

ANNUAL OPERATING PLAN

2020/21

INTRODUCTION

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Agriculture continues to be an essential industry, and the growing uncertainty caused by COVID-19 has reinforced the value of food and fibre production. Australian dairy farmers are well positioned to provide for all of Australia's dairy food needs, as well as make significant contributions to food exports.

Dairy Australia has set out a new strategy for the next five years (July 2020 to June 2025), and this operating plan sets out the first year of executing the strategy. This also coincides with the launch of the Australian Dairy Plan and contributes to its commitments and goals.

“Innovation will continue to be the largest area of investment of both farmer levies and matching funds from the Commonwealth Government”

The operating plan is a response to the need to increase profit in farm businesses as well as build confidence in the outlook for the industry. There are also shared work programs with the Gardiner Dairy Foundation, Australian Dairy Farmers and Australian Dairy Products Federation, resulting in a more united approach to addressing major industry issues.

Innovation will continue to be the largest area of investment of both farmer levies and matching funds from the Commonwealth Government. This includes a commitment to work across all agriculture sectors on a climate initiative as well as continue a strong program of innovation for the dairy industry with a focus on genetics, agronomy and nutrition.

Regional activities will further broaden, with an expanded program of learning and capability development and expanded testing of new agronomy tools in the regions. This builds on existing strengths of focus farms, discussion groups, monitoring of farm performance, and responding to major challenges like COVID-19, droughts and bushfires.

There is a renewed approach to measuring and monitoring project impacts and project expenditure. This includes a new financial management system, the new use of a project management office, and refreshed reporting of performance. These new ways of working will build greater transparency into investment decisions, rigour around measurement of impact, and greater capacity to direct changes in investment across the seven strategic priorities.

People are at the heart of everything we do, and this plan will ultimately succeed through the efforts of talented staff at Dairy Australia, partnerships with farmers and service providers, researchers and with peers across the whole agriculture sector. We are committed to being leaders in shaping a more profitable and sustainable dairy industry.

Sincerely,



David Nation Managing Director



EXECUTIVE SUMMARY

The 2020/21 Annual Operation Plan outlines Dairy Australia's activities, planned income and expenditure, and portfolios of projects.

It presents a different direction and emphasis as described in a new strategy for Dairy Australia and a new industry plan – the Australian Dairy Plan.

The dairy industry is going through a period of significant change; ongoing success requires a focus on increasing the profit of farm businesses and building resilience to address significant volatility in markets and the climate. The year will start on a relative high – with strong milk prices and temperate weather patterns in many dairy regions and confidence that the lingering high prices of feed and water due to recent drought will soften. Overall, the dairy industry is expected to grow in 2020/21 with an increase of 1-3% in milk production.

Regionality is an important consideration with growth in milk production expected in five out of eight regions. Our projects will address this regional difference, providing confidence to grow through the impact of new innovations, improved learning and career pathways, and a positive market environment. We will also support farmers in regions where growth is limited through ongoing climate challenges (including recovery from drought and bushfires) and local operating conditions.

The new Dairy Australia strategy (July 2020 to June 2025) is based on seven strategic priorities. Our operating plans align with this structure through the creation of seven portfolios of work. The portfolio approach to management is supported by strong leadership in the organisation, ensures a direct line of sight between projects and priorities, and improves the ability to change investment direction within each portfolio to focus on strategic outcomes. Each portfolio will be actively managed through the year, with oversight from an investment review panel.

A strong financial position and existing capacity to undertake the strategic priorities provides an opportunity to expand a range of projects and plan for a deficit of \$2.9 million in 2020/21. This includes early stage funding in new projects or increasing others to deliver greater impact. Highlights include:

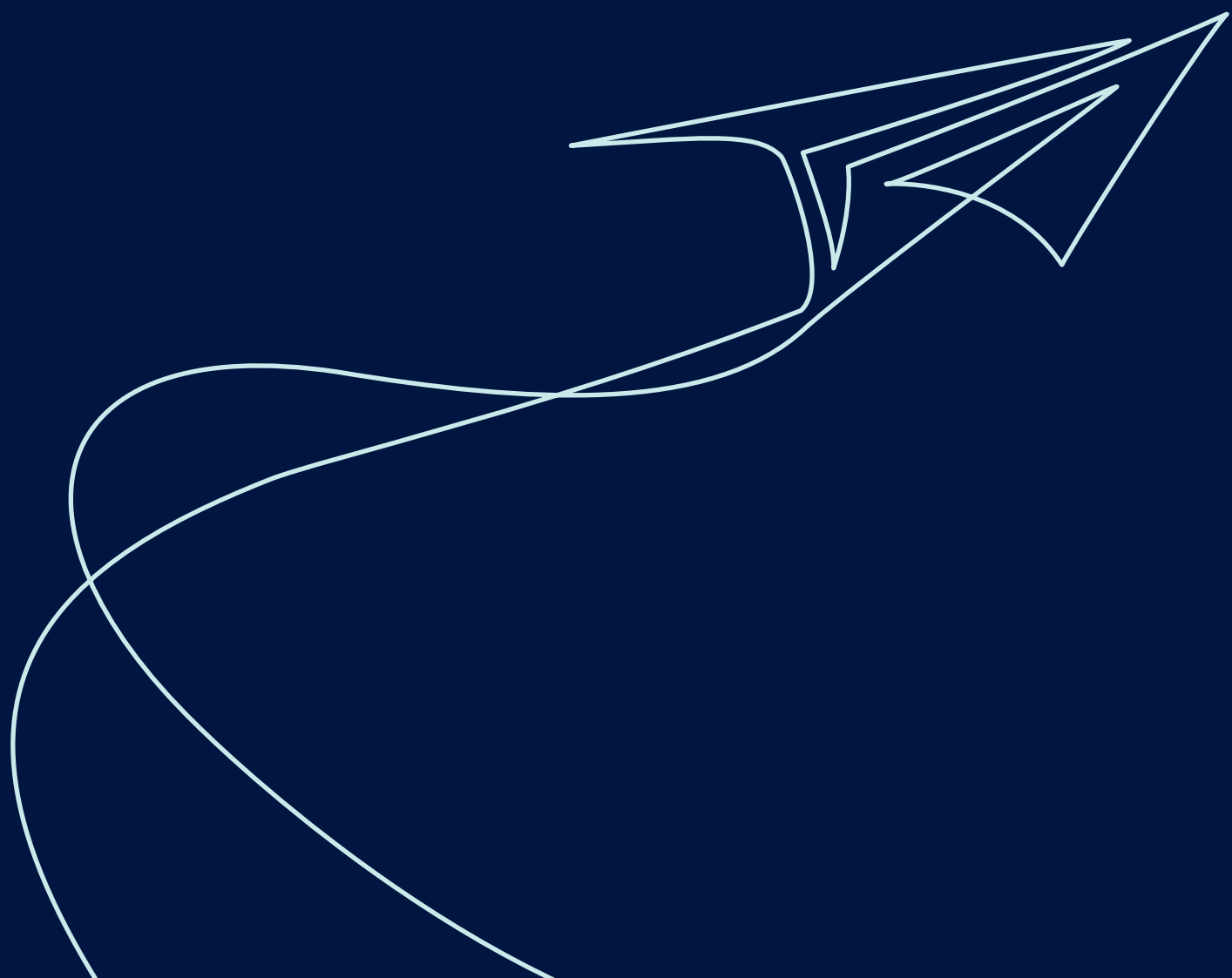
- Significant increase in focus on the importance of farm business planning.
- An industry forum to refocus efforts on profit and productivity.
- Improved articulation of career pathways in dairy.
- Increased training of dairy farm managers.
- A new focus on innovation in climate as a cross-sector investment.
- Increased industry marketing activities to increase community support for dairy.
- Greater consumer awareness and action from new research findings on the role of dairy in prevention of fractures.
- Revised international trade activities including virtual project delivery.
- Market insights with a focus on the global effects of COVID-19.
- Improved genetics of pastures and cattle.
- Accelerated uptake of genomic testing and selection of heifers.
- Improved decisions on feedbase management with new technology applications.
- New scoping investments in greenhouse gas reduction, novel soil management, risk management tools and innovations in finance.

A change in the new strategy is the inclusion of a strategic priority for improved performance of Dairy Australia. This includes a portfolio of work to improve our farmer-focused service delivery model, redesign our organisational values, establish a new project management approach, improve our infrastructure, and be more effective in the management of resources.

Dairy Australia will continue to engage and contribute resources for the commitment to reform industry structures and to report on progress in achieving goals in the Australian Dairy Plan. The desired outcome – a more profitable, confident and united industry – is vital for future industry success.

OUR VISION

Leaders in shaping a profitable and sustainable dairy industry



OUR PURPOSE

To provide services that collectively benefit and advance dairy farm businesses and the industry, including investment in research and innovation, learning and capability development, marketing, policy research, market insights and trade development.



INVESTORS AND COLLABORATORS

Dairy Australia's primary investors are dairy farmers through the payment of a Dairy Service Levy. All dairy farmers pay the levy on a milk solids basis (per kilogram of fat and protein), which is collected by processors and paid to the Australian Government. Dairy Australia receives this levy as the Industry Services Body to deliver on its purpose.

The Australian Government also invests in Dairy Australia activities by matching the investment of levies for eligible expenditure in research, development and extension.

The dairy processing sector invests in Dairy Australia to support activities that benefit the whole supply chain, including trade development, market insights, policy research, sustainability, and marketing.

Dairy Australia collaborates widely to increase the value and utility of our work programs. Major collaborators and project-level investors include:

Regional Development Programs	Australian Government
Research providers in Australia and overseas	State governments
Global and local companies who are major technology and service providers	Representative organisations, such as Australian Dairy Farmers
Individual farmers and dairy businesses	International organisations to advance the dairy industry, including the International Dairy Federation and Global Dairy Platform
Cross-industry collaborators, especially other industry services organisations	



OUR MEMBERS

Dairy Australia is a company limited by guarantee with two membership categories:

- Group A members are levy payers
- Group B members are Australian Dairy Farmers Ltd and Australian Dairy Products Federation Inc



INNOVATION COMMITMENT

Dairy farmers and governments look to Dairy Australia to lead innovation for the dairy sector. Over time, Dairy Australia has built deep experience and partnerships to drive innovation.

Dairy Australia recognises that a broader range of innovation is required to achieve target outcomes. This includes a commitment to:

- Invest with other rural R&D Corporations and the private sector to address major national challenges facing all Australian agriculture.
- Expand global partnerships to access international expertise and technology and accelerate our achievement of research and innovation targets.
- Increase the opportunities for co-investment with AgTech entrepreneurs.
- Harness new models of agricultural innovation.

New approaches to innovation will build on a wide variety of ongoing investments in innovation and existing partnerships with governments, Australian organisations and global partners. Examples of ongoing investments include:

- **DairyBio** \$60 million commitment over five years to deliver more advanced plant and animal genetics, increasing the productive capacity of land and herd assets.
- **DairyFeedbase** \$45 million commitment over five years that delivers improved management of the feedbase and herd nutrition, reducing the cost of feed and lifting profitability.
- **DataGene** \$23 million commitment over five years to deliver more advanced data services to make more timely and profitable herd decisions.
- **Smarter Irrigation for Profit (Phase 2)** \$7 million investment for dairy that delivers improved irrigation decision making relating to timing, quantity and application of water.
- **C4 Milk collaboration** \$5 million investment over five years that delivers alternate feedbase options for ensiled summer cropping options.

- **Fractures Trial** \$3.9 million global research initiative led by Dairy Australia that shows the importance of dairy in fracture prevention, and highlights the significance of dairy consumption in prevention of malnutrition in older adults.
- **Learning and capability development** Focused approach to on-farm adoption through innovation in learning design, and application of the latest technology and adult learning principles to a dairy specific audience.
- **Tailoring our services** Application of innovation in tailored services to communicate and deliver regional services more effectively, based on individual farmer needs.
- **Trade program** Evolution of the long-standing Dairy Australia international scholarship alumni program towards online communication and social media platforms creating a continuous learning group among the Dairy Australia Alumni, with ongoing interactive and two-way exchange of information and market insights.
- **Manufacturing innovation program** Providing a focal point for dairy processors to connect on a pre-competitive basis to enhance their sustainability through investment in innovations and best practice guidelines.
- **Community expectations** Leaders meeting community expectations, setting targets and reporting through a world recognised sustainability framework, and proactively building trust through transparency.

Dairy Australia will also support innovation through direct investment in smaller projects and providing access to subject matter experts who introduce new knowledge to the industry. This includes supporting overseas experts to visit and engage with our Australian industry.

In summary, our strategic plan speaks to the need to move faster on high-priority innovation that spans the whole of Australian agriculture, continues to be grounded with strong technology transfer into dairying regions, and encourages new innovation partnerships with greater private sector investment.

STRATEGIC FRAMEWORK

Dairy Australia has seven strategic priorities over the next five years. Each priority is underpinned by a goal, and key outcomes.

	1	2	3	4	5	6	7
GOALS	MORE RESILIENT FARM BUSINESSES	ATTRACT AND DEVELOP GREAT PEOPLE FOR DAIRY	STRONG COMMUNITY SUPPORT FOR DAIRY	THRIVE IN A CHANGING ENVIRONMENT	SUCCESS IN DOMESTIC AND OVERSEAS MARKETS	TECHNOLOGY AND DATA-ENABLED DAIRY FARMS	INNOVATIVE AND RESPONSIVE ORGANISATION
	Farm businesses that are more profitable, resilient and innovative in managing price and cost volatility	Attract great people to the dairy industry, build their capability and careers, and foster a safe work culture	Enhanced trust and value in the Australian dairy industry, farmers and products	Profitable farm businesses that adapt to the changing natural environment and provide good stewardship of resources	Improved access to high-value dairy markets, backed by trusted market insights and a favourable regulatory and policy environment	Inspire more agile and responsive dairy businesses through greater integration of technology and data	An organisation that is farmer-focused, with talented people who embrace innovative thinking and decisive action
OUTCOMES	a Business planning that leads to better decisions and sustained success	a Greater awareness of Australian dairy as an attractive industry with rewarding careers	a The Australian dairy industry is trusted and accepted by the community	a Greater ability to adapt to changes in the natural environment	a Australian dairy is valued around the world for its premium products	a More flexible and agile dairy production systems	a We have a farmer-focused service delivery model
	b Clear and understood drivers of dairy farm profitability and productivity	b Clear and supported skill development and career pathways	b Australian dairy is valued for superior health and nutrition benefits	b Efficient and profitable use of land, water, carbon and energy resources which nurtures and sustains the natural environment	b A favourable policy and regulatory environment	b Greater use of high-value technology on farm	b Our culture of learning and innovation, values and ways of working deliver success
	c Expanded range of risk management tools for price and cost volatility	c Access to capable and skilled farm employees and service providers	c The Australian dairy industry is committed to animal wellbeing	c Proactive action to reduce global warming and greenhouse gas emissions	c Access to trusted market insights that inform decision-making	c Connected dairy production systems utilising multiple data sources to enhance decision making	c Our infrastructure, resources and processes allow us to be informed, agile and responsive
	d Innovation in finance that increases access to capital for expansion and new entrants	d Support farm businesses and their service providers to get the basics right				d Accelerated genetic progress in feedbase and animal breeding	d We have effective and transparent management of resources

OPERATING ENVIRONMENT

What a difference a year makes. The turnaround in 2019/20 seasonal conditions is well underway for some areas, while for others it is still tentative.

Either way, a strong autumn break and buoyant outlook for grain and fodder production, signal the likelihood of lower input costs for the 2020/21 season. In stark contrast, social and economic dynamics have been disrupted by the outbreak of COVID-19 and resulting restrictions implemented to curb the pandemic. This broader turmoil has impacted commodity markets, including dairy, and poses an underlying risk for the industry.

Nonetheless, some things are looking increasingly positive heading into 2020/21. With an early break and wet weather forecasts for many regions, demand for purchased feed has dampened, resulting in hay prices easing, especially in Victoria and South Australia (SA). Rain across much of New South Wales (NSW) and Queensland broke the drought in many regions and saw hay prices decrease. Tasmania received good amounts of rain over late-summer and autumn, however, fodder prices remain high due to lower fodder availability. In comparison, a dry start to the year in Western Australia (WA) has kept hay prices elevated and is weighing on the overall feed production outlook for the region. At the same time as fodder costs decreased, grain prices remained firm due to high international prices and limited local supply. As global production forecasts turned more favourable, pressures on grain prices in Australia have started to ease. While follow-up rainfall is needed to effectively complete sowing, especially in Queensland, the outlook for eastern Australia's winter cropping harvest has improved.

With more manageable input costs, favourable seasonal conditions and relatively strong farmgate milk prices this season, overall industry confidence has improved. According to data from the National Dairy Farmer Survey (NDFS), conducted in February, 44% of farmers were reportedly positive about the industry's future, up 10% from last year. Farmer sentiment about their own business has improved more, continuing to widen the gap between overall industry and own business confidence. This increase was noticeable in all regions however significant differences remain. Own business sentiment appears to be closely correlated to farmer's reliance on the purchased feed market and weather.

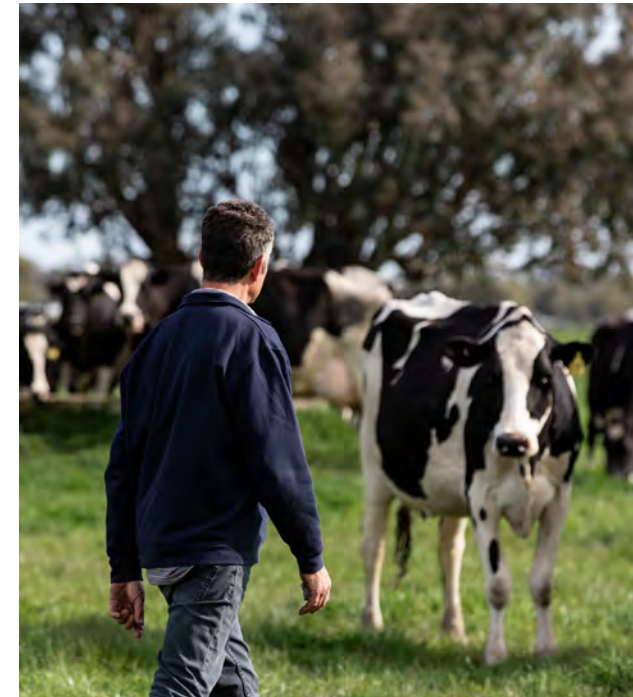
Not surprisingly, business confidence was lowest in WA and the Murray region, and highest in Tasmania, Gippsland, western Victoria and SA. As the main NDFS survey was conducted before COVID-19 was declared a pandemic, a shorter supplementary survey occurred early May to assess changes over this time. This survey showed that the spread of the virus had impacted around 20% of farm business in some capacity, for example, creating difficulties sourcing some materials. Despite these challenges there has been a continued uplift in sentiment due to ongoing favourable seasonal conditions.

Better conditions and improved confidence have resulted in a significant recovery in Australia's milk pool

National milk production has increased year-on-year for the past seven months to June to an estimated 8.8 billion litres. The production recovery remains localised to a few regions and is mainly driven by strong growth in Tasmania and Victoria. In comparison, high input costs have constrained production in other regions, such as WA and Queensland. As seasonal conditions have continued to rally, Dairy Australia's initial forecast for the 2020/21 season anticipates a modest rebound in milk production, up between 1-3%.

While circumstances on farm have continued to improve, the COVID-19 outbreak has upset global markets, with flow-on effects in Australia. The virus has led to significant change in consumer purchasing behaviour with implications on demand for dairy both domestically and internationally.

In Australia, the retail sector tends to account for a larger share of national dairy consumption, compared to non-grocery channels. This resulted in a temporary overall increase in dairy sales, as consumers stocked up pantries and fridges in preparation for restrictions.



Sales of long-life milk surged, while sales of fresh milk, yellow spreads, cheese and yoghurt also grew, albeit at slower rates.¹ Since then, sales through retail outlets have stabilised, but demand for fresh milk, yellow spreads, cheese and yoghurt remain elevated. In comparison, sales of dairy products through non-grocery channels, such as foodservice, restaurants and cafes plummeted. As the non-grocery sectors typically act as a significant value generator for the dairy industry, this drop is likely to impact value creation opportunities throughout the supply chain.

Internationally, the spread of COVID-19 slowed exports to China, upset global markets and saw commodity prices drop. While the initial panic that followed the outbreak has begun to settle, global dairy demand remains under pressure. Ongoing restrictions have seen demand ease, particularly from overseas foodservice sectors and price-sensitive markets. China's re-entry into the dairy trade in April was a welcomed sign, however as the virus spreads, demand from other regions have also been impacted.

As COVID-19 continues to drive market sentiment, milk supply growth is equally weighing on the global market balance. Milk production in the USA increased 2.2% in March, the strongest growth rate in three years. Favourable weather combined with growing cow numbers and per-cow production contributed to this increase. Similarly, favourable seasonal conditions and strong per-cow production supported milk growth in the EU. On the other side of the globe, dry weather in New Zealand curtailed production during the shoulder period. The overall impact of this has been limited with analysts predicting steady volumes to last year.

The outbreak of COVID-19 has exacerbated the impact of growing milk supply on global markets. The drop in demand, combined with an increase in supply, has amplified the need to redirect products. The resulting supply chain disruptions saw milk dumped in the northern hemisphere but also increased export competition in key overseas markets. Government interventions and commercially driven measures were launched to counter this imbalance in the USA and EU, however, global milk supply is likely to keep commodity values pressured heading into 2020/21.

Australia is not immune to the growing headwinds facing global markets. The still escalating economic fallout of the crisis is expected to generate reverberations and reduce consumers' purchasing power in key markets, amidst unresolved trade disputes. Following the introduction of the new Mandatory Code of Conduct, minimum pricing announcements occurred on 1 June. While exceeding some earlier expectations, for most farmers, current indicated milk prices will represent a decrease compared to the 2019/20 season. This highlights the importance of continued moderation in input costs. On this note, favourable weather forecasts bode well, especially if translated to improved feed availability at decreasing prices. After a troubled relationship in recent years, Mother Nature may prove a timely ally in the months ahead.

¹ Nielsen Homescan based on a continuous panel of 10,000 households; excludes non-private dwellings and businesses, non-permanently occupied households and out-of-home/impulse purchasing. Dairy Australia calculation based in part on data reported by Nielsen through its Homescan Service for the dairy category for the 4-week period ending 22/03/2020, for the total Australian market, according to the Nielsen standard product hierarchy. ©2020, The Nielsen Company

Financial reporting structure

Dairy Australia expends its resources each year on a wide range of priorities, spanning from research and development projects to development of export markets.

To better reflect our business operations, we have amended our reporting structure to three expense categories:

- **Project** expenditure which is directly attributable to a project.
- **Activities and services** a group of transactions that are focused on delivery of services to farmers and external stakeholders. These costs are 'business as usual' costs incurred that are not project or overhead costs. Costs include, but are not limited to, regional development and extension activities, farm monitoring projects, sustainability framework, digital services and liaison with government and other industry bodies.
- **Overheads** spend that can be classified as fixed and variable.

Financial position

Income and expenditure summary

In 2020/21, a deficit budget is proposed to deliver according to the new strategic priorities, and the need to continue to invest in the reform of industry structures and reporting on the Australian Dairy Plan.

Table 1 below shows a budgeted \$2.9m deficit in 2020/21, however, this is forecasted to improve to a \$0.5m surplus by 2023/24.

Table 1 Profit and loss analysis – five-year outlook

	2020/21 ('000)	2021/22 ('000)	2022/23 ('000)	2023/24 ('000)	2024/25 ('000)
Income	62,087	60,900	61,500	62,600	64,400
Expenditure					
Projects	40,237	38,850	38,250	38,150	39,250
Activities and services	14,458	13,800	13,500	13,500	14,100
Overheads	9,659	9,800	10,200	10,400	10,500
Australian Dairy Plan	50	50	50	50	50
Industry reform	600	300	–	–	–
Total expenditure	65,004	62,800	62,000	62,100	63,900
Surplus/(deficit)	(2,917)	(1,900)	(500)	500	500
Closing reserves	23,340	21,500	21,000	21,500	22,000

Profit and loss position

Income summary

The majority of Dairy Australia's income is derived from Farmer Levy and Commonwealth Matching income, with other external contributions received for investment in projects.

This income is closely linked to milk production, as farmers are levied based on production, and government matching payments are based on the gross value of production for the industry.

Levy

Levy income is based on conservative assumptions of milk production, with 8,755m litres of production in both 2020/21 and 2021/22 and a 1.8% annual increase thereafter. Levy cents per litre is constant at 0.354¢/L throughout the five-year period. This is based on 3.38% protein and 4.10% milk fat composition (*InFocus 2019*).

Government matching payments

Government matching income is based on maximum claimable amounts and is calculated on the gross value of production averaged over three years. The farmgate milk pricing reflects the latest estimate by management, taking into account published minimum milk prices for 2020/21.

External contributions

Income received from government or other external parties which contribute or allow Dairy Australia to carry out specific projects or activities and services.

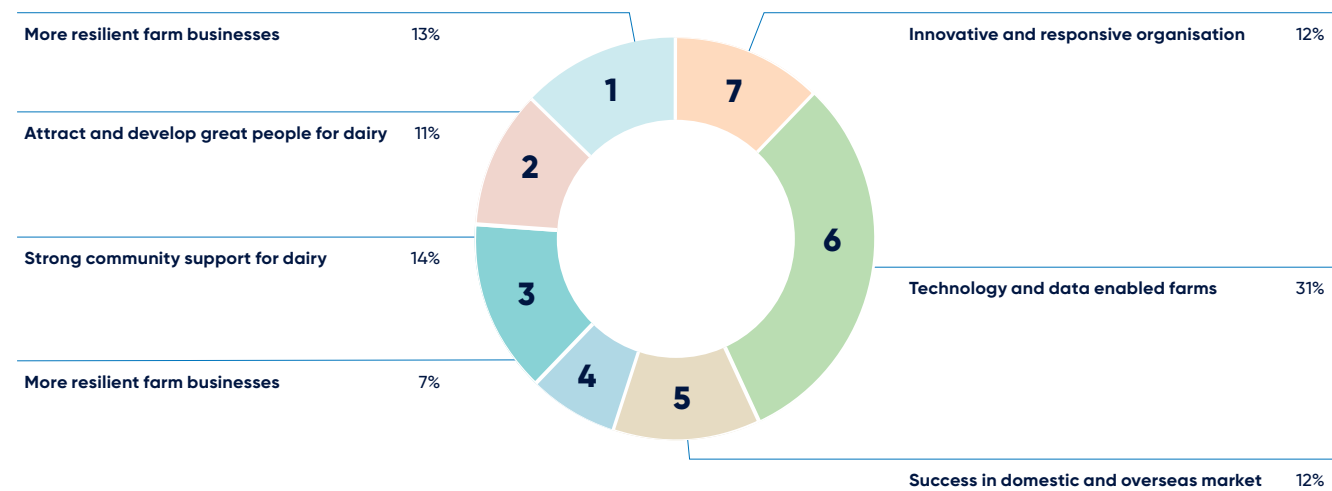
Table 2 Income analysis – five-year outlook

	2020/21 ('000)	2021/22 ('000)	2022/23 ('000)	2023/24 ('000)	2024/25 ('000)
Income					
Levy	30,992	31,000	31,500	32,100	32,700
Government Matching Payments	21,661	21,300	21,200	21,500	22,500
External income contributions	8,968	8,100	8,300	8,500	8,700
Other	465	500	500	500	500
Total income	62,087	60,900	61,500	62,600	64,400
Production – litres (million)	8,755	8,755	8,912	9,073	9,236
Production growth (%)	–	–	1.8	1.8	1.8
Farmgate milk price (\$/kgMS)	6.65	6.27	6.45	6.65	6.85

Table 3 Expenditure summary – five-year outlook

	2020/21 (’000)	2021/22 (’000)	2022/23 (’000)	2023/24 (’000)	2024/25 (’000)
Expenditure					
Projects	40,237	38,850	38,250	38,150	39,250
Activities and services	14,458	13,800	13,500	13,500	14,100
Overheads	9,659	9,800	10,200	10,400	10,500
Australian Dairy Plan	50	50	50	50	50
Industry reform	600	300	–	–	–
Total expenditure	65,004	62,800	62,000	62,100	63,900

Figure 1 Projects and Activities & Services by strategic priority (2020/21)



Expenditure summary

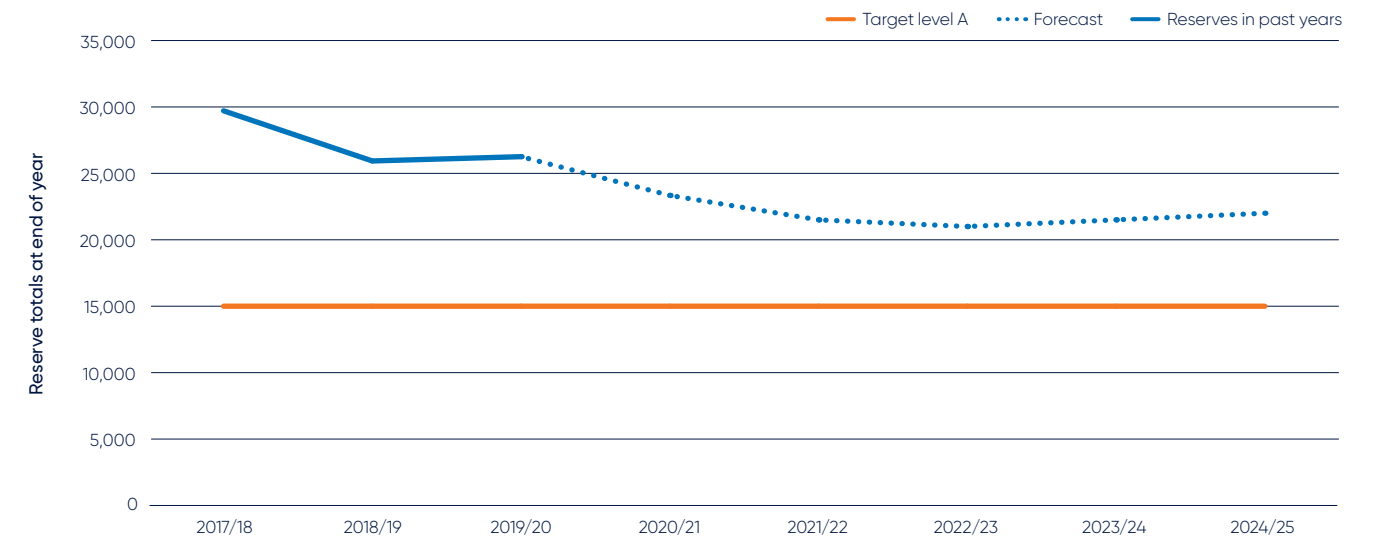
Expenditure is mostly comprised of projects, activities and services and overheads. There are also several key areas of spend relating to the Australian Dairy Plan and Industry Reform initiatives.

Dairy Australia’s expenditure has been allocated across our strategic priorities (Figure 1). It should be noted that the percentage allocation of expenditure does not necessarily reflect the importance of each priority. Expenditure that is matched with external sources of income (such as large projects in strategic priority 6) also impacts on the relative size of each priority.

Reserves analysis

Management will preserve capital by ensuring the reserves remain above target level A (\$15m) for the duration of the five years of the strategic plan.

Figure 2 Reserves analysis

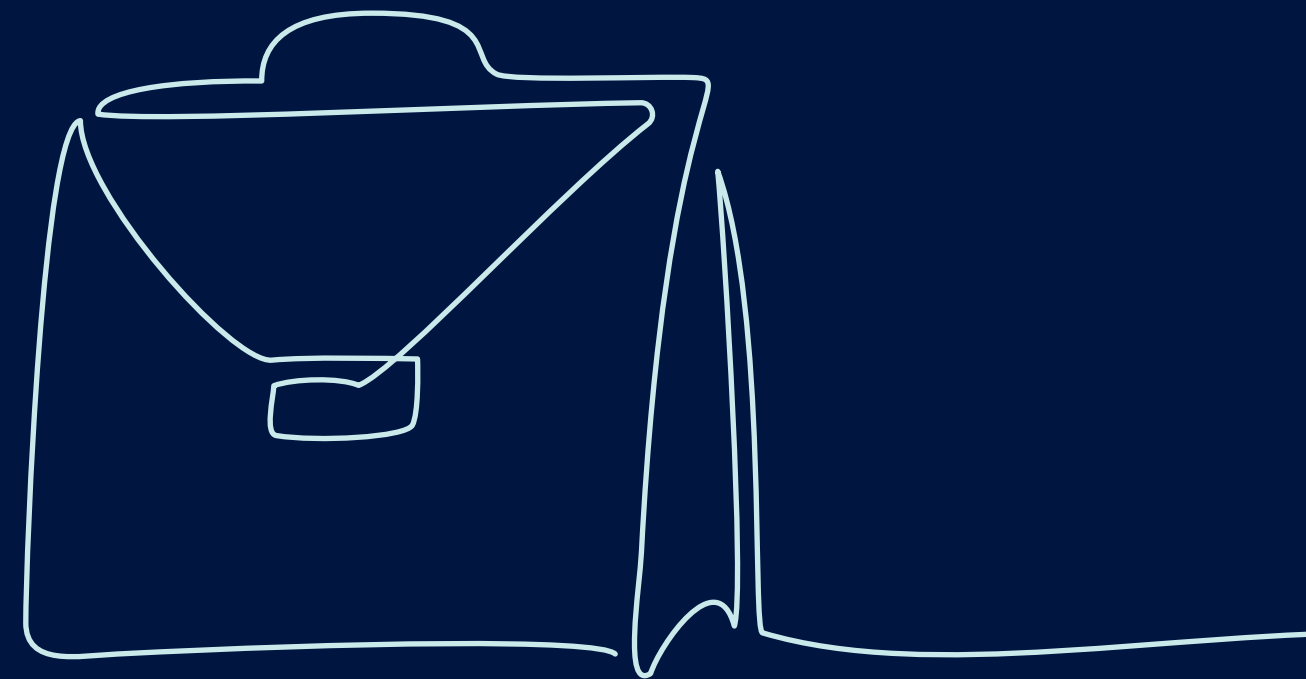




OUR PORTFOLIOS

The operating plan has seven portfolios, each representing a strategic priority. This structure allows for portfolios to change over time, while retaining the same set of strategic priorities.

Each strategic priority is set out with its goal and strategic outcomes. The operating plan identifies focus areas for each outcome and then describes the portfolio structure.



PRIORITY
GOAL

MORE RESILIENT FARM BUSINESSES

Farm businesses that are more profitable, resilient and innovative in managing price and cost volatility

2020/21 INVESTMENT: \$7M



STRATEGIC OUTCOMES

a Business planning that leads to better decisions and sustained success

A robust and regularly reviewed business plan is essential to manage farm businesses. This forms the basis to set goals, measure farm performance, confidently make decisions and capture opportunities.

We will renew the focus on farm business planning and the supported utilisation of that plan to assist dairy farms achieve their goals.

b Clear and understood drivers of dairy farm profitability and productivity

The drivers of profitability and productivity can differ between individual farms, regions and production systems. Understanding those drivers, their differences and the levers that can affect them is what will drive margin on farms. This is even more important at times when there is increased volatility and disruption to normal business operations.

We will deliver insights, tools, strategies and support that enables businesses to understand their margin and the profitability and productivity drivers of their farm.

c Expanded range of risk management tools for price and cost volatility

Australia has under-developed tools for securing farm operating margins in an environment of price and cost volatility compared with major overseas competitors. Given the ongoing volatility in Australia, it is important to rapidly improve tools for risk management.

We will build awareness, confidence and greater adoption of risk management tools.

d Innovation in finance that increases access to capital for expansion and new entrants

Finance is a highly innovative sector and better access to finance is important for dairy businesses seeking finance.

We will expand access to capital and increase business readiness for expansion and new entrants.

FOCUS FOR 2020/21

Delivery of the Our Farm, Our Plan project to dairy farmers around Australia. This project, for an individual farm business, uses a bespoke planning cycle to equip farmers to capture their vision, goals and action in a succinct plan.

Development and delivery of the Milk Price Monitor suite of calculators, guides and extension material. These resources will enable farmers to make more informed decisions on processor contracts with a focus on margin rather than solely price.

Undertake a review of farm business profitability and productivity with the objective of prioritising the biggest drivers of profit, and opportunities to better control cost of production.

Continue to monitor and evaluate farm financial performance through the Dairy Farm Monitor project and DairyBase.

Hold an industry forum on farm business profit and productivity, in conjunction with partners in the Australian Dairy Plan.

Undertake a preliminary study based on economic modelling to identify the drivers of margin at a region and farm system level based on accurate farm information.

Undertake a pilot study to explore new capital options where an emphasis on sustainable and profitable farm businesses creates an attractive investment



Portfolio structure

Key projects	a	b	c	d
Our Farm, Our Plan	•	•		
DairyBase		•		
Dairy Farm Monitor		•		
Forage Value Index		•		
Milk Price Monitor	•	•	•	
Forewarned is forearmed		•		•
Development of investment tools and capital models			•	•
Undertake profitability analysis and industry forum		•		

This table lists our key investments in 2020/21 and is not a complete list of projects

Key partners we work with

- Federal and state governments
- Gardiner Dairy Foundation
- Australian Dairy Farmers
- Banking sector and other providers of capital
- Processing sector and their farmer clients



2

PRIORITY

ATTRACT AND DEVELOP GREAT PEOPLE FOR DAIRY

GOAL Attract great people to the dairy industry, build their capability and careers, and foster a safe work culture

2020/21 INVESTMENT: \$6.2M



STRATEGIC OUTCOMES

a Greater awareness of Australian dairy as an attractive industry with rewarding career opportunities

There are strong community perceptions about dairy, based on historic views of long hours and hard work. Modern dairy operations are much more diverse with roles that are highly skilled and provide genuine career opportunities.

We will expand the pool of talented people interested in a career in dairy to meet the future workforce needs of the industry.

b Clear and supported capability development and career pathways

The evolving needs of the dairy industry, requires a workforce that has an advanced range of capabilities and an expectation of a greater diversity of career pathways which will lead to more successful dairy careers, including paths to business ownership.

We will foster more advanced dairy knowledge, skills and behaviours and formalise dairy career and business ownership pathways.

c Access to capable and skilled farm employees and service providers

Farm businesses will continue to require skilled labour on-farm as well as access to quality service provision from external providers. Success requires employers to be confident and capable to recruit, manage, lead and provide a safe work environment for capable people. Service providers need to invest in their own capability and support a new generation of talented professionals.

We will plan for future people needs in the dairy industry, address critical weaknesses in required skills and experiences and expand the capacity of employers to recruit skilled people.

d Support farm businesses and their service providers to get the basics right

Farm businesses are complex with many interconnected decisions required on a daily basis in order to produce milk. The importance of applying experience from fundamental areas like soil management, pasture agronomy, animal nutrition and milk quality cannot be underestimated.

We will continue to provide a range of opportunities that enable people to get the fundamentals right for dairy production.

FOCUS FOR 2020/21

Undertake preparatory work to develop a dedicated project to attract more people to dairy careers. To get this right, we need to ensure career pathways are clear and have the right level of support (see Outcome B) before committing further resources to this strategic outcome.

Finalise a new description of career pathways and better articulate the ability to start careers and grow careers within the dairy industry. This is a foundation for all activities in learning and capability development, to better support people to develop their careers. This will be supported by projects to attract new entrants.

Expand the Dairy Farm Managers project in conjunction with the University of Tasmania, University of Sydney and Marcus Oldham College.

Support career professionals in service providers with scholarships for Dairy Veterinary Masters as well as a nutrition post-doctoral project at Michigan State University.

Ongoing delivery of courses that Dairy Australia are renowned for through the Regional Development Programs and their team of supporting experts that assist with that delivery. Incorporate new research in extension programs through integration into current activities or creation of new activities. The focus is to integrate climate research in feedbase activities.



Portfolio structure

Key projects	a	b	c	d
Deliver extension through the Regional Development Programs				•
Safe and rapid on farm induction (AgVic)	•	•		
Farm Manager and 2iC training programs			•	
Provide clear career pathways		•		
Build dairy as a career option	•			
Provide opportunities for future Dairy Leaders			•	
Veterinary residence program			•	
Michigan State University Nutrition			•	

This table lists our key investments in 2020/21 and is not a complete list of projects

Key partners we work with

- Dairy Industry People Development Council
- Gardiner Dairy Foundation
- DairyLearn Partner Network
- University of Tasmania



PRIORITY

3

STRONG COMMUNITY SUPPORT FOR DAIRY

GOAL Enhanced trust and value in the Australian dairy industry, farmers and products

2020/21 INVESTMENT: \$7.7M



STRATEGIC OUTCOMES

a The Australian dairy industry is trusted and accepted by the community

The Australian community is taking a greater interest in the food they consume and the way it is produced. Trust and resulting acceptance in agriculture including dairy, cannot be taken for granted. Sustainable production of dairy foods requires a demonstrable commitment to people, animal care and the environment. This commitment includes understanding and staying ahead of community expectations and working with industry to set targets and measure progress at a national and global scale.

We will enhance community trust and acceptance of dairy, set industry sustainability targets and publicly report progress through a world-class framework.

b Australian dairy is valued for superior health and nutrition benefits

There continues to be varied opinions around the role of food for good health and nutrition, which competes with established science-based advice. Consumers require access to information that supports their ongoing consumption of healthy and nutritious foods.

There is an opportunity to further increase the strong support for dairy products and the industry and continue to reinforce the reasons to consume and buy Australian dairy.

The voice of farmers is essential to convey pride in their industry and to speak positively about being in dairy.

We will reinforce the essential role of dairy for good health and nutrition and the value of consuming dairy every day.

FOCUS FOR 2020/21

Proactively address community expectations around health and nutrition, animal care, and environment. This includes ongoing monitoring of community perceptions, behaviour and trends as well as answering community questions around dairy and the way we farm through the 'You Ask. We Answer.' web platform.

Continue to measure progress against targets set out in the Australian Dairy Sustainability Framework and drive practice change for priority issues. It is recognised that environment is a priority area for change and requires a climate strategy.

Expand the Dairy Matters campaign platform to reinforce and amplify consumer marketing messages and engage with influencers and experts to increase communication credibility. The expanded project will utilise a wide range of media channels, including television, digital advertising, podcasts, content partnerships and public relations.

Educate school children about the way we farm and manufacturing practices, the health benefits of dairy foods for growth and development and potential careers in dairy. Promote through flagship project Picasso Cows and high reach curriculum-based resources and initiatives delivered through the Discover Dairy education platform.

Drive awareness and action from the results of our world-leading fractures trial research on the links between dairy intake, malnutrition and fracture rates. This is the highest profile and most relevant nutrition research undertaken in many years, with strong evidence to increase dairy consumption for older Australians.

Promote Australian dairy as wholesome and healthy focusing on the following areas: Dairy Matrix, protein and muscle, bone health, digestive health, and sustainable diets. This includes an ongoing marketing program to provide education and resources to general practitioners and dietitians, with appropriate leverage of the Dairy Matters campaign platform.

Influence policy makers, regulators, key opinion leaders and credible third parties with evidence-based health and nutrition messages to enable a positive policy and regulatory operating environment for the dairy industry.

Establish a network of farmer ambassadors to reinforce what it means to support Australian dairy. Work with these ambassadors to rally farmers to promote the industry through social media and communities.



STRATEGIC OUTCOMES

c The Australian dairy industry is committed to animal wellbeing

The wellbeing of animals is critical to the Australian dairy industry. Appropriate care for our animals is essential not only to the success of every farming business, but our moral responsibility. There is opportunity to continue to improve our practices, report transparently on how we are progressing, and identify where we need to do more to ensure industry practices align with community values.

We will work with farmers, processors and industry groups to provide best care for all animals for their whole life.

FOCUS FOR 2020/21

Proactively address areas to improve animal wellbeing and meet community expectations as identified through our commitment in the Australian Dairy Industry Sustainability Framework - to provide best care for all animals for their whole life.

Work in partnership with the beef sector to continually improve the care of all calves reared on dairy farms.

Develop guidelines and on-farm plans for safe and measured use of antibiotics within dairy production systems.

Work with industry partners to enable a positive regulatory and policy environment for dairy.

Portfolio structure

Key projects	a	b	c
Consumer marketing	•	•	•
Dairy trust tracker	•	•	•
Health and nutrition	•	•	
Schools engagement	•	•	
Industry sustainability framework	•		•
Antimicrobial stewardship			•
Market pathways for all animals			•

This table lists our key investments in 2020/21 and is not a complete list of projects

Key partners we work with

- Sustainability Framework Consultative Forum
- Global Dairy Platform and International Dairy Federation
- Industry representative groups – ADF, ADPF, SDFOs
- Milk processors and retailers
- Nutrition Policy Reference Group



PRIORITY
4
GOAL

THRIVE IN A CHANGING ENVIRONMENT

Profitable farm businesses that adapt to the changing natural environment and provide good stewardship of resources

2020/21 INVESTMENT: \$3.6M



STRATEGIC OUTCOMES

a Greater ability to adapt to changes in the natural environment

Dairy has immediate and substantial risks from the impacts of climate variability, far more so than our competitors. Pressures from changes to the natural environment are wide-ranging, from restricted access to water, to more extreme climatic events and less secure access to nutrients and feed sources. These pressures will increase with predicted impacts from climate change and will require innovation to counter these pressures.

We will continue to embed new knowledge to manage climate variability, empower business decision-making, speed up the development of policy options and expand capability development for better adaptation.

b Efficient and profitable use of land, water, carbon and energy resources which nurtures and sustains the natural environment

Future success depends on efficient use of natural inputs with a focus on land, water, carbon and energy. This efficiency needs to be considered over a longer term in a way that nurtures and sustains the natural environment and is profitable for dairy businesses.

We will innovate with ways to support farmers and the wider dairy industry to meet market, corporate, financial and social expectations around management of the natural environment while not compromising profitability.

c Proactive action to reduce global warming and greenhouse gas emissions

The dairy industry has committed to being part of the solution to global warming. This will require a reduction in greenhouse gas emissions, especially in the farm sector. Investment is required to identify commercial solutions.

We will accelerate adoption of existing solutions, seek and support new innovations, and retain a clear focus to reduce emissions in ways that deliver economic and environmental returns to industry.

FOCUS FOR 2020/21

Create a large cross-sector investment with a climate theme, collaborating with all other RDCs and attracting additional private sector investment.

Continue to study adaptation through changes in cows' diets in warm seasons – an example is the Feeding Cool Cows project within the DairyFeedbase project.

Develop and implement a suite of climate risk, adaptation and resilience resources. Increase awareness of these resources through linkages with feedbase extension activities.

Complete an adaptation cost curve to aid business decisions.

Complete a user needs assessment for on-farm environmental stewardship to identify policies and activities that remove barriers and result in greater implementation of sustainable farm practices.

Identify new opportunities for innovations in soil health that improve plant performance and productivity on dairy farms.

Publish results of a Land, Water, Carbon survey, including an analysis of priority issues and opportunities for farm businesses.

Address environmental sustainability-related challenges in the milk processing sector (with a particular focus on waste, energy and packaging) so Australian dairy farmers have a strong, sustainable and competitive processing sector in which to supply their milk.

Revise and improve the DairyBase Carbon Calculator to enable dairy farmers to understand their carbon footprint.

Quantify the cost to industry of a net zero carbon target for 2030, 2040 or 2050 to enable industry to decide if a new target is required.

Review investment opportunities to reduce enteric methane production, including potential for collaboration on a cross-sectoral and/or global basis.



Portfolio structure

Key projects	a	b	c
Cross-sectoral climate initiative	•		
Dairy Feedbase – feeding cool cows	•		
Adapting dairy farming systems	•		
On-farm nutrient management		•	
Optimising nitrogen recovery		•	
Dairy effluent management and system design		•	
Supporting manufacturing sustainability		•	
National Landcare Project – smart farms	•		
Commercial solutions for reducing greenhouse gas emissions			•

This table lists our key investments in 2020/21 and is not a complete list of projects

Key partners we work with

- All research and development corporations (RDCs)
- Dairy farmers, manufacturers and service providers
- ADF Natural Resource Management Policy Advisory Group
- Dairy Manufacturers Sustainability Council
- Federal and state governments, including National Landcare Project
- Bureau of Meteorology



PRIORITY

5

SUCCESS IN DOMESTIC AND OVERSEAS MARKETS

GOAL

Improved access to high-value dairy markets, backed by trusted market insights and a favourable regulatory and policy environment

2020/21 INVESTMENT: \$6.8M



STRATEGIC OUTCOMES

a Australian dairy is valued around the world for its premium products

Favourable trade arrangements are linked to recognition that Australian products are premium in terms of food safety, provenance and meeting tight product specifications.

We will retain strong awareness and buyer preference in overseas markets for Australian dairy products.

b A favourable policy and regulatory environment

Credible and fact-based insights matched with incisive policy analysis and broad industry backing are powerful tools to create a favourable policy and regulatory environment.

We will positively influence the policy and regulatory environment in both domestic and international markets.

c Access to trusted market insights that inform decision making

The Australian dairy supply chain is characterised by a sophisticated collection of market data that is readily available to support decision making by industry and government stakeholders.

We will ensure the ongoing availability of trusted and credible dairy market data and insights.

FOCUS FOR 2020/21

Develop and implement new 'virtual' methods for delivering trade programs in key global markets. This is necessary as 'traditional' methods of delivering international trade activities have been severely compromised due to the disruption to international travel caused by the COVID-19 pandemic.

Build agricultural trading relationships in India and develop cooperation activities that increase mutual understanding of technical and policy issues that affect the Australia-India trading relationship.

Support industry and government to secure favourable outcomes for dairy from the Australia-EU Free Trade Agreement, with a focus on addressing the risk of Geographical Indication protections that could affect our use of common cheese names.

Closely monitor the emergence of protectionist measures in wake of COVID-19, especially non-tariff trade barriers. This includes ongoing assistance of businesses and government to overcome these measures.

Deliver strategic and technical policy research, analysis, insights and solutions with a focus on the key areas of water security, climate change, energy, animal health and welfare, and workforce/labour access.

Assess and communicate the relative significance of post-COVID-19 changes as they emerge, with a 'whole market' view.

Protect and better utilise market data sources and continue to provide a unique and comprehensive analysis of market performance. This includes new initiatives to address topical industry market issues and deliver more timely market insights in engaging formats.

Portfolio structure

Key projects	a	b	c
International Trade Program	•	•	•
Technical policy support		•	
Industry insights and analysis			•

This table lists our key investments in 2020/21 and is not a complete list of projects

Key partners we work with

- Australian dairy manufacturers and exporters
- Dairy representative organisations – ADF, ADPF, SDFOs
- Federal and state governments

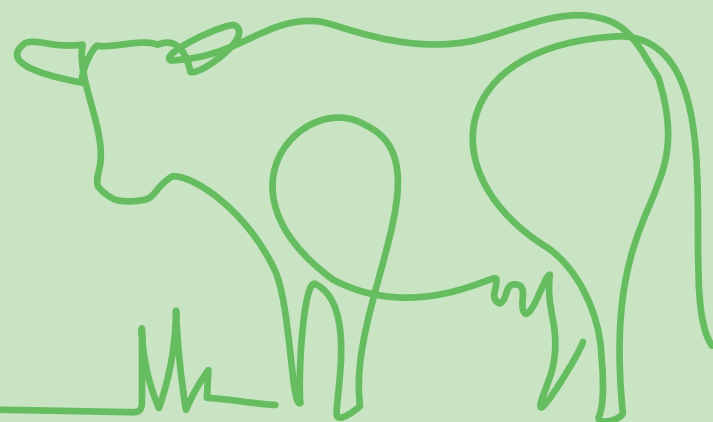


TECHNOLOGY AND DATA-ENABLED DAIRY FARMS

GOAL

Inspire more agile and responsive dairy businesses through greater integration of technology and data

2020/21 INVESTMENT: \$17.4M



STRATEGIC OUTCOMES

a Accelerated genetic progress in feedbase and animal breeding

Genetic improvement remains a major productivity driver on farm due to its ability to deliver permanent and cumulative gains in performance. Further innovation in genetics (including the expanded use of genomics and new breeding methods) will accelerate genetic gain as well as broaden the range of traits and species/breeds that can be improved.

We will deliver new genetic solutions and evaluation that underpin pasture and animal breeding.

b More flexible and agile dairy production systems

Many modern dairy farming systems need to modify their production systems according to seasonal conditions and changes in major input costs. These modifications are more extreme in warmer climates and with less reliable access to water.

We will innovate to increase flexibility and agility in dairy production systems.

c Greater use of high-value technology on farm

Access to on-farm technology is increasing rapidly, while capacity to deliver insights from technology is lagging. Improvement will require a greater understanding of adoption challenges and greater alignment between the technology that delivers insights and farmer preferences for use of insights.

We will accelerate adoption of technology that provides production insights and enables better decisions on-farm.

d Connected dairy production systems utilising multiple data sources to enhance decision making

A proliferation of data will be of value to dairy businesses when it can be integrated and available for generating insights. This will require integration for both on-farm usage as well as to improve service provision. Improved decision-making will need to account for farmer preferences for use of insights.

We will lead industry initiatives to integrate data from multiple sources.

FOCUS FOR 2020/21

Continue investment in DairyBio to deliver new innovations for pasture and animal genetics. This is the fifth and final year of the project, and a new multi-partner investment will be considered for future years.

Continued investment in DataGene to improve efficiency and effectiveness of genetic services. This includes more rapid turnaround of genetic analysis and further extension of genetic evaluation services.

Accelerate the uptake of genomic testing of heifers as a priority for improved genetic progress. Early evaluation of genetic merit provides for improved lifelong management decisions of each animal and enables more focused selection on heifers that will be more profitable, fertile and long-lived.

Continue investment in DairyFeedbase with a focus on communicating positive results in feeding cows in early lactation and allocating feed to herds.

Continue investment in the C4Milk project (Queensland) to deliver improvements in how sub-tropical forages are grown and utilised.

Commence a new DairyHIGH project (Tasmania) to optimise the availability and deployment of a perennial feedbase.

Continue investment in the Smarter Irrigation 2 project to increase water use efficiency from irrigation through both known and novel 17.

Complete investment in Automatic Milking Systems to describe the best application of robotic milk harvesting technology in both housed and pasture-based dairy systems.

Explore new partnerships and investment opportunities to enhance decision-making with multiple sources of data. An example of this is an additional investment, through DataGene, to become a foundation member of International Dairy Data Exchange Network. Improve on-farm agronomy decisions through enhanced pasture availability as a commercial output of the DairyFeedbase Pasture Smarts project.



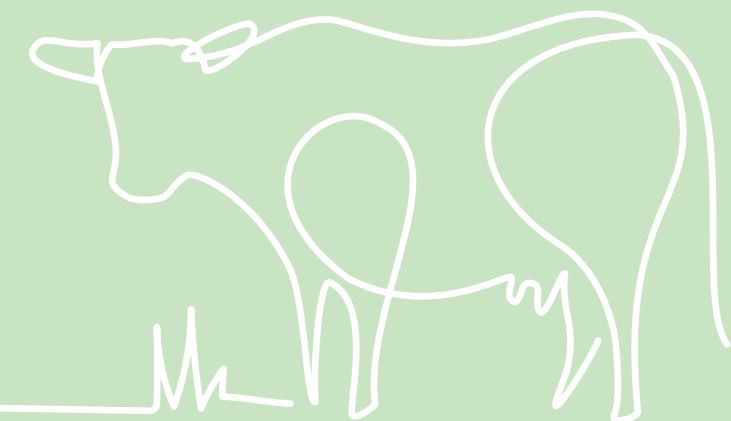
Portfolio structure

Key projects	a	b	c	d
DairyBio	•			
DairyFeedbase		•	•	•
DataGene	•		•	•
Genomics Acceleration Project	•			
Smarter Irrigation for Profit		•	•	
C4 Milk Project		•		
DairyHIGH - high intensity grass fed herds		•		
Supporting industry to invest and operate automated milking systems successfully – Milking Edge			•	•

This table lists our key investments in 2020/21 and is not a complete list of projects

Key partners we work with

- DairyBio and DairyFeedbase investors and commercial partners
- Gardiner Dairy Foundation
- DataGene
- Queensland Government with C4Milk
- Tasmanian Institute of Agriculture for DairyHIGH
- Other RDCs and commercial partners in Smarter Irrigation
- NSW Department of Primary Industries and De Laval for Milking Edge



PRIORITY

7 INNOVATIVE AND RESPONSIVE ORGANISATION

GOAL

An organisation that is farmer-focused, with talented people who embrace innovation and take decisive actions

2020/21 INVESTMENT: \$6.6M

STRATEGIC OUTCOMES

a We have an enhanced farmer-focused service delivery model

The work that Dairy Australia delivers is strongly focused on a deep understanding of farmers and farm businesses. Our work continues to be tailored to the needs of our primary stakeholders who are dairy farmers.

We will deliver greater value to levy payers through an improved service delivery model that addresses their business needs.

b Our culture of learning and innovation, values and ways of working deliver success

A positive organisational culture guides the delivery of our strategic plan. Our way of working is highly collaborative with a strong focus on teamwork and on decisive action.

Innovative thinking is highly valued to identify new opportunities to create value for farm businesses, to co-create innovation projects with partners and to pursue new approaches to innovation.

We will create an environment that our people thrive in.

We will value innovative thinking and new innovative approaches in our drive to deliver greater value to farm businesses.

c Our infrastructure, resources and processes allow us to be informed, agile and responsive

We have the right balance of infrastructure, technical and digital capability supported by talented people and efficient processes.

We will be agile and responsive to changing industry needs.

FOCUS FOR 2020/21

Formulate an improved service delivery model that better services the business needs of levy payers.

Continue investment in tailored services and communications to be more effective and attuned to farm business needs.

Improve our digital presence to make it simpler and more effective, to create better and meaningful connections between platforms and tools and launch a new and improved dairyaustralia.com.au website.

Establish new organisational values that build a stronger culture of performance and accountability.

Embed the portfolio and project management approach, improve the role and function of the investment review panel, and assess the alignment of all projects to the targets set out in the strategic plan.

Onboard all employees through our new hiring portal and tailored induction program, providing a streamlined, consistent and positive introduction to Dairy Australia.

Continue to review and implement cyber security controls and systems as required to respond to and mitigate ever changing cyber security threats.

Improvement in stakeholder management and communication capability through advances in our customer relationship management system.

Enhance our technical and digital presence to more effectively communicate and collaborate with internal and external stakeholders.

Renew the engagement of industry with the Issues Management Framework, a risk-based approach to identify, analyse and coordinate response efforts to business operations, social licence or reputational industry issues.

STRATEGIC OUTCOMES

d We have effective and transparent management of resources

Effective governance and transparent reporting enable Dairy Australia to make the right decisions and be accountable.

We will ensure all resources are used responsibly.

FOCUS FOR 2020/21

Undertake an independent performance review of Dairy Australia, as specified in the Statutory Funding Agreement with the Commonwealth Government.

Formalise the new project lifecycle approach to investment in projects. Prioritise the phase of project initiation to better evaluate the strategic importance and the proposed approach of each new project. This works alongside the existing governance and approval mechanism at the Board level.

Implement a new financial/contract administration system to provide increased visibility and improved management reports. The priority is to enable better decision-making and improve efficiency in managing finances.

Improve performance evaluation through metrics that cascade from the new five-year strategy to individual projects and activities.

Implement a new compliance program with more effective monitoring of key compliance obligations. This includes use of a new policy governance framework and consistent documentation of policies and procedures.

Portfolio structure

Key projects	a	b	c	d
Farmer-focused strategy	•			
Data management strategy			•	
Embed the PMO and monitoring and evaluation across portfolios	•	•	•	
Roll out and instil values and cultural change across the organisation	•			
Independent performance review			•	•

This table lists our key investments in 2020/21 and is not a complete list of projects



Portfolio structure

Our strategy will be executed through a series of annual operating plans that allow us to define focus areas for each financial year. These plans are created each year after consultation with key industry stakeholders ensuring our projects consider changing industry conditions and the evolving needs of levy payers.

A new portfolio structure that provides an improved governance framework will form the basis of how we execute our strategy. These portfolios are centred around our strategic priorities. The key benefits of using a portfolio approach are:

- Ability to focus on outcomes while ensuring efficient execution of our strategy.
- Strategic focus on the needs of the industry.
- Ensuring collaboration among teams with a focus on levy payers.

Portfolio governance

Our portfolios are governed under a portfolio governance framework. Each portfolio is led by a portfolio lead, typically a member of the Dairy Australia leadership team. The portfolio lead conducts a quarterly portfolio review focusing on the following key elements:

- Progress towards achieving strategic outcomes.
- Resourcing at a portfolio level
 - Existing capacity/capability challenges
 - Planning future resource requirements.
- Portfolio risks.

The quarterly portfolio review is led by the portfolio lead with participation from the relevant leadership team members, project sponsors, project leaders, project managers, portfolio manager, strategy manager, and financial controller.

The quarterly portfolio review utilises the quarterly performance reports and submissions from project leaders and project managers as a basis to evaluate portfolio needs and performance.

Measurement of performance

A revised evaluation framework that supports our new strategy has been published and can be found on our website. This framework sets out the role of evaluation for strategic priorities as well as for individual projects, activities, and services. The framework includes the objectives for setting performance targets and the obligations to report on performance.

The following section on 'Our 2020/21 measurement of performance plan' outlines the relevant project metrics to be reported in 2020/21 that cascade from our strategic metrics. While each of our projects are instrumental in achieving the strategic metrics, these are the intermediate indicators for FY21 that provide confidence that we are on-track and enable on-going monitoring.

Management will prepare a quarterly report of performance for the Board and publish an annual performance report. Quarterly performance updates will also be shared with Group B members.

Our 2020/21 measurement of performance plan

Project	Objective	Key measures of success
1 More resilient farm businesses		
Deliver Our Farm, Our Plan (OFOP)	To deliver the Our Farm, Our Plan program from 2020/21–2022/23 to significantly increase the proportion of farmers with effective strategic plans	<ul style="list-style-type: none"> • Farmers engaging with the OFOP program • Farmers getting value for their business from extension activities • Farmers participating in OFOP activities are 'Very likely' to make changes on farm • Farmers participating in OFOP activities indicate their willingness to adopt learnings within 6 months
Farm Performance	<ul style="list-style-type: none"> • To build FBM capability across the dairy industry • To increase the adoption and use of Dairy Australia's FBM tools, particularly DairyBase, and industry standard farm business management practice 	<ul style="list-style-type: none"> • Farmers getting value for their business from extension activities • Farmers participating in Farm Business Management (FBM) activities are 'Very likely' to make changes on farm • Farmers participating in FBM activities indicate their willingness to adopt learnings within six months • External stakeholders (processors, accountants, banks, ADF) show satisfaction with the FBM program and resources
Forage Value Index (FVI)	To enable Australian dairy farmers to make informed purchasing decisions related to forage species and cultivars, as a profitability driver.	<ul style="list-style-type: none"> • Farmers that sow perennial ryegrass use the FVI to help inform cultivar selection • New ryegrass (Perennial, Annual and Italian) and Tall fescue trials sown in Autumn 2021 by Pasture Trial Network for future inclusion in the FVI
C4 Milk	<ul style="list-style-type: none"> • To identify and solve regionally specific, feedbase limitations to dairy production systems • To enact practice change to improve dairy farm profitability 	<ul style="list-style-type: none"> • Farmers attending C4 Milk extension events indicating they will adopt research findings on farm • Number of farms trialling outcomes from C4Milk forages research at a paddock scale on their farms while actively working with QDAF extension staff to monitor yield and quality of forages adopted
Large Supplier Program	To develop effective ways to increase two-way engagement between DA and the 200 largest dairy farm businesses with the aim to improve DA's understanding of the priorities of large dairy farming businesses and ensure DA is meeting these needs	<ul style="list-style-type: none"> • Large suppliers indicating they are likely to implement learnings from P200 activities within 6 months (workshops, study tours) • Top 200 farm businesses participating in Large Supplier activities including events and engagement activities; notes, tasks, phone calls and cases
Milk Price Monitor	To setup dairy farmers to succeed by supporting the development of their financial and legal literacy and risk planning skills.	<ul style="list-style-type: none"> • Launch of contracts checklist online and through hard copies • Development and delivery of training • Simple and comprehensive business calculators launched and used by farmers • Users agree that the calculator improved their understanding of and supported business decision making.

Project	Objective	Key measures of success
2 Attract and develop great people for dairy		
People in Agriculture	To provide an online portal of practical employment information for growers/producers and employees across Australian agriculture to attract and retain the calibre of people required to address the barriers to adoption of technical developments, and ensure ongoing and improved business efficiency and profitability.	<ul style="list-style-type: none"> Participating RDCs who believe by leading this project, Dairy Australia adds value to their industry Number of RDCs who have used and/or promoted People in Agriculture in the past 12 months
Dairy Passport	To provide a valuable online solution to enable dairy farmers to manage their farm team, linked to key tasks that need to be undertaken whilst encouraging goal setting, career planning and capability development on-farm.	<ul style="list-style-type: none"> Farm owners/managers and employees registered on Dairy Passport Proportion of dairy farmers registered on Dairy Passport agree it has improved their ability to onboard new employees
Pathways for People in Dairy (Ag Vic)	<ul style="list-style-type: none"> To enable the rapid and safe induction of new entrants who have secured a position on an Australian dairy farm to fulfil milking, stock handling and machinery operation requirements and comply with policies and procedures To support farm businesses to successfully onboard and support new entrants, ensuring procedures and protocols for their farming system are implemented, shared and recorded to meet compliance and governance requirements by applying all Australian government protocols, recommendations and advice relating to COVID-19 in their business. 	<ul style="list-style-type: none"> Participant feedback indicates overall satisfied with Dairy Passport experience Pre-employment learning experience - total unique user visits Victorian farmers registered on Dairy Passport
Farm Safety	<ul style="list-style-type: none"> Farm safety culture is embraced There are no deaths on dairy farms Injuries on dairy farms are reduced Workcover premiums are reduced 	<ul style="list-style-type: none"> Provide a safe work environment - number of Standard Operating Procedures (SOPs) created by farmers and accessed employees registered on Dairy Passport Provide a safe work environment - zero fatalities on dairy farms
Cows Create Careers	To provide students with a greater understanding of dairy industry and generating an interest in a career in dairy	<ul style="list-style-type: none"> Students indicate they have a greater understanding and are considering of careers in dairy following the program Farmers and industry advocates more likely to be involved in other industry activities
Dairy Farm Managers	To establish a long-term, sustainable pipeline of prospective dairy farm managers with the commitment and capability to address a significant workforce shortage.	<ul style="list-style-type: none"> Number of student enrolments Retention of students in dairy farm management initiatives Student satisfaction with dairy farm manager learning experiences
Regional Services		<ul style="list-style-type: none"> Number of extension, regional engagement events and discussion groups held Number of attendees at extension, regional engagement events and discussion groups Dairy Australia invests in programs or activities that are relevant to farmers' needs Dairy Australia makes an effort to have an ongoing relationship with dairy businesses Dairy Australia acts quickly to provide support or resources to farmers during tough times

Project	Objective	Key measures of success
2 Attract and develop great people for dairy		
Extension		<ul style="list-style-type: none"> Value of Animal Performance, Climate and Energy, Soils and Irrigation, Feedbase, FBM, and People extension activities to farm businesses Farmers participating in Animal Performance, Climate and Energy, Soils and Irrigation, Feedbase, FBM, and People activities indicating they are 'Very likely' to make changes on farm Farmers participating in Animal Performance, Climate and Energy, Soils and Irrigation, Feedbase, FBM, and People activities indicating they will make change within <6 months Number of Enlight users and their hours spent learning on Enlight increases Total number of fully online courses and enrolments in Enlight increases Of the courses tracking assessment of learning the proportion of people who demonstrate learning attained is >80%
3 Strong community support for dairy		
Health and Nutrition	<ul style="list-style-type: none"> To ensure Australian nutrition guidelines and key opinion leaders (e.g. policy makers) continue to recognise dairy as part of a healthy and sustainable diet To ensure health professionals feel confident recommending dairy foods to consumers To increase the proportion of dairy positive messages consumers, hear from health professionals To ensure that a credible evidence base underpins all health and nutrition messaging 	<ul style="list-style-type: none"> NGOs acknowledge dairy and plant-based alternatives are not equal Dairy's benefits are attributed to the whole food matrix by NGOs NGOs acknowledge the benefits of dairy in fracture prevention in older adults Increase the perception of DA as a credible, evidence-based organisation by NGOs Maintain proportion of GPs who recommend dairy as a healthy food choice Increase proportion of GPs who agree dairy's benefits are beyond its individual nutrients Increase the proportion of GPs who recommend dairy over supplements or dairy alternatives for bone health Increase proportion of dietitians who agree dairy is a sustainable food choice Increase proportion of dietitians who agree dairy's benefits are beyond its individual nutrients Maintain proportion of dietitians who recommend dairy over supps or alternatives for bone health Consumer Target Audiences hear positive health messages about dairy foods from health professionals Dairy is recognised as part of a healthy and sustainable dietary pattern by the ADG committee Dairy's benefits are attributed to the whole food matrix by the ADG committee Dairy and plant-based alternatives not seen as equal by ADG committee Dairy serve recommendations retained in ADG review DA funded research gets published in high impact journals DA funded research presented at key domestic and international conferences

Project	Objective	Key measures of success
3 Strong community support for dairy		
Consumer Marketing	To maintain consumer trust and acceptance of the industry and drive support and reason to consume Australian dairy	<ul style="list-style-type: none"> • Changemakers trust the dairy industry • Changemakers agree the dairy industry meets their expectations in doing the right thing • Changemakers agree Dairy farmers do a good job caring for their animals • Changemakers agree that dairy industry does a good job caring for the environment • Changemakers trust dairy as a wholesome and healthy food • Changemakers feel the industry is providing enough information about dairy foods and their role in health and nutrition • Believers trust dairy as a wholesome and healthy food • Believers prefer to buy Australian made or locally produced dairy products wherever possible • Target Audiences make an effort to consume dairy every day • Target Audiences agree that dairy foods are good for bones • Target Audiences agree it's important to support the Australian dairy industry • Target Audiences feel more positive about the industry as a result of our campaigns
Schools Engagement	To build support for dairy by educating more primary and secondary school students on the health benefits of dairy foods, how dairy is produced from farm to plate, and career opportunities in dairy.	<ul style="list-style-type: none"> • Discover Dairy onsite rating <ul style="list-style-type: none"> – Teachers find the Discover Dairy resources to be useful and relevant – Teachers find the Discover Dairy website to be a credible source of information on food, agriculture and the dairy industry – Teachers would recommend the Discover Dairy resource hub to their teaching peers • Feedback from Teachers participating within the Picasso Cows Program <ul style="list-style-type: none"> – Teachers agree their students understand where their dairy foods come from. – Teachers agree their students have a better understanding of the health and nutritional benefits of dairy foods for strong bones since participating in the program – Teachers agree students trust and support the Australian Dairy industry • Increased engagement with the Discover Dairy curriculum hub - Total Resource downloads, video views, game interactions • Number of schools reached in the Picasso Cows Program
Industry Sustainability Framework	<ul style="list-style-type: none"> • Produce an annual Industry Sustainability Report that demonstrates practice change and progress against our sustainability goals and targets as well as community expectations, and also helps promote and protect the dairy industry's social licence to operate. • Maintain engagement of key external stakeholders with the dairy industry's sustainability credentials 	<ul style="list-style-type: none"> • Sustainability Framework reporting to key industry stakeholders in order to keep them informed about our progress, on key initiatives • Bi-annual sustainability forums to bring together key industry stakeholders and multinational customers to understand broader industry context, communicate • Dairy Australia's work in sustainability and seek feedback – community representatives on consultative forum are well engaged and value this forum. • Regular engagement with multinational dairy buyers to ensure sustainability framework is aligned with their goals

Project	Objective	Key measures of success
4 Thrive in a changing environment		
Adapting dairy farming systems	To support farm businesses who are contemplating a change in farm feeding system with, or without, the inclusion of cow housing.	<ul style="list-style-type: none"> • Second edition guidelines for feedpads and cattle housing systems published. • Economics study for adapting farm systems field work finalised. • Alternate feedbase silage study completed. • Desktop review alternate feedbase and feeding infrastructure published.
Forewarned is forearmed	To increase farm profit by improving industry capacity to mitigate extreme climate events.	<ul style="list-style-type: none"> • One new extreme event forecasting product available to dairy farmers.
Sustainable Dairy Products (NLP Smart Farms)	Build the capacity of Australian dairy farmers to demonstrate the environmental sustainability of their operations and traceability of their products while also improving environmental stewardship on their farms.	<ul style="list-style-type: none"> • Successful implementation of a co-design process for the refresh of the dairy on-farm good environment practice resource (currently DairySAT).
Supporting Manufacturing Sustainability	To work collaboratively with processors to improve industry-wide capability for addressing and communicating progress against evolving sustainability-related challenges to ensure that Australian dairy farmers have a strong, sustainable and competitive processing sector in which to supply their milk	<ul style="list-style-type: none"> • Majority of milk supply covered by processors engaged with this project. • Processors gain value out of the activities under this project. • Processors engaged with this project rate DA as a credible and trusted source of information and insights.
Dairy HIGH 2	To support sustainable growth in pasture-based dairy regions of Australia where there is a high reliance on synthetic nitrogen fertiliser to optimise the home grown feedbase.	<ul style="list-style-type: none"> • Management committee for farmlet experiment established, pasture species composition and relative proportions within each farmlet agreed by committee, farmlet paddocks within each treatment sown in Autumn 2021. • Farmers intend to make a change in pasture management after attending pasture workshops. • Farmers intend to make a change in pasture management after attending pasture coaching. • Farmers attending pasture measuring and monitoring bootcamp are actively using data generated in bootcamp to manage their farm.

Project	Objective	Key measures of success
5 Success in domestic and overseas markets		
International Trade Programs	To support the Australian dairy industry to maintain and improve its position as a dairy exporter and enable dairy exports into international markets.	<ul style="list-style-type: none"> Australian dairy products are nominated as preferred status by customers in Japan, Greater China and Southeast Asia Australian dairy makes market access gains into key export destinations. Industry and government stakeholders value work of dairy Australia to inform policy discussions and to help ensure access to markets.
Industry Insights and Analysis	To collect, curate, enhance and deliver credible and valuable information about the current operating environment and likely future developments, providing effective understanding and ongoing visibility to both internal and external dairy industry stakeholders.	<ul style="list-style-type: none"> Knowledge sharing/stakeholder appetite - presentations to farmers and other external stakeholders T&S staff are consistently mentioned in the media
Technical Policy Support	To deliver strategic and technical policy research, analysis, insights and solutions that contribute to improving dairy farmer profitability by maintaining a positive operating environment, and consistent with community expectations	<ul style="list-style-type: none"> DA is recognised as a credible and reputable source of technical policy support by industry and Govt Industry and government stakeholders value work of Dairy Australia to inform policy discussions Number of submissions we have contributed to Number of times our advice and insights are sought
6 Technology and data-enabled dairy farms		
DataGene	Dairy farmers maximise their profit through a vibrant herd improvement industry offering effective and highly valued services	<ul style="list-style-type: none"> Generation and release of Australian Breeding Values (ABV's) on the industry agreed schedule Calculation and release of revised national breeding indices Central Data Repository (CDR) connected to IDDEN Project (International data exchange development project) Connect Easydairy, Jantec, and APIAM/DairyData on-farm software to CDR Maintain Ginfo program and herds incorporating the prescribed genetic and phenotypic information
DairyBio - Animals (All metrics to be re-written in simpler language)	Improve cost competitiveness of the dairy industry by improving animal productivity by \$350 per cow, per year by 2030	<ul style="list-style-type: none"> Decision on BV implementation for methane emissions Genomic prediction/ABVs of transition adaptation/ketosis using MIR data Provide DataGene with new feed saved reference population with additional phenotypes and feed saved ABV model Implementation of MIR pregnancy prediction product Work with DataGene to implement prioritised SNP/variants in a multi breed evaluation and prediction method
DairyBio - Forages (All metrics to be re-written in simpler language)	Improve cost competitiveness of the dairy industry by improving pasture productivity by \$800 per hectare, per year by 2030	<ul style="list-style-type: none"> Deliver 10 Short term ryegrass hybrid parental pools to Barenbrug Deliver six additional second generation F1 Hybrid parental pools to Barenbrug Deliver validated in field phenomics technologies to Barenbrug Deliver up to three EXZACT ryegrass populations Deliver optimised tools for non-destructive seed-based technology of nutritive quality traits to Barenbrug

Project	Objective	Key measures of success
6 Technology and data-enabled dairy farms		
Dairy Feedbase (All metrics to be re-written in simpler language)	Management tools that improve productivity in the paddock, smarter allocation of feed for each herd, right feed for each cow	<ul style="list-style-type: none"> Commercialisation of PastureSmarts project outputs Validation of farm system changes required to deliver Smart feeding benefits to farmers Transition of sensor-based assessment of pasture yield to initial industry partners Develop and test prototype strategy First 100 days project
Supporting industry to invest and operate Automated Milking Systems (AMS) successfully	Mitigate constraints to adoption of innovation, agtech and precision dairy technologies and improve their route to market.	<ul style="list-style-type: none"> Farmers considering investment in AMS are utilising AMS resources prior to investment decision Farmers that use AMS are engaging in regional and/or national AMS forums AMS farmers classifying themselves as 'swift and successful' or 'typical' in their first year of transition to AMS Lower decommissions as a percentage of total AMS installations
Smarter Irrigation for Profit Phase 2 (SIP2)	<ul style="list-style-type: none"> Development of new irrigation technologies including new sensors, advanced analytics to improve irrigation scheduling and strategies to reduce water storage evaporation. Cost effective, practical automated irrigation systems. Closing the irrigation productivity yield gap through a network of farmer led optimised irrigation sites and key learning sites located on commercial farms across Australia 	<ul style="list-style-type: none"> SIP2 events and activities provide value to the business of participants SIP2 events are attended by farmers and service providers Participants are likely to take action to do things differently in the next twelve months Participants are 'likely' or 'very likely' to do things differently as a result of attending SIP2 events Participants will recommend SIP2 events to colleagues Increased number of hits on the SIP2 webpages Reduced bounce rate on the SIP2 webpages Milestone reports are accepted by Department of Agriculture, Water and the Environment (DAWE)
Accelerating Heifer Genomics	To significantly accelerate the uptake of genomic testing of females by Australian dairy farmers, so that it becomes part of routine on-farm practice on most farms.	<ul style="list-style-type: none"> Turnaround time from genomic test samples being received at the lab to farmers receiving genomic test results Genomic test results with pedigree or sample errors Number of heifers genomically tested

GLOSSARY OF TERMS

Project	Objective	Key measures of success
7 Innovative and responsive organisation		
Finance2020	To have a system that delivers enhanced functionality, automation, real-time accessibility and reporting for key business stakeholders	<ul style="list-style-type: none"> A new finance system that transforms our operations has been implemented and adopted by Dairy Australia. Better monitoring and decision-making through access to modern dashboards.
Values	To enable a culture of learning and innovation to deliver success	<ul style="list-style-type: none"> New values are communicated to all Dairy Australia employees and embraced by staff. There are demonstrated improvements in ways of working, innovation mindset, and collaboration.
Farmer focussed strategy	To deliver greater value to levy payers by formulating an improved service delivery model that better services the business needs of levy payers.	<ul style="list-style-type: none"> Strategy and implementation plan developed to pivot Dairy Australia's service delivery to a new farmer focussed approach. A new framework has been created that enables improved understanding of our stakeholders across key aspects of farm business.
Data management strategy	Project currently being established	<ul style="list-style-type: none"> Measures of success to be identified as part of project initiation.
Audio Visual upgrade	Project currently being established	<ul style="list-style-type: none"> Measures of success to be identified as part of project initiation.
Embed project management principles and monitoring and evaluation of projects across the organisation	Project currently being established	<ul style="list-style-type: none"> Measures of success to be identified as part of project initiation.
Salesforce communities	To implement a technology platform that enables critical digital tools/services for farmers/customers all in one place to improve engagement.	<ul style="list-style-type: none"> Salesforce Community platform implemented and integrated with relevant existing systems including our digital platform. Multiple farmer-facing digital tools and services built on this platform.

ADF	Australian Dairy Farmers
ADPF	Australian Dairy Products Federation
AOP	Annual Operating Plan
COVID-19	Coronavirus disease 2019
NDFS	National Dairy Farmer Survey
PMO	Project Management Office
RDC	Research and Development Corporations
SDFO	State Dairy Farming Organisations

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