE DOESN'T HAVE BRUCELLOSIS, LISTERIA, MILK FEVER, MASTITIS, OR KETOSIS ... AS FAR AS I CAN TELL, THE ONLY THING WRONG WITH YOUR COW IS SHE'S DEAD



WILLI McCLEOD



BULK GLYCERINE

Use your own containers for cheaper glycerine



Dairy chemicals such as sulphate acids and cleansers.

IAN WHITE - LAURA - (086) 632 581

"PEOPLE, PLACES AND CHEESE IN SOUTH AUSTRALIA 1842 - 1984"
By Gordon Pickhaver



\$8.00 per copy
(+ \$5.00 for postage & Packaging)

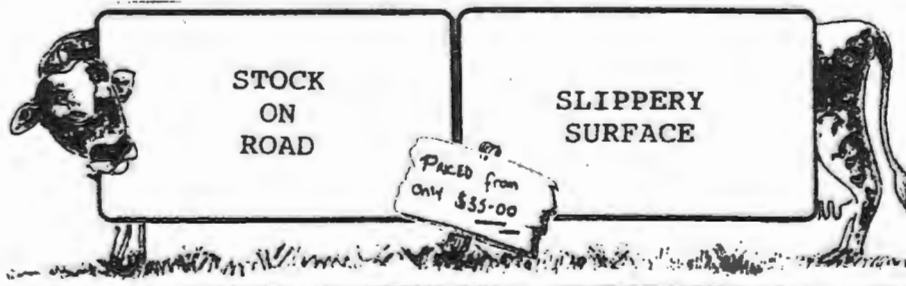
Great Gift Idea!

Available from SADA Head Office
(08) 231 3752

signs

CHOOSE FROM A VARIETY OF SIGNS,
WITH OR WITHOUT STURDY FRAMES.

AVAILABLE FROM SADA HEAD OFFICE.
(Orders filled as required)





fresh DIRECTIONS

DAIRY CONVENTION '91 - TOWARDS 2000

9-12 JULY, 1991.

In August 1988, a unique Dairy Industry Convention was held on the Gold Coast, Queensland. The Convention attracted 850 delegates from all sectors of the Australian dairy industry.

In 1991, a bigger and better Fresh Directions Dairy Convention is planned. Again, the venue will be the Conrad International Hotel, Gold Coast.

As we enter the 21st century, the question of dairying and its future direction, is forefront in the minds of farmers, processors and marketers, alike.

The theme for the 1991 Fresh Directions Convention is 'Towards 2000', and within this overall theme, the Convention will address the following areas - pertinent to all sectors of the Australian dairy industry:

- *The Competitive Challenge*
- *Dairy Food Marketing*
- *Farm Productivity*
- *Towards 2000 - A look into the future*
- *Challenge and Opportunities*

REGISTRATION

Full Delegate - Four (4) day programme - To include all sessions, welcoming cocktail party, Conference dinner and show, 3 light breakfasts, 4 lunches, 4 morning teas and full conference kit and papers.

Full Delegate (includes conference kit) **\$349**

Partner Delegate (no conference kit) **\$330**

(i.e. one other family member who is registered at same time).

Optional Extra: An evening at Seaworld - \$50 (including dinner)

* A 50% deposit is payable with registration.

Please make cheques payable to:

Fresh Directions Dairy Convention '91.

EARLY REGISTRATION INCENTIVE

If you are among the first 100 delegates to register for the Conference, you will be included in a draw to receive the following registration gift :-

- *One complimentary registration;*
- *3 nights first class accommodation at the Conrad International Hotel, Gold Coast (for 2);*
- *AS WELL AS, a free ticket to the conference dinner and show.*

*Don't Delay
Register NOW!*

* REGISTRATION FEE:

(Information on speakers, programme and accommodation will be provided in later material).

SURNAME:

GIVEN NAME:

ADDRESS:

.....

P/CODE:

PHONE NO. (H): ()

(WK): ()

I WISH MY NAME TO BE RECORDED:

• FOR THE EARLY REGISTRATION OFFER (PAYMENT ENCLOSED)

• TO BE SENT FURTHER INFORMATION

• AS A CONFERENCE PUBLICITY AGENT IN MY AREA

Make cheques payable to Fresh Directions Dairy Convention '91.

A cheque for \$ _____ is enclosed for early registration:

REFUND POLICY: The Management Committee will consider refunds on an individual application basis.

MAIL TO: Gerry Thomas (Mrs), Registration Executive, ANSWERS CONVENTION MANAGEMENT,
No. 2 Hazelwood Street, New Farm, Queensland 4005 Australia. Telephone: (07) 358 5426 Fax: (07) 254 1534.

FROM THE DAIRY * * TO THE TABLE * *

* * CAKES * *

A RECIPE
FOR A HAPPY BIRTHDAY

Mix a great big
batch of sunshine
With a great big
birthday smile
And you'll have
the right
ingredients
To make each day
worthwhile

CARROT CAKE WITH CREAM CHEESE FROSTING

3/4 cup butter
1 cup brown sugar
3 eggs
2 cups all-purpose flour
2 tsp. baking powder
1 1/2 tsp. cinnamon
1/4 tsp. nutmeg
1 cup Milk
2 1/2 cups grated carrots
1/2 cup raisins
1/2 cup chopped pecans
1/4 cup chopped candied orange peel
(optional)

ICING

6 oz. cream cheese
1/4 cup butter
1 tbs. Milk
2 cups icing sugar (sifted)

METHOD

1. Cream butter until light. Gradually beat in sugar. Add eggs one at a time, beating well after each addition.
2. Sift together flour, baking powder, cinnamon and nutmeg. Stir into butter mixture alternately with Milk, beginning and ending with dry ingredients. Stir in carrots, raisins, pecans and candied orange peel.
3. Transfer batter to a buttered 9"x 13" baking pan. Bake in a preheated 350° oven 40 Minutes or until centre of cake springs back when lightly touched. Cool cake.
4. For icing, cream cheese until smooth. Beat in butter. Blend in Milk. Stir in icing sugar until frosting is smooth and spreadable.
5. Ice in the pan or turn cake out and ice. Sprinkle with toasted coconut.

HONEY NUT TOP CAKE

The topping has a rich caramel flavour.

2 teaspoons grated lemon rind
125 g butter or margarine
3/4 cup castor sugar
2 eggs
2 cups self-raising flour
1/2 cup milk

METHOD

1. Add lemon rind to the butter, beat in. Gradually add sugar, beating well, continue beating until light and creamy.
2. Add the eggs one at a time, beating well after each addition. Sift flour and fold in alternately with the milk.
3. Turn into a greased, 8 inch deep-sided tin and bake in a moderate oven 45-50 minutes, or until done when tested. When cold, spread the topping over.

TOPPING

Add to 3 tablespoons melted margarine 3 tablespoons brown sugar, 3 tablespoons evaporated milk and 2 tablespoons honey. Heat until bubbling and nearly boiling, stirring constantly. Reduce heat and cook gently for 5-7 minutes. Mix in 1/2 cup chopped walnuts.



ASSOCIATION GOODS

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- °D588 Formulated Acidic Cleaner
- °Iodine Cleaner/Sanitiser
- °Non-Iodine Heavy Duty Sanitiser
- °Sulphamic Acid
- °Glycerine
- °Molasses
- °Stock-On-Road signs

ASSOCIATION SERVICES

- °Legal Service
- °Industrial Matters - Wages, Work Conditions
Sharefarming Agreements
- °Lobbying
- °Representation On Concerns
- °Information
- °Watchdog Role
- °Sounding Board
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*South Australian Dairyfarmers' Association Incorporated
1st Floor Aston House, 13 Leigh Street, Adelaide
Telephone (08) 231 3752 AH (08) 384 1061*

THE SOUTH AUSTRALIAN DAIRYFARMERS JOURNAL

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THE SOUTH AUSTRALIAN DAIRY FARMERS' JOURNAL

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UNITY - WHAT DO YOU THINK?

Since my arrival at SADA two years ago I have been imploring members to contribute to the Journal. We have made a few changes to the Journal and I have had a few positive comments about the new format. I would dearly like to know what you think about your newsletter.

There are some other issues I know the Executive Committee and Central Council would like some feedback on to help with future deliberations.

The two issues relating to unity I would like to throw to you, the members, concern the structure of our new organization and its logo.

Firstly the structure. Currently SADA has its Districts who meet once or twice a year to elect delegates to Central Council and to discuss issues of concern to the industry or the District. Some Districts are very active and strong, others are ineffective and weakening. I am work-

ing on a proposal for a new structure for SADA but I would like your views on the District - Central Council - Executive Committee structure.

Add to this SEDA with its 5 branches and we begin to get a picture for a new united organization.

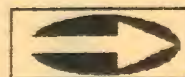
It has been suggested already by one member that perhaps:

"...the Association would benefit from dropping the quota representation from each region and instead the entire Association could vote on a committee of say 12 to 16 that could meet once a month. It would mean more work for some but you could possibly scrap the need for an executive. Those on the committee would have to work as hard as say the executive does now and be fully versed on most issues. It would make more dedicated people available for working party groups and/or sub-committees."

With State-wide equity there

would be sense in rationalizing SADA/SEDA Districts/Branches to say 6 regional groups. These Regions could elect 2 delegates to a new policy group and then 6 delegates could be elected on a State-wide basis, giving a Central Council/Executive of 18.

The President and Vice-Presidents, Treasurer and Executive Officer could make up an administrative "executive" - or perhaps that "executive" should be made up of the dairy farmer representatives on any equalization body.



in this issue -

- CER AND NEW ZEALAND
- NEWS FROM ADC
- OUR REGULAR FEATURES

What do you think about a restructured organization?

With restructuring/unity/equity it is perhaps time to develop a logo for our association that represents South Australia, all dairy farmers and a high-tech modern image. Have any of you got latent artistic talent? If so send us an idea or two. July 1 1991 has been set as the date for unity with SEDA. We want to be ready well before then so how about it - when you've finished your hay cutting and you have that idle leisure time - draft up a new logo that ALL DAIRY FARMERS can relate to equally.

So, I am seeking your views on

- The Journal

- The Structure of a State-wide dairy farmer body
- The Logo for a new united dairy farmer organization

SADA MONITOR SERVICE

Any member who would like a computer comparison of returns from Dairy Vale and Farmers Union for their production over the past 2 years can now take advantage of the SADA MONITOR SERVICE.

All that is needed is month by month production figures in litres, kilograms of protein and kilograms of butterfat.

What you will receive is an 8 page printout showing the month by month payments for the past 2 years for both

companies on your production pattern and volume. You get a clear picture of which company has been performing best to suit your circumstance.

I intend to add in the current year as well to give a running comparison.

It is preferable to have the figures on a sheet of paper. The turnaround is expected to be a week. If you are able to come into the office I can do it while you wait.



TERRY INGLIS
Executive Officer

"There is one thing stronger than all the armies in the world, and that is an Idea whose time has come."

Victor Hugo



PRESIDENT'S COMMUNIQUE

It was interesting to note the recent statement of the Prime Minister, Bob Hawke, that Australia could be on the verge of a recession. Coupled with the depressed export prices for dairy product we are anxious about the degree of change we will experience in the next twelve to eighteen months. We could see a further fall in interest rates and the value of the Australian dollar.

Only time will tell but there is one fact that is blatantly obvious - the length of our growing season! Although the grass growth within dairying regions has varied greatly during 1990, the late opening rains in June and the abrupt closing of our spring flush has been markedly consistent for all of us.

The increase in the basic price to \$3.88/kg protein by FUFL is commendable, given the current depressed export market. Following the circulation of the Farmers Union Dairy Digest and announcements at Supplier meetings in October, numerous members have questioned the logic of MMEC directors in not allowing FUFL to go ahead and pay the \$3.88 for September milk. The fact is there were no impediments to FUFL paying that price.

This financial year has meant change within our industry, in particular a change in basic price payment from fat to fat plus protein. The role of MMEC is to administer equalization, collect the levy from Dairy Vale and FUFL (referred to as the Pool) and calculate the CMB to be paid out equally in cents per kilogram protein to suppliers on every kilogram of protein produced. The Levy, that is the amount paid into MMEC by the companies is the difference between the gazetted farm gate price for market milk (currently 39.83 cents per litre) less the basic price.

The basic price for October is \$2.00 per kg fat and \$3.88 per kg protein. To take these prices away from 39.83 cents per litre, there must be a fat and protein value. The average standard of market milk sold in S.A. contains approximately 2.8% fat and approximately 3.3% protein. SADA has offered 3.0% fat and 3.4% protein as realistic values to convert to a common value of cents per litre.

*e.g. 'a basic price of \$2.00/kg fat at 3.0% = 6.00 cents per litre
a basic price of \$3.88/kg prot at 3.4% = 13.19 cents per litre
Total Basic Price = 19.19 cents per litre*

*Gazetted farm gate price of 39.83 cents per litre
Less 19.19
= 20.64 cents/litre Levy that should be paid by companies
into the pool.*

*Since our change of payment on July 1, the companies have been paying a levy calculated at 3.5% fat and 3.4% protein which means a basic price at \$2.00/kg fat at 3.5% =
7.00 cents/litre
plus basic price for protein = 13.19
Total = 20.19 cents/litre*

Gazetted Farm Gate Price at 39.83
- 20.19
= 19.64 cents Actual levy paid by companies

Therefore our city milk bonus is smaller than can be justified, that is 1 cent/litre. With average sales of 110,000,000 litres per year the amount not paid into the pool is \$1,100,000.00.

SADA has clearly accepted the price of \$3.88 per kg protein for September but requested that the pool payment be calculated at 3.00% fat. At this stage we are still unable to reach an agreement with FUFL and the factor of conversion will still be 3.5% butterfat.

DAIRY INDUSTRY REVIEW

Peter Day, the government advisor on deregulation, has now circulated written submissions prepared by interested organisations.

SA Dairy farmers can feel proud that the farmer point of view is expressed in one submission. Conveying the philosophies of unity and equity, this document is a direct product of a unified approach by the SADA, SEDA and the UFS Dairy Section. Thank you Terry for providing the final draft and all those who contributed directly and indirectly to making this submission a reality. Numerous hours will need to be dedicated to this Green Paper Review and the White Paper that will ensue, but I see progress so far as a solid step in the right direction.

Unity with SADA and SEDA is achievable by July 1 1991. This will require patience, effort and a preparedness to change some of our long standing traditions. With a continuing push to achieve a single voice for dairy farmers, our future role and that of the UFS must be addressed as a high priority.

General issues such as the change in means test to qualify for Austudy and Family Allowance will continually confront farmers. The dairy industry will discuss this subject at national level next month. Please contact the office if you feel you may be affected.

THE WORLD SCENE

The efforts of Pat Rowley and John McQueen from ADFF and Rick Lacey from ADC at the International Dairy Federation meetings in Montreal during September must be valued by Australian dairy farmers. The role of our Agripolitical organisations outside of Australia is becoming more and more necessary. To quote the Federal Minister of Primary Industry, John Kerin, "A characteristic of Australian agriculture is that the Australian farmer and the Australian government have little or no control over world prices."

Efficiency gains and productivity increases must be coupled with a strong political lobby. There could be a limit to our productivity gains but Kerin has a positive point of view as he stated in parliament on October 9, "It is the genius of Australian producers that they continue to make strong efficiency gains and continue to do things better in their operations. They know that their own efforts form the basis for their continued prosperity."

CONGRATULATIONS

Congratulations to Eric Stewart and family for the excellent effort in winning the Dairy Vale Champion Farmer Award. Eric has been a regular Central Council delegate for a number of years.

Another very active worker for SADA is Central Council delegate Lyndon Cleggett who must also be congratulated. Lyndon and family won the Supreme Champion Dairy Cow Award at this year's Royal Adelaide Show.

And for 25 years in the AI business, congratulations must also go to Stan Fulton of Central Breeding Service. Stan is well known and respected in the SA dairy industry and was an active member of SADA and a Central Council delegate for many years. As a member of the Advisory Board of Agriculture, he carried out the important task of representing producers on the Webb Committee of Enquiry into the Dairy Industry in 1977.

ALLAN MANNING *General President*



FLAXLEY RESEARCH CENTRE OPENING



Above: Director-General of Agriculture
Dr. John Radcliffe Begins proceedings.



Right: Minister of Agriculture
Hon. Lynn Arnold Officially
opens Flaxley Research Centre

Below: The Dairy and Laboratory
facilities



FLAXLEY RESEARCH CENTRE OPENING

Thursday November 1 saw the Minister of Agriculture Hon. Lynn Arnold open the Flaxley Research Centre. General President Allan Manning spoke on behalf of the dairy industry and applauded the Department of Agriculture's achievements.

The \$3.58 million Centre has the potential to serve the dairy farmers of South Australia and Australia with its emphasis on practical research and response to industry ideas.



Top: Kym McHugh Dean Innes and Roger Basham
Centre: Martina Wilson, Dr. Douglas Wilson, Julie Manning
and Allan Manning
Bottom: Tim Newbery. (Spot the difference?)

FEDERATION NEWS

INSURANCE

General President, Allan Manning, and Executive Officer, Terry Inglis recently met with the senior management team of Federation in South Australia, Graham Bagnall and Paul Kerin, to monitor progress since the insurance review undertaken last year.

"It was very pleasing to have some very GOOD news with respect to Federation policies for dairy farmers passed on to us at that meeting. "Mr. Manning said, "I believe that the thorough review and the willingness of members to bring their problems to our attention have helped Federation make some positive improvements which will please many of our members".

"All we ask is that members give Federation a chance to tell them individually about the latest changes that have been made," Mr. Manning added.

Some concern about itemised accounts for taxation purposes can be overcome by consultation with your regional Federation agent. The consolidated renewal time to be incorporated by your local agent.

"Please make sure you work your local agent off his feet, providing you with the service you want," Mr. Manning advised.

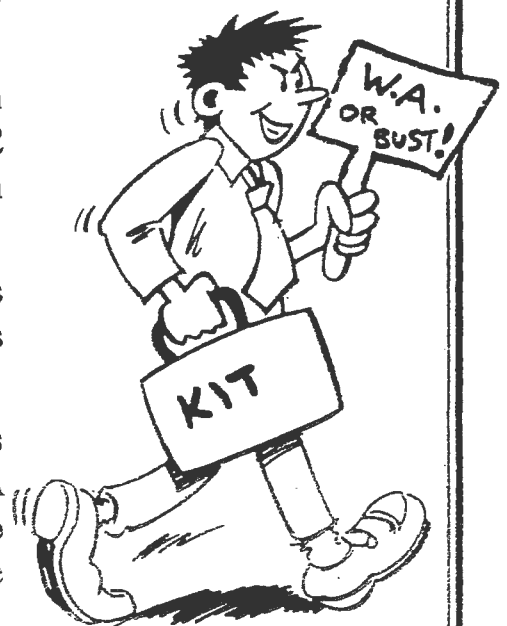
AUSTRALIAN DAIRY CORPORATION

NEWS *(HOW THE WEST WAS WON!)*

Bob Snewin has been ADC Manager for South Australia and the Northern Territory for the past 2 years. As you read this Journal Bob has been appointed manager for Western Australia as well.

Those who know Bob admire his enthusiasm and his energy and drive. The challenge for Bob is to have as big an impact on the West as he has had here.

I am sure all SADA members wish Bob well with his new additional role. If anybody can tame SA, WA and NT Bob Snewin can. Members might like to know that Bob's nickname is TNT - because he carries so many kit bags.



CLOSER ECONOMIC RELATIONS

AND NEW ZEALAND

In looking at CER and its likely effect on Australian dairy farmers, perhaps we should also look at the global situation of supply and demand for food.

Several key issues evolve.

1. The inability of fast growing countries in East Asia - Pacific Regions to meet their own food requirements offers good prospects for food exporters.
2. Demand will be first for feed grain, oil meal and vegetable oil, dairy products, meat, fruit and vegetables.
3. No or very little growth in export opportunity to the United States or the E.E.C.

The biggest single factor in the world food market over the next 10 years will be the ever widening gap between grain production and consumption in developing countries including China and the centrally planned economies such as the U.S.S.R. Countries who consume rice as a basic staple are switching to wheat for variety of diet and countries who eat maize are switching to wheat and rice, all these countries show a shift toward meat and dairy products, vegetable oil, fruit and vegetables, increasing meat and dairy products also increases the use of feed grain. These 2 products are strongly influenced by increased per capita incomes, mostly in Asia which holds more than half the world's population.

Countries with agricultural potential, the U.S., Canada, Australia, Argentina, Brazil and New Zealand are stepping in to fill this gap between production and consumption.

Will these markets last?

Real gross domestic product in China grew 9.7% between 1980-89. Population grew 1.25%. Nearly all Asian countries are similar, Latin America and Africa are quite the reverse. Agriculture growth in China during that same period rose only 6.7%, African agriculture rose 1.2%.

New Zealand sees Asia as an area of real export potential filling in countries such as China's and India's self sufficiency gaps. Restrictions and limitations likely are trade embargoes, tariffs and production subsidies imposed either real or manufactured for political reasons.

Free trade as opposed to agricultural protectionism would improve New Zealand's trade position by \$2.4 billion due to dairy and meat exports and Australia's by \$3.2 billion due to meat, wheat, dairy products and sugar. The E.E.C. by contrast would see its trade balance reduced by \$9 billion by reduced production of other exports than meat and dairy products. World prices would increase 22% from 1986 levels. Largest increases would be meat 21%, wheat 37%, sugar 53% and dairy products a whopping 65%. Japan would increase agricultural imports by \$7 billion. Largest increases would be meat \$3 billion, rice \$2.4 billion and dairy products \$0.8 billion.

And what of the new Eastern Europe and the U.S.S.R.? Only the U.S.S.R. holds any real hope after basic economic reforms are begun. East Germany will fall under E.E.C. common agricultural policy, Poland and Hungary are already export livestock products countries.

C.E.R. between New Zealand and Australia presents no huge market at the present time. Given the figures just quoted, the two countries have similar size dairy industries in total size. In 88/89 New Zealand produced 6773 million litres, Australia 6300 million litres or 93% of New Zealand production. Australia uses 1695 million litres of its milk for market milk, almost 4 times that of New Zealand Australia manufactures 4605 million litres against New Zealand's 6480 million litres. However New Zealand exports 1507 million litres to preferred export countries such as Europe and North America against Australia 69 million litres or just 4.57% to good returning exports of New Zealand's export.

This is very significant for the New Zealand industry as a loss of some or all of its preferred market would put great pressure on New Zealand to channel some of this product toward Australia, thus putting strain on Australian dairyfarmers.

Major differences between countries are:-

- New Zealand has a co-op company structure supported by total control through the New Zealand dairy board - Australia has a mixed company structure supported by the Kerin levy on exports.
- New Zealand has good access to E.E.C. and U.S. markets - Australia has poor access.
- The New Zealand Dairy Board support domestic prices but not by legislation as does the Kerin levy.

There are 3 important facts about AN CER TA.

1. There is an obligation on both countries to co-operate on 3rd markets.
2. Both countries are obliged to work for the development of a single integrated market for dairy products consistent with

fair completion and free trade.

3. The agreement obligates New Zealand "to act in relation to sales to Australia in the same way it does when selling in the New Zealand domestic market."

Is the Australian industry in a position of strength to equal the New Zealand industry?

With petrol at 82.5c/l, power at least equal to South Australia's power costs, denavit at \$55 per bag, oats at \$250 per tonne, barley \$300 per tonne and baled meadow hay at \$4 per bale, herd test fees as high as \$33 per cow many would say we could more than match the New Zealand industry.

Milk returns for the year ending June will vary between \$5.80 and \$6.20 averaging \$6.00 per kg fat for manufacturing milk. Odd factories will pay as high as \$7.30 for special product milk. Town milk or city milk as we know it returns \$9.50 kg for contract milk, seasonal bonus May, June/July attracts \$7.50 incentive bonus, making a total of \$13.50 kg/bf. These prices are being paid by a New Zealand dairy company which has 4700 suppliers and controls nearly 37% of New Zealand milk. Their intake exceeds 13.5 million litres a day. In just 21 days in November they would handle more than the entire Central Region of South Australia's yearly production!

Limited areas of South Australia could hope to equal the growth of grass obtained in most parts of New Zealand. The area below a line between Frances-Pathway and Kingston and perhaps the Murray Swamps would probably give similar results but at the present we could never hope to match the enthusiasm or drive that New Zealand farmers have. This inbuilt care for the industry is also maintained by other personnel within the industry. Take for example the current inability of processors to set

a price for product in South Australia would not be tolerated by New Zealand farmers. One processor or another would not have many suppliers left at this time if it could not make a commitment to its suppliers. New Zealand farmers take a very solid interest in the overall health of their industry. One of my hosts was Deputy Chairman of a large co-op. At an ADFP tour social gathering he spoke for longer than some of his co-op's members thought necessary. Minutes later he was informed he would not be receiving their votes at the next September election. I have since heard he is not standing for re-election as a board member!

New Zealand farmers are not at all tolerant of their company personnel making slow decisions. Performance on and off the field is paramount.

New Zealand dairy farmers milk an average of 158 cows. Milked on 165 acres (67 ha) producing 3400 litres per cow at 4.7% fat or 160 kg per cow. This is expected to rise to 187 cows at 3800 litres at 4.5% fat or 171 kg per cow by the year 2000. If an annual 5% inflation rate occurs the current \$6 pay out will have to increase to \$9.77 over the same period. Milk fat during this time will not increase in value, stopping around \$2 per kg and being used more and more as a flavour; protein will increase to roughly \$7.77. It is predicted the protein pay out will be approximately 4 times that of milk fat and the volume penalty will disappear.

Current values at Waikato are \$2.70.49 kg fat, \$4.49.99 kg protein less 3.5c/litre cartage, returning an average 28.93c/litre New Zealand dairy company figures.

As of 1st July 1990, New Zealand expected returns will fall from \$6 kg to \$4 kg milk fat. Most dairy farmers see this as a guide only expecting to receive in the vicinity of \$4.80 to \$5.20 by next June, 92% of the \$4.00 will be paid as an

opening price with 3 step ups expected during the year. All prices I have quoted are in New Zealand dollars at the current exchange rate of \$1.34 to \$1.00 Australian. The figures are near 75% expressed as Australian dollars.

I believe South Australia has an industry which could compete on niche markets with New Zealand but it needs farmers to have drive and the Kiwi enthusiasm to keep the industry on its toes.

We may not have milking machines with 8 inch milk lines or milk harvesters that record all milk and divert colostrum and penicillin treated milk automatically or separate milk from air just at this moment. These things may just be months away from installation. We do have potential as I have said previously. We may not be able to develop properties for less than \$15 per kg fat as New Zealand has been able to do in the south island, but we do have plenty of space or acres on which to do it.

Victoria and Tasmania are probably extremely close to New Zealand dairy operations. South Australia is in a position to expand and needs young dairy farmers similar to New Zealand's sharemilker set up, where dairy farmers by the age of 40 or even less employ a sharefarmer.

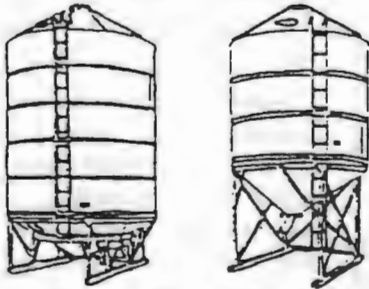
We could do it - all we need is the drive!

Don Holly

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Ph (085) 71 1231 or (085) 71 1090

'KOTZUR' SILO'S

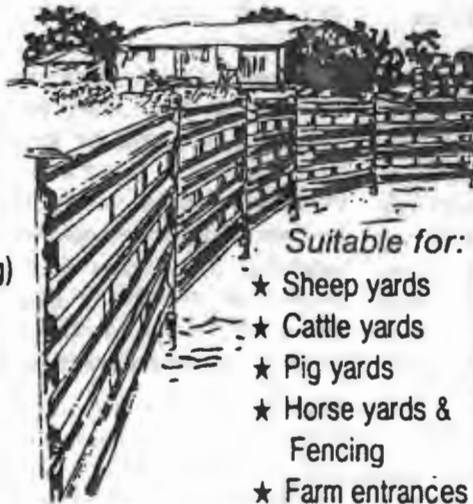


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DID YOU KNOW

that, on average, Herd Tested cows produced 549 litres more per cow per lactation than the State's average per cow production last year?

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PASTORAL INDUSTRY (SOUTH AUSTRALIA) AWARD

Members are advised that there have been NO changes to the State Pastoral Award. Current rates are:

CURRENT S.A. PASTORAL AWARD WAGE RATES

ADULT RATES per 40 hour week without keep (\$) :

Station Hand - less than 12 months experience . . .	283.90
Station Hand - more than 12 months experience . . .	286.10
General Station Hand	288.10

JUVENILE RATES - per 40 hour week without keep (\$) :

Age	Rate	Age	Rate	Age	Rate
15	127.75	17	156.15	19	212.95
16	141.95	18	184.55	20	255.20

SUPERANNUATION

As of July 1 1989 employers were obliged to pay into an approved superannuation fund 3% of their employees gross earnings at that time, (i.e. 3% calculated on the minimum award as above, not deducted).

DAILY RATES

The minimum rates to be paid to adult workers engaged by the day is \$56.78 per day.

The minimum rates to be paid to juvenile workers engaged by the day shall be one-fifth of the above weekly rates without keep.

These award rates are a minimum figure. As an employer, variations from them are at your discretion, but only in an upward manner.

NEW AWARD

A hearing is due in the State Industrial Court to decide a new Pastoral Award. We will publish the revised figures as soon as possible.

Remember those of you who are only SADA members, you are bound only by the State Award. Matching the Federal Award is at your discretion.

NB The Federal Award has recently changed and members need to be mindful of wage rates relatively and keeping employees.

The new Federal rates as from September 10 1990 are:

FEDERAL AWARD

ADULT RATES per 40 hour week without keep (\$) :

Station Hand - less than 12 months experience . . .	303.90
Station Hand - more than 12 months experience . . .	321.30
General Station Hand	328.30

JUVENILE RATES per 40 hour week without keep (\$) :

Age	Rate	Age	Rate	Age	Rate
15	136.75	17	167.15	19	227.90
16	151.95	18	197.55	20	373.50

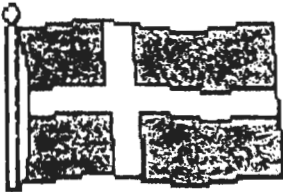


FROM THE USA

CAN YOUR SCC GET TOO LOW?

As somatic cell counts in dairy cows are progressively lowered to improve milk quality and profitability, some farmers have questioned whether very low SCC levels may put animals at greater risk of mastitis infections due to reduced immunity in the mammary gland. Research conducted at Virginia Tech, USA, assessed this issue. Results gave no evidence that cows with low SCC were at any greater risk of infection than those with moderate levels, and

while differences were small, there were indications that the low SCC animals were less prone to contagious mastitis. Generally, low SCC herds are only prone to environmental mastitis, which can produce dramatic symptoms, but is usually confined to a few (usually stressed) animals and does not pose a risk to the whole herd.

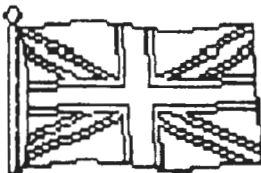


FROM NORWAY

TEAT CANAL DIAMETER & SOMATIC CELL COUNT

A case-control study on matched pairs of cows in 2 counties of Norway indicated a strong positive association between teat canal diameter (TCD) and somatic cell count (SCC) in milk. The study indicated further a highly significant association between leakage of milk and high SCC and a significant association between teat injury

and high SCC. Finally, an association between the shape of the teat end and SCC that was nearly significant ($p = .067$) when considered in isolation, was shown to exist through its dependency on TCD. A flat or inverted teat end is associated with a large TCD while a pointed or round teat end tends to have a smaller TCD.



FROM BRITAIN

DESIGNER MILK FOR THE 1990s

In the next decade there is a possibility that British dairy farmers could develop "designer milk", made to strict specifications for different milk products.

"The composition of milk affects its value and is controllable at the point of production," claims Frank Harding, technical director of the Milk Marketing Board for England and Wales.

Clear market demand for antibiotic-free milk with low cell and bacterial counts is demonstrated by almost universal use of quality payment schemes, and new European Community legislation on quality. Demand is market-led, not driven by technology, he adds.

Milk at 3.9% butterfat produces 23% more butter than at 3%. milk fat and protein are vital constituents of cheese. "The industry's economic balance is based on compositional milk quality. Demand is market-led, not driven by technology, he adds.

And he predicts three distinct changes in dairy production:

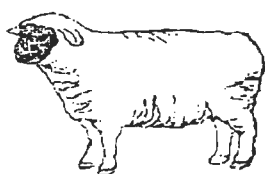
- Demand from the dairy trade for purchasing milk of known compositional quality.
- Different quality specifications for each milk product.
- Genetic selection of cattle and embryo multiplication to help change national milk quality relatively quickly to enhance specific characteristics. "Defining these characteristics will be the major challenge of the 1990s," says Mr. Harding.

EFFECTS OF NUTRITION ON FERTILITY

Two major risk periods in the production cycle of dairy cows have been identified by UK Milk Marketing Board scientists. Energy intake is seen as the most important factor influencing fertility with the two crucial periods being the latter stages of the dry period, and during the first week of lactation when the sudden change in nutrient requirement can exceed the cows' ability to adapt to these lactation demands. Cows should be dried off at the body condition score which they are expected to calve down at. Milk protein levels should be monitored closely as these are an accurate indication of the herd's energy status, and declining levels usually indicate an energy deficiency.

SAFER SYRINGE COULD HELP CUT MASTITIS

A simple piece of plastic developed by the animal health company Upjohn could help farmers reduce their mastitis bills. The UK company has launched a new dry cow therapy antibiotic, Tetra-delta Dry Cow, this is coupled with a small plastic cap which fits over the end of the syringe permitting only partial insertion. The company claims that this partial insertion prevents the teat canal being stretched and damage occurring to the natural protective coating usually present. The risk of teat damage is reduced and the risk of re-introducing infection into the udders of dry cows minimized. In USA trials with 86 dry cows, 17 treated with the full insertion of the syringe has new infections when they came back into milk compared with seven using the partial insertion technique.



**FROM
NEW ZEALAND**

DISEASE & TOXINS IN SUBFERTILE DAIRY HERDS

After evaluating the breeding and nutritional programmes of a subfertile dairy herd, farmers should then focus on infectious diseases and toxins as potential causes of reduced reproductive performance. Current knowledge suggests infectious agents and toxins, such as leptospirosis, haemophilus somnus infection, bovine rhinotracheitis, bovine viral diarrhoea, mycotoxicosis and nitrate toxicity, play a role in the failure of fertilization and embryonic death. While toxins and infectious agents are capable of causing failure of fertilization or embryonic death, relatively few have been demonstrated as causes of reproductive failure.

BOBBY CALVES ARE MORE VALUABLE THAN EVER


It is vital that drug residue contamination of bobby calf veal be avoided if trade with the USA is to continue. The main causes of residue problems involve the use of antimicrobial drugs to treat animals with scours and ignoring the withholding period for meat and milk for the antibiotics in use. Young scouring calves are best treated by fluid replacement therapy which involves feeding water and glucose combined with electrolytes. The scouring calf

should be isolated immediately, milk feeding stopped and two litre of electrolyte solution fed twice daily for two days. Diluted milk should not be fed as it fails to clot and aggravates the scours.

AG-VANTAGE DAIRY - EFFICIENT HERD MANAGEMENT

Ag-Vantage Dairy is a computer based herd management system which can provide dairy farmers with instant information on the status of individual cows in the herd. Designed to be "user-friendly" towards the non-computer oriented dairy farmer, the system covers major dairy management categories including production, lactation status, breeding, reproductive performance, pregnancy reporting, and medical records. Also provided are management statistics on natural calving interval compared to AI calving interval, a comparison of conception rates of first, second and subsequent joinings, statistical information on the success of heat detection and monitoring of mastitis control programmes.

MASTITIS CONTROL PRACTICES - DIFFERENCES BETWEEN HERDS WITH HIGH AND LOW SOMATIC CELL COUNTS

Effects of differences in herd mastitis control management in maintaining low herd average SCC, was studied. Herds were visited annually for 2 years by a technician who collected samples and recorded data. Milking time hygiene practices, teat dipping, and dry cow therapy were practiced with equal frequency on low and high herds. Differences in function and maintenance of milking equipment did not discriminate between herd groups. Managers of excellent control herds more frequently had highest producers milked first and clinical cows milked last; had automatic milking unit detachers; kept moisture content of cow bedding lower, and had workers disinfect teat ends prior to intramammary antibiotic treatment. Managers of low herds were more likely to use computers and attend dairy information meetings. Results suggest subtle differences in mastitis control strategies differentiate the low and high SCC herd groups. 



COMING SOON

FLEXI-CAP TIP

A new idea in
MASTITIS CARE
from **UPJOHN**



UPJOHN ANIMAL HEALTH OPERATION
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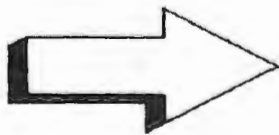
COST REDUCTION

Last edition I wrote about cost cutting and the hard decisions accompanying those decisions.

If you are considering new equipment weigh up good quality second hand options or consider a syndicate purchase.

Evaluate contractor rates against the cost of owning, maintaining and running your own equipment.

Use of contractors can give you additional time to do those tasks that never get done.



Here is an article from the new ETSA publication "Electric Business" -Spring 1990 Edition. It may offer a way to reduce cost.

ETSA

New Tariffs

The new tariffs became effective from July 1, 1990. The main points regarding the tariff changes are as follows:

- Supply charge up 80c per quarter to \$13.60 (M, P, S & R)
- First step on P and S reduced by 1.5% to 18.21c/kWh
- Average increase for P and S tariffs of 2%
- P and S off peak rates reduced 7%
- P and S off peak period now available on weekends
- Minimum chargeable consumption for S tariff optional rate (off peak) reduced from 150,000 to 90,000 kWh per quarter
- W tariff demand charge increased 2%
- W tariff energy charge increased by 0-2% (varying steps)
- R tariff increased by 0-2% (varying steps)
- R tariff off peak rate reduced 7%.

As you can see, the overall increase in the electricity tariff is well below CPI rises. The major thrust has been the considerable reduction for off peak rates and an extension of the period when they are available on 98 hours per week for P and S customers.

There is a fee involved to change over or install the timer for measuring off peak consumption on P and S tariffs. Consequently, you need to request this service if you are to take advantage of the extended off peak period.

The encouragement for greater off peak use has been further reinforced by the introduction of the new "Time of Use Demand Tariff D". This tariff also offers cheap rates for off peak

consumption with extra encouragement during the 2-5 am period. It is a demand based tariff designed to suit medium-to-large customers with high off peak usage.

For further information, contact the Industrial Marketing Department on (08) 366 1279.

"Am I on the Right Tariff?"

When tariffs change or a new tariff is introduced, it is wise to consider which tariff offers you the cheapest power and whether there is anything you can do to take advantage of the cheap rates for off-peak consumption.

It is in your best interests to select the tariff most suited to your supply needs. However, the choice is not always obvious. The graph below shows the changes (\$) that would be made on three tariffs P, W or D for a particular customer with a 70% load factor and an assumed off-peak consumption.

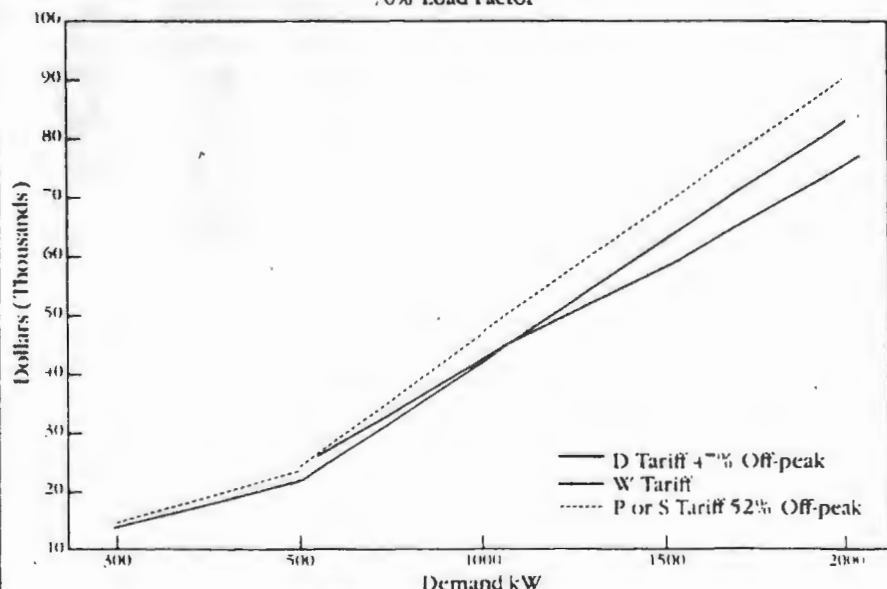
Expert assistance is available from the Industrial Marketing Department to help your investigation of our tariffs. We will be able to help you more readily if you have the following information on hand:

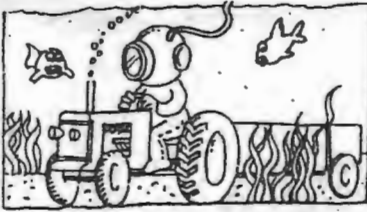
- Energy consumption
- Maximum demand
- Percentage of consumption in off-peak periods (if possible).

Telephone ETSA Industrial Marketing Department on (08) 366 1279.

Tariff Comparisons

70% Load Factor





THE FUNNY FARM



At a technological seminar, a story was told about an engineer, an architect and an economist, the only survivors of a plane crash on a lonely island. In a week, the only food left was a tin of beans, but they didn't have a can opener.

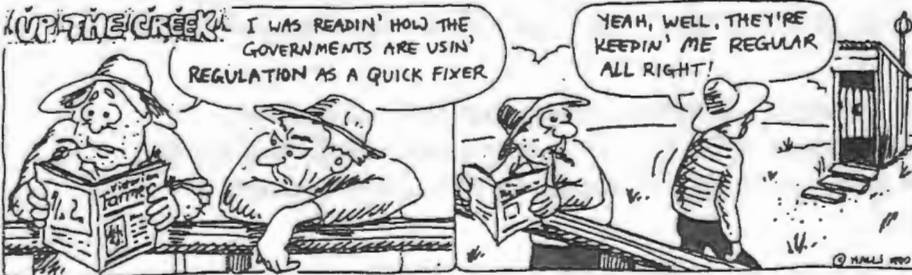
"Start a fire and put the tin in the middle" said the engineer. "The heat will cause it to burst."

The architect shook his head. "Unless we build an enclosure, the beans will fly all over the island and we won't have anything to eat," he said.

At a loss about what to do, the engineer and the architect turned to the economist and asked what idea he had.

"Assume we have a tin opener," said the economist.

BROOMHILDA



Here's a thought -

Show me a man who can eat, drink and be merry and I'll show you a fat, grinning drunk.



SOME MORE FREUDIAN SLIPS

Here are some more genuine extracts from letters received by the Ministry of Social Security which deals with Public Welfare in the UK.

- o I am enclosing my marriage certificate with three children. One of them is a mistake as you will see when you look into it. I am writing to say my youngest was born two years old. Why am I not getting allowance for it?
- o Please send me a form for cheap milk for having babies at reduced rates.
- o I have nothing coming into the house but two sons on the dole. I am visited regularly by the clergy. Will you write to the penchine minister for me as I don't know what church he is in charge of? I can do with a penshin because I have no cloths on for a year.



Udder Nonsense



REMEMBER WHEN ?

IN 1970

The September-October edition of the Journal was devoted entirely to the issue of national production control. It looked at all the proposals put forward and in the end it was written:

Is Production Control Necessary?

A production control plan is feasible, though it may be more complex, and far less satisfactory, than the above suggestion indicates. But the question must be asked, again and again, before too much effort is put into a plan and before too much disturbance is caused to the industry, - is production control what the Australian dairying industry needs?

May not a better, simpler, more humane and more profitable solution be found in a genuine and intelligent attempt to market as efficiently as the dairy farmer produces?

And here we are in 1990 with a Green Paper looking at our industry. Any quality old wheels out there?

IN 1940

16 September 1940 Central Council debates a new contract for the sale of milk.

Discussion centred around a dairy farmers' right to change processor. It also spoke of a lower price to non-SADA members.

The emotions that led to SADA being formed were real and the result of deregulated mayhem in the free market. WE do not want a return to the conditions of the late 1920's/early 1930's. We hope our Government feels the same.

AND IN 1890

If you were dairy farming in 1890 you may have wanted to explain to a friend how much butterfat was in your milk. (Actually you would have delivered cream to a butter factory.)

If you had a 37 test how many pounds of butterfat would you have delivered in 100 pounds of cream?

How much per gallon would you have received, in pence, if the price for your 37 test milk was 1/6-1/2 per pound of butterfat?

Things were so much simpler in the Good Old Days weren't they?

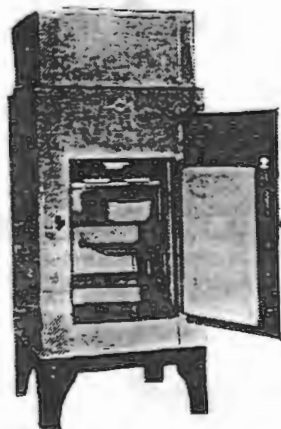
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EXECUTIVE COMMITTEE

- ☆ COMPLETION OF SUBMISSION TO GREEN PAPER INDUSTRY REVIEW IN CONJUNCTION WITH SEDA AND UFS (*A UNITED VIEW FOLKS!*).
- ☆ CONTINUED DISCUSSION WITH PROCESSORS OVER CITY MILK BONUS PAYMENT
- ☆ COMPLETION OF APPLICATION FOR PRICE RISE FOR MARKET MILK
- ☆ DEVELOPING PRINCIPLES FOR UNITY WITH SEDA AND UFS
- ☆ EFFLUENT DISPOSAL STRATEGIES BEING INVESTIGATED

CENTRAL COUNCIL

- ☆ DEVELOPED POLICY OF WORKING FOR 30 DAY CHANGEOVER PERIOD FOR MEMBERS TO CHANGE SUPPLY
- ☆ REQUEST TO INVESTIGATE INCENTIVES FOR HIGH QUALITY MILK
- ☆ FRESH DIRECTIONS CONFERENCE GROUP TOUR TO BE ARRANGED
- ☆ 1991 CONFERENCE IN BAROSSA VALLEY

WORK WANTED

DAIRY WORK WANTED IN MT. COMPASS AREA

- ◆ Milked 75 cows in WA for 3 years.
- ◆ 40 years of age & single
- ◆ **Government Grant of \$100 per week for 6 months**

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but you have to listen
a long time to
find it out."

"Diplomacy:
Thinking twice
before saying
nothing."

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SOMATIC CELL COUNT - THE ONTARIO WAY

The Canadians have an aggressively positive yet sensibly programmed set of objectives for their somatic cell count levels. The Ontario industry introduced a somatic cell count penalty program on August 1 1989 to encourage lower cell counts among producers whose herds had chronically high counts.

August 1 1989 began at a level of 800,000 with a

penalty of \$1 per hectolitre (100 litres) on all milk sold as market milk. The penalty begins on the same basis as the Metropolitan Milk Board's scheme i.e. 3 out of 4 consecutive tests. The Ontario penalty increases for each subsequent violation, within a 12 month period, from \$1 per hectolitre to \$2 then \$3 then \$4 and then \$5.

The really interesting aspect of the Ontario scheme is that they have set a penalty target level for somatic cell counts of 500,000 by August 1995. On each August 1 the target level and hence penalty level drops by 50,000.

August 1 1990 saw the penalty level drop to 750,000. Next August it will drop to 700,000 and so on.

Setting goals and progressively achieving them is a great way to ACHIEVE. We could all benefit by the use of goal setting in our daily lives and our longer term planning. Goals enable you to measure your progress and the achievement of a goal gives a great sense of satisfaction.

The article below is reproduced from the most recent "Australian Jersey Journal".

Many of you know that I personally favour multiple component pricing as the fairest way of ensuring you get paid for what you produce and to ensure you receive the correct market signals from the market place - not some fictitious source. This article gives some more insight to the basis of my feelings about milk pricing.

Terry Inglis

INVESTIGATIONS ON MILK PROTEIN QUALITY IN DENMARK.....*By Mark Stendal*

The nutritive value of milk from dairy cows is well known and appreciated. Energy comes from milk fat, and here the Jersey breed is superior.

Protein is more 'valuable' in the western part of the world, and also in this respect the Jersey does better than other breeds.

Milk protein can be divided into whey protein and casein. Casein plays an important role in cheese production, yield and quality.

However, casein is not just casein. Part of it is cappa casein and especially a certain fraction of cappa casein is desirable.


A rather comprehensive investigation has just started in Denmark where we want to find out the correlation between total protein yield and casein yield. Approximately 20,000 milk samples from each of our three major dairy breeds will be analysed. It will be possible to determine dif-


ferences between breeds, variation as to lactation number, stage, time of the year and also the influence of feeding practices, sire of the cow, etc.

At the Danish Government Research Institute for Dairy Industry the influence of different genetic casein variants on cheese production is studied. Cheese is manufactured from milk produced by cows having exactly the same genotype as to various casein fractions.

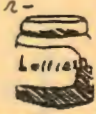
Jersey breeders in Denmark are anxious about the results as former investigations have indicated that the Jersey breed is superior also as to valuable casein fractions.

Who knows, perhaps some day in the future certain casein fractions will be included in the milk pricing formula instead of just Protein. That could be a jackpot for our breed!



FROM THE DAIRY  TO THE SWEETS JAR

This issue contains sweets recipes. Make them for your Christmas table or put them in jars for those -hard to buy for- friends....



FUDGE

1 cup brown sugar
1 cup white sugar
 $\frac{1}{2}$ cup milk
2 tablespns. golden
syrup
1 dessertspn. butter
vanilla

Melt butter, add the syrup, sugar and milk. Stir over a slow heat until the sugars have dissolved. Then bring to the boil and boil to the soft ball stage. Remove from the heat and when bubbling has ceased, add vanilla; beat until thick and creamy. Pour into well buttered sandwich pan; cut into squares when cold.

CHOCOLATE CARAMELS

$\frac{1}{2}$ lb. sugar, 2 oz. grated chocolate, $\frac{1}{2}$ teacup good cream, 1 teaspoon butter.

Boil gently and stir till it begins to leave the sides of the pan. Add $\frac{1}{2}$ teaspoon vanilla. Pour into a buttered square tin. Cut into squares when cold.

COCONUT ICE

Take two cups of white sugar, half cup of milk, three-quarters of a cup of desiccated coconut.

Boil sugar and milk for five minutes, stirring all the time. Add coconut and boil one minute more. Remove from stove. Beat while cooling till it creams, then pour quickly into wet dish. Make a second layer and colour it with cochineal.

COFFEE AND WALNUT TOPS

Makes approximately 60

3 $\frac{3}{4}$ cups icing sugar
1 tablespoon milk
15 g copha

3 teaspoons instant coffee powder
90 g cooking chocolate
walnuts, whole

Blend icing sugar and coffee until smooth. Add milk and mix till well combined. Add extra milk if necessary. Roll into small balls.

Put chopped chocolate and copha in top of double saucepan, stir over simmering water until chocolate has melted. Remove from heat. Using a fork, dip each coffee ball into the melted chocolate, lightly tapping off excess chocolate. place onto waxed paper, top each chocolate with a walnut.



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THE SOUTH AUSTRALIAN DAIRYFARMERS JOURNAL

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THE SOUTH AUSTRALIAN DAIRY FARMERS'

JOURNAL

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Another version of that Dicken's Classic -

--OOO A CHRISTMAS CAROL OOO--

Once upon a time there was a bank. Scrooge & Marley's Sharkpac Banking Corporation, which claimed to be everyone's reliable friend. This bank lent money to all types of people and businesses. It especially liked to lend money to farmers. Scrooge took personal charge of the farm loans.



One day a farmer came into Scrooge's office looking for a loan to improve his situation. He had a chance to buy

a new farm twice the size of his current one. Scrooge was delighted. He agreed to fund the farmer's loan needs and a hand shake sealed the deal. The farmer, the vendor of the farm and Scrooge were to assemble for settlement within the month.

On the appointed day Scrooge was surprised to find that interest rates could be lifted yet again. His secretary told him the farmer had arrived. How could Scrooge get the extra interest?

The farmer entered Scrooge's office, along with the real estate agent, the vendor and the farmer vendor's accountant.

"I'm sorry to say Mr. Farmer I cannot provide the loan as agreed however if you would care to re-negotiate I'm sure I can find some money" said Scrooge.

All but the farmer left Scrooge's office. "What do you mean Mr. Scrooge?" asked the farmer.

"I'm mean er I mean I can

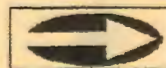
lend it to you for 1% interest more than we agreed" replied Scrooge.

"You are mean Scrooge. I mean to see you in court" the farmer shouted as he left.

Before the farmer could assess what had happened he was summonsed to court by the selling group for breach of contract and loss of money. They wanted \$50,000 compensation.

The farmer said it was not his fault but Scrooge's fault.

The matter was taken over by lawyers for all parties.



in this issue

- Important News on Superannuation Laws
- Exciting White-wash recipe!
- Our Regular Features

Three years later the farmer owed his lawyer \$30,000, the selling group wanted \$50,000 plus their costs and Scrooge was feigning ignorance.

The matter was listed for trial. The Lawyers for Scrooge kept stalling.

Finally the farmer demanded, above his lawyer's advice to settle out of court for a pittance payment by the bank, that the matter go to court. The judge agreed.

Suddenly Scrooge settled out of court with the selling group.

The farmer was in the clear.

All he had to do was to pay his lawyer's bill.

The moral of this story is NEVER trust a banker where money is concerned. Always get sound advice from your personal accountant or from your Association. Be especially wary when interest rates are volatile, especially moving up.

The truth underlying this Christmas Carol is well known by at least 2 SADA members.

The agreement by banks to provide finance must be in writing and witnessed by a third party.

The tactics the bank in question employ are loosely called bullying and bluff. They use them when it's their word against one person's.

Be careful when you finance your dreams or else the dreams can turn into nightmares that would frighten even Scrooge (Refer to 'A Christmas Carol' by Charles Dickens for Scrooge-scaring level dreams).



MERRY and a HAPPY NEW CHRISTMAS YEAR

The SADA staff, Jenny Harris, Sue Phillips and I, wish all SADA members and all Journal readers the compliments of the season. We hope your Christmas is a cool wet one and that you all have a secondary growth of hay and pasture.

We look forward to 1991 as the year of Dairy Farmer Unity. We wish you all a Happy New Year and trust it will be more prosperous for you than this year has been!



TERRY INGLIS
Executive Officer



PRESIDENT'S COMMUNIQUE

The Christmas festive season is now very close and all of those small but significant jobs we have promised the family would be completed by the end of year are staring us in the face.

Well there is always next year.

I hope that you can set aside enough time between milkings to enjoy the pleasant, social interaction and joy that comes with Christmas.

Dairy Industry Review

The review of the S.A. dairy industry appears to have been overshadowed by other major issues in the last few weeks. All are relevant and pertinent to any future change of regulation in the S.A. industry.

The failure of the Uruguay round of GATT negotiations was predictable given the strong EEC policies to keep their farmers on the land. Nevertheless, the outcome is hard to swallow.

Since the Uruguay round started in 1986, we have been anxious to see a positive result given the emphasis placed on agricultural trade. The last 4 years of negotiation had the potential to do more for dairying than any other single issue. Furthermore, dairy producers in Australia would have benefitted to a greater extent than any other agricultural commodity group. A compounding factor related to this corrupt world market is the EEC surplus of butter now exceeding 500,000 tonnes coupled with an Australian surplus well in excess of 25,000 tonnes.

The recent market milk price increase has brought with it a dramatic change to the marketing environment. Although we are always conscious of the supermarket lobby for legislative change to allow discounting, I am bitterly disappointed that the Minister, Mr. Lynn Arnold and Cabinet have blatantly disregarded the recommendations of the M.M.B. and increased the minimum-maximum spread to 12 cents. That is 82 cents minimum, 94 cents maximum.

It is common knowledge that per capita consumption is far greater in cities around the world where milk vendors deliver to homes. This spread of price will allow supermarkets to sell milk at near loss prices for the purpose of attracting a greater clientele, thereby placing enormous pressure on the future viability of vendors and corner stores. Milk being sold as a "lost leader" does not benefit the consumer. Logic tells us that supermarket profitability balances on other higher priced commodities purchased by consumers.

The irony of this radical change taking place while the industry is under review defies all logic. Following a meeting with the Minister of Agriculture on December 6, to discuss this and other issues I believe that the Review being carried out by Peter Day has been completely overlooked.

The ongoing issue of Market Milk discipline and particularly U.H.T. sales across borders has been positively addressed at national level. S.A.D.A. together with other state organisations are committed to a simultaneous approach to State Ministers of Agriculture on the issue, to ensure the subject is on the agenda of the Australian Agricultural Council in February.

As a result of the December 6 meeting, Lynn Arnold made a positive commitment to ensure the matter will be discussed at the national forum.

Terry and I met with the Minister of Primary Industry, John Kerin on December 10. A broad range of subjects were discussed, including the continuing volatile export market (as a result of the unsuccessful GATT round) and the dramatic increase of interstate U.H.T. milk sales in Adelaide. Last year total U.H.T. sales exceeded 7 million litres.

Minister John Kerin was strongly committed to 2 main issues:

1. The necessity to shore up the Market Milk industry in Australia.
2. A personal guarantee that market milk issues including U.H.T. will be on the agenda of the February Agricultural Council meeting.

Dairy Industry Review Chairman, Peter Day, has now accepted the relativity of the national market milk industry and will meet Pat Rowley in January to discuss broader national issues.

Environmental Factors

The Mount Lofty Ranges Supplementary Development Plan No.2 was released recently.

In broad terms, it is the intention of the State Government to retain the Mt. Lofty Ranges for agricultural purposes but the eventual outcome will require a lot more debate. I understand that there is not unanimous agreement between the relevant government departments at this stage.

Effluent and farm management is becoming more of a focal point, particularly on the River Murray swamps and the lower South East. The Dept. of Agriculture has developed a research project on total farm and effluent management and submitted it to D.R.D.C.

The Ozone Strategy is being closely monitored and plans for increased cooling efficiency are being pursued. S.A.D.A. will be discussing the concept of cheaper tariffs for milk cooling with representatives from E.T.S.A. for the purpose of effective use of thermal transfer.

Central Council

On December 5 the first of possibly many Central Council meetings was held at the Flaxley Research Centre. The venue is central for most delegates, has an ideal meeting room and has ample parking space.

With planned Unity with S.E.D.A. on July 1, 1991, the organisational structure of the newly combined dairy group will continue to be strongly debated by both S.A.D.A. and S.E.D.A. Central Councils.

Challenges Ahead

Vice Presidents Roger Basham and Ian Newman, Terry and I recently attended the annual meeting of the Australian Dairy Industry Conference in Melbourne. Among other issues the name of ADIC has been changed from Conference to Council.

In his speech to the ADIC Full Conference the Minister for Primary Industries and Energy, Mr. John Kerin, congratulated the industry on its record of impressive achievements, but went on to say that the industry is facing continuing pressures on both the supply and demand sides. The industry will need to build into its policies for the future, strategies that will allow it to cope with a continuing hostile market. Mr. Kerin suggested that the dairy industry should be putting together a coherent set of strategies for the future, building on past gains.

I will be attending an ADIC workshop from 10th - 12th February to put together such strategies as necessary, using the forthcoming IC inquiry as the catalyst to focus on future policy post 1992, when the Kerin Plan terminates.

Other exciting projects to be tackled by SADA in the new year are:-

1. Co-operation with, and assistance to, Professor Harold Woolhouse - Dean - elect of the new Faculty of Agriculture and Natural Resource Sciences of the University of Adelaide. The new faculty will be formed on January 1st 1991 with the merger of Roseworthy and the Waite Institute.

The opening of the new dairy at Roseworthy College on December 10 is an excellent first stage of strengthening the animal production unit of the newly combined educational facility. The effort of the staff at Roseworthy is commendable and particular congratulations must go to the Manager of the Field Services Department, John Rothwell and Dairy Manager Jack Bramley.

2. The encouragement of young students to become involved with our industry. We are currently planning a project to expose junior secondary students to our industry via the excellent Flaxley Research Centre with a particular focus on better use and understanding of the ADC computer program "Farming the Dairy Good Way."

- On January 17 there will be an inaugural meeting for the purpose of developing a high profile joint Milking Facility (with state-of-the art technology) at the Wayville Show Grounds. With total industry support, coupled with the enthusiasm of ADC State Manager Bob Snewin, I am sure an excellent facility will be achieved. By incorporating the concept of public viewing our goal of lifting the profile of our industry will be further enhanced.

I wish to thank the staff and all those members and industry people who have given me excellent support during this year. I extend my best wishes for a happy and holy Christmas to you all and wish you a prosperous New Year.

ALLAN MANNING.

FOCUS ON PASTORAL INDUSTRY SUPERANNUATION

The Minister for Industrial Relations, Senator Cook, has announced that superannuation for pastoral industry workers would be the focus of inspections by his Department.

Inspectors will, as a priority, check compliance with occupational superannuation requirements and provide back-up information.

Senator Cook said the new priority inspections were in response to recent Departmental investigations

total Occupational Superannuation Award by employers.

"A three per cent payment into industry-based superannuation was part of the National Wage Case decision in 1987 and has applied to the pastoral industry since 5 December 1988", said Senator Cook.

"As there is an unsatisfactory level of compliance to this award, our concern is that employers in the industry are unaware of their obligations regarding occupational super-

revealing high levels of non-observance of the Pas-

annuation." The Minister said that superannuation contributions were compulsory for employers who are party to the Pastoral Industry Superannuation Award and failure to make the contributions could result in prosecution.

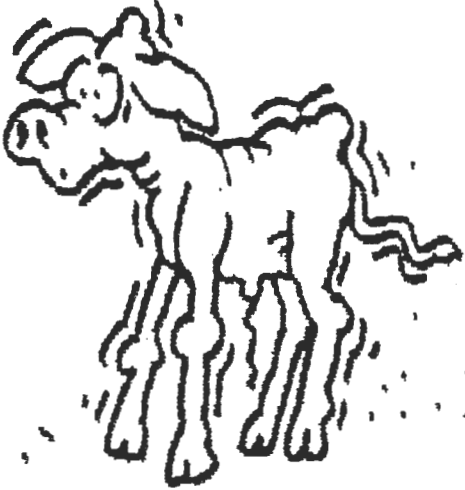
"Contributions must be paid into one of two approved funds stipulated in the Award", said Senator Cook.

"Payments made to another fund will not satisfy award requirements".

Employers and workers requiring further information on occupational superannuation should contact their associations or the Department of Industrial Relations.

CALF RUN

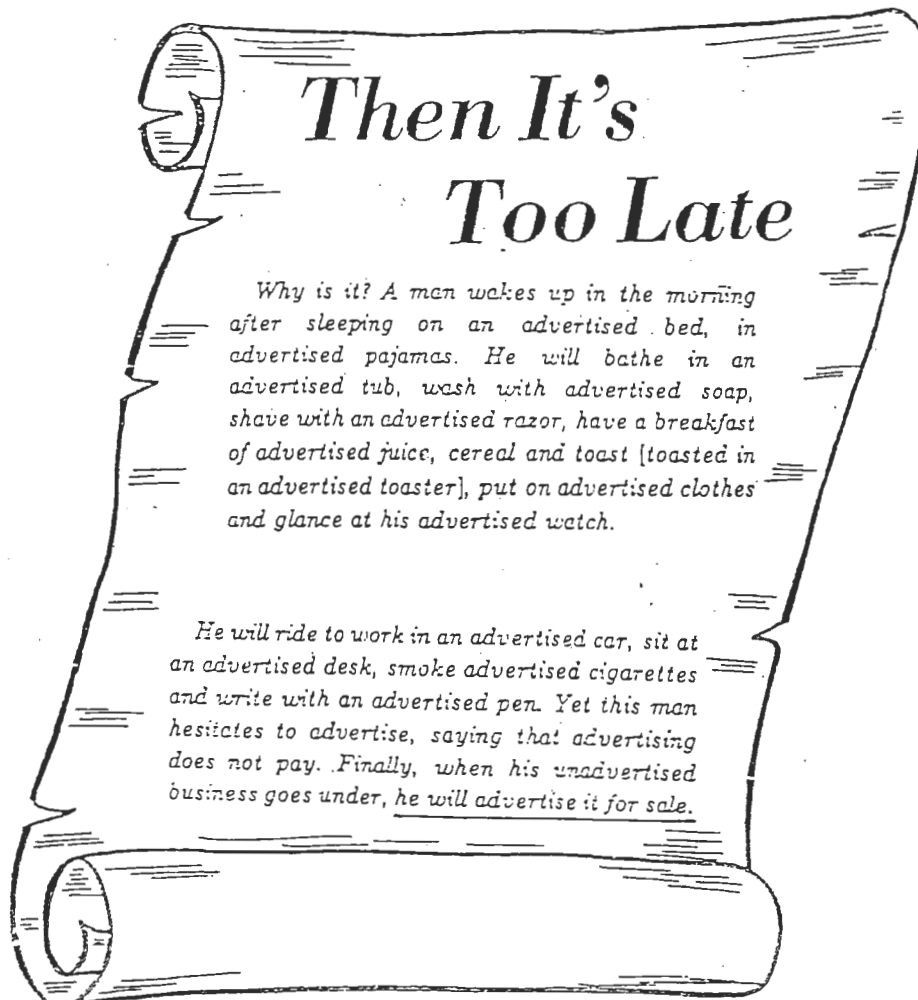
It has been decided by VicStock that with minimal calf numbers the VicStock - SADA Calf Run will go into recess until February - March 1991. A new run in the Southern Fleurieu is proposed to be added to the Central Hills and River Murray runs in 1991.



To all members who supported the run SADA says thank you and we trust the increased returns have been appreciated. With a short recess for the Calf Run we will see how the market place reacts to those few calves that will be sold.

The next edition of the Journal will run a feature on calf run times, pick up points and introduce the people involved in 1991.

Terry Inglis.



NEWS

NEW FARMGATE PRICE FOR MARKET MILK

As of December 14 the new Gazetted Farmgate Price is 41.14 cents per litre. Already you will be aware of this fact but just to confirm any rumours and quell any mistakes.

MOUNT LOFTY RANGES SUPPLEMENTARY DEVELOPMENT PLAN (SDP)

NUMBER 2: / BAROSSA VALLEY S.D.P.

All members who reside in the Mount Lofty Ranges and Barossa Valley are urged to obtain copies of these Supplementary Development Plans, read them as soon as possible and develop questions that need answering.

If you feel you have a particular case that needs special consideration there are two distinct actions you must take to make your problems known.

- (1) Make a personal submission outlining your problem to

The Secretary
Advisory Committee on Planning
Department of Environment and Planning
10th floor
55 Grenfell Street
ADELAIDE SA 5000
BY 23 JANUARY 1991.

and (2) Send a copy of your submission or if you are not making a submission but want to raise questions, your questions to

Terry Inglis
SADA
1st Floor Aston House
13 Leigh Street
ADELAIDE. SA 5000
BY 15 JANUARY 1991.

or telephone your questions to SADA (08) 231 3752 or Fax them (08) 231 9799 between 7 January and 16 January 1991.

TRANSACTION LEVY TO REPLACE SLAUGHTER LEVY.

As of 1 January 1991 the Slaughter Levy will be replaced by a Transaction Levy. This will impact on calf prices and prices obtained by selling through agents.

DAIRY COWS TRADED FOR DAIRY PURPOSES ARE EXEMPT FROM THE TRANSACTION LEVY.

BOBBY CALVES HAVE A LEVY OF \$1 PLACED ON THEM.

The next edition of the Journal will carry a full explanation of the new levy. Any enquiries can be directed to SADA in the meantime.

A CAUSE FOR KINDNESS

On Tuesday 13 November there was a bush fire on the Narrung Peninsula. 4 SADA members were affected in some way by the fire. The Meningie Community has rallied to the aid of these good people. The four properties affected are those of Harvey Family, the Treloar Family, the Jones Family and the Fischer Family.

Mr. Richard Harvey received burns to 60% of his body whilst fighting the fire. Although Richard is not a member of SADA his son David is a very active member. Richard has undergone skin grafts and is in the burns unit of the Royal Adelaide Hospital. I'm sure any message of good wishes would be appreciated.

The Treloar Family offered help to the Jones Family in the immediate aftermath of the fire but the season will mean they too will need help.

The hardest time is going to be from January through to the season break.

John Jones and Stephen Treloar both lost fences as well as pasture.

SADA members are made aware of this event so that they can make their own decision about any help that might be offered. The best way for members to become involved is at a personal level. A telephone call to ascertain the needs of those affected would give you a chance to wish them well at a minimum.

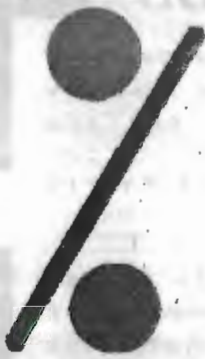
Their numbers are:

John Jones	(085) 754 231
Helen & Stephen Treloar	(085) 754 263
Cathy & David Harvey	(085) 754 255
Leslie & Mick Fischer	(085) 754 214

Each would be able to tell you about the other.

Any member who would like to offer help but would prefer to act through a third party should call Jeff Wright, the Lakes District Secretary on (085) 755 024.

The greatest needs will be agistment, feed and fence materials.



THE DIFFERENCE BETWEEN DISCOUNT AND YIELD RATES

In a welcome move, banks have generally changed from quoting the interest on commercial bills from a discount rate to a yield rate.

Quoting a discount rate was a misleading way of quoting interest rates because with this method the interest is paid up front so the true (effective) rate is understated, whereas with all other types of loans the interest is paid in arrears.

Quoting a yield rate rather than a discount rate corrects this practice, and brings commercial bills into line with other loans.

Although we understand the change from discount rate to yield rate has been generally adopted, when offered a rate farmers should still make sure exactly what is being quoted - discount or yield.

Otherwise, you may find when comparing several quotes or several dif-

ferent types of loans, you are comparing apples with oranges.

The difference between discount rate and yield rate is explained here.

TERMINOLOGY

The "face value" of a bill is the amount which has to be repaid when the bill matures.

The "discounted value" of the bill is the amount actually received up front when the bill is drawn down.

The difference between the face value and the discounted value and discount for a 180-day bill:

Face Value	\$100,000
(amount to be repaid in 180 days)	
Discounted Value	\$90,187
(amount initially received)	
Discount	\$9,813

DISCOUNT RATE

Some banks when quoting the cost of bill finance used to use the discount

rate which is the amount of the discount expressed as a percentage of the face value and then annualised.

The discount rate for the bill in the above example would be:

$$\frac{\$9813}{\$100,000} \times \frac{365}{180} \times \frac{100}{1} = 19.9\%$$

In effect, a discount rate is a rate equivalent to interest in advance.

YIELD RATE

The yield rate is the discount expressed as a percentage of the discounted value of the bill (rather than the face value) and then annualised.

By quoting a yield rate, the bank is in effect, quoting interest on an in-arrears basis (for the term of the bill).

The yield rate in the above example would be:

$$\frac{\$9813}{\$90,187} \times \frac{365}{180} \times \frac{100}{1} = 22.1\%$$

As can be seen, the difference between the discount rate and the yield rate is substantial.

It follows that if one

bank quotes a discount rate and another bank quotes a yield rate, then an unsuspecting borrower may choose the first bank because the quoted rate is lower. But in fact the actual cost of the finance may be the same, or even higher, than the second bank.

The question also arises as to whether quoting the discount or yield rate more accurately reflects the real interest cost of the bill.

As most borrowing facilities that farmers come into contact with are quoted on an interest in arrears basis (for example, overdraft and term loans), then the yield rate is seen as a more appropriate measure of quoting the cost of a commercial bill.

Make sure the lending institution is quoting you the yield rate on bank bills, not the discount rate.

COMMERCIAL BILLS VERSUS OVER- DRAFT

When looking at interest rates quoted in the financial columns, farmers might gain the impression they should be using commercial bills to pay out their overdraft.

90-day bills are currently about 14 per cent but this is deceptive - it is the discount rate, which converts to a yield rate of 16.3pc.

Then converting the 90-day rate to an effective annualised rate gives a figure of 17.3pc.

The banks generally add a margin of between 1.5 and 1.7 per cent making a total of between 18.8pc and 19pc.

Thus a 14pc bill discount rate noted in the paper is really about 19pc effective annual rate to the farmer.

Overdraft rates charged to farmers are currently

about 18.75pc which converts to 20.11pc effective annual rate when charged quarterly and 20.45pc when charged monthly.

Thus there is currently a 1.3pc to 1.5pc difference between overdraft bills.

As the overdraft rate might fall over the next three months, this margin might not be maintained for the whole 90n days before the bill falls due.

Therefore it seems there would be little or no advantage in changing from overdraft to bills at this point.

But if rates should drop to a sufficiently low level in say January, to lock into a rate for next year, it may pay at that point to take a 180-day bill.

**Reprinted from Agribusiness Decision (Agriplan Pty. Ltd.)*

**"Many receive
advice,
only the wise
profit from it."**

Syrus

QUOTE OF THE YEAR

In times of economic distress it is amazing how the voice of the insulated is heard above all others; for example, politicians, economists, bankers and lecturers. It seems about as relative as seeking bushfire prevention advice from Eskimos.

**DON BILNEY
Campbelltown**

(from "Letters to the Editor - Advertiser" 20.11.90)

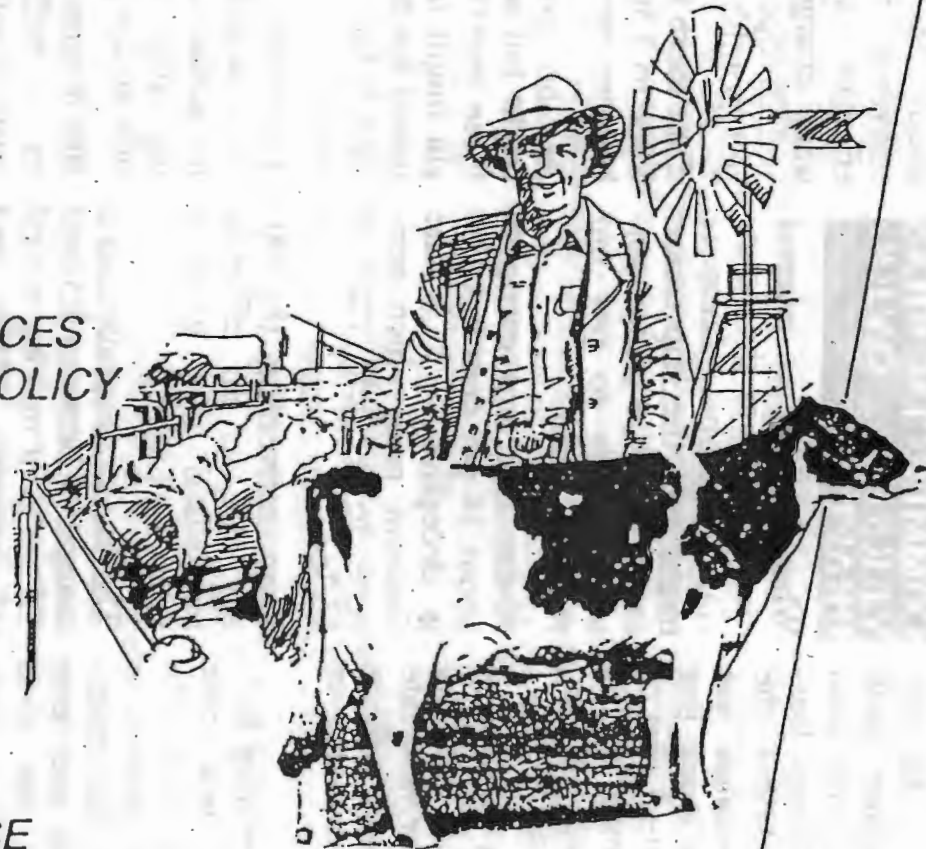
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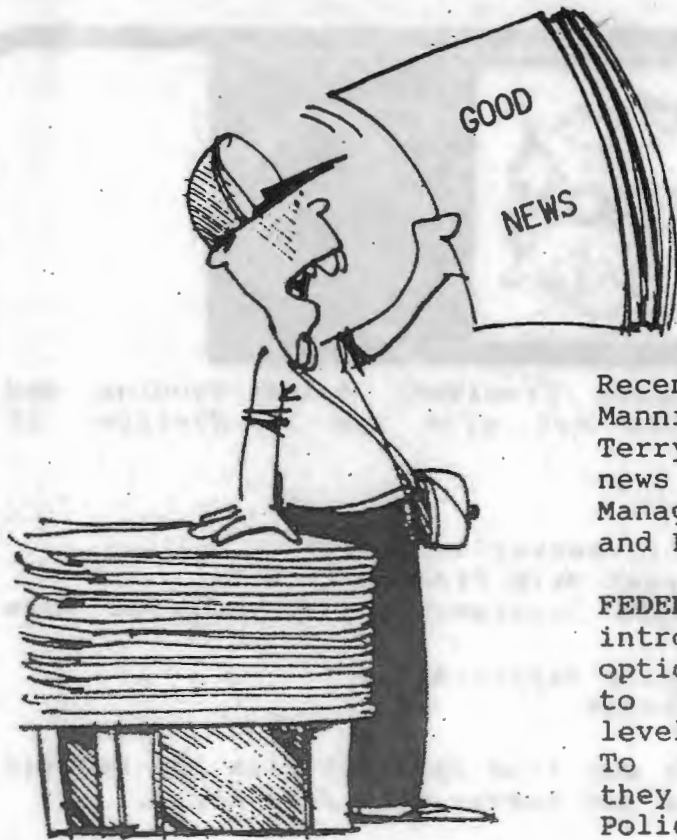


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MURRAY BRIDGE: 22 SEVENTH STREET. TEL: (085) 32 1224
TANUNDA: 78 MURRAY STREET. TEL: (085) 63 3466



FEDERATION INSURANCE

Recently General President Allan Manning, and Executive Officer, Terry Inglis, heard of some good news from FEDERATION's State Management team, Graham Bagnall and Paul Kerin.

FEDERATION have announced the introduction of an additional excess option of \$75. This is in addition to the range of varying excess levels on their insurance packages. To complement this new feature, they have also introduced a new Policy wording which gives members superior cover.

FEDERATION Insurance is one of Australia's most respected insurance companies. In South Australia they have been servicing our industry as Association insurer since 1937. An acknowledged market leader, FEDERATION continues to develop new products and concepts in meeting the changing needs of our members.

FEDERATION Insurance is the most technologically advanced general insurer in Australia. The laptop computers their salaried Area Managers use provide immediate issue of quotations and Policy.

Being the first company to develop a "totally portable" computerised insurance package, members can easily have business and personal insurances designed for their needs. The only decision you need make is the choice of excess - the range includes options of \$75, \$250, \$500 or \$1,000. the concept is one of excellence.

By calling one of FEDERATION's managers they can provide a fast and professional appraisal of all your insurance requirements which may save you much more than you think. In this ever changing world, our long standing commitment and affiliation with FEDERATION is your proof that we have the right company for all our members.

HAPPY CHRISTMAS

AND

A PROSPEROUS NEW YEAR



On Thursday 6 December, General President Allan Manning and Executive Officer Terry Inglis met with the SA Minister of Agriculture Lynn Arnold.

Issues raised included:

- National Market Milk Preservation Scheme
- The Problems with Market Milk Pricing in S.A.
- The Mount Lofty Ranges Supplementary Development Plan 2
- Increase in Farm Vehicle Registration
- The Dairy Industry Review.

On Monday 10 December the same duo from SADA met with the Federal Minister for Primary Industries and Energy Hon. John Kerin.

Issues discussed were:

- National Market Milk Preservation Scheme
- Davis Report in Statutory Marketing
- SA Dairyfarmer Unity and Equity
- Environmental issues including Murray-Darling Basin Strategies.

#

At the conclusion of the meeting Allan Manning told Mr. Kerin that a number of farmers had asked him to suggest to Mr. Kerin that he throw his hat into the Prime Ministerial leadership battle.

Mr. Kerin's response was interesting. He felt the only reason dairy farmers could want that was because he was so soft!

QUOTE

From John Kerin's speech at the opening of the Roseworthy Dairy

"Farmers have to be scientists, researchers, ecologists, agronomists, botanists, accountants, market developers, product developers, financiers, managers, decision makers and commodity economists not to mention policy commentators and lobbyish - most important to keep pressure on your proprietary company and Co-op."

(The last phrase was not in his prepared speech but was an added rider!)

"The challenge to the Australian dairy industry is to develop the infrastructure and management to meet the twin challenges of a volatile world supply situation and a complex consumer demand."



GUESS WHO WOULD LIKE TO BE
INVITED TO YOUR NEXT DISTRICT
MEETING?

Bob Snewin YOUR Australian Dairy
Corporation Man.

Bob is keen to reveal to YOU the
ADC Marketing Plans for 1991.

To be sure he's there contact Bob (08) 373 0747 through your
District Secretary or District President. Alternatively contact
Terry Inglis at SADA and he will organize the ADC show of the
Year for your next District Meeting.

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accidents in
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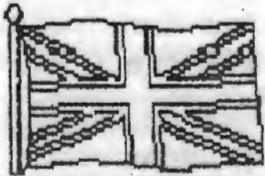


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FROM BRITAIN

BUFFER FEEDING CAN BOOST MILK YIELDS

Buffer feeding is essential to maintain summer milk production under very dry conditions. A 2-year trial at Wye College, UK, has shown that a mix of caustic-treated straw and brewers grains can boost milk yields without depleting forage stocks. When cows were offered a 1:1 mixture of treated straw and grains for 1 hour each day, average milk yields increased by 1.7 kg/day in 1988 and 2.1 kg/day in 1989, with the greatest responses occurring in August/September in both years. It was found that the cost of the extra feed was more than offset by the value of the extra milk produced, particularly in late summer.

MILKING MACHINE CLEANING

Dirty milking machines, the main cause of downgraded milk, can be avoided by substituting the normal acid detergent wash with a regular hot chlorinated alkali wash once or preferably twice a week. All components of milk, with the exception of water, are capable of soiling milking machinery making removal of all residual milk after each milking essential. Alternating both acid and chlorinated alkali-based detergents twice a week will remove all components of milk soil. Other important factors include a sufficiently hot water temperature, the wash solution contacting the dirt for a sufficient length of time, sufficient detergent being used and the flow of that detergent which should reach all parts of the machine.

THE HIGH COST OF OVARIAN CYSTS

Cystic ovarian disease causes delays in getting cows in-calf, and can be very costly to farmers. Cysts can be follicular or luteal, and it has been the practice to treat follicular cysts with a GnRH analog, fertirelin acetate, marketed as Ovalyse, while luteal cysts are treated with prostaglandin (Lutalyse). Recent studies by Dr. Hilary Dobson at Liverpool University suggests that it is desirable to treat all cows with both compounds, as identification of the type of cyst can be inaccurate. She recommends that treatment should consist of GnRH followed 7 or 14 days later with a prostaglandin.



**FROM
NEW ZEALAND**

AUTOCRINE CONTROL IN MILK SECRETION

The local control of milk secretion by milk removal which has been uncovered in recent years, following the realization of the physiological significance of unilateral effects of frequent milking in goats and cows is the subject of this brief review. Milking dairy animals more frequently than the usual twice a day increases milk yield. The response to more-frequent milking is rapid, occurring within hours, and is maintained for as long as more-frequent milking is continued.

The mechanism of the response to frequent milking has been studied extensively in lactating goats, and has been shown to be mediated by a local mechanism operating within each mammary gland.

COLIFORM MASTITIS

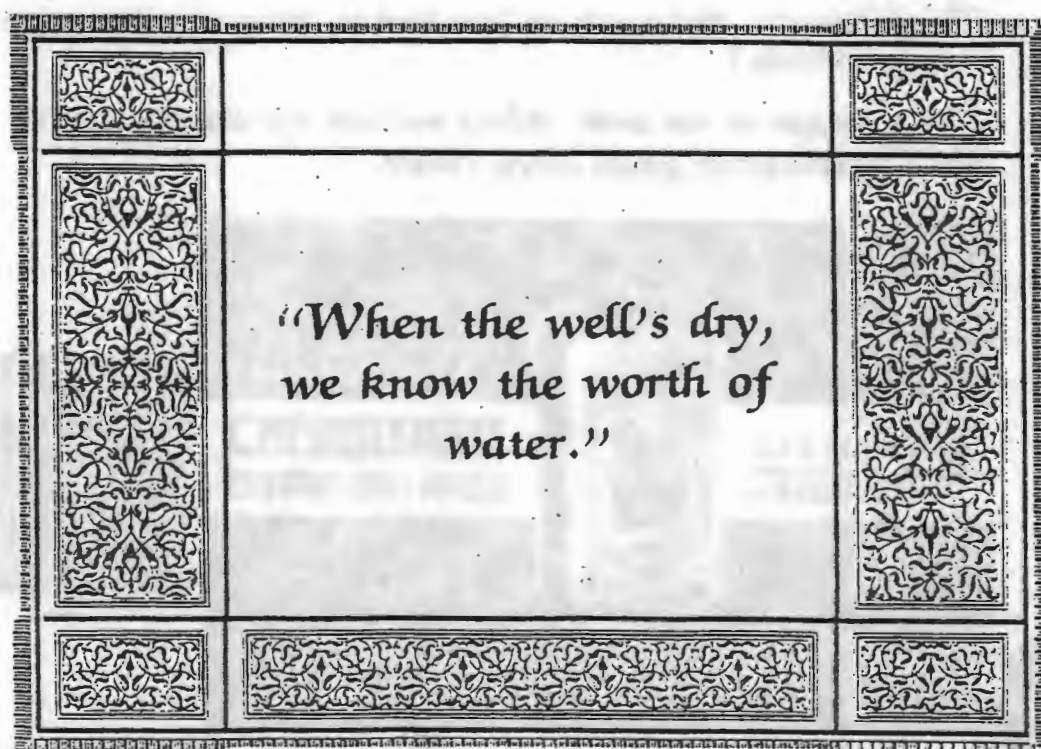
Coliform bacteria are the major cause of clinical mastitis on well-managed dairies with low bulk milk somatic cell counts. The clinical presentation of coliform mastitis is variable and ranges from milk local clinical symptoms of inflammation, to severe systemic signs of disease accompanied by enormous losses in milk production. Adequate preventive measures for control of coliform mastitis are not available and there is need for effective therapeutic regimens, especially for severe cases.

SETTLING DOWN THE TUMMY

More and more farmers are using bicarbonate of soda as a means of helping dairy cows to achieve their full potential in the spring. With lush spring feed and the presence of high nitrate levels, cows' rumen content has a high degree of acidity. This leads to stress in animals resulting in a drop in production, kicking and other unusual behavior. Bicarbonate of soda has a buffering effect and stops the build up of acidity. Agvance Marketing Ltd., Te Awamutu, New Zealand, has undertaken research into correct dosages, and can advise on dose rates and methods of dispensing.

HEAT DETECTOR

A heat detector for cows, produced by German company Hauptner, is being marketed in New Zealand in 2 models, selling for \$787 and \$887. The company claims that the detector allows farmers to determine the exact time to inseminate cows, increasing the conception rate and reducing semen wastage. The visual indicator on the meter shows 0 to 60 ohms resistance. From 0 to 30 is too early for insemination, while 0 to 45 is too late.



REMEMBER WHEN ?

1st 1970

The November-December edition of the Journal ran a lead article concerning the referendum for a Dairy Produce Equalization Arrangement. The article was prepared by the Australian Dairy Industry Council.

INTERESTING TO NOTE THAT AT THE ADIC AGM HELD ON FRIDAY 16 NOVEMBER 1990 A MOTION WAS PASSED WHICH CHANGES THE NAME FROM AUSTRALIAN DAIRY INDUSTRY CONFERENCE INC. TO AUSTRALIAN DAIRY INDUSTRY COUNCIL INC.

How are those wheels going?

1st 1940

The Minutes of a meeting of Central Council held on 9 December 1940 concluded with the following sentence:

" the safer course to pursue would be to aim at making 3 blades of grass grow where 2 are now growing and increase the individual production of our cows."

(This followed a discussion on how best to compete with margarine on a price basis.)

The message is not new. When will we see the reward for your productivity gains since 1940?

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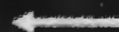
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ELECTRIC FENCE CONTROLLER

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Farmers Controller the WAIKATO Electric Fence Controller best on the market.

SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL NOV-DEC 1968



and in 1890

When white washing the dairy was commonplace the following recipe was all the go:

RECIPE FOR WHITEWASH

Slake half a bushel of unslaked lime with boiling water, covering it during the process to keep in the steam; strain the liquid through a fine sieve or strainer, and add to it a peck of salt previously dissolved in warm water; take 3 lb. of ground rice boiled to a thin paste and stir in while hot, 1/2 lb. of Spanish whiting, and 1 lb. of clear glue previously dissolved by soaking in cold water and then hanging over a slow fire in a small pot hung in a larger one filled with water. Add five gallons of hot water to the mixture, stir well, cover it from dirt, and let it stand a few days. It should be applied hot, for which purpose it can be kept in a kettle or portable furnace.

A pint of this mixture will cover 1 square yard, and will be almost as serviceable as paint for wood, brick, or stone, and is much cheaper than the cheapest paint.

Colouring matter may be added as desired. For cream colour add yellow ochre; for pearl or lead, add lamp-black or ivory black; for fawn add 4 lb. of umber to 1 lb. of indian red and 1 lb. of common lamp-black; for common stone colour add 4 lb. of raw umber to 2 lb. of lamp-black.

Now the only white washing we see is done by the politicians who decide our fate!

Now! Increase milk production with
the new Offord Technical Services



SOUTH
AUSTRALIAN
DAIRYMEN'S
JOURNAL
MAY-JUNE
1968



Get the most from your herd

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OFFORD TECHNICAL SERVICES
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Regular, expert milking machine service keeps cows content and ensures peak milk production. **THE OFFORD TECHNICAL SERVICES** (new to South Australia) guarantee to keep your milking machine in top working condition for gentle, fast milking.

Is YOUR machine in need of service?

Recognise these symptoms:

- **Widespread Mastitis**—recent research has proved that many cases of Mastitis are caused initially by poorly adjusted milking machines.
- **Fidgety Cows**—also an indication that machine is in need of service.
- **Blue tinge around teats**—incorrect pulsation ratio.

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OCCUPATIONAL SUPERANNUATION

As a consequence of a widespread misunderstanding in the rural employer community, it is quite evident many employees are not receiving the benefit of employer sponsored contributions for Occupational Superannuation as dictated by the provisions of both State and Federal Pastoral Industry Awards and The Woolclassers and Shearing Staff Employees Award.

The Pastoral Awards clearly state that an employee must receive the benefit of employer contributions to an approved fund after 10 hours continuous employment. Once an employee is employed on a regular basis they become eligible for the benefit of occupational superannuation.

The State Manager of Federation Life, Mr. Terry Payne, recently pointed to an all industries non compliance scenario which, currently, reflects a 25% ratio of workers as not being in receipt of Occupational Superannuation payments.

In the rural sector, Terry pointed out, non compliance is more widespread than the all industries situation with in excess of 40% of employers, effectively, not making contributions on behalf of their employees.

The Occupational Superannuation Scheme endorsed by The South Australian

Dairyfarmers' Association is The National Superannuation Plan administered by Federation Life. This plan, as a result of its design, provides Death and Disability benefits to employees, in many cases in excess of benefits provided by other industry based schemes. (As a rule of thumb maximum benefits under most schemes could be summarised as being up to \$25,000.00 Sum Insured payable upon Death and/or Disability.)

The dangers of non compliance and, by extension, the risk an employer runs of being held legally liable for the provision of Death and/or Disability lump sum payments, are self evident and should be remedied, immediately, by employers moving to register with an approved Occupational Superannuation Plan and making contributions retrospective to the effective date of commencement as appropriate for the award under which the employer is making contributions. (Effective dates of commencement are - Federal Pastoral Industry Award - 5th December 1988, state Pastoral Industry Award - 29th May 1989, and The Woolclassers and Shearing Staff Employees Award - 6th February 1989.)

Terry pointed out the current industrial agenda recognises the importance of the Occupational Superannuation

component and despite the ongoing manoeuvring to retain the initiative, in this debate, between the Confederation of Australian Industry on the one hand, and the ACTU on the other, the reality of future developments centered on the likelihood of an increase in the base percentage contribution level of 3% of gross ordinary time earnings to 6% of such earnings in a likely time frame of the next three years.

The High Court has rejected arguments of a significant departure from the industrial agenda set and the reality of the Occupational Superannuation component as an integral part of a retirement and incomes policy designed to extricate the Federal Government from the funding dilemma which the maintenance of the current levels of the old age pension would incur into the 21st century.

Finally, Terry pointed to the retrospective nature of contributions and stressed the need for non complying employers to rectify their illegal status as soon as possible and avoid the further accrual of a lump sum contribution backdated to the introduction of Occupational Superannuation as appropriate to the award to which they respond.

HERE NOW

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A new idea in
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Dairy products

Vernon A. Topp and Glenn J. Barry, Meat and Dairy Economics Section

■ *World milk production and dairy stocks are likely to increase in 1990-91.*

■ *Returns to Australian milk producers are expected to fall in 1990-91 for the first time in four years.*

No respite for world dairy prices

World prices for major dairy products have fallen significantly during the first half of 1990. The downward trend in prices for most products began in late 1989 and is expected to continue in 1990-91 due to high levels of milk production in the major producing nations and increases in world stocks of butter and skim milk powder. The recent decision by the European Community to increase export refunds for dairy products is also likely to result in lower world prices. Downward pressure on market prices is also being exerted by sales of cheap, low quality product by some Eastern European nations. At the same time, world consumption of most dairy products remains subdued.

EC and Eastern European oversupply problems

The increases in EC export refunds for dairy products are the result of continuing

Outlook for Australian dairy products

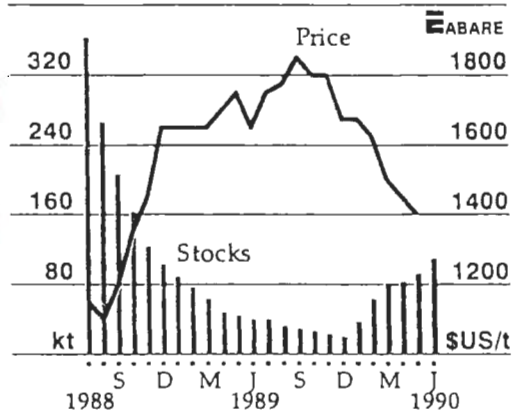
		1987	1988	1989	1990
	Unit	-88	-89	-90 ^p	-91 ^f
Total milk production	ML	6 127	6 291	6 262	6 310
- market	ML	1 668	1 685	1 695	1 700
- manufacturing	ML	4 459	4 606	4 566	4 610
Dairy cow numbers	'000	1 697	1 683	1 637	1 604
Milk yields	L/cow	3 610	3 736	3 825	3 934
Manufactured products					
Butter ^b	kt	94	96	106	100
Cheese	kt	176	191	175	185
Wholemilk powder	kt	64	68	56	55
Skim milk powder	kt	120	119	131	120
Returns to farmers					
Manufacturing milk	c/L	19.3	23.2	24.4	21.9
Market milk	c/L	36.2	37.9	39.7	40.5

^a At 31 March. ^b Includes the butter equivalent of butteroil, butter concentrate, ghee and dry buttermilk. ^p Preliminary. ^f ABARE forecast.

excess milk supply in the Community, and are designed to reduce the buildup in dairy stocks by subsidising exports. The oversupply problems were aggravated by the European Community's decision in late 1989 to increase milk quotas by 1 per cent in the 1989-90 season. Reductions in quota in the short term are unlikely.

In Eastern Europe, milk production in some countries is relatively unchanged from previous levels despite a fall in consumption as a result of the removal of price controls. If the reductions in

World price and EC butter stocks Monthly



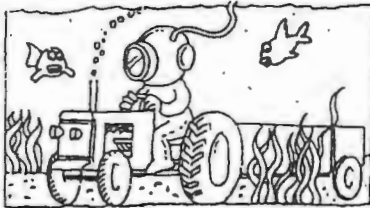
consumption continue, it is likely that surplus dairy products will be sold onto world markets at relatively low prices.

Australian farm gate returns to fall

As a result of the fall in world prices, the total value of Australian dairy exports in 1990-91 is forecast to fall by 23 per cent to \$533m. Given the current marketing arrangements in Australia, domestic dairy product prices will also fall in line with world prices, and the average price of manufacturing milk is forecast to fall for the first time in four years.

While returns are projected to fall, milk production in 1990-91 is forecast to rise on the basis of productivity increases and a return to normal seasonal conditions. E

Reproduced from "Agriculture and Resources Quarterly" 2 (3) September 1990



THE FUNNY FARM



Definition of a registered cattle brand:

"A cow's return address"

AND EVEN MORE FREUDIAN SLIPS....

Here are some more genuine extracts from letters received by the Ministry of Social Security which deals with Public Welfare in the UK.



- ✗ *Re your dental enquiry. The teeth at the top are all right, but the ones in my bottom are hurting terrible.*
- ✗ *Please send me a form for milk as I am stagnant.*
- ✗ *I am glad to state that my husband died yesterday. I will be glad if you will get me a pension. If you don't hurry up with it, I will have to get public resistance.*
- ✗ *I should like to get more pension since my son is in charge of a spitton. I got separate money when he listened. You want to know what part he was wounded it its all the same to you he was wounded in the Dandy Nel.*

Two Irishmen were walking together, when they saw a lorry pass by laden with grassy sods of earth for the laying of a lawn. "Do you know, Mick," said one of them to the other, "If I ever get rich that's what I'll have done - send away my lawn to be cut."



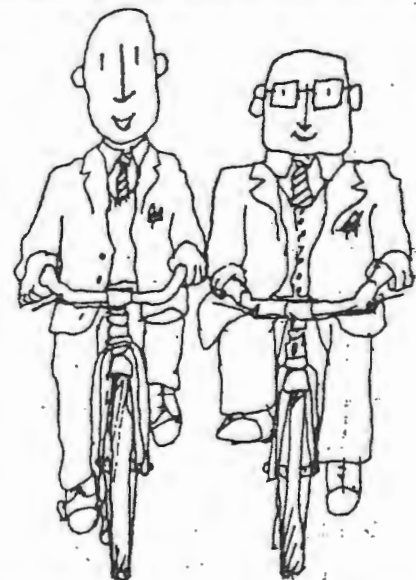
Udder Nonsense



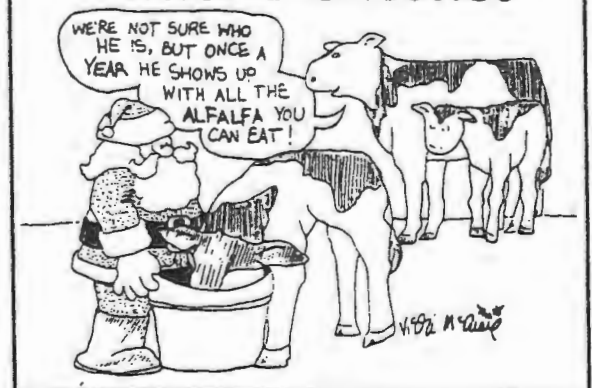
Then there was the farmer who wanted to be buried with his tractor because he'd never been in a hole it couldn't pull him out of!



"I feel so good riding this now I can afford not to."



Udder Nonsense

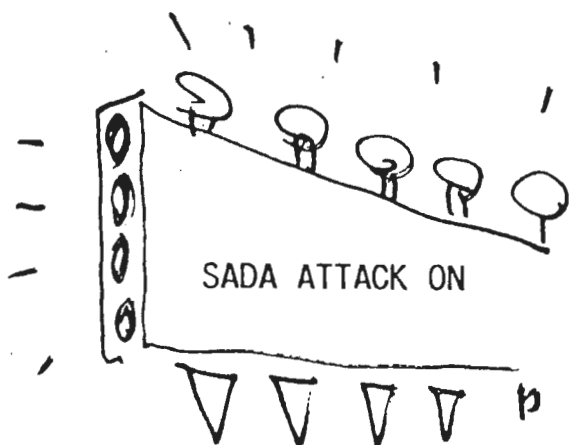


Capital Gain

Don: "That load of cows you sent me got loose and even after I chased them all over creation I only caught a dozen".

Dan: "You did pretty good - I only sent you eight".

An auction is where you can get something for nodding.



9 -12 JULY, 1991.

SADA has booked accommodation at the Kingtide Apartments 136 Old Burleigh Road, BROADBEACH, QUEENSLAND - a few minutes walk from the Convention venue, the CONRAD INTERNATIONAL HOTEL.

What we need are 40-46 starters to make this a trip to remember. So why not dry the cows off in early July or get in a relief milker or set the children to work and join in for a learning experience.

Tentatively SADA has booked accommodation and organized a Premier Roadlines coach with video, radio, toilets, air conditioning and luggage bays to take 4 days to get to Fresh Directions and $1\frac{1}{2}$ - 2 days to get home.

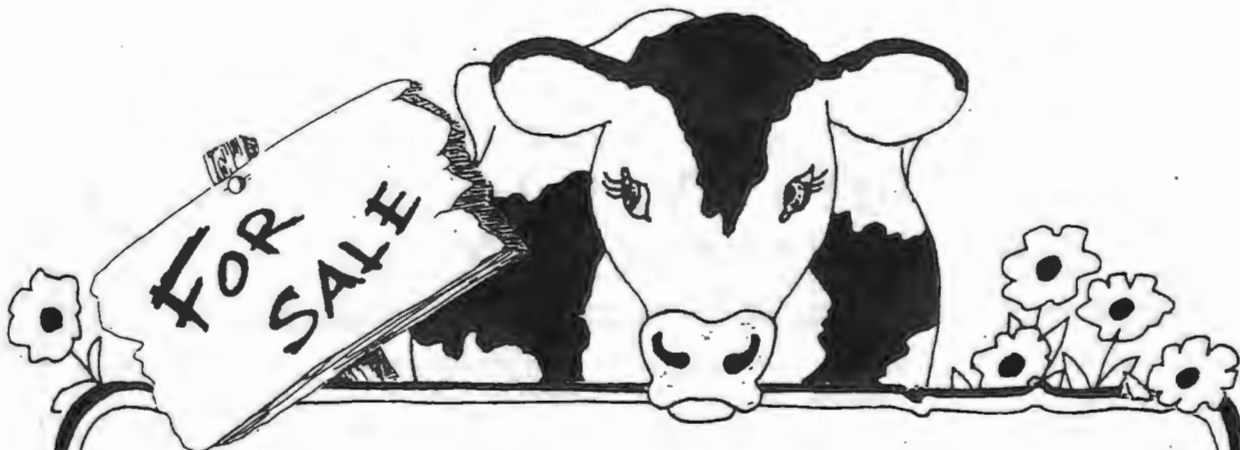
The aim is to visit some NSW and/or Queensland dairy farms on the way up to the Gold Coast.

The cost will be approximately \$1,500 (Tax deductible cost) all inclusive per person. What we need are people to pay a deposit of \$750 by February 1 1991. We can then secure the bus, the accommodation at the conference pay registration (\$349 per delegate included in our price) and secure accommodation en route.

So why not join in the learning experience.

So if you want to join the SADA attack on the FRESH DIRECTIONS CONVENTION, fill in the YELLOW form enclosed, attach your deposit cheque made payable to S.A. Dairyfarmers' Association and send it in to FRESH DIRECTIONS TOUR, SADA, 1st Floor-Aston House, 13 Leigh Street, ADELAIDE SA 5000 BY 1 FEBRUARY 1991.





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DOUBTS OVER HIGH PERFORMANCE COWS



British scientists are questioning the value of high performance cows. Are they really the most profitable, or should farmers be looking for a new selection method to breed in profitability, not performance?

Scientists at Edinburgh University, Scotland, are using a herd that has been part of a selective breeding programme using top index bulls for 17 years. Heifer replacements in the herd have been selected on cow genetic indices (CGI) and the herd is top in Britain on average CGI.

A control herd has been run alongside the selected cows since 1976 to monitor production improvement comparisons. The selection programme has so far lifted fat plus protein of milk yields by 19%. Now the scientists are looking at the effects of selection on profitability.

Food intake records show high genetic merit cows have bigger appetites, outweighed by increased fat and protein production, leading to improved efficiency and more profit.

Two Feed Levels

The diet for both groups was high concentrate with low

forage. The scientists are to test the selected cows on low feed input systems to see if the animals will respond and continue to show advantages over the control herd.

The two groups are now on two levels of feed, one high input with 40% concentrates, the other on low input with 20% concentrates and high forage intakes. The feed is recorded by using electronic gates, and 30 cows make up each group in the 120-strong herd.

Last year, the cows completed their first lactation on the feed regimes. Early results from performance data show the selected cows out-performed the control animals in milk yield, fat and protein production, and margin over feed and fertilizer costs, whether on low or high feed regimes.

Dr. Geoff Simm, an animal breeding specialist with the research team, said: "In either system, choosing a bull producing high merit daughters will produce higher profit."

Lifetime Efficiency

"One fascinating point from this early data is that fat plus protein production is the same from the high merit

cows on low concentrates as it is from the control cows on high input, more costly feed. Milk Yield is lower, but margins are better from the high line, so breeding is as important as feeding."

Dairy farmers will get the advantage of high performance bulls on both feeding systems. Little difference was recorded in reproductive performance from the two feeding systems, slightly favouring the high forage regime.

Dr. John Oldham, head of animal nutrition at the Edinburgh School of Agriculture, said: "We want to know if there are differences in lifetime efficiency and to see if high performance in one lactation is balanced out by the subsequent one. I would expect to see a cyclical pattern."

The scientists have linked up with the UK's Holstein-Friesian breed society to study lifetime profitability, and with the Milk Marketing Board's Genus Breeding Division to predict intake and efficiency of cows in each lactation.



FROM THE DAIRY..... TO THE TABLE

THREE CHEESY TREATS

NEW YEAR'S EVE STRUDELS

1 quantity scone dough
125g AUSTRALIAN Swiss-Style
Cheese, grated
1 cup sultanas or chopped
raisins
375g AUSTRALIAN Ghee
 $\frac{1}{2}$ cup cinnamon sugar

Roll-out dough to make
20, 8 cm squares. Combine
cheese with sultanas and
divide evenly onto dough.
Fold corners over to envelope
filling. Fry in hot ghee,
drain and then toss in
cinnamon sugar. Serve hot.
Makes 20.

CHEESE STRAWS

90g AUSTRALIAN Butter, softened
200g AUSTRALIAN Matured
Cheddar Cheese, grated
 $1\frac{1}{2}$ cups flour
2 eggs yolks, lightly beaten
 $\frac{1}{2}$ teaspoon cayenne pepper
 $\frac{1}{2}$ teaspoon salt
2 teaspoons lemon juice
1 egg white

Mix together butter and
cheese. Add remaining
ingredients except egg white.
Work together to form a soft
dough. Knead lightly.
Refrigerate for 30 minutes
then roll out dough to 6mm
thick. Cut into sticks 1cm
wide and 10cm long. Place
onto a buttered baking tray.
Brush with egg white and bake
at 230°C for 10-12 minutes
or until golden brown and
pastry is cooked. Makes 30-
40.

WALNUT CAMEMBERT PATE

1x125g AUSTRALIAN Camembert
Cheese
125 g AUSTRALIAN Cream Cheese
3 tablespoons AUSTRALIAN
Butter
 $\frac{1}{2}$ cup roughly chopped walnuts
2-3 tablespoons Kirsch liqueur
Ground pepper to taste

Cream cheeses and butter
together thoroughly. Mix
in walnuts and Kirsch. Spoon
into an earthenware dish.
Refrigerate overnight. Serve
as an entertaining spread
on sliced dark rye bread.
Makes approximately $1\frac{1}{2}$ cups.





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