

July 2012 Update

ADIC Business Breakfast

The Australian Dairy Industry Council (ADIC) launched its first Business Breakfast on Wednesday 1 August. The Business Breakfast is aimed to bring together industry participants in a focused setting, with an opportunity to engage collectively as well as network individually.

The inaugural Breakfast welcomed 50 guests that were introduced to the expanded ADIC Board, learnt about the dairy processor funding model, and discussed the ADIC Investment Plan.

The Deputy Chair of ADIC, Robert Poole spoke to the extension of the partnership between farmers and processors with an injection of funding of around \$1.125 million dollars per annum by the 14 largest milk manufacturers in Australia. This funding will enable the revitalisation of ADIC policy work through increased capacity to deliver on critical issues to a consistently high standard and, importantly, get the dairy message across to our key audiences.

The ADIC will continue working closely with Dairy Australia who provide technical specialist information and analysis. Robert outlined the key areas of investment of these funds:

- Industry Strategic Planning and Alignment
- Communication and Engagement (including industry forums)
- People and Human Capacity
- Sustainability and Natural Resource Management
- Animal Health and Welfare
- Trade, Domestic and International Market Support
- An ADIC National Dairy Fund (fighting fund)

The ADIC aims to hold up to two Business Breakfasts annually and these will be focused on issues affecting the dairy industry such as Sustainability, Trade, Animal Health & Welfare and Labour & Workforce Participation.

These breakfasts are complementary to the Annual ADIC Dairy Leaders Industry Breakfast, that attracts a wider industry participation and will continue to be our flagship event in November.

Contact: Natalie Collard



National Food Plan

On the 17th of July the Minister for Agriculture, Fisheries and Forestry, Senator Joe Ludwig released the National Food Plan consultative Green paper, "which presents a series of policy options for Australia's food future."

ADF was pleased to see that the green paper picks up on a recommendation we made to the Senate inquiry into the milk price war for a forum to examine options for better managing supplier/supermarket relationships.

Whilst this is a small step in the right direction there is a need for stronger action on the power of the major retailers than that mooted in the green paper.

Currently, in its executive summary, the green paper says, "a further measure for consideration may be an industry code of conduct under the Competition and Consumer Act, as this may provide a mechanism to change culture in the industry sector." Further in the Green Paper it goes on to say that "voluntary arrangements adopted by industries are generally preferable to government regulation."

ADF does not support a voluntary charter or code of conduct as those currently in place do not work. What is needed is an Ombudsman with strong powers and significant financial penalties.

ADF will be meeting with Minister Ludwig and other politicians to discuss the National Food Plan and also the need for an Ombudsman, code of practice with financial penalties and other

legislative amendments to help balance the major retailers' market power.

Other areas of priority for ADF regarding the National Food Plan include R,D & E, People (in particular workforce issues), promoting the importance of dairy as a healthy and nutritious product and market access issues such as Free Trade Agreements. This list is by no means exhaustive but represents some of the key areas we will highlight in our response to the National Food Plan.

Contact: David Losberg

Milk Contracts



The ongoing milk price war issue is seeing its impact in current negotiations. ADF is concerned at recent drinking milk farmgate prices being offered by some processors. As a starting point ADF has sought a meeting with Lion Dairy & Drink's Managing

Director Peter Kean to discuss the proposed reductions in price and volume being put forward to farmers.

Contact: David Losberg

Farmgate opening prices

Opening milk prices announced in late June and early July were lower than last year's opening prices, over 8% lower in some cases.

There are many factors impacting on the low opening milk prices including the high Australian dollar and an over-supply of milk on global markets.

It is important that farmers do all they can to maximise their returns and that processors do all they can to minimise the impact on farmers.

ADF is hopeful that over the year, factors such as anticipated lower US production coupled with ongoing strong demand, may lead to end of season prices that are at the higher end of forecast ranges.

Contact: David Losberg

Permeate-free Milk

In late June Parmalat and Lion Dairy & Drinks announced that their branded milk would be permeate-free.

When asked to comment on the issue, ADF has recommended that consumers choose one of the many branded drinking milks available rather than supermarket private label products.

This is the best way to ensure dairy farmers get a fair return in the current milk price war. ADF has stressed that all milk provides a highly nutritious source of protein, calcium and other essential minerals and vitamins.

We have encouraged consumers to continue to enjoy all the benefits and goodness milk offers as part of a healthy and balanced diet. It is a commercial decision for individual companies to decide if they wish to produce milk that is permeate-free.

The major retailers have recently followed suit and announced that their private label products will also be permeate-free.

ADF's priorities in this debate are to ensure consumers are aware that all milk is healthy and nutritious, and that processors ensure their marketing decision does not hurt dairy farmers who are already facing low milk prices.

Contact: David Losberg



National Health and Medical Research Council (NHMRC) Draft Dietary Guidelines

ADF is working with Dairy Australia to get the NHMRC to change its current draft recommended guideline for milk, yoghurt and cheese. Currently the draft dairy guideline recommends 'mostly reduced-fat' varieties and asks consumers to 'halve their intake of regular-fat varieties'.

We are seeking revised dairy messages that say 'ensure your dairy intake is at least at the minimum recommended level (for your age and gender)' and select the type of milk, yoghurt and cheese you enjoy the most.'

Changing the draft guideline will line up with the scientific evidence and help make sure that Australians consume the amount of dairy they need for a healthy diet.

The 'mostly reduced-fat' message is bad for people's health as it causes some of them to lower their entire dairy intake. This prevents them from accessing the health benefits associated with adequate dairy consumption such as:

- reduced risk of heart disease;
- stroke;
- hypertension;
- type 2 diabetes;
- the metabolic syndrome;
- colorectal cancer; and
- improved bone mineral density.

Contact: David Losberg

Trade References Group Meeting

ADF participated in a Trade Reference Group (TRG) meeting on Thursday the 19th of July. The TRG comprises processor, farmers, Dairy Australia and other industry stakeholders. Representatives from the Department of Foreign Affairs and Trade (DFAT) updated the meeting on progress of Free Trade Agreements and the industry gave feedback on priorities for industry.

The meeting was a useful opportunity to hear directly how negotiations are progressing and for industry to give feedback directly to the lead Australian negotiators.

Contact: David Losberg



Australian Dairy Industry Council Inc.

ADIC Basin Taskforce responds to the Murray Darling Ministerial Council papers

A large number of complex process and methodological issues continue to remain unsolved after the discussions at the Murray Darling Ministerial Council meeting early in July, which included Commonwealth and Basin State water Ministers.

The ADIC Basin Taskforce reviewed the Ministerial Council's comments and separate State responses and provided a dairy industry submission.

In the submission the ADIC called on the MDBA to explicitly commit to counting The Living Murray (TLM) works as contributing towards the 650GL in offsets. By taking this amount into consideration it will accurately reflect the TLM works done to enhance environmental outcomes at icon sites. The ADIC has voiced its concern to the MDBA that this amount was not assessed or reported in the original hydrological models underpinning the draft Basin Plan.

Contact: Beverley Wallace

ADIC Basin Response Taskforce Meetings

During July the ADIC Basin Response Taskforce met with Minister Burke, NSW Water Minister Katrina Hodgkinson and Jane Doolan Victorian Dept Sustainability and Environment.

Taskforce members also attended the MDBA meeting with National Farmers Federation on the Murray Darling Ministerial Council outcomes.

Contact: *Beverley Wallace*

ADF Farming Systems Policy Advisory Group (PAG)

The ADF Farming Systems PAG met by teleconference on Wednesday 25 July. This is the first meeting of the Farming Systems PAG incorporating the ADF Livestock and Herd Improvement PAG. In this meeting, members were updated on the Dairy Australia Farm and Reproduction program areas and discussed the development of objectives and role of the PAG.

Contact: *Beverley Wallace*

ADF Animal Health & Welfare Policy Advisory Group (PAG)

The ADF Animal Health & Welfare PAG met on Tuesday 24 July. The following summarises some of the matters considered:

- 1) **Foot and Mouth Disease (FMD) Policy** – A number of national policy issues are under active consideration to ensure Australian preparedness in the event of an outbreak of FMD. Progress reports were provided on:
 - The Handling of milk in the event of an FMD outbreak
 - Vaccination policy - Ministers have agreed on the use of vaccines as part of the response strategy, and technical detail is now being developed for inclusion in AUSVETPLAN disease response manuals
 - Other product movement controls – including semen and meat.
- 2) **National Biosecurity Legislation** – is undergoing development to replace the Quarantine Act 1908 as part of the Federal Governments reform of the Australian Biosecurity system. Parts of the proposed Bill have been released for public consultation and a number of briefing meetings are being conducted. The ADF with support from Dairy Australia will remain closely involved in assess the implications and suitability of proposed arrangements for the dairy industry.
- 3) **Review of the National Dairy Industry Animal Welfare Strategy (NDIAWS)** – The NDIAWS was developed by the dairy industry in 2003 to guide the dairy industry's ongoing commitment to building on existing practices for the care of all dairy animals. It is currently being reviewed with the aim of ensuring the strategy remains appropriately focused and relevant to the industry's current needs. The AH&W AG provided feedback and input on a revised strategy that will now be recommended to the ADF Board.

- 4) **Other issues** considered by the ADF AH&W AG included:

- Animal health and welfare issues in each state
- Surveillance for detection of exotic disease
- The proposed voluntary National Cattle Health Statement
- Dairy Quality Assurance
- Residue risk management activities
- On-farm animal welfare assessment and assurance
- Animal welfare standards and guidelines
- Dairy heifer exports

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



Feeding the Genes

Cows with better genetics are more profitable, but does the impact of genetics vary with different feeding systems? ADHIS with the support of Dairy Australia's Feed2Milk program are conducting a research project called "Feeding the Genes" to answer this question and we need your assistance.

By answering just seven short questions in our 'tick box' survey you will describe which feeding system your farm operates in. With this information from hundreds of herds we will be able to determine the impact that feeding has on the performance of high and low genetic merit cows in Australian dairy herds.

If you are a herd recording farmer, we would love your participation! You can complete the survey online by following the link at www.adhis.com.au

You'll need to enter *your national herd identification number* that you can find on the front cover of your latest herd test report.

Contact: Michelle Axford, 0427 573 330
maxford@adhis.com.au

Discovering ABVs

ADHIS is pleased to invite you to a one day forum to explore the world of Australian Breeding Values and the exciting research and development activities underway. This event will be invaluable for all people interested in improving Australian dairy herds: breeding advisers, herd improvement representatives, dairy advisers and other dairy industry professionals.

Date: Thursday 30 August, 2012

Time: 10.00 am – 3.30 pm

Location: Quality Airport Hotel
265 Mickleham Rd, Tullamarine VIC

Contact: Peter Williams, 0448 001 819
pwilliams@adhis.com.au



Udderly Fantastic

Udderly Fantastic now has over 1,140 members and over 2,500 photos uploaded by dairy people, for dairy people.

Current popular discussions on Udderly include "60 seconds with Chris Griffin" (ADF President) and a profile from Travis Risstrom, a student from the National Centre Dairy Education Australia (NCDEA).

Travis is a manager on a farm at Yanakie in Gippsland, Victoria and moved into dairying after growing up on a sheep and wheat farm in northern Victoria.

Udderly Fantastic is 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

LIVESTOCK PRODUCTION ASSURANCE
STAND BY WHAT YOU SELL



"Producers asked to standby what they sell"

A media release has been issued on 27 July 2012 by Livestock Production Assurance (LPA) entitled "Producers asked to standby what they sell".

As consumer scrutiny of the production of food grows, Australia's livestock producers are being urged to commit to the Livestock Production Assurance (LPA) program.

From 1 August 2012, accredited producers will be required to confirm their commitment to the LPA program when ordering new NVD booklets. If they do not, they will be unable to purchase LPA NVDs.

"In signing the declaration, producers are pledging that they have carried out all the farm management practices that underpin the LPA standards," said Kevin Roberts, LPA Advisory Committee chairman.

"Signing the LPA NVD demonstrates that producers stand by what they sell."

To renew their commitment to the program, producers are required to complete a declaration. This can be done online via www.mla.com.au/lpa or by calling the LPA helpline on 1800 683 111.

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