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# August 2012 Update

## ADF Restructure

State farmer groups backed the restructure of Australian Dairy Farmers (ADF) by voting in a new constitution for the national organisation on 15 August.

The 'yes' vote allows for a slimmed-down ADF board to focus on strategy and governance and a new National Council which is a state representative body to provide input on strategic direction and policy matters. Individual farmers can now join ADF directly for the first time. Farmers who want to join ADF must be members of the constituent State organisations. By joining ADF farmers can now receive information directly on national dairy issues.

State and individual farmer members can attend ADF annual general meetings and any farmer can stand for the ADF Board provided they are a member of both their State dairy body and ADF. All ADF farmer members will also be able to vote on the election of Business Directors.

The organisation is close to securing processor investment in whole-of-industry policy and advocacy issues through the Australian Dairy Industry Council (ADIC) to support the provision of a consistent industry voice.

This change would not have been possible without a true partnership approach by ADF and State members. The members should be commended for their commitment to the process and for their efforts to secure a better future for ADF and, in doing so, a strong and influential voice to collectively represent dairy farmers into the future.

**Contact:** Maria Spizzirri



## Murray Darling Basin plan – more consensus papers

The State and Federal Ministerial Council recently released another round of consensus papers on the Murray Darling Basin plan.

At the time the State Victorian and NSW Water Ministers also come to a combined agreement and provided a joint consensus paper. In this paper the Ministers state that they do not support any further general purchase tenders in Victorian and NSW jurisdictions.

This statements support the ADIC Basin Response Taskforce's position that no further buybacks should be needed if all previous water saving measures are properly considered.

The Taskforce is continuing to call on the MDBA and government to include The Living Murray environmental works, as exclusion of these savings from the latest draft Basin Plan will undermine the viability of irrigation districts and is likely to drive up the price of water for those farmers who remain.

**Contact:** Beverley Wallace



## Milk Price War – Canberra meetings

The announcement on the 4<sup>th</sup> of September of the outcome of arbitration between Lion Dairy and Drinks and Dairy Farmers Milk Co-operative (DFMC) once again highlights that Coles pricing of fresh

milk at \$1 per litre is unsustainable.

It is the second year running that negotiations between Lion and DFMC have gone to arbitration. The outcome of the arbitration is that prices for dairy farmers have dropped in NSW, Victoria and South Australia. Queensland prices have been maintained at the same level as 2011/12 despite rising costs.

Increased sales of home brand milk, which have little or no margin for processors, have impacted on the value chain across Australia.

The announcement from Lion and DFMC shows the ongoing impact of milk priced at \$1 per litre. Apart from the price impacts dairy farmers in NSW and Queensland supplying Lion and DFMC are also being affected by:

- a drop in tier 1 volumes (for example 9% in South-East Qld and NSW and 12% in North Qld for DFMC suppliers); and
- significantly lower tier 2 prices being offered over the last few months.

Tier 2 prices have been dropped from as high as 35 cents per litre to 13-15 cents per litre for farmers in South-East Qld and NSW.

The combined impact of these reductions is significant and severely impacts the profitability of dairy farmers in Queensland and NSW.

This latest evidence of the unsustainable pricing of home brand fresh milk products highlights the need for a Supermarket Ombudsman to balance the market power of the major retailers.

The Supermarket Ombudsman needs to have the power to investigate the supermarkets and use both 'name and shame' powers and financial penalties to ensure they treat suppliers and farmers fairly.

ADF is meeting with politicians from all sides of politics to push the Supermarket Ombudsman and changes to the Competition and Consumer Act to provide some balance and fairness in the system. It is vital there is transparency through the value chain and in contracts with farmers.

**Contact:** David Losberg



### Minister Approached on Biosecurity

The Minister for Agriculture, Fisheries and Forestry, Senator Joe Ludwig recently released a December 2011 report from the Biosecurity Advisory Council (BAC). This report contained advice to the Minister regarding improvements of national biosecurity arrangements to achieve a more unified and streamlined approach to managing emergency responses, particularly in dealing with cross-sectoral pest and diseases.

The ADF President Chris Griffin has written to the Minister advising that the ADF does not support an underlying premise in the BAC report that the ideal is to have a "One Company-One Deed arrangement." This refers to the BAC view supporting an amalgamation of Animal Health Australia (AHA) and Plant Health Australia, as well as the animal and plant health emergency response agreements.

The significant differences in emergency response requirements between the animal and plant industries were highlighted. These included completely different production systems, communication networks, biosecurity risks and available approaches to prevent and mitigate emergency incursions which all limit the potential for an effective single response strategy."

The proposal in the report for the establishment of a proactive fund to resource emergency responses was also opposed as being unnecessary, with industry signatories to the Emergency Animal Health Response Agreement (EADRA) being able to initiate levy arrangements at short notice in response to an EAD. "The focus needs to be on ensuring all at-risk industries participate in these arrangements."

"The creation and successful operation of the industry government partnership on animal health arrangements through AHA has ensured the necessary focus and co-operation on what needs to be done by involved and responsible parties. The ADF do not want this to be jeopardised and cannot accept that better outcomes can be achieved for national animal health arrangements and Emergency Animal Disease (EAD) preparedness by merging AHA and PHA," the ADF letter concluded.

**Contact:** Terry Toohey 0428 663 636 and Kevin Shiell 0413 800 349



### FMD Preparedness

Chris Griffin, Terry Toohey and Robin Condron (Dairy Australia)

represented the dairy industry at the National Foot and Mouth Disease (FMD) Stakeholder forum in Sydney on 23 August. FMD has been described as the single greatest threat of any disease to Australia's livestock industries.

The Forum discussed a wide range of FMD-related issues with a focus on those items requiring more urgent attention such as the aspects identified in the review by Ken Mathews in August 2011. Consideration of the revised policy for vaccination was an important subject.

With the development in vaccine technology and changing international attitudes and experiences in FMD response Australia no longer views vaccination as a measure of last resort. The revised policy, endorsed by the Standing Council on Primary Industries (Ministerial Council) continues to be eradication without ongoing vaccination but the potential role of vaccination is to be considered as part of the response strategy from the day an incursion of FMD is detected. The Forum was provided with an update of the work of the FMD Vaccine Expert Advisory Group and helped to identify issues for further resolution and guidance for decision making on the use of FMD vaccines.

Surveillance and early detection and reporting of suspect FMD incidents continues to be one of the most significant factors influencing the size and impact of an FMD outbreak. DAFF have arranged with FAO for training and first-hand experience in an FMD-affected country for 50 Australian government and industry participants in 2012/13. It is planned to nominate dairy industry representatives for the training and they will be expected to share their knowledge and experiences with dairy farmers to improve recognition and early detection capacity in Australia.

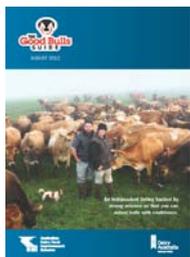
Government and industry have recently collaborated on public health and food safety statements to be used in relation to an FMD outbreak. FMD does not represent a public health issue and Food Standards Australia and New Zealand (FSANZ) have endorsed the following statements to help avoid negative consumer reactions.

The revised AUSVETPLAN FMD Response Strategy which incorporates the new vaccine policy is to be finalised at a High-Level Industry Government Roundtable on 17 September.

Some aspects of revised arrangements for milk handling have been included in the draft revised document but further details and risk management measures for handling and transport of milk are being incorporated in an AUSVETPLAN Dairy Enterprise Manual to be completed this year.

**Contact:** Terry Toohey 0428 663 636 and Robin Condron (DA) 0419 500 374

## August ABV release: new choices for Jerseys



The August release of Australian Breeding Values (ABVs) provides dairy farmers with the most up-to-date information to make breeding decisions for their herds.

It includes the first release of Jersey ABV(g)s – breeding values based on genomics – which will give Jersey breeders new options for selecting sires to use in their herds.

ABV(g)s enable dairy farmers to achieve faster genetic gain by selecting superior young sires with confidence. Daniel Abernethy from the Australian Dairy Herd Improvement Scheme (ADHIS) said genomics was the large scale use of DNA data to predict the future performance of bulls and cows.

Genomic testing – or genotyping – can be done on an animal at any age, allowing breeding values to be estimated for young bulls, long before they have daughters in production.

“An easy way to get started with selecting young Jersey bulls is to refer to the latest issue of the Good Bulls Guide which includes the first list of the top young Jersey bulls based on their ABV(g)s,” he said.

Mr Abernethy said the reliabilities of ABV(g)s for young bulls with no daughter information was about 59% for production traits and about 45% for type traits.

“This is generally double the reliability seen with parental average alone, but it is still lower than the reliability we see for proven bulls.

“A good approach is to use at least two to three young genomic bulls from the Good Bulls Guide as part of this season’s bull team. This provides a balance between the potential genetic gain and risk,” Mr Abernethy said.

The introduction of genomic technology in the Australian dairy industry represents a significant investment of government funds and your dairy service levy. Partners in this program include Dairy Australia, Dairy Futures CRC, ADHIS, DPI-V, Holstein Australia, Jersey Australia and Genetics Australia.

**Contact:** Michelle Axford 0427 573 330

## Dairy boosts its bull bank

Genomics technology is rapidly expanding the dairy industry’s knowledge about the genetics of the Australian herd.

Michelle Axford, from the Australian Dairy Herd Improvement Scheme, said in the four months since April, the genotypes of an additional 408 Holstein bulls had been added to the genomic reference pool.

“These bulls add more data from diverse pedigrees. Some were born as far back as 1972, and on average each bull had 647 daughters,” Mrs Axford said.

“We are building a vast pool of knowledge about the genetic make-up of the Australian dairy herd,” Mrs Axford said.

The Holstein genomic reference population now includes over 3000 bulls and about 10,000 cows thanks to collaboration between the Dairy Futures CRC, farmers, industry partners and ADHIS.

“More data means more reliable genomic breeding values. And the greater the reliability, the more confidence farmers can have in selecting superior young bulls.”

Mrs Axford said genomics allowed dairy farmers to access the latest genetics years earlier than previously under the traditional progeny test program.

Genomics breeding values for dairy bulls are available in the latest issue of *The Good Bulls Guide*, that you can download from [www.adhis.com.au](http://www.adhis.com.au) or read when it arrives in the post this September.

**Contact:** Michelle Axford 0427 573 330



**Bob Hawke Landcare Award**  
DAFF Media Release dated 4 September 2012.

The Minister for Agriculture, Fisheries and Forestry, Senator the Hon. Joe Ludwig, and former Australian Prime Minister, the Hon. Bob Hawke AC, have announced Ms Lynne Strong of Jamberoo, New South Wales, as the winner of the inaugural “Bob Hawke Landcare Award” during the National Landcare Awards dinner.

Minister Ludwig said Ms Strong was recognised for her commitment, passion and leadership in sustainable agriculture through her award-winning dairy enterprise, Clover Hill Dairies.

ADF would like to congratulate Ms Strong on winning this award. For more information on the Bob Hawke Landcare Award or the Landcare movement, please visit <http://www.landcareonline.com.au>.



## Udderly Fantastic

Udderly Fantastic now has over 1,150 members and over 250 blog posts uploaded by dairy people, for dairy people.

Udderly Fantastic is a secure website and a great way to share your stories, photos and discuss the many different issues currently facing the dairy industry. Join up to find out more!

**Contact:** Natalie Collard, Sarah Chahine