



Michael Palmer and Eliza Anderson
and Rhys and Cecile Palmer
Winners of the 2018 ANZ Dairy
Business of the Year Award



Wayne & Caroline Saward
Winners of the 2018 Fonterra Share
Dairy Farmer of the Year Award

2018 Tasmanian Dairy Awards



Dairy for life



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2018 Tasmanian Dairy Awards

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Cadbury – Young Farmer Encouragement Award

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Table of Contents

2018 Tasmanian Dairy Awards.....	1
2018 Dairy Award Winners	2
2018 Dairy Business of the Year Awards	3
2018 Dairy Business of the Year Winners - Remlap	4
Judges' Comments – 2018 ANZ Dairy Business of the Year Award	7
Finalist Profiles.....	9
2018 Fonterra Share Dairy Farmer of the Year Winners – Wayne & Caroline Saward	11
Judges' Comments – 2018 Fonterra Share Dairy Farmer of the Year.....	14
Tasmanian Snapshot.....	15
Moon Lake Farm Safety Award.....	19
Veolia Environment Award.....	21
Cadbury Young Dairy Farmer Encouragement Award	22
Elphinstone Stevens Dairy Services Award.....	24
WFI Dairy Employer of Choice Award.....	25

2018 Dairy Award Winners

In conjunction with TIA, DairyTas hosted the 2018 Dairy Awards Dinner on the evening of 15 March. Congratulations to the following winners:

2018 ANZ Dairy Business of the Year

Remlap at Sisters Creek, owned by Rhys and Cecile Palmer, Michael Palmer and Eliza Anderson

Share Dairy Farmer of the Year, sponsored by Fonterra

Wayne and Caroline Saward

Dairy Safety Award, sponsored by Moon Lake Investments

Clear Springs Operations, managed by Tim and Fiona Salter

Dairy Employer of Choice Award, sponsored by WFI

Compass Agribusiness

Dairy Environmental Award, sponsored by Veolia

AgCAP Pty Ltd

Dairy Services Award, sponsored by Elphinstone Stevens Pty Ltd

Bob Bush

Young Farmer Encouragement Award, sponsored by Cadbury

Luke Day

2018 Dairy Business of the Year Awards

DBOY Winners: Remlap – Michael Palmer and Eliza Anderson with Rhys and Cecile Palmer

Finalists: Agrilac’s Oxberry Dairy – managed by David Risbey-Pearn
 Currajong Dairy – Wayne and Linda Hansen, Nathan and Cassidy Lawrence and Duncan and Sally Sadler
 Glenwood Dairy – Richard and Melissa Duniam



Recent Past DBOY Winners

Year	Winner	Participants
2017	Mulder family, Forest	34
2016	Brian & Michele Lawrence, Meander	31
2015	Bill & Jill Chilvers with Grant & Kim Archer, Symmons Plains	52
2014	Nigel & Rachael Brock, Montana	35
2013	Rob, Norm & Lesley Frampton, Gawler	31
2012	Rob & Jo Bradley with Grant & Kim Archer, 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 Lamber, 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	42
	Alan & Rosie Davenport, Derby	42
2003	Grant & Kim Archer, Mella	47
2002	Wayne & Joanne Bowen, Scottsdale	40



Your Levy at Work



2018 Dairy Business of the Year Winners - Remlap

Michael Palmer and Eliza Anderson and Rhys and Cecile Palmer

After leasing the property at Sisters Creek for two years, Rhys and Cecile Palmer purchased the farm 33 years ago. Michael began working on the farm when he left school and began 50:50 share farming on the property 15 years ago.



At Remlap, the key factors considered important to business success are:

- Fully feeding the cows
- The farm team
- Wealth creation

Fully feeding cows

A nutrition consultant is used within the business to provide advice on feeding the cows. While the feed system is a high input system with 2.3 t DM/cow of concentrates being fed in 2016-17, pasture is also an important component of the diet with home-grown feed making-up 77% of the diet.



Michael is responsible for the grazing management on the farm. Pasture is grazed at the 2.5-3 leaf stage for all of the year except during spring when a faster rotation is put in place. Nitrogen is applied on a monthly basis over the whole milking area. Currently, 220 hectares of the 300 hectare milking area is irrigated but this is in the process of being expanded with a new pivot being installed and a 150 ML dam being built. The new pivot will be set-up to also irrigate effluent.

A Fert\$mart plan has been completed for the business and nutrients are applied based on the requirements identified in the plan. This has resulted in large savings on fertiliser as, due to the high levels of soil fertility, fertiliser has not needed to be applied.

The business has been participating in the Smarter Irrigation project being conducted by TIA which has helped to fine-tune their irrigation management.

Cows are individually fed concentrate in the dairy based on their peak milk production. The level of concentrate fed on a daily basis ranges from 5-14 kg DM/cow. Where possible, purchased feed is contracted through local growers to keep the costs down. In 2016-17, the cows consumed an average of 6.3 t DM/cow (this includes grazed pasture, hay, silage, concentrates and other feed). Average milk production in the Award year was 576 kg MS/cow. The average liveweight of the cows is estimated to be 600 kg. Michael uses Irish semen in an attempt to slightly reduce the cow size. One of the challenges on the farm is reproductive performance with an 18-23% not in calf rate typical. The replacement rate is 30%.



The farm team

The farm team is acknowledged as being critical to this business' success. There are three full-time employees, two casual milkers and a calf rearer working on the farm in addition to Michael. Michael has used

Dairy Australia's People in Dairy website to help develop an induction program and safety policies for the farm. Team meetings are held approximately fortnightly. Michael likes to be at the dairy at the end of each morning's milking to catch-up with the team and discuss plans for the day. Generally people only need to milk once each day.

Rhys and Cecile are still involved in the business. Rhys and Michael discuss farm management and investment ideas. Cecile does a lot of the financial management for the business. A financial budget is completed at the start of each season and updated regularly throughout the season.

Michael participates in the local discussion group and is a member of a busiess group. Training is provided to the members of the farm team when they wish to participate.

Wealth creation

Michael is proud of how the family's business has grown and what they have been able to acheive. They have been able to purchase a number of properties around the original farm which has provided the



opportunity to increase their herd size to 1000 cows and provides support area for dry cows and young stock. Michael has also converted one of the areas originally purchased as a support block to an autumn-calving dairy farm which is managed by his son Jordan.

While there is still some development on the farm at the moment with the expansion of the irrigation capacity, the business is in a period of consolidation. The family is currently working through a succession planning process.

Table 1 Key performance indicators for Remlap compared to the state average (2016-17)

KEY PERFORMANCE INDICATORS	Remlap	Tasmanian average
Usable area, ha	500	225
Milking area, ha	300	181
Irrigated area, ha	220	109
Cows milked, number	925	481
Stocking rate, cows/milking area	3.1	2.9
Milksolids per cow, kg MS/cow	576	437
PASTURE AND FEED – MILKING AREA		
Total homegrown feed consumed, t DM/ha	11.7	10.2
Grazed feed fed, t DM/cow	3.4	3.4
Fodder fed, t DM/cow	0.6	0.4
Concentrates fed, t DM/cow	2.3	1.2
Total feed fed, t DM/cow	6.3	5.1
Nitrogen applied, kg N/ha	221	207
Water used, ML/ha	5.0	3.5
Water use efficiency, t DM/ML	4.5	4.8
FINANCIAL KPI's (\$/kg MS)		
Milk income (net)	5.11	5.00
Livestock trading profit	0.77	0.66
Other farm income	0.00	0.03
Gross farm income	5.88	5.77
VARIABLE COSTS		
Herd costs	0.23	0.27
Shed costs	0.17	0.18
Homegrown feed costs	0.64	0.91
Purchased feed costs	1.68	1.51
Feed & water inventory change	0.00	0.00
Total feed costs	2.33	2.38
Total variable costs	2.73	2.89
GROSS MARGIN	3.15	2.93
OVERHEAD COSTS		
Employed labour cost	0.77	0.73
Repairs and maintenance	0.25	0.30
Other overhead costs	0.17	0.24
Imputed labour cost	0.13	0.53
Depreciation	0.15	0.12
Total overhead costs	1.49	1.92
TOTAL OPERATING COSTS	4.22	4.79
EARNINGS BEFORE INTEREST & TAX	1.66	1.01

Judges' Comments – 2018 ANZ Dairy Business of the Year Award

Judges

Gerard Mulder, dairy farmer and 2017 DBOY Winner
Lesley Irvine, TIA Dairy Development & Extension Team Leader

Four finalists were selected from the participants in the 2018 ANZ Tasmanian Dairy Business of the Year Award based on their Return on Assets Managed (RoA) and Earnings Before Interest and Tax per hectare (EBIT/ha) during the 2016/17 financial year.

This year the judges of the Dairy Business of the Year Award were Gerard Mulder, dairy farmer from Forest and winner of the 2017 Dairy Business of the Year Award, and Lesley Irvine from TIA.

The judges would like to congratulate the four finalists in the 2018 ANZ Dairy Business of the Year Award on their achievements this year:

- Agrilac's Oxberry Dairy, managed by David Risbey-Pearn
- Currajong Dairy, owned by Duncan and Sally Sadler, Wayne and Linda Hansen, and Nathan and Cassidy Lawrence.
- Glenwood Dairy, owned by Richard and Melissa Duniam.
- Remlap, owned by Rhys and Cecile Palmer and Michael Palmer and Eliza Anderson.

The judges would also like to acknowledge the achievement of Bill and Jill Chilvers at Symmons Plains, Nigel and Rachael Brock at Montana and Brian and Michele Lawrence of Janefield Dairy at Meander. All of whom were in a finalist position based on their RoA and EBIT/ha but are still within the 5 year exclusion period after previously winning the Award.



This year you could almost throw a handkerchief over three of the finalists – Currajong Dairy at Flowerdale, and Glenwood Dairy and Remlap both at Sisters Creek. Given their close location and the friendship that exists between each of these businesses, it made it very interesting for the judges in keeping the identity of the finalists secret until after the judging process was complete.

Oxberry Dairy, the fourth finalist, is located in the states north east and it is this business's second consecutive year for being a finalist.

The judges visited each of these businesses in February and had discussions about the financial performance of each farm based on

the data collected through the benchmarking process. The judges also conducted a farm tour observing and discussing the pasture management, cow health and nutrition, breeding program, young stock, work place health and safety, and environmental management. The judges also considered the overall business strategy.

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 focus on animal health and nutrition, particularly the extremely high standard of their calf rearing program.

- The business structure of and strategic management of Currajong Dairy that has encouraged business growth along with a strong succession plan.
- The emphasis and understanding of cost management at Glenwood Dairy that results in an emphasis on grazing management to maximise home-grown feed.
- The ability of the team at Remlap to balance high supplementary feeding rates with good grazing management practices to profitably feed the milking herd.

Overall, the judges were impressed with the level of monitoring within each of the businesses, the young stock management and the importance of the farm team.



Finalist Profiles

Currajong Dairy – Wayne & Linda Hansen, Nathan & Cassidy Lawrence and Duncan & Sally Sadler

Currajong Dairy is owned in partnership by Duncan and Sally Sadler, Wayne and Linda Hansen and Nathan and Cassidy Lawrence. The farm is located at Flowerdale.

500 cows are milked on the 124 hectare milking area. 120 hectares of the farm are irrigated with either the long lateral

irrigation system or the recently installed solid-set irrigation. The herd is predominantly Friesian.

The focus of the farm's profitability is growing pasture and using it effectively for feeding.



Agriac's Oxberry Dairy – managed by David Risbey-Pearn

Located 25 minutes northeast of Scottsdale, Oxberry Dairy was converted to a dairy farm four seasons ago, and is managed by David Risbey-Pearn. This is the second year the farm has been a finalist in the Award.

The farm is currently utilising a milking area of 245 ha (in the future some of this area will be used for another dairy under development) which is irrigated by two pivots and a solid-set system. 1000 cows are milked on the farm by a team of three full-time staff and one casual. The herd is crossbred with the target cow a 500 kg black crossbred animal.

David is very proud of what he and the team have been able to achieve on the farm since the conversion and he rates the team's quality as one of the key drivers of the farm's

profitability. Animal health, pasture quality and milk production are also a focus for this farm.



Glenwood Dairy – Richard & Melissa Duniam



Glenwood Dairy is located at Sisters Creek and is owned by Richard and Melissa Duniam who purchased the farm from Richard's parents in 2004. Since purchasing the farm, pivot irrigators have been installed to irrigate 150 hectares of the 170 hectare milking area and a new rotary dairy was built in 2015. 550 crossbred cows are milked on the farm. The target is a 500 kg cow which is able to produce 500 kg MS per year and is fed up to one tonne concentrate.

An important aspect of profitability is controlling costs and making sure that processes on the farm are both efficient and effective. Production is important, with the Duniam's aiming to get the most out of their pasture and concentrate feeding.

2018 Fonterra Share Dairy Farmer of the Year Winners – Wayne & Caroline Saward

Wayne & Caroline Saward, share farming for Sustainable Agriculture Farms.

Wayne and Caroline Saward share farm on the property Blythe Vale at South Riana on Tasmania's north west coast on a cents per kilogram of milk solids payment arrangement.

Blythe Vale is one of the four properties owned by the Sustainable Agriculture farming group.

The property is 240 hectares with 805 milking cows.

Sustainable Ag have developed a share farming model that focuses on the development, safety and retention of people.

The company view their sharefarmers as a valuable and critical resource in the success and growth of their business.

The Sustainable Ag group have developed a functional and rewarding share farming agreement that encourages and supports their share farmers through their farming career.

Wayne and Caroline have been share farming on the property for five years.

Prior to that Wayne and Caroline's career began in 1997 where they have been share farming and managing farms from Circular Head to the north east.

During this time, they both have built up the wealth of experience and knowledge which has led them into a share farming position that recognises return for effort.

Their aim is to continue to build their business by developing the people they employ and by encouraging them to seek out

similar opportunities. Wayne and Caroline recognise that the size and scale of the Blythe Vale business has been critical in developing their own successful business

They are now on a pathway to build equity for themselves and provide career opportunities for those interested family members and their staff.



Dairy for life

Key to Success

Wayne and Caroline believe the important factors in their business success is having:

- A strong work ethic
- Excellent communication
- Good guidelines and work procedures
- Attention to detail
- Careful planning

Wayne and Caroline are very hands on and do a large amount of work themselves. Not only does this help reduce costs but helps them observe, understand and react to the changes in the farm system.

However, Wayne admits that he tries to delegate many of the daily tasks to his employees. This keeps them interested allows them to develop their competency base and skill level.

Wayne is very reactive to changes in feed availability and monitors pasture cover and seasonal growth rates regularly, adjusting the grazing rotation accordingly.

Wayne is the type of sharefarmer manager we describe as the gut feel farmer. He is someone who can intuitively make decisions without using a lot of measuring and monitoring devices.

His decision-making ability is supported by his innate sense of observation, reaction, allocation and delegation skills.

Caroline and Wayne believe that a 'leading by example' philosophy with good communication helps them build respect and a better work culture amongst the staff working in the business.

They employ five staff and take time to ensure all employees have full inductions and understand the working operations of the farm and the various plant and equipment.

All staff have a full day induction on commencement of their employment. Once inducted, they are invited to attend a regular

tool box meeting and a monthly team meeting over a breakfast, lunch or dinner provided by Wayne and Caroline to discuss the farm activities and day to day planning.

All employees have an annual meeting to discuss their situation within the business, career progression and training needs.

As with the other three Sustainable Ag farms, they have implemented a workplace health and safety program in which all staff and contractors are fully inducted.

Wayne and Caroline work well with their operations manager, Wolfie Wagner, and are left to manage the farm as if it is their own. They consult regularly to discuss the physical and financial farm performance and have an open book philosophy.

Pasture Management

Wayne and Caroline have achieved excellent pasture performance achieving 12 t DM of pasture consumption per hectare.

Paddocks are managed with a focus on quality before quantity and are grazed between the 2.5-3 leaf-stage. Nitrogen is applied between 1 - 1.5 kg of N/ha/day depending on seasonal conditions.

The grazing rotations are adjusted according to leaf emergence rates. A fresh break is offered for both the day and night grazing with a pre-grazing cover of around 3000 kg DM/ha.



Animal Health & Nutrition

The spring calving dairy herd is made up of 805 medium sized Friesian cross cows.

The dairy herd is comprised of three way cross using Swedish Red over both the Jersey and Friesian cows, depending on their size and breed.



The dairy herd is all DNA checked so the best breeding decision can be made to maximise the genetic potential of the herd.

The aim is to breed a medium sized cross bred cow weighing around 500 kg live weight and producing 1 kg MS/kg live weight.

Milk production for the 16/17 season was 497 kg MS/cow and 1661 kg MS/ha feeding 1.7t of concentrate per cow and consuming 11.7 t DM/ha.

Grain feeding amounts are regularly adjusted according to pasture availability. The general philosophy is to feed more grain to maximise production providing there is a reasonable margin over feed.

There is a 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 general dairy mix ration and are calved down on a calving pad close to the dairy.

The breeding program is managed using a pre-sync ov-sync program and consists of six weeks AI and five weeks paddock mating.

There is a zero induction policy on farm.

Focus

Wayne and Caroline measure their success by running a profitable dairy business that meets the farm performance criteria set out by the company and their own farm business and family values.

They are content to build a long-term working relationship with the farm owners and value the opportunities and work life balance that they currently have.

Key performance indicator	W&C Saward	Average for all share farmer participants
Milking area, ha	240	223
No. cows milked	802	624
Stocking rate, cows/ha	3.3	3.0
Milk production, kg MS/cow	497	413
Milk production, kg MS/kg lwt	0.99	0.80
Milk production, kg MS/Mha	1661	1179
Labour efficiency, cows/FTE	207	156
Pasture consumption, t DM/Mha	12.0	9.0
Percentage of milking area irrigated	80%	62%
Nitrogen, kg N/Mha	491	222
Concentrate fed, t DM/cow	1.7	1.4

Judges' Comments – 2018 Fonterra Share Dairy Farmer of the Year

Judges

Deb Morice, Fonterra Milk Supply Officer
Corey Korpershoek, 2017 Share Dairy Farmer of the Year Winner
Symon Jones, TIA Dairy Development & Extension Officer

This year there were four entrants in the Fonterra Share Dairy farmer of the year award:

- Andrew and Jenny Aldridge
- Damien and Brooke Cocker
- John and Emma Innes Smith
- Wayne and Carline Saward

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 spring. 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 staff training and self-improvement.

This years winners, Wayne and Caroline Saward, performed particularly well in the areas of pasture, herd management and people management.



Tasmanian Snapshot

Benchmarking in Tasmania

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) has been funded by Dairy Australia to manage the Tasmanian Dairy Farm Monitor Project. This involves collecting benchmarking data from 30 Tasmanian dairy businesses. The data from these businesses is used to compile an annual report that monitors trends in the Tasmanian dairy industry. The data is also used in DairyBase (the national online benchmarking program) as a validated dataset that can be used by anyone for comparative analysis. This year, 36 Tasmanian dairy businesses participated in the Dairy Farm Monitor Project. A further five businesses participated in benchmarking outside of the Dairy Farm Monitor Project. A summary of the data from the 2016-17 Dairy Farm Monitor Project annual report is provided below. A copy of the full report is available on the TIA and Dairy Australia websites. A printed version of the report is available from DairyTas.

Dairy Farm Monitor Project Summary

In 2016-17 Earnings before interest and tax (EBIT) was on average **\$276,098 per farm, a 12% increase on the previous year**. Return on assets managed (RoA) decreased to 3.7% from 3.9% in the previous year. The top 25% of farms (as measured by RoA) had RoA of 6.6%.

Of the 36 participants, 34 recorded a positive return on assets with a range (for all farms) from negative 1.3% to 10.4%.

Net farm income, calculated after interest and lease charges were deducted from EBIT, was on average \$153,967 per farm, a 23% increase from last year.

Nine out of the 36 farms recorded a negative return on equity (RoE). The average RoE was 1.9% and 11.3% for the top 25% performers. The average equity percentage for participating farms declined from 70% in 2015-16 to 61% this year. This increase in liabilities resulted in a slight rise in debt servicing ratio, from 10% the previous year to 11% for 2016-17.

There was a decrease in cost of production without inventory change from \$5.18/kg MS to \$4.87/kg MS, a reduction of 6%.

The top 25% received slightly higher milk price at \$5.15/kg MS and posted 3% more gross income of \$5.99/kg MS than the average of all participant farms. Their variable costs was 4% lower at \$2.75/kg MS compared to the average (\$2.87/kg MS). The top 25% performers also spent less on overhead costs at \$1.56/kg MS than the average (\$1.98/kg MS). They generated much higher EBIT (\$1.68/kg MS) than the average of all participants (\$0.99/kg MS).

Milk sold per hectare increased from 936 kg MS/ha to 976 kg MS/ha but milk sold per cow decreased from 444 kg MS/cow to 433 kg MS/cow. Stocking rate, measured as cows per usable hectare increased from 2.1 cows per hectare to 2.2 cows per hectare. The top performers sold more milk per cow and per hectare, 10% and 24% higher, respectively.

Farms in the top 25% had a higher stocking rate with 2.5 cows/ha. Average milk fat was 4.5% and milk protein was 3.6%, the same as the previous season.

Pasture consumption was slightly lower than last year at 10.4 t DM/ha compared to

10.7 t DM/ha but home grown feed made up a larger component of the diet. In 2016-17, 74% of the energy consumed by the cows

came from home grown feed compared to 69% the previous year.

Table 2 Farm physical data – Tasmania overview (from the 2016-17 Tasmanian Dairy Farm Monitor Report)

Farm physical parameters	Tasmania average	Q1 to Q3 range	Top 25% average
Herd size	542	330 - 801	817
Annual Rainfall 16-17	1,288	1,092 - 1,410	1,148
Water used (irrigation + rainfall) (mm/ha)	1,620	1,530 - 1,717	1,555
Total usable area (hectares)	268	160 - 311	368
Milking cows per usable hectare	2.3	1.7 - 2.9	2.5
Milk sold (kg MS /cow)	432	376 - 497	475
Milk sold (kg MS /ha)	976	625 - 1,261	1,208
Home grown feed as % of ME consumed	74%	64% - 80%	74%
Labour efficiency (milking cows / FTE)	143	115 - 164	172
Labour efficiency (kg MS / FTE)	61,111	49,537 - 71,189	79,234



National Dairy Farm Monitor Project Results

Being part of a national project means direct comparisons can be made with other states. Western Australia, South Australia, Victoria, New South Wales and Queensland all participate in the Dairy Farm Monitor Project. Reports for each of these states is available on the Dairy Australia website. Data from these states is also included in DairyBase which expands the pool validated farm data sets that can be used for

comparative analysis. Some of the key performance indicators for Tasmania, Victoria, South Australia and New South Wales are shown in the table below. The data shows that despite having the lowest milk price, Tasmanian dairy businesses achieved the highest return on assets through good cost management. This was assisted by a high proportion of home grown feed in the diet and high labour efficiency.

Table 3 Comparison of Tasmanian Dairy Farm Monitor Project data with prior years and other states

	Tas Average 2014-15	Tas Average 2015-16	Tas Average 2016-17	Tas Top 25% 2016-17	Victoria Average 2016-17	South Australia Average 2016-17	NSW Average 2016-17
Herd size	545	580	542	817	342	394	326
Annual rainfall (mm)	924	1044	1288	1148	779	780	1019
Water used (irrigation+rainfall) (mm/ha)	1084	1250	1620	1555	1017	1143	1302
Total usable area (ha)	280	302	268	368	268	565	263
Milking area (ha)	191	198	190	266	168		121
Stocking rate (cows/Mha)	2.9	2.9	2.9	3.1	2.0		2.7
Milk sold (kg MS/cow)	447	444	432	475	503	539	498
Pasture consumed (t DM/Mha)	10.0	10.7	10.4	12.3	8.1	9.1	8.5
Home grown feed as % of ME consumed	69%	69%	74%	74%	65%	64%	59%
Labour efficiency (milking cows/FTE)	140	141	143	172	105	90	75
Labour efficiency (kg MS/FTE)	61,600	62,053	61,111	79,234	52,500	47,861	36,928
Milk income (net) (\$/kg MS)	\$6.19	\$5.55	\$5.03	\$5.15	\$5.07	\$5.78	\$6.89
Total variable costs (\$/kg MS)	\$3.13	\$3.27	\$2.87	\$2.75	\$2.89	\$3.30	\$3.91
Total overhead costs (\$/kg MS)	\$1.94	\$1.91	\$1.98	\$1.56	\$2.16	\$2.71	\$3.11
Earnings before interest and tax (\$/kg MS)	\$1.84	\$0.92	\$0.99	\$1.68	\$0.75	\$0.88	\$0.92
Return on Assets	7.8%	3.9%	3.7%	6.6%	2.5%	3.1%	2.2%



Ten Year Tasmanian Trends

Table 4 Key performance indicators from benchmarking in Tasmania for the past ten years

	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Return on Assets, %	4.6%	7.9%	6.1%	3.4%	7.2%	8.4%	4.6%	9.9%	7.9%	3.7%	3.9%
EBIT	\$163,185	\$385,024	\$271,890	\$172,525	\$340,747	\$462,923	\$296,170	\$565,784	\$492,084	\$269,598	\$298,398
Production, kg MS	151,646	171,995	187,360	157,637	173,714	218,651	232,381	220,157	247,283	267,906	252,467
Cows Milked, nos	400	466	484	404	415	514	548	508	552	552	566
Milking area, ha	220	239	236	204	206	233	186	183	194	201	195
Labour used, FTE	4.1	4.5	4.8	4.2	3.3	3.6	3.7	3.8	4.0	4.3	4.0
useable area irrigated, %	29%	32%	34%	38%	43%	38%	43%	43%	49%	48%	45%
Milksolids kg MS/Mhaa	750	739	835	772	878	971	1,032	1,206	1,312	1,333	1,295
Milksolids kg MS/cow	386	373	400	374	407	422	420	422	445	485	437
Stocking Rate, cows/Mha	1.9	2.0	2.1	2.0	2.1	2.3	3.0	2.8	2.8	2.9	2.9
Pasture, t DM/Mha	8.5	8.3	9.6	9.3	9.8	9.3	10.1	9.2	10.1	10.8	10.6
Grain intake, tonne/cow	0.87	0.92	0.94	0.89	1.04	1.17	1.33	1.30	1.33	1.64	1.23
Nitrogen, kg N/ha	156	212	201	173	157	140	142	158	173	236	199
Cows per FTE	97	105	105	94	120	137	126	137	141	141	146
Dairy Assets, \$'000	\$3,471	\$4,811	\$5,040	\$4,512	\$4,658	\$5,200	\$5,345	\$5,090	\$5,516	\$6,405	\$6,152
Assets per eff ha, \$/ha	\$16,924	\$20,442	\$22,094	\$22,514	\$22,661	\$23,818	\$23,166	\$19,834	\$19,852	\$21,590	\$21,814
Assets per cow, \$/cow	\$9,186	\$10,641	\$10,949	\$11,737	\$11,220	\$10,619	\$9,750	\$10,020	\$10,124	\$11,596	\$10,068
Liabilities, \$'000	\$944	\$1,602	\$1,560	\$1,176	\$1,351	\$1,607	\$1,602	\$1,317	\$1,335	\$1,413	\$2,299
Liabilities per cow, \$	\$2,206	\$3,346	\$3,167	\$3,306	\$3,254	\$3,370	\$3,171	\$2,628	\$2,491	\$2,558	\$4,062
Equity, %	73%	69%	70%	72%	70%	68%	70%	71%	70%	76%	61%
Milk Income, \$/ha	\$3,311	\$4,732	\$4,502	\$3,561	\$4,854	\$5,257	\$5,215	\$6,200	\$5,771	\$7,436	\$4,923
Total Income, \$/ha	\$3,480	\$4,938	\$4,746	\$3,861	\$5,469	\$5,985	\$5,670	\$6,733	\$6,405	\$8,196	\$5,732
Animal Costs, \$/ha	\$270	\$299	\$341	\$311	\$363	\$417	\$452	\$435	\$447	\$708	\$479
Feed Costs, \$/ha	\$1,404	\$1,878	\$1,940	\$1,441	\$1,770	\$1,940	\$2,433	\$2,361	\$2,450	\$3,796	\$2,383
Labour, \$/ha	\$723	\$735	\$824	\$866	\$948	\$985	\$1,047	\$650	\$732	\$1,182	\$1,143
Overheads, \$/ha	\$515	\$543	\$597	\$546	\$652	\$638	\$554	\$1,154	\$1,032	\$1,309	\$661
Operating Costs, \$/ha	\$2,911	\$3,455	\$3,701	\$3,164	\$3,734	\$3,979	\$4,541	\$4,600	\$4,661	\$6,995	\$4,666
EBIT, \$/ha	\$569	\$1,483	\$1,046	\$697	\$1,735	\$2,006	\$1,129	\$2,133	\$1,744	\$1,201	\$1,030
Milk Income, \$/kg MS	\$4.39	\$6.33	\$5.50	\$4.66	\$5.51	\$5.40	\$5.01	\$6.88	\$6.19	\$5.58	\$5.03
Total Income, \$/kg MS	\$4.64	\$6.87	\$6.01	\$5.17	\$6.24	\$6.17	\$5.50	\$7.52	\$6.91	\$6.25	\$5.92
Operating Costs, \$/kg MS	\$3.81	\$4.76	\$4.53	\$4.27	\$4.26	\$4.07	\$4.48	\$5.09	\$5.04	\$5.28	\$4.87
EBIT, \$/kg MS	\$0.83	\$2.10	\$1.48	\$0.92	\$1.98	\$2.09	\$1.02	\$2.43	\$1.88	\$0.97	\$1.01
Finance costs, \$/kg MS	\$0.45	\$0.63	\$0.63	\$0.75	\$0.81	\$0.66	\$0.54	\$0.52	\$0.41	\$0.46	\$0.65
EBT, \$/kg MS	\$0.38	\$1.47	\$0.85	\$0.16	\$1.17	\$1.43	\$0.49	\$1.91	\$1.47	\$0.51	\$0.36
Numbers	36	46	40	33	40	27	34	52	31	34	40
As % of dairy farmers	8%	10%	9%	8%	9%	6%	8%	13%	7%	7%	9%

Please note: Data in this table is from all Tasmanian benchmarking participants which may include additional data sets to the Dairy Farm Monitor Project. Therefore the data in this table may not exactly match the data from the Dairy Farm Monitor Project. Data is not directly comparable from year to year as the farm businesses participating are not necessarily the same each year and data analysis methods change from time-to-time. Rather the data in the above table indicates trends.

Moon Lake Farm Safety Award

Clear Springs Operations

The 2018 Moon Lake Farm Safety Award winner is Clear Springs Operations managed by Tim and Fiona Salter.

Milking 1,100 cows on 360 effective hectares at Meander, Tim and Fiona manage the Clear Springs property on behalf of an equity partnership. Tim and Fiona have built, and are continuing to build, a safety system that is effective but not too overwhelming for them or their employees.

Currently employing two full-time staff and two casuals, they induct all new staff members on arrival at the farm. The induction pack contains their:

- businesses culture statement
- information from fair work
- information about superannuation and tax
- employment contract
- safe work procedures for the equipment they will be using

Employees are provided with employment contracts containing information about the farm at the start of their employment.

Tim and Fiona also require contractors to provide them with proof of current insurance policies. Fiona is currently looking at developing a system that provides her with reminders on when contractor insurances run-out so she can keep her register up to date.

Regular bi-monthly toolbox meetings are held on the farm with a record of discussions kept on file and actions ticked off at the next meeting. Common hazards that have been addressed at these meetings include slippery laneways, cleanliness in the dairy and machinery maintenance.

While the toolbox meetings are important part of the safety culture on the farm, safety is also about keeping the conversation open between staff and management. A whiteboard at the dairy allows staff to record hazards as they see them, in order to have them fixed quickly.



There is a 'NO four-wheel motor bike' policy in place. Instead either 2-wheel Ag bikes or side-by-side vehicles are used. They also have a 'NO Helmet NO Bike' policy that is clearly outlined to all staff members on induction and reminder signs are at the parking bays for the bikes. One of the common complaints about wearing helmets



on dairy farms is they are too heavy and/or too hot. To minimise this issue, Tim and Fiona have invested in light weight helmets that still meet Australian Standards but are much more comfortable for on-farm use.

Other safety policies they have in place include:

- safe storage of chemicals
- a chemical register
- staff are provided with their own personal protective equipment including wet weather gear and respirators for chemical handling
- trained first aiders on staff
- first aid kits available
- clear signage at the entry to the farm that indicates hazards and who to contact on the farm

Tim and Fiona will be the first to admit they do not have a perfect system. However they do have a simple system in place that is followed and allows people to work in a safe environment and return home in the condition they arrived at work.

They are consciously creating a safe farming environment by continuing to develop guidelines for all staff, contractors and visitors.



MOON LAKE

INVESTMENTS

Veolia Environment Award

AgCAP

AgCAP has been operating four dairy farms in Tasmania – Ashburton at Dairy Plains, Springvale and Midlothian at Parkham and Blythe Vale at South Riana. Combined, these farms cover 1,145 hectares and milk 2,900 cows. Sustainability is important to AgCAP and some of activities they have undertaken in the area of environmental sustainability have included:

- Fenced-off rivers and creeks to prevent stock access
- Built bridges to traffic stock across rivers
- Fenced-off most of the drains on the farm to prevent stock access and reduce the amount of fertiliser falling into the drains
- Commenced water quality testing of drains and bores
- Annual soil testing on monitor paddocks
- Created an eight hectare forest/wetland reserve on Springvale
- Participated in the Smarter Irrigation program to improve water use efficiency

Congratulations to AgCAP and their farm teams for the work they have done and for winning the 2018 Veolia Environment Award



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Cadbury Young Dairy Farmer Encouragement Award

DairyTas and the Young Dairy Network Tasmania wish to recognise and encourage a young dairy farmer in the Tasmanian Dairy Awards through the presentation of the Tasmanian Young Dairy Farmer Encouragement Award. The Award is open to people working on dairy farms aged between 18-35 and recognises the importance of young people in the dairy industry. We were seeking someone who not only enjoys working within the dairy industry but is achieving their goals and is passionate about the industry.

Each nomination form asked for a short paragraph outlining why the nominee would be a worthy recipient and details of their role in the dairy industry and their involvement with the Young Dairy Network.

We received a number of nominations, interestingly, none were self-nominated. This meant all nominees were surprised

when we contacted them to arrange an interview.

Nominees were interviewed over the phone by Angelique Korpershoek and Jacki Hine. . We were impressed by the high standard of responses to our questions. We also noted the passion each nominee clearly had for the dairy industry. Each had a positive attitude towards the industry and acknowledged the cyclical nature of dairy farming. Congratulations to nominees and finalists, Shaelyn Van Brecht, Ben Maile, Luke Day and Nathan Lawrence.

This years winner is someone who originally came from outside the dairy industry, has recognised the opportunities for education, both career and personal development and, wealth creation prospects within the dairy industry.



The winner also acknowledged and appreciated the abundant support which is available to dairy farmers.

Outlined in the interview, this nominee demonstrated participation in training opportunities, both formal and informal and shared with us the ways they encouraged others to participate in Young Dairy Network events and other dairy events.

The winner also stated it is good to be able to give back to others and support new entrants getting involved in the dairy industry. The Award prize money will be used to continue funding their next level of formal education within the industry.

Congratulations to Luke Day from Forest, who is this year's winner.

Luke moved to Burnie from King Island about 6 years ago. He came from beef farming background. In Burnie he was only able to find casual employment so started looking for jobs back in the agriculture sector. Most of the jobs available were on dairy farms. He started working as a farm hand with Ashley and Cherrylyn Ker in Circular Head. After gaining some experience, he started working as the second-in-charge with Steven and Sharon Fowlie. In the future, Luke will take on the manager's role on the farm and would like to progress towards being a share farmer.

Apart from on-the-job training, Luke has nearly his Cert IV and plans on also completing his Diploma. He also attends as many informal training opportunities as he

can – workshops and Young Dairy Network events. “No other jobs have the support which the dairy industry has.”

Luke has always enjoyed working in agriculture and would highly recommend young people consider a career in the dairy industry. “It is challenging and there is a lot of variety and people will give you the support you need.”



Elphinstone Stevens Dairy Services Award

Bob Bush was this year's deserving recipient of the Dairy Services Award which is awarded in recognition of significant contribution to the Tasmanian Dairy Industry. This is only the second time the Dairy Services Award has been presented. The first Award was presented to Rhys Palmer in 2013.

Bob has recently celebrated his 70th birthday. He has been a dairy farmer all his life and was the 5th generation on their current dairy farm. His son Stuart is now the 6th generation. Bob has seen a lot of change in the dairy industry during his lifetime. He remembers that his grandfather milked the cows by hand, turned the separator by hand to produce cream and then turned the churn by hand to make their farm's Castle Rock butter. This was wrapped in their own butter wrappers and taken into Scottsdale and put on the train to Launceston where it was sold at a market.



Bob's grandfather expanded the farm in a fairly novel way. He owned 40 acres and his neighbour owned 60 acres. At the time, the mantra was to "get big or get out". There wasn't any other land either of them could purchase so they decided to do a coin toss with the winner purchasing the other's farm. Bob's grandfather won the toss.

Bob left school at 15 to work full-time on the farm with his father. He didn't receive a pay packet – but did have room and board and use of the ute. At 20, he was called-up for national service. He returned home at the

age of 22 but it was only 6 months later that his father died and Bob had to take on the management of the farm. At the time, they had 40 cows, all of them named. They now milk 600 cows.

"YOU ALWAYS NEED TO HAVE SOME NEW IDEA, SOME SCHEME, SOMETHING THAT GETS YOU OUT OF BED IN THE MORNING."

While his grandfather milked the cows by hand, Bob's parents put in a milking machine – they had four bales and two units (although three cows still needed to be milked by hand as they didn't like the milking machine). They upgraded to three units as the vacuum pump couldn't run four units and they couldn't afford to buy a new vacuum pump. They then upgraded to a 6 bale, 6 unit walk through which was later converted into a 10 a-side herringbone. In 1993 they built the current 30 a-side herringbone dairy.

Fairly early in his dairy farming career, Bob heard about the concept of discussion groups and while a bit uncertain at first, went about organising one for the region. Bob and the other farmers in the region found the discussion groups to be of tremendous benefit. The discussion group was supported by the Department of Agriculture and the milk company in the region. Bob was good friends with Rhys Palmer and Ron Hall and they all attended the local discussion group – each challenging the other and driving better farm management not only on their own farms but throughout the region. Through this network, Bob was introduced to Danny Donaghy from the Tasmanian Institute of Agriculture and became involved in the on-farm research Danny was conducting. This research was investigating leaf stage grazing management principles. Bob became one of

the pasture coaches in the 20:12 program which he believes is the greatest program that has been run – it really pushed things ahead with grazing management. Bob also joined the DairyTas board and was elected as chairman. Bob has always had a passion for supporting young people in the dairy industry and through his role on the DairyTas board was involved in helping to direct the formation of the National Centre for Dairy Education which provided a more formal avenue for dairy specific training. Bob has been involved in mentoring and is a

big support with the Young Dairy Network program in the north east. Bob was part of the support group for Dairy Australia’s focus farm at Limberlost and is currently a member of the support group for the focus farm at Dave and Jane Field’s Montagu farm.

Bob likens the people involved in the dairy industry to family and loves being a part it. He is always a strong contributor and motivating force at whatever dairy event he attends and is still excited about what the industry has to offer.



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Table 5 Key performance indicators for individual participants in the 2016-17 Dairy Business of the Year Award

Milking area	% irrig	Cows	Labour effc.	Pasture consumed	Conc	Milk sold		Milk price	Cash cost of productn	EBIT	ROAM
ha	%	No.	cows/FTE	t DM/ha	t DM/cow	kg MS/ha	kg MS/cow	\$/kg MS	\$/kg MS	\$/ha	%
255	24	470	116	7.9	1.3	834	452	6.13	5.09	0.96	4.9
300	63	920	151	9.2	1.9	1454	475	5.17	5.15	0.28	1.4
240	79	800	154	11.9	1.7	1661	497	5.15	4.66	0.74	3.9
210	48	605	168	8.0	1.8	1369	475	5.06	5.05	0.21	1.0
260	92	1020	243	13.5	0.8	1559	397	4.80	3.35	1.62	5.4
188	37	540	164	8.4	1.6	1339	466	5.05	4.87	0.24	1.4
184	9	385	109	6.8	0.9	690	330	5.34	5.32	0.01	0.0
140	86	400	123	14.4	1.8	1509	528	5.21	5.15	1.39	4.5
300	90	940	127	11.2	1.2	1557	497	5.26	4.00	1.03	4.2
150	57	420	90	8.0	2.2	1480	529	4.65	4.41	0.30	1.0
236	89	900	159	13.1	1.1	1705	447	4.76	4.01	1.25	3.4
65	85	200	167	8.6	1.0	1029	334	4.82	4.06	1.10	3.4
144	63	410	140	10.4	0.6	1018	358	4.79	3.68	1.40	3.8
185	68	430	123	8.3	0.6	898	386	4.80	4.18	0.59	2.2
236	70	800	152	12.6	1.3	1745	515	5.63	4.02	1.47	6.1
140	14	330	92	9.8	0.2	719	305	4.61	4.87	-0.63	-1.2
150	63	380	108	11.5	0.8	1205	478	4.92	3.45	0.51	2.0
72	100	215	112	13.2	0.7	1140	382	5.60	3.59	1.27	3.5
230	100	760	110	14.8	1.4	1815	549	5.12	3.88	1.33	7.0
360	72	905	226	8.8	0.6	960	382	5.16	4.36	1.79	5.4
120	54	330	167	9.6	1.7	1161	422	4.94	3.59	0.91	3.6
80	75	185	134	7.6	1.5	1115	482	4.71	3.96	0.23	1.1
110	92	230	157	6.8	1.1	900	430	4.82	3.62	0.72	2.2
186	66	465	116	12.3	1.6	1349	540	4.99	3.94	1.27	4.0
500	50	1150	157	9.7	1.2	951	414	5.31	4.37	2.75	7.7
115	0	370	178	11.0	0.8	952	296	4.50	3.24	0.96	4.4
87	63	280	177	11.6	0.5	988	304	4.56	3.44	1.14	3.2
212	36	370	106	7.8	0.4	567	325	4.99	2.62	1.47	3.0
236	89	900	159	13.1	1.1	1705	447	4.47	4.01	0.97	2.7
143	48	330	184	9.2	0.1	670	290	4.55	4.20	0.81	2.7
170	88	550	159	13.2	0.9	1314	406	4.84	3.58	1.59	5.3
78	13	280	100	9.8	1.9	1478	412	4.83	3.89	0.66	3.1
245	100	980	249	15.1	1.2	1879	470	5.14	4.50	1.45	9.8
234	41	480	137	7.5	0.8	600	293	5.15	5.52	-0.63	-1.4
300	73	925	132	11.7	2.3	1775	576	5.11	3.94	1.66	5.7
93	65	260	124	11.0	2.3	1573	563	5.20	4.66	1.36	6.0
245	100	980	249	15.1	1.2	1879	470	5.14	4.50	1.40	10.4
167	60	340	81	7.9	1.9	1292	635	5.28	4.84	0.37	0.8
195	64	566	146	10.6	1.2	1280	437	5.03	4.21	1.01	3.6

Note: The averages presented in this table are based on all participants entered in 2016-17 benchmarking program, even if their data is not presented in the table. Per hectare refers to per milking hectare.

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