

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
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Ken Lyons – Editor

Thursday 1 February 2007

PRESIDENT'S REPORT

David Basham

The last few months all that I seem to have been spending my time on is try to get as many of our SADA members the ability to apply for Exceptional Circumstances (EC) funding. Our first strategy was to prepare a case that covered all the dairy farmers across the state; however, due to a change in government policy this was not able to be pursued. We decided the next option was to look at the regions so we could help each region get an application together. I will explain below the current position of each region and what steps are being taken to get as many dairy farmers the option to apply for Exceptional Circumstances (EC) funding.

Upper South East

From 19 January 2007, all producers in the Upper South-East declared area are eligible to apply for EC Relief Payments (income support) & EC Interest Rates Subsidy (business support). Agriculture-dependent small business operators that derive 70 per cent of their income from agriculture in EC areas can also apply for income and business support.

Producers and small business operators should not self-assess their eligibility but should call Centrelink's Drought Hotline on **13 23 16**. For more information and to apply for EC Interest Rate Subsidies please contact Primary Industries and Resources SA on 180 20 20.

The Upper South-East region incorporates the district councils of Naracoorte-Lucindale, Kingston, South East, Tatiara and those parts of the Coorong in the South East Natural Resource Management Board. This includes the dairy farms around the Bordertown, Tintinara & Lucindale. If you are not sure if you are in the region please give Jo a call in the office and she can tell you if your Hundred is part of the region.

Murray Mallee

From 19 January 2007, all producers in the Murray-Mallee declared area are eligible to apply for EC Relief Payments (income support) and EC Interest Rates Subsidy (business support). Agriculture-dependent small business operators that derive 70 per cent of their income from agriculture in EC areas can also apply for income and business support.

Producers and small business operators should not self-assess their eligibility but should call Centrelink's Drought Hotline on **13 23 16**. For more information and to apply for EC Interest Rate Subsidies please contact Primary Industries and Resources SA on 180 20 20.

The Murray-Mallee area includes portions of eight Local Government areas. The area is described as starting east at the South Australian-Victorian border, then going north and west to the River Murray and the southern boundary is the SA Murray Darling Basin Natural Resource Management Board boundary. This area does not include many, if any, dairy farms but there is a buffer zone that is attached to this area that I will explain below. If you are not sure if you are in the region please give Jo a call in the office and she can tell you if your Hundred is part of the region.

Murray Mallee Buffer zone

There is a buffer zone west of the River Murray that encompasses the Hundreds of Baggot, Fisher, Angus, Ridley, Finniss, Mobilong and Brinkley, plus a 10 kilometre area located between the River Murray and the north and west boundary of the declared area, down to the southern boundary. This means that any Dryland

farmer that falls into this region will be able to apply for EC assistance. There is a little bit of extra work required with the application but not that much extra. The reason for this buffer is because an application is being prepared for this area under an irrigation scenario which would not allow the Dryland farmers to have access to the business support.

This includes the dairy farms around the Meningie, Wellington, Taillem Bend, Jervois, Murray Bridge and Mannum areas. If you are not sure if you are in this buffer region please give Jo a call in the office and she can tell you if your Hundred is part of the buffer region. You can also contact Andrew Stewart on 0409 093 763 for any other questions.

Murray River Irrigators

PIRSA is in the preparing an EC case for the people that irrigate out of the River Murray. This area will include most of the Murray Mallee buffer zone as well as a few extra hundreds such as Alexandrina, Bremer & Strathalbyn (Langhorne Creek wine growing region). This application should be ready to go to State Cabinet late February.

We have asked PIRSA to seek clarification if irrigated farms are currently eligible for all but the interest rate subsidy, i.e. the Family Support payments etc. If you would like to apply for these payments now rather than later we hope to have an answer very soon. Please contact the office for up to date information on this issue.

Fleurieu

The Fleurieu region is currently organising an application that should be ready to go to state cabinet in the next two weeks. The final touches are being done to the application this week. The region incorporates the councils of Yankalilla, Victor Harbor, Alexandrina (excluding hundreds of Alexandrina, Bremer and Strathalbyn) and hundreds of Macclesfield and Kuitpo from the Onkaparinga and Mount Barker District Council areas respectively. The main towns in this region are Victor Harbor, Goolwa, Meadows, Yankalilla, Mt Compass, Goolwa, and Myponga. This case has been based mainly on the dairy industry being the largest agricultural industry in the region. We are hopeful this application will be successful.

If you have any questions please contact me on 0417 865 962.

The hundreds of Alexandrina, Bremer and Strathalbyn will be included in the Murray application as it contains irrigators such as vines.

Barossa, Mid North & York Peninsula

This region is currently preparing 3 different applications. I am not sure of the boundaries as yet but will let people know them as soon as we are able to. This area is not only being based on dairy but other agricultural industries as well. This application should be to state cabinet by the end of February. If you have any questions please contact Karen Slape 8847 2650.

Lower South East

This area has not started to prepare a case as yet. We have spoken to PIRSA and asked them to start preparing a case but would like to wait until the Western Districts of Victoria is declared. This should occur in the next few weeks. It is likely that the dairy industry will have a major role in this application and I will give every assistance to prepare this case. I will also continue to encourage PIRSA to consider doing the application. I will be attending the SADA regional meeting on the February 5 so please come and discuss the issue of the drought with me. If you have a question please direct them to Lyndon Cleggett on 0427 604 288 and he will assist you to get an answer.

Adelaide Hills

There is a very small group of dairy farmers that may be left out of any of the regions that I have mentioned above. They will be farms that are north of the Freeway and south of the Barossa.

I have tried to convince PIRSA to include this area in one of the other applications but that could put at risk the whole application for that region if included. PIRSA believe that the high presence of horticulture in the region would not allow this region to meet the criteria. If you believe you fall in this area and believe you would receive the EC assistance as an individual enterprise please contact me as well as your local state & federal members ASAP. I am disappointed that I have been unable to get you access to the assistance at this stage.

Anyone that feels they do not fit into these Regions

If there is anyone that feels they do not fit into any of these regions please contact me or the office ASAP.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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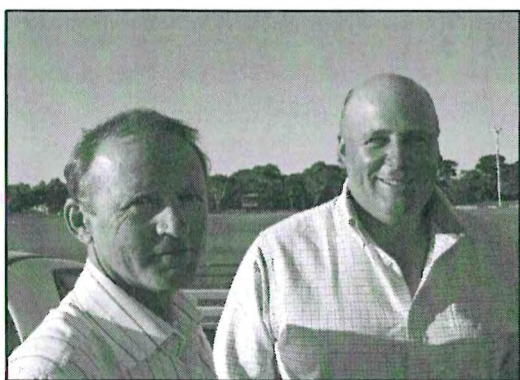
REPORT BY THE CEO

Ken Lyons

Summer rains are normally a mixed blessing but this year the good falls in late January have been generally appreciated in most areas. Let us hope the predications of a wetter than normal year are correct for 2007. The list of issues being addressed by SADA is growing and members may wish to learn a lot more about how particular issues are being progressed than covered in the Update. We encourage members to contact either myself or SADA Board members to get a more detailed briefing.

STOCK AND DOMESTIC WATER

In all the dairy regions we have members struggling with managing their stock and domestic water supply. SADA is working with the government agencies, the councils and the milk company field officers to assist. Dairy farmers are a generous community and it is encouraging to hear stories of neighbours helping each other and sharing the limited water resources in the catchments.



Martin Stokes (DWLBC) and David Basham at the Fleurieu Water Management meeting held on Monday 22 January

WATER BUDGETING ON FARMS

A fact sheet is available to help dairy farmers calculate their daily stock & dairy water needs. The fact sheet provides formulas and examples of how to calculate your water needs and how to calculate what water you have may have on hand in farm dams.

If you have concerns about stock or dairy water, or if you are not sure if you have enough or how much you have in dam storage, be proactive; do not wait until the situation becomes severe. There is help and tools available to assist you.

Contact your Dairy Company Field Officer, DairySA or SADA to obtain a copy of the Water Budget for Dairy Farms. For on farm support to calculate your water budget contact Ben Dennis, PIRSA Animal Health Officer, phone 0429 671 060

THE FUTURE OF THE MURRAY BASIN AND THE "WEIR"

The record low inflow into the Murray basin has brought to a head the need for governments to "bite the bullet" and tackle the long term future of the basin. Now that this issue is becoming an election issue and the Federal Government has decided to allocate significant funding there is a chance of some real action in 2007. Hopefully this will include water proofing Adelaide without reliance on the river. In the meantime the river and lakes irrigators are working closely with the politicians and the government agencies to come up with the best short term strategies. There is growing recognition for the need to find alternatives to protecting Adelaide against another record low rainfall year apart from the construction of the weir.

Included in this Update is a flyer explaining the No Weir case.

Lobbying on this issue is a continuing team effort but the leadership and commitment of Neil Shillabeer, Clem Mason, John Eckermann, Lesley Fischer and Henry Jones has been outstanding.

"The Proposed weir to be built across the River Murray at Wellington will cause the biggest environmental disaster that SA has ever seen" says Henry Jones, member of the Murray Darling Basin Community Reference Group.

As I write this Update I am encouraged by the positive response (emails and media interviews) we are getting from all the local politicians to our representations aimed at seeking an alternative to the construction of a weir. This morning Adrian Pederick was on the radio and an email has come in from Mark Parnell (Australian Greens) thanking SADA and indicating strong opposition to the weir. The more people do their homework on the issue the more the opposition grows.

WATER ALLOCATION PLANS

While many of us are being dragged into managing numerous drought related "short term" survival issues, in several dairy areas we are also involved with achieving "longer term" water security and access through the development of new, and the reviews of existing water allocation plans. In each of the regions involved with these plans we have been most fortunate to have skilled and willing SADA members representing our dairy interests. But there is growing concern that irrigators may not be getting a "fair go" because our primary industries lack the expertise in arguing the technical issues during the consultation process. Together with the President of SAFF, Wayne Cornish, we are considering some options to see us better resourced to provide a better outcome for farmers. Given that many members have identified getting access to water as one of THE issues that will determine whether the SA dairy industry has a sustainable future we and the government agencies have to get these water allocation plans right.

FARMERS BEING PAID TO SAVE WATER

Coming back to the recent announcement by the Howard Government to improve the Murray Darling River system, you will notice that it is proposed that some of the money will go to farmers (possibly \$ for \$) to improve water usage. This is something that we have been raising with government for some time now and hopefully there may be some light at the end of the tunnel. We will need to see the detail before we get too excited!

SA Dairy Farmer Drought Survey

To better understand the impact the drought is having on all dairy farms across SA please take the time to fill in the included survey.

MILK PRICES

All the milk companies are regularly reviewing prices to assist farmers and to ensure their own supply. There have been meetings at ADF with the retailers and you will have noticed both the major retailers have made contributions to drought affected farmers. This indicates that there are times when the associations (ADF), the processors and the retailers by working together can create value for our members. There has also been discussions about seeking extra (additional to EC) Federal Government assistance for the dairy industry.

EC ASSISTANCE

David has covered the progress in getting EC declarations for our SA dairy regions. But as reported in a recent Weekly Times there can be difficulties in getting the individual farms approved and this is an area where SADA is hoping to add some value for members in 2007.

WORK PLACE RELATIONS

The decision by the SADA Board to establish a relationship with Chas Cini is proving valuable for many of our members. We are all getting frustrated by the on-going nature of the changes to the conditions relating to industrial relations. As we head towards a federal election hopefully the situation will settle down. Eventually we will be able to lock into some "packages" that will make life easier.

In the meantime many members of both SADA and SAFF are dealing with Chas on a "one on one" basis. Under the current arrangement SADA is paying for the first half hour with Chas and then members are paying individually after that. Given that the best way at this stage is one on one with Chas we have proposed a funding scheme that will see government funding through NFF pay for these consultations. This will save money for our members and SADA if successful.

Chas has advised SADA that there may be confirmation of a further increase to the State Pastoral Award on the way. We are seeking legal advice on this issue and if there is a significant change SADA will sent out to members a special advice on the matter.

BEYOND COMMON SENSE

This is the interesting title of a report on the barriers to adoption of safety in agriculture. There are some opportunities to jointly look at some funding with SAFF so we can work with WorkCover, SafeWork SA and the Australian Safety and Compensation Council to assist the dairy industry. The goal is to build a strong safety culture in our industry. One of the "keys" we are working on to encourage this is to show that the perceived benefits out weigh the perceived costs. A little like selling SADA membership the "perceived benefits out weigh the perceived costs".

USING HIGH TECH TO GROW DAIRY INCOMES

The multi-million dollar submission for funding the next stage of the Dairy CRC has been unsuccessful at this stage. While this has been a shocking blow for the future industry prospects we will pick ourselves up and look for another way of getting what we want. We do have some good news in that a \$15m program "Dairy Innovation

Australia" was opened on 8 January. Also we have the Dairy Poll coming up shortly (Feb 12 to March 15) and this provides the opportunity to shore-up the on-going funding for Dairy Australia.

STEWARDSHIP PAYMENTS

Another possible approach to increasing farmer incomes is through environmental "stewardship" payments. This is not a new idea and has been successful in other countries. It has been an on-going debate between your associations (mainly NFF) and the Federal Government. Hopefully, in the lobbying process we undertake on your behalf in the lead-up to the coming federal election, we can get some traction with one or both of the major parties on this one. We can use these elections as a "window of opportunity" to get something this time that we can build into the future. These last issues of using high tech to capture higher cents per litre through value adding and stewardship payments for caring for the land are aimed at increasing revenue streams for dairy farmers.

EATING ELEPHANTS

Managing negative incomes from the drought, especially if coupled with another disaster, can be extremely frustrating and taxing. There are a number of big challenges at the moment and perhaps the best approach is that suggested when faced with the challenge of eating an elephant. You take out a spoon and start eating and hope you can get a few other mates with spoons to assist. But once you size up the elephant and pick up the spoon good things will happen. You know this is true for managing your farm business and we adopt this approach often to tackle significant/insurmountable industry problems (elephants) at the regional, state and national levels.



COMING EVENTS

Mon 5 Feb 07

Dairy Australia Levy Poll Seminar

Blue Lakes Golf Links, Grant Ave, Mt Gambier
11.00am – 2.00pm

SE Regional Meeting – Blue Lakes Golf Links
1.45pm – 3.30pm

Fri 9 Feb 07 – Women in Dairying meeting

Verica Seeligers – Eden Valley

phone Kirstie Murphy for details 0408 088 624

Wed 14 Feb 07 - SADA Board Meeting

Dairy Australia Levy Poll Seminar

Myponga Sporting Club, Hutchinson St, Myponga
7.00pm - 9.00pm

Thurs 15 Feb 07

Dairy Australia Levy Poll Seminar

Blumberg Hotel, Shannon St, Birdwood
11.00am – 2.00pm

Thurs 16 Feb 07

Dairy Australia Levy Poll Seminar

Community Club, Sturt Reserve, Murray Bridge
7.00pm – 9.00pm

Mon 26 Feb – Thurs 1 Mar 07

Australian Dairy Conference – Shepparton

Ph: 1800 177 636

Thurs 8 Mar 07

Dairy Innovation Day, Murray Bridge

Tues 10 April – SADA Board Meeting

Fri 20 April – Misty Brae Invitation Sale

Phone Mandy Pacitti for details 0409 547 202

EXCEPTIONAL CIRCUMSTANCES

What does it mean for me?

Information Sessions will be held at the following locations

Mon 12 Feb. Coonalpyn Town Hall 10 to 11.30am
Naracoorte Town Hall 3.30 to 5.00pm

Tues 13 Feb. Bordertown Institute 10 to 11.30am
(SADA President David Basham will be attending)

Wed 14 Feb. Murray Bridge Imperial Football Club
2.30 to 4.00pm
(SADA Rep Andrew Stewart will be attending)

DAIRY LEADERS MEET WITH FARMERS

Dairy Australia, the South Australian Dairyfarmers Association and other dairy organisations will meet with farmers at four locations in South Australia to discuss the upcoming Dairy Service Levy Poll.

The meetings will be at Mt Gambier, Myponga, Birdwood and Murray Bridge and are among a series of about 40 planned for dairy industry regional towns and cities across the nation.

Dairy Australia's recommendation is that the levy be held at the current rate: approx 0.315cents per litre which equates to about \$3150 for every million litres of milk produced. Every farmer who contributed levies in the financial year 2005/06 will be able to vote in the Levy Poll.

The levy Poll will be conducted from February 12 to March 16 (See Coming Events)

Drought Hotline

FREECALL*
180 2020

(*Mobile phone charges apply)

Or log onto www.service.sa.gov.au/drought.asp

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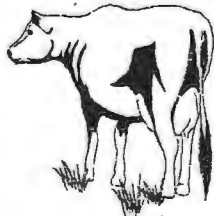
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Welcome to New Members

SADA would like to welcome new members:

Peter Ryan (Lomaria P/L) - Tintinara

Wayne Dowdell - Mount Gambier

B-d Farms - Paris Creek



Damien Charles WFI authorised representative on the Fleurieu Peninsula recently achieved 25 years of service with WFI. During this time Damien has developed a very good understanding of the insurance requirements of our all important clients which includes many SADA members'. Congratulations go to Damien on this significant milestone.

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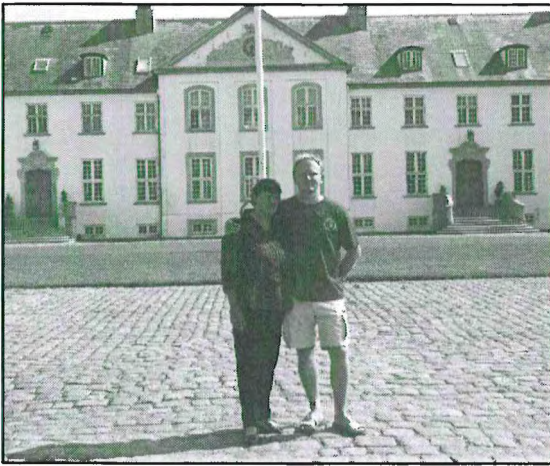
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DAIRY EXCHANGE

International Agriculture Exchange Association



Lorraine with Nils Andersen (their first trainee) outside 'Lerchenborg Castle' situated in Lundborg, Denmark.

It's not often that an Australian is asked to head an International Organisation; however, at the 2006 IAEA (International Agriculture Exchange Association) International Conference in Denmark, that is exactly what happened!

If I had asked Lorraine Leese 20 years ago if she would have envisaged herself jetting off to Denmark to work with the IAEA International Team. Far from it, she would have never in her wildest dreams thought this could happen to a "dairy farmer's wife!"

Lorraine, husband Joe and son Michael, with the help of an Agri Venture Trainee, & Jimmy the dog, run a 150 head stud Holstein Dairy farm, "Jolrae". They have hosted over 20 trainees, have enjoyed "catching up" with their past trainees, even attended weddings, like so many other IAEA Host families who have the privilege of being able to do so.

What is IAEA the organisation Lorraine heads?

It has a membership of some 1,800 members, consisting of Host Family & Alumni (folk who have been an AgriVenture Trainee) Worldwide. IAEA Australia, sent out its first trainees overseas in 1967, and received its first ones into Australia 38 years ago (I daresay many SADA members have either been a trainee or have hosted trainees!) Some 30,922 young adventurers have traveled with IAEA worldwide since 1965. The Association runs Agri Venture Programmes to Europe, Canada, the US, New Zealand & Japan. There is a total of 23 member Countries, all of these countries providing both the trainee and the participating Host Family with a cultural experience, breaking down the barriers, making the world we live in a much smaller place, everyone participating, being the richer for their experience.

Yearly, around 150 young people from across the world come to Australia in search of a life-changing experience on an Agri Venture Programme run by IAEA. The experience the trainees receive in Agriculture range from general farming, which includes cropping & beef, to viticulture, aquaculture, horticulture & dairying, usually lasting about 7 to 9 months, but can be stretched to 1 year. Many of these trainees are completing or have completed university degrees and want a year off, while others want to experience life on the land, or gain practical experience in the industry of their choice. Young adventurous Australians, also travel, enjoying an experience of a lifetime overseas, that an AgriVenture programme provides. Each person who travels on a programme grows during their time away and returns to their homeland as young adults. By travelling with Agri Venture they now have the courage to take on the world. The organisation plans all the detail of the trip for the trainee, all they have to do is decide what their destination will be! Then, it is, learn a different way of life, enjoy a new family on the other side of the world, work hard, and enjoy the whole cultural experience waiting for them to happen!!

The new World Chair, has enjoyed the journey so far, which can only happen with the help & support of her family & friends and looks forward to all the exciting possibilities for the future, as she works together with the IAEA International Team Members - IAEA has become more than an agriculture exchange programme, it has become her extended family and equally values the friendship of the many fantastic people she has had the opportunity to meet & work with both in Australia & Internationally. Everyone having a common bond - "IAEA"

Visit www.agriventure.com.au or call (02)91813122 or (1800) 257 197

Lorraine Leese



Dairy excellence recognised in new competition

Entries have opened for a new competition that recognises business excellence among dairy farmers.

The Dairy Business of the Year competition, which features a major prize of \$6000, was developed by Red Sky Agricultural and Intelact Australia, and is being sponsored by the dairy industry's services organisation Dairy Australia and National Australia Bank (NAB) Agribusiness.

The competition is open to farmers in Victoria, southern NSW and south-east South Australia and will expand to other states and regions from next year.

As well as the major prize, awards will be presented to the best farms in each of the five districts and in three farm system categories. There is also a sharefarmer category and a young farmer category.

Finalists will be invited to a weekend retreat to meet with experts in business performance.

Participants will need to provide a set of their 2005/06 annual accounts plus approximately one page of supplementary data on their land, herd and feed use. Finalists will also be required to provide accounts for the previous financial year. A Helpdesk is available to assist with the questionnaire, and for a small fee dairy farmers can have someone come out to their farm to assist them to complete the entry form.

The key judging criteria is Return on Assets; other factors to be considered include profit per hectare, cost of production, milk production per hectare, pasture harvest per hectare, cost of feed, labour efficiency and core cost structure.

The entry fee of \$285 plus GST covers the Red Sky Farm Performance Analysis. It will be discounted for existing customers and NAB Agribusiness clients. Entries close February 28, 2007.

Entry forms are available at www.redskyagri.com
www.national.com.au/agribusiness
www.dairyaustralia.com.au

For further information, please contact:

Jonathan Rose – Media Relations
National Australia Bank
T: (03) 8634 8250 M: 0417 369 356

Pete Smith – Group Manager Corporate Affairs
Dairy Australia
T: (03) 9694 3757 M: 0418 290 920



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South Australian Dairyfarmers' Association

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Giving Dairyfarmers' a VOICE

NARM NEWS

Volume 2 Issue 2

January 2007

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the second issue of the quarterly newsletter NARM News for 2006/07. This was a very good quarter with no bobby-calf residue detections during the quarter of October to December. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on identification of calves for effective traceback of chemical residue detections.

The message for this issue is a reminder to ensure that calves are free from chemical residues when sold and to ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Michael McManus Phone: 08 8226 0421
State NARM Coordinator

Tim Wooton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

NARM Residue Detections

October – December 2006

During the second quarter of the financial year 2006/2007 there were no residue detections in SA bobby-calves. PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Bobby-Calf NVD's

More abattoirs and calf buyers are requesting NVD's due to the demand for traceability from birth to slaughter. PIRSA recommends supplying your calf truck drivers with a completed bobby calf NVD to ensure the traceability of your animals.

Producers can obtain bobby-calf NVDs at no cost from agents, calf buyers, saleyards, abattoirs and Dairy Australia. Agents, calf buyers, saleyards and abattoirs can obtain bobby-calf NVDs from MLA at no cost, however individual producers cannot obtain bobby-calf NVDs directly from MLA. Producers can call the NVD hotline and order bobby calf NVDs and the order will be directed to Dairy Australia to distribute.

The contact details for Dairy Australia are:

Kate Mannion (Technical Issues)

Phone: (03) 9694 3720

Fax: (03) 9694 3833

The contact details for MLA are:

Meat & Livestock Australia:

Website: www.mla.com.au

Phone: 1800 683 111 (NVD hotline)

1800 635 445 (general enquiries)

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- 1 Bobby-Calf NVD's
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- 2 On-farm Identification
- 2 Next Issue



Record Keeping

Records help prevent the accidental sale of animals or animal products before the relevant withholding period has expired. To avoid residues in treated calves via both direct treatment and secondary contamination from mothers milk or gestation the following methods of record keeping are recommended:

- Written diary identifying the animal treated by tag number, the date of treatment, name of product, active ingredient, dosage given, withholding period, date withholding period expires.
- White board for all farm workers identifying the treated animal, date of treatment, name of product, withholding period, date withholding period expires.

To avoid chemical residues in bobby-calves producers are reminded to read the label of all veterinary products for specific treatment directions and withholding periods.

On-farm Identification

In order to avoid mix ups on farm between treated and non-treated animals some form of visual identification is highly recommended. Animals should be identified at the time of treatment using an effective and easily recognized method of identification, such as leg bands, ear tags or even an old inner tyre tube marked with the withholding period expiration date (as shown in Images 1 & 2). Identification must be retained on the calf for the duration of the withholding period and/or Export Slaughter Interval. Ensure that other farm workers are aware of how treated animals are identified. If possible, keep treated animals isolated until the appropriate withholding period and/or Export Slaughter Interval (ESI) has expired. Clear signage of the isolated pens containing treated calves is also helpful for farm workers to ensure treated calves are not mistakenly sold before the expiration of the withholding period.

As previously mentioned once calves are ready for sale a bobby-calf ear-tag must be applied, which can be obtained through your local PIRSA office.



Image 1



Image 2

Image 1: Use of an inner tube from a tyre marked with the withholding period expiry date using a white waterproof marker. **Image 2:** The tube is then placed around the calf's neck as a form of visual identification to indicate that the calf is affected by a chemical treatment

Next Issue

The next issue of NARM News will be distributed in April and will contain further information on how to avoid residues and industry updates



DairySA
 P 8766 0127 F 8766 0005
 PO Box 235 Lucindale SA 5272
 E dairysa@bigpond.com.au

SA Dairy Farmer Drought Survey

Please take a moment to help us better understand the impact that the drought is having on all dairy farms across SA and how DairySA & Dairy Australia can assist.

When you're done, please fax, email or post your reply to DairySA. Please tick the appropriate answers.

Drought Impact

1. How do you rate the impact of the drought on your dairy business compared to an 'average' year?

- Very high impact
- High impact
- Moderate impact
- Low impact

2. Please describe how the drought is impacting on your dairy farm business. ie financial, stock water, feed supplies

Financial Support Services

3. Have you accessed any financial support services?

- Rural Financial Counselor
- Centrelink
- Dairy Company loans or advances
- Dairy Consultant
- Taking Stock
- Other _____

4. Do you intend to access any financial support services?

- Rural Financial Counselor
- Centrelink
- Dairy Company loans or advances
- Dairy Consultant
- Taking Stock
- Other _____

5. What other financial support services are required?

Drought Management Technical Support & Information

6. Have you accessed any technical support or information to help **manage** your business through the drought?

- | | |
|--|--|
| <input type="checkbox"/> Nutritionist: rations, alternative feeds, cost of feeds | <input type="checkbox"/> Hay & Grain Report: feed pricing and availability |
| <input type="checkbox"/> Agronomist: fertiliser, pasture management | <input type="checkbox"/> PIRSA drought hotline: referral service |
| <input type="checkbox"/> Vet: fertility issues, culling decisions, drying off | <input type="checkbox"/> Taking Stock: review your business |
| <input type="checkbox"/> Dairy Consultant: feed budgets, financial budgets | <input type="checkbox"/> FORAGE Skill\$: maximize pasture growth & use |
| <input type="checkbox"/> Discussion Groups: sharing information & support | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Dairy Company Field Officer | |

7. What other technical support & information do you require to help you **manage** through the drought at this point in time? Please specify what support or information you require.....

 <p>DAIRY AUSTRALIA Delivering for the dairy industry</p>	 <p>DairySA NATIONAL DEVELOPMENT PROGRAM</p>	<p>DairySA P 8766 0127 F 8766 0005 PO Box 235 Lucindale SA 5272 E dairysa@bigpond.com.au</p>	<h1>SA Dairy Farmer Drought Survey</h1>
---	---	---	---

Drought Recovery Technical Information

8. What technical information do you require to help your business **recover** from the drought?

<input type="checkbox"/> Pasture establishment: varieties, fertiliser, sowing	<input type="checkbox"/> Feed budgeting
<input type="checkbox"/> Grazing & forage management: to grow & use more	<input type="checkbox"/> Animal nutrition: rations, balancing diets
<input type="checkbox"/> Financial management: budgets; cash flow & partial	<input type="checkbox"/> FORAGE Skill\$: maximize pasture growth & use
<input type="checkbox"/> Taking Stock: to review your business	<input type="checkbox"/> Irrigation management
<input type="checkbox"/> Land management/environmental: soils, nutrients	<input type="checkbox"/> Other _____

9. What other drought **recovery** technical information is required?

10. What technical information do you require to help **prepare** your dairy business for future dry seasons?

<input type="checkbox"/> Risk analysis: what are all the risks	<input type="checkbox"/> Forward hay contracting: locking in prices & supply
<input type="checkbox"/> Risk management: how to manage the risks	<input type="checkbox"/> Financial management & planning
<input type="checkbox"/> Drought management planning: how to be prepared	<input type="checkbox"/> Pasture & forage management: grow & use more
<input type="checkbox"/> Forward grain contracting: locking in prices & supply	<input type="checkbox"/> Weather forecasting tools: to plan & prepare
<input type="checkbox"/> Feed Management: nutrition & feed budgeting	<input type="checkbox"/> Other _____

Information

11. What is the best way for you to receive technical information from DairySA?
Please tick all boxes that are relevant to you

<input type="checkbox"/> Fact sheets	<input type="checkbox"/> Industry Newsletters (DairySA & Dairy Company)
<input type="checkbox"/> One off workshops/seminars	<input type="checkbox"/> Newspapers (Stock Journal & local)
<input type="checkbox"/> Training courses	<input type="checkbox"/> Consultants
<input type="checkbox"/> Field days/farm walks	<input type="checkbox"/> Dairy Company Field Officers
<input type="checkbox"/> Website links	<input type="checkbox"/> Service providers/resellers
<input type="checkbox"/> Email	<input type="checkbox"/> Discussion groups
<input type="checkbox"/> Fax	<input type="checkbox"/> Other _____

About Your Business

Milking herd size	Regional location
-------------------	-------------------

About You (optional)

Your name	Business name
E-mail	Phone
Postal address	

Thank you for your participation! 😊



Australian Farmers Assistance Program

Jetstar, Federated Farmers of New Zealand and National Farmers Federation have joined forces to provide free holidays to Australian drought-affected farmers. Many members of Federated Farmers of New Zealand (sister organisation of the National Farmers' Federation) are generously offering the use of their holiday homes for Australian farmers affected by drought.

This offer includes free accommodation in a New Zealand holiday home for up to a week (or longer by negotiation with the home owner). Federated Farmers has also negotiated a limited number of free return airfares. Jetstar only flies to Christchurch from Sydney, Melbourne and Brisbane. Families are limited to 2 free adult and 2 free children return airfares per family until they run out. Beyond this allocation, Jetstar is offering a limited number of free return airfares for children.

Please note: The offer of holiday accommodation is open to Australian farmers in drought-affected areas. You must also be a financial member of an NFF member Association. Holidays need to be taken between February and April 2007. Positions are filling fast.

Interested farmers are encouraged to fill in this form and fax or mail it to **Jo Gilbert** at **SADA** on **08 8293 8886** or **U5/780 South Road Glandore 5037**. You will then be contacted by an NFF coordinator who will provide you with all the relevant information you need to organise your holiday.

Name:

Address:

Phone number:

Adults:

Children:

Email:

Fax:

Association Coordinator to fill in this section before sending the form to the NFF Coordinator:

s this member a financial member? Yes / No

s this member in a drought declared area? Yes / No

Signature _____ Date _____

THE WEIR!

The type of weir being considered will isolate the lakes and remove the freshwater/marine interface that is required for the health of the ecosystem and all the animal and plant life that depends on it.

There has been no environmental impact study on the effects of this proposed weir.

- This "temporary weir" is in reality 2 kilometres of stone wall that will permanently become part of the river structure. This will affect the hydrology of the river flows.
- However it will have a removable section for "future flows" but each time we hear about the weir, the story changes. What it will end up as is anybody's guess.
- **Objective of Drought water restriction policy** "Ensure that any detrimental impacts associated with drought or poor water quality is shared equitably across all water users by applying a whole of system approach to management and use of the water resources of the River Murray within South Australia."
- **The Lower Lakes Region** has become the Rann government's 'Sacrificial Lamb'.
- **Our community** believes this action is discriminatory, unfair and lacks whole of river equity.
- **Not one drop** of extra water will be created for the users of the river by building this weir.

A recent quote from Minister Karlene Maywald
"the cumulative environmental impacts of years of human induced drought, resulting from over allocation of water from the River Murray system have contributed to a steady decline in the ability of the Lower Murray ecosystem to maintain ecological resilience"

NO DAMN!! WEIR!

Save Your Lower Lakes,
Coorong & Communities

Lower Lakes and Coorong
Infrastructure Committee



Business: Andrew Dawes, (Craig Swan)
Community: Sharon Bland, Clem Mason
Fishery: Tracy Hill, (Garry Hera-Singh)
Health: Dr Michael Kerrigan
Indigenous: Matt Rigney
Irrigators: Neil Shillabeer
Dairy: John Eckermann
Coorong District Council:
Mayor Cr. Keith Scobie,
Cr. Roger Strother, Cr. Paul Simmons and
Tim Drew CEO.

Media Contact: Neil Shillabeer
Committee Chair
Tel: 0427 475 455

Sign a petition, buy a t-shirt or sticker.
Contribute to the fighting fund at the National
Australia Bank Meningie SA 5264

Want to know more? Go to:

www.nodamnweir.com.au

A Publication by:
The Lower Lakes & Coorong Infrastructure Committee.
The Committee acknowledges the contributions of
Marianne Cunneen, Tanya Miller, Meningie
Henry R Jones, Clayton

NO DAMN!! WEIR!

Save Your Lower Lakes,
Coorong & Communities

**DON'T LET
THEM
CUT US
OFF!**



CONCERNED?

Imagine the effect this will have on the environment, wildlife, primary industries, fisheries, tourism, business, investment, health and welfare of the communities around these beautiful lakes and Coorong.

ENTIAL CONCERNS
 ia has an obligation to
 enhance the **RAMSAR**
 wetlands of
 onal importance.

is the kidneys of our unique
 ly place that the Murray
 get rid of salt and nutrient
 ges keep the Murray Mouth
 natural and man-made salts
 ash out to sea, as it has
 usands of years, and with
 nging back fresher sea
 the remaining Coorong

pletely across the river
 he following effects:
 , not just a few but
 omnes washing up on the

thern Pygmy Perch and
 ead which are listed as
 BC Act 1999, Fisheries Act
 t:
 for Pelicans, Shags, Egrets,
 her species—gone.

aller birds whose whole life
 within a few square
 ead.

g and short neck turtles—
 nals such as frogs, water
 native animals—dead
 and aquatic plants—dead

OPTIONS

Although there are no quick and easy solutions to this problem there are a number of options that need to be explored:

- Buy back over allocated water on a national basis.
- Desalination Plant in Adelaide and major towns with access to seawater.
- Eradication of flood irrigation in high temperature areas of Australia.
- More storages.
- More reservoirs in the Adelaide hills.
- More rainwater tanks for domestic use.
- Recycling of grey water to be expanded.

The ecosystem has evolved to cope with many hardships such as drought conditions but it cannot handle unnecessary intervention such as this dam/weir.



COMMUNITY IMPACT IN

1. Indigenous:

- Ngarrindjeri people will lose heritage and cultural traditions
- Health problems will escalate
- Loss of tourism income.

2. Health:

- Increase in physical and mental health problems
- Loss of health care workers' nursing, aged care and disability services resulting in a downward spiral of mental health services being provided to a mental health programs and health.

3. Business & Tourism:

- Will result in a loss of income attribute to either downsizing local business. The first to go are the employees – their positions become extremely unstable
- The environment is our tourism

4. Fisheries:

- This industry generates substantial revenue from the Lakes and the loss of rotational harvest could mean that a high percentage of the area to find work will be lost
- Loss of species due to no fish through the weir and the increase in salinity and quality of water

5. Irrigators and Dairy:

- Values of business and production extremely reduced.
- Lower production in milk, beef, wool, fodder, horticulture.
- Many jobs will go.



Dairy Innovation Day

Thursday March 8th 2007

@ the Murray Bridge Race Track
Starting at 10:00



DairySA
REGIONAL DEVELOPMENT PROGRAM



nab

agri
business



DAIRY AUSTRALIA
Delivering for the dairy industry

DID You Know?

GM's are on the Agenda

Come to the 2007 Dairy Innovation Day to hear a balanced presentation, including both sides of the debate on the topic of GM's (genetically modified organisms). The presentation will highlight "What's in it for Dairy" explaining what the potential is for dairy farmers, what the opportunities are for pastures, for milk production, for markets and for the future.....

Dale Ashton of ABARE will give a thought provoking presentation on the topic of

"Environmental Impacts and Economics

Are Our Current Dairy Farming Practices Sustainable?"

This presentation will look at the economic cost of the natural resources we use in dairy farming: the soil, the landscape & water. Provoking you to consider: what is the environmental cost of our current fertiliser practices, what is the true cost of water, what might future "environmentally & economically sustainable" farming systems look like, how will future farms interact with the environment & what is the true economic cost?

Dairy Industry Dinner

Wednesday 7th March 2007

Come & enjoy a meal with members of the DairySA Board, Central Region Dairy Committee, Innovation Day speakers & visiting farmers. 7.00 pm at The Tap Inn, Kent Town Adelaide. Bookings are essential.

REGISTER NOW

Name _____

Postal Address _____

Phone _____

	Number of people	Cost	TOTAL
Dairy Innovation Day	<input type="text"/>	@ \$20 per person	_____
Dairy Industry Dinner	<input type="text"/>	@ \$40 per person	_____
Bus Travel from South East Bus departs Lady Nelson @ 06:00	<input type="text"/>	@ FREE	
Bus Travel from Nuriootpa Bus departs Vine Inn @ 08:30	<input type="text"/>	@ FREE	
Special dietary requirements _____			TOTAL \$ _____

Payment type:

Cheque enclosed *Please send cheques payable to DairySA PO Box 235 Lucindale SA 5272*

EFT Name: DairySA Regional Development Program BSB: 015 010 Acct: 1016 954 89

Please email dairysa@bordnet.com.au or fax 8766 0005 with EFT payment notification & registration details

Registrations Close Wednesday February 28th 2007 DairySA Phone 8766 0127

Dairy Innovation Day

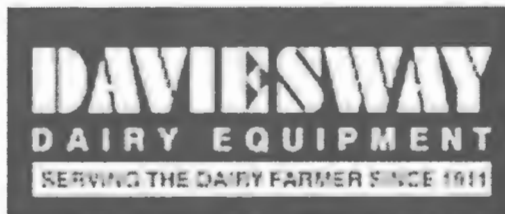
Thursday March 8th 2007

@ the Murray Bridge Race Track
Starting at 10:00

Environmental Impacts & Economics GM's & What's in it for Dairy?

The Economics of Milking Intervals: 1x & 3x a day
The People in Dairying Program
Group Buying as a Business Tool

PLUS MORE & MORE & MORE



sensortec
POWER OF CONFIDENCE



Government of South Australia
South Australian Murray-Darling Basin
Natural Resources Management Board



Irrigation Systems & Components
AUSTRALIA PTY. LTD.



ROBERTSON'S A.I. & HERD
TESTING SERVICE



The Healthy Choice...



MYPOLONGA TRADERS
All Land and Livestock



DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Friday 16 March 2007 PRESIDENT'S REPORT

David Basham

The process of having an area declared under Exceptional Circumstances (EC) is not as fast as we would always wish; there are still several steps that need to be taken in most of the dairy regions. This week the area along the River Murray, the Fleurieu and the Barossa & Mid north were being assessed for a *prima facie* case for EC assistance with the outcome pending. When a *prima facie* case for EC assistance has been established, the Federal Minister will then refer the application to an independent panel of farmers and industry experts - the National Rural Advisory Council (NRAC) for a full assessment.

Acceptance of a *prima facie* case allows eligible farmers to receive income assistance for six months while NRAC is conducting its assessment. NRAC will provide the Minister with advice on whether a case has been made for the provision of full EC assistance.

NRAC Visit of the Regions

NRAC will conduct a tour of the affected regions to assess the situation and obtain additional information from affected producers, community groups, local government and local businesses and their employees.

The tour is often a critical part of the process as it provides the opportunity for producers to present their case to NRAC and for NRAC to observe the impact of the EC event first hand. There may be questions that arise from the visit or additional information that needs to be gathered following the visit.

Preparation of the Report to the Minister

Following completion of the tour, additional information is assessed and preparation of the written report to the Minister commences. When there are delays in preparing the report, close consultation is maintained with the state government, which in turn liaises with the community.

Announcement by the Minister

On completion of its examination, NRAC presents its recommendations to the Minister who has responsibility for declaring whether or not a particular area is experiencing exceptional circumstances.

Applying for Business Support

The process of applying for Business support under EC (interest rate subsidies) for an individual is a complicated process and I would recommend that you speak to an adviser or consultant to help you with the process. Next Monday the state industry with the help of Dairy Australia is bringing a Queensland expert to help train the advisers and consultants on the process.

Lower South East Region

We have also commenced work on an application for the Lower SE. This follows the announcement last week that the Western District of Victoria was fully EC declared. A survey was sent to all farmers in the Lower SE, could you please complete it and return it to Sam Acheson ASAP.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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THE CHALLENGE OF THE DROUGHT CONTINUES

Dry conditions continue across our dairy regions as SA records one of the hottest and driest Februarys on record. Record low inflows continue into the Murray River Basin with inflows in January of 30GL when the median inflow is 246GL and the previous minimum was 52GL. Without some summer rains the lake levels will drop to critical levels by the end of March.

While our state milk production was up by 10.3% on the previous year at the end of December (higher than any other state) perhaps a more informed way of looking at the figures is to look at the month by month figures. The comparison with the previous year shows we were up by 20.6% in July, 19.8% August, 14.3% September, 7.1% October, 4.5% November and a mere 2.5% by December. The drop in December for Australia was -10.0%. The January and February figures are expected to indicate further declines. Then there may be a lift with the autumn calving.

Another view of the impact on the drought is to go to the "sharp end" and see who is making a "bob" and who has the negative incomes. Recent ABARE figures show that more dairy enterprises are going backward. Even in Victoria the increase in loss-making dairy farms has increased from 36% in 2004/05, to 47% in 2005/06 and 84% in 2006/07. Here in SA the number of dairy farms finishing the year with a business loss is estimated to rise 50 to 55% during 2007.

For many farm families they are entering "uncharted water". It appears that at the regional and community level farm families are communicating well with their staff, the people they do business with, the agencies that can assist, and their neighbours. I would love to spend more time talking one on one with our members but the lobbying on the milk prices, water rights and getting some EC assistance is making this difficult just at the moment. The predictions of a wetter than normal year in 2007 is also injecting some much needed optimism. But we all should be alert to families that may be experiencing personal problems and there is a Personal & Family support Line – 1800 619 532.

DROUGHT RESPONSE ACTIVITIES

Perhaps the most visible support we at SADA can provide through lobbying is to get as many dairy farms into the EC "tent" and then assist farmers through the individual application process. This is certainly "uncharted water" for SADA and dairy farmers.

Efforts by SADA to change the eligibility criteria for EC assistance so more dairy families can have access to assistance has been remarkably successful. You will recall that only a few months ago the "popular view" was that SA dairy farms would not meet the EC format. David Basham has been providing the leadership on this issue and has been very effective at presenting the dairy case to both the federal and state politicians.

This should result in many millions of extra dollars coming to our state dairy industry.

There is still work to be done in this area.

The next challenge is that of assisting farmers to maximise their individual cases for EC approval. In this regard we are seeking through the SA Drought Committee to capture the experience from Queensland and NSW. A meeting of farmer service providers involved in this process has been arranged by DairySA for 19th March. I met with the PIRSA manager for assessing EC, Ian Heinrich, on 23 February and the process appears to be well in hand.

Every region has a different profile of drought related problems but none has been more prominent at getting media attention than the Wellington Weir and the plight of the Lakes community. When Minister, Karlene Maywald, represented the Premier at last year's Grand Dairy Dinner little did we know then how important her role would become.

Stock water is a continuing issue that is now across a number of regions.

Dairy Australia has appointed both Verity Ingham and Kirstie Murphy as SA Drought Co-ordinators and they already have completed a Stock Water Survey and a Drought Survey. The results will be acted upon by DairySA, SADA, the companies and PIRSA in developing their activities in the coming months. In this difficult time we are all putting the most effort into helping farmers with what they see are their needs.

INVESTMENT IN NEW DAIRIES CONTINUES IN SOUTH EAST

Even with the difficult drought conditions there still have been some important and encouraging investments in new dairies. This has helped all dairy farmers by keeping up prices for land and cows and providing support to our milk supply.

PUSHING UP THE FARM GATE MILK PRICE

Recently there has been some success in ADF working with the companies and the retailers to pass on some retail increases to farmers and there is a real possibility of achieving more in this area. All the dairy associations have welcomed the recent moves by the processors to get support from their domestic clients so they can pay higher farm gate prices.

In fact I believe it is a strategy worth developing as many believe consumers will pay a little more if it means helping farmers through the drought.

If the drought conditions continue into 2007/2008 the options for managing such a major crisis will need to be reviewed at the national level by ADIC, ADF and DA and the Australian Government.

If the drought continues (the worse case scenario) it is expected that farmers will be looking to their associations to explore every option possible to keep farm businesses solvent.

In the short term there is little that can be done about the export prices. In fact getting some decent trade reform in the past year has been most disappointing. But your associations and Dairy Australia are not about to "throw in the towel" in relation to seeking some significant market reform.

KEEPING FODDER COSTS AS LOW AS POSSIBLE

Most farmers appreciate the value of this years Grain and Fodder Regional Prices information from Dairy Australia in keeping prices honest. It is difficult to put a value figure on the benefit to individual farms around Australia but there is little doubt that it has been a worthwhile project.

I have been contacted by a group of grain growers wanting to meet with dairy farmers looking to discuss direct cropper to dairy farmer arrangements so if any members wish to join in this meeting let me know ASAP on 8293 2399 or 0419 037 569. (Ken Lyons)

PRIME MINISTERS \$10B WATER PLAN

The Prime Ministers Water Plan has widespread backing (once past the initial politics). There has been enormous press coverage on the issue and this will require a significant lobby focus for the Australian dairy industry for the coming year. The dairy industry being the largest agricultural irrigator – using 23% of water allocated to agriculture has a huge vested interest in getting this right.

Perhaps the most important issue for the dairy industry is that of water security. But there is a long list of issues that need to be worked through. Fortunately the dairy industry has high credibility water efficiency in terms of value generated from our irrigation. The rules will be sorted out over the next year and your membership fees will finance the lobby on your behalf.

Perhaps the bottom line is that farmers should be allowed to maintain their existing water entitlements unless they become a willing seller. While the government has talked about guaranteeing existing property rights we need this confirmed. Hopefully the "threats" to water will prompt many farmers to ensure association memberships grows during 2007 to enable the industry to have the resources to deliver the political "clout" needed for this issue.

Success here should pay for farm dairy association membership for years to come.

The process will unfold something like this: firstly; the dairy industry has to establish strong and close links with the key decision makers. In this regard Robert Poole (ADF) recently met with James Horne, Deputy Secretary, Department of Environment and Water Resources in Canberra. We are well underway in developing a clear set of Dairy Industry Water Policies. Secondly; we need to understand the process so we know where we can be most effective at influencing the outcomes. The likely process timetable is; the referral of powers to go through federal legislation in May and the matching state legislation by the end of the year. The expected MOU between the Federal government and the states is the best chance we (the rural irrigation industries) will have of influencing the policy outcomes.

So the program will require strong lobbying at both the federal and state levels.

Some members have asked about our dairy industry funding submission (possibly valued at around \$35m) on improving water efficiency on dairy farms and we now expect this may well be folded into the new arrangements. This relates to the concept that the government is co-investing with farmers in leading edge "on farm" water management infrastructure.

ANIMAL WELFARE

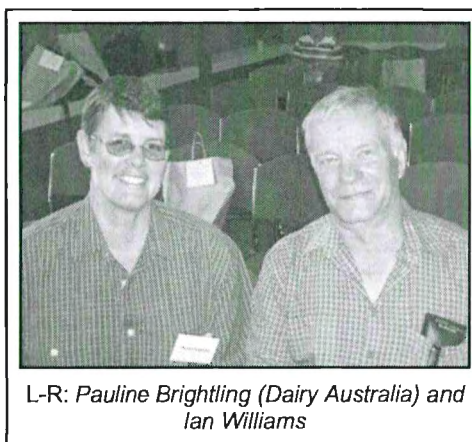
We did a lot of work last year promoting the dairy industry's positive credentials in relation to animal welfare and it was disappointing to read of a recent article in the Weekly Times by Animal Liberation Victoria. But when a

minority is committed to the view that no animals should be "farmed" there is little room for rational debate.

DAIRY INDUSTRY TRAINING

Dairy Training continues to be a hot topic and a difficult challenge. As farm numbers decrease and the competition increases our industry is responding with initiatives such as the creation of the National Centre for Dairy Education Australia and the new Dairy Australia project "People in Dairy". Your associations are working with DA to address people related issues like recruitment, employment, managing people and succession planning. One of the expected outcomes from the program this year is a "resource kit" to help farmers get the best from the people on their farms.

The wealth of the mining sector is reflected in the projected export earnings of \$116billion this year to that of agriculture of \$27billion. Wages and condition increases are the norm in industries competing with the dairy industry and herein is our challenge.



L-R: Pauline Brightling (Dairy Australia) and Ian Williams

SUPPORT YOUR TRAINEES

SADA and DairySA board member Michael Connor chairs the new South Australian Dairy Education and Extension Advisory Committee and there is a strong desire to get more courses happening in the dairy regions. There is some concern that due to the financial and workload pressure due to the drought employers may be faced with cutting back on training.

We encourage all employers to give as much support as possible to the dairy trainees.

SLASHING "RED-TAPE" FOR FARMERS

Another concern of farmers is that of grappling with layers of red-tape. Unless your associations are prepared to be pro-active and fight back on your behalf this matter may well get even worse. However we have had some success in getting the issue addressed. Australia's farmers will be the "first cab off the rank" in a new Productivity Commission review to cut through the choking layers of bureaucratic re-tale that beset agriculture.

CATTLE ADVISORY GROUP

A recent review of the Dairy ManaJD program reinforced the success of the program. It is most pleasing to see the high level of participation in the program. This reinforces our view that it is an option that would appeal to the majority of dairy farmers.

The review recommended a continuation of the Dairy ManaJD program and a targeted extension and awareness program for the beef industry.

The SA government has decided to back the funding for the program to continue.



L-R: Gary Spain, Sue Young and Ken Smith at a recent Cattle Advisory Group meeting

EMERGENCY DISEASE RESPONSE

To better prepare the dairy industry to respond in the event of a major disease outbreak a Industry Liaison Officer training course will be held in Mt Gambier on Wednesday 11 April 2007 (to be confirmed).

SADA is supporting the course and encouraging people to consider participation. I have included some background information explaining the course in this Update. People interested in getting further information or enrolling in the course should contact either; Elena Petrenas (PIRSA) on 8207 7976 / 0438 822 795; Sue Young (SE Board Member) on 8739 4337 / 0429 994 337; Ken Lyons (SADA) on 8293 2399 / 0419 037 569.

BULL VIBRIOSIS SURVEY

I am attaching an article from Mark Groves (PIRSA, Animal Health) (See page 8)

DAIRY INNOVATION DAY

Our SA Dairy Innovation Days have become famous for their challenging topics and great farmer attendances and Murray Bridge on Thursday 8th November was no exception.



L-R: Ulli Spranz (B-d Farms), Michael Connor and David Basham at the Dairy Innovation Day

GROWTH IN ORGANIC DAIRY PRODUCTS

The spectacular growth in demand for dairy product from B-d Farms provides the opportunity for suppliers. We encourage farmers to contact Ulli Spranz on 08 8388 3339 or 0448 883 510 to discuss the possibility of being part of this successful enterprise.

BIOFUELS: BECOMING "HOT" POLITICALLY

Between having dinner with the speakers at the Innovation Day (Wednesday night) and attending the actual Innovation day (Thursday) I was able to attend a breakfast forum hosted by the Agribusiness Association

of Australia. The guest speaker Ingrid Richardson from Rabobank was talking to the topic of "Biofuels: fuelling the future of Agriculture". This issue is very important to dairy farmers as it could play an important role in relation to fodder and land prices. This is an issue that will largely be determined by politics and the outcome in terms of personal incomes for dairy families could be very significant. Please let me know your thought on this hot topic and I will attempt to provide a briefing in the next Dairy Update.

GRAND DAIRY AWARDS

SA continued a proud tradition of recognition at the Grand Dairy Awards this year. This time a championship was awarded to the Barossa Cheese Company for a Washington Washrind cheese.

The milk was supplied by the Nietschke family of Koonunga. John Nietschke is both a long serving SADA Board member and a producer of champion wine. Congratulations all round and the success of our smaller SA cheese makers continues to enhance the states dairy industry status as a quality milk producer.

The Barossa Cheese Company is situated in the main street of Angaston and is well worth sampling their excellent produce.

TRIVIA

Did you know that Europeans learned to digest milk only within the past 7000 years? Scientists believe milk tolerance evolved alongside the emergence of dairy farming. In fact a historian from the University College of London said, "The ability to drink milk is the most advantageous trait that has evolved in Europe in the recent past". Only a historian would refer to 7000 years ago as the "recent past".

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8293 2399

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COMING EVENTS

Tues 20 – Thurs 22 March - World Guernsey Cattle Federation Conference, Weintal Resort, Tanunda

Tues 10 April – SADA Board Meeting

Fri 20 April – Misty Brae Invitation Sale
Phone Mandy Pacitti for details 0409 547 202

Wed 6 – Fri 8 June – 2007 Victorian Dairy Conference, Sale, Victoria

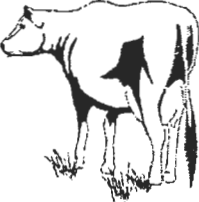
Tues 7 Aug – SA Dairy Awards Gala Dinner, Ridley Pavilion, Adelaide Showground

Wed 8 Aug – SADA AGM

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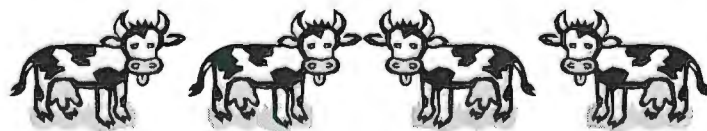
PIRSA ANIMAL HEALTH INFERTILITY DISEASE SURVEY IN SLAUGHTER BULLS (2006)

PIRSA Animal Health conducted a survey on 200 dairy and beef bulls from 121 South Australian properties, slaughtered at T&R (Murray Bridge) during 2006. The survey assessed the prevalence bovine Genital Campylobacteriosis (previously called Vibriosis) & Trichomoniasis - two serious venereal diseases. Trichomonas was not detected at all. PIRSA used a PCR test (polymerase chain reaction) developed by DPIF (Qld) and considered the most accurate test available. Campylobacter was detected in 32.5% of the bulls, and 39% of originating properties. The Vibrio results were unexpectedly high and has serious implications for production losses in affected herds. A previous survey into reproductive losses in the SA dairy industry showed 5% of herds remained infected despite using artificial insemination.

In paddock mated animals Campylobacteriosis causes poor conception (may fall below 50%) and increased returns to service, reduced calving rate, permanent infertility (up to 11% of heifers) and sporadic abortion (5%-20%; generally mid-trimester) in cows and heifers. These losses are less in the dairy industry where AI is used and usually followed by back-up bulls. Infected bulls (over 2yrs old) are the main source of herd infection and responsible for transmission, but they show no signs. PIRSA recommends all SA dairy cattle producers should review their herd records for reproductive loss and arrange testing with their veterinary practitioner to exclude Campylobacter when there are no other obvious causes. Vaccination is the most effective way to control Campylobacter, and Vibrovax® (Pfizer AH) vaccine is very efficacious when used "in accordance with the directions" (roughly \$6 per annual bull booster).

Where herd testing is impractical, PIRSA is developing a testing service for culled bulls slaughtered through T&R (Murray Bridge) for producers and private practitioners on behalf of their clients. The cost of testing is \$95/bull for a single bull; or \$75/bull for more than one bull from a vendor. Owners/managers and vets wishing to use this service must contact PIRSA to make the arrangements (please do not contact T&R directly or any other abattoir).

For further information about the survey or vaccination or cull bull testing please contact your local PIRSA Animal Health office, Peter Nosworthy (08) 8762 9140 or Mark Groves (08) 8207 7905



YOUR SADA LEVIES AT WORK

Your SADA levy is helping to get you better prices, protect your water allocations, deliver drought assistance, dampen grain and fodder prices, etc. Also at national budget and election time we lobby the Federal Government on your behalf. A summary of our lobby to Peter Costello is attached (see below) for your consideration ("The Primary Sector can't afford to wait for a rainy day" The Australian 14 March 2007). Successful lobbying at this level can deliver significant benefits to dairy farm businesses.

The primary sector can't afford to wait for a rainy day

The sustainable future of agriculture hinges on the May budget, maintains Peter Fargher (CEO NFF)

Water and climate change will feature prominently in Treasurer Peter Costello's budget-night address. This budget is likely also to establish several of the policy planks the Government will take into the federal election.

The National Farmers Federation's 2007 budget priorities call for a "generational shift in thinking" to maximise the sustainability of Australian agriculture through five key areas: capacity building (including drought management and preparedness), the environment, supply chain efficiency, labour force flexibility, and biosecurity.

Each area is vital to underpinning the sustainability of farming. Together they represent a powerful and compelling case for a nation building program that will strengthen the farm sector and serve the economic, environmental and social interests of the nation.

According to the Treasurer, the drought has slashed 0.75 per cent off national economic growth. While we can't make it rain, we can ensure the other factors that impinge on our ability - as farmers and as a nation - to achieve our full productivity potential and competitive advantage are optimised.

Between July and late November 2006, the NFF focused on delivering a strategic budgetary theme to bring together the aforementioned elements. Formally submitted to the Government on November 20 last year, the NFF's plan leaves no stone unturned to make sure every federal politician knows and understands the opportunities to be seized come May. Feedback on the NFF's imperative for fiscal policy to reflect 21st-century farm realities and commit strategic funding accordingly has been extremely positive.

There are a range of agricultural programs, packaged as Agriculture Advancing Australia and up for refunding in May, which assist farmers to be more competitive, more sustainable and more profitable. These include programs such as FarmBis training, the Rural Financial Counselling Service, Farm Help, the Farm Management Deposits scheme and the Industry Partnerships Program.

We expect to see funding recommitted to these important drivers that assist farmers in developing business skills and risk management.

As for how we as a society face drought, there must be a more strategic and longer-term vision. While the exceptional circumstances safety net should be retained, the policy focus must be moved from drought relief to drought management and, ultimately, drought preparedness.

While John Howard's \$10 billion water plan appears to have taken up this challenge, and with the NFF ensuring the response is appropriate to the practicalities of running modern farm businesses, water, or the lack of it, is only part of the problem.

If the goal is to do everything possible to drought-proof Australia, then a holistic and strategic approach is necessary. Over and above the productive capacity of modern farms is the role farmers play in managing the environment. The NFF's Environmental Stewardship program is fundamental to delivering sound, market-driven natural resource management. Farmers already do a lot for the environment. We can do more.

Farmers' commitment to sound natural resource management should be reflected as the centrepiece of the Government's National Heritage Trust to be announced in the May budget. Stewardship creates a funding partnership between government and farmers in achieving environmental outcomes on their properties in line with community aspirations.

Efficient transport means a departure from "electorate-based road funding - which is, at best, piecemeal - to finally address the serious need for integrated transport infrastructure across road, rail, air and sea systems.

Upgrading our vital rail networks, particularly for non-bulk and container freight, is essential if we are to be globally competitive. Our inland transport systems need a substantial investment in local transport infrastructure specifically freight hubs, while our shipping port capacity must expand if we are to meet increasing global market needs.

Politicians have been left in no doubt about the absolute need to harness our whole-of-chain production infrastructure, resources and systems, and interconnect them into an efficient delivery framework.

Nothing less will do.

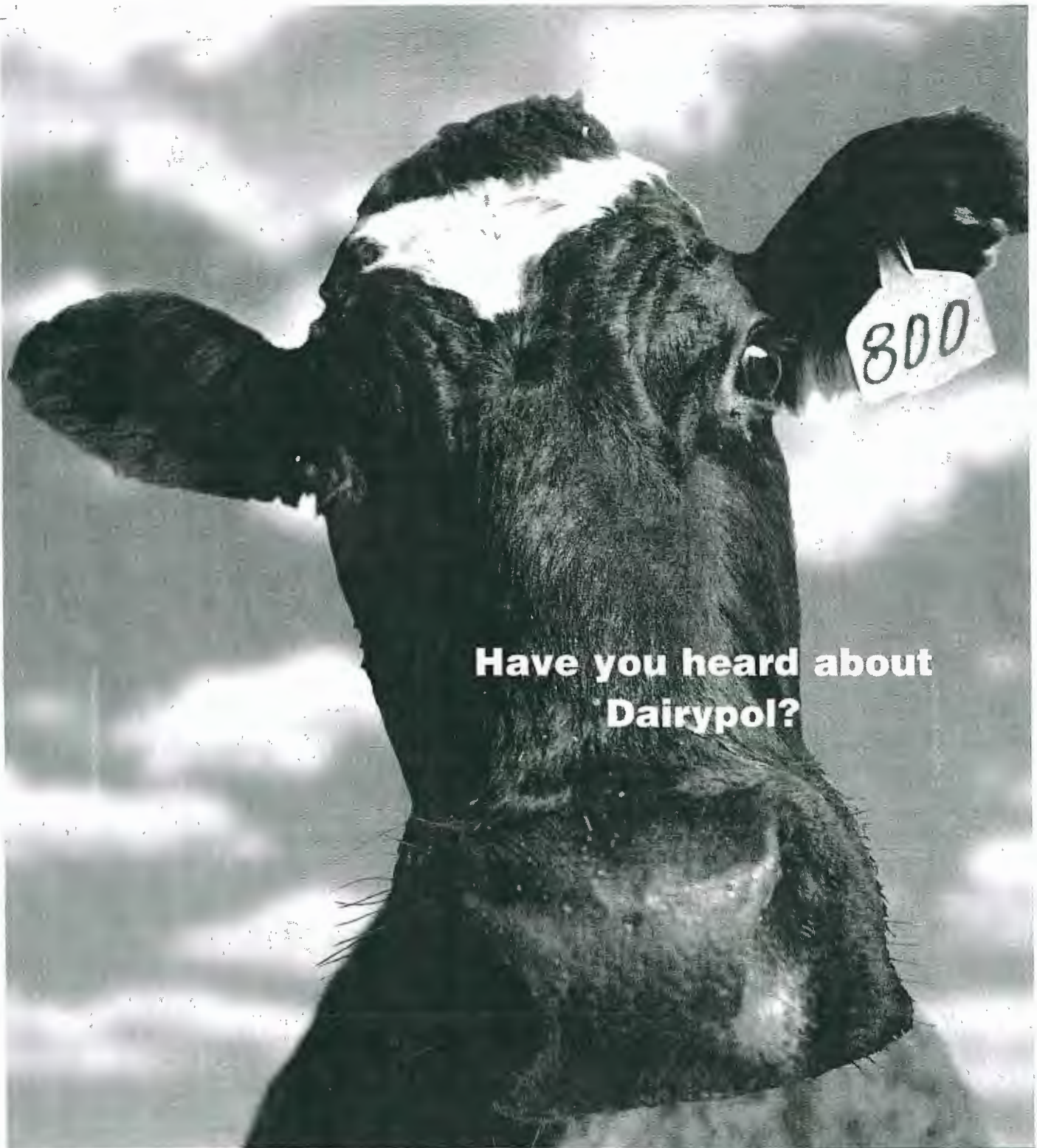
The resources boom has turned a spotlight on the lack of labour available to agriculture. Backpackers, particularly those from overseas, are a vital source of labour across our regions, given Australians no longer want or need to work the fields.

To encourage foreign workers into agriculture, the tax rate applicable to them should be lowered from 29 per cent to 13 per cent, in keeping with that of Australians in the sector.

The higher in-your-pocket incomes would attract more workers to regional Australia and encourage workers to spend in the communities.

Agriculture's need to bolster access to this flexible and growing labour force is vital. Equally important, the NFF's proposal would come at no cost to the taxpayer, as the Government already reimburses withheld taxes to overseas residents when they leave Australia. It is sensible to encourage people into agricultural work and see them spend the fruits of their labour here, rather than take it home with them. The NFF was pivotal in the recent adoption by the Government of changes to the import risk assessment process, bolstering the role of the Eminent Scientists Group to ensure our quarantine system is not only science-based, but has scientific rigour supporting it.

Necessarily, we would expect the budget to boost the resources within the Department of Agriculture, Fisheries and Forestry to effectively manage and monitor progress of the improved import risk analysis process. If, on budget night, we can see an appropriate funding commitment that is backed by the long-term strategic focus we have identified, Australian agriculture and the economy will be in a much stronger position. Anything less will be a missed opportunity in terms of economic performance and our environmental and regional sustainability.



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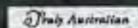
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NARM NEWS

Volume 2 Issue 2

January 2007

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the second issue of the quarterly newsletter NARM News for 2006/07. This was a very good quarter with no bobby-calf residue detections during the quarter of October to December. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on identification of calves for effective traceback of chemical residue detections.

The message for this issue is a reminder to ensure that calves are free from chemical residues when sold and to ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Michael McManus Phone: 08 8226 0421
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

INSIDE THIS ISSUE

- 1 NARM Residue Detections
- 1 Bobby-Calf NVD's
- 2 Record Keeping
- 2 On-farm Identification
- 2 Next Issue

NARM Residue Detections

October – December 2006

During the second quarter of the financial year 2006/2007 there were no residue detections in SA bobby-calves. PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Bobby-Calf NVD's

More abattoirs and calf buyers are requesting NVD's due to the demand for traceability from birth to slaughter. PIRSA recommends supplying your calf truck drivers with a completed bobby calf NVD to ensure the traceability of your animals.

Producers can obtain bobby-calf NVDs at no cost from agents, calf buyers, saleyards, abattoirs and Dairy Australia. Agents, calf buyers, saleyards and abattoirs can obtain bobby-calf NVDs from MLA at no cost, however individual producers cannot obtain bobby-calf NVDs directly from MLA. Producers can call the NVD hotline and order bobby calf NVDs and the order will be directed to Dairy Australia to distribute.

The contact details for Dairy Australia are:

Kate Mannion (Technical Issues)

Phone: (03) 9694 3720

Fax: (03) 9694 3833

The contact details for MLA are:

Meat & Livestock Australia:

Website: www.mla.com.au

Phone: 1800 683 111 (NVD hotline)

1800 635 445 (general enquiries)



Record Keeping

Records help prevent the accidental sale of animals or animal products before the relevant withholding period has expired. To avoid residues in treated calves via both direct treatment and secondary contamination from mothers milk or gestation the following methods of record keeping are recommended:

- Written diary identifying the animal treated by tag number, the date of treatment, name of product, active ingredient, dosage given, withholding period, date withholding period expires.
- White board for all farm workers identifying the treated animal, date of treatment, name of product, withholding period, date withholding period expires.

To avoid chemical residues in bobby-calves producers are reminded to read the label of all veterinary products for specific treatment directions and withholding periods.

On-farm Identification

In order to avoid mix ups on farm between treated and non-treated animals some form of visual identification is highly recommended. Animals should be identified at the time of treatment using an effective and easily recognized method of identification, such as leg bands, ear tags or even an old inner tyre tube marked with the withholding period expiration date (as shown in Images 1 & 2). Identification must be retained on the calf for the duration of the withholding period and/or Export Slaughter Interval. Ensure that other farm workers are aware of how treated animals are identified. If possible, keep treated animals isolated until the appropriate withholding period and/or Export Slaughter Interval (ESI) has expired. Clear signage of the isolated pens containing treated calves is also helpful for farm workers to ensure treated calves are not mistakenly sold before the expiration of the withholding period.

As previously mentioned once calves are ready for sale a bobby-calf ear-tag must be applied, which can be obtained through your local PIRSA office.



Image 1



Image 2

Image 1: Use of an inner tube from a tyre marked with the withholding period expiry date using a white waterproof marker. **Image 2:** The tube is then placed around the calf's neck as a form of visual identification to indicate that the calf is affected by a chemical treatment

Next Issue

The next issue of NARM News will be distributed in April and will contain further information on how to avoid residues and industry updates

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Wednesday April 4 2007

PRESIDENT'S REPORT

David Basham

Last week we received some good news in relation to the Exceptional Circumstances (EC) funding for our dairy farmers. Two new areas of SA have received interim EC declarations; one being the Fleurieu and the other being the River Murray Corridor. These two areas include nearly 200 dairy farms. This declaration means that farmers are able to apply for income support that can total about \$20000 per year for a married couple. There are asset and income tests that need to be met but it is important that you do not self assess. Speak to Centrelink to see if you are able to receive all or part of this support. It is important that you register your interest as they will back date your payments to the day the area was declared for a period of time. Included with the Update is the press release from the Federal Minister which has further details.

We have also been working on the application for the Lower South East with a meeting of the major industries in Mount Gambier last week. Lyndon Cleggett has offered to be the main link to PIRSA in preparing this case. A sub-committee of the industries was set up to help develop the case; Charles Wallis is going to be the main dairy person, Dale Perkins from SAFF will help with the other grazing industries and there will be a representative from the grape growers. The case is being prepared looking at the past few years (2002-2007), it does not affect the case if we have a good opening rain before the case is finished being prepared. The purpose of the Federal drought package is to assist farmers recover from a drought not just survive a drought.

Last week two dairy farmers from the Adelaide Hills and I met with Alexander Downer to discuss the area north of the freeway and south of the Barossa that has not been included in any of the applications so far. There are about 20 plus dairy farms in this area. Alexander Downer has offered to raise the issue with the Federal Minister of Agriculture, Fisheries & Forestry, Peter McGauran. We hope this area maybe attached as a buffer zone to the Fleurieu case as the events that have affected the Hills are the same.

The Barossa and Mid North areas have applications that are before the National Rural Advisory Council (NRAC) to be assessed. I would hope that we would hear something on these areas in the next few weeks.

The next step of the process for those farmers in EC declared areas is to put there applications together. The industry has held a training day for farm consultants and company field staff so they may be able to help farmers prepare their applications. I would recommend that farmers talk to one of these people before submitting your application to ensure that you have the best chance of receive the funding.

Lets hope the opening rains are only days away as that will make the recovery much easier.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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MILK PRICES

There is a general agreement in the industry that farm gate milk prices will be 10 to 15% higher in the coming year. Nearly every dairy publication you read at the moment carries reports talking the price up due to the competition for supply locally and the current international prices. Most dairy farmers will not build their expectations too high but they have every reason to seek new and exploit existing opportunities to get a better return.

The processors will commence reviewing their contract arrangements for the coming year in the weeks ahead and dairy farmers should also begin thinking about their supply options.

The deregulated milk market makes it harder today to influence prices paid but there are some things that we can do "collectively" that may improve the situation.

- Through your SADA membership we have been successful in securing, on your behalf, a continuation of your "collective bargaining" powers from the ACCC for the coming year. Remember this opportunity with the ACCC needs to be re-negotiated on a regular basis. Simply having this "tool" does not mean that it can deliver better prices in all situations as recent history has shown. But farmers should keep a keen eye on whether, in their region and given the down turn in milk supply, the collective bargaining tool can be useful to them. Where it can be used, it should be, as there is a chance that better prices in one region can lead to better prices elsewhere.
- Dairy farmers are seeking to better understand the dairy business post the farm gate and are seeking a "fair go". Who is getting the margins and who is creaming the profits? For instance while there are these reports about increases in

farm gate prices (most farmers are aware of this) but how many dairy farmers are aware that some economists are predicting a 20 to 50% increase in retail milk prices? Recently, as you know, some major retailers have agreed to pass some of the increased retail margin back to dairy farmers in recognition of the hardships due to the drought. So it can be done. There is a mechanism here if only we can get the players back to the table. As we all know dairy farmers will take time to recover from this drought even if we get a good opening to the season.

- The third thing dairy farmers, through the association, are addressing is the issue here in Australia of the market power of the two big supermarkets and the unfair advantage this gives them over fresh produce suppliers such as dairy and horticulture. The leadership shown by the dairy industry on this issue has been recognised by the ACCC and they have recently introduced some further support for farmers in their negotiations.

DROUGHT ASSISTANCE

The push by SADA to get more of our dairy people into the EC tent will provide additional assistance to quite a few dairy families. As we have said from day one this EC Package, like all assistance packages, will not be seen by all dairy farmers to be totally "fair and equitable" for every one. But we have to take advantage of all forms of assistance available from the State and Federal governments.

Through representations from the association it is a lot fairer now than it was 2 months ago.

The federal government has responded to the plight of our dairy industry in the drought and increased the flexibility of the EC criteria.

One area that could limit our ability to capture the benefits of EC funding is the potential lack of rural counsellors working "one to one" with our dairy farmers. The value of having Peter Perkins (QFF) down from Queensland recently has already given us access to their experience with the EC process. He raised as a concern the need for assistance in applying for the EC funding and the demands that will come onto the system if our major dairy

regions get EC declared. So, on your behalf, I have immediately raised this issue with the Ministers office and I am sure they will be watching this one very closely.



Peter Perkins (QFF) and Sam Acheson

Another issue we have had with EC is that of speeding up the process. Farmers want the money now to pay for fodder. Initially this was really frustrating but as you know SADA has been “pushing and pushing” and using your SADA fees to do all in our power to speed things up. A special thanks to Steve Scown and Sam Acheson, the Regional Economic Development Boards (Barry Featherston and Brenton Lewis), various politicians, and the PIRSA team for their help.



Kris Baker (Centrelink) and Rob Mulhern

THE RIVER AND LAKES

The current crisis in the Murray Basin in the short term simply requires good inflows into the catchments and good falls locally. You will have followed the saga of the Wellington Weir in the press and through these Dairy Updates. A major approach has been to get

the government to consider alternative options to the weir. Getting the government to evaluate these options and make this information public has been of concern. There has been a positive outcome to this lobbying and that is that the government has now agreed to lower the off take pumps and thus have been able to put off making the decision on the weir for another six months.

Perhaps the biggest concern now with the weir is getting an assurance that if it is built that it will be removed once the crisis passes. Will it be the federal or the state government that has responsibility for removing the weir? It may take 2-3 years of normal inflows to get back to normal. While we have some costings on the actual construction and removal what isn't costed is the environmental damage. This is why people are not convinced that the weir represents value for money to protect drinking water for communities.

The other issues to be addressed by farmers, the various associations and government agencies include; getting access to water as the level falls, getting a reasonable allocation next year and getting a “fair go” for our dairy industry at the bottom of the system. Also the industry and government needs to manage the rehabilitation process with some farms considering exiting from the industry.

Many still believe the river and the lakes can overcome this difficult time and provide a good opportunity for building profitable dairy businesses in the longer term.

THE NATIONAL PLAN FOR THE MURRAY BASIN

The Prime Minister's Plan is gradually taking shape and there is light at the end of the tunnel to in time have a much better management of the entire Murray Darling Basin. The result of better management of the system will be water security for rural irrigators if we can get the management and the politics right.

Let me suggest that there is reasonable agreement on these issues:

- We have to put water back into the river.
- Farmers are now paying very high prices for water. They are also part paying for on

farm infrastructure improvement to deliver greater efficiencies in water use.

- Water Authorities purchasing water for cities and communities and driven by the aim of making profits and returning dividends will also need to accept change. In fact they will be restricted from robbing the river of “cheap” water. This will make the more sustainable options such as recycling (but more expensive options) attractive.
- If we are going to get full value of the \$1.36billion (from a total of \$10b) allocated to upgrading on farm infrastructure and introduce a 50/50 cost sharing then the participating farmers should share the savings with the river.

But consensus falls away quickly when you get in to the detail. Remember it is predicted that in the future wars could be fought around the world over water. Also history records that major cities were wiped out when their drinking water went salty. So we need to find a way to get the balance right between the community, environment, industry and agriculture.



Henry Jones (Coorong Fisherman) talks to Ken Lyons

The drought in the river system appears to have at last brought the issue to a head and perhaps some progress can be made. But any benefits of the new plan will take another 2-3 years to begin to be delivered.

The recent Murray Darling Association Public Forum brought together all the interested groups and resulted in a lot of valuable “consensus”. The dairy industry contribution was most ably led by Mayor Kym McHugh (Alexandrina Council) and Neil Shillabeer.

There are a number of ways of giving our dairy farmers a “voice” in the process and SADA is one of the means at your service.

THE WATER ISSUE COVERS ALL DAIRY FARMS

Please do not think that this discussion on water only effect the river, lakes and underground irrigators. Dryland farmers with dams and connection to the mains will also be targeted for attention.

BIOFUELS

There is buzz in the media and lobbying for government assistance is underway in relation to biofuels so here are some comments to get us started in thinking through the issue and the implications for the dairy industry. When people talk about biofuels they are either referring to ethanol (made from corn or sugar mainly in USA and Brazil) or biodiesel (from oils in mainly in Europe).

Both Biofuel industries need plenty of government support to make them viable. In Brazil the government does it because they need to keep the farmers occupied (social issue). The USA government does it because they use ethanol to replace MTBE (shown to be cancer causing) in their petrol. We do not have MTBE in petrol in Australia. The Europeans do it because it is a means of supporting farmers.

So for ethanol corn is the current crop because of the starch content. Our Australian crops are not really good at producing ethanol and production volatility would also be a concern here.

So what is the short term implication for the dairy industry? The higher corn prices generated by the additional demand for corn for ethanol in the USA will contribute to higher grain prices internationally.

Now I have been extremely brief in these comments and the matter is somewhat more complex as you would expect. I was fortunate to attend an Agribusiness Association Breakfast meeting recently and, Ingrid Richardson, Senior Analyst Food and Agribusiness Research, gave an excellent presentation on the topic and anyone who would like some more information give me a call on 0419 037 569 or at the office.

BIOMASS PROJECT

While discussing some green technologies we have had a preliminary discussion to trial a Biomass project here in SA. The concept is to use a combination of fresh dairy effluent and forage to produce methane to then produce electricity. Providing you are near the grid you can sell the power back to the system or as the do in Europe use it to power the local community.

SA RURAL LEADERSHIP PROGRAM

This year the program will be run on the 29, 30, 31 May and 1 June with the follow up on the 2 and 3 August 2007 in Adelaide.

For further information please contact Lib Hylton Keele on 8226 0245, Kirstie Murphy on 0408 088 624 or Ken Lyons on 8293 2399.

WORKCOVER RESULTS

The Board today confirmed WorkCover's half-year results to December 31, 2006 and the average levy rate for 2007-08. WorkCover's unfunded liability has increased to \$722.7 million after a loss of \$28.6 million for the half-year to December 2006.

The Board has decided the average levy rate for 2007-08 will remain at 3.0 per cent.

The Scheme is 66.1 per cent funded, and although this did not achieve our December 2006 target of 67.3 per cent funding, it is an improvement on the June 2006 valuation. Once again, we achieved above-average investment returns which favourably influenced our funding position and our cash flow remains positive.

WorkCover's financial result for the July-December 2006 period is primarily due to an increase in the estimate of costs for income maintenance (weekly payments). The Scheme's funding ratio has increased despite this loss because of an increase in the asset base, largely due to continued, strong investments.

LEGISLATIVE REVIEW

The release of our results followed another important announcement made by the

Government earlier today. The Government acknowledged the need for substantial change to the WorkCover Scheme and announced that it intends to commission an independent review of the South Australian workers rehabilitation and compensation legislation.

The Government's review is supported by the WorkCover Board and management. It is consistent with the Board's view that legislative change is required to ensure the Scheme is effective in supporting injured workers to recover and return to work at a reasonable cost to employers. The Board, in November 2006, proposed to the Government a range of legislative changes it believes will enable the South Australian Scheme to improve return to work outcomes.

We remain confident that the expertise of Employers Mutual will greatly enhance the performance of the Scheme. However, it has become increasingly clear that we have a different legislative framework here in South Australia compared with those States that have been so effective in improving return to work outcomes.

Achieving balanced and sustainable improvement will require a substantial collaborative effort of the Scheme's stakeholders and we therefore welcome the Government's intention to consult stakeholders during this review.

We anticipate this review, combined with the work we've been doing over the past few years, will ensure our Scheme continues to support injured workers and delivers better value for employers in this State, by achieving earlier, safe return to work.

DIARY DATES

April 10	SADA Board Meeting
May 14	Board Election Nomination Forms posted
May 31	SE Dairy Innovation Day
June 1	Closing of Board Nominations
June 8	Ballot Forms Posted
June 12	SADA Board Meeting
June 29	Closing of Ballot
July 3	Counting of Ballot
Aug 7	SA Dairy Awards Gala Dinner
Aug 8	SADA AGM

Happy Easter





Dairy Innovation Day
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 Thursday May 31 2007



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DAIRY EFFLUENT GUIDELINES RELEASED FOR CENTRAL AND NORTHERN DISTRICTS



Rural Solutions consultant Michael O'Keefe advising a farmer about the new dairy effluent guidelines

New dairy effluent guidelines are being rolled out in the State's central and northern dairying areas, following the success of a project in the South East.

The Northern and Yorke, Mount Lofty Ranges and Greater Adelaide, and SA Murray Darling Basin natural resource management regions are all set to benefit from the new guidelines which promote best management practice (BMP) and sustainable effluent re-use.

DairySA through the Dairying for Tomorrow Project secured National Landcare Program funding of \$233,300 to review and modify the South East Dairy Effluent Guidelines, and to apply them to the other regions of the State.

Rural Solutions SA is undertaking the groundwork, providing a free advisory service for the next 12 months to help farmers determine and implement effluent BMP on their property.

Rural Solutions SA consultant Michael O'Keefe has already visited 158 farms across the State.

"We received a positive response to the implementation of guidelines in the South East, so we are hopeful that the same feedback will come from farmers in the remaining areas," he said.

"These guidelines have been developed to encourage more efficient dairy effluent systems that comply with relevant laws. They provide an update on legislation and policy matters, and technical aspects of effluent management, as well as some information to help farmers make decisions on the type of system which best suits their property, and helpful contacts."

Referring to the guidelines, Michael says there are four main things farmers need to consider when designing an Effluent Management System:

- Understanding Local Council planning requirements for an effluent management system
- Assessing freshwater consumption within the dairy
- Ensuring effluent is applied over a sustainable area and managed in conjunction with the rest of the property
- Benefits of using dairy effluent as a synthetic fertiliser substitute

"We anticipate some properties will design new effluent systems, while others will upgrade old ones to comply with the guidelines."

The project is being supported by DairySA's Dairying for Tomorrow program, as well as Primary Industries and Resources SA, the South Australian Dairyfarmers' Association (SADA), the Environment Protection Authority (EPA), and major milk companies.

* Details: For further information about the Regional Dairy Shed Effluent Guidelines, contact Michael O'Keefe on 08 8842 6222.



The Hon
Peter McGauran MP
Federal Minister for
Agriculture, Fisheries and Forestry



> **BACK**

Home | Media Releases

DAFF07/039PM - 27 March 2007

MEDIA RELEASE

> **Drought support for more SA areas**

An additional 3500 farmers in the Fleurieu Peninsula and River Murray-Lower Lakes Corridor areas of South Australia can now apply for up to six months Exceptional Circumstances (EC) income support.

Minister for Agriculture, Fisheries and Forestry, Peter McGauran, in announcing the drought assistance today, worth up to \$10 million, said two new areas of South Australia had received interim EC declarations. Interim assistance will be available to eligible producers and small businesses in the areas of:

- Fleurieu Peninsula – covering the district councils of Yankalilla, Victor Harbour and Alexandrina and a significant part of Mount Barker;
- Murray River and Lower Lakes Corridor – covering the districts shouldering the Murray River from the Victorian border through to its mouth. This area includes the relevant hundreds of various district councils within the Lower Murray and Murray Lakes regions.

"Farmers in both areas can now apply to Centrelink for six months EC income support. Small business operators with up to 100 employees and who derive at least 70 per cent of their income directly from agriculture are also eligible to apply for the assistance.

"The EC applications have now been referred to the National Rural Advisory Council (NRAC) – an independent group of primary producers and agribusiness professionals – for a comprehensive assessment. NRAC, which started its assessment with a tour of the regions last week, will recommend to the Government whether or not the criteria for full EC are met.

"I urge farmers and small business operators not to self-assess, but to contact the drought assistance hotline **132316** to check their eligibility for assistance as soon as possible."

Further information is available from the department of Agriculture, Fisheries and Forestry's website at www.daff.gov.au/droughtassist

Further media inquiries:

Minister McGauran's office:
Ben Houston 02 6277 7520

<http://www.maff.gov.au/releases/07/07039pm.html>

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ADF Informer - 29 March 2007 (abridged version)

The actions described in ADF Informer are a result of dairy farmer memberships to their state dairy farmer organisations.

Support for levy in face of drought

ADF recognises how difficult it has been for dairy farmers to consider their long-term investment via the *Dairy Service Levy* during such a difficult time. Nevertheless, given the huge impacts of the drought, there were still 64 per cent of votes to hold the levy at its current level, while a further 4 per cent of the votes supported an increase.

However, there is no doubt that times are very hard and this has been clearly demonstrated by the 32 per cent of votes for the levy to be removed. These dairy farmers have effectively indicated they need to find further savings throughout their entire farm business, including the dairy service levy.

The fact that 53 per cent of farmers participated in the voluntary levy poll gave the Minister for Agriculture, Fisheries and Forestry a strong case to continue the Dairy Service Levy at its present level because even in these difficult times dairy farmers decided to cast their vote. This participation rate is higher than the participation rate for similar farmer levy polls in other industries. The ADF welcomed recent confirmation from the Minister that the levy rate would remain at its current level.

The industry as a whole will continue to work together to identify the priorities that need to be addressed to give us a sustainable future. Working together to identify priorities is something we need to do all the time to maximise the return dairy farmers receive from their levy investment.

Climate change action planning and emissions policy

ADF was invited to take part in the Department of Agriculture, Fisheries and Forestry (DAFF) Climate Change Workshop held last week. The workshop included nominees from a range of research, government and industry groups and the aim of the day was to advise the Government's climate change action plan. Under the plan there are four priority areas: adaptability, mitigation, research and communication. ADF provided views on supporting farmers with more research on climate forecasts and the capacity to adopt appropriate risk management strategies. ADF also articulated its policy on emissions trading, recommending that agriculture proceeds cautiously and that Government fully assesses the benefits and risks to agriculture.

This week ADF also took part in the NFF's Climate Change Working Group and had input into the development of the NFF's policy on emissions trading. It is expected that this policy will form the basis of a submission to the Prime Ministerial Task Group on Emissions Trading which is due to report at the end of May.

Alan Davenport to lead New Zealand tour

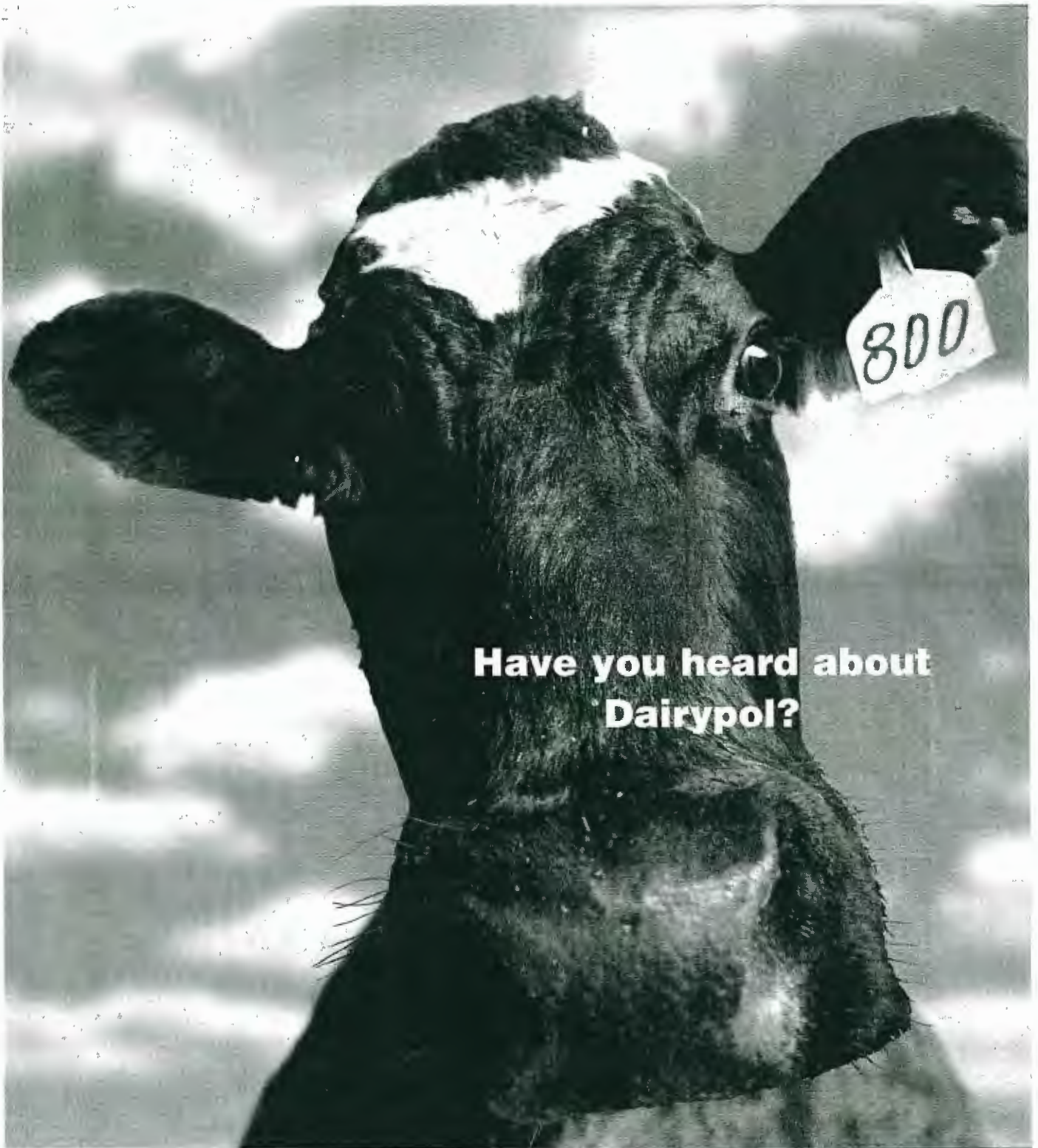
ADF is pleased to announce that Alan Davenport will lead the 2007 ADF Young Dairy Farmer Business Tour to New Zealand. Alan is president of the Tasmanian Farmers & Graziers Association Dairy Council and a member of the ADF board. Alan is a recent past participant of the tour which provides future industry leaders with the opportunity to tour New Zealand and further develop their industry knowledge, networks and leadership skills. The tour is funded by ADF and Dairy Australia.

National education leadership group meets

ADF was represented by its president and vice presidents at the meeting of the Industry Education Steering Committee (IESC) this week. This group provides the strategic direction for learning in the Australian dairy industry, in particular via the *National Centre for Dairy Education Australia* (NCDEA). At its meeting the IESC considered the development of the NCDEA's short-course program and the development of information for farmers and staff to access these services.

The ADF president also represents agriculture on the National Industry Skills Council (NISC). This is an important role for agriculture to have a say in the future direction of the broader policy debate on education. This committee met recently as part of a planning day for future directions and the ADF president was able to meet with Andrew Robb, Minister for Vocational and Technical Education.

Robert Poole
Deputy CEO
Australian Dairy Farmers



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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Monday 14 May 2007 PRESIDENT'S REPORT *David Basham*

It has been pleasing to receive good rains across the majority of the dairy regions of the state. Hopefully the rain will continue to fall because that will make the recovery from the drought easier, along with the funding from the governments drought package.

As I stated in a previous Update the process of having an area declared under Exceptional Circumstances (EC) is not as fast as we would always wish. The areas along the River Murray and the Fleurieu have joined the Upper South East and the Mallee in being fully declared under EC. The Barossa & Mid North have been declared under a *prima facie* case for EC assistance and the National Rural Advisory Council (NRAC) tour has been completed, so we would expect a decision on full EC declaration at any time.

The Adelaide Hills was left out of any of the applications for EC, so SADA approached the Federal Member of the region, Alexander Downer for some assistance. Mr Downer spoke with the Federal Minister for Agriculture, Peter McGauran about including the area in one of the other regions. The state government has signed off on including the Adelaide Hills in the Fleurieu region and I would expect that again a decision on full EC for this region could be made at any time.

PIRSA are preparing the case for the Lower SE at the moment with the local Drought Force committee headed by the SADA vice president, Lyndon Cleggett. It is planned to have this submission ready for state cabinet by the end of May. If you receive any requests for information from this group please try to assist as they are trying to help you gain access to the Governments drought funding package.

The process of applying for Business support under EC (interest rate subsidies) for an individual can be a complicated process and I would recommend that you speak to a Rural Financial Counsellor, adviser, consultant or a company field officer to help you with the process. Please do not self assess; the funding is there to assist the recovery process, so that agriculture can survive through the drought. Filling in the forms will take a bit of time and effort but may lead to a good return on that time if you receive the funding.

SADA has been pleased to help apply for EC declaration of the dairy regions of SA with a large amount of time, money and effort in getting these areas EC declared. I would ask those that are not members to consider joining SADA so that we maintain a good level of resources to be able to tackle issues of this size into the future. I believe that without the drive from SADA a lot of the dairy areas would not have been applied for.

The River Murray is still a concerning issue with the possibility of allocations starting at zero in July. We have communicated with the Minister for the River Murray, Karlene Maywald on the issue of stock water and dairy shed water. We raised farmers' needs for both of these, in particular on Animal Welfare grounds. The Minister has said that if irrigation allocations are zero it does not mean that stock water and dairy shed water will also be zero. A request is likely to come from the government to implement a water efficiency plan in the dairy sheds using water from the River Murray or SA Water. On the 24 May a group of dairy industry people are meeting to prepare a plan that farmers can adopt for their dairy sheds so they maintain the integrity of the quality assurance programs to protect the high quality of the milk produced on farm.

Let's hope rain continues to fall across SA and the River Murray catchment.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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In this Dairy Update I will cover two major initiatives of the Dairy Industry aimed at assisting farmers to recover from the severe impacts of the drought. The first and most pressing major issue is the **Drought Response and Recovery Strategy**. This is a package of strategies aimed at providing additional assistance to support the industry recover from the drought. Included in this package is a new proposal for a Resource Maintenance Preparation and Recovery (RMPR) Facility. This is for financial assistance that would be available to all farmers. Another important issue addressed within the response strategy is that of managing dairy diets with low fibre availability. The second major strategy to be addressed by the Dairy Industry is to have a policy in relation to the **National Plan for Water Security**. Fortunately the dairy industry is reasonably well prepared in terms of representations in relation to water management issues.

But first let us look at the situation here in SA.

GOOD OPENING RAINS ACROSS ALL SA DAIRY REGIONS

The good "opening rains" across South Australia has injected some much needed confidence amongst our dairy families. Members are hoping to get some growth while the ground is still warm, many are reseeding and fertilising, and with further rain those getting low on water will see dams begin to fill. Confidence is also being strengthened by the strong international demand for dairy product and competition for milk supply. There are predictions of record farm-gate prices for the 2007/2008 season.

The immediate challenges will continue to be that of accessing reasonable quality fibre (hay) to get us through the winter. The work we have done with Dairy Australia on monitoring regional fodder prices is continuing and this work clearly shows the benefit of ringing around to seek out the better deals. Fertiliser prices also remain high. So the cost pressures will be still with us in the near term. In fact for many farmers the drought impacts will hit many farmers most in the next few months. This is why there is so much urgency in relation to getting assistance ASAP.

We have been working with a lot of "worst case scenarios" of late so lets consider the most likely prediction of a wetter than normal winter. Once through winter farmers will have a better idea of how to best plan for 2008 given;

- If we have wet conditions across the Murray Darling Basin and plenty of snow in the Alps there will be a strong case for a sustaining water allocation for the summer irrigators (recently we have sent members the best bet scenarios for water allocations from the Murray system). While the opening allocation for the Murray irrigators may be zero there is a 9 in ten chance of receiving at least 43% by October.
- A good winter rainfall across Victoria and the other major dairy regions will support prices for dairy stock and land.
- Croppers will sow the maximum areas to get back some equity, and given a reasonable season, there could be near record grain production,
- We will have a good idea of our hay situation.



Ken Lyons with Minister Karlene Maywald

“TEAMWORK” ASSISTS FARMERS

We are only a small dairy region in South Australia and we “kick well beyond our weight” when it comes to “teamwork”. Everyone including all the agencies and companies operating in SA have been tremendous in the way they have worked together through our state dairy drought committee for the benefit of dairy families.

While the season, prices and the assistance packages available have evolved in recent months we have all worked to provide dairy managers with the best advice and assistance.

I am sure this sense of “a dairy community looking out for each other” has been important to farm families.

THE SA DAIRY DROUGHT COMMITTEE

There was a phone meeting of the Committee on Tuesday 8 May. Verity Ingham (SA Drought Co-ordinator) provided an update on the conditions and activities around Australia. We feel we need to get a better handle on the need and availability of hay and this will be via a SADA Fax-Back survey next week. David will arrange a meeting with Ian Heinrich (PIRSA) to check on the processing of EC applications. Quite a few people are now receiving assistance from Centrelink. We are also looking to co-ordinate some social regional BBQ's for people to share their experiences.

EC ASSISTANCE

David has covered this topic in his President's report. Members have voiced their appreciation at the leadership David Basham has provided in getting regions declared EC or in the process of being EC declared.

Members of the SA Drought Committee are keen to get “feed-back” from farmers who have applied for assistance.

To assist dairy farmers apply for the EC assistance the following information (updated on 9 May) may be helpful.

- *General Number for Rural Counselling Service: 1800 836 211*
- *Some direct numbers for Rural Counsellors who have been looking after particular regions are:*
 - Fleurieu: John Sharpe 0428 553 223*
 - Meningie:*
 - Gordon Mizka 0427 430 241*
 - Lower Murray Swamps:*
 - Grant Crettenden 0417 849 705*
- *Initial Information sessions via roadshows on EC arrangements, interest rate subsidies and income support have been held.*
- *EC application assistance “sessions” will be held in each of the following areas.*
 - *Langhorne Creek – Tuesday 5 and Wednesday 6 June from 9.00am till 5.00pm*
 - *Mannum – Tuesday 12 and Wednesday 13 June from 9.00am till 5.00pm*
 - *Mount Compass – Tuesday 19 and Wednesday 20 June from 9.00am till 5.00pm*
- *Five or six Rural Counsellors will be available for a day helping individuals with their applications right through to submitting them. **Appointments will be required**, and farmers should arrange this through the general number 1800 836 211*
- *Farmers making appointments will be asked to get all of their supporting information ready before these sessions so that applications can be completed on the day.*
- *Other Helplines: PIRSA Prudential & Rural Finance Services (IRS & Community Support Grants enquiries) 1800 182 235 and Centrelink Drought Assistance 13 23 16*

THE DROUGHT RESPONSE AND RECOVERY STRATEGY

Included in the Update (**for members only**) is the Executive summary of this new strategy. It represents a package of proposals for industry and the government to work through. It acknowledges that “on the back of ten dry years and a severe event in 2002/03, the 2006/07 drought has had a more severe impact on long term confidence than past droughts”.

Compared to 2002/03, total farm debt now stands at almost 50% higher (\$491,000) and fodder expenditure has increased three fold. Under these conditions dairy farmers are questioning their long-term commitment to the industry. Hopefully the success of SADA

and affiliated associations with the new package will result in a turn around in these figures so people can then see a profitable future in the dairy industry. Specifically farmers need to finance the *maintenance of assets* (people, stock, water), *recover from the drought* by replanting pastures, re-stocking, re-establishing fodder reserves and *prepare for future drought events* if the effects of climate change emerge.

While there are a number of strategies (fodder, water, planning, transparent market reporting, etc) in the package ***the key recommendation is that the government provides additional financial support to farmers*** to support extra debt and/or invest in the recovery and drought preparedness (RMPR). This concept would be a cash injection available to all sectors of agriculture without any of the red tape of the EC program but simply dependant on incurring drought related costs.

So where are we today with this new strategy? This new package now referred to as "Fighting Back" was agreed by the Australian Dairy Industry Council (ADIC) in Melbourne on 7 May and the industry and government commenced discussions on 10 May.

My expectation is that the government will agree to some of the proposals quickly, hopefully only a few will be rejected, and the big ticket items will probably take a week or so to negotiate as it will involve several government departments and all agricultural sectors through NFF. We will keep you informed on how we going on your behalf.

One thing that appears apparent to me in the middle of this extreme drought event is that we need to come up with a much smarter and fairer program of government support to drought proof our future farms.

At the ADF Board Meeting on 16 May we will have the opportunity of meeting with the NFF President, David Crombie, to ensure there is effective co-ordination of the policies and lobbying effort to maximise assistance to the rural communities.

Many of us have had concerns about the suitability of the EC program for dairy. Even the new suggestion of an RMPR facility will

need to be well thought out if it is going to achieve "fast tracked" agreement between industry and government.

DAIRY INDUSTRY NATIONAL PLAN FOR WATER SECURITY

Getting the right policies and management of the MDB will largely determine the future of irrigated dairying in the basin. This is such a really important issue for many dairy farmers. There are about 2,700 dairy farms in the MDB which equates to about 3 billion litres of milk, \$3billion of product ex-factory and approximately 30,000 direct jobs.

There are so many papers, reports, committees and assessments that many trees have been lost in all the paperwork. Perhaps the three most important documents on the desk are:

1. Murray Darling Basin Dry Inflow Contingency Planning. Overview report to First Ministers, April 2007. This is the Report that went to the PM and State Premiers and led to the prediction of an initial zero allocation for irrigators.
2. Report from Minister Turnbull to the VFF outlining responses to all the questions raised by the Victorians.
3. Proposed ADF Policy Position - National Plan for Water Security.
4. Growing the Murray Dairy Region. This looks report looks specifically at northern Victoria.

Members will have followed the announcement by the Prime Minister of a Water Plan to be funded by the Federal Government to bring the management of the MDB under Federal control. Given the federal government is putting up the funding it is reasonable they want to be able to "enforce" compliance so the targets get met. So we can expect the plan to progress even though we are in election mode. As the detail evolves and the deals are done with the states it is important that your interests are being protected on an "on-going" basis. Some "dairy devils in the detail" could come back to bite into your asset base if we are not careful. On the other hand the new arrangement presents the opportunity to get a better outcome than we had previously.

The key issue for dairy irrigators is that of water security and reliability. Based on the

anxiety and uncertainty in the minds of the MDB irrigators we wrote to Minister Turnbull seeking assurances on this key issue of water sharing plans and allocation rules. ADF is satisfied with the in-principle response by Minister Turnbull.

A copy of the Minister's response is enclosed (**members only**). Getting the new national plan for the Murray Darling Basin operational and delivering on the targets will be a challenge for us all for the coming few years. But at least through your SADA membership (SADA, ADF and NFF) your interests can be protected.

DISCUSSIONS WITH THE SUPERMARKETS

ADF has written to the three major supermarket chains requesting a meeting to discuss the impacts of the drought on dairy farmers. While the export dairy prices continue to climb the domestic market is also important and we need to convince the supermarkets that this is not the time for "discounting" nor is seeking extra margins without the farmers also sharing in any increases. Higher farm-gate prices are critically important at this time.

(Members only report on this issue in the next SADA Dairy Update)

DAIRY INDUSTRY CRISIS MANAGEMENT PLAN

The SADA Board was recently given a briefing on the framework and operation of the Crisis Management Response (CMR) Team in Dairy Australia by Dr Robin Condron and Dr Neil Tweddle.



L-R: Dr Neil Tweddle, David Basham and Dr Robin Condron

The extent to which the CMR network is called out and the CMR Plan is activated will depend on the nature and magnitude of the crisis.

A mock crisis training exercise was recently held in Mt Gambier and the assistance provided by Sue Young and Brett Fiebig was most appreciated.

TAXATION REVIEW OF THE EFFECTIVE LIFE OF DAIRY ASSETS

SADA has been assisting the Taxation Office with the Review. The information provided by SADA should lead to some changes that will benefit the industry.

SE DAIRY INNOVATION DAY

This year the day will be held on Thursday 31 May at the Mt Gambier City Hall commencing at 10am. Information is enclosed.

DAIRY INDUSTRY SITUATION & OUTLOOK IS BEING FINALISED

While the final report will not be released till the first week in June delegates to the coming ADF Board Meeting (17th May) will get a briefing on the results and provide some feed back for the final report.

Particularly in these difficult times it is incredibly important to have credible, consistent and timely information to properly inform industry participants, governments, investors, and service providers about the current situation and outlook.

Thank you to all those who have participated in the survey.

WAP's FOR HILLS & FLEURIEU

The planning process for the Hills and Fleurieu are continuing. At this stage the irrigation needs of the rural industries are being assessed and quite independently assessments are being made of the catchment water resources. In most areas it would appear there is sufficient water to meet industry needs at this point in time.

Following the work submitted so far by the dairy sector through SADA, there now will be

discussion papers produced (around June/July) for public consultation. This is when we will be able to assess the real progress and identify the outstanding issues that need to be further addressed.

Our experience at SADA in the SE clearly shows the importance of putting in the work early on in the WAP process. Another initiative the Adelaide Hill Water User Group is taking is the contracting of an NRM specialist, Peter Day, to give irrigators a more effective "voice" in arguing the technical issues with the government agencies.

SHOW DAIRY PROMOTIONS COMMITTEE

Planning is underway for the dairy promotions at the Adelaide RAHS Show. Dairy Day will be on Thursday 13 September and the RAHS has again offered tickets to SADA members. SADA and Wesfarmers will again put on a BBQ.

The sponsorship by Dairy Australia and National Foods for Dairy Day and the Exhibition Dairy is greatly appreciated.

WESFARMERS INSURANCE



Steve Gilder and Brian Perry

In line with WFI's continuous growth and commitment to service excellence an additional region has been established in South Australia.

We would like to congratulate Brian Perry who was appointed as the Regional Manager. Brian previously worked in the role of Area Manager at Ceduna. During this time he gained valuable experience in the insurance industry and displayed leadership qualities which will assist him in his new role. Brian has previous experience in management positions through his time in the retail industry and with the SA police force.

The new Regional Client Business Unit will consist of the northern area of South Australia and Sunraysia, and includes the newly established Gawler client Service Team.

Steve Gilder

SADA BOARD ELECTIONS

Included with this Update is a nomination form for the election of regional members of the SADA Board. Please consider nominating someone to represent your region and return the nomination form signed by both the nominee and the proposer before 1 June 2007.

SA DAIRY AWARDS GALA DINNER



Following last years very successful Gala Dinner we will again be recognising the high quality dairy products that South Australia is renowned for. This year we will also be recognising the exceptional milk quality of South Australia's milk producers by awarding the Countdown Downunder Milk Quality Awards.

These awards will be presented at the SA Dairy Awards Gala Dinner to be held on Tuesday 7 August at the Ridley Pavilion, Royal Adelaide Showground.

This is a great opportunity to get out and have an enjoyable evening with fellow dairy farmers and processor and dairy industry representatives and will give you the chance to see what varied products your milk goes into.

Registration to attend this event will be posted shortly, however if you would like to know more about it please contact Jo on 8293 2399.

COMING EVENTS

Thurs 31 May – Dairy Innovation Day, Mt Gambier

Fri 1 June – Closing date for lodgement of Board Nomination forms

Wed 6 – Fri 8 June – 2007 Victorian Dairy Conference, Sale, Victoria

Tues 12 June – SADA Board Meeting

Tues 7 Aug – SA Dairy Awards Gala Dinner, Ridley Pavilion, Adelaide Showground

Wed 8 Aug – SADA AGM

DROUGHT FORCE

Drought Force helps individual farms and farm communities that have been severely affected by drought. It aims to help farmers with their workforce needs, especially those who have lost workers because of drought, by keeping the pool of farm labour from moving away from the region.

For more information go to www.workplace.gov.au and follow the links

PLANNING FOR RECOVERY

The Planning for Recovery program aims to facilitate the transition process of recovery from this period of exceptional circumstances, into a focus on improving the preparedness and minimising the effects of adverse events in the future.

The Program provides support to Exceptional Circumstances regions, with grants made available to farm businesses that are currently in receipt of the EC Interest Rate Support Subsidy at the time of application. This support will be available in three steps:

1. Eligible farm businesses may access expert support (up to \$4,000) for the preparation of a farm business plan that incorporates economic, production, NRM and family issues, (areas under EC declaration for over 3 years will be directed to the Australian Government professional advice grant for \$5,000);
2. Upon attending an initial business planning session and signing up to complete a farm business plan, farm business will be able to access up to 50% (subject to matching cash contribution) of a \$10,000 grant to undertake a select range of eligible activities that could be expected to be included within their farm business plan;
3. Farm business will be able to access the remainder of their \$10,000 grant to undertake actions that support the implementation of their business plan, once the farm business plan has been prepared and approved. A matching cash contribution must be demonstrated by the business to access the full \$10,000 grant.

Further enquiries to PIRSA Prudential and Rural Financial Services on 1800 182 235 or visit the website: www.service.sa.gov.au/contentpages/sagovt/drought.aspx



*Happy Milking
Ken*

BUY ONLINE AND SAVE WITH SADA

SADA has joined with National Buying Group

- THE THINKGROUP -

to provide *Purchasing Benefits* to the SADA Community

SHOP ONLINE AND SAVE

www.thinkgroup.com.au/sada

ENTER OUR DISCOUNTED RETAIL SHOP

Electrical goods_ audio/visual_ mobile phones_ ipods_ computers_ air conditioners

Over 77,000 products!

YOUR PRICE IS WHOLESALE PLUS UP TO 10%

Holstein Australia SA Branch

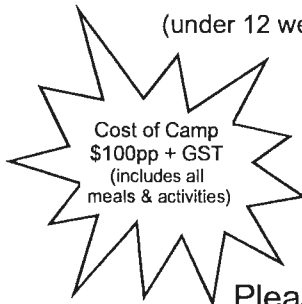
All Dairy Breeds Youth Camp

July 8th - 11th 2007

Adelaide Showground, Wayville

Open to everyone 12years and over

(under 12 welcome if accompanied by a fee paying parent/guardian - \$50+GST)



Camp activities include:

Animal Health/Husbandry/nutrition
Showmanship/ringcraft <> Clipping techniques
Halter making <> Mini Show
Guest Speakers + more



Please bring your own calf and fodder requirements
(please advise on application if this is not possible)

Details and application forms can be obtained by phoning
Gino & Mandy Pacitti on 8554 7202 or 0409 547 202

Applications must be received by 20 June 2007



Australian Government



Centrelink
giving you options

DROUGHT BUS

The Drought Bus has been specially fitted out as an office on wheels, and is visiting rural communities in Exceptional Circumstances (EC) declared areas.

The Drought Bus will be travelling through drought affected areas on the Fleurieu Peninsula, the River Murray corridor and the Lower Lakes of South Australia to let rural communities know about the services the Australian Government is providing.

Rural Services Officers, Customer Services Advisers and Social Workers are travelling with the bus and are available to talk about what assistance is available for farmers and small businesses which provides direct support to farming enterprises.

Farmers and small business owners can get assistance in filling out drought assistance forms and are able to lodge claim forms and supporting documentation.

The drought bus schedule is as follows:

Murray Bridge (Thomas Street, Johnstone Park)	Monday 21/5	9.30am - 4.30pm
Mannum (Randell Street)	Tuesday 22/5	9.30am - 4.30pm
Meningie (Princes Highway, adj Lions Jubilee Park)	Wednesday 23/5	9.30am - 4.30pm
Mount Compass (Main Road, Community Hall carpark)	Thursday 24/5	9.30am - 4.30pm
Victor Harbor (The Esplanade, carpark opp Hotel Victor)	Friday 25/5	9.30am - 4.30pm
Gawler (site tba)	Monday 4/6	9.30am - 4.30pm
Kapunda (site tba)	Tuesday 5/6	9.30am - 4.30pm
Clare (site tba)	Wednesday 6/6	9.30am - 4.30pm
Burra (site tba)	Thursday 7/6	9.30am - 4.30pm
Jamestown (site tba)	Friday 8/6	9.30am - 3.30pm

http://www.centrelink.gov.au/internet/internet.nsf/individuals/drought_assist_bus3.htm

Anyone not able to visit the Drought Bus during this 2 week period should contact the
Drought Assistance Hotline on 132 316

SADA BOARD ELECTIONS 2007

A timeline for the election of outgoing Board Members is included below. As you know each year half of the Board comes up for re-election.

This year the Board Members facing re-election are:

- Adelaide Hills – Ken Smith
- Fleurieu – Jill Williams
- River & Lakes – James Stacey
- South East – Lyndon Cleggett

The timetable for the Board elections is as follows:

1. **Monday 14 May** Nomination forms posted
2. **Friday 1 June** Closing date for lodgement of nomination
3. **Friday 8 June** Postal Votes to be despatched (including voting instructions, candidate resumes, voting forms, and voting registration form)
4. **Friday 29 June** Closing of ballot 5.00pm
5. **Tuesday 3 July** Counting of Ballot Papers

Once the 8 member Board has been decided the new Board will elect a President and a further election will be held in the region from which the President has come.



Member Details Update

Could all members please update their current details for the SADA Database?
Over the next 12 months SADA is hoping to be able to keep you more up to date by fax and/or email – we have been trying to do this over the last few months but many of you have changed your numbers or email addresses or added new ones and often this information doesn't reach you as quickly as we would have liked. You can return this form by fax to 8293 8886, email sada@sada.asn.au or post to U5 780 South Road Glandore 5037.

Name:.....

Trading As:.....

Address:.....

.....P/C:.....

Phone:..... Fax:.....

Mobile:.....

Email:.....



Media Release

11 May 2007

Cattle industries meet with Minister McGauran on drought response

Dairy and beef industry representatives met with the Federal Minister for Agriculture, Fisheries and Forestry Peter McGauran this week, to discuss strategies to address the challenges created by the current drought.

"The Minister was very well aware of the urgency of the situation and we got down to discussing what more could be done – particularly on the issue of fibre availability and the importance of maximising the retention of the national breeding herd," said Australian Dairy Farmers (ADF) president Allan Burgess.

"The industry has done a lot of work assessing the situation and sought feedback from the Minister on a range of fronts. The Minister indicated he wanted these discussions to continue.

"We were also very pleased to be working with the Cattle Council of Australia on this issue. Both dairy and beef producers are dealing with a major shortage of fibre in the market and we need to address the issue together.

"ADF welcomed the Minister's immediate support for the provision of an advisory program to assist farmers in their planning and management of cow diets with low fibre content.

"We will continue to work with the Cattle Council of Australia and the Federal Government to assess options for sourcing fibre, but this is unlikely to completely fill the fibre gap and we believe urgent nutritional advice is needed in the regions. Dairy Australia will now work with the Federal and State Governments and our many other industry partners to develop the dairy component of an advisory program.

"The Federal Government has also provided an immediate response to the fibre issue by asking ABARE to undertake additional survey work so we can better understand the situation with existing stocks."

ADF also impressed upon the Minister the importance of providing farmers with the facts about stock and domestic water availability in the southern Murray-Darling Basin.

"Our discussions with the Federal Government will continue next week as we seek to develop plans to consider further responses as quickly as possible," Mr Burgess said.

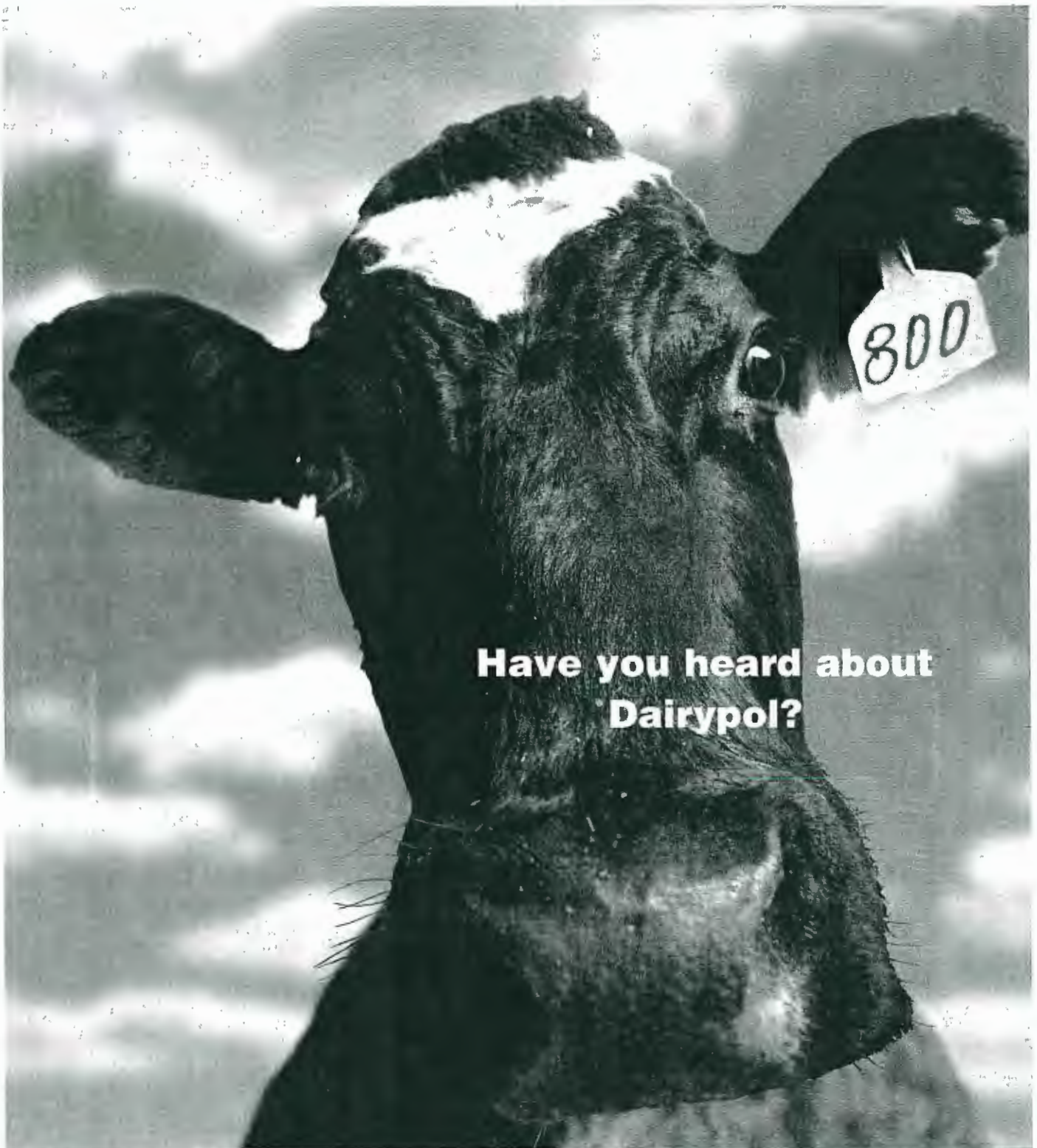
-ends-

For further information, please contact:

Allan Burgess, President, ADF (Tel: 03 9642 8066 / 0419 354 140)

John McQueen, Chief Executive Officer, ADF (Tel: 03 9642 8066 / 0407 549 558)

Robert Poole, Deputy CEO, ADF (Tel: 03 9642 8066 / 0408 057 073)



**Have you heard about
Dairypol?**

**THE INSURANCE PLAN DESIGNED BY
DAIRY FARMERS FOR DAIRY FARMERS**

Dairypol is an insurance plan that was designed in consultation with dairy farmers from all over Australia.

It's a plan for you, your family, and your farm. A plan that truly reflects the needs of today's dairy farmer. It gives you the choice

of cover to best meet your needs and your budget, in one, fully integrated plan.

For more information on the Dairypol plan call your local WFI representative. Wesfarmers Federation Insurance.

We're never far away.



WESFARMERS FEDERATION
INSURANCE LIMITED
A.B.N. 18 009 037 221

Truly Australian

SOUTH AUSTRALIA
100 Greenhill Road, Unley SA 5061
Ph: (08) 8373 9200, Fax: (08) 8272 3145
Or visit our website at www.wfi.com.au



Government
of South Australia

tafeSA

VETERINARY HEALTH DAY
22nd May 2007

COW HEALTH WORKSHOP PART 2

@ Flaxley Agricultural Centre
10am—3.30pm

Presenter: Dr. Glen Beath

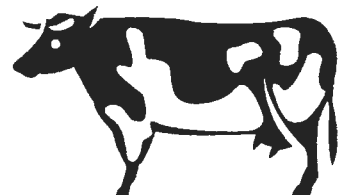


Willunga veterinary Services

topics include

- ** Getting the best out of your cow medications
(the effective and safe administration of medications)
- ** Dealing with common dairy disorders.
- ** Identification, prevention and treatment of
common dairy diseases.

Register your interest by phoning Lyssa Liebelt on 8391 7374



Dairy Innovation Day



Thursday May 31st 2007

Mount Gambier

City Hall & Institute @ 10:00



Overcoming Adversity: Finding Motivation

Stan Alves former Saint Kilda AFL football coach, elite athlete, media personality, entrepreneur and successful businessman, will share his skills & life experiences in finding motivation to overcome adversity.

GM Pastures



Government of South Australia
SafeWork SA

Professor German Spangdenberg, Research Director for Plant Genetics and Genomics with the Department of Primary Industries Victoria will present the practical facts about GM pastures. Detailing what pastures are on the horizon, what are ready to be rolled out & what are the benefits for dairy farmers. Concluding with his view on the market for GM produced dairy product.

Innovations in Fertilisers

Incitec Pivot

Charlie Walker & Lee Menhenett of Incitec Pivot will present a session on the Innovations in Fertilisers. What is on the horizon? What research is happening? Is fertigation a real option or is it fiction for dairy pastures?

Future Dairy Technology



SINCLAIR WILSON
Accountants & Business Advisors

Kendra Davis from the FutureDairy project (University of Sydney) will present a session regarding innovations for dairying including: measuring pasture covers from your quad bike, monitoring rumen status with a bolus for early indication of rumen health, robotic milking systems and remote, wireless video monitoring.

Climate Change

RIVERLAND

Bronya Alexander of SARDI & Amy Williams of Rural Solutions SA will present the facts about climate change, detailing, how climate has changed in the South East region over the past 10 years, how predicted future changes may affect dairy business & what does it all mean for pastures for cows and for dairy systems.

+ MORE & MORE & MORE +

pasture systems consulting

agri business
nab

Heritage SEEDS^{inc}

RED SKY

Elders

keenan
Leading in nutrition management

River City Grain Co.
ABN 31 075 850 029

DPS Dairy Pumping Systems

LawrieCo
Adapted Farming

KENNEDY
Spraying Services

PACIFIC SEEDS
Modern science - traditional values



Government of South Australia
South East Natural Resources Management Board

HORIZON
FARMING PTY LTD

21st Century Genetics P/L

ABS
Australia

ABB

Milka-Ware

Total Dairy Systems

Dairy Industry Dinner

Thursday 31st May 2007



Enjoy a meal with members of the DairySA Board, South East Regional Dairy Committee, Innovation Day speakers & visiting farmers. Starting at @ 19.00 in Mount Gambier.

Bookings are Essential. For more information please contact Verity Ingham @ DairySA on 8766 0127.

SE Innovation Bus Tour May 31st to June 1st 2007

You are invited to join in a bus tour to the South East of SA including the Dairy Innovation Day, Dairy Industry Dinner and Farm Innovation Tours. The bus will be departing Flaxley at 13:00 on Wednesday May 30th & will return by 19:00 on Friday June 1st. Pick ups will be made along the way at Tailem Bend & Meningie. The bus tour and Innovation Farm tours are FREE, sponsored by DairySA & **bookings are essential so please register by May 16th.**

Participants will need to organise their own accommodation in Mount Gambier.

The **Innovation Farm Tours** will be held on Friday 1st June starting at 09:00 from the Lady Nelson Visitor Centre. The tours will visit a number of farms in the South East, with a focus on "The Future Dairy Forage Innovation Project and Innovative Fertilisers" South East dairy farmers are also invited & encouraged to join in on the Innovation Farm Tours.

For more information please contact Verity Ingham @ DairySA on 8766 0127.

Accommodation

Please book and pay for your own accommodation requirements in Mt Gambier, some options include:

Southgate Motel ★★★★★ Phone 1800 088 835, Jubilee Highway East, Mount Gambier
Comfort Inn Silver Birch ★★★★★ Phone 8725 5122, Jubilee Highway East, Mount Gambier
Limestone Coast Motor Inn ★★★ Phone 8725 4311, Jubilee Highway East, Mount Gambier

The Lady Nelson Visitor Centre also offers a range of accommodation options. Phone 1800 087 187

Event Registration

Name
Address
Phone Fax

	Number of people	Cost	TOTAL
Dairy Innovation Day	<input type="text"/>	@ \$20 per person	<input type="text"/>
Dairy Industry Dinner	<input type="text"/>	@ \$40 per person	<input type="text"/>
Innovation Farm Tours	<input type="text"/>	@ FREE	
Bus Travel from central region	<input type="text"/>	@ FREE	

(Please circle) pickup at Flaxley, Tailem Bend or Meningie **TOTAL \$**

Special dietary requirements _____

Payment type:

Cheque enclosed *Please send cheques payable to DairySA PO Box 235 Lucindale SA 5272*

EFT Name: DairySA Regional Development Program BSB: 015 010 Acct: 1016 954 89

Please email dairysa@bigpond.com or fax 8766 0005 with payment notification & registration

Registrations Close Friday May 25th 2006 DairySA Phone 8766 0127

NARM NEWS

Volume 2 Issue 3

April 2007

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the third issue of the quarterly newsletter NARM News for 2006/07. This was a good quarter with two bobby-calf residue detections during the quarter of January to March. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information. The main features of this issue include details on how to obtain bobby calf NVD's.

The message for this issue is a reminder to ensure that calves are free from chemical residues when sold and to ensure the traceability of your cattle from birth through to slaughter.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Michael McManus Phone: 08 8226 0421
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

NARM Program Recap

The National Antibacterial Residue Minimisation (NARM) Program is a targeted testing program administered nationally by the National Residue Survey (NRS) in Canberra. Each State Department of Agriculture coordinates sampling, testing and residue investigations in their State.

Within the NARM program bobby-calves and suspect cows are tested for chemical residues at export and domestic abattoirs. The Australian Quarantine and Inspection Service (AQIS) also run the TART program (Targeted Antibacterial Residue Testing) in export abattoirs, which targets mature cattle that are suspected of being treated with antibiotics.

When a residue is detected above ½ MRL (risk indicator level) from an SA calf or cow, the results are forwarded from the NRS to PIRSA for trace-back and investigation.

NARM Residue Detections

January – March 2007

During the third quarter of the financial year 2006/2007 there were two residue detections in SA bobby-calves. One detection was above ½ MRL so the producer was notified of the detection, this detection was not investigated. The second detection is currently being investigated; as yet the cause is unknown. PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Bobby-Calf NVD's

The issue of bobby calf NVD's still appears to be a problem. PIRSA has been in contact with Dairy Australia and have outlined the problems that South Australian producers are having when it comes to obtaining bobby calf NVD's. PIRSA have

INSIDE THIS ISSUE

- 1 NARM Program Recap
- 1 NARM Residue Detections
- 1 Bobby Calf NVD's
- 2 Next Issue



been informed that Dairy Australia are in the process of taking steps to correct the lack of communication with MLA.

More abattoirs and calf buyers are requesting NVD's due to the demand for traceability from birth to slaughter. PIRSA recommends supplying your calf truck drivers with a completed bobby calf NVD to ensure the traceability of your animals.

Producers can obtain bobby-calf NVDs at no cost from agents, calf buyers, saleyards and abattoirs. Agents, calf buyers, saleyards and abattoirs can obtain bobby-calf NVDs from MLA at no cost. Individual producers can't get NVD's from MLA; they will be directed to contact their agent, calf buyer etc to obtain them.

The contact details for MLA are:

Meat & Livestock Australia:

Website: www.mla.com.au

Phone: 1800 683 111 (NVD hotline)

1800 635 445 (general enquiries)

Next Issue

The next issue of NARM News will be distributed in July and will contain further information on how to avoid residues and industry updates

A D I C

Australian Dairy Industry Council Inc.

Fighting Back

**The Australian Dairy Industry's
Drought Response and Recovery Strategy**

Australian Dairy Industry Council (ADIC)

May 2007

Section 1: Executive Summary

The serious impacts from the drought situation across many regions of Australia justifies an escalated level of commitment from industry and Government to assist farmers in their efforts to retain their resources in the best condition possible and to commence the recovery phase. This drought should be viewed more as a natural disaster than a drought and the fundamental future and positioning of Australian agriculture is at stake.

Demand for Australian dairy products has never been stronger but due mainly to the lack of home grown feed and the doubling of feed costs as a result of drought, milk production in Australia has declined since 2001 and significant losses have resulted. Had normal seasonal conditions prevailed since 2001 we would have almost certainly seen an industry in excess of 13 billion litres, instead we will be closer to 9 billion by the end of 2007.

During droughts many farmers review their future in agriculture. The key from an industry perspective is to provide farmers with the information and support to help them understand their options and making the best choices for their businesses. Maintaining their resources in the best possible position is always critical.

On the back of ten dry years and a severe event in 2002/03, the 2006/07 drought has had a more severe impact on long-term confidence than past droughts. Combined with the uncertainty created by climate change, water reform, emissions trading and bio-fuels, this drought has seen the very best farmers seriously questioning the future of their farm systems and considering selling their assets. Unless these farmers can see a vision for a profitable future they may leave the industry.

For some farmers the 2006/07 drought is mentally "a bridge too far". Tired after so many dry years, some farmers will leave agriculture. Access to support and a vision for a profitable future may see some stay that might otherwise have exited.

First and foremost the dairy industry will always work to help itself before seeking help from Government. Accordingly farmers, dairy companies and service providers have already committed over \$1 billion in retaining their valued staff and resources (soils, stock and pastures).

Government too has invested in drought assistance via Exceptional Circumstances (EC) and this is being utilized by many dairy farmers. We have strong evidence to show that those planning to grow their businesses, who are often younger farmers, often carry the most debt. EC assistance is a relatively small but important component of maintaining the business in tough times.

In this report the ADIC has outlined the current situation of the dairy farm sector including the strong demand for our products and the incredible mental and financial cost of recent droughts. We describe this at the national and regional levels.

ADIC describes the needs of farmers in making effective decisions and maintaining their resource base focusing on assessing fodder and stock water requirements, understanding options, sourcing from the market and having the capacity to pay.

Based on the above information, ADIC with the support of industry has developed a comprehensive set of strategies that will assist farmers in retaining their assets and recovering from drought. This includes an ongoing commitment from the market and industry to support farmers and additional measures from Government.

In developing this package the ADIC is cognizant of the Government's need to be fair across industries and we have designed the major Government elements of the package so that they could be applied across all agricultural commodity groups. Nevertheless, dairy does have unique challenges at this time such as: stock water and fibre requirements and issues of access to water - particularly in the Murray-Darling Basin as it relates to the recent announcement by the Prime Minister.

1.1 Summary of the Strategies Outlined

Determine Requirements	Good market information - investment options	Source feed and water	Capacity to pay (Financial support)
Care for family and employees			

Strategic Outcome	Strategies
Determine Market Requirements	
<i>National and regional fodder strategies</i>	<i>ADIC seeks support for the development of national and regional fodder plans.</i>
<i>Stock and domestic water plans</i>	<i>ADIC seeks Government support for the development of national and regional stock water plans.</i>
<i>Advice to farmers – Planning and Managing Diets under Low Fibre Availability</i>	<i>ADIC seeks support from Government to increase R, D and E investment to allow for the development of extension packages.</i>
Good Market Information	
<i>National Grain Stocks Report</i>	<i>ADIC seeks funding from Government for the continuation and enhancement of a national survey of grain stocks into the longer-term to improve the decision-making of domestic grain users and producers.</i>
<i>National Hay Stocks Report</i>	<i>ADIC seeks funding from Government for the development of an ongoing national survey of fodder stocks to improve the decision-making of domestic hay and livestock producers.</i>
Sourcing	<i>Seek National and Regional Fodder and Water Strategies which include short-term sourcing options.</i>
Capacity to Pay	
<i>Resource Maintenance Preparation and Recovery (RMPR) Facility</i>	<i>ADIC recommends the development of a WTO compliant program that provides additional funding assistance - provided as 100% IRS or a grant - towards costs associated with maintenance of resource preparation for future droughts and recovery.</i>
<i>Support from the market</i>	<i>Positive outcomes from future trade reform negotiations such as: WTO talks; Australia/Japan; and Australia/China free trade agreements are critical for the dairy industry at this point.</i>
<i>Support from the banking sector</i>	<i>ADIC encourages the banks to extend support until it becomes clear that the drought event is well and truly over. ADIC has actively encouraged efforts by the National Farmers Federation (NFF) to arrange a meeting between NFF banking industry leaders and the NFF to seek ongoing understanding and support from the banking sector.</i>

Support for Rural Counseling Services	ADIC seeks ongoing and increased support for Rural Financial Counseling (RFC) Services as demand for their services grows as more regions are declared EC.
Increased Funding for Collective Action	
Support Additional Research, Development and Extension	<p>ADIC recommends that the government increase investment via agricultural R and D Corporations for a period of time to allow for increased expenditure in farm-sector research and development to increase productivity and assist with drought recovery and preparedness.</p> <p>ADIC seeks increased funding support for the learning packages to bring forward the developed of cutting-edge resources and to improve access and relevance for farmers.</p> <p>ADIC seeks support from Government for the provision of additional funding for industry collective action to increase the quantity and quality of resources directed towards supporting whole of farm decision making at the farm business and industry level.</p>
Other Initiatives	
Better understanding of emerging issues	ADIC has commenced negotiations with DAFF regarding the support of an application to the Industry Partnership Program. The objective is to hold regional meetings to inform dairy farmers and industry stakeholders on the rapidly emerging issues and to receive feedback on current and future industry responses.
Understanding Climate Change	ADIC seeks the provision of new funding for the development of research to address climate related factors that will impact on the dairy industry and assist with adaptation.

Strategic Outcome	What the industry will do	What the government will do
Determine Market Requirements		
	Construct a regional and national model of feed grain and fodder requirements for the dairy industry	Fund the development of national and regional fodder and stock water plans.
	Provide specialist technical advice on fodder and water requirements for dairy to support regional plans	
Good Market Information		
	Continue to fund a regular independently compiled Grain and Hay report	Fund ABS and ABARE to carry out regular grain and hay stocks surveys to create a transparent market
Sourcing		
	Work with the Fodder Industry to establish a clearer picture of the supply and logistics situation	Streamline import protocols. Fund the development of national and regional fodder plans including the identification of best sourcing and delivery options.
Capacity to Pay		
	The industry will continue to engage with the banking sector	Fund WTO compliant support package - <i>Resource Maintenance, Preparation and Recovery Facility</i>
	The industry will actively support the processing sector in seeking to access farm gate premiums	
Increased Funding for Collective Action	Develop a comprehensive program of R, D & E to enhance the industry's ability to deal with climate variability	Increase funding to agricultural R, D and E Corporations for a period of time to allow for increased investment.
Development of New Learning Resources	Support delivery through industry programs and the NCDEA	Support for the learning packages to bring forward the developed of cutting-edge resources and to improve access and relevance for farmers.
Other Initiatives		
Understanding Climate Variability	Provide specific technical advice that has been developed as part of existing industry programs.	Provide new funding for the development of research to address climate related factors that will impact on the dairy industry and assist with adaptation.

Monday 14 May 2007



NOMINATION FORM – BOARD ELECTION 2007

ADELAIDE HILLS FLEURIEU RIVER AND LAKES SOUTH EAST
(Please circle)

CIRCULAR TO MEMBERS OF THE
SOUTH AUSTRALIAN DAIRYFARMERS' ASSOCIATION INC

NOMINEE FOR BOARD MEMBERSHIP

Nominees Full Name.....

Nominees Signature.....

PROPOSER

SECONDER

Proposers Full Name

Seconders Full Name

.....

Proposers Signature

Seconders Signature

.....

ALL NOMINATIONS SHALL BE LODGED WITH THE CHIEF EXECUTIVE OFFICER

CLOSING DATE FOR THE LODGEMENT OF NOMINATION
5.00pm Friday 1 June 2007

Please Fax Back to SADA on 08 8293 8886

or

Post to SADA, U5 Emerson Centre

780 South Road

GLANDORE SA 5037

“Giving Dairy Farmers a Voice”

Appendix 3: Letter from Minister Turbull re NPWS received 13 April 2007**Minister for the Environment and Water Resources**

Mr Ben Fargher
National Farmers' Federation
PO Box E10
Kingston ACT 2604

Dear Mr Fargher

Thank you for your letter of 14 March 2007 sharing the National Farmers' Federation concerns and *General Water Principles* in relation to the Australian Government's *A National Plan for Water Security* (the National Plan).

The Australian Government holds as fundamental the principles and outcomes set out in the National Water Initiative. It is because of our frustration with the slowness of achieving those outcomes that the Prime Minister, the Hon John Howard MP, announced the National Plan. The National Plan will accelerate implementation of the National Water Initiative recognising that governments have a responsibility to ensure that water is allocated and used to achieve socially and economically beneficial outcomes in a manner that is environmentally sustainable.

I appreciate that irrigators are concerned to maintain the level of reliability of their water allocations. I can assure you that the Australian Government will protect the security and reliability of irrigators' entitlements. Reliability and security will be maintained in line with the Prime Minister and Premiers' agreement to maintain the current State water shares as per the Murray-Darling Basin Agreement. The Australian Government will also maintain the existing arrangements under the current water sharing plans. These arrangements include maintaining the formulae and accounting rules for annual allocation processes and plan review schedules. Furthermore, managing the Basin as a single system through the new Murray-Darling Basin Authority should benefit seasonal allocation processes by improving operational efficiency of the river systems, key tributaries and storages.

Where water sharing plans are nearing completion the Australian Government will need to take a case by case approach, as is outlined in the Communiqué from the Water Summit of 23 February 2007. In that context, the Prime Minister has recently indicated to Premier Beattie that Queensland should finalise their plan for the Condamine-Balonne.

Communities and irrigators need to be able to respond to rainfall and in-flow reductions predicted to occur over the next decade. The most important mechanism to enable growers to respond to these challenges will be to establish a robust water market with efficient transaction times. Through the Murray-Darling Basin Authority the Australian Government will be able to establish competitively neutral trading rules in line with the National Water Initiative requirements. We expect the trading market to operate without prejudice in relation to the nature of participants, recognising that non-irrigator participants can bring additional products into the market that are of value to irrigators.

The Australian Government environmental water manager will manage water entitlements in collaboration with other environmental water holders and consistent with a Basin-wide environmental watering plan. This will take some time to develop, but in the meantime the existing Living Murray Initiative icon sites remain desperate for water and there is an agreed watering plan for those sites.

In relation to funding more generally, the Australian Government will distribute funding based on the merit of proposals and in line with the National Plan. The National Plan is an integrated package and will involve simultaneous roll-out of the Modernising Irrigation and Over-Allocation elements. Obviously, my preference is that entitlement acquisition by funding on- and off- farm savings measures will be sufficient to address over-allocation, but we have \$3 billion to help reduce over-allocation in the Murray-Darling Basin through purchase from willing sellers, as well as assisting restructuring to achieve the new Basin cap.

As part of the new arrangements the Australian Government will rely upon the Australian Competition and Consumer Commission (ACCC) to provide regulatory oversight of pricing for the Murray-Darling Basin Authority. The Australian Government's expectation is that irrigation water providers will adopt ACCC recommendations in relation to exit fees and waive any such fees on transfers of water entitlements to the Australian Government.

The Australian Government will be seeking detailed input to implementation of the National Plan, but our first task is to achieve the political agreement needed to take the National Plan forward. Community consultation will remain an important part of the operation of the Murray-Darling Basin Authority. The form it will take has not been determined. Industry and the community will be consulted on the detailed design of the irrigation refurbishment programme and other parts of the National Plan for Water Security. We anticipate that industry will have ideas that will enhance programme design and minimise expenditure on less important potential upgrades. As part of this consultation there will be socio-economic studies, which in part are intended to assess the potential impact of the National Plan for Water Security programmes.

The National Plan gives us the means to deal with the challenges of reducing rainfall and in-flows into storages and to manage our water resources for the benefits of Australia's economy, environment and people. I look forward to your support.

Yours sincerely

Malcolm Turnbull

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Wednesday 1 August 2007 PRESIDENT'S REPORT

David Basham

The CEO of Australian Dairy Farmers Ltd (ADF), John McQueen, mentioned to me that the current prices that are being discussed for this financial year are the highest in Australia in real terms (i.e. adjusted for inflation) since 1983. This is a time when farmers, with milk in such high demand, need to use their bargaining power to improve terms in their contracts. If you as a farmer do not like the contract that you are offered but are happy with the price I would encourage you to sit down and discuss it with your processor. Processors are looking for milk and may be prepared to adjust terms in contracts to keep your supply. Contracts are agreements between two parties so please negotiate until you agree and not just accept what is offered.

The SADA board is changing again this year with two members stepping down after long service. Jill Williams has decided to leave the board after about 9 years to help more with running of the William's properties and I believe as well to spend more time with her grand children. Jill has been Treasurer for the last 2 years and has been a great support to me as part of the Executive of SADA. **Thank you Jill.** The other member that has decided to step down is Ken Smith. Ken has been part of the SADA board or Central Council for nearly 30 years. Ken has contributed to industry on many levels over these years. One of Ken's greatest achievements was to help set up SA Milk Haulage during a tanker strike to make sure the trucks were back on the road as quickly as possible. We will miss Ken sitting at the end of the Board table with his broad knowledge of the industry. **Many thanks Ken.**

Rick Gladigau has decided to join the Board representing the Adelaide Hills region. I am sure that Rick will represent the dairy farmers in the state well. Jill currently does not have a replacement yet as we are waiting to confirm the President's position before calling for nominations for the vacancy on the Board. This will occur as soon as possible after the AGM of SADA next week.

Finally a quick update on the progress of EC funding for the Adelaide Hills and the lower SE. The Adelaide Hills held the assessment tour last week so an answer on full declaration will occur in the next couple of months. The lower SE is holding its assessment tour by NRAC on the 10th of August. Again an answer should follow after a few months from that date.

Again I would like to thank Jill Williams & Ken Smith for their efforts for SADA members over the years. I would like to thank not only Jill & Ken but their partners that have supported them over the years, Ian Williams & Helen Smith. Without the support of our partners it would be impossible to do the job at SADA.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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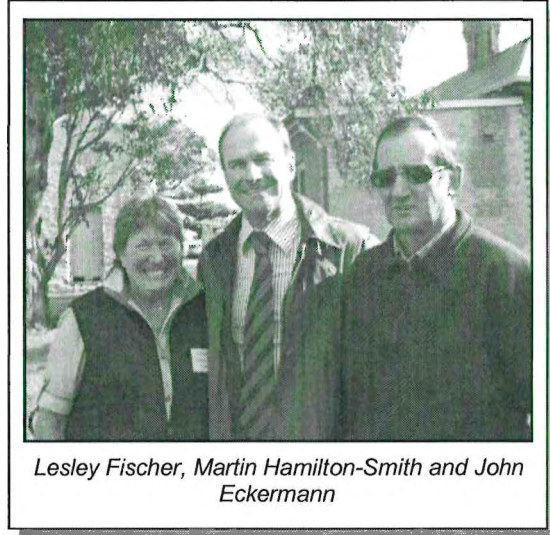
Many of us have learnt more about dairy prices in the last month than we have learnt for a long time. So the main topic for this issue will be that of the move of farm gate milk prices into the 40-50cpl range for this year. The topics discussed at the recent SADA regional meetings were a balance of the good prices, the hope of a good spring and some "threats" to the future profitability of the SA dairy industry that could prove even more significant than the issue of the Dairy Adjustment Package.

But let me begin by thanking our dairy farmer members for their contribution this year in helping to represent the dairy industry and tell our "stories". As your CEO I spend most of my time involved in representing you and your industry to the politicians, media and the community in general. But this year we have chosen to also use groups of farmers to tell their "stories". We have been exceptionally well supported in all the dairy regions in getting groups of farmers in front of the politicians, attending consultative meetings and at bringing the policy makers out to regional visits. Many of the issues and activities have been region specific.

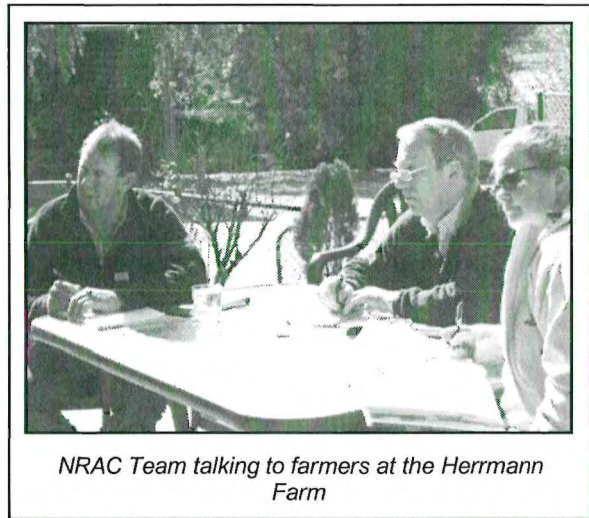
Another big advantage of this regional group lobbying approach is that we can truly reflect the diversity amongst our farms, farmers and the future "aspirations" of our membership. Certainly as your CEO I appreciate the importance and challenge of ensuring everyone's "voice" is heard: the small family farm, the new exciting corporate enterprises, the new comers, and those planning to exit.

Two good examples of this method of lobbying and fact finding was the meeting held with the Liberal politicians when they visited the Lakes and the River. Another was the NRAC visit to the Adelaide Hills for their EC assessment. The group approach provided the opportunity to tell the stories of

bores blowing air for the first time ever, springs that had never gone dry going dry, of having nowhere to send dry stock, the struggle to maintain cow health breeding and nutrition etc. We are planning a visit to our SA dairies for the Shadow Federal Agriculture Minister in the near future.



Lesley Fischer, Martin Hamilton-Smith and John Eckermann



NRAC Team talking to farmers at the Herrmann Farm

This variation between farms is also evident when we look at the prices individual farmers receive for their milk. Recently one company announced that last year they paid farmers between 30cpl and 45cpl. A massive 15cpl spread. All to do with regional competition, milk quality, and production patterns etc. Currently many farmers are reporting big differences between the companies when comparing prices. This variation has to be kept in mind as I now attempt to report (using average figures) on the big dairy debate held at SE regional AGM in Mt Gambier on 26th July.

HOW HIGH AND HOW LONG WILL THE HIGHER PRICES LAST?

This was the challenge for the great debate held at the SE SADA Regional AGM recently.

Excellent presentations were given by Ross Greenaway (Murray Goulburn) and Mark Linton (Fonterra). The big crowd in attendance was obviously impressed given the strong appreciation afforded both the speakers after the forum session.



Charles Wallis and Ross Greenaway

The news was better than most expected with the final assessments positive for both prices and the suggestion that the international prices may be moving to higher and enduring base levels.

For more that a decade the average SA farm-gate milk prices threatened to break through the 30cpl barrier. Then in 2001/02 it did break through. This year the average is expected to break through the 40cpl barrier and for some it will end up closer to 50cpl. The industry will be watching the MG "step-ups" and if they end up at the upper end of the scale then we will truly enter record price territory.

Perhaps another big benefit of the forum was the insight into how these international and domestic markets work. Both MG and Fonterra have exposure to domestic and international markets. We know that the international prices have been climbing for nearly a year now while domestic prices are just now showing an indication of a price rise. It was interesting that both speakers were far more conservative when it came to domestic retail price rises. The power of the supermarkets and their ability to import from

New Zealand would ensure the domestic market will not be short of product.

So in summary we were given some positive news and we all went away much more informed at how the pricing works. Well done to Charles Wallis and his regional SADA team for hosting the day and to James Mann who suggested the topic for the debate and forum.

The challenge identified by Charles in the coming year for their region was that of water allocations. This will be an issue that he sees as crucial for our industry in the SE and while the water issues are quite different in all the regions (aquifers, catchments and the Murray Darling Basin) they all represent a major challenge.

REGIONAL MEETINGS

Even with the smart uptake of the use of modern communication systems the value of these Regional Meetings is still supported by our members. This is where debate occurs and there is often as much benefit in the discussions before and after the meetings as during the meeting.

I have reported on the Adelaide Hills AGM in the last Dairy Update. The Fleurieu AGM was held at Myponga on 18th July and the guest speakers were Greg Mitchell and Joanna Bills from Dairy Australia. Greg as always is great value and pushing our farmers to be innovative. Jo not only presented information for the Dairy Survey and Outlook she also was prepared to have a go at looking forward. Again the farmers were interested in how the market works and the margins the farmers, processors and retailers are making.



Ian Williams, David Basham, Jo Bills, Jill Williams and Mike Weatherald at the Fleurieu AGM

The date (14th August) has been set for the River and Lakes SADA Regional AGM and the guest speaker will be ex-Premier, Dean Brown. The River and Lakes situation remains extremely critical and Dean is an important link to the Minister, Cabinet and our farmers. Again we are hoping for a strong turn-out from our membership and non-members as we have here a real opportunity to influence the policy makers. While there has been some disappointment with the progress of the Prime Ministers Plan here in SA there is currently widespread support (all political parties, all irrigation industries and all environmental groups) for the initiative to be progressed.

THE DAIRY FARMERS FLOAT

The CEO of Dairy Farmers, Rob Gordon, recently met with the SA Dairy Industry Development Board. Rob provided a clear explanation of the progress toward listing. It would appear that the plan is on schedule and the market environment for investors is still looking promising for a float next year. The Dairy Industry Development Board has played an important role in bringing into SA the leaders of the processing and retail sectors which has again provided a valuable insight as to how the industry works and operates. Just as in farming itself there is great value in knowing how things work.



Virginia Ewing, Rob Gordon (CEO Dairy Farmers) and Tony Morbey

RICK GLADIGAU TO JOIN THE SADA BOARD

The resignation of Ken Smith this year and John Nietschke last year sees a lot of experience leave the SADA Board in a short

time. Karen Slape (John's nominated replacement) in the past year has forged a really strong bond with the regional members, undertaken high level leadership training and is currently managing an important dairy feedlot project that is attracting widespread interest throughout SA. Rick Gladigau (Ken's nominated replacement) has been heavily involved in his community, been a Dairy Farmers Ward representative and undertaken training in the management of exotic dairy diseases. I look forward to working closely with Rick during his time on the Board.

I would like to thank both Ken Smith and Jill Williams for the support and guidance given to both SADA and myself over the years. Both have made themselves accessible to members and effectively brought their views to the SADA Board table. Both have made exceptional contributions to the SADA Board in relation to the portfolio positions they have held including Animal health (Ken Smith) and Natural Resource Management (Jill Williams). Thank You.

INDUSTRIAL RELATIONS NEWS

The Australian Fair Pay Commission has handed down a decision increasing award rates by \$10.26 per week for employees earning less than \$700 per week and \$5.30 per week for those earning more than \$700.

These increases will automatically apply to all employees employed by companies engaged in trading or financial activities, and employees of foreign corporations operating in Australia. Consistent with past practice, the increases may be absorbed against pay rates which are already more generous than the minimum standard.

The increases will be effective from the first pay period commencing on or after 1st October 2007. However, drought affected farm employers have an exemption for twelve months.

*Drought affected farm employers are those employers in receipt of an **EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY IN AN EXCEPTIONAL CIRCUMSTANCES DECLARED AREA**. This exemption only applies to this pay increase and it is to be flowed on to those workplaces on the 1st October 2008. Therefore, some Agricultural and farming businesses, which are eligible for the drought relief subsidy, are exempt from*

having to increase wages for one year or until their eligibility for the subsidy ceases.

The latest increase which applies only to Constitutional Corporations increases a minimum adult age from \$13.47 to \$13.74 per hour and casuals also receive their casual loading.

These increases only apply to employers which are Constitutional Corporations (e.g. companies) bound by both Federal and State Awards. We expect unions to file applications covering other employers in the near future. The adjustment to allowances will be announced at a later stage.

What do you need to do?

If this decision applies to you, you do not need to do anything until the 1st October 2007.

Also find attached a Workplace Relations Facts sheet "Your Rights and Obligations" which is to be provided to all new and existing employees employed in a WorkChoice workplace (ie Employers which are Constitutional Corporations)

If you have any queries please do not hesitate to contact Chas Cini on 8331 2422.

SADA CAP CHANGES

The SADA membership for 2007/2008 is capped at \$1666.30 effective 1 July 2007. The Cap is adjusted annually to keep the level of the Cap relative to herd size in SA. As average herd size increases so does the Cap.

SADA MEMBERSHIP

Membership of SADA doesn't follow you when you change to another company. So if you have changed from another supplier you will need to fill in another membership form to remain a financial member. If you have a form just fill it in and fax to Jo on 8293 8886 or if you need a form please phone 8293 2399 and she will forward one to you.

CAP FEES

By now you should have all received your final tax invoices for the 2006/07 financial year. Any member who has passed the cap of \$1582.92 may claim a refund from the

Association no later than the end of October annually. Contact Jo on 8293 2399.

SHOW BBQ AND TICKETS FOR DAIRY DAY

The SADA Show BBQ is on again in the Dairy Cattle Judging Marquee on Wednesday 12 September from 6.00pm.



This is open to all SADA Members, Dairy Cattle Exhibitors and their families.

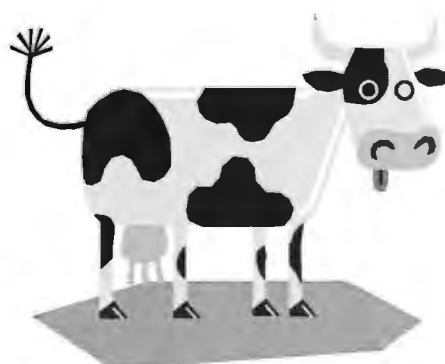
We look forward to seeing you there.

Show Tickets will again be available to all SADA members, so if you would like to take your partner to the Show for Dairy Day on Thursday 13 September please phone Jo at the SADA Office to register your interest on 8293 2399 or email sada@sada.asn.au

COMING EVENTS

- Aug 7** SA Dairy Awards Gala Dinner
Ridley Pavilion, Royal Adelaide Showground
- Aug 8** SADA Annual General Meeting
- Aug 14** River & Lakes AGM, Riverside Hotel
Tailem Bend 10.30am – 12.30pm
Subsidised lunch with voucher for Members
- Aug 17** WorkChoices info seminar
- Sept 18** Workshop "Making Agreements" Mt Gambier
- Sept 19** One – one sessions. Mt Gambier
- Sept 25** Workshop "Incorporation & Making Agreements" Mt Barker
- Sept 26** One – one sessions Mt Barker
- Oct 17** One – one sessions Adelaide

Ken Lyons



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Workplace Relations Fact Sheet

Your rights and obligations

Know your rights

Australia's federal workplace relations system has a set of rules and obligations that all employers in the system are required to follow.

As an employee, you should know where you stand.

All full-time employees are protected by a key set of pay and conditions which cover:

- Guaranteed minimum wage rates
- Maximum working hours
- Four weeks paid annual leave
- Two weeks personal/carer's leave
- One year unpaid maternity or paternity leave

Part-time employees get similar entitlements based on their hours of work. Casual employees are guaranteed minimum wage rates, casual loadings and unpaid carer's leave.

Employees cannot be sacked because of their race, gender, age, disability, religion, pregnancy, family responsibilities or trade union membership.

Employees have the right to join, or not join, a union.

Employees must be issued pay slips and have accurate and complete time and wage records kept by their employer.

There is a Workplace Ombudsman to assist employees and ensure that employers meet their obligations and has the power to take legal action on such issues as:

- Whether an employee has been forced to sign a workplace agreement
- Whether employees have been underpaid
- Keeping records of employee entitlements
- Whether employers have provided pay slips.

Know where you stand

The Workplace Authority provides independent advice to employees and employers about the workplace relations system. It has a particular focus on helping young employees understand their workplace entitlements and agreements. Whether you're an employee or an employer, there's one place you can go for information, help and advice.

workplace.gov.au
Workplace Infoline
1300 363 264



Australian Government
Workplace Authority

Know your agreement

Under the workplace relations system there are a variety of working arrangements available, including Australian workplace agreements, collective agreements, union collective agreements and awards. There are protections in place for all these arrangements.

The Workplace Authority checks workplace agreements against a Fairness Test to make sure employees get fair compensation if they agree to change key award conditions. It means that if you trade existing protected award conditions, such as penalty rates, you must get fair compensation in return. Usually, the fair compensation will be a higher rate of pay.

The Fairness Test applies to employees' agreements in industries or occupations where an award usually applies that have had certain conditions removed or changed. These are:

- Penalty rates, including working on public holidays and weekends
- Shift and overtime loadings
- Monetary allowances
- Annual leave loadings
- Public holidays
- Rest breaks
- Incentive-based payments and bonuses.

If an agreement doesn't pass the Fairness Test it will have to be changed so that it gives fair compensation, and the employer will have to make up any back pay.

The Fairness Test applies to Australian workplace agreements for employees earning under \$75,000 and all collective agreements.

There is a range of support available to help you when negotiating your Australian workplace agreement:

- Employees can have someone with them when negotiating an agreement. It could be your spouse, a union representative or a friend
- Employees have 7 days to consider their workplace agreement, although this can be waived if the employee agrees
- A current employee cannot be sacked for refusing to sign a workplace agreement
- Employees cannot be sacked because an agreement doesn't pass the Fairness Test
- People under the age of 18 must have a responsible adult, such as a parent, co-sign their workplace agreement.

Translation and Interpreting Service - 13 14 50
National Relay Service - 13 36 77
Speech to speech relay services - 1300 555 727

Member Details Update

Could all members please update their current details for the SADA Database?

Over the next 12 months SADA is hoping to be able to keep you more up to date by fax and/or email – we have been trying to do this over the last few months but many of you have changed your numbers or email addresses or added new ones and often this information doesn't reach you as quickly as we would have liked. You can return this form by fax to 8293 8886, email sada@sada.asn.au or post to U5 780 South Road Glandore 5037.

Name:.....

Trading As:.....

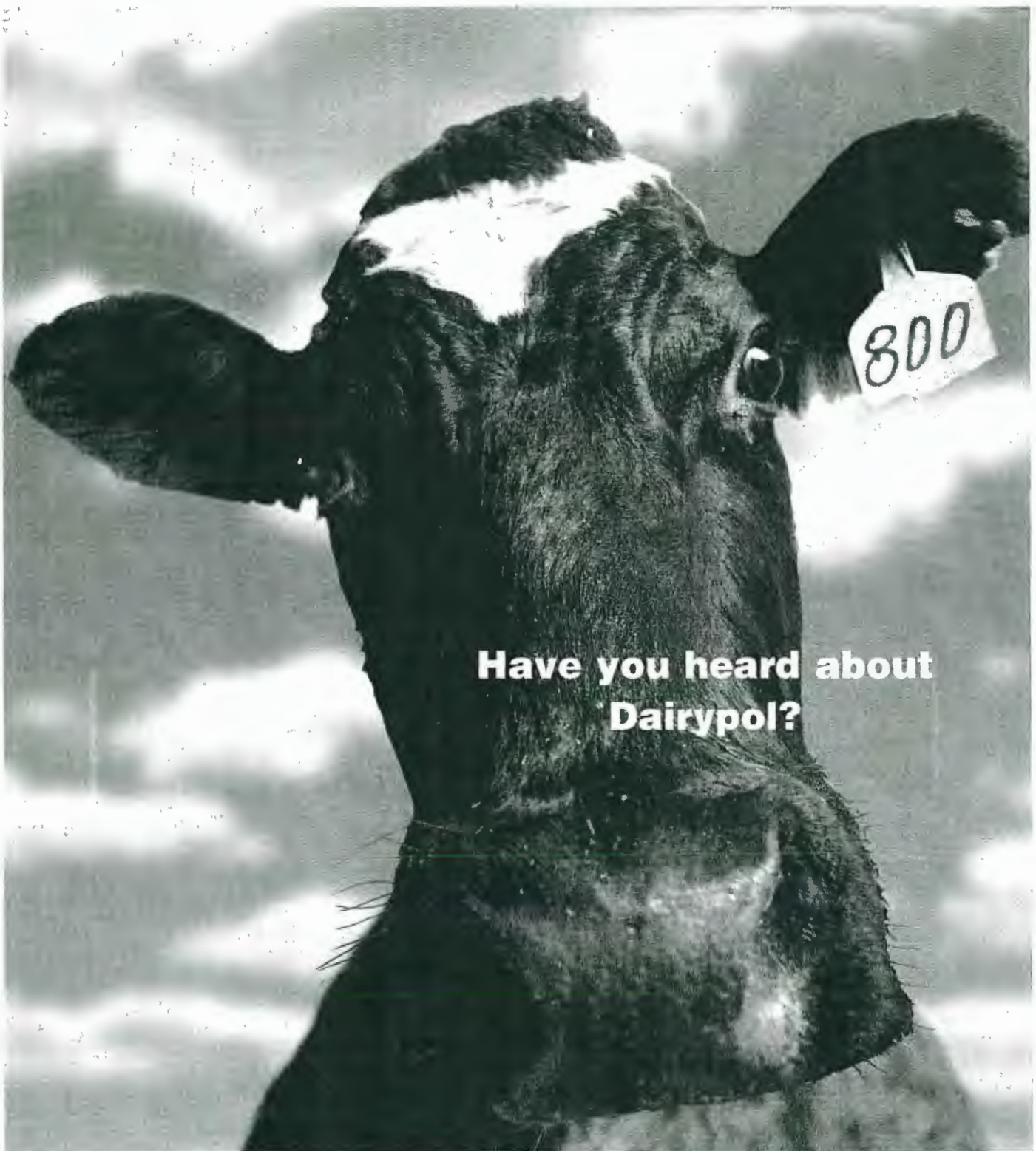
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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Monday 9 July 2007 PRESIDENT'S REPORT *David Basham*

It is the time of year that milk prices are announced by the milk processing companies across Australia. This year with world prices being so high the increases in prices have been much larger than we expected even just a couple of weeks ago. Each of the companies has a different payment structure and I would like to suggest that you contact them all to assess which company maybe best for you. Below are the contact details of the four major companies.

Dairy Farmers
Greg Gilbert – Farm Services Manager
Phone: 8292 7707
Fax: 8371 1998
Email: GilbertG@dairyfarmers.com.au

National Foods
Paul Rees – Milk Supply Manager
Phone: 8282 5627
Fax: 8282 5852
Mobile: 0404 036300
Email: paul.rees@natfoods.com.au

Murray Goulburn
Rodney Petering – Field Officer SE
Ph: 03 5565 8306
Mobile: 0428 993 395
Email: rodney.petering@mgc.com.au

Warrnambool Cheese and Butter
Kylie Williams – Field Officer SA
Phone: 8725 8235
Fax: 8724 7663
Mobile: 0438 832 432
Email: kyliew@wcbf.com.au

When considering which company you wish to supply please do not only consider price. Contracts are legal agreements between two parties and both have to agree to all the terms in the contract. Some of the conditions in these contracts may not suit your circumstances. Please consider the contracts carefully before you sign and if you do not like particular clauses in the contract please try and negotiate on those clauses with the particular companies. The circumstances are right for the companies to consider any changes you may wish to make. I would also suggest it is wise to seek some legal advice before signing.

On another issue it is pleasing to see that we were able to convince the Federal Government to declare Prima Facie Exceptional Circumstances Funding for the Adelaide Hills north of the freeway. This will allow farmers to apply for income support from Centrelink. As I have stated many times please do not self assess. SADA has put in a request for the Drought Bus to visit the area to help farmers apply.

The Clare, Barossa & Light and the Mid-North regions received full EC funding this week. This means farmers in these regions can now apply for the interest rate subsidies to help them get back on their feet after the drought. Please consider applying and as mentioned above do not self assess. If you have any questions on EC funding you can contact the Drought Link Hotline on 1802020 or you can give me a ring on 0417 865962.

We are still waiting to here how the Lower SE application is going; hopefully an announcement will be made soon.

**An important thing to remember if you change companies you need to fill out a new SADA membership form for your new company to deduct your SADA levy.
Please contact Jo on 8293 2399.**

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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In this Update I have tried to cover a lot of questions farmers are asking and discussing about milk prices, rainfall and the seasonal outlook for spring and summer, getting through a very challenging winter (feed and financially) and finally grain prices.

Also on the agri-political front there has been good progress in some areas and other issues will require further concerted action.

MILK PRICES

The dairy processors have posted significant opening prices for the coming season that will provide confidence for many dairy farmers to rebuild their businesses as the drought eases.

Farmers are encouraged to compare the prices and contracts on offer as the companies vary in respect to seasonal production, milk quality, volumes and contract terms. So while the standard litre prices on offer may appear similar, astute farm managers may be able to generate additional income by comparing the offerings to their own farm production projections.

The price increases will generate an approximate additional \$50m in South Australia and this will flow on into our dairy communities.

HEALTHY PROCESSOR COMPETITION IN SA

Most SADA dairy farmer members have welcomed the extra competition in the South Australian dairy market in recent years. Many believe this competition has, and is

continuing to have, a positive effect on generating better prices for our region. Many processors are pricing milk based on the concept of "regional competitive prices" and we in South Australia have attempted to address this challenge.

CAN THE PRICE GO HIGHER? HOW LONG WILL IT LAST?

SADA hasn't got a crystal ball but we can provide an informed view of where prices are expected to go this year and the next.

These higher prices are a response to the international market and so it is logical to go to Murray Goulburn for an indication as to whether we will see further step-ups in the current season. The MG Managing Director Stephen O'Rourke predicts that the price is likely to go even higher in the next few months. Going on past history these step-ups could be in the 2-4cpl range. But if world prices remain strong and the dollar comes off, as some of the banks are predicting, then we could be in for a really exciting time. The conservative view is that processors are building some of the step ups into their opening prices.

As was correctly pointed out at a recent regional meeting, and we have all experienced this in the past decade, milk prices have gone up and down in short cycles. However; many are now predicting these higher international prices will last for perhaps a year or so and when they do come off there will not be a crash. On this issue you would expect Fonterra to have a credible view of the market. So this is what the Fonterra chief executive, Andrew Ferrier is saying, "We think it is very different to previous cycles because global demand has been so strong and global stocks are at all time low levels". In the longer term he expects prices to "soften" but he does not predict a "precipitous fall".

The latest edition of the Dairy Australian coming your way provides supporting analysis to this positive outlook. Peter Wilson, Dairy Australia, recently provided the SADA Board with the complete details of the Annual Dairy Survey and Situation Outlook. Members 2007 can access the full report from the Dairy Australia website www.dairyaustralia.com.au

SEASONAL OUTLOOK

We have had a good break so “where to from here”? The statistics indicate that seven out of ten “El Nino” events end in floods. One of the more subdued El Nino’s was in 2002/03 which did not even lead to above average inflows into the MDB. But you would have to say the chances of getting better than expected irrigation allocations are good.

Farmers are hoping for a good spring to begin replenishing their hay and silage reserves. Just at the moment it is really hard to access quality hay or straw. There are reports of hay from WA going into Victoria for \$450 delivered. Given the demand from Gippsland flood victims, and the Victorian Governments efforts to assist them, the price of WA hay may go even more through the roof.

TOUGH WINTER FOR DAIRYING

Members will be challenged this winter. The cost and availability of supplementary feed is still a problem. Hopefully those electing to have their fodder plans checked in the “one on one” ‘Feed, Fibre, Future’ sessions will come away with some revised strategies. The reports coming in from Victoria suggest dairy farmers have found these sessions really worthwhile. The SA sessions will be widely publicised. For the latest information on these sessions contact Kirstie Murphy on 0408 088 624.

Most farmers have borrowed to feed their stock and thus incurred more debt. Fortunately, the increases in land prices, when taken together with the extra debt, has meant that the equity ratio’s are still reasonably high for many. But the figure that hurts is the “average debt-servicing ratio” (debt payments to cash receipts) which this drought has pushed out to the highest level for over a decade. Hopefully the better milk prices will help pacify any nervous bankers.

GRAIN PRICES

The first new season crops will be harvested in Queensland in October/November. They have had the rain to get their crops going.

World grain prices have risen recently so at this stage, even with the likely record crop, expect grain prices to be quite firm at the end

of the year. Remember El Nino years can produce record crops but rain at harvest time can also see a good percentage of this down graded to feed class.

AGRI-POLITICAL ISSUES

- Members have been kept well abreast on how the dairy industry is managing the GM debate. John Mc Queen provided the SADA Board with an excellent update recently. The focus now falls on Victoria where there will be a review of their GM moratorium. The review panel is to be chaired by Sir Gus Nossal and he will report to the Victorian Government in early September.
- Through ADF we are providing in principal support for the National Water Plan. This promises improved management of the Basin and also much needed infra-structure investment. SADA is pleased that there appears to be bi-partisan support here in South Australia for a national approach to the management of the Murray Darling Basin. Few would now disagree with Minister Maywald when she says, “We see this as a once in-a-century opportunity to get it right for the river and deal with the significant issues undermining security of supply in SA”.
- The heated issue of the Wellington Weir required protests and a well planned media campaign to save the lakes for generations to come. At last there appears consensus also about the need to take a serious look at desalination and recycling. But without the efforts of the “Stop the Weir” campaign the outcome may very well have been different. Even now Clem Mason and the team are continuing to lobby against the weir in Canberra and Adelaide because there still has not been final closure on the option. The water crisis this year in the lakes region has taken a toll on our dairy industry there but if we can only get the management of the MDB right hopefully productive agriculture can return with confidence to the region.
- The SA Dairy industry through the Drought Committee (special thanks to Greg Gilbert and Tony Morbey) has been working with the government to come up

with practical plans to keep our dairy farmers supplied with water for stock and industrial purposes along the river during the restrictions. This will be an ongoing issue for the coming months.

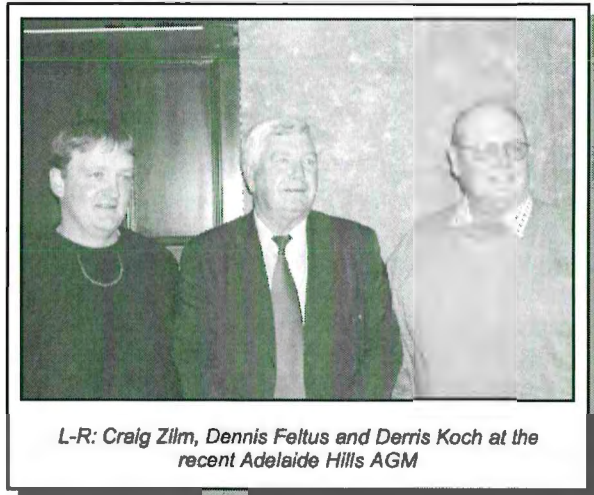
- At the regional level we at SADA are actively participating in the development of the various Water Allocation Plans. In other areas WAP's are being reviewed. SADA acknowledges the valuable role being played at the local level to ensure dairy farmers get a fair go in what is a complex and often time consuming process.
- Animal welfare continues to be a challenge but we believe the dairy industry is well positioned. Agreement has been reached with the mainstream animal welfare groups but there is a small, but vocal, hard core group of activists that are simply "against animals being farmed". So this extreme position makes having a constructive dialogue somewhat difficult.
- Environmental Management is an area that we have managed quite well at both the farm and factory level. SADA is currently supporting funding for some new projects. SA has taken a very proactive approach to farm environmental management issues over recent years so many of our dairies are well set up and EPA compliant.
- Progress in relation to getting a standard collective agreement for staff has been disappointing. But we intend to keep pushing hard on this one. We have some draft agreements being tried by Chas Cini. With the coming election and the constant changes and new requirement in relation to the "fairness test" we have been waiting for the issues to settle down but we are going to be forced into running with what we have. If we in SA, and in fact the dairy industry nationally, does not get on top of this issue quickly the danger is that our farmers will be at risk.
- Finally SADA is arranging a one day training session (August) for volunteers willing to act as Industry Liaison Officers if we were to have an outbreak of an exotic animal disease in SA. For more information contact me on 0419 037 569.

ORGANIC MILK

The great success of Paris Creek here in SA has given us a chance to relate to the trend towards organic produce. As some dairy farmers consider taking the organic route it is interesting to see a trend emerging. For instance it was recently reported that McDonald's in the UK have decided to serve organic milk with all their coffees.

REGIONAL MEETINGS

The Adelaide Hills Region held their AGM on 26 June and the other regional meetings are coming up. The Adelaide Hills meeting was well attended and we look forward to getting the same good response at the other meetings. Anthony Green stood down from the President's role as he is making a career move into Hills real-estate. Anthony is a very talented, capable person with excellent people skills and we wish him all the best in his new vocation. Derris Koch was elected as President and Craig Zilm as Vice-President. The meeting made a presentation to retiring Wesfarmers agent, Dennis Feltus. Dennis had a real empathy with our members and provided that "personal touch" that is characteristic of the service provided by Wesfarmers Insurance.



L-R: Craig Zilm, Dennis Feltus and Derris Koch at the recent Adelaide Hills AGM

The Fleurieu Regional AGM to be held on 18 July will have Jo Bills from Dairy Australia talking about "**How long the record milk prices will last**" while Greg Mitchell (Agronomist) will address the meeting on "**Achieving more profit isn't as hard as it sounds.**" The topic for the SE AGM to be held on 26 July will be along a similar theme with the senior managers from MG and

Fonterra debating the topic, **"Milk prices: how high might they go and how long they might last?"**

SADA BOARD ELECTIONS

The results of the recent SADA Board elections are as follows;

South East – Lyndon Cleggett

River & Lakes - James Stacey

Fleurieu – Michael Connor

Adelaide Hills – an election is still to be held due to the nomination of two candidates: Brian Wilson of Two Wells and Rick Gladigau from Mt Torrens

SADA CAP CHANGES

The SADA Cap for 2007/2008 will be \$1666.30 effective 1 July 2007. The Cap is adjusted annually to keep the level of the Cap relative to herd size in SA. As average herd size increases so does the Cap.

AMENDED TRANSPORT LEGISLATION

The National Transport Commission (NTC) has developed in conjunction with stock agencies a new model of transport compliance. The amending legislation came into force in SA on 30 April 2007.

The key issue is that of extending responsibility for safe work practices across the total transport task where everybody takes responsibility for the way goods are moved on our roads.

So from now on all the players (consignors, packers, loaders, drivers, operators, receivers, employers and managers) can be held legally accountable.

This is similar in concept to the OH&S legislation.

*For fact sheets on this issue go to the Transport SA website:
www.transport.sa.gov.au/publications/legislation.asp*

There are no changes to the mass limits, dimensions or means of restraining loads in the amended legislation.

SA DAIRY AWARDS GALA DINNER



The SA Dairy Awards Gala Dinner will be held on Tuesday 7 August at the Ridley Pavilion, Adelaide Showground. This dairy event will not only recognise the high quality dairy products that South Australia is renowned for but also the exceptional milk quality of South Australia's milk producers and shouldn't be missed.

This will be an opportunity for everybody in the industry to meet with all of the key industry leaders. This year 2 new faces will be attending; Chair of Dairy Australia Max Roberts and CEO of WCB Neil Kearney. Guest of Honour for the evening will be the Minister for Agriculture, the Hon Rory McEwen.

Get together a group of 10 of your friends, family or colleagues and have a fun night out being wined and dined by the fabulous team at the Adelaide Showground and entertained by magician and MC Gary Edwards.

Price includes a 3-course meal, wine, beer, soft drinks and entertainment.

For those wishing to stay overnight we have a deal with Rydges South Park Hotel. Phone Reservations on 8212 1277 and quote 'SA Dairy Awards'.

SHOW BBQ AND TICKETS FOR DAIRY DAY

The SADA Show BBQ is on again in the Dairy Cattle Judging Marquee on Wednesday 12 September from 6.00pm. This is open to all SADA Members, Dairy Cattle Exhibitors and their families. We look forward to seeing you there.



Show Tickets will again be available to all SADA members, so if you would like to take your partner to the Show for Dairy Day on Thursday 13 September please phone Jo at the SADA Office to register your interest on 8293 2399 or email sada@sada.asn.au

RURAL FINANCIAL COUNSELLING SERVICE SA

Rural Financial Counsellors can assist you and your enterprise with the following:

- Assess and prepare reports on your current financial, cash flow and viability circumstances (Rural Financial Counsellors can only provide a meaningful assessment if you provide full disclosure of your financial position)
- Help you identify financial and business options for the future of your enterprise, including adjustment out of agriculture
- Review contracts and loan applications with lending institutions, and provide information to help you prepare loan applications
- Facilitate meetings with lenders and financial institutions and assist you in non-legal appeals processes
- Provide information and referrals to government or industry assistance schemes, including for specific events (drought, fire, flood, industry reform etc)
- Provide information on educational services
- Refer you to a range of professional service providers, including accountants, lawyers, agricultural advisers, farm succession planners, social counsellors and personal or family mediators.

Free call: 1800 836 211 – 24 hour service

CONTACT A COUNSELLOR

Fleurieu and Adelaide Hills

John Sharp 0428 553 223

Murraylands & Murray

Grant Crettenden 0417 849 705

Meningie & Lakes

Gordon Miksza 0427 430 241

Lower South East

Valerie Monaghan 0428 849 956

Upper South East

Charlie Goode 1800 836 211

COMING EVENTS

- | | |
|------------------|---|
| Jul 18 | Fleurieu AGM 10.30am – 12.30pm
Myponga Sporting Club |
| Jul 26 | South East AGM 11.00am - 2.00pm
Southgate Hotel |
| Aug 7 | SA Dairy Awards Gala Dinner |
| Aug 8 | SADA Annual General Meeting |
| Aug 17 | WorkChoices info seminar |
| Sept 7-15 | Royal Adelaide Show |
| Sept 12 | Show BBQ |
| Sept 13 | Dairy Day at the Show |
| Sept 18 | Workshop "Making Agreements" Mt Gambier |
| Sept 19 | WorkChoices: One – one sessions Mt Gambier |
| Sept 25 | Workshop "Incorporation & Making Agreements" Mt Barker |
| Sept 26 | WorkChoices: One – one sessions Mt Barker |

Oct 17 WorkChoices: One – one sessions
Adelaide

Date, time and venue for the River & Lakes AGM to be finalised. Members will be advised via post.



Sonja Smith (SADA Accounts Manager) at Machu Picchu recently

NEED HELP FEEDING YOUR HERD THIS WINTER?

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Free 1-on-1 consultations

Experienced consultants are available to help dairy and beef producers facing the challenge of feeding their herds this winter.

A free, confidential, 90-minute 1-on-1 session with a consultant can help you:

- work out if you've got enough feed to get through
- choose options and strategies to close the fodder gap
- consider the short and long-term implications of your plans and decisions on your business.

The session will focus on the issues most important to you.



Contact your Regional Co-ordinator to register

Kirstie
Murphy

P: (08) 8536 3958
E: kmurphy@adam.com.au

feed.FIBRE.future is sponsored by:



FLEURIEU PENINSULA BioLogic Discussion Group Meeting

LawrieCo began running BioLogic discussion groups in 2006 to give biological farmers the opportunity to meet regularly to improve their practices, share knowledge and build their network of like minded people.

You are invited to join the Fleurieu Peninsula Discussion Group, the first meeting details are outlined below.

Date: Thursday 26th June 2007
 Time: 10.00am - 12.30pm
 Location: Peter Gardners property, Parawa
 Contact: Vivek Bhat 0427 557 783
vivek@lawrieco.com.au
 Topics: Biological farming in dairy and pasture

Established in 1998 LawrieCo has been built on a passion for improved farming techniques and commitment to working closely with farmers to enhance soil and crop output and reduce chemical usage.

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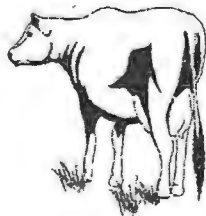
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 Email: mckleime@rbe.net.au

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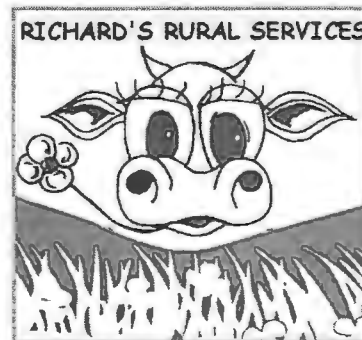
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Member Details Update

Could all members please update their current details for the SADA Database?

Over the next 12 months SADA is hoping to be able to keep you more up to date by fax and/or email – we have been trying to do this over the last few months but many of you have changed your numbers or email addresses or added new ones and often this information doesn't reach you as quickly as we would have liked. You can return this form by fax to 8293 8886, email sada@sada.asn.au or post to U5 780 South Road Glandore 5037.

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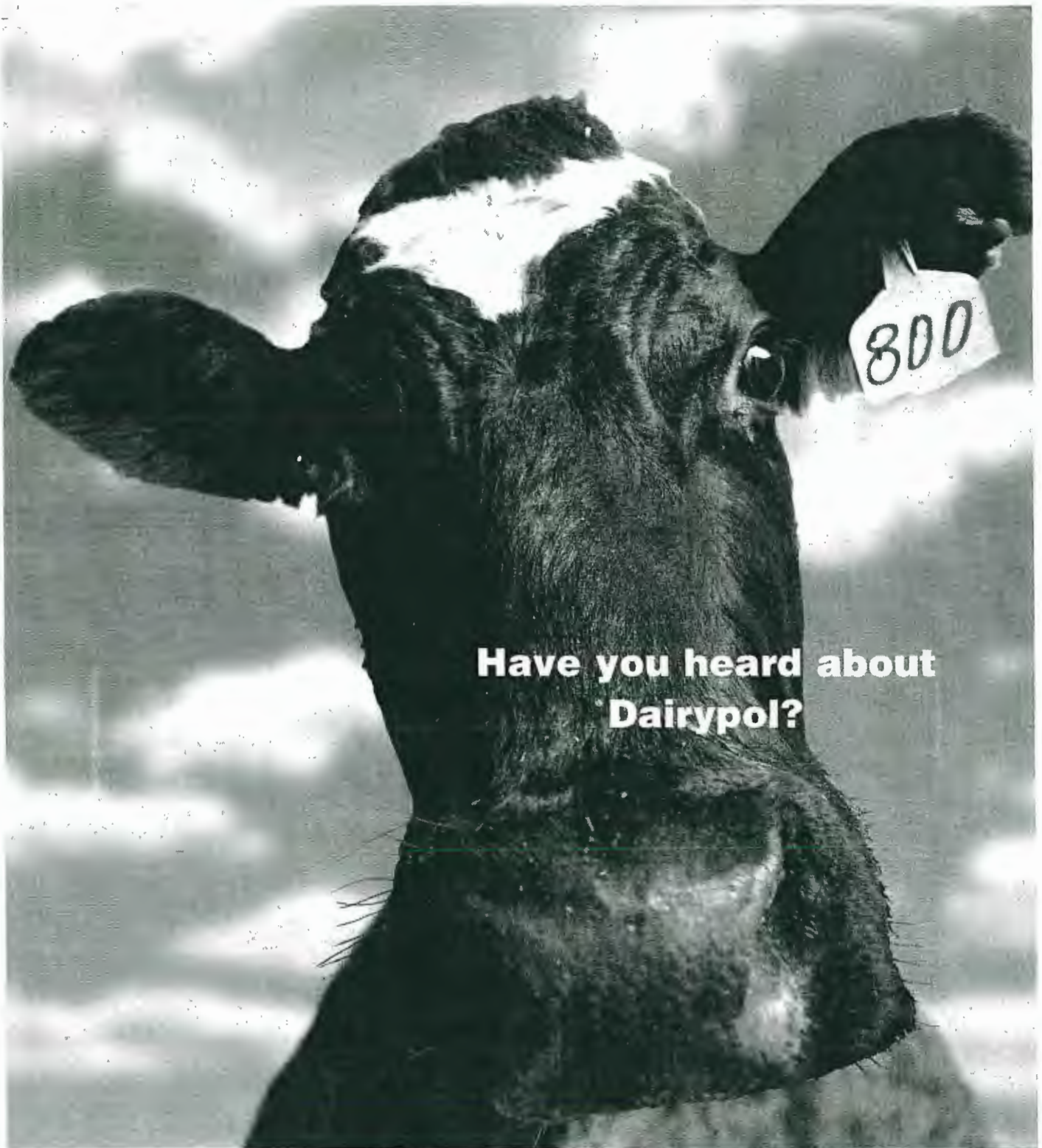
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The best thing we've ever done!

Graeme and Fleur Nurse, dairy farmers, northern Victoria (July 2007)

Dairy farmers Graeme and Fleur Nurse say attending a free, 1-on-1 consultation through the feed.FIBRE.future program is the best thing they've done since they started dairying six years ago.

The Nurses dairy farm is near Stanhope and, like others in northern Victoria, the drought has had a major impact on their business.

Being committed to dairying in the long term, their drought strategy was to maintain the size of their 500-cow, split-calving herd. The couple invested heavily in purchased feed, mainly grain and palm kernel extract (PKE) meal.

Last spring they harvested silage on a leased property, but the volume was a little less than they'd get in a normal season.

The autumn-calving cows were dried off about a month early, in a bid to maintain body condition when pasture availability became severely limited. Later in the season, the spring-calving cows were dried off about eight weeks early.

During autumn Graeme had oversown 120ha of pasture that was grazed twice by the end of June. However, by then, the Nurses were feeling a little nervous about getting through the winter.

"We had some silage and straw on hand that we thought should get us through, but it was going to be close, so we were considering other options too," Graeme said.

About that time, Graeme and Fleur were offered a free 1-on-1 consultation through feed.FIBRE.future. Organised by Dairy Australia on behalf of the dairy and beef industries, feed.FIBRE.future is supporting dairy and beef producers making decisions to cope with the feed shortage this winter.

"We'd never used a consultant before, so we weren't sure what to expect," Graeme said. As it turned out, the format of the consultation was flexible, allowing the discussion to focus on whatever issues were most important to the Nurses.

Fleur and Graeme's session with consultant Brian Crockart focused on feeding the herd between June and mid-August.

Brian worked through a feed budget with the Nurses based on their herd's requirements, fodder reserves and what their budget could stretch to for purchased feed.



"Between us, we came up with a feasible strategy. We were fortunate to have enough fibre sources on hand, but we will need to buy extra grain and more PKE," Graeme said.

Brian also suggested buying lick blocks to feed to young stock, to make up for the lack of protein in their current diet.

"It's a cheap input that will give us much better value from our poor-quality feed," Graeme said.

The Nurses went home with a clear plan, confident they could feed the herd through the winter.

"We came away feeling more positive about our ability to get through. Discussing our situation with an outsider gave us much more focus. Brian helped us work out what ideas to run with and which ones to shelve," Graeme said.

All dairy and beef producers are eligible for a free, 1-on-1 consultation.

"I challenge every dairy farmer to take advantage of this offer. It really is a fabulous opportunity," Graeme said.

feed.FIBRE.future is a joint initiative by the dairy and beef industries, with funding from the Federal Government.

To register for a free consultation, contact your regional drought co-ordinator (details overpage).

feed.FIBRE.future is sponsored by:

For more information go to www.dairyaustralia.com.au



Experienced consultants are available to help dairy and beef producers face the challenge of feeding their herds this winter.

Free, 1-on-1 sessions can help you:

- work out if you've got enough feed to get through
- choose options and strategies to close the fodder gap
- consider implications on business, feeding and livestock management.



Feed.FIBRE.future's 1-on-1 consultations provide a confidential discussion between the farm team and a nutrition and business management specialist. The 90-minute sessions are held in a small meeting room at a local meeting place.

The format is flexible, and will be guided by the needs of the farm team. The session will focus on the issues most important to you. For example, you may wish to discuss feeding strategies, water issues, financial concerns or labour issues.

At the end of the session, you will receive written notes to take home, including actions to follow up.

Who are they for?

All dairy and beef producers are eligible for a free, 1-on-1 consultation. We encourage more than one person from each farming business to

attend the 1-on-1 consultation. For example, a husband and wife, or farm owner and share-farmer or father and son or daughter.

It does not matter whether you've attended a feed.FIBRE.future workshop or not.

Farmers may hear about 1-on-1 consultations through feed.FIBRE.future workshops, dairy company field officers, advisers, service providers or other farmers.

How do I get a 1-on-1 consultation?

It is essential to register through your regional co-ordinator (see box).

To ensure you get the most out of your consultation, you will be asked to bring along supporting information. For example, details of your feeds on hand and stock numbers, your milk or farm income estimation or a profit and loss statement.

Regional Co-ordinators

Region	Co-ordinator	Telephone	Mobile	E-mail
Northern Victoria	John Boyd	(03) 5852 0533	0400 083 285	john.boyd@dpi.vic.gov.au
South-west Victoria	Jeff Lawes	(03) 5592 2477	0418 717 552	jefflawes@westvic.com.au
Gippsland	Deanne Kennedy	(03) 5659 4219	0419 878 055	jaydeeevents@dcsi.net.au
NSW	Jess Jennings		0423 224 750	j.jennings@uws.edu.au
Queensland	Theresa Kunde		0428 147 749	tkunde@dodo.com.au
Tasmania	Fiona Gluszyk	(03) 6332 1800		tfgafiona@bigpond.com
South Australia	Kirstie Murphy	(08) 8536 3958	0408 088 624	kmurphy@adam.com.au
Western Australia	Lara Swift	(08) 9486 2100		laraswift@wafarmers.org.au
Northern Territory	Ian McLean		0401 118 191	ian.mclean@ntca.org.au

feed.FIBRE.future is a drought response initiative run jointly by the dairy and beef industries, with funding from the Federal Government.

It aims to support and sustain the national dairy and beef breeding herds by enhancing the decision making of farmers, especially under conditions of reduced fodder and water availability.

A key objective of feed.FIBRE.future is to enable farmers to assess their current position, explore feasible options and develop an action plan.

Support provided by feed.FIBRE.future includes workshops, 1-on-1 consultations and information kits. For more information visit www.dairyaustralia.com.au.

feed.FIBRE.future is sponsored by:

For more information go to www.dairyaustralia.com.au



& III IN AGRICULTURE – TRAINING WORKSHOPS - TERM 3, 2007

DATE	CONTENT	UNIT OF COMPETENCY	LECTURER	VENUE	TIME	TAFE CODE	DURATION
2 nd & 3 rd July	Intro to ARC & MIG welding Thermal cutting – Oxy welding	Fabricate & Repair Metal & plastic structures	Bob Holman	TAFESA Mt. Barker	9.30am – 4.00pm	ESDE	2 Days
25 th July	Plant establishment & density. Weed identification & treatment. Plant health.	Establish agricultural crops	Mark Davies	Weckerts Property Yumali	9.30am – 4.00pm	ESER	1 day
2 nd August	Safe operation Driving in adverse conditions Maintenance	Operate ride on vehicles	Tim Lacey	TAFESA Mt. Barker	9.30am – 4.00pm	ESDM	1 day
7 th August	Understand dairy cows: Digestive tract Nutritional requirements Nutritive value of feeds	Implement feeding plans for livestock	Vicky McDonald Tony Sutherland	Flaxley Agricultural Centre	10.00am – 3.30pm	ESFL	Day 1 of 4 day course
10 th August	Safe techniques for the effective movement / drafting and mustering of livestock	Handle Livestock using basic techniques Identify and draft livestock	Mark Thompson	Naracoorte	9.15am – 4.30pm	ESBS ESFK	1 day
14 th August	Utilization and management of pasture	Implement feeding plans for livestock	Kirsty Murphy T Sutherland	Flaxley Agricultural centre	10.00am – 2.30pm	ESFL	Day 2 of 4 day course
21 st , 22 nd & 23 rd August	Chemical accreditation to purchase and use S7 chemicals Safe and effective use of chemicals	Prepare & apply chemicals Transport, handle & store chemicals	Darryl Lang	TAFESA Mt. Barker	9.30am – 4.00pm	EBHF EBHG	2 Day

DATE	CONTENT	UNIT OF COMPETENCY	LECTURER	VENUE	TIME	TAFE CODE	DURATION
2 nd , 9 th , 16 th & 23 rd August	Diesel engine characteristics & maintenance. Tractor servicing	Coordinate machinery & equipment maintenance & repair	Bob Holman	TAFESA Mt. Barker	6.00pm – 9.00pm	ESHH	4 nights
TBA	Basic skills and knowledge to preg test cattle through rectal palpitations	Pregnancy test livestock	Dr. Greg Stevens Tony Sutherland	Flaxley Agricultural centre	10.00am – 3.30pm	ESMW	2 days
28 th August	Dairy Cow Nutrition continued	Implement feeding plans for Livestock	Vicky McDonald Tony Sutherland	Flaxley Ag Centre	10.00am – 3.30 pm	ESFL	Day 3 of 4 day course
	Forklift accreditation	Operate specialised Farm machinery	Tim Lacey	TAFESA Mt. Barker	9.30am – 4.00pm	EEGP	1 Day
4 th September	Chemical accreditation to purchase and use S7 chemicals Safe and effective use of chemicals	Prepare & apply chemicals Transport, handle & store chemicals	Darryl Lang	TAFESA Mt. Barker	9.00am – 5.00pm	EEHF EEHG	1 day
5 th September	Chainsaw components Adjustment & Maintenance Safe Operation	Operate & Maintain chainsaws	Tim Lacey	TAFE SA Mt. Barker	9.30am – 4.00pm	EEFB	1 Day
5 th September	Metabolic health problems	Implement feeding plans for Livestock	Dr Glen Beath Tony Sutherland	Flaxley Ag Centre	10.00am – 2.30pm	ESFL	Day 4 of 4 day course
6 th September	Understand the calving process – when to intervene, types of common problems & assistance which can be offered.	Prepare livestock for parturition	Tony Sutherland Glen Beath	Flaxley Agricultural Centre	9.30am – 4.00 pm	ESFW	1 Day
19 th & 20 th September	Diesel engine characteristics & maintenance Tractor Servicing	Coordinate Machinery, Equipment & Repair Maintenance & Repair	Bob Holman	TAFE SA – Mt Barker Workshop	9.30am – 4.00pm	ESHH	1 Day
TBA	Develop the underpinning knowledge and basic skill to inseminate cattle	Artificially inseminate livestock	Tony Sutherland Dr Greg Stevens	Flaxley Agricultural centre	9.30am – 4.00pm	ESEW ESCF	4 days

NARM NEWS

Volume 2 Issue 4

July 2007

MINIMISE THE RESIDUE RISKS TO YOUR BUSINESS

Editors' Note

Welcome to the fourth issue of the quarterly newsletter NARM News for 2006/07. This was a good quarter with three bobby-calf residue detections during the quarter of April to June. However, Primary Industries and Resources SA will continue to circulate NARM News during the year to remind producers of best practices and any additional industry information.

The message for this issue is a reminder to ensure that calves are free from chemical residues when sold.

To discuss bobby-calf industry issues please contact:

Toni Axford Phone: 08 8226 0372
Information & Monitoring Officer

Petra Lennon Phone: 08 8226 1885
State NARM Coordinator

Tim Woonton Phone: 08 8207 7958
Senior Animal Health Officer – NLIS

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- 2 Check the ESI
- 2 Next Issue

NARM Residue Detections

April – June 2007

During the fourth quarter of the financial year 2006/2007 there were three residue detections in SA bobby-calves, all sold at the same time from one property. These detections were all above the MRL and caused by the calves being sold within the withholding period for the veterinary chemical used. PIRSA would like to encourage dairy producers and other sectors of the bobby-calf industry to keep up the good work in ensuring that their bobby-calves are free from residues.

Read the Label

It is important to always read the label before using a veterinary drug. Labels contain important information such as dose rates, frequency of treatment and withholding periods.

Drugs prescribed by a veterinary surgeon must have a label attached which details the name of the product, active ingredients, animal or class of animal to be treated, directions for use, withholding period, name of the prescribing veterinary surgeon and contact phone number, expiry date and storage instructions.

Use the Right Dose

Always use the dose rate and frequency of treatment recommended on the label. Overdosing wastes money and can prolong the excretion of the drug, in which case the recommended withholding period and/or Export Slaughter Interval will no longer be valid. Under dosing may be ineffectual and fail to cure the disease, which can contribute to the development of resistance

INSIDE THIS ISSUE

- 1 NARM Residue Detections
- 1 Read the Label
- 1 Use the Right Dose
- 2 Follow Treatment Directions
- 2 On-farm Identification
- 2 Record Keeping
- 2 Observe Withholding Periods



Government of South Australia
Primary Industries and Resources SA

Follow Treatment Directions

Treatment must only be administered to animals for which the drug is recommended or prescribed, always administer drugs according to the route recommended on the label. Intramuscular injections should only be administered into the neck muscle, and no more than 10mL should be given into an injection site.

When a veterinary surgeon uses a drug to treat your animals, ensure you obtain written advice regarding the product used and the appropriate withholding period/s. Seek veterinary advice if treatment directions are unclear or difficult to understand

Don't allow contaminated milk from cows treated with veterinary drugs to be fed to bobby calves you intend to sell for slaughter. Ensure any medicated feed is identified and only fed to animals for which it is intended

On-farm Identification

In order to avoid mix ups on farm between treated and non-treated animals some form of visual identification is highly recommended. Animals should be identified at the time of treatment using an effective and easily recognized method of identification, such as leg bands, ear tags or even an old inner tyre tube marked with the withholding period expiration date. Identification must be retained on the calf for the duration of the withholding period and/or Export Slaughter Interval.

Ensure that other farm workers are aware of how treated animals are identified. If possible, keep treated animals isolated until the appropriate withholding period and/or Export Slaughter Interval (ESI) has expired. Clear signage of the isolated pens containing treated calves is also helpful for farm workers to ensure treated calves are not mistakenly sold before the expiration of the withholding period.

Record Keeping

Records help prevent the accidental sale of animals or animal products before the relevant withholding period has expired. To avoid residues in treated calves via both direct treatment and secondary contamination from mothers milk or gestation the following methods of record keeping are recommended:

- Written diary identifying the animal treated by tag number, the date of treatment, name of product, active ingredient, dosage given, withholding period, date withholding period expires.
- White board for all farm workers identifying the treated animal, date of treatment, name of product, withholding period, date withholding period expires.

Observe Withholding Periods

The withholding period is the minimum period of time that must elapse between the last use of a drug or chemical and the sale of an animal for human consumption in Australia

Withholding periods are set to ensure that when a veterinary drug or chemical is used in accordance with label directions, it will not cause unacceptable residues. The recommended withholding period is written on the label and must be observed as a minimum, at all times.

Bobby calves that receive contaminated milk from treated cows must be withheld from sale for the same meat withholding period as that applicable to the cow

Check the ESI

An Export Slaughter Interval (ESI) is the minimum period of time that must elapse between the last use of a drug, or chemical and the sale of an animal for export processing.

Cattle that have been treated with a drug or chemical that has an ESI will be ineligible for processing for export markets until the ESI period has expired. ESI information appears on the inside of the back cover of the new Vendor Declaration (LPA Cattle) book, and can also be obtained from the Internet at: <http://www.mla.com.au>

Next Issue

The next issue of NARM News will be distributed in October and will contain further information on how to avoid residues and industry updates



SA Dairy Awards Gala Dinner

Tuesday 7 August 2007
Ridley Pavilion, Adelaide Showground

Registration Form

Tax Invoice
ABN 98 549 642 932

Both sections are to be completed by the registrant.
Please retain this section for tax purposes. All tickets are GST inclusive.

Please register and pay before 27 July 2007

Names of people attending:

Members **Non-members**
(inc DIAA, SADA & RAHS)

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\$55 \$65
 \$55 \$65
 \$55 \$65
 \$55 \$65

Total:

_____ \$ \$ _____
=====

Enter personal details and /or table bookings over the page
Table Bookings for 10 people will cost \$550/table.



Registration Form

Please register and pay before 27 July 2007

Names of people attending:

(Print your name as you wish it to appear on nametag)

Members **Non-Members**
(inc DIAA, SADA & RAHS)

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\$55 \$65
 \$55 \$65
 \$55 \$65
 \$55 \$65

Total:

_____ \$ \$ _____
=====

Enter personal details and/or table bookings over the page
Table Bookings for 10 people will cost \$550/table.



Please complete and return with your payment to Dairy Industry Association of Australia and mail to:
Jo Gilbert, U5/780 South Road, GLANDORE SA 5037
Registration Form can be faxed to 08 8293 8886 but registration will not be confirmed until payment is received.

Personal Details:

Surname:..... Given Name:.....

Position:..... Organisation:.....

Address:.....

Suburb/Town:..... P/C:.....

Phone:..... Email:.....

Please Note: those that book and fail to attend will be invoiced if payment hasn't already been made.

Tables Bookings - 10 per table

Names of people attending:
(Print your name as you wish it to appear on nametag)

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Total Cost: \$550

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Wednesday 1 August 2007 PRESIDENT'S REPORT *David Basham*

The CEO of Australian Dairy Farmers Ltd (ADF), John McQueen, mentioned to me that the current prices that are being discussed for this financial year are the highest in Australia in real terms (i.e. adjusted for inflation) since 1983. This is a time when farmers, with milk in such high demand, need to use their bargaining power to improve terms in their contracts. If you as a farmer do not like the contract that you are offered but are happy with the price I would encourage you to sit down and discuss it with your processor. Processors are looking for milk and may be prepared to adjust terms in contracts to keep your supply. Contracts are agreements between two parties so please negotiate until you agree and not just accept what is offered.

The SADA board is changing again this year with two members stepping down after long service. Jill Williams has decided to leave the board after about 9 years to help more with running of the William's properties and I believe as well to spend more time with her grand children. Jill has been Treasurer for the last 2 years and has been a great support to me as part of the Executive of SADA. **Thank you Jill.** The other member that has decided to step down is Ken Smith. Ken has been part of the SADA board or Central Council for nearly 30 years. Ken has contributed to industry on many levels over these years. One of Ken's greatest achievements was to help set up SA Milk Haulage during a tanker strike to make sure the trucks were back on the road as quickly as possible. We will miss Ken sitting at the end of the Board table with his broad knowledge of the industry. **Many thanks Ken.**

Rick Gladigau has decided to join the Board representing the Adelaide Hills region. I am sure that Rick will represent the dairy farmers in the state well. Jill currently does not have a replacement yet as we are waiting to confirm the President's position before calling for nominations for the vacancy on the Board. This will occur as soon as possible after the AGM of SADA next week.

Finally a quick update on the progress of EC funding for the Adelaide Hills and the lower SE. The Adelaide Hills held the assessment tour last week so an answer on full declaration will occur in the next couple of months. The lower SE is holding its assessment tour by NRAC on the 10th of August. Again an answer should follow after a few months from that date.

Again I would like to thank Jill Williams & Ken Smith for their efforts for SADA members over the years. I would like to thank not only Jill & Ken but their partners that have supported them over the years, Ian Williams & Helen Smith. Without the support of our partners it would be impossible to do the job at SADA.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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Many of us have learnt more about dairy prices in the last month than we have learnt for a long time. So the main topic for this issue will be that of the move of farm gate milk prices into the 40-50cpl range for this year. The topics discussed at the recent SADA regional meetings were a balance of the good prices, the hope of a good spring and some "threats" to the future profitability of the SA dairy industry that could prove even more significant than the issue of the Dairy Adjustment Package.

But let me begin by thanking our dairy farmer members for their contribution this year in helping to represent the dairy industry and tell our "stories". As your CEO I spend most of my time involved in representing you and your industry to the politicians, media and the community in general. But this year we have chosen to also use groups of farmers to tell their "stories". We have been exceptionally well supported in all the dairy regions in getting groups of farmers in front of the politicians, attending consultative meetings and at bringing the policy makers out to regional visits. Many of the issues and activities have been region specific.

Another big advantage of this regional group lobbying approach is that we can truly reflect the diversity amongst our farms, farmers and the future "aspirations" of our membership. Certainly as your CEO I appreciate the importance and challenge of ensuring everyone's "voice" is heard: the small family farm, the new exciting corporate enterprises, the new comers, and those planning to exit.

Two good examples of this method of lobbying and fact finding was the meeting held with the Liberal politicians when they visited the Lakes and the River. Another was the NRAC visit to the Adelaide Hills for their EC assessment. The group approach provided the opportunity to tell the stories of

bores blowing air for the first time ever, springs that had never gone dry going dry, of having nowhere to send dry stock, the struggle to maintain cow health breeding and nutrition etc. We are planning a visit to our SA dairies for the Shadow Federal Agriculture Minister in the near future.



Lesley Fischer, Martin Hamilton-Smith and John Eckermann



NRAC Team talking to farmers at the Herrmann Farm

This variation between farms is also evident when we look at the prices individual farmers receive for their milk. Recently one company announced that last year they paid farmers between 30cpl and 45cpl. A massive 15cpl spread. All to do with regional competition, milk quality, and production patterns etc. Currently many farmers are reporting big differences between the companies when comparing prices. This variation has to be kept in mind as I now attempt to report (using average figures) on the big dairy debate held at SE regional AGM in Mt Gambier on 26th July.

HOW HIGH AND HOW LONG WILL THE HIGHER PRICES LAST?

This was the challenge for the great debate held at the SE SADA Regional AGM recently.

Excellent presentations were given by Ross Greenaway (Murray Goulburn) and Mark Linton (Fonterra). The big crowd in attendance was obviously impressed given the strong appreciation afforded both the speakers after the forum session.



Charles Wallis and Ross Greenaway

The news was better than most expected with the final assessments positive for both prices and the suggestion that the international prices may be moving to higher and enduring base levels.

For more that a decade the average SA farm-gate milk prices threatened to break through the 30cpl barrier. Then in 2001/02 it did break through. This year the average is expected to break through the 40cpl barrier and for some it will end up closer to 50cpl. The industry will be watching the MG "step-ups" and if they end up at the upper end of the scale then we will truly enter record price territory.

Perhaps another big benefit of the forum was the insight into how these international and domestic markets work. Both MG and Fonterra have exposure to domestic and international markets. We know that the international prices have been climbing for nearly a year now while domestic prices are just now showing an indication of a price rise. It was interesting that both speakers were far more conservative when it came to domestic retail price rises. The power of the supermarkets and their ability to import from

New Zealand would ensure the domestic market will not be short of product.

So in summary we were given some positive news and we all went away much more informed at how the pricing works. Well done to Charles Wallis and his regional SADA team for hosting the day and to James Mann who suggested the topic for the debate and forum.

The challenge identified by Charles in the coming year for their region was that of water allocations. This will be an issue that he sees as crucial for our industry in the SE and while the water issues are quite different in all the regions (aquifers, catchments and the Murray Darling Basin) they all represent a major challenge.

REGIONAL MEETINGS

Even with the smart uptake of the use of modern communication systems the value of these Regional Meetings is still supported by our members. This is where debate occurs and there is often as much benefit in the discussions before and after the meetings as during the meeting.

I have reported on the Adelaide Hills AGM in the last Dairy Update. The Fleurieu AGM was held at Myponga on 18th July and the guest speakers were Greg Mitchell and Joanna Bills from Dairy Australia. Greg as always is great value and pushing our farmers to be innovative. Jo not only presented information for the Dairy Survey and Outlook she also was prepared to have a go at looking forward. Again the farmers were interested in how the market works and the margins the farmers, processors and retailers are making.



Ilan Williams, David Basham, Jo Bills, Jill Williams and Mike Weatherald at the Fleurieu AGM

The date (14th August) has been set for the River and Lakes SADA Regional AGM and the guest speaker will be ex-Premier, Dean Brown. The River and Lakes situation remains extremely critical and Dean is an important link to the Minister, Cabinet and our farmers. Again we are hoping for a strong turn-out from our membership and non-members as we have here a real opportunity to influence the policy makers. While there has been some disappointment with the progress of the Prime Ministers Plan here in SA there is currently widespread support (all political parties, all irrigation industries and all environmental groups) for the initiative to be progressed.

THE DAIRY FARMERS FLOAT

The CEO of Dairy Farmers, Rob Gordon, recently met with the SA Dairy Industry Development Board. Rob provided a clear explanation of the progress toward listing. It would appear that the plan is on schedule and the market environment for investors is still looking promising for a float next year. The Dairy Industry Development Board has played an important role in bringing into SA the leaders of the processing and retail sectors which has again provided a valuable insight as to how the industry works and operates. Just as in farming itself there is great value in knowing how things work.



Virginia Ewing, Rob Gordon (CEO Dairy Farmers) and Tony Morbey

RICK GLADIGAU TO JOIN THE SADA BOARD

The resignation of Ken Smith this year and John Nietschke last year sees a lot of experience leave the SADA Board in a short

time. Karen Slape (John's nominated replacement) in the past year has forged a really strong bond with the regional members, undertaken high level leadership training and is currently managing an important dairy feedlot project that is attracting widespread interest throughout SA. Rick Gladigau (Ken's nominated replacement) has been heavily involved in his community, been a Dairy Farmers Ward representative and undertaken training in the management of exotic dairy diseases. I look forward to working closely with Rick during his time on the Board.

I would like to thank both Ken Smith and Jill Williams for the support and guidance given to both SADA and myself over the years. Both have made themselves accessible to members and effectively brought their views to the SADA Board table. Both have made exceptional contributions to the SADA Board in relation to the portfolio positions they have held including Animal health (Ken Smith) and Natural Resource Management (Jill Williams). Thank You.

INDUSTRIAL RELATIONS NEWS

The Australian Fair Pay Commission has handed down a decision increasing award rates by \$10.26 per week for employees earning less than \$700 per week and \$5.30 per week for those earning more than \$700.

These increases will automatically apply to all employees employed by companies engaged in trading or financial activities, and employees of foreign corporations operating in Australia. Consistent with past practice, the increases may be absorbed against pay rates which are already more generous than the minimum standard.

The increases will be effective from the first pay period commencing on or after 1st October 2007. However, drought affected farm employers have an exemption for twelve months.

*Drought affected farm employers are those employers in receipt of an **EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY IN AN EXCEPTIONAL CIRCUMSTANCES DECLARED AREA**. This exemption only applies to this pay increase and it is to be flowed on to those workplaces on the 1st October 2008. Therefore, some Agricultural and farming businesses, which are eligible for the drought relief subsidy, are exempt from*

having to increase wages for one year or until their eligibility for the subsidy ceases.

The latest increase which applies only to Constitutional Corporations increases a minimum adult age from \$13.47 to \$13.74 per hour and casuals also receive their casual loading.

These increases only apply to employers which are Constitutional Corporations (e.g. companies) bound by both Federal and State Awards. We expect unions to file applications covering other employers in the near future. The adjustment to allowances will be announced at a later stage.

What do you need to do?

If this decision applies to you, you do not need to do anything until the 1st October 2007.

Also find attached a Workplace Relations Facts sheet "Your Rights and Obligations" which is to be provided to all new and existing employees employed in a WorkChoice workplace (ie Employers which are Constitutional Corporations)

If you have any queries please do not hesitate to contact Chas Cini on 8331 2422.

SADA CAP CHANGES

The SADA membership for 2007/2008 is capped at \$1666.30 effective 1 July 2007. The Cap is adjusted annually to keep the level of the Cap relative to herd size in SA. As average herd size increases so does the Cap.

SADA MEMBERSHIP

Membership of SADA doesn't follow you when you change to another company. So if you have changed from another supplier you will need to fill in another membership form to remain a financial member. If you have a form just fill it in and fax to Jo on 8293 8886 or if you need a form please phone 8293 2399 and she will forward one to you.

CAP FEES

By now you should have all received your final tax invoices for the 2006/07 financial year. Any member who has passed the cap of \$1582.92 may claim a refund from the

Association no later than the end of October annually. Contact Jo on 8293 2399.

SHOW BBQ AND TICKETS FOR DAIRY DAY

The SADA Show BBQ is on again in the Dairy Cattle Judging Marquee on Wednesday 12 September from 6.00pm.



This is open to all SADA Members, Dairy Cattle Exhibitors and their families.

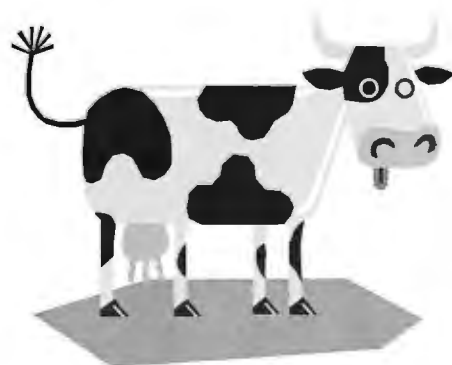
We look forward to seeing you there.

Show Tickets will again be available to all SADA members, so if you would like to take your partner to the Show for Dairy Day on Thursday 13 September please phone Jo at the SADA Office to register your interest on 8293 2399 or email sada@sada.asn.au

COMING EVENTS

- Aug 7** SA Dairy Awards Gala Dinner
Ridley Pavilion, Royal Adelaide Showground
- Aug 8** SADA Annual General Meeting
- Aug 14** River & Lakes AGM, Riverside Hotel
Tailem Bend 10.30am – 12.30pm
Subsidised lunch with voucher for Members
- Aug 17** WorkChoices info seminar
- Sept 18** Workshop "Making Agreements" Mt Gambier
- Sept 19** One – one sessions. Mt Gambier
- Sept 25** Workshop "Incorporation & Making Agreements" Mt Barker
- Sept 26** One – one sessions Mt Barker
- Oct 17** One – one sessions Adelaide

Ken Lyons



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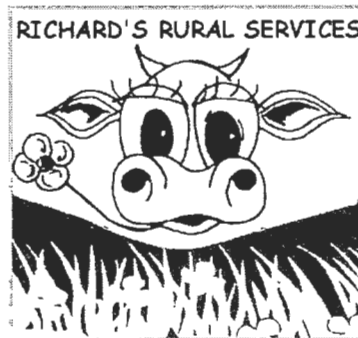
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Workplace Relations Fact Sheet

Your rights and obligations

Know your rights

Australia's federal workplace relations system has a set of rules and obligations that all employers in the system are required to follow.

As an employee, you should know where you stand.

All full-time employees are protected by a key set of pay and conditions which cover:

- Guaranteed minimum wage rates
- Maximum working hours
- Four weeks paid annual leave
- Two weeks personal/carer's leave
- One year unpaid maternity or paternity leave

Part-time employees get similar entitlements based on their hours of work. Casual employees are guaranteed minimum wage rates, casual loadings and unpaid carer's leave.

Employees cannot be sacked because of their race, gender, age, disability, religion, pregnancy, family responsibilities or trade union membership.

Employees have the right to join, or not join, a union.

Employees must be issued pay slips and have accurate and complete time and wage records kept by their employer.

There is a Workplace Ombudsman to assist employees and ensure that employers meet their obligations and has the power to take legal action on such issues as:

- Whether an employee has been forced to sign a workplace agreement
- Whether employees have been underpaid
- Keeping records of employee entitlements
- Whether employers have provided pay slips.

Know where you stand

The Workplace Authority provides independent advice to employees and employers about the workplace relations system. It has a particular focus on helping young employees understand their workplace entitlements and agreements. Whether you're an employee or an employer, there's one place you can go for information, help and advice.

workplace.gov.au
Workplace Infoline
1300 363 264



Australian Government
Workplace Authority

Know your agreement

Under the workplace relations system there are a variety of working arrangements available, including Australian workplace agreements, collective agreements, union collective agreements and awards. There are protections in place for all these arrangements.

The Workplace Authority checks workplace agreements against a Fairness Test to make sure employees get fair compensation if they agree to change key award conditions. It means that if you trade existing protected award conditions, such as penalty rates, you must get fair compensation in return. Usually, the fair compensation will be a higher rate of pay.

The Fairness Test applies to employees' agreements in industries or occupations where an award usually applies that have had certain conditions removed or changed. These are:

- Penalty rates, including working on public holidays and weekends
- Shift and overtime loadings
- Monetary allowances
- Annual leave loadings
- Public holidays
- Rest breaks
- Incentive-based payments and bonuses.

If an agreement doesn't pass the Fairness Test it will have to be changed so that it gives fair compensation, and the employer will have to make up any back pay.

The Fairness Test applies to Australian workplace agreements for employees earning under \$75,000 and all collective agreements.

There is a range of support available to help you when negotiating your Australian workplace agreement:

- Employees can have someone with them when negotiating an agreement. It could be your spouse, a union representative or a friend
- Employees have 7 days to consider their workplace agreement, although this can be waived if the employee agrees
- A current employee cannot be sacked for refusing to sign a workplace agreement
- Employees cannot be sacked because an agreement doesn't pass the Fairness Test
- People under the age of 18 must have a responsible adult, such as a parent, co-sign their workplace agreement.

Translation and Interpreting Service - 13 14 50
National Relay Service - 13 36 77
Speech to speech relay services - 1300 555 727

Member Details Update

Could all members please update their current details for the SADA Database?

Over the next 12 months SADA is hoping to be able to keep you more up to date by fax and/or email – we have been trying to do this over the last few months but many of you have changed your numbers or email addresses or added new ones and often this information doesn't reach you as quickly as we would have liked. You can return this form by fax to 8293 8886, email sada@sada.asn.au or post to U5 780 South Road Glandore 5037.

Name:.....

Trading As:.....

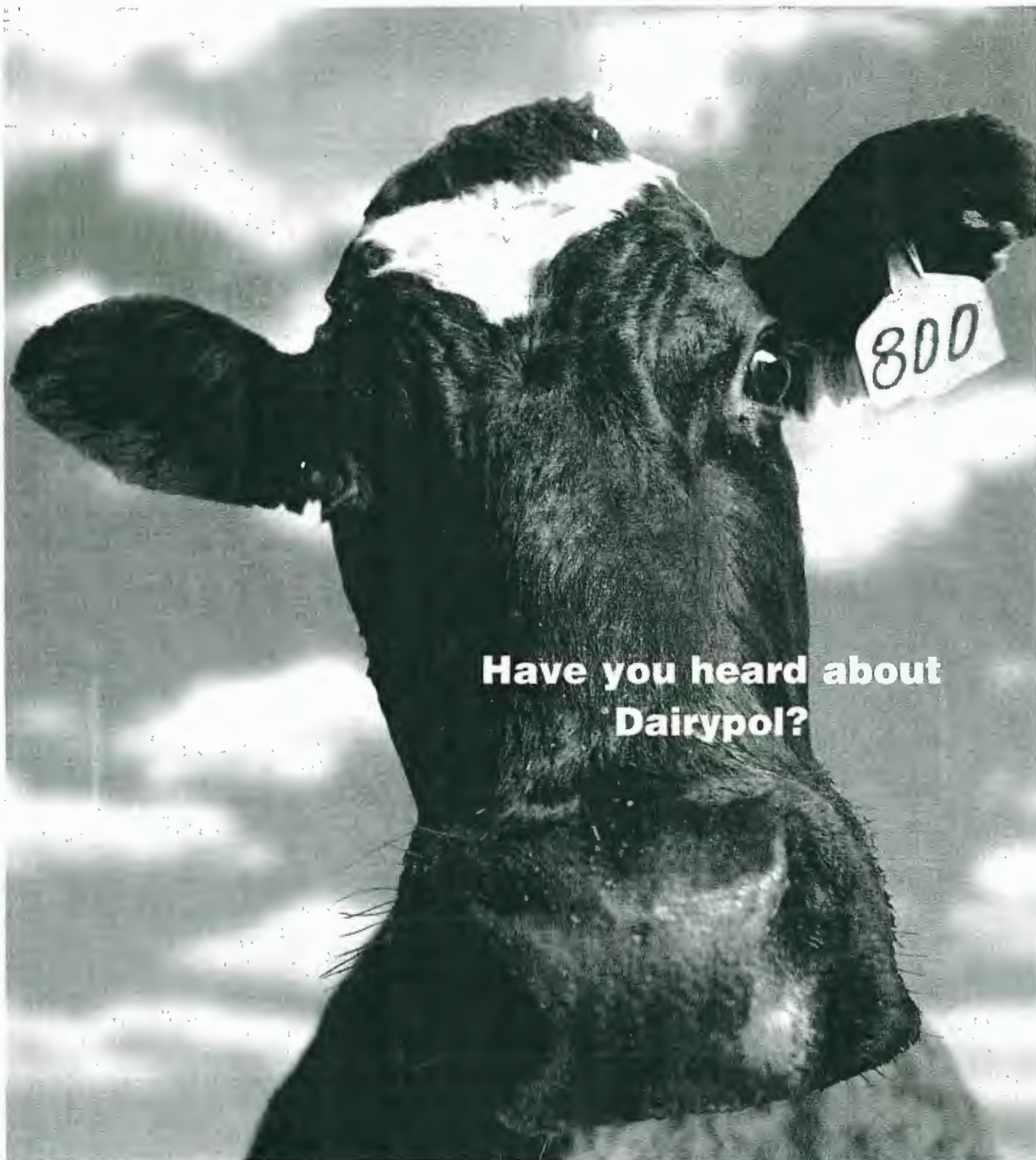
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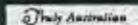
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DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Thursday 4 October 2007 PRESIDENT'S REPORT

David Basham

On September 27 my grandfather, Bunny Basham passed away after a short illness. He has been well known in dairy circles for many years particularly those who attended the Adelaide Show. This year the show society made him a 'Legend of the Show' to recognise him for his commitment to the show. I feel we can learn how to cope in these tough times from the optimism that Bunny had in life. The week the Show was due to start Bunny had a fall at home and spent the night on the floor. Bunny had intended to stay in a motel near the showgrounds and as he was not well enough to stay, he rang and cancelled his booking but then added "Can I book for next year?"



The lack of rain or water in the river is out of our control so it is not worth using our energy worrying about when it will rain. We need to use our energy to focus on those things that are in our control. It is best to plan early for the best way through this difficult time. I would encourage you to calculate your feed needs for the next 8 months and try to locate this as early as you can. Please don't panic buy as some of the prices being quoted are very high and may not be realistic. It has been suggested that grain prices are above the cost of importing grain into Australia. I heard a rumour that a milk company was looking at bringing grain into Australia for their suppliers. This will bring the price back to the level of import parity.

The federal government has made a large commitment to the agricultural industries with their drought funding packages. It was pleasing to see that all the dairy areas in the state are now EC declared. I would encourage people not to self assess and apply for the assistance. The changes to the off farm income and asset tests will make it possible for more farms to apply.

If you have any trouble applying please get in touch with the office as we may be able to help.

Finally I would like to thank Lyndon Cleggett for his efforts in getting the lower SE declared as well as Emily Minson from Alexander Downer's office for her help in getting both the Fleurieu & the Adelaide Hills approved.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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Steve Gilder, Wesfarmers and Jo Gilbert SADA at the Show BBQ

The South Australian dairy industry was well positioned this year to begin the recovery process, after several dry seasons, given the much anticipated bumper season. But after a promising start to the season nature has again been unkind, and for many, the drought continues and fodder will again be our major challenge. Hopefully the predicted rain later in the week will be a chance for reasonable yields.

SADA through our regional network and regional SADA Board structure is listening to our membership and taking onboard the issues and policies you want representation on. Given the severity of the drought (hardship) and the need to protect our primary industries that contribute so much to the national economy (investment in the future) the responses to our lobbying by both the state and federal governments has been reasonably successful to date. But if the situation continues to deteriorate then we will have to be very smart at finding some new

practical and effective farm business support strategies. Often explaining the problem is the relatively easy part, it is finding, agreeing, and implementing the solutions that is more challenging. Governments today are less interested in hearing about industry problems and more interested in hearing about solutions (how government and industry can work together). This year there are extreme differences between how the regions are faring.

As we discuss the farm business challenges with members it is clear that there has been a shift in attitude. Last year most dairy businesses were prepared to pay the cost of keeping their herds in good condition but this year many dairy managers, especially those reliant on the MDB, are more focused on options aimed at protecting business assets. Members on the River swamps and around the Lakes are thinking about all sorts of options such as exiting dairy, de-stocking, down-sizing, trading water, selling their crops rather than feeding cows etc. A few are considering new investments including constructing feed pads. So the Association has the task of representing all members; including those committed to staying in the industry for the long haul, those facing significant current financial stress, and even those seeking or considering a dignified exit from the industry.

POTENTIAL FODDER CRISIS

There is a real potential for a "fodder crisis" facing the intensive livestock industries in the coming year. In fact the feed and water concerns many farmers were experiencing this year around May could come as early as February/March this coming summer.

As an industry it may be prudent to enhance our drought planning to include the possibility of a national crisis situation. Possible responses could include;

- begin now looking internationally for feeds and by-products that can be part of dairy rations
- planning how best to use the pasture/hay and silage from spring over the coming year together with supplements
- consider contract options relating to summer crops from the north of Australia.

Having been involved for many years in the international commodity trade I am well

aware of the timeframes involved in contacting, storing, transporting, processing and distribution of grain and fodder.

In summary; we know now for certain some dairy regions are in crisis now and it is still uncertain as to whether we will have a drought induced national dairy industry crisis.

FINANCIAL ASSISTANCE

It is nearly a year ago (when no SA dairy business was receiving EC assistance) at an SADA regional meeting at Myponga that I outlined the challenges in lobbying for you to at least be given "a fair go" at applying for the EC drought package. These included; the perception that dairy farmers were doing ok (no starving stock); the EC eligibility criteria was too tight and unfair to dairy farmers, concerns that the state government would move too slowly in preparing the regional EC applications. As members would be well aware SADA was very proactive in changing the perception that the drought was not relevant to the dairy industry, getting substantial changes to the criteria thus making many more farmers eligible, and SADA paying for the initial dairy EC case studies to get the process moving faster. Today many members are receiving either income support or the interest rate subsidy or both.

To date the EC applications so far processed here in SA indicate the number being successful and the subsidies being paid are higher than the national averages. We will continue to monitor the situation.

The growing number of issues being progressed by SADA at all levels, and involving many other groups and government agencies for further drought related assistance is our main priority at this time.

Please see included Information Sheets.

FEDERAL ELECTION - A GREAT TIME TO TALK TO POLITICIANS

During the past year our SADA regional meetings have generated many ideas and potentially progressive new policies for our

dairy industry. For instance members have questioned the EC model as being the most effective way of supporting primary industries in drought conditions. Farmers believe the environmental stewardship role they play benefits the community and therefore should be in part paid out of the public purse. The lack of skilled labour, championing the need for workplace reform, reforming the way water is managed and traded are just a few of the other issues to be addressed.

SADA has taken these issues raised by our membership to ADF and NFF and they have been incorporated into the policy platform for the 2007 Federal Election that has been finalised and released last week.

In the past the primary industry sector has had considerable success in getting many of these policies into the platforms of the major parties. While several of the policy positions are on-going from previous years many are new and creative and may well be of considerable value in going forward. For example; the stewardship issue was strongly endorsed by the Hills and Barossa meeting (the SADA Board then wrote to ADF and took the issue to the ADF Board Meeting in Perth earlier this year) and it has now appeared as national policy and will be further developed over time. The new approach to drought and climate change came from the members wanting a model that every farmer could become involved in and not just those in "most need" as with the EC Program.

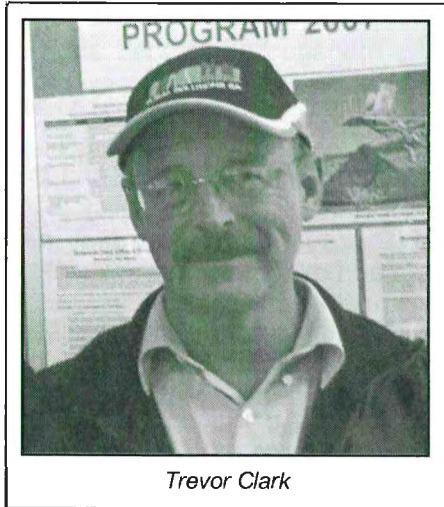
But rather than go through all these policies I have included in this Dairy Update the relevant press release giving you the web link to the policy document that is 38 pages. But I recommend you have a look just to check on those issues of most interest to you. If we can deliver on some of these policies then it could be important in creating a more positive climate for investment confidence in the dairy industry post the drought.

OUT AND ABOUT

Trevor Clark

The South Australian dairy industry is in deep shock this week after hearing of the sudden passing of Trevor Clark. Trevor (PIRSA Rural Solutions) has been a key manager of many very successful dairy programs over many years. Recently Tony Morbey and

myself met with Trevor in Clare and we enthusiastically discussed some of the current projects and some new ones. Trevor was full of enthusiasm for the plight of our dairy industry even though planning for retirement was his next major personal project.



Trevor Clark

Dr Ian Lean

The presentation by Ian at the recent Seminar at Monarto Zoo was very well attended by dairy farmers from all over South Australia. Again a key message was the economics of keeping stock in good condition while augmenting our pasture based systems and coping with less irrigation. Planning dairy rations over the next year will be a major challenge. Many farmers will be using rations they have never tried before.

Visit to the South East

The SADA SE Region has established a Water Committee and they have been actively working with the SE NRM Board to review the condition of the aquifers in the SE. There is also a need to get forestry to account for the water they use and to seek to achieve even better levels of water use efficiencies.

I was extremely impressed with the dairy training being provided by Mark Thompson (Lecturer in Agriculture, SE TAFE) and the team work with Kim Cawthorne at Arajobs in placing young people in the dairy industry. There is so much talk about building a better framework for dairy training in the future (and this is good) but it was refreshing to see some one like Mark just getting on and making things happen.



L-R: Ken Lyons, Kim Cawthorne and Mark Thompson....discuss dairy training & employment in the South East



Doug Chant, UDV President

We were also able to catch up with the President of the UDV Doug Chant and compare notes on issues relating to the services we are providing for members.

Reforming the Vocational Training system

It is widely accepted that there is a strong link between having a skilled workforce and the future prosperity of the country. The same can be argued for the future of the dairy industry. Currently the SA Training and Skills Commission is reviewing the way vocational training is done in SA. Predominantly it is about changing the system to better suit industry requirements. The key question being asked is, "If you were designing the VET/TAFE system that best suits your needs, what would it look like in 2010?" I represented our industry at the industry consultation on 31 August. While the timing of this attempted reform of training is unfortunate, in that we have the drought and water issues at the moment, if we as a dairy industry want a better training system we have to be part of this review. The consultation session was facilitated by Professor Sue Richardson from the National

Institute of Labour Studies who I hadn't seen since we were studying together at Melbourne University.



Professor Sue Richardson and Ken LyonsPlanning a better training system

Cheryl Phillips

Cheryl has advised us that her company has decided not to seek a further contract with Dairy Australia to deliver the Advance in Dairy Leadership program. She wrote a letter of appreciation for the way we have partnered with her over the past seven years to build the leadership capacity of the dairy industry. The equation is quite simple in that; we assist in the growth and development of the participants and they subsequently contribute to the industry's future. Thank you to Cheryl for a job very well done.

Carlene and Alastair Downie

Congratulations to the editors of The Australian Dairyfarmer magazine for winning the best on-farm story at the Rural Press Club of Victoria Awards. The magazine is published for ADF and supplied free to all registered dairy farmers. It is important that the quality of the magazine is maintained and is meeting the farmers need for information.

AUSTRALIA'S WORKPLACE RELATIONS SYSTEM

A flyer explaining details of upcoming workshops and one-to-one sessions will soon be in the mail to all those in regions where the workshops haven't already taken place. Please call Jo Gilbert on 8293 2399 if you would like a copy of *Australia's Workplace Relations System; how it applies to Farmers* folder containing all the latest information for agricultural producers and contractors posted to you.

EMPLOYMENT FACT SHEETS

Chas Cini – MERS

It is now a requirement that all of your **current** employees **must** be provided with a Fact Sheet before the 20th October 2007. For the sake of convenience we have attached a copy for your information but you can download it from the Workplace Authority website at www.workplaceauthority.gov.au

All **new** employees must be provided with a copy of this Fact Sheet within 7 days of commencement of employment.

Should you fail to provide a copy of the Fact Sheet to your existing or future employees there is a \$110 fine per employee.

Whilst the procedures do not require you to seek confirmation that employees have received a copy we **STRONGLY RECOMMEND** that your procedures include a process whereby employees acknowledge receipt of a Fact Sheet and that it is placed on their personnel file or some other record for future reference.

SUMMARY

As you can see the Government is now tightening up on workplaces which do not comply with the intent and spirit of the Industrial Relations changes. In tightening these procedures and setting new guidelines we strongly recommend that you adhere to them even though it may require more paper work to minimise the risk of claims against you. You should be aware that employees can bring a claim against an employer for a period of up to six years. If the Workplace Authority believes that there has been a deliberate attempt to circumvent the legislation they have the power to impose not only penalties but also interest on any back payments.

See attached Fact Sheet

NFF LAUNCHES IT's '2007 FEDERAL ELECTION POLICY PLATFORM'

AT THIS federal election, the National Farmers' Federation (NFF) is calling on all political parties to commit to a visionary new strategy aimed at securing the sustainability of Australian farmers – and, through them,

advancing the national interests economically, socially and environmentally.

The NFF's 2007 Federal Election Policy Platform asserts commonsense new policy directions, encapsulated in three central planks: 'Economy, People, Environment'.

"Modern farming is fundamentally intertwined within the leading issues of the day," NFF President David Crombie, launching the policy platform, said. "Economic performance and international competitiveness; labour force and its education and training; climate change, water reform and environmental-sustainability all transcend politics to define who we are, and where we are going, as Australians.

"While the nation remains in the grip of the worst drought on record, Australian farmers are getting on with the job of smart farming – identifying real solutions through new drought management and preparedness initiatives, investing in innovative research to address climate change, embarking on sensible water reform to meet metro and regional needs and always looking to sustainable environmental management.

"Our farmers generate \$103 billion a year in production, taking into account the supply chain value they support – that's 12% of GDP. Some 1.6 million Australian jobs hinge on farming – with over 330,000 directly on-farm. Our farmers provide over half of Australia's daily food intake and generate 20% (\$30 billion a year) of the nation's exports.

"Agriculture, perhaps more than any other sector, is directly exposed to the impact of climate variability, fluctuating world markets and international trade barriers. World-class transport infrastructure and telecommunication technologies are essential to a vibrant agricultural sector.

"The NFF wants a commitment from a government that will work strategically, in partnership with farmers, to help meet these challenges. We are proposing nation-building advances in the way Australia deals with drought, climate change, water reform and industrial relations, to list a few.

"We are advancing a sustainable way forward to secure farmers' futures, that of their

families, their local communities, and our nation.

"The 2007 federal election is poised as a fascinating clash of ideas and ideals, a contest we have not seen in Australian politics in many years."

The document is available online at: <http://www.nff.org.au/read/2442828448.html>

DIARY DATES

9 Oct SADA Board Meeting

10 Oct 11.00am – 2.00pm Hours of work & Terminations Workshop – Kadina Museum & Tourism Centre 3.00pm One-to-one sessions

11 Oct 10.00am One-to-one sessions – Kadina

24 Oct 10.00am – 1.00pm Incorporation & Agreement making workshop – Mt Barker Golf Club 3.00pm One-to-one sessions

25 Oct 10.00am One-to-one sessions – Mt Barker

31 Oct One-to-one sessions – Adelaide (MERS Office)

If you have employees based in the South East please read on....

Members of Employers Mutual's Client Services Team will be in Mount Gambier on Wednesday 17 October to deliver two employer training sessions.

If you have staff based in the South-East who may benefit by attending these sessions, please phone Jo Gilbert on 82932399 for a registration form for these training sessions.


LATE NEWS

- Occasional showers across the state are helping our feed situation (crops, hay, silage)
- Dairy farmers encouraged to look at the NFF www.nff.org.au and ADF www.australiandairyfarmers.com.au sites for their Election Policy Platforms.
- CEO Ken Lyons met with Shadow Minister for Agriculture Kerry O'Brien today (4 October) to discuss dairy industry policies.

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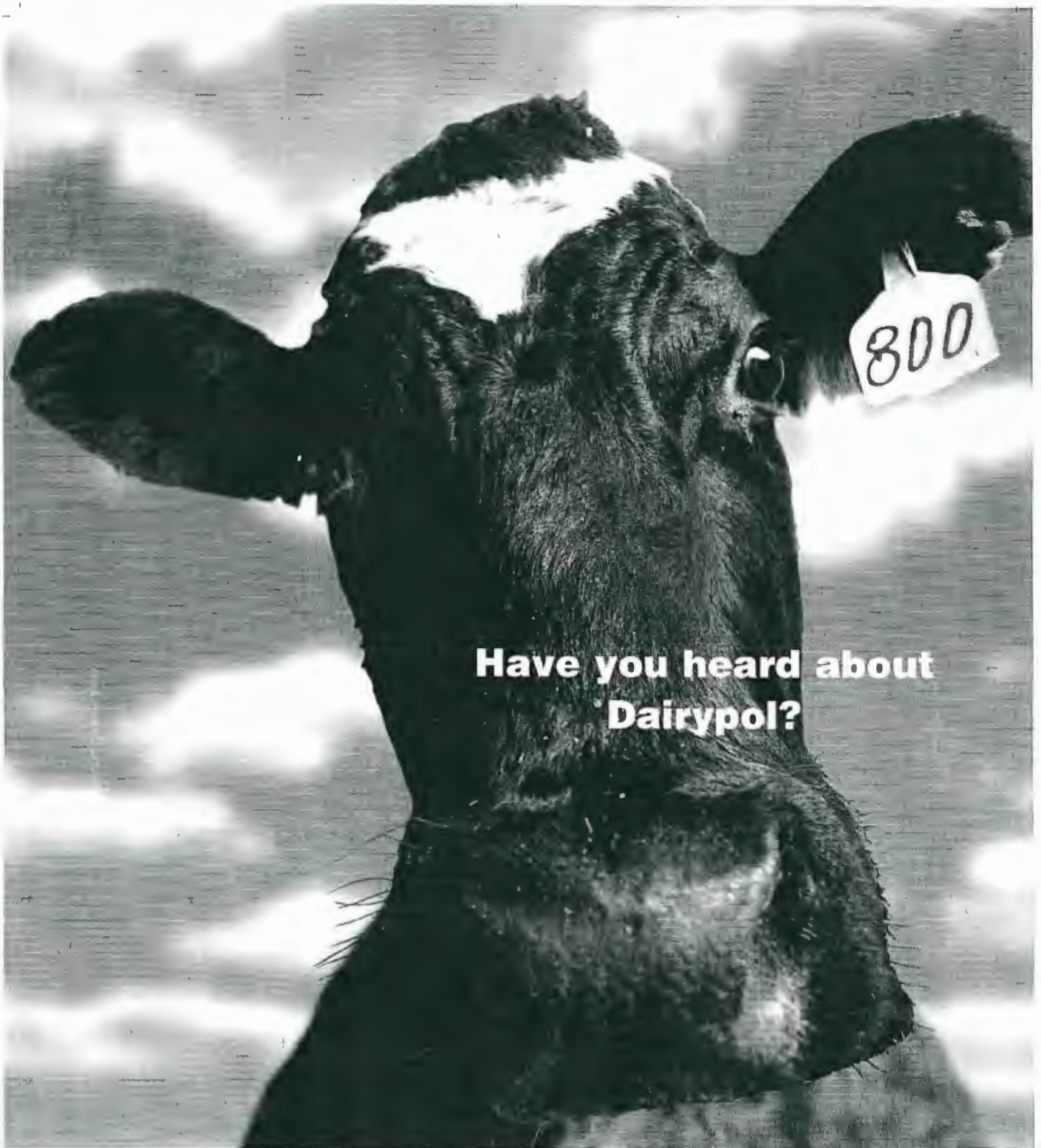
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New assistance measures for irrigators in the Murray-Darling Basin

On 25 September 2007 the Australian Government announced a new and improved drought assistance package for irrigators, dryland farmers and small businesses severely affected by the drought. These measures recognise the unprecedented severity, length and extent of the current drought, and subsequent reduced water allocations, and their impact on rural and regional communities, the environment, and the broader Australian economy.

What are the new measures?

Information sessions to assist irrigators manage reduced water allocations

Information sessions will be delivered across the Murray-Darling Basin to provide irrigators with practical advice to assist them in managing their farm enterprises with reduced water allocations. The sessions, delivered in key irrigation communities across the Murray-Darling Basin, will provide irrigators with information specific to their industry and region. The aim of the sessions is to assist irrigators to identify challenges and risks from the current water resource issues, and improve their planning and risk management during this difficult time.

Irrigators will receive practical and expert advice on things such as improving water use efficiency, minimising production losses and improving production planning. Irrigators will also be able to seek advice on what changes they may need to consider to enable their farm business to recover from the water shortage crisis.

For further details, including dates, towns and venues call the Murray-Darling Basin Information and Referral Line on **1800 050 015**, or visit **www.daff.gov.au/droughtassist**

New grants for irrigators to improve water management in the Murray-Darling Basin

Grants of up to \$20,000 (GST exclusive) will be available to eligible irrigation businesses in the Murray-Darling Basin to help meet the costs of adjusting to reduced water availability. The grants will be paid on a reimbursement basis, with irrigators able to recoup the costs incurred (up to a maximum of \$20,000) to implement measures that address the risks of reduced water availability.

Irrigators with a current business plan will be able to use the grant to meet the costs of implementing on-farm practices which aim to enhance water use efficiency and improve the productivity of their enterprise. By assisting irrigators to improve their water management practices, the grants will also help maintain Australia's valuable water storages and protect the environmental resource base.

For further details on the grants for improved water management, call the Murray-Darling Basin Information and Referral Line on **1800 050 015**.

For more information about the new assistance measures for irrigators in the Murray-Darling Basin contact the Murray-Darling Basin Information and Referral Line on 1800 050 015.



Improved drought assistance measures

On 25 September 2007 the Australian Government announced additional drought assistance measures for irrigators, dryland farmers and small businesses severely affected by the drought.

These new measures will make it easier for farmers and small businesses to access Exceptional Circumstances (EC) assistance, provide grants directly to irrigators, and help with the social pressures facing farming families and communities across rural and regional Australia.

What are the new assistance measures?

Easing farmers' access to EC assistance

- An increase in the off-farm income exemption from \$10,000 to \$20,000
- An increase to the off-farm assets limit, for access to EC interest rate subsidies, from \$473,000 to \$750,000
- Access to \$5,500 (GST inclusive) Professional Advice and Planning Grants for eligible farm businesses in EC declared areas until 30 June 2009

Broadening the current small business support arrangements

- Extending EC income support and interest rate subsidies to those small businesses who have a significant reliance on farmers for income, are located in towns of up to 10,000 people and have suffered a downturn due to the drought

Enhanced exit assistance

- An exit grant of up to \$150,000 for farmers who have decided to leave the land, with an assets limit of \$350,000 to access this grant
- A further \$10,000 is available for advice and re-training, and up to \$10,000 for relocation expenses is also available to those who take up the advice and re-training grant

Support for irrigators

- Grants of up to \$20,000 to irrigators in the Murray-Darling Basin to implement water management strategies in response to significantly reduced allocations
- Information workshops to assist irrigators manage their farm businesses with reduced water allocations

Additional social and community assistance measures

- Funding for additional Rural Financial Counsellors, Centrelink Rural Support Officers, and social workers
- Additional social and emotional counselling services through 25 new Family Support Drought Response teams
- An increase of \$1,000 to the Assistance for Isolated Children (AIC) Additional Boarding Allowance and an ongoing supplementary allowance of \$1,000 for all students who receive an AIC Distance Education Allowance
- Providing funding of up to \$10,000 per school in EC declared areas
- Additional funding for the Emergency Relief Program

Where can I get further information?

For more information on Exceptional Circumstances support and other Australian Government drought assistance measures call the Drought Assistance Hotline on **13 23 16** or visit www.daff.gov.au/droughtassist

Workplace Relations Fact Sheet

Your rights and obligations

Know your rights

Australia's federal workplace relations system has a set of rules and obligations that all employers in the system are required to follow.

As an employee, you should know where you stand.

All full-time employees are protected by a key set of pay and conditions which cover:

- Guaranteed minimum wage rates
- Maximum working hours
- Four weeks paid annual leave
- Two weeks personal/carer's leave
- One year unpaid maternity or paternity leave

Part-time employees get similar entitlements based on their hours of work. Casual employees are guaranteed minimum wage rates, casual loadings and unpaid carer's leave.

Employees cannot be sacked because of their race, gender, age, disability, religion, pregnancy, family responsibilities or trade union membership.

Employees have the right to join, or not join, a union.

Employees must be issued pay slips and have accurate and complete time and wage records kept by their employer.

There is a Workplace Ombudsman to assist employees and ensure that employers meet their obligations and has the power to take legal action on such issues as:

- Whether an employee has been forced to sign a workplace agreement
- Whether employees have been underpaid
- Keeping records of employee entitlements
- Whether employers have provided pay slips.

Know where you stand

The Workplace Authority provides independent advice to employees and employers about the workplace relations system. It has a particular focus on helping young employees understand their workplace entitlements and agreements. Whether you're an employee or an employer, there's one place you can go for information, help and advice.

workplace.gov.au
Workplace Infoline
1300 363 264



Australian Government
Workplace Authority

Know your agreement

Under the workplace relations system there are a variety of working arrangements available, including Australian workplace agreements, collective agreements, union collective agreements and awards. There are protections in place for all these arrangements.

The Workplace Authority checks workplace agreements against a Fairness Test to make sure employees get fair compensation if they agree to change key award conditions. It means that if you trade existing protected award conditions, such as penalty rates, you must get fair compensation in return. Usually, the fair compensation will be a higher rate of pay.

The Fairness Test applies to employees' agreements in industries or occupations where an award usually applies that have had certain conditions removed or changed. These are:

- Penalty rates, including working on public holidays and weekends
- Shift and overtime loadings
- Monetary allowances
- Annual leave loadings
- Public holidays
- Rest breaks
- Incentive-based payments and bonuses.

If an agreement doesn't pass the Fairness Test it will have to be changed so that it gives fair compensation, and the employer will have to make up any back pay.

The Fairness Test applies to Australian workplace agreements for employees earning under \$75,000 and all collective agreements.

There is a range of support available to help you when negotiating your Australian workplace agreement:

- Employees can have someone with them when negotiating an agreement. It could be your spouse, a union representative or a friend
- Employees have 7 days to consider their workplace agreement, although this can be waived if the employee agrees
- A current employee cannot be sacked for refusing to sign a workplace agreement
- Employees cannot be sacked because an agreement doesn't pass the Fairness Test
- People under the age of 18 must have a responsible adult, such as a parent, co-sign their workplace agreement.

Translation and Interpreting Service - 13 14 50
National Relay Service - 13 36 77
Speech to speech relay services - 1300 555 727

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor

Monday 19 November 2007 PRESIDENT'S REPORT

David Basham

The Election

As I write this we are two weeks away from the Federal election. It is very important that you consider your vote very carefully. The Federal Government is becoming much more important to us as dairy farmers as more power moves to Canberra from the states.

The Federal Government is going to make decisions over the next few years that could have major effects on the way we do business. Firstly, the Federal Government is likely to take a much greater control of irrigation in the Murray Darling Basin. Another area where the Federal Government may have a large influence on us is in greenhouse gas emission controls. This may include a carbon trading scheme or even taxes on the emissions from livestock. These and many other issues are going to be very important to our businesses and SADA together with Australian Dairy Farmers and the National Farmers Federation will try to reach the best outcome for farmers.

I would encourage all dairy farmers to consider these issues and many others when they cast their vote on Saturday the 24th of November. I realise that most dairy farmers are in safe seats so they feel their vote will not affect the outcome and that maybe the case. Due to this I would encourage farmers to talk with friends and family that live in marginal electorates about the concerns and which party may be the best option for dairy farmers. It is your country so please engage the electoral system to help achieve the best outcome for you and other dairy farmers.

EC Meetings

I am pleased that EC funding now covers all dairy farmers in South Australia. In the next 2 weeks there will be drought information sessions in the Adelaide Hills and the Lower South East. It is important that you try to attend these sessions to hear what assistance may be available to you. There have been changes in the levels at which off farm income and off farm assets affect your ability to receive funding and these will be outlined at these sessions.

As I keep saying please do not self assess, speak to a Rural Financial Counsellor as they can help you with the process and the service is free. I keep hearing of more and more dairy farmers that have received the funding, if you have been rejected and believe that you should have received the assistance please get in touch with the office or me to discuss your options.

Finally, please make yours and your friends votes count.

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

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FEDERAL ELECTION – VOTING IS THE EASY BIT

Every industry in Australia today has to have an effective lobby group. For these industry lobbyists election time is the serious culmination of years of work.

The rural lobby, and especially dairy, appears to again be doing fairly well in the lead up to the Federal election. This is when industries win or lose in the rush to gain policy commitments from the political parties. This in turn determines the extent of the benefits flowing through to members. The dairy and farm policy platforms for the coming elections are available on the ADF and NFF websites.

Your SADA membership pays for the lobby by SADA, ADF and NFF.



Shadow Minister for Primary Industries, Senator Kerry O'Brien with Ken Lyons

Thanks to our local Federal Member, Steve Georganas MP, I was able to meet in person with the Shadow Minister for Primary Industries, Senator Kerry O'Brien and discuss the key issues for the dairy farmers.

EC MONEY BEGINS TO FLOW TO MEMBERS

There has been an enormous Federal Government commitment to funding of drought assistance in recent years. Today it is rewarding to hear of individual stories of how the assistance is helping many South Australian dairy families. A year ago it appeared that very few, if any SA dairy farms, would qualify for Exceptional Circumstances funding.

One year ago SADA proposed a plan to get some 'fairness' into the EC scheme for dairy farms. That plan was presented and endorsed by a Fleurieu Regional Drought Forum at Myponga on 2 November, 2006.

SADA paid for the initial dairy drought case-studies in the dairy regions and began a year of lobbying of the Federal Government to relax the EC criteria. Today we have the remarkable achievement of having all SA dairy farms eligible to at least apply for assistance. A special thank you to Federal Minister, Hon Alexander Downer MP, and his Mount Barker electoral office team for their assistance. One of the final challenges for SADA was to assist with taking the "assessment team" from Canberra to our dairy farms to hear for themselves the stories of drought induced hardship.

Looking back we achieved all the goals set at Myponga just one year ago and it is a good example of how a little passion, energy and good networking can deliver quite a lot of funding to SA dairy farm businesses.

For those who were excluded by the EC criteria for payments we are developing a new concept with the Federal Government related to preparing for drought and this scheme will be open to all farms and not solely based on "exceptional circumstances" and need.

Due to the pressures of managing farms through these challenging times many farm families are yet to apply for EC assistance.

RECENT RAINS BRINGING SOME SMILES AGAIN

The recent rains have boosted the spirits. The SE is coming good, but the longer term outlook for the Murray Darling Basin is still quite desperate. As I write this Update, the outlook for the Murray River is worse than this time last year and national contingency planning is underway for next season to ensure Adelaide and river towns have water.

SADA has been saying for years that the MDB needs a national plan (along the lines suggested by John Howard) to save the future of the basin. Surely, given the gravity of the situation, what ever party wins Federal Government action needs to occur rather than more talk-fests. SADA has spent a lot of time and resources assisting our River and Lakes members over recent years it is so frustrating to see the loss of production in the area.

As we move into the grain harvest it will be interesting to see how the prices look for grain "off the header". Given the recent rain there may be some down grading of the crops.

CHALLENGING TIME FOR ON - FARM DECISIONS

The challenge for many SA dairy farmers over the next year will be to look at both the feed costs and the milk returns and come up with a plan forward. You will notice there are a number of workshops coming up on this topic. Fortunately farm gate milk prices remain very firm based on the international prices and we are expecting lower grain prices so the opportunity to make money from milk should be there for many.

There are a few things we at SADA can help with in this situation beyond the workshops and assistance measures.

On the cost side - we are ensuring the animal feed industries have access to international grain and fodders. We are promoting transparency of grain stocks and regional prices. We are preventing subsidised interstate buyers from taking our fodder.

On the price side - we are pushing for SA farm gate milk prices to be as good, or better,

than in the other dairy regions around Australia. This is not as easy as it may first appear. This is where we need to use our association to ensure we get extensions to the current "collective bargaining" rights. The arrival of Murray Goulburn to the central region of SA is something that many of us believe will lead to better prices. Just while on MG, having a farmer owned co-operative operating in SA is a means of ensuring the benefits of better market returns get passed back to South Australian dairy farmers.

During the year SADA has continued to explore with our membership and to some extent the community (via the media) how the deregulated dairy market works. Dairy farmers are today far less inclined to pass over their milk to a life long processor. Today they are demanding competition, comparing prices, making sure they have a good idea of who is making what on our the milk as it goes down the supply chain. We are even seeing some farmers processing and marketing their own dairy products.

BIG DOLLARS TO BE MADE IN BUYING (GRAIN) AND SELLING (MILK)

An article in The Advertiser (13th Nov) is a reminder that dairy farmers buying grain can make up to \$30 a tonne more on any day by shopping around. In this regard the DA regional grain and fodder reports have been helpful is directing our farmers to the better prices. Those dairy farmers who have compared the milk prices between the dairy companies have also been surprised at the range of prices on offer. The increase in the number of processors looking for milk in SA has also been good for SA farm gate milk prices.

GETTING A FAIR SHARE OF HIGHER RETAIL PRICE FOR FARMERS

This year there has been a lot of media about rising domestic dairy, and food prices in general, for consumers. We obviously live in a very commercial environment and everyone is out to make a dollar and increase their margin. That is how the market economy works! So this year SADA has been more active than usual in playing a role of the

“voice” and “guardian” for dairy farmers getting a “fair go”. Obviously we speak from the view of the dairy farmer but the reason, I believe SADA is invited onto the media so much, is because we are seen to be consistently accurate, reliable and credible in our comments.

Evidence continues to mount for the proposition that for the Australian domestic fresh milk market the biggest winner (between the farmer, processor, retailer and consumer) is still the consumer. A recent report indicates that while international prices for dairy are at record levels the increase in domestic dairy prices rise has only been a modest 5.4%. By comparison dairy prices in Britain and the US have increased by 21 and 26 percent. So the conclusion is that by global standards Australia has “extremely low retail price inflation for fresh milk”. So why is this so? One of the suggestions is that milk is an important driver of traffic through supermarkets.

DOOR OPENS ON OPPORTUNITY OF A GOLDEN ERA FOR DAIRY

There was a small report in the Weekly Times (7 Nov pp26) by an Australian Agribusiness analyst predicting we were entering a new period of higher food prices. Even to the point where he is suggesting the supply/demand dynamics are such that farmers were able to be “price setters”.

In my recent presentation to the Barossa Co-operative AGM I also suggested a positive outlook for dairy. The big wealth creators for dairy are:

- Trade reform. Less oversupply and improving access to higher priced markets.
- Growing dairy markets. Emerging wealthy markets in Asia and the Middle East.
- Value adding. There is good progress in turning milk into gold (health and functional foods).

Since the Barossa Meeting two recent events have further contributed to confidence in the future (the EU Trade visit and the sale of National Foods).

SADA HOSTS VISIT FROM A MEMBER OF EU PARLIAMENT

SADA was very proud to be asked to arrange a farm visit for a very important member of the EU Parliament, Stephane Le Foll. Thank you to Lee and Jill McKenzie and family at Tooperang and Dan, Krystyna and Rebekah McCaul at Alexandrina Cheese for making the day so successful. This was a rare opportunity for SADA to make a contribution to the current world dairy trade debate which will have such an impact on the future of the dairy industry.



Lee McKenzie and Stephane Le Foll

INVESTORS SEE GOLD IN DAIRY

The recent sale of National Foods to Kirin Holdings for \$2.8b made headlines in the financial papers. The side story was that National Foods commenced the corporate journey from humble beginnings in a small SA country town (Jamestown) over a century ago. The big story is belief by the corporate kings that dairy with its health foods and functional foods is seen as a great investment. If you look at the words used by the Kirin CEO you will see the basis of the investment is the intention “to lift product prices and focusing on high-margin products including health and functional foods”.

This investment confidence in dairy should be welcome news for Dairy Farmers and their restructuring.

The Dairy News quoted one analyst saying, “It’s an audacious move because it comes amidst increases in the prices of raw materials”. It is interesting that some new

investors have also entered the dairy farming industry also at a time when the costs (this time fodder costs) are high. It is all a matter of how you see the future.

Fonterra is also currently looking for extra investment funding to grow its international dairy business faster.

DR PAUL VOGEL DEPARTS THE EPA



The SA Dairy Industry had an excellent relationship with Paul Vogel the past Chair and CEO of the EPA. I was fortunate to be invited to a private farewell and we were able to reflect

on the substantial achievement by the EPA under his leadership. Some members will recall Paul wading around the river dairy swamps and lakes soon after he started with the EPA and then more recently visiting dairy farms at Myponga in the rain. Paul shared the vision and recognised the importance of industry government partnerships in managing the resources sustainability.

DAIRY SAT INVITATION

One of the best moves made by the Australian Dairy Industry and Dairy Australia in the past decade has been that of having regional Dairy Natural Resource Management (NRM) Officers. These people have created millions of dollars worth of dairy industry NRM projects. SA has been so fortunate in having Monique White as our state dairy NRM officer and she is doing a fantastic job.

Monique has contributed this article for the Dairy Update inviting dairy farms to consider being part of the Dairy SAT program.

Did you know that many farm best management practices also help to minimise the environmental impact of dairying? Have you ever thought about what you are doing on farm and whether it is good or bad for the environment? Do you want to be able to tell others what you are doing well?

Dairy SAT can help.

DairySA and Dairying for Tomorrow would like to invite all interested dairy farmers to consider undertaking a Self Assessment of Farm Environmental Performance using the Dairy SAT. DairySA has received funding from the Australian Governments' National Landcare Program to provide farmers the opportunity to participate in the Dairy SAT program.

Dairy SAT covers current environmental and production best management practices in 9 activity areas including Effluent, Irrigation, Nutrients, Soils, Chemicals, Pests and Weeds, Biodiversity, Farm Wastes and Air and Energy (Greenhouse gas emissions). The process enables farmers to identify what they are doing well and to develop a plan to address areas where further information or action is required and further assistance can then be sought. If you are interested in a farm visit by the Dairy SAT coordinator to review your farm practices please contact Monique.

All information remains confidential however, participation also assists DairySA and SADA to identify areas where industry projects and assistance funding is required, enabling your industry leaders to develop appropriate funding bids to address any areas of concern, an important step in ensuring the industry is well positioned to address any future issues as they arise.

For further information on this or other DFT projects please contact Monique Aucote White on 0400 972 206.

MEMBERSHIP DRIVE



David Stacey has agreed to assist SADA with a membership drive over the coming three to four months. David is an experienced and respected dairy industry identity and is keen to see our dairy people get a better deal. David can be contacted on

his mobile 0404 503 738.

RURAL LEADERSHIP PROGRAMS

Please give me a call at SADA to discuss leadership programs.

DIARY DATES

21 Nov EC information Session – AHBTC Bld
Woollen Mills Lobethal 10.30am – 12.00pm
26 Nov EC information Session
Presidential Motel Mt Gambier 10.30am –
12.00pm
Chardonnay Lodge Coonawarra 1.30pm – 3.00pm
6 Dec Flexible Feeding Systems Field Day
Phone Kirstie Murphy on 0408 088 624
11 Dec SADA Board Meeting

NEW DAIRY FARMERS FIELD SERVICES OFFICER

Greg Gilbert

I am pleased to announce the appointment of a new Farm Services Officer to be based at Allansford in South West Victoria.

Steve Commerford has accepted the position and commenced duties on Monday 8th October. In this role he will provide advisory services to Dairy Farmers' Member / Suppliers in the south east of South Australia, and in the western district of Victoria. Steve has extensive practical dairy farming business management experience, and has managed enterprises of up to 450 cows, having farmed in both Gippsland and South West Victoria. He has previously held financial management positions with the Victorian Department of Conservation and Environment, and is a graduate of Marcus Oldham College.

Contact Steve on 0447 644 154, or email commerfordst@dairyfarmers.com.au.



Dairy Farmers Field Services Officer
Steve Commerford

SADA BOARD MEMBER CONTACT DETAILS

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dbasham@bigpond.com

Vice President:

Lyndon Cleggett (South East)
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brookleigh@activ8.net.au

Treasurer:

Michael Connor (Fleurieu)
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Andrew Stewart (River & Lakes)
0409 093 763
stewartdale@bigpond.com.au

Sue Young
0429 994 337
asyoung@cbi.net.au



DAIRY MANAGER NEEDED

This opportunity would suit an experienced couple.
Work with a professional team on a dairy property milking
250 cows near Riverton SA.

A 4 bedroom house is available on farm 6 kms from shops,
schools and hospital.

Excellent remuneration awaits the successful applicants.

For further information please phone Karen or Bruce on
0409 472 651



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Christmas Shutdown

Book early for the New Year

Last kill Thursday December 20th 2007

First kill Wednesday January 2nd 2008

Phone Mark McLoughlin
on 0400 225 101

I hope you all have a Merry & Safe
Christmas & a Prosperous New Year



Member Details Update

Could all members please update their current details for the SADA Database?

Over the next 12 months SADA is hoping to be able to keep you more up to date by fax and/or email – we have been trying to do this over the last few months but many of you have changed your numbers or email addresses or added new ones and often this information doesn't reach you as quickly as we would have liked. You can return this form by fax to 8293 8886, email sada@sada.asn.au or post to U5 780 South Road Glandore 5037.

Name:.....

Trading As:.....

Address:.....

.....P/C:.....

Phone:..... Fax:.....

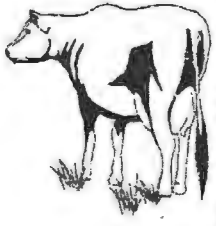
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*in a Single 841 relationship

An exclusive discount for South Australian Dairy Farmers Association

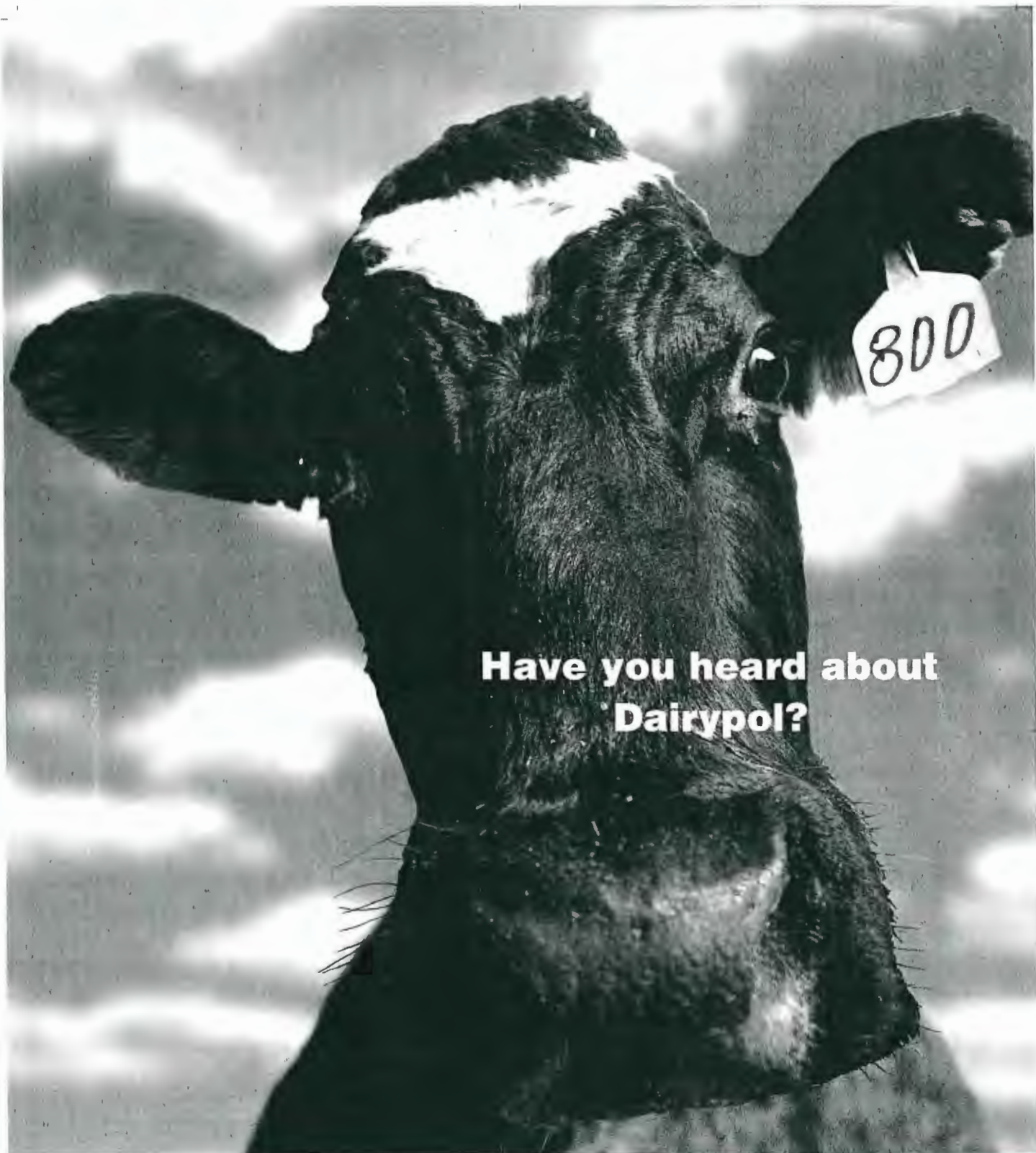
South Australian Dairy Farmers Association and the NFF have negotiated an exclusive 7.5% discount on all eligible Telstra services – in addition to any other Telstra offers. To take advantage, just join the **Telstra NFF Member Plan.**

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When you call, we'll discuss your individual call patterns and Telstra services and help you select the plan that will save you the most money.





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DAIRY FARMERS FOR DAIRY FARMERS**

Dairypol is an insurance plan that was designed in consultation with dairy farmers from all over Australia.

It's a plan for you, your family, and your farm. A plan that truly reflects the needs of today's dairy farmer. It gives you the choice

of cover to best meet your needs and your budget, in one, fully integrated plan.

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INSURANCE LIMITED**
A B N. 18 009 027 221

Dairy Australia

SOUTH AUSTRALIA
100 Greenhill Road, Unley SA 5061
Ph: (08) 8373 9200, Fax: (08) 8272 3145
Or visit our website at www.wfi.com.au



D a i r y S A
REGIONAL DEVELOPMENT PROGRAM

November 2007

Kirsty Flower
Acting Executive Officer
DairySA

Ph 08 87659043
Fax 08 87659091
dairysa2@bordernet.com.au

To South Australian Dairy Women

As a woman involved in the dairy industry in SA, DairySA would like to invite you to participate in a unique opportunity. *Women in Dairying – Leading the Whey* is a new and exciting project coordinated by DairySA, funded by DAFF and to be presented by Rural Directions.

This will be a fantastic opportunity to meet new people from the industry, gain confidence and learn new skills. The project involves a four day workshop for all women involved in the SA industry. Women from all backgrounds and roles are encouraged to register their interest for this opportunity. The workshop is free!

The workshop will include the following core sessions:

- ▶ Leadership in your industry
- ▶ Behavioural typing (Myers Briggs Type Indicator)
- ▶ Communication in business and industry
- ▶ Dairy Industry Overview
- ▶ Teamwork and motivation

Elective sessions will be chosen from:

- ▶ Conflict resolution
- ▶ Managing the media
- ▶ Entrepreneurship & innovation
- ▶ Providing Support
- ▶ Change management
- ▶ Opportunity assessment
- ▶ Strategic planning and Goal Setting
- ▶ Employment issues
- ▶ Risk Management and Supply Chains
- ▶ Succession Planning

It is expected that the workshop will be delivered in two separate blocks in February and March 2008.

To register your interest for this opportunity, complete and return the slip below.
For further information please contact me on 08 8765 9043.

Regards,

Kirsty Flower

I would like to register for the *Women in Dairying – Leading the Whey* Workshop

Please send me further information:

Yes / No

Name:

Phone:

Trading Name:

Email:

Address:

Fax back to DairySA 08 87659091 or email interest to dairysa2@bordernet.com.au



Australian Government
Department of Agriculture,
Fisheries and Forestry



Rural Directions
CONSULTANTS
Consultants in Rural Management

**DROUGHT
RESPONSE**



Exceptional Circumstances

What does it mean for me?

Information Sessions

Exceptional Circumstances (EC) drought assistance has been declared for the area of the Central & Eastern Mount Lofty Ranges. Eligible farmers and small agriculture-dependent businesses in this area will be able to apply for income support and interest rate subsidies until 31st March 2009.

The Rural Financial Counselling Service of SA (RFCSSA), PIRSA and Centrelink are conducting EC information sessions to provide business information to farming and small business enterprises, located in EC declared areas. Application centres will be set up in each location shortly after.

The EC sessions will cover:

- *EC eligibility*
- *Application process for income support and interest rate subsidies*
- *Further assistance from RFCSSA and Centrelink*

Everyone welcome

EC Information Sessions will be held in the following locations of the Mount Lofty Ranges:

Mount Lofty Ranges

Wed 21st Nov	Lobethal	AHBTC Bld. Woollen Mills	10.30 to 12pm
	Cambrai	Cambrai Hotel	2.30 to 4pm

**DROUGHT
RESPONSE**



Exceptional Circumstances

What does it mean for me?

Information Sessions

Exceptional Circumstances (EC) drought assistance has been declared for the area of the Lower South East of South Australia. Eligible farmers and small agriculture-dependent businesses in this area will be able to apply for income support and interest rate subsidies until 31st March 2009.

The Rural Financial Counselling Service of SA (RFCSSA), PIRSA and Centrelink are conducting EC information sessions to provide business information to farming and small business enterprises, located in EC declared areas. Application centres will be set up in each location shortly after.

The EC sessions will cover:

- *EC eligibility*
- *Application process for income support and interest rate subsidies*
- *Further assistance from RFCSSA and Centrelink*

Everyone welcome

EC Information Sessions will be held in the following locations of the Lower South East:

Lower South East

Mon 26th Nov	Mount Gambier	Presidential Motel	10.30 to 12pm
	Coonawarra	Chardonnay Lodge	1.30 to 3pm

Flexible Feeding Systems



Field Day



Thursday 6th December 2007

10:00 @ Rob & Sharyn Lindner's
Thiele Rd, Pompoota see map on back
Milking 220 cows
Have been using a waste-not feed pad
system for 2 years
Feeding bought in and home grown hay
Cows have access to feed pad after
each milking

BBQ LUNCH provided

12:30 @ Steve & Shelley Van Eldik's
Weidenhofer Rd, Ponde
Milking 250 cows
Recently purchased a mixer wagon
Feeding mix of hay, maize silage
and by products
Feeding the mix out in a line up of
old tractor tyres

We're in a new era of climate variability
Supplementary feeding will continue to be
a critical component of dairying in SA.

This field day will visit 2 farms with
different systems to discuss the range of
issues and options for

Flexible Feeding Systems

Discussion Topics

- Capital costs to set up
- Minimising wastage
- Feed requirements
- Milk responses
- Sourcing feed
- Cow health
- Profitability
- Effluent
- Labour

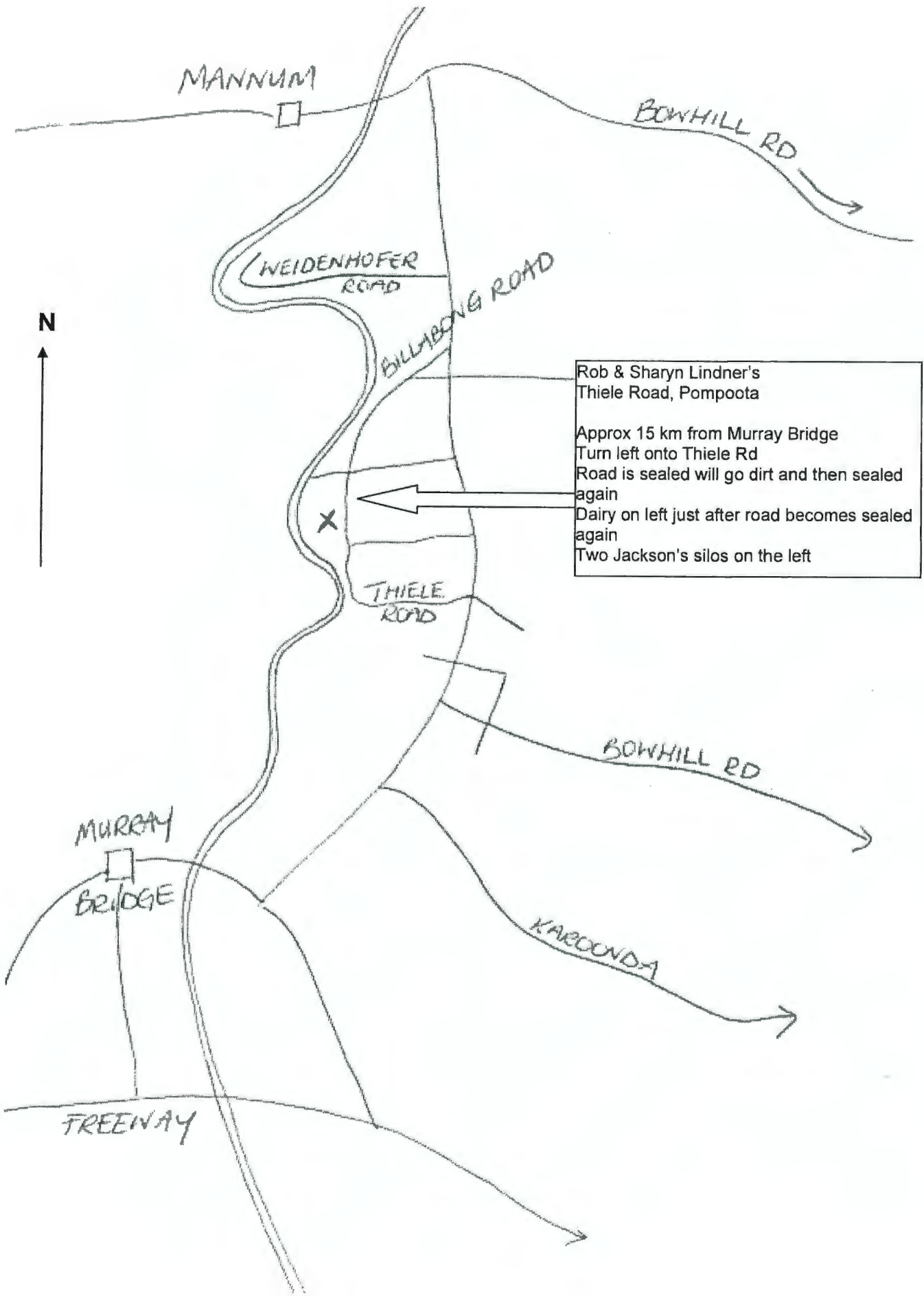
Guest Speakers

Vicky MacDonald
Meningie Fodder

Steve Scown
sCOWn Consulting



RSVP and more information
Kirstie Murphy M 0408 088 624



Rob & Sharyn Lindner's
 Thiele Road, Pompoota

Approx 15 km from Murray Bridge
 Turn left onto Thiele Rd
 Road is sealed will go dirt and then sealed
 again
 Dairy on left just after road becomes sealed
 again
 Two Jackson's silos on the left

DAIRY UPDATE FROM SADA

South Australian Dairyfarmers' Association
U5 Emerson Centre, 780 – 802 South Road GLANDORE SA 5037
Phone: 08 8293 2399, Fax: 08 8293 8886, Email: sada@sada.asn.au Web: www.sada.asn.au
Ken Lyons – Editor



Thursday 13 December 2007 PRESIDENT'S REPORT

David Basham

This has been another very challenging year for our industry. The year started very positively with good opening rains at the end of April, and reasonable follow-up rains in May & June. This was also supported by indications that the world price for dairy product was on the rise. This certainly changed the attitude of many farmers from one of doom and gloom to one of optimism. All seemed that our dreams of a perfect season had been answered, but that was not quite the way it turned out. The rain seemed to stop, the river allocations started at 4% of total entitlement. It seemed our good start had come to nothing. As we neared the end of October it appeared we were heading for a year nearly as bad as last year, grain prices went through \$400 per tonne, hay was appearing to be in very short supply. However, things changed again with good falls of rain across the state as well as in some of the catchment of the Murray.

This increased hay supplies and softened grain prices and water allocation out of the Murray is now up to 32%. The world price for dairy products has continued to climb. This season has certainly been up and down.

The big positive out of the situation described above is the ability of the dairy farmers in this state to adapt to challenges being put in front of them. We had very little control of the events but we adapt to cope the best we can. The media in the last week has been running a story of how farmers are going to be forced out of business through the changes in climate. If farmers do not change and adapt to the circumstances that occur, that maybe the case. Farmers will adapt and change as they have done for the last 150 years in South Australia.

The year is almost at an end and we held our SADA Christmas Cocktail party to thank the people in the industry that we have worked with over the last 12 months. I wanted in particular to thank a few people that helped the dairy industry get all the regions in SA declared under the Exceptional Circumstances funding scheme. The two people that put a lot of work into the applications from PIRSA are Greg Cock & Ainslie Forrest. Two others that helped when we struck snags in the process are the former Minister for Foreign Affairs & Member for Mayo, Alexander Downer and the support from one of his staff Emily Minson. Without the efforts of these four we probably would not have been as successful as we were.

On the EC scheme just a reminder to put your applications in as only about 40 farms have applied from the dairy industry so far.

Finally, I would like to wish everyone a very happy and safe Christmas and New Year. It has been another challenging year and we can only hope 2008 is rainy, wet, wonderful year we are waiting for.

Merry Christmas

Disclaimer: This publication is provided in good faith and as a guide only, it may be of assistance to you, but SADA does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.



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ADF Report

David Basham

ADF Election Scorecard

ADF at the beginning of the election campaign put out a wish list for parties to make comments and promises that will affect the dairy industry. Below are the Australian Labor Parties promises from the election campaign. I have made an assessment of the positive or negative impact on the dairy industry in South Australia.

	AUSTRALIAN LABOR PARTY	SADA view
Developing the best dairy people in the world	<ul style="list-style-type: none"> ○ Boost for VET places ○ Cut FarmBis funding 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Drought	<ul style="list-style-type: none"> ○ No new initiatives ○ Support for existing Government Policy ○ Continue to review EC policy ○ Committed to increased capacity for ABARE (\$ unclear) 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Climate change and research	<ul style="list-style-type: none"> ○ \$130 over four years for adaptation (\$60 mill) research (\$15 mill) and advice (\$55 mill) – old FarmHelp program and rural counsellors) - these promises funded by scrapping major parts of Advancing Agriculture Australia package) ○ Committed to existing R & D levy structure ○ No commitment to invest any Dairy Adjustment Levy residual in consultation with industry 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
A better and fairer Marketplace	<ul style="list-style-type: none"> ○ No major new trade initiatives ○ Committed to a review of investment in agriculture including MIS Did not commit to phase-out of forestry MIS ○ No commitment to phase-out of tariffs on imported ethanol or to no mandatory ethanol in fuel ○ No commitment to collective bargaining 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Water Security for Australian farmers and communities	<ul style="list-style-type: none"> ○ Committed to the \$10 billion NPWS. ○ Committed to engagement with farmers on policy development ○ No specific commitment on risk assignment concerns 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
Careful implementation of emissions trading scheme (ETS)	<ul style="list-style-type: none"> ○ No specific commitment to initial exclusion of agriculture ○ No specific Commitment to work closely with all affected industries when developing an ETS and research associated with emissions reduction ○ No specific commitment regarding protection of the dairy industry's international competitiveness as an ETS is introduced. 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

TRIBUTE TO JOHN McQUEEN

After 25 years working for dairy farmers John McQueen has announced his resignation effective the end of December. We at SADA want to recognise and celebrate the enormous contribution that John had made to the ADF and SADA over the past 25 years. We would like to wish him the best in his future endeavours.

SADA ANNUAL REPORT

The SADA Annual Report is enclosed in this SADA Dairy Update and I invite members to reflect on the activities undertaken in 2007 and give some thoughts as to how we, through "collective action", can improve the prosperity of our SA dairy producers.

Some of the highlights for 2007 were:

- Farm gate milk prices have risen by 10cpl suggesting a seasonal return for the standard litre of around 45cpl. There is a big spread of milk prices across Australia and so there is still more to be done "collectively" in getting better prices for SA. We continue to encourage individual farmers to get prices from all the companies. It is so important farmers have a good understanding of the value of their milk.
- The continuing record low flows into the MDB is resulting in record low water allocations for irrigators. While most irrigators are coping by buying in feed the majority of our lakes dairy farms are being forced to de-stock as stock water dries up.
- This was a federal election year that saw Labor winning. The coming year will be important in keeping our dairy industry in a position of influence at the federal level.
- The big new challenge for all primary industries will be our response to "climate change". Australian of the Year, Tim Flannery, has been at the forefront of this crusade. Like most issues there are opportunities and threats for the dairy industry to deal with and come out winning.

MURRAY DARLING BASIN

The Murray Darling Basin is a great food bowl and important region for our dairy

industry. Lobbying by your associations (SADA, ADF and NFF) has resulted in the government providing significant funding to support our dairy irrigators and their communities during this crisis period.

The challenge for our irrigators is to manage with purchased feed to replace the irrigated pastures and to do this in a way that it is profitable. The energy and creativity of our dairy managers has seen dairy businesses employ a range of new options: feed pads, feed wagons, feedlots etc. There has been a lot less guessing and more testing of the feeds and more attention paid to ration composition, eliminating waste and bringing feed to the stock.

The recent field day to both Rob and Sharyn Lindner's and Steve and Shelley Van Eldik's was a tribute to the ability farmer families have for seeking creative and bold changes to the operation of their dairy businesses.



Sharyn & Rob Lindner

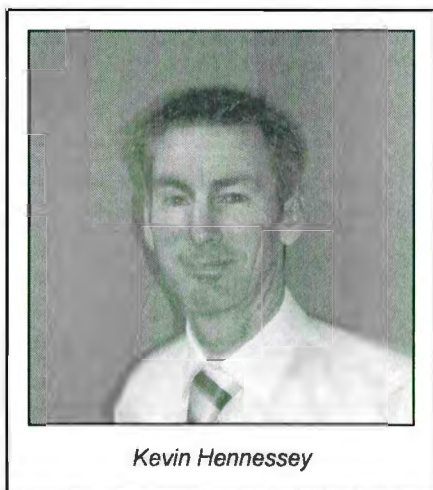
CLIMATE CHANGE

The first step in dealing with climate change is that of understanding the science and assessing the speculation and the predictions. The SA dairy industry has commenced this process with a briefing from CSIRO in the SADA Board Room on 20th November.

The keynote presenter was Kevin Hennessey, a Principal Research Scientist with CSIRO who outlined the climate predictions for Regional South Australia. But the key topics of the workshop that followed were "Possible Impacts and Opportunities" and "Adaptive Strategies".

The next step is that of giving dairy producers options for coping with climate change. The joint ADF/DFNZ conference in Christchurch in February will be important in getting some policies together. I look forward to reporting back to you in early 2008 on this important meeting.

Finally and continuously the dairy industry "collectively" (acting individually on this issue will see dairy "creamed") will need to actively, professionally and scientifically defend dairy from unreasonable attacks. The livestock industries are coming under attack as gas emitters, in the press, so we need to promote the dairy good environment story. Dairy Australia and our dairy associations working together, I believe, give us the best option in tackling this threat.



Kevin Hennessey

There are reports that suggest that global warming will see the demise of the Australian dairy industry and this country in the future importing of its' dairy foods. So today we need to have a robust and clear plan; using the new sciences, using our talented dairy managers and using our influence with governments and community opinion that will grow our dairy industry and our dairy farm profits.

Just remember the dairy industry has achieved significant productivity growth and therefore shown to be quite capable of adapting for the future. Also as NFF keeps reminding the politicians, Australia's primary industries have reduced greenhouse gas emissions by a massive 40% over the past 15 years.

The Federal Labor Government has agreed to spend \$130m to help farmers adapt to climate change but it will be important that

industry and the government work together to ensure the funding delivers good outcomes.



Rick Jordan, Horizon Farming with Monique White at the Climate Change briefing

CARE OF BOBBY CALVES

The dairy industry works closely with government and animal welfare groups such as the RSPCA on animal welfare including the development and implementation of legislation and codes of practice for bobby calves.

It is important that the industry continues to ensure that attention to the management of bobby calves is given a high priority and that farmers and transporter adhere to animal welfare codes of practice.

The key dairy industry contact on this issue is Ms Bridget Peachey, Manager - Animal Welfare Dairy Australia (03 9694 3885). If any dairy farmer is unsure as to the welfare requirements in relation to the transportation of bobby calves please give Bridget or SADA a call. We have spent lots of resources giving dairy a positive welfare image and we can't afford to have this image damaged by the behaviour of a few operators.

VALUE CHAIN INNOVATION GROUP

Isabel MacNeill - Dairy Australia

Dairy Australia provides a range of services and expertise across the whole of the value chain, and a team of people that you may not be familiar with are the Value Chain Innovation Group. This small team headed by Isabel MacNeill focuses on providing a range of innovation services that assist the Australian dairy manufacturing sector remain competitive in the global context.

Value Chain Innovation (VCI) has two major spheres of activity in manufacturing research and dairy nutrition and health. The areas of activity in manufacturing include a major investment by Dairy Australia in an industry research centre called Dairy Innovation Australia Ltd. Dairy Innovation Australia Ltd is a company formed in January 2007 to deliver leading edge pre-competitive research and innovation in dairy manufacturing. This is an organisation that has strong input to and commitment by the manufacturing centre who collectively contribute to over half of its yearly income. Projects run by the centre are highly relevant to the Australian situation.

One exciting example of a project in the dairy processing portfolio is utilising new modelling systems to optimise spray drying in Australia factories. This approach uses investment at the Monash University to study evaporative science and also collaboration with Dutch researchers to use their advanced modelling programs in the Australian situation. This project is already producing tangible benefits to the industry through energy savings, and equipment optimisation. Dairy Australia staff, Neil VanBuuren and Mani Iyer have direct daily involvement in Dairy Innovation, and Isabel MacNeill sits on the Board of the organisation.

VCI is also very involved in sustainability and natural resource management issues in the manufacturing sector as well as improving industry educational capability through the NCDEA and ensuring that new technologies are identified and brought into the industry.

The second core area is health and nutrition where Anita Lawrence, Malcolm Riley, Jacinta Orr and Ian Mitchell provide a range of technical expertise in nutrition science, bioscience and health policy and regulation.

Dairy Australia has developed a health and nutrition strategy that spans the organisation and the three core objectives are; being prepared for the issues: protecting the role of dairy in the diet and finally promoting new opportunities for dairy from a nutrition perspective. The team are very involved in working with health influencer groups to influence policy decision e.g. nutrition policies in school canteens to provide for the best outcomes for positive dairy choices.

VCI are committed to ensuring the Australian industry remains competitive and efficient and the manufacturing sector is a strong link in the overall dairy chain.

EASTERN MOUNT LOFTY RANGES

Water Allocation Planning Update

Warren Jacobs 0438 569025

EMLR dairy farmers are represented on a committee which has been advising to the development of the above plan. The advisory committee has met since early 2006 every 2 - 3 months. A Draft WAP will be presented to the community for comment in approximately 6 - 9 months time.

All EMLR dairy farmers should by now have a temporary authorisation to use water in the dairy and to irrigate. Stock and domestic use is exempt from this. This temporary authorisation will be transferred to a water allocation, which is the responsibility of the Minister for Environment & Conservation. A workshop was held with key stake holders in April 2007 to discuss proposed methods to determine this. Water meters need to be installed for the temporary water authorisation. At present the department is not enforcing this, but this will not be the case forever.

Irrigators in the MDB are able to access grants up to \$20,000 until June 30th 2009. Water meters can be claimed under these irrigation management grants. Installation needs to be carefully planned so that it measures all water used irrigation and dairy use at the least cost.

Dairy farmers representing you on the advisory committee are Warren Jacobs, James Stacey, Bernie Gladigau and David Basham.

DAIRY FARMERS NATIONAL CONVENTION

28-29TH NOVEMBER 2007

Rick Gladigau

An interesting convention was held in Sydney with the usual AGM's of the DFMC and ACF and presentations by both boards.

The highlight were the presentations by Bill Fulkerston on how the future dairy may look, Ron Storey from Australian Crop Forecasters on the grain outlook currently and for the next few years, Joanne Bills from Dairy Australia on milk production in

Australia currently and positives and negatives into the future and Steve Spencer of Fresh Logic on pricing in the regions and where the industry is headed.

Congratulations to the Pacitti's of Myponga on winning the Milk Quality Award for their region as well as being joint winners nationally.

Well Done!



Ian Langdon, Chairman ACF with Amanda and Gino Pacitti

OFFICE CLOSURE

The SADA Office will be closed from Friday December 21 and will reopen on Monday 14 January. Ken Lyons can be reached on his mobile 0419 037 569 and Jo Gilbert on 0419 035 459 at any time.

DIARY DATES

- Feb 19** SADA Board Meeting
- Apr 6** SADA Board Meeting
- Jun 10** SADA Board Meeting
- Aug 12** DIAA/SADA/RAHS Dairy Awards Gala Dinner
- Aug 13** SADA Annual General Meeting

CONCLUSION OF TELSTRA/NFF DISCOUNT PLAN

You may have received a letter from Telstra about a change to your National Farmers' Federation discount. NFF and Telstra have had a member discount arrangement in place since 2000 and other rebate plans prior to this.

Telstra has chosen to terminate the Agreement with the discounts ending on 21 December 2007 as outlined in a letter you may have received from them.

The current contract with Telstra was to be in-place until November 2008 but included an option for either party to terminate after 1 year; Telstra has chosen to exercise this option hence the finalisation of the arrangement.

The reasons for this decision by Telstra relate to the decline in participation, their returns from the plan as well as financial and resource investments.

No alternative national arrangement has been offered by Telstra but opportunities may exist for your State or Commodity organisation or for NFF in the future to pursue arrangements with other competitive telecommunications providers to help reduce your costs and improve service offerings.

Be assured NFF and your organisation are continuing to maximise the outcomes for your farming enterprise.

Ken Lyons
SADA CEO



MERRY CHRISTMAS
AND A SAFE AND
PROSPEROUS
NEW YEAR TO YOU
ALL FROM THE
SADA STAFF AND
BOARD



Press Release

This is a press release from Kirin who is acquiring National Foods Limited, the leading dairy and beverage producer in Australia.

-- Aiming at a "quantum leap in growth" by accelerating group synergies and establishing a basis for growth in the area of "food and health" in Asia and Oceania --

[Tokyo, November 8, 2007] Kirin Holdings Company Limited (Tokyo, Japan; President and CEO, Kazuyasu Kato; hereafter, "Kirin") resolved to acquire all shares in National Foods Limited (Melbourne, Australia; Managing Director, Ashley Waugh, hereafter, "National Foods,") from San Miguel Corporation (Manila, the Philippines; Chairman and CEO, Eduardo M. Cojuangco, Jr.; hereafter, "San Miguel").

Kirin is to acquire all shares in National Foods from San Miguel by the end of 2007 and make National Foods a consolidated subsidiary. The transaction values the business at A\$2.8 billion* (approximately ¥294.0 billion, including interest-bearing debt of approximately ¥200.0 billion). Kirin will fund the transaction through debt.

*A\$1.00 = ¥105. The transaction value may increase by a maximum of A\$100 million (approximately ¥10.5 billion) subject to National Foods' FY2007 performance.

Through the investment, Kirin will obtain a robust growth platform for businesses in the area of "food and health," which helps to reinforce the foundations for a quantum leap in growth as well as boost the Group's presence in Asia and Oceania.

In the Group's Long-Term Business Framework "Kirin Group Vision 2015 (KV2015)," Kirin targets a "quantum leap in growth," with 2015 sales (including liquor tax) targeted to reach 3 trillion yen and contribution from overseas sales (excluding liquor tax) and operating income targeted to reach 30%. Implementing strategies of becoming an integrated beverage group, internationalizing its businesses, and developing its health foods and functional foods business, Kirin has started its 2007-2009 Kirin Group Medium-term Business Plan KV2015 Stage 1.

Kirin has been pursuing its global strategies through business developments in China as well as investments in Lion Nathan Limited in 1998 and beverage and food conglomerate San Miguel in 2002, in which Kirin is one of the largest shareholders. Kirin has since been able to leverage the strong competitive positioning of its strategic partnerships in Asia and Oceania. Through the acquisition of all shares in National Foods from San Miguel, Kirin will obtain a new growth opportunity in the Australian dairy products, beverages and specialty cheese businesses. By adding National Foods' strong brands to its product portfolio, Kirin is laying the strong business foundations in the field of "food and health" business in Asia and Oceania. The purchase of National Foods offers Kirin an opportunity of engaging with the management of Lion Nathan to explore opportunities for synergies in a range of areas as well as the new alliance of National Foods with Kirin Beverage Corporation.

National Foods is a leading Australian manufacturer of dairy products and beverages with high growth potential and profitability from a strong branded product portfolio with over 100 years of history, manufactured from 24 production sites. Amongst its key brands are; "Pura Milk," a leading milk brand; "Yoplait" (under license in Australia), a world-leading yogurt brand and; "Berri," a leading juice brand. National Foods' operational diversification has been accelerated in recent years with the acquisition of the No.1 Australian juice company Berri in 2005 and specialty cheese producer Lactos in 2006. National Foods has also leveraged its strong operational platform in Australia internationally, expanding its business into New Zealand, Malaysia and Indonesia, establishing production facilities in each country. Post acquisition, National Foods will continue to pursue business expansion opportunities in Asia and Oceania, in alignment with target geographies set out in KV2015. Further, Kirin will assist in the future growth of National Foods by applying its technological, research and marketing expertise to National Foods' product portfolio.

Kirin Group aims to further increase its corporate value through a quantum leap in growth and creation of 'Group premium' targeted in KV2015. Kirin will always stay close to its customer and continues to promote the joys of 'food and health' under the Group slogan, 'Tastes that make you smile.'

PHOTOS TAKEN AT THE NAB/SADA COCKTAIL PARTY



Jarrod Eaton, DWL&BC with James Stacey, SADA Board Member



Grant Boxer, NAB and David Fechner



Paul Rees, National Foods with Peter Read, NAB



Chas Cini, MERS, Jo Gilbert, SADA and Rick Gladigau, SADA Board Member



Lee McKenzie, SADA Board Member, Sonja Smith, SADA and Michael Pengilly, Member for Finniss



Kris Lloyd, Woodside Cheese, Simon Maddocks, SARDI, David Basham, SADA President and Kate Basham



Ken Smith, Rob Rahaley, PIRSA and Helen Smith



Justin Menzel, Wesfarmers Insurance, Bob Holman, TAFE and Rob Heath, Wesfarmers Insurance

SADA BOARD MEMBER CONTACT DETAILS

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