

Australian Dairy Plan Progress report – 2021-2022

The Australian Dairy Plan 2020-2025 has five key commitments and progress against these commitments for the financial year 2021-2022 is outlined below

Commitment 1: We will reform industry structures to create a more cohesive dairy industry and strengthen our influence with key stakeholders.

Refined measure*	Progress commentary against refined measure
Procedural and governance changes to existing structures that will deliver stronger leadership and a well-resourced Australian Dairy Industry Leadership Council (ADIC).	<ul style="list-style-type: none"> The ADP partners acknowledge that well-resourced and coordinated advocacy is central to the successful management of key industry issues such as those we currently face. While reform of industry structures was not able to progress in the way we had envisaged, we remain committed to making changes to the way we work together that will strengthen our influence and effectiveness.

**The original measure to create a new industry organisation was resolved infeasible and the measure discontinued*

Commitment 2: We will attract and support new people and investment to build our industry.

Measures	Progress commentary against measures
By 2025, there will be clear pathways to farm ownership, supported by innovative capital access models, tailored for the dairy industry	<ul style="list-style-type: none"> Not progressed further in any significant manner of this reporting period.
By 2023, dairy will be understood and seen as a competitive asset class by a range of investors in regard to profitability and risk.	<ul style="list-style-type: none"> An economic analysis of Australian dairy farm productivity performance has been completed. The findings provide insight into strategies that will optimise dairy productivity and contribute to the investor perspective on dairy profitability and risk.

Commitment 3: We will increase our effort in marketing and promotion to build greater levels of trust and improve the value of dairy.

Measures	Progress commentary against measures
By 2025, there will be greater recognition of the value of dairy in terms of quality and health and nutrition benefits.	<ul style="list-style-type: none"> Significant marketing campaigns have been delivered over the past six months including the Buy Support Enjoy Aussie Dairy campaign. Off the back of new research into the benefits of dairy in the diets of the elderly, a campaign has commenced that uses these research findings to inspire behaviour change in elderly Australians, and
By 2025, there will be stronger support for Australian dairy and a preference to consumer Australian.	

By 2025, there will be stronger trust and acceptance in the health credentials of dairy, the way dairy is produced and the industry's commitment to the environment and animal care.	to encourage GPs and dietitians to recommend increased dairy consumption in their older adult patients.
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Commitment 4: We will intensify the focus on farm business skills to improve profitability and better manage risk.

Measures	Progress commentary against measures
By 2025, dairy farmers will report they are more confident in their business skills and are making more effective, data-driven decision to improve farm performance and manage risk and volatility than they were previously (Target 80%)	400 farm businesses completed Our Farm Our Plan in the last financial year – a program that has leveraged an additional \$1.7 million of project partner funding (including from State and Federal Government) to enable further expansion and reach. The program was a finalist in the 2022 International Dairy Federation Innovation Awards.
By 2025, all dairy farm businesses will have a documented long-term plan and review their progress, at least annually	
By 2025, at least 75% of dairy farmers will be utilising financial risk management tools and products	

Commitment 5: We will restore trust and transparency between farmers and processors to strengthen industry confidence.

Measures	Progress commentary against measures
By end of 2021, the Milk Value Portal will be central and credible reference point on farmgate milk price, with 75% of users agreeing the MVP has increased their understanding of farmgate milk price and value.	<ul style="list-style-type: none"> The Milk Value Portal (MVP) continues to grow as 'one source of the truth' on farmgate milk price across the eight production regions in Australia. Latest survey results show that 65% of users have found farmgate milk price easier to understand after visiting the portal and visitations continue to grow. The MVP is supported by factsheets, education videos, and Quarterly Dairy Market Insights Reports which provide local and global market information on what's influencing commodity prices and farmgate milk prices
By the end of 2022, the first 300 users will download and/or use the business	

<p>calculators via Dairybase and 75% of users will agree the calculator improved their understanding of and supported business decision making.</p>		<ul style="list-style-type: none"> The Australian Milk Price Initiative (AMPI) pilot was developed as a milk pricing platform aiming to introduce both milk price transparency and hedging tools to the Australian industry. The AMPI ran its first spot market for milk in March 2022 and since then, spot markets have been held fortnightly, providing the opportunity for transparency of spot and forward values of milk. This has demonstrated proof of concept that the AMPI tool works in principle, demonstrating that it is feasible that milk can be traded in an open, competitive and standardised market in order to provide a degree of price transparency. However, like any marketplace, AMPI requires active buyers and sellers to provide the required market liquidity of prices, volumes, and trades to demonstrate genuine price signals. It will ultimately be up to the broader industry participants as to whether they adopt the platform as a buying and selling mechanism to create a market, that can then evolve and grow over time.
<p>By 2025, there will be 100% increase in the understanding and level of confidence of the market dynamics across the whole value chain, including the key drivers of farmgate milk price and the impact of their relative movement (baseline measured to be determined at end of 2020)</p>		