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2017 TASMANIAN DAIRY AWARDS

Dairy Business of the Year Winners
Mulder Family

Fonterra Share Dairy Farmer of the Year Winners
Cody & Denieka Korpershoek



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2017 Dairy Business of the Year Awards

DBOY Winners:

Mulder Family

Finalists:

Peter & Jo Jones – Limberlost Dairy

Gary & Helen Strickland

Agrilac – Oxberry Dairy

Share Dairy Farmer Winners:

Cody & Denieka Korpershoek, share farming for Circular Head Farms

Recent Past DBOY Winners

Participants

2016	Brian & Michele Lawrence	31
2015	Bill & Jill Chilvers with Grant & Kim Archer, Symmons Plains	52
2014	Nigel & Rachael Brock, Montana	35
2013	Rob, Lesley & Norm Frampton, Gawler	31
2012	Grant & Kim Archer, share farmers plus Rob & Jo Bradley, farm owners, Cressy	40
2011	Darron & Veronica Charles, Mawbanna	33
2010	Grant & Melanie Rogers, Ouse	45
2009	Huisman family & Hatfield Dairies P/L	36
2008	Paul & Nadine Lambert, Merseylea	36
2007	Gary & Helen Strickland, King Island	36
2006	Stephen & Karen Fisher, Togari	40
2005	Symon & Louise Jones, Gunns Plains	50
2004	John & Katrina Sykes, Ringarooma Alan & Rosie Davenport, Derby	42
2003	Grant & Kim Archer, Mella	47
2002	Wayne & Joanne Bowen, Scottsdale	40



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ACKNOWLEDGEMENTS

Data for this award has been analysed using DairyBase

This booklet has been prepared by Alison Hall, Lesley Irvine, Symon Jones & Samantha Flight,
TIA Dairy Centre

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2017 Dairy Business of the Year Winners

Gerard, Ria & Ronnie Mulder

Originally from the Netherlands, Gerard and Ria Mulder moved to Tasmania after 16 years dairy farming in Germany. Initially working on a dairy farm in Mawbanna, they purchased their own farm at Forest ten years ago. Gerard and Ria, along with their children Monique, Ronnie and Chris had a lot of development work to do on the farm: clearing land, building a dam and putting in hump and hollow drainage on the low-lying flat areas of the farm. Beginning with 140 cows, they have grown their herd to 280 cows.

While Gerard and Ria had dairy farming experience before moving to Tasmania, they took advantage (and still do) of learning opportunities offered, such as discussion groups and training courses. They not only found it useful in learning about dairy farming in Tasmania but enjoy the social aspect and continue to value and enjoy being involved in the north-west discussion group, business group and in attending other training events. They also read a wide range of literature about dairy farming. They enjoy a challenge, which is one of the reasons they participate in benchmarking – to continually improve.

Gerard and Ria have been participants in the Tasmanian benchmarking program since they purchased their farm and while this is the first year they have been a finalist, they have always achieved good returns from their business. The



Mulders attribute this success to knowing and working on the profit drivers in their business: pasture production and utilisation; healthy cows; managing costs; and focussing on the details. “Don’t look at the vat, if you have healthy cows and quality pasture, milk production will follow.”

Pasture Consumption

Utilising pasture, their lowest cost feed, is a key focus on the Mulder’s farm. Paddocks are grazed when they reach the 2.5-3 leaf stage and are managed to achieve a consistent residual of 1500 kg DM/ha. Rotation length in spring is generally 19-20 days, extending out to 80 days in winter. In the Award year, Ronnie took weekly measurements of the pasture cover for each paddock using a C-Dax bike reader, with the information recorded in “pasture.io” to produce a feed wedge and provide average pasture cover with growth rates for the farm.

About 10% of the farm is renovated each year following a crop. They have undertaken a Fert\$mart plan with Seona Findlay and regularly update the plan to ensure they are applying the right nutrients to maximise pasture growth.

Nitrogen is applied after every grazing with the rate varying between 30-50 kg N/ha, depending the amount of grass required. This requirement is identified through the feed wedge.

Healthy Cows

The Mulders have a cross-bred herd. Up until this season they were using a 3-way cross breeding program with Friesians, Jerseys and Brown Swiss. This season, they have changed to once-a-day milking and now are using only Jersey semen. Cows are synchronised and AI is



conducted for 7 weeks. During the dry period, cows graze on fodder beet and are supplemented with silage and hay. Fodder beet is the dry cow feed grown as the Mulders find it easier to get cows to gain condition using fodder beet than with any other crop they have tried. Target condition score at calving is 5. Calving begins on 15th July for heifers and 25th July for cows. Pre-calving cows are fed with grain and magnesium is added to the water troughs. After calving, cows are fed 3-4 kg grain and this amount is adjusted, based on pasture growth rates.

For Gerard and Ria, having healthy cows starts with their calf rearing program. They rear 120-130 calves each year and each one is fed colostrum via a stomach tube when brought to the calf rearing shed. Calves are fed once-a-day and provided with pellets from day 1. They are weaned from milk at approximately

7 weeks of age and then are sent on agistment. They continue to be fed pellets until the end of December.

Low Cost

In order to keep costs as low as they can, Gerard and Ria try and do as much on the farm themselves, as well as making sure they make timely decisions. For example, if they have a sick cow, before treating with antibiotics, they will check the temperature of the cow and if it is normal, antibiotics won't be used. "With a lame cow, you can leave it for a couple of days or look at it straight away". Mulders have found early identification and treatment of problems saves them money. They also utilise different testing regimes to determine if and what they need: whether it be worm testing before drenching, mineral testing of cows or soil tests.

Before making large purchases such as buying pellets and fertiliser, they routinely obtain quotes to ensure they are getting the best price.

While some of these may seem to be little things, Gerard and Ria have found it important to focus on the details in order to maximise their profitability.



Focus on the Details

Focussing on details doesn't just apply to the spending, but to all areas of management on the farm. Gerard and Ria don't take a 'she'll be right' attitude, instead they like to deal with things when they see them, whether it be a lame cow, thistle spraying or designing something in the dairy to make life a bit easier.

Overall, Gerard and Ria aim to make a profit "you need to make a profit to have a future" by having a simple system that gives them the lifestyle they want and is fun to work in.

Table 1: Mulder Family Benchmarking Performance, 2010 to 2016

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	State avg 2015-16
Milking area, ha	78	81	83	86	87	87	201
No. cows milked	182	200	210	246	269	278	552
Area irrigated, ha	25	26	26	55	55	55	142
Rainfall, mm/ha	1094	1065	709	1052	1131	893	939
Irrigation, ML/irrigated ha	2.0	4.0	5.0	2.8	2.2	3.5	4.4
Pasture consumption, t DM/milking ha	7.7	10.8	9.8	11.2	11.6	12.3	10.6
Concentrates, t DM/cow	0.6	0.7	0.8	0.8	1.0	1.0	1.6
Milk production, kg MS	74,498	89,395	92,873	112,757	115,615	124,115	267,906
Milk price, \$/kg MS	\$5.45	\$5.13	\$4.49	\$6.66	\$5.65	\$5.20	\$5.54
Operating costs, \$/kg MS	\$3.94	\$4.02	\$4.43	\$4.38	\$4.07	\$4.46	\$5.28
EBIT, \$/kg MS	\$2.43	\$2.14	\$0.54	\$3.01	\$2.33	\$1.62	\$0.98
RoAM, %	7.2%	8.5%	2.1%	14.0%	10.8%	6.4%	3.7%

Table 2: Performance Indicators - Mulder Family

		Mulder	Mulder	Mulder	State Average	Top 10%
		2013-14	2014-15	2015-16	2015-16	2015-16
Farm Details						
Milking area	Mha	86	87	87	201	200
Dairy run-off	Ha	<u>0</u>	<u>0</u>	<u>0</u>	<u>96</u>	<u>100</u>
Usable area	Usable ha	86	87	87	297	300
Milksolids	kg	112,757	115,615	124,115	267,906	271,143
Peak cows milked	Cows	246	269	278	552	542
Labour used	FTE	2.5	2.5	2.0	3.3	3.3
Business Indicators						
Operating profit, EBIT	\$	\$338,969	\$269,751	\$201,145	\$269,599	\$499,797
Total income / usable ha	\$/usable ha	\$9,682	\$8,506	\$2,312	\$5,493	\$5,600
Total income /milking ha	\$/milking ha	\$9,682	\$8,506	\$2,312	\$8,108	\$8,410
Total income / kg MS	\$/kg MS	\$7.38	\$6.40	\$5.86	\$6.08	\$6.20
Milk price / kg MS	\$/kg MS	\$6.66	\$5.65	\$5.20	\$5.58	\$5.93
Operating costs excl finance/ usable ha	\$/ usable ha	\$5,740	\$5,406	\$6,394	\$4,744	\$4,686
Operating costs excl finance/ milking ha	\$/M ha	\$5,740	\$5,406	\$6,394	\$7,002	\$6,241
Operating costs excl finance/ kg MS	\$/kg MS	\$4.38	\$4.07	\$4.48	\$5.25	\$4.60
EBIT/ usable ha	\$/usable ha	\$3,941	\$3,101	\$2,312	\$909	\$1,664
EBIT/ milking ha	\$/M ha	\$3,941	\$3,101	\$2,312	\$1,341	\$2,499
Return on assets (EBIT/Av Assets Managed)	%	14.0%	10.8%	6.4%	3.7%	10.2%
Return on equity (EBT/Av Owners Equity)	%	21.7%	14.2%	5.1%	2.1%	14.5%
Productivity Ratios						
Milksolids per milking ha	kg MS/ M ha	1,311	1,329	1,427	1,333	1,356
Milksolids per usable ha	kg MS/ ha	1,311	1,329	1,427	903	903
Milksolids per cow	kg MS/cow	458	430	446	485	500
Milksolids per cow as % of Lwt	kg MS/kg lwt	102%	96%	89%	104%	99%
Stocking rate, cows/Mha	cows/Mha	2.9	3.1	3.2	2.9	2.7
Cows per full time equivalent	cows/FTE	100	110	139	136	137
Feed Indicators						
Pasture & crop utilised - milking area^	tDM/ Mha	11.2	11.6	12.3	10.6	11.1
Pasture & crop utilised - usable area^	tDM/ ha	11.2	11.6	12.3	8.9	9.0
Usable area % irrigated	%	64%	100%	63%	48%	42%
Milking area % irrigated	%	64%	100%	63%	71%	63%
Nitrogen use per milking ha	kg N/ M ha	331	262	332	236	269
Average purchased feed price	\$/ t DM	\$365	\$357	\$385	\$446	\$483
Pasture costs	\$/ t DM	\$99	\$69	\$81	\$97	\$86
Grazed pasture per cow*	t DM/ cow	3.7	3.6	3.8	3.9	3.9
Grain per cow*	t DM/ cow	0.8	1.0	1.0	1.6	1.3
Hay, silage & other feed per cow*	t DM/ cow	<u>0.5</u>	<u>1.0</u>	<u>0.6</u>	<u>0.6</u>	<u>0.3</u>
Total feed per cow*	t DM/ cow	5.1	5.7	5.4	6.1	5.5
Farm Assets - averages for the year						
Dairy assets incl leased land	\$	\$2,426,910	\$2,498,240	\$2,638,394	\$6,405,188	\$5,211,666
Assets per usable ha	\$/ usable ha	\$28,220	\$28,715	\$30,326	\$21,590	\$17,353
Assets per milking ha	\$/ M ha	\$28,220	\$28,715	\$30,326	\$31,867	\$26,058
Assets per cow	\$/cow	\$9,865	\$9,287	\$9,491	\$11,596	\$9,616
Assets per kg milksolids	\$/kg MS	\$22	\$22	\$21	\$24	\$19
Liabilities per cow	\$/cow				\$2,558	\$1,338
Equity %	%				76%	81%
Number of farms		1	1	1	34	3

*Note: Cost of production calculations include feed and livestock inventory changes.
Feed used by cows and replacements divided by cow numbers.*

Table 3: Financial Analysis, Total \$ - Mulder Family

	Mulder	Mulder	Mulder	State average	Top 10%
	2013-14	2014-15	2015-16	2015-16	2015-16
Income					
Milk income (net)	\$751,043	\$653,774	\$645,994	\$1,494,623	\$1,607,229
Livestock trading profit	\$71,884	\$77,084	\$91,425	\$117,907	\$89,787
Feed inventory change	\$9,721	\$9,179	\$14,905	\$46,507	\$13,188
All other income	\$0	\$0	\$2,760	\$16,525	\$13,522
Total income	\$832,647	\$740,037	\$755,084	\$1,675,562	\$1,723,727
Costs					
AI and herd test	\$8,660	\$9,578	\$9,830	\$26,880	\$26,046
Animal health	\$10,714	\$11,368	\$10,864	\$43,676	\$46,951
Calf rearing	\$4,731	\$4,840	\$9,715	\$26,199	\$9,845
Shed Power	\$11,147	\$9,858	\$8,030	\$26,710	\$27,075
Dairy Supplies	\$7,347	\$5,896	\$5,527	\$18,757	\$22,336
Total shed & herd costs	\$42,599	\$41,540	\$43,966	\$142,222	\$132,253
Feed Costs					
Fertiliser	\$52,527	\$31,541	\$51,165	\$123,658	\$110,824
Irrigation (inc effluent)	\$6,562	\$3,355	\$5,253	\$55,548	\$40,327
Hay and silage making	\$6,489	\$5,536	\$2,175	\$26,360	\$5,540
Fuel and oil	\$11,716	\$6,065	\$8,228	\$18,770	\$17,716
Pastures & forages	\$16,340	\$23,262	\$20,614	\$28,542	\$33,723
Other feed costs	\$1,354	\$378	\$0	\$16,816	\$8,912
Grain & fodder purchases	\$111,717	\$110,578	\$138,976	\$420,859	\$360,271
Agistment costs	\$42,889	\$43,629	\$48,540	\$73,076	\$30,207
Total feed costs	\$249,594	\$224,344	\$274,951	\$763,629	\$607,520
Total Variable costs	\$292,193	\$265,884	\$318,917	\$905,851	\$739,773
Overhead costs					
Repairs and Maintenance	\$34,889	\$30,930	\$13,518	\$90,715	\$85,628
Other Overheads	\$19,110	\$15,540	\$21,159	\$57,844	\$46,889
Employed People Cost	\$47,986	\$53,433	\$94,624	\$237,484	\$242,518
Total cash overhead costs	\$101,985	\$99,903	\$129,301	\$386,042	\$375,035
Non-cash overheads					
Depreciation	\$26,000	\$31,000	\$32,921	\$45,541	\$31,468
Imputed people cost	\$73,500	\$73,500	\$72,800	\$69,160	\$77,654
Total non-cash overheads	\$99,500	\$104,500	\$105,721	\$114,701	\$109,122
Total overhead costs	\$201,485	\$204,403	\$235,022	\$500,744	\$484,157
Total Costs	\$493,678	\$470,287	\$553,939	\$1,405,965	\$1,223,930
Earnings Before Int & Tax	\$338,969	\$269,751	\$201,145	\$269,598	\$499,797
Interest and lease costs				\$123,391	\$13,665
Net Profit				\$146,207	\$486,132
Number of farms	1	1	1	34	3

Note - livestock trading profit is calculated using standard national values in order to make a standard comparison between farms

Table 4: Financial Analysis - \$ per kg Milk solids

		Mulder	Mulder	Mulder	State average	Top 10%
		2013-14	2014-15	2015-16	2015-16	2015-16
Income						
Milk income (net)	\$/kgMS	\$6.66	\$5.65	\$5.20	\$5.58	\$5.93
Livestock trading profit	\$/kgMS	\$0.64	\$0.67	\$0.74	\$0.44	\$0.33
Feed inventory change	\$/kgMS	\$0.09	\$0.08	\$0.12	\$0.17	\$0.05
All other income	\$/kgMS	\$0.00	\$0.00	\$0.02	\$0.06	\$0.05
Total income	\$/kgMS	\$7.38	\$6.40	\$6.08	\$6.25	\$6.36
Costs						
AI and herd test	\$/kgMS	\$0.08	\$0.08	\$0.08	\$0.10	\$0.10
Animal health	\$/kgMS	\$0.10	\$0.10	\$0.09	\$0.16	\$0.17
Calf rearing	\$/kgMS	\$0.04	\$0.04	\$0.08	\$0.10	\$0.04
Shed Power	\$/kgMS	\$0.10	\$0.09	\$0.06	\$0.10	\$0.10
Dairy Supplies	\$/kgMS	\$0.07	\$0.05	\$0.04	\$0.07	\$0.08
Total Herd & Shed Costs	\$/kgMS	\$0.38	\$0.36	\$0.35	\$0.53	\$0.49
Feed Costs						
Fertiliser	\$/kgMS	\$0.47	\$0.27	\$0.41	\$0.46	\$0.41
Irrigation (incl effluent)	\$/kgMS	\$0.06	\$0.03	\$0.04	\$0.21	\$0.15
Hay and silage making	\$/kgMS	\$0.06	\$0.05	\$0.02	\$0.10	\$0.02
Fuel and oil	\$/kgMS	\$0.10	\$0.05	\$0.07	\$0.07	\$0.07
Pastures & forage	\$/kgMS	\$0.14	\$0.20	\$0.17	\$0.11	\$0.12
Other feed costs	\$/kgMS	\$0.01	\$0.00	\$0.00	\$0.06	\$0.03
Grain & fodder	\$/kgMS	\$0.99	\$0.96	\$1.12	\$1.57	\$1.33
Agistment costs	\$/kgMS	\$0.38	\$0.38	\$0.39	\$0.27	\$0.11
Total Feed Costs	\$/kgMS	\$2.21	\$1.94	\$2.22	\$2.85	\$2.24
Total Variable costs	\$/kgMS	\$2.59	\$2.30	\$2.57	\$3.38	\$2.73
Overhead costs						
Repairs and Maintenance	\$/kgMS	\$0.31	\$0.27	\$0.11	\$0.34	\$0.32
All Other Overheads	\$/kgMS	\$0.17	\$0.14	\$0.17	\$0.22	\$0.17
Employed People Cost	\$/kgMS	\$0.43	\$0.46	\$0.76	\$0.91	\$0.89
Total cash overhead costs	\$/kgMS	\$0.90	\$0.86	\$1.04	\$1.47	\$1.38
Non-cash overheads						
Depreciation	\$/kgMS	\$0.23	\$0.27	\$0.27	\$0.17	\$0.12
Imputed people cost	\$/kgMS	\$0.65	\$0.64	\$0.59	\$0.26	\$0.29
Total non-cash overheads	\$/kgMS	\$0.88	\$0.90	\$0.85	\$0.43	\$0.40
Total Overhead costs	\$/kgMS	\$1.79	\$1.77	\$1.89	\$1.90	\$1.79
Total Costs	\$/kgMS	\$4.38	\$4.07	\$4.46	\$5.28	\$4.51
Earnings Before Int & Tax	\$/kgMS	\$3.01	\$2.33	\$1.62	\$0.98	\$1.84
Interest and lease costs	\$/kgMS				\$0.46	\$0.05
Net Profit	\$/kgMS				\$0.52	\$1.79
Number of farms		1	1	1	34	3

Benchmarking Data – Mulder Family

Feed Consumption

The following three graphs illustrate feed consumption trends for the Mulder Family from 2010 to 2016.

Figure 1 illustrates the composition of different feed sources, based on total metabolisable energy (ME), consumed on farm for the Mulder's from 2010 to 2016. This also includes feed consumed by dry cows and young stock.

Figure 2 shows the average estimated proportion of feed consumed per cow, in tonnes of dry matter. The amount of home grown feed produced per cow is dependent on a number of factors, with water availability, soil fertility and fertiliser application rates and grazing management being most important.

The percentage of grazed pasture, concentrates, silage, hay and other feeds in the diet of cows for the Mulder's each

year from 2010-11 to 2015-16 are shown in Figure 3. Though there has been some variation over the years, the Mulder's have increased the proportion of pasture in the diet of their cows over the years, a result of a focus on pasture management and consumption of their cheapest feed.

The amount fed per cow in 2015-16 for all the benchmarking entrants is estimated at 6.1 t DM/cow, with 3.9 t DM/cow as directly grazed pasture, 0.6 t DM/cow as conserved feed, and 1.6 t DM/cow as concentrates. For 2015-16, the Mulder's achieved comparable results with regards to directly grazed pasture, achieving 3.8 t DM/cow, 0.6 t DM/cow as conserved feed, but fed lower than average amount of concentrates with 1.0 t DM/cow – a total fed of 5.4 t DM/cow.

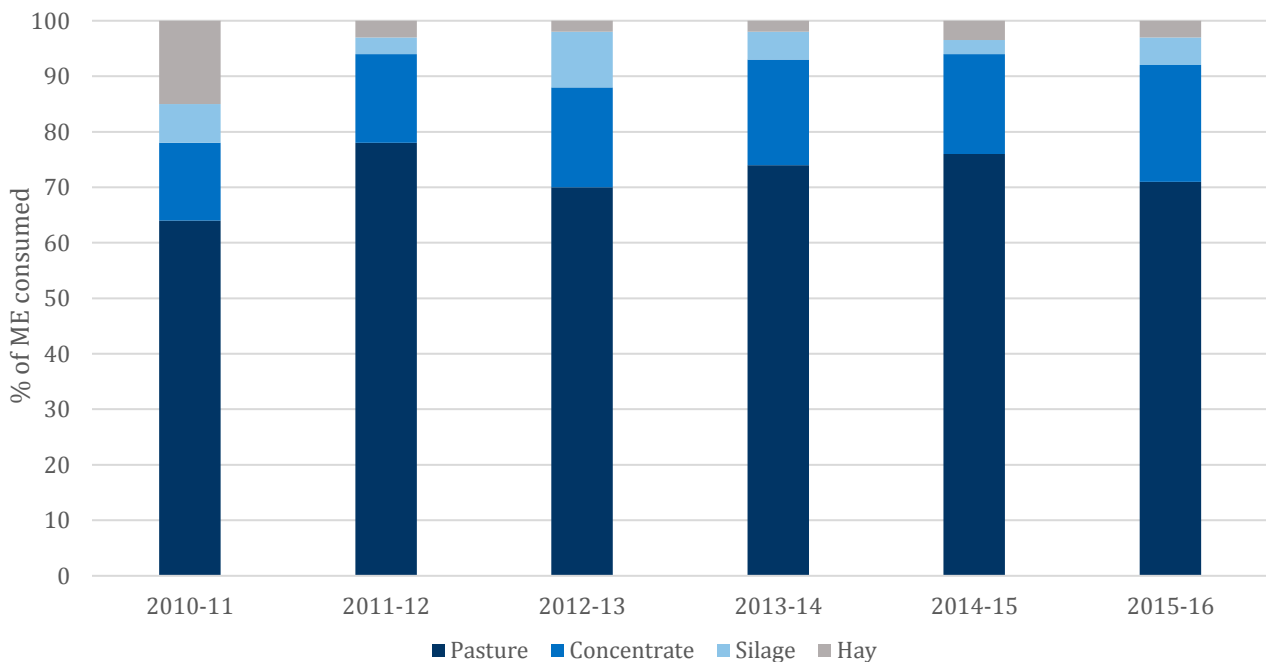


Figure 1: Proportion of ME Consumed (%) - Mulder Family

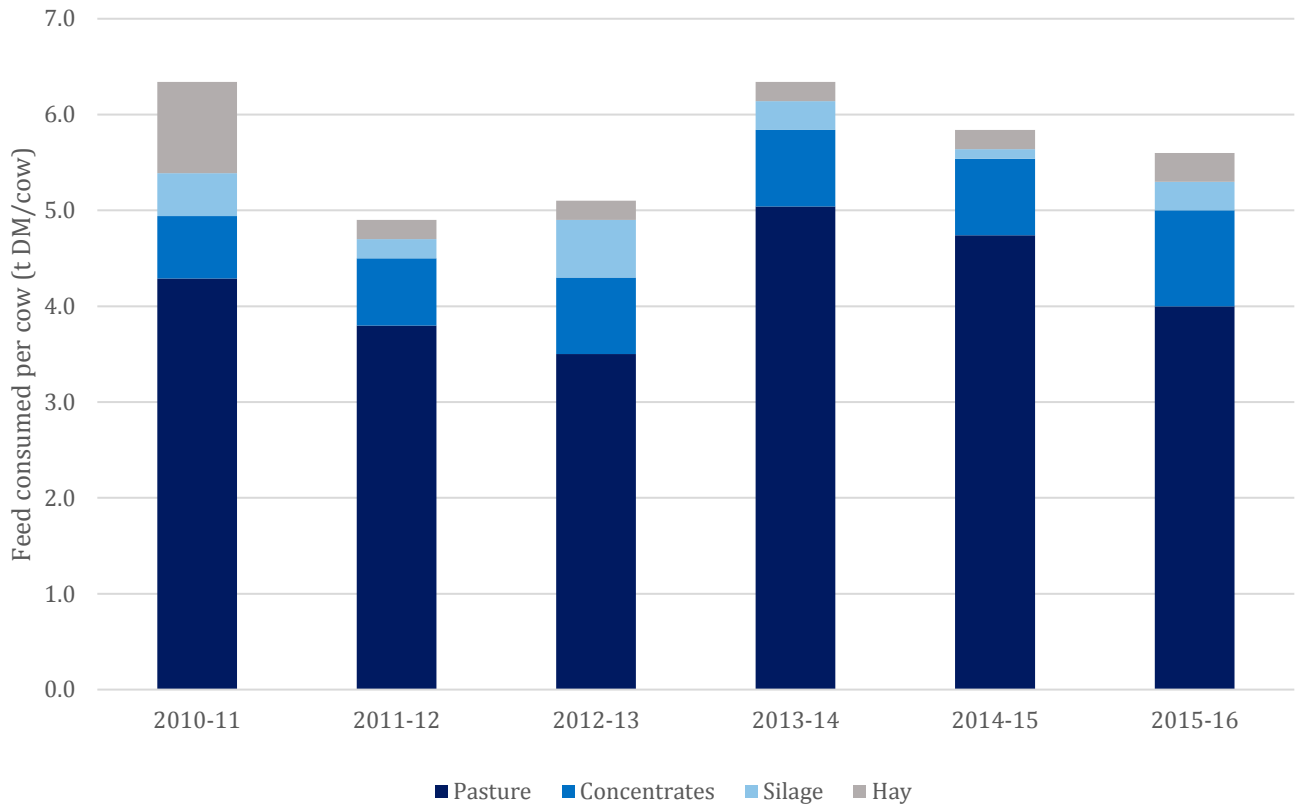


Figure 2: Feed Consumed, t DM/cow - Mulder Family

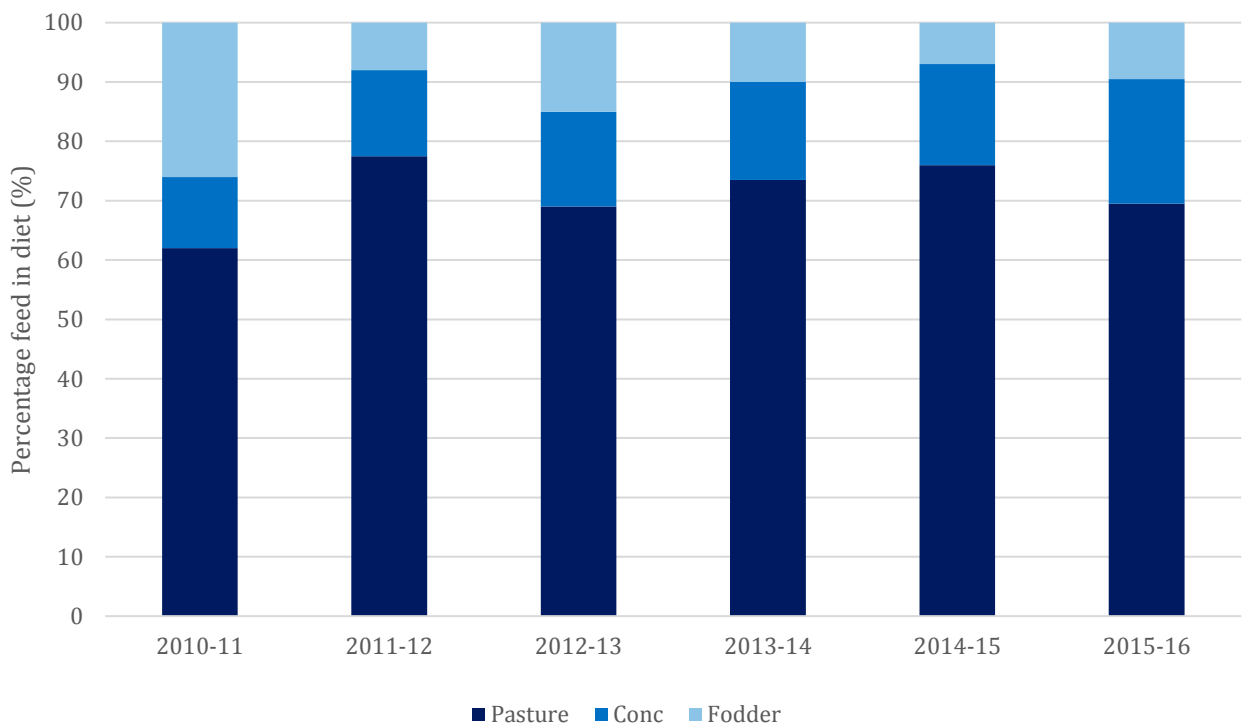


Figure 3: % Feed Type in Diet - Mulder Family

Judges' Comments – 2017 Dairy Business of the Year Award

Judges

Brian Lawrence, 2016 DBOY Winner
Lesley Irvine, TIA Dairy Development & Extension Team Leader

Four finalists were selected from the participants in the 2017 Tasmanian Dairy Business of the Year Award based on their Return on Assets Managed (RoAM) and Earnings Before Interest and Tax per hectare (EBIT/ha) during the 2015/16 financial year.

This year the judges of the Dairy Business of the Year Award were Brian Lawrence, dairy farmer from Meander and winner of the 2016 Dairy Business of the Year Award, and Lesley Irvine from TIA Dairy Centre.

The judges would like to thank all of the participants in the Award for taking the time to provide their farm's financial and physical data for what was a very challenging season and one that a lot of farmers would probably rather forget than analyse. This willingness to participate, despite the season, shows a commitment to ongoing learning and to overall industry participation by providing data that informs and helps industry as a whole.



The judges would like to congratulate the four finalists for their achievement this year:

- David Risbey-Pearn, manager for Agrilac's Oxberry Dairy
- Gary and Helen Strickland
- Gerard and Ria Mulder
- Peter and Jo Jones, managers for Limberlost Dairy

The judges would also like to acknowledge the achievement of Bill and Jill Chilvers at Symmons Plains who were in a finalist position based on their RoAM and EBIT/ha but are still within the 5 year exclusion period after previously winning the Award in 2015.

The finalists in this year's Award were geographically spread across Tasmania, with businesses located at Waterhouse in the state's north east, Kayena in the Tamar Valley, Forest in Circular Head, and on King Island. With finalists in recent years tending towards larger herd sizes, it was nice to see a wider range of herd sizes this year, ranging from 280 cows up to 900. There was also a mixture of calving patterns – autumn, split and spring.

Apart from the financial performance of the business, including strategic planning and decision making, the judges also look at the operational management of the farm, particularly pastures, cow health and nutrition, staff, environmental management and young stock.

Pasture management was a strength of each business with a weekly farm walk being undertaken at both Oxberry Dairy and Limberlost Dairy. The Mulder family use a C-Dax bike reader (purchased and shared amongst a group of dairy farmers) and Strickland's monitor soil



temperature and track this information against historical pasture growth rate measurements.

Each of the farmers spoke about their aims for a simple system that is easy for them and other team members to manage and achieve consistent performance.

As you would expect, there are many good management practices operating on each of the farms, a reason why they were able to achieve their finalist position. A few highlights were:

- Oxberry Dairy's worker induction process and associated workplace health and safety policies and practices.
- The integration of fodder crops into the pasture feedbase by Gary and Helen Strickland. The crop plantings are staggered to provide feed for 6 months of the year in place of hay and silage.
- The pasture rotation planning and management of grazing residuals by Gerard and Ria Mulder resulting in very productive pasture.
- The monitoring and forward planning conducted by Peter and Jo Jones.

While the judges were impressed with each of the finalist's, there can only be one winner, and based on points allocated during the judging process, the 2017 Dairy Business of the Year Award goes to Gerard and Ria Mulder.

The judges would like to congratulate Gerard and Ria and their son Ronnie, who was working on the farm during the Award year, in winning the 2017 Dairy Business of the Year Award.



Finalist Profiles

Peter & Jo Jones – Limberlost Dairy

Limberlost Dairy is located at Kayena in the central north region of Tasmania. Managed by Peter and Jo Jones, this is the third time the farm has been a finalist in the Tasmanian Dairy Business of the Year Awards. The herd at Limberlost is calved in autumn due the rainfall pattern and water availability. In the Award year, 750 cows were milked on the 250 hectare milking property. Monitoring is an important aspect of achieving consistent performance on this farm – weekly farm walks are undertaken along with regular feed testing and condition scoring of the herd. An annual cash-flow budget is updated each month. Advisors are used to assist with the farms soil nutrient program and human resource management. Peter aims to have a simple system which is not only easy to manage but is enjoyable to work within.



Gary & Helen Strickland

Gary and Helen Strickland dairy farm near Currie on King Island. Gary and Helen are regular participants in the Tasmanian Dairy Awards program and have very consistent performance having been finalists and winners multiple times. This consistency of performance is due to the Strickland's being focused on ensuring they get a good return for their investment – they manage their costs regardless of the milk price to make sure that each dollar they spend is going to make money for them. Gary loves growing crops – each year, 60-70 hectares is sown with various crops including maize, turnips, forage rape and pea and oats. With a lot of experimentation, the Strickland's have developed systems to direct graze all of the crops they grow. The type of crop and quantity sown is based on a feed budget with the aim of feeding 6-8 kg DM/cow/day of crop from January to July each year. Gary and Helen also have a large focus on environmental management and have fenced-off twenty percent of their land to regenerate and protect native vegetation.



Agrilac – Oxberry Dairy

Agrilac's Oxberry Dairy is located in north east Tasmania at Waterhouse. The business is a partnership between local landowner Roger Bignell and his two New Zealand partners, Paul Snoxell and John Blair. The dairy farm is a recent conversion with milking starting on the property in the 2013/14 season. Oxberry Dairy is managed by David Risbey-Pearn and in the Award year was milking 895 cows on the 205 hectare milking area. The business has a large emphasis on feed quality aiming to maximise the energy consumed per mouthful of feed. Regular feed testing and weekly farm walks are undertaken to help achieve this. Attention to detail is important to David, he believes if you attend to the small things, the rest falls into place.



Your Levy at Work





Dairy for life

2017 Fonterra Share Dairy Farmer of the Year Winners – Cody & Denieka Korpershoek

Cody & Denieka Korpershoek, share farming for Circular Head Farms Pty Ltd.

Cody & Denieka share farm (50:50) on the property owned by the Circular Head Farms Pty Ltd, at Edith Creek near Smithton.

The farm operates as a unique model encouraging community investment and offering career opportunities for people aspiring to progress themselves in a career within the dairy industry.

Cody and Denieka have been share farming on the property for three years. Prior to that Cody was working in the building industry and Denieka in administration and finance. While Cody enjoyed building, he had grown-up on a mixed farming property and wanted the same opportunity for his children. Cody and Denieka chose dairy farming as it provided the best opportunity build their assets.

In the short three-year timeframe, Cody & Denieka have been focused on growing their business from owning and rearing young stock to investing in a runoff property.



Their aim is to continue to grow their business by building up dairy herd numbers through rearing young stock.

Fortunately, the property is continuing to expand, allowing Cody and Denieka the flexibility to grow with it and increase cow numbers.

Key to Success

Cody and Denieka believe the important factors in their business success is having:

- A strong work ethic
- A focus on time management
- Paying attention to detail
- Using budgets

They have worked hard over the three years to achieve their goals to continue building their asset.

Cody and Denieka do a large amount of work themselves, not only does this help reduce costs but helps them observe, understand and react to the daily changes in the farm system.

They believe a 'leading by example' philosophy helps build respect and a better work culture amongst the staff working in the business.

All staff have access to training if they wish to improve their skills. A minimum requirement is they undertake the Cups On Cups Off course. A weekly grazing template is provided to all staff so they know the grazing rotation and a pink ribbon is used on the fence to indicate the position to set-up the next break fence. Regular staff meetings are held to discuss the farm activities and day to day planning.

Cody and Denieka work well with the farm owners and are left to manage the



farm like it is their own. They consult regularly with the owners and discuss opportunities for further on-farm development.

Pasture Management

Pasture management plays an important role in the business and in order

maximise pasture consumption and profitability, around 10% of the farm is renovated each year following fodder crops.

Paddocks are grazed between the 2.5 – 3 leaf stage and are managed with a focus on quality before quantity. Silage is only made on the milking area from a genuine pasture surplus.

The grazing rotation is adjusted according to leaf emergence rates. A fresh break is offered for both day and night grazing with a target pre-grazing cover of 3100 kg DM/ha. A target of 1700-1800 kg DM/ha is set for the post grazing residual.

Nitrogen is applied at 1 kg of N/ha/day. Around 300 kg of nitrogen is used on the milking area each season.

Animal Health

The dairy herd is made up of 620 medium sized Friesian and Friesian-cross cows. While there are some larger cows in the herd, Cody and Denieka are focused on breeding a medium sized cross-bred cow which they believe will better suit the farm and provide greater value as a milker but also offer better residual value than a smaller frame cross bred cow.

While the herd is predominantly spring calving, 120 cows are milked through the winter while the spring calving herd are agisted off farm. Milk production for 2015/16 was 436 kg MS/cow and 1350kg MS/ha feeding 1.8 tonne of concentrate per cow and consuming 10.7 tonne of pasture dry matter per hectare.

Grain feeding is regularly adjusted depending on available pasture but the



general philosophy is to feed more grain to maximise production providing there is a reasonable margin over the cost of the feed.

There is a preventative focus on animal health within the business and early identification and treatment is always a priority as this saves both time and money. The pre-calving cows are fed a lead feed ration and are vaccinated for

Salmonella and with a scour shield vaccine.

All cow treatments are recorded using the Ezi Dairy computer program. All calves are stomach tubed with 2 litres of colostrum and are fed milk twice daily for 2-4 weeks and offered 2 kg pellets per calf per day for up to three months until pasture quality and quantity improves.

The breeding program is managed using the why-wait program and consists of six weeks of AI and five weeks of paddock mating. For 15/16 season the 6 week in calf rate was 76%. There is a plan to have zero inductions within two years.

Focus

Cody and Denieka measure their success by running a profitable business that allows for a good family/work balance with family being number one. They currently have two young children, Levi (2 years old) and Tilly (5 months old).

They have a 'can do' attitude taking on all tasks around the farm and working as one of the team. They are clear that to be profitable they have to be vigilant with their financial and feed budgets and continue to focus on managing all parts of the business well.

Table 5: Key Performance Indicators for Cody & Denieka Korpershoek		
Farm Details	2015-16	Average for SF participants
Milking area, ha	281	147
Peak cows milked	620	465
Business Indicators		
Return on Assets, %	14.7	
Return on Equity, %	12.4	
Productivity Ratios		
Kg MS/milking ha	1,352	1,235
Kg MS/cow	436	421
MS/kg liveweight	0.87	0.90
Stocking rate, cows/ha	3.1	2.9
Cows per FTE	207	221
Feed indicators		
Pasture consumption, t DM/milking ha	10.7	9.4
Irrigation, % milking area		
Nitrogen, units kg N/milking ha	310	221
Grain per cow, t DM/cow	1.8	1.6

Judges' Comments – 2017 Fonterra Share Dairy Farmer of the Year

Judges

Troy Franks, Fonterra Milk Supply Officer
Leigh Schuurin, 2016 Share Dairy Farmer of the Year Winner
Symon Jones, TIA Dairy Centre Development & Extension Officer

This year, there were six entrants in the Fonterra Share Dairy Farmer of the Year Award:

- Cody & Denieka Korpershoek
- John & Emma Innes-Smith
- Wayne & Caroline Saward
- Les and Belinda Quarrell
- Andrew and Jenny Aldridge
- Hayden Matthews

The judges would like to congratulate each entrant not only on their business performance but also for their willingness to participate and share their information to benefit other sharefarmers and the dairy industry as a whole.

In choosing a winner for the share dairy farmer of the year award, the judges visit each of the entrants and assess their management across all areas of the business.

The strong field of entrants were judged on a range of criteria covering both the operational and financial management within the business.



These areas included:

Farm Management

- Pasture
- Dairy
- Environment
- Cows - nutrition and breeding

Herd management

- Animal health and welfare
- Record keeping
- Young stock management

People management

- Induction and training
- Working conditions and safety
- Motivating & supporting staff
- Relationship with the farm owner

The judges were impressed with the dedication and commitment shown by all the entrants towards the management of their individual businesses in what was a very challenging season.

All participants are extremely capable dairy farm managers with a very good understanding of their business, their progression and aspirations in the industry and a willingness to engage in training and self-improvement.

While the points across the six participants were very close, at the end of the day there can only be one winner and the judges would like to congratulate Cody and Denieka Korpershoek for winning this year's Award. Cody and Denieka have a strong focus on paying attention to detail across all areas of management. They performed particularly well in the area of business, herd and pasture management, maintaining accurate records for financial management, stock reconciliation and farm planning.



They have implemented a weekly grazing rotation planner so that all staff have clear directions for feeding the dairy herd. They provide staff with a roster and clear directions when rostered on for work.

Cody and Denieka's attention detail can be seen in the overall presentation and management of the farm, the dairy, and surrounding dairy area, shedding and

effluent system is clean, tidy and well maintained.

Animal health and welfare are also a clear focus as the couple strive to build herd numbers whilst maintaining consistent milk quality results.

Cody and Denieka have a very good working relationship with the farm owners, Circular Head Farms.

A formal discussion takes place towards the end of the season to review and set the budget for the following season and to discuss farm development

opportunities and capital expenditure for the farm.

This is followed by informal discussions to periodically review the budget over the season and to discuss any management issues.

Circular Head Farms has a philosophy of empowering its people to be the best they be and to achieve success in the industry.

Table 6: Key Performance Indicators for Share Dairy Farmer Entrants	
Key Performance Indicators	Average for all share farmer entrants 2015-16
Milking area, hectares	147
No. cows milked	465
Stocking rate, cows/ha	2.9
Milk production, MS/cow	421
Milk production, MS/kg liveweight	0.9
Milk production, MS/milking ha	1,235
Pasture consumption, t DM/milking ha	9.4
Concentrate, t/cow	1.6
Labour efficiency, cows/FTE	134

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Milk Production & Milk Price

Tasmania continues to produce just over 9% of the national milk pool

Milk production in Tasmania over the last two decades has seen a continual increase, with the season prior to 2015-16 reaching a record high production of 891 million litres of milk. The 2015-16 season saw this production figure decline to 883 million litres, a result of both a challenging climatic and growing season, and a reduction in milk production due to a drop in milk price towards the end of the season, and low forecast opening prices for the next production season. On average, Tasmanian milk production has been increasing at a rate of 3.4% per annum. Despite recent decline in 2015-16 production, Tasmanian milk production has increased by 27% in the last decade, from 642 million litres in 2006 to 883 million litres in the 2015-2016 season, accounting for just over 9% of the national milk supply. In comparison, Australia's national milk production has decreased by 4%. Tasmania continues to be the only region that shows consistent growth, based around an emphasis on sustainable farm management practices, efficient on farm production systems, and a relatively favourable climate for pasture based dairy farming.

Figure 4 shows the annual Tasmanian milk production over the last 24 years to the end of the 2015-16 season, with estimated milk production and milk price for 2016-17.



Farmgate milk prices in Tasmania continue to be driven primarily by international commodity prices and competition for milk supply. Farmers receive a 'blended' price that incorporates returns from the milk used in manufacturing dairy products such as butter, cheese and milk powders which are exposed to international prices whether as exports or consumed locally, such as the case with over 90% in Tasmania (Dairy Australia 2016).

There continues to be demand for dairy products, both on the international and domestic market, with the balance between supply and demand keeping commodity prices stable in the short term, after a steady recovery in the second half of 2016 (Dairy Australia 2016). Recent data also shows that dairy sales on the Australian domestic market have also increased for each major product category, with the exception of yoghurt.

There continues to be significant scope for increased milk production in Tasmania, with Fonterra announcing a further investment of \$4.3 million in its

Wynyard cheese and whey plant, increasing its production capacity by approximately 8,000 tonnes.

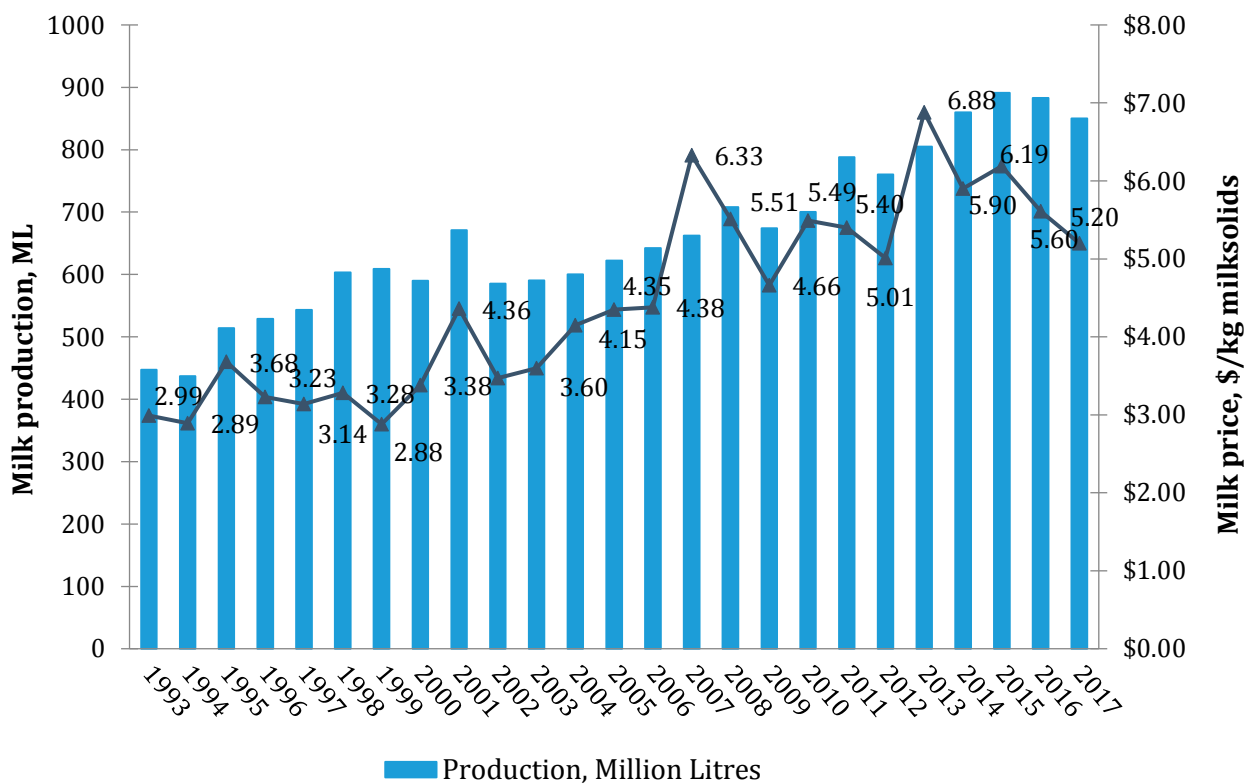


Figure 4: Tasmanian milk production (ML) and milk price (\$/kg milksolids) 1993 to 2017 est.

Dairy Benchmarking

Introduction

The Tasmanian dairy industry has a long history of benchmarking, with dairy farmers having the opportunity to submit their figures and benchmark their business performance on an annual basis for over 30 years. Since 2011, the Tasmanian Institute of Agriculture (TIA), with the support of Dairy Australia funding, have been using software developed by the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) as part of the Dairy Farm Monitor Project (DFMP). The development of DairyBase, an online tool developed by Dairy Australia, and is available to all dairy farmers and advisors, has made access to analysing farm physical and financial information more readily available to farmers. Data presented in this booklet includes dairy businesses that have had their data collected and analysed through both the Dairy Farm Monitor Project and DairyBase.

Data for this booklet has been analysed through DairyBase, including farms collected using the DFMP software. With the development of DFMP across Australia, comparisons can now also occur between Tasmanian farms and other states and dairying regions of Australia.



Tasmanian Dairy Farm Performance

A total of 34 farms provided information about their farm business as part of the 2015-16 benchmarking program, with a relatively even distribution of farms represented across the major dairying regions in the state.

Table 7 shows several of the key performance indicators, KPIs, (average per farm) for the 34 participants in 2015-16, compared to those for the previous five years. Table 8 shows a range of benchmarking performance figures for all participants in the Tasmanian benchmarking program from 2004-05 to 2015-16. From this table it can be seen that return on assets, operating profit

and milk income continue to fluctuate between years and over time.

Milk production (kg milksolids) production has increased from an average of 129,653 kg milksolids in 2004-05 for benchmarking participants to 267,906 kg milksolids in 2015-16 – a total increase of approximately 47%.

Though some fluctuation has been seen over this period, total farm income (\$ per milking hectare) has also increased. However, total operating costs (\$ per hectare) have also risen, with increases seen across the areas of animal costs, feed costs and labour.

Table 7: Key Performance Indicators - Tasmania

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Number participants	40	30	35	52	31	34
Average cows milked	415	509	558	508	552	552
Milksolids produced (kg MS)	180,868	219,080	235,540	220,157	247,283	267,906
Production per milking ha (kg MS/ha)	878	991	1,039	1,206	1,273	1,337
Pasture consumed (kg DM/milking ha)	9,770	9,964	10,088	9,200	10,039	10,829
Labour (FTEs)	3.3	3.6	3.7	3.8	4.0	4.3
Return on Assets Managed (%)	7.2	8.5	4.7	9.9	7.9	3.7

Table 8: Tasmanian Dairy Benchmarks

Averages for All Participants, 2004-05 to 2015-16

	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Key Performance Indicators												
Return on Assets, %	7.9%	5.7%	4.6%	7.9%	6.1%	3.4%	7.2%	8.4%	4.6%	9.9%	7.9%	3.7%
Operating Profit (EBIT, \$)	\$171,939	\$174,626	\$163,185	\$385,024	\$271,890	\$172,525	\$340,747	\$462,923	\$296,170	\$565,784	\$492,084	\$269,598
Farm Details												
Production, kg MS	129,653	142,701	151,646	171,995	187,360	157,637	173,714	218,651	232,381	220,157	247,283	267,906
Cows Milked, nos	335	364	400	466	484	404	415	514	548	508	552	552
Dairy Area, milking ha	192	206	220	239	236	204	206	233	186	183	194	201
Labour used, FTE	3.7	4.0	4.1	4.5	4.8	4.2	3.3	3.6	3.7	3.8	4.0	4.3
% eff area irrigated	27%	24%	29%	32%	34%	38%	43%	38%	43%	43%	49%	48%
Performance Indicators												
Milksolids kg MS/milking h	686	729	750	739	835	772	878	971	1,032	1,206	1,312	1,333
Milksolids kg MS/cow	391	392	386	373	400	374	407	422	420	422	445	485
Stocking Rate, cows/ha	1.8	1.9	1.9	2.0	2.1	2.0	2.1	2.3	3.0	2.8	2.8	2.9
Pasture, kg DM/milking ha	8,040	8,320	8,500	8,340	9,950	9,260	9,770	9,250	10,090	9,200	10,068	10,829
Grain intake, tonne/cow	0.72	0.82	0.87	0.92	0.94	0.89	1.04	1.17	1.33	1.30	1.33	1.64
Nitrogen, kg N/ha	151	163	156	212	201	173	157	140	142	158	173	236
Cows per FTE	89	90	97	105	105	94	120	137	126	137	141	141
Assets & Liabilities Owned												
Dairy Assets, \$'000	\$2,172	\$2,675	\$3,471	\$4,811	\$5,040	\$4,512	\$4,658	\$5,200	\$5,345	\$5,090	\$5,516	\$6,405
Assets per eff ha, \$/ha	\$11,436	\$13,969	\$16,924	\$20,442	\$22,094	\$22,514	\$22,661	\$23,818	\$23,166	\$19,834	\$19,852	\$21,590
Assets per cow, \$/cow	\$6,482	\$7,348	\$9,186	\$10,641	\$10,949	\$11,737	\$11,220	\$10,619	\$9,750	\$10,020	\$10,124	\$11,596
Liabilities, \$'000	\$484	\$683	\$944	\$1,602	\$1,560	\$1,176	\$1,351	\$1,607	\$1,602	\$1,317	\$1,335	\$1,413
Liabilities per cow, \$	\$1,444	\$1,876	\$2,206	\$3,346	\$3,167	\$3,306	\$3,254	\$3,370	\$3,171	\$2,628	\$2,491	\$2,558
Equity, %	78%	74%	73%	69%	70%	72%	70%	68%	70%	71%	70%	76%
Income & Expenses per Ha												
Milk Income, \$/ha	\$2,828	\$3,206	\$3,311	\$4,732	\$4,502	\$3,561	\$4,854	\$5,257	\$5,215	\$6,200	\$5,771	\$5,032
Total Income, \$/ha	\$3,061	\$3,413	\$3,480	\$4,938	\$4,746	\$3,861	\$5,469	\$5,985	\$5,670	\$6,733	\$6,405	\$5,642
Animal Costs, \$/ha	\$243	\$249	\$270	\$299	\$341	\$311	\$363	\$417	\$452	\$435	\$447	\$479
Feed Costs, \$/ha	\$1,053	\$1,248	\$1,404	\$1,878	\$1,940	\$1,441	\$1,770	\$1,940	\$2,433	\$2,361	\$2,450	\$2,571
Labour, \$/ha	\$587	\$667	\$723	\$735	\$824	\$866	\$948	\$985	\$1,047	\$650	\$732	\$800
Overheads, \$/ha	\$352	\$475	\$515	\$543	\$597	\$546	\$652	\$638	\$554	\$1,154	\$1,032	\$886
Operating Costs, \$/ha	\$2,236	\$2,639	\$2,911	\$3,455	\$3,701	\$3,164	\$3,734	\$3,979	\$4,541	\$4,600	\$4,661	\$4,736
EBIT, \$/ha	\$825	\$774	\$569	\$1,483	\$1,046	\$697	\$1,735	\$2,006	\$1,129	\$2,133	\$1,744	\$906
Income & Expenses - per kg MS												
Milk Income, \$/kg MS	\$4.15	\$4.35	\$4.39	\$6.33	\$5.50	\$4.66	\$5.51	\$5.40	\$5.01	\$6.88	\$6.19	\$5.58
Total Income, \$/kg MS	\$4.64	\$4.82	\$4.64	\$6.87	\$6.01	\$5.17	\$6.24	\$6.17	\$5.50	\$7.52	\$6.91	\$6.25
Operating Costs, \$/kg MS	<u>\$3.37</u>	<u>\$3.69</u>	<u>\$3.81</u>	<u>\$4.76</u>	<u>\$4.53</u>	<u>\$4.27</u>	<u>\$4.26</u>	<u>\$4.07</u>	<u>\$4.48</u>	<u>\$5.09</u>	<u>\$5.04</u>	<u>\$5.28</u>
EBIT, \$/kg MS	\$1.27	\$1.13	\$0.83	\$2.10	\$1.48	\$0.92	\$1.98	\$2.09	\$1.02	\$2.43	\$1.88	\$0.97
Finance costs, \$/kg MS	<u>\$0.30</u>	<u>\$0.39</u>	<u>\$0.45</u>	<u>\$0.63</u>	<u>\$0.63</u>	<u>\$0.75</u>	<u>\$0.81</u>	<u>\$0.66</u>	<u>\$0.54</u>	<u>\$0.52</u>	<u>\$0.41</u>	<u>\$0.46</u>
EBT, \$/kg MS	\$0.97	\$0.74	\$0.38	\$1.47	\$0.85	\$0.16	\$1.17	\$1.43	\$0.49	\$1.91	\$1.47	\$0.51
Participants												
Numbers	40	35	36	46	40	33	40	27	34	52	31	34
As % of dairy farmers	8%	7%	8%	10%	9%	8%	9%	6%	8%	13%	7%	7%

Regional Overview & Farm Analysis

Table 9 presents a comparison of farm physical parameters and financial performance for Tasmania in 2015-16 (average of the 34 benchmarking participants), and the top 10% of these Tasmanian farms, with the average for Tasmania from the 2014-15 season, in addition to the 2015-16 averages for the state of Victoria, Victorian region of Gippsland, and state average for South Australia, Western Australia and New South Wales respectively.

Tasmania has the highest average rainfall and water use (a combination of rainfall and irrigation) for 2015-16 compared to all other regions. Stocking rate for Tasmanian farms continues to be slightly higher than that of other regions, in addition to achieving a higher pasture consumption per milking hectare than any other region. Average herd size for

Tasmania is higher than other regions, along with higher average labour productivity measured as either cows per full time equivalent (FTE) or kilogram milksolids per FTE.

Average milk income for Tasmania, of \$5.58/kg MS, for 2015-16 is greater than that received by the regions of Gippsland, and Victoria as a whole. This higher milk is perhaps influenced by the larger herd size and the inclusion of a number of farms in the data with contracted milk price who did not experience the milk price decrease.

Variable costs for Tasmania has increased by \$0.29 in 2015-16 compared to the previous year, with total variable costs being less than that of the state average for Victoria, but greater than that for the Victorian region of Gippsland.



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Table 9: Key Performance Indicators Regional Comparison

	Tas avg 2014-15	Tas avg 2015-16	Tas Top 10% 2015-16	Vic avg 2015-16	Gippsland avg 2015-16	SA avg 2015-16	WA avg 2015-16	NSW avg 2015-16
Herd size	552	552	542	345	291	355	545	351
Annual rainfall (mm)	981	939	972	640	773	577	915	956
Irrigation + rainfall (mm/ha)	1,081	1,311	1,416	836	894	777	964	1092
Total usable area (ha)	278	297	300	252	201	447	575	287
Milking area (ha)	194	201	200	162	122	131	251	126
Stocking rate (cows/milking ha)	2.8	2.9	2.7	2.2	2.4	2.7	2.2	2.8
Milk sold (kg MS/cow)	445	485	500	511	482	586	541	618
Pasture consumed (t DM/milking ha)	10.1	10.6	11.1	7.0	7.9	7.8	5.8	8.3
Home grown feed as % of ME consumed	69%	69%	71%	53%	59%	48%	57%	55%
Labour efficiency (cows/FTE)	141	136	137	109	114	88	90	74
Labour efficiency (kg MS/FTE)	61,820	81,183	82,164	55,943	55,382	50,701	49,995	36,999
Milk income (net) (\$/kg MS)	\$6.19	\$5.58	\$5.93	\$5.40	\$5.28	\$6.15	\$7.22	\$7.34
All other income (\$/kg MS)	\$0.72	\$0.67	\$0.43	\$0.50	\$0.51	\$0.95	\$1.08	\$0.88
Total variable costs (\$/kg MS)	\$3.09	\$3.38	\$2.73	\$3.62	\$3.24	\$3.71	\$3.95	\$3.94
Total overhead costs (\$/kg MS)	\$1.94	\$1.90	\$1.79	\$2.10	\$2.22	\$2.60	\$2.33	\$3.16
EBIT (\$/kg MS)	\$1.88	\$0.98	\$1.84	\$0.18	\$0.33	\$0.79	\$2.02	\$1.12
Return on Assets (%)	7.9%	3.7%	10.2%	0.6%	1.3%	3.1%	6.6%	3.0%

VDL Farm Safety Award

Ashgrove Farms - Troy Ainslie

The 2017 VDL Farms Safety Award winner was Ashgrove Farms. Managing 1,500 milking cows, 3,000 young stock and beef over 1,500 hectares and employing 9 staff, Ashgrove Farms consider people safety their top priority. “We want to see people go home in the same condition that they arrive at work” is their philosophy.

To fulfil this philosophy Ashgrove Farms have implemented some simple but effective processes on their farms. This includes having in place simple and clear signage, clear staff induction processes, contractor inductions, standard working procedures for all machinery on the farm and material safety data sheets (MSDS) for all chemicals.

Working with DPIPWE’s Farm Safety Consultant Phillip John, Ashgrove Farm Operations Manager, Troy Ainslie, has developed all the required processes for the farm and ensures they are implemented.

Simple clear signage includes a sign at the front gate that outlines potential hazards on the farm, plus the key contact person for entry to the farm. All visitors to the farm are expected to contact the listed person before entering the farm to ensure the person in charge is aware of who is on the farm and where they are.

There are also signs at the dairy that include a map of the farm showing paddock layout, contact numbers for people in case of emergencies and a place



to record hazards on the farm that need attention.

Within the dairy they also have all MSDS stored in a place that is visible and easily accessible. When it comes to chemicals, contact is minimised with automatic shed wash and personal protective equipment that is provided for all staff. There is also a list of what to do in an emergency that is displayed at the dairy. Chemicals are stored in a locked area, which is simply constructed by placing a locked and signed gate between a wall and the milk vat. This ensures chemicals are stored safely, yet are still able to be used without moving them.

Key farm vehicles are equipped with a fully stocked first aid kit and there is also a first aid kit at each dairy. Fire extinguishers are also stored at the dairy and can be transported in vehicles when undertaking high fire risk activities such as hay making.

The safety practices implemented by Ashgrove Farms can be easily implemented by any dairy farm to ensure people are able to conduct their work safely.



Veolia Environment Award

Joint winners Nigel and Rachael Brock & Nick Midson

Nick Midson, Springfield

Nick Midson farms in the North East of Tasmania, at Springfield. Nick milks 220 spring calving cows on a milking area of 100 hectares, 50 hectares irrigated, with a total area of 140 hectares.

Nick has been dairying on the property for two years, and despite being new to the dairy industry and having to undertake a lot of development work on the farm, has also had a focus on environmental management. During this time he has fenced off all waterways and dams, providing off stream water troughs for stock, undertaken revegetation, developed a Fert\$mart plan and upgraded the effluent system with direct application on a greater area of the farm with a new irrigator. Nick has had a focus on assisting in improving the water quality of the local Brid River system through fencing off the waterways on his property and planting trees to aid in soil and bank stabilisation.



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Nigel and Rachael Brock, Montana

Nigel and Rachael Brock were recipients of the 2015 Tasmanian Dairy Business of the Year Awards. While having a strong focus on farm performance, Nigel and Rachael also have a strong focus on environmental management within their business. They farm on an 809 hectare property at Montana near Deloraine, milking 810 cows on a milking platform of 250 hectares.

They were faced with the challenge of managing effluent during the wetter months when soils already held a lot of water, and being located on plains they were concerned with the high risk of waterway contamination. Farm expansion included the building of a large feedpad, and while reducing damage to soils during wet conditions, placed additional pressure on the existing effluent system.

Nigel and Rachael have constructed a new 15 megalitre effluent storage dam, utilising the existing system close to the dairy and underground transport to the storage dam, with irrigation capacity if conditions permit. Locating the dam further from the dairy has increased the land capacity where effluent can be dispersed, from 35 hectares to approximately 150 hectares. James Curran from Macquarie Franklin designed the system based on local rainfall data and cow numbers, and this in combination with a FertSmart plan, has aided in improved management, storage and spreading of effluent and associated nutrients.

The new system means they have been able to store effluent for longer periods of time and eliminate the risk of runoff, with additional sites also designated if future expansion is required.



Cadbury Young Dairy Farmer Encouragement Award

Joint winners – Marcus Haywood & Jeffrey Gijbers

Marcus Haywood

Growing-up on dairy farms, Marcus Haywood had an interest in being a dairy farmer. When he finished school, his parents encouraged him to try a different career before deciding on whether to work in the dairy industry. Marcus undertook an engineering course and worked in a sawmill for 6 months before making the decision to undertake a dairy traineeship. He began the traineeship with Peter and Felicia Aldridge at Branhholm before working for the Cox family at Ringarooma for four years and then moving to Edith Creek to work with Cody and Denieka Korpershoek.

Taking the accumulated knowledge gained during his time working on these various farms, Marcus decided he wanted to take on more of a management role and contacted Chris and Joanne Holmes at Ringarooma about working on their farm. They reached an agreement and Marcus has managed their farm on a \$/kg MS basis for the past two seasons.

There is positive and open communication between the Haywoods and the Holmes. They have discussed progressing to a 50:50 share farming arrangement and, while Marcus has a long-term plan to stay in the industry, at the present he and his wife Simone are very happy with the existing arrangement. They have just signed a new contract for the next two seasons.



Some wise advice Marcus was given in the early stage of his dairy career was to keep a focus on herd health and growing pasture. He has developed a keen interest in animal husbandry, finding it the most enjoyable part of dairy farming but has also improved his skills in grazing management through attendance at workshops and participating in pasture coaching.

He finds the most useful practice in developing skills and knowledge in dairy farming to be listening to experienced farmers, taking in what they say, and then working out what and how to apply best practice in his business.

Jeffrey Gijsbers

Jeffrey began working in the dairy industry as soon as he finished school. His first job was on a 1500 cow dairy farm in East Germany where he proved his worth by rising through the farms employment levels to be second in charge. Leaving this farm to seek new skills he worked for a contracting business which also run a pig farm with 5000 breeding sows. When the business finished up, Jeffrey was self-employed for 3 years, contracting to dairy, pig and cropping industries by assisting farmers when they required extra help. During the winter months in 2010, he and a friend came to Australia with a backpacker organisation where Jeffrey soon saw the many opportunities the Australian dairy industry had to offer.

After returning home, he thought long and hard about his future. Keen to get involved in dairying he couldn't see himself moving past being a farm manager in Holland. It is very difficult to get to farm ownership when you don't come from a farming family background to take over a farm.

Jeffrey moved to Tasmania in 2011 and spent two years working for the Hofing family at Mawbanna. The move wasn't an easy decision, it meant leaving his family and friends behind in the Netherlands, he had to learn a new language (when Jeffrey first arrived in Tasmania, he didn't speak English), and learning a new way of dairy farming (pasture-based as opposed to a cut-and-carry TMR system). A keen learner, he completed his Diploma in Agriculture Business Management.



He then became a manager on one of the VDL farms. During this time, Jeffrey developed a 5-year plan which outlined how he wanted to progress to share farming. Using the contacts he had developed, he spread the word about his interest in share farming.

In 2015, Jeffrey moved to Deloraine and took on the management of one of the Ashgrove Farms properties. This provided him with the opportunity to get to know the farm owners, the farm, the climate and build a network of people around Deloraine. Through careful budgeting and negotiation with his bank and farm owner, he was able to move into a 50:50 share farming agreement in July 2016. He has started with 450 cows and will grow that to 500 cows next season.

Important to Jeffrey in achieving his goals has been:

- Developing a plan with reasonable goals that are achievable.
- Don't chase the money but rather opportunities.
- Get in on a down turn, invest when cow prices are low.
- Saving, rather than spending. It isn't necessary to have the latest and greatest 'stuff'.
- Having a budget and learning to be good at working with numbers. "Knowing your budget inside out and your cost of production are very important to make the right business decisions."
- Develop networks. Talk with people. Have good mentors.
- Going to training programs and discussion groups run by DairyTas and TIA.
- Ask questions and keep on learning.



Table 11: Performance Indicators for All Participants 2015-16

Farm	Milking area	% milking area irrigated	Cows	Labour eff.	Pasture utilisation	Milksolids production		Milk price	COP (excl int)	EBIT	Assets owned & leased	Return on assets	Return on equity
						kg MS/ M ha	kg MS/ cow						
	ha	%	nos	cows/ FTE	kg DM/ M ha	kg MS/ M ha	kg MS/ cow	\$/kg MS	\$/kg MS	\$/M ha	\$/M ha	%	%
1	247	18%	476	121	8.1	888	461	\$7.19	\$5.52	\$2.12	\$16,489	11.4%	11.3%
2	123	98%	430	126	12.1	1,676	479	\$5.70	\$4.98	\$1.98	\$31,327	10.6%	23.9%
3	230	91%	720	124	13.0	1,687	539	\$5.33	\$3.89	\$1.68	\$33,517	8.5%	8.5%
4	252	74%	750	231	8.4	1,368	460	\$6.42	\$5.23	\$1.73	\$29,184	8.1%	5.7%
5	205	100%	895	195	17.3	2,213	507	\$5.25	\$4.15	\$1.49	\$47,419	7.0%	4.8%
6	87	63%	278	139	12.3	1,427	446	\$5.20	\$4.58	\$1.38	\$30,326	6.5%	5.1%
7	260	92%	1050	210	16.2	1,787	443	\$4.60	\$4.48	\$1.19	\$32,787	6.5%	7.2%
8	277	65%	178	166	10.8	1,286	2,002	\$5.53	\$4.34	\$1.06	\$22,420	6.1%	5.1%
9	222	79%	500	111	9.3	1,249	555	\$6.15	\$5.50	\$1.47	\$31,129	5.9%	6.0%
10	115	0%	178	179	13.1	1,169	756	\$5.12	\$4.52	\$0.95	\$20,837	5.3%	-19.3%
11	234	88%	925	154	15.0	1,816	459	\$5.27	\$4.26	\$1.63	\$59,275	5.0%	5.0%
12	180	39%	527	120	10.2	1,381	472	\$6.01	\$5.30	\$0.89	\$24,779	4.9%	4.9%
13	350	44%	950	125	8.8	1,327	489	\$5.79	\$5.12	\$1.15	\$31,709	4.8%	5.0%
14	191	40%	432	108	9.7	679	300	\$5.35	\$3.83	\$2.01	\$28,819	4.7%	4.5%
15	274	100%	830	157	11.5	1,164	384	\$6.01	\$5.81	\$1.02	\$25,368	4.7%	5.5%
16	74	68%	260	144	13.2	1,592	453	\$5.09	\$4.48	\$1.08	\$37,758	4.5%	4.1%
17	144	69%	364	107	12.1	1,001	396	\$5.47	\$5.67	\$1.42	\$32,793	4.3%	2.6%
18	240	75%	860	130	11.6	1,564	436	\$5.98	\$5.40	\$0.75	\$31,336	3.8%	3.8%
19	150	57%	402	89	9.1	1,486	554	\$5.27	\$4.80	\$1.06	\$43,544	3.6%	3.3%
20	153	100%	440	119	9.9	1,206	419	\$5.19	\$4.82	\$0.77	\$26,674	3.5%	2.8%
21	300	100%	940	127	14.2	1,549	494	\$5.29	\$4.91	\$0.79	\$38,205	3.2%	2.6%
22	50	0%	136	136	6.7	1,057	389	\$5.18	\$4.55	\$0.86	\$33,585	2.7%	2.1%
23	370	100%	963	113	10.1	1,454	559	\$6.16	\$6.25	\$0.64	\$37,610	2.5%	0.1%
24	124	100%	500	79	13.5	2,351	583	\$5.54	\$5.96	\$0.35	\$42,734	1.9%	1.4%
25	142	100%	350	121	10.5	1,410	572	\$5.10	\$5.09	\$0.49	\$49,158	1.4%	0.9%
26	300	58%	940	159	11.4	1,445	461	\$5.59	\$5.61	\$0.20	\$25,541	1.1%	0.4%
27	135	74%	480	178	12.3	1,333	375	\$4.89	\$4.79	\$0.28	\$34,306	1.1%	-2.7%
28	210	36%	660	169	7.4	1,376	438	\$6.02	\$6.31	\$0.13	\$29,264	0.6%	0.6%
29	195	49%	374	107	4.7	742	387	\$5.15	\$5.76	\$0.13	\$21,002	0.4%	-10.5%
30	160	47%	370	132	7.1	919	397	\$6.28	\$7.83	\$0.15	\$32,940	0.4%	-2.3%
31	170	100%	178	179	13.3	1,407	1,344	\$5.69	\$6.38	-\$0.39	\$47,871	-1.1%	-2.9%
32	282	35%	460	124	8.0	638	391	\$4.44	\$5.81	-\$0.54	\$20,471	-1.7%	-3.8%
33	143	48%	365	152	9.8	853	334	\$5.49	\$6.36	-\$0.56	\$19,767	-2.4%	0.0%
34	234	38%	620	163	7.7	971	367	\$5.44	\$7.29	-\$1.10	\$29,366	-3.6%	-12.1%
Avg	201	66%	552	141	10.8	1,337	532	\$5.54	\$5.15	\$0.83	\$32,333	3.7%	2.1%

Note: The averages presented in this table are calculated using the state average figures. For example, milk production per Mha is calculated by dividing the state average total milk production divided by the state average milking hectares. The averages presented in this table are based on all participants entered in 2015-16 benchmarking program.

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Dairy Diary of DairyTas Events for 2017

Put these dates in your diary and make sure you don't miss out on these great events!



Stepping Up, Stepping Back with John Mulvany,

Find out your options for progressing your dairy career or stepping back out of your current role.

- April 10 – Anabels of Scottsdale
- April 12 – Dairy Plains Hall
- May 9 – Agritas, Smithton
- May 11 – Wellers Inn, Burnie

Using DairyBase to Understand your Farm Business with John Mulvany

Take part in this 2 day course to help you better understand what is driving the profitability of your business.

- April 11 and May 10 – Gateway Inn, Devonport

Business Governance and Investment in Dairy Farming with David Heinjus

A 2 day workshop to help take your business to the next level to build your strategic management skills and implement effective governance principles into your business.

- April 26 & 27 – Gateway Inn, Devonport

Euthanase Livestock Training

Understanding your role in the humane killing of animals is important. This course will help you know what your legal requirements are as well as provide training in safe and effective methods of euthanasia.

- May 8 – King Island
- May 16 – Smithton
- June 13 – Scottsdale
- June 20 – Deloraine

InCharge Herd Fertility Training

This 5 day course run by a trained veterinarian will help you determine what is driving your herd's fertility level. With calving inductions being phased out over a period of time now is the time to check that you are doing everything you can to ensure the best fertility results for your herd.

- June 7, 14, 21, 28 & July 5 – Devonport/Sheffield
- June 8, 15, 22, 29 & July 6 – Scottsdale

Transition Cow Workshop

Ensure that you are providing your cows with the best start to their season possible through good transition cow management

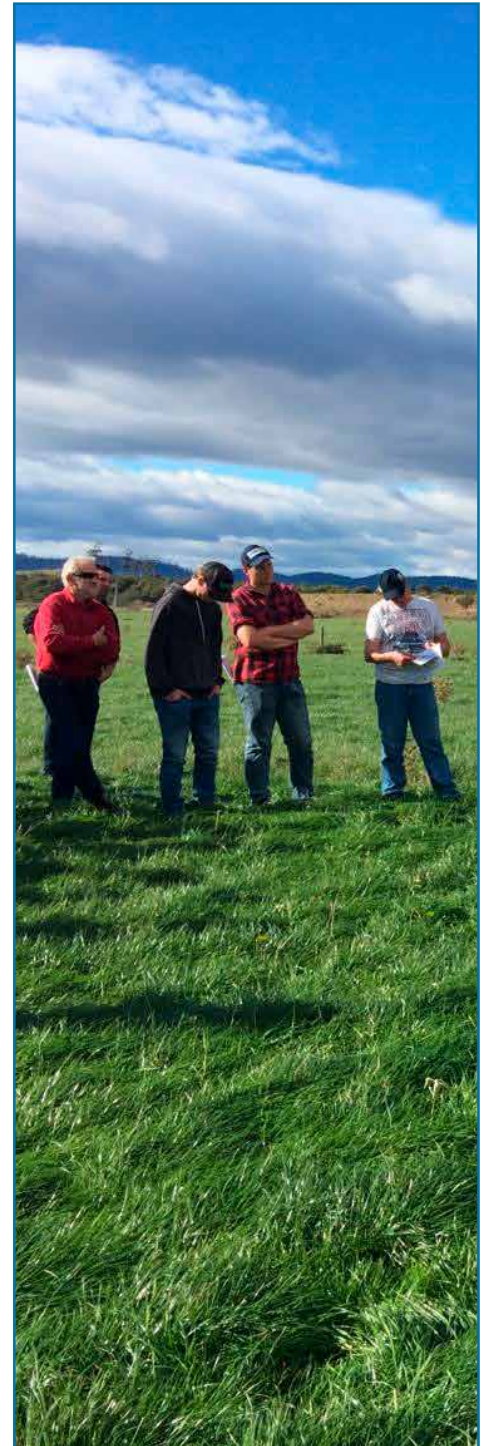
- June 13 – Smithton

(Please note this workshop also forms part of the InCharge course. If you are interested in attending a transition cow workshop in other regions, please contact DairyTas)

Young Dairy Network - Tasmania

Join in with other young people making their way through their dairy career on a tour to New Zealand. Or just join in on other events run by the YDN – Tasmania.

- June 15 to 30 – New Zealand. (talk to Jacki Hine for registration information)



For more information on any of these events contact DairyTas on 6432 2233