

Australian Dairy Farmers Limited (ADF)

Strategic Plan 2012 - 2017

Your voice, Our future

Last updated: June 2014



FOREWARD

The Australian dairy industry is facing a challenging future, with a low retail milk price, a carbon tax, water and animal welfare challenges being just some of the issues affecting Australian dairy farmers.

With these issues in mind, it's critical we understand our place within Australia's wider agricultural sector and develop a vision that outlines, in clear and measurable terms, the role we will play in Australia's future.

This vision must also drive the approach we take to working with government, industry, consumers and state dairy organisations.

The dairy industry has a unique supply chain comprising a number of different groups; we have dairy farmers, manufacturers, service providers and industry analysts to name just some and due to the challenges our current supply chain presents, it continues to be an area of focus and debate.

In developing the Australian Dairy Farmers strategic plan, our objective is to maintain and improve the productivity, viability, health and most importantly the profitability of dairy farming communities across Australia.

ADF BOARD







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INTRODUCTION

The purpose of the Australian Dairy Farmers Strategic Plan (2012 - 2017) is to provide the dairy industry with a clear view of the ADF vision, mission and its approach to meeting the needs of the dairy industry.

CORPORATE PROFILE

Australian Dairy Farmers Limited (ADF) is a not-for-profit organisation representing the interests of Australian dairy farmers. We are a strong collective voice to Government and the community on national issues affecting dairy farmers and dairy farm profitability.

The Australian Dairy Farmers Federation (ADFF) was formed in 1942 as an unincorporated association to represent the national interests of dairy farmers. In 1993, ADFF was incorporated as a company limited by guarantee. ADFF's name was changed to Australian Dairy Farmers Ltd to reflect its changed business structure.

ADF also provides the secretariat and policy work for the Australian Dairy Industry Council (ADIC).

GOVERNANCE AND MEMBERSHIP

The ADF board provides strategic guidance to management and oversees the activities of ADF. The role of the ADF National Council is to advise the Board on issues of importance to dairy farmers develop ADF policy positions and provide input to the ADF Strategic Plan.

ADF State members are the presidents of each of the state dairy farmer organisations. Business members are farmers who are members of the ADF constituent state member organisations who have also joined ADF.



OUR VISION

• A sustainable, innovative, competitive and valued dairy industry.

OUR MISSION

•To improve the profitability and sustainability of all Australian dairy farms.

OUR STRATEGIC GOALS

The Australian Dairy Farmers Strategic Plan assists the Executive and staff to focus efforts and resources, and implement actions in five key areas:

- Drive sustainable farm profitability
- •Secure market access and maximise value chain returns
- •Develop people and build human capacity
- •Effective communication and engagement
- •Deliver member value and organisational capacity



PORTFOLIOS

Policy Advisory Groups (PAGs) assist the Board, National Council, CEO and management with the development of strategies and initiatives to support ADF's policy, advocacy and representation.

Farming Systems & Herd Improvement

- National R,D&E strategy and priority setting including "Dairy Moving Forward"
- Farm systems
- Farm decision making tools
- •Biotechnology & GM delivery to farm
- Genetics
- •Gene markers
- Herd improvement
- •R,D&E investment priorities
- Genetic info systems & data capture improvement
- •Australian Dairy Herd Improvement Scheme (ADHIS)
- Co-operative Research Centre

Natural Resources

- •Inform industry R,D&E, policy and advocacy
- Water
- Climate change
- Nutrient management
- Tools for response to natural resources

Animal Health & Welfare

- Emergency animal disease response preparedness
- •Animal health system capability
- Disease programs & management
- Animal welfare standards and guidelines
- Quarantine & biosecurity oversight
- Viable food safety & quality assurance systems
- Promoting responsible practices and industry integrity

Markets, Trade & Value Chain

- Market insights
- •Enhanced collective bargaining
- •Importance of dairy products for health & nutrition
- Sustainable farm input costs and production systems
- Profitable farms and value chain
- Advocacy at national and international levels for open and competitive market access
- Food safety

People & Human Capacity

- People development priorities for industry investment (Dairy Australia)
- National Centre for Dairy Education Australia oversight & support
- •Leadership development strategy
- Extension strategy
- Education
- Employment
- Regional Development Plan engagement
- Workforce development
- Health, safety and wellbeing



STRATEGIC GOAL 1 - DRIVE SUSTAINABLE FARM PROFITABILITY

Objectives

- 1. Dairy farmers and the wider dairy industry invest in the R, D&E required to meet future dairy industry needs
- 2. Dairy farmers adopt best practice methods in farm business management as well as natural resource and environmental management practice
- 3. Dairy farmers adopt best practice methods with regard to the use of new techniques and technologies
- 4. Dairy farmers implement sound animal health practices and national animal welfare standards to manage industry, community and government expectations

Approach

- Support the development of more productive, robust and adaptable farming systems through R,D&E and innovation
- Drive policy and support initiatives which improve the use of natural resources in productive farming systems
- Support the development and promotion of tools to assist farmers to improve farm profitability through business analysis
- Maximise opportunities for profit through world-leading genetic improvements
- Enhance animal health and welfare through national science based standards and guidelines and educate community on these standards.

- Dairy farmers can run profitable dairy businesses through the adoption of world class technology and tools
- Dairy farmers have secure and sustainable access to natural resources
- Dairy farmers' confidence to invest in dairy farm assets increases
- Dairy farming systems support natural resource and environmental management best practice
- Dairy farmers see continuous gains in herd improvement



STRATEGIC GOAL 2 - SECURE MARKET ACCESS AND MAXIMISE VALUE CHAIN RETURNS

Objectives

- 1. Dairy industry introduces policies and lobbies government to influence international and domestic market trade conditions and security
- 2. Dairy industry successfully lobbies government on collective bargaining and other measures that balance market power
- 3. Dairy farmers operate/maintain quality assurance systems that enable and enhance social license to operate

Approach

- Support programs, systems and practices which promote and protect the industry and its products
- Support initiatives which enhance the creation of value for farmers across the supply chain
- Influence market trading conditions for dairy farmers to improve farm gate profitability
- Participate in trade development to promote fair, open, transparent and contestable markets

- Farmers have the confidence to invest in industry assets and infrastructure
- Australian and overseas consumers have confidence in dairy products and practices
- Australia can trade in its markets of choice, where trade is fair, open and contestable
- A globally competitive regulatory framework exists for dairy farmers
- Processors' milk pricing systems reflect returns from the market place with respect to seasonal payment structures



STRATEGIC GOAL 3 - DEVELOP PEOPLE AND BUILD HUMAN CAPACITY

Objectives

- 1. Dairy Industry has the human capacity to meet its business needs now and in the future
- 2. Dairy has a culture that is innovative, leadership driven and can adapt to change
- 3. Dairy is understood and recognised as a professional, diverse and responsible industry

Approach

- Support the development and maintenance of effective leadership, dairy industry education and professional development programs
- Support activities to promote dairy industry participation, improve industrial relations conditions and address workforce and skills shortages
- Support pathways for learning, individual career and business development
- Support the promotion of occupational health and safety and wellbeing in the dairy industry

- Talent is attracted to and developed by the dairy industry
- Industry, government and the community have a positive image of dairy people as professional, credible and responsible
- Government assistance with pathways to success (including policy, regulatory, financial, program, education, wellbeing and social support)



STRATEGIC GOAL 4 - EFFECTIVE COMMUNICATION AND ENGAGEMENT

Objectives

1. A broad-reaching engagement program (focusing on farmers, industry and government) that promotes the dairy industry, ADFs achievements, and which works to influence community perception, business support for the dairy industry, the retail and regulatory environment and government policy direction

Approach

- Consult state organisations, ADIC, DA, ADPF, and wider stakeholder groups on state of dairy industry (current issues and opportunities)
- Communication that is targeted for the issue and the audience
- Articulate policy positions effectively
- Support the development of a shared vision for the industry's future and communicate this
- Support industry initiatives to positively influence consumer perception of the dairy industry

- ADF and the ADIC are recognised as the national voice for dairy
- Government, the industry and community understand the economic, health and social benefits delivered by a sustainable dairy industry
- Effective engagement with ADF state members



STRATEGIC GOAL 5 - DELIVER MEMBER VALUE AND ORGANISATIONAL CAPACITY

Objectives

- 1. An effective and efficient ADF organisation.
- 2. Risks to ADF business are understood and managed, and robust governance systems are in place

Approach

- ADF strategic plan is developed, understood and endorsed by Board, National Councillors, state dairy farmer organisations and staff
- ADF continues to identify organisational and operational risks and manages compliance with legal and business standards
- ADF has appropriate evaluation and reporting systems in place

- ADF is a sustainable organisation that delivers value to members
- ADF has the capability in its Board, National Council, PAGs, staff, and systems to achieve its strategy
- All dairy states are represented as ADF state members



Australian Dairy Farmers Limited (ADF) Australian Dairy Farmers Limited (ADF) Australian Dairy Products Federation (ADPF) State dairy farmer organisations — NSW Farmers' Association (Dairy Committee) — Queensland Dairyfarmers' Organisation — South Australian Dairyfarmers' Association (Dairy Council) — Victorian Farmers & Graziers Association (Dairy Council) — Victorian Farmers' Federation (United Dairyfarmers' Federation (Dairy Council) Western Australian Farmers' Federation (Dairy Council) State / Regional

THE DAIRY INDUSTRY STRUCTURE

Australian Dairy Farmers is supported by its State Dairy Farmer Organisation members, which include:

- NSW Farmers' Association (NSWF);
- Queensland Dairyfarmers' Organisation (QDO);
- Tasmanian Farmers & Graziers Association (TFGA);
- Victorian Farmers Federation (United Dairyfarmers of Victoria) (UDV);
- WA Farmers' Federation (WAF).

With the Australian Dairy Products Federation (ADPF), we form the Australian Dairy Industry Council (ADIC), the industry's peak policy body.

The Australian Dairy Herd Improvement Scheme (ADHIS) is a subsidiary of ADF that provides a genetic evaluation service for the dairy industry.

Dairy Australia is the national dairy industry service body and looks after research, development and extension, and industry services. Dairy Australia provides the dairy industry with strong, dairy specific technical support, expertise and analysis. The ADF works closely with Dairy Australia to target investment of Dairy Service Levy payments to maximise value to farmers.

ADF is a member of the National Farmers' Federation (NFF) which is the peak national body representing farmers and, more broadly, agriculture across Australia. It is one of Australia's foremost and respected advocacy organisations.

ADF works closely with our international partners, the International Dairy Federation (IDF) and, through NFF, the World Farmers' Organisation (WFO). The IDF represent the global dairy sector, ensuring the best scientific expertise is used to support high quality milk. The WFO is an advocacy body representing farmers globally across all agricultural sectors.

ADF is also a member of Animal Health Australia (AHA), a not for profit company involving the Australian Government, state and territory governments and national livestock industries. The company strives to maintain a robust national animal health system and facilitates partnerships between industry and government members to address specific animal health and welfare issues and ensure an effective national emergency animal disease response capability.