

DairySA Regional Development Program

DairySA
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Annual Report

2010–2011



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DIRECTORS & DETAILS

James Mann	Chairperson
Michael Connor	Vice Chairperson
Alexandra Edmonds	Farmer Director
Greg Gilbert	Processor Representative
Simon Gierke	PIRSA Representative
Angus Williams	Farmer Director
Frank Young	Independent Director
Verity Ingham	Executive Officer

Ex-officio member

Prof. Simon Maddocks, Chief Scientist, SARDI Livestock & Farming Systems.

DairySA Regional Development Program Inc.

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STRATEGIC DIRECTION

Vision

To facilitate research, development, extension and education for a profitable, sustainable South Australian dairy industry.

Mission

To facilitate, communicate and/or coordinate dairy farm research, development, extension and education activities with stakeholders to support the implementation of effective extension and regional initiatives.

DAIRY in SOUTH AUSTRALIA – A SNAPSHOT

	2011	2010
Milk production (ml)	587	579
Average farm output (ml)	2.233	2.290
Average herd size	288	293
% change in herd next year	3.8	10.3
% plan more output in 3 yrs	50	37
% positive*	45	50
% plan investment next year	37	27

(Source: Dairy Australia Situation and Outlook 2011)

CHAIRPERSON'S REPORT

DairySA has been involved in a range of farmer-driven projects for the South Australian dairy industry during 2010–2011. Across the state, growing conditions have been mostly favourable and milk prices have been relatively steady.

2010 saw the culmination of the *South East Forage Innovation (SEFI)* project. The experiences gained from this project have been invaluable for dairy farmers across South Australia's Lower South East and further afield. Innovative lessons learnt on growing cool climate maize have been readily adopted on farms across the region and the intensive study of perennial rye-grass (PRG) has also helped dairy farmers better understand the quality characteristics and nutritional implications of rye-grass varieties, as well as the seasonal management impacts on these pasture varieties. The project highlighted that high performing PRG systems require constant and intensive management to achieve optimum results.

The *SA 3030 Fleurieu Partner Farm* has continued to deliver relevant, concise and farmer-driven information. Bill Fraser and his team at *Aruna Vale* have continued to provide a sound platform for the demonstration project. With expertise from Greg Mitchell and Neil Lane, and backed by the 3030 Partner Farm committee, the information resulting from the project has been well received across the state and into Victoria. The project will finish in December 2011.

DairySA and Greg Mitchell, along with Dairy Australia, are in the final stages of developing a new forage project for the Fleurieu and Adelaide Hills regions. The *Fleurieu Forage Innovation* project will include a series of field trials, monitored commercial-scale paddock sowings and associated farmer group work. This project aims to validate and demonstrate spring sowing and a range of alternative pasture and forage crop options to extend the period of good forage supply on Hills and Fleurieu (H&F) dairy farms.

The *SoilsSA* project has provided 40 farmers across the state with access to intensive soil testing and mapping expertise. Farmers have provided excellent feedback on this three-year project which has improved farmers' soil and nutrient management on-farm as well as maximised their fertiliser investment.

DairySA has again been involved in young dairy farmer development across the state with the successful *Making Milk Solid Business* workshop series and providing support to the *Young Dairy Farmer Network* and discussion groups. The ongoing interest and development of young people in dairy is a key to the industry moving forward, both at productivity and leadership levels.

In early 2012, the *Dairy Poll* will be held to determine ongoing industry support for collective national dairy research, development and extension. I urge you to consider the benefit of DairySA and Dairy Australia projects and programs to your business and to the future of the industry. By investing now, we can provide a platform for the future through strong research and extension.

I'd like to take this opportunity to thank the DairySA board for their time and commitment to the organisation. Their skills, knowledge and industry dedication ensure that the funds we invest in RD&E are to the benefit of farmers across South Australia.

James Mann
Chairman
DairySA Regional Development Program Inc.

THE DairySA REGION

DairySA Regional Development Program covers all dairying regions of South Australia and includes the South East, Adelaide Hills, Fleurieu, Murray Lands and the Barossa Mid North. These farming regions all have different issues to deal with due to differing climatic conditions, natural resources, infrastructure, processing, service industries and growth capabilities.

The 2011 farm statistics from the Dairy Authority of South Australia indicate a drop in farm numbers from the previous year (-3.6%), bringing the total number of farms in South Australia to just over 300. Contributing to this has been volatile milk prices. Cow numbers also decreased noticeably with a drop of 7.6%.

	FARM NUMBERS		% of Farms in SA	Change (%)	COW NUMBERS		Change (%)
	Year				Year		
	2010	2009			2010	2009	
Central-Adelaide Hills	28	30	9%	-6.7	4,000	4,733	-15.5
Fleurieu Peninsula	78	82	25%	-4.9	17,246	18,903	-8.8
Upper South East	13	13	4%	0.0	5,572	5,815	-4.2
Lower South East	100	102	33%	-2.0	41,005	43,463	-5.7
Murray River	37	40	12%	-7.5	9,005	10,138	-11.2
Lower Lakes	21	21	7%	0.0	8,612	9,746	-11.6
Mid North	30	30	10%	0.0	6,123	6,284	-2.6
TOTALS	307	318	100%	-3.6	91,563	99,082	-7.6

Source: Dairy Authority of South Australia

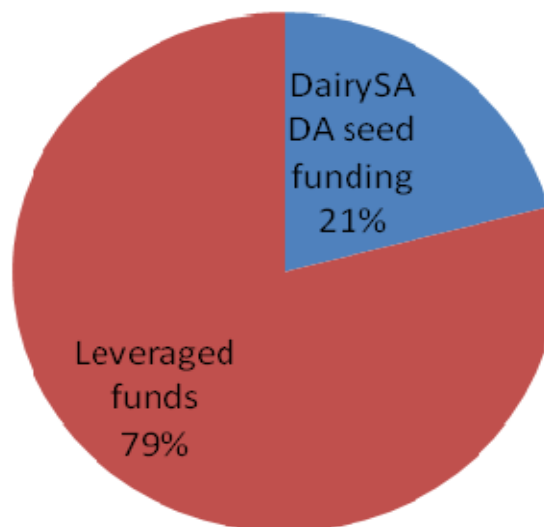
DairySA REGIONAL DEVELOPMENT PROGRAM FUNDING

In 2010–2011, Dairy Australia allocated \$231,493 core funding to DairySA. This was about a 2% reduction from the previous financial year. DairySA continued to develop and deliver programs and significantly leveraged cash and in-kind contributions from other sources.

Dairy Australia’s investment in DairySA was leveraged to attract an additional \$874,935 from co-investors for South Australian dairy related projects.

Total investment in dairy related programs through DairySA totaled \$1,336,195.

Leveraged Funds

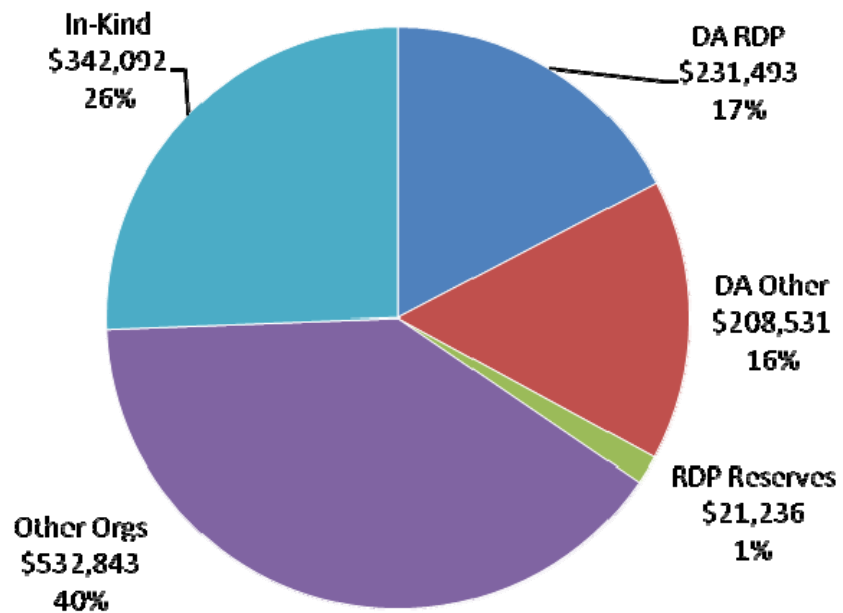


Note: This pie chart does not include DairySA reserves or funds from Dairy Australia that are additional to seed funding.

Major sources of external funds were accessed through the Department of Agriculture, Fisheries and Forestry (DAFF), PIRSA, and various businesses.

In-kind contributions continue to be of significant value to DairySA. The highest contributors of in-kind support are attributed to dairy farmers across the state contributing time and resources within major projects, such as the *3030 Partner Farm* program and urease inhibitors.

Regional Investment

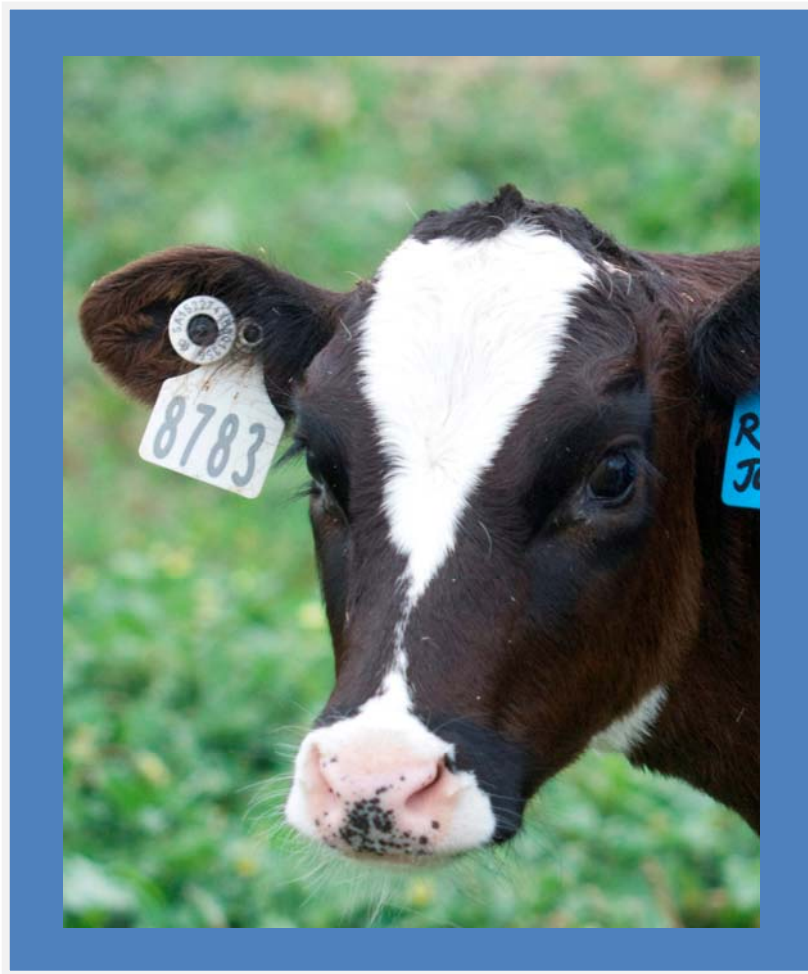


subcommittees help to achieve this. Farmers, processors, consultants, specialist advisers and PIRSA representatives are included in these groups.

DairySA acknowledges the significance of this input, ensuring that programs and projects have a high level of industry input and are relevant to today's dairy farming environment.

The DairySA communications strategy includes feedback mechanisms to dairy farmers and industry through industry updates and dairy innovation days. The DairySA newsletter, distributed monthly, is provided to all South Australian dairy farmers and interested people in dairy service industries. The DairySA website continues to be a reliable source of information for the South Australian dairy community and beyond.

Attendances or presentations by DairySA representatives at relevant forums also provide DairySA with key communication opportunities, as well as forums organised by DairySA—including innovation days.



DairySA seeks feedback from all regions from a variety of sources to ensure programs delivered are relevant and timely. This is achieved through farmer contacts, discussion groups, dairy extension officers, the South Australian Dairyfarmers' Association, PIRSA, service providers and feedback events held. DairySA constantly seeks to remain informed of dairy farm RD&E needs as well as dairy farm business issues of relevance.

This year DairySA provided farmers with the opportunity to attend or host 'kitchen table forums'. Here farmers had the opportunity to provide feedback direct to DairySA on current work, future projects or any issues. Six forums were held across the state and feedback was directed into the updated DairySA Strategic Plan, or acted on as relevant. A cross-section of farmers were phone-surveyed across the state as well to ensure well rounded feedback for the organisation. DairySA is always keen for farmer feedback and kitchen table forums can be requested by farmers through DairySA as required. Feedback via phone or in-person is also welcomed.

The SE Regional Dairy Committee's is also an important form of feedback and direction for DairySA. The committee aims to provide ideas for the regional DairySA Innovation Day, including key themes and speakers, support the DairySA Innovation Day Event Manager, and seek feedback from farmer networks on current issues that could be addressed by DairySA.

**The South East Regional Dairy Committee acts as a focal point for the dairy industry for development and delivery of regional initiatives.
DairySA recognises the importance of the SE regional committee and the significance of having 'grass roots' input at a local level.
Committee members freely give their time and expertise to ensure that the programs they are involved in are relevant to dairy farmers in their region.**

South East Regional Dairy Committee

James Mann, *Chairperson*, Dairy Farmer

Susan Hasse, Advantage Ag

Kylie Boston, *Executive Officer*, Consultant

Rob Palamountain, SE NRM Board

Lyndon Clegget, Dairy farmer

Travis Telford, Dairy farmer

Sean Durcan, Dairy farmer

Mark Thompson, TafeSA

Rebecca Hehir, Elders Limited

Sue Young, Dairy farmer

Morgan Hobin, Dairy Extension Officer

SUMMARY OF DairySA PROJECTS

DairySA undertook a variety of projects in 2010–2011. The organisation’s role in projects varies, ranging from project development and management through to funding support. A summary of projects follows. This is not an exhaustive list of all projects DairySA was involved in, but describes major projects and depicts the key range of focus areas over the past year.

Details of the projects outcomes and activities can be viewed in the project library on the DairySA website www.dairysa.com.au.

Feedbase Production and Utilisation

DairySA supports feedbase projects that:

- develop profitable and sustainable dairy farming systems that best utilise regional resource availabilities.
- increase skills in forage management and utilisation.
- explore alternative feedbase systems to provide dairy farmers with adaptable and profitable options for feeding dairy cows.

PROJECT	REGION/S	FUNDING SOURCE/S and/or PARTNERS	INVESTMENT*
3030 Fleurieu Partner Farm	Fleurieu with resources for all dryland	Dairy Australia and DairySA	\$76,430
Feed Wastage Workshops	Fleurieu, Barossa Mid North and South East	Dairy Australia and DEC	Funded direct from DA and DEC
Feeding Dairy Cows Workshops	Central and South East	TafeSA and NCDEA	\$17,500
Forage Skills	All regions	DairySA	\$9,500
South East Forage Innovation	South East with resources for irrigated regions	DairySA and Dairy Australia	\$65,800

*This indicates the financial year investment only, not the full project budget for projects that operate over one or more financial years.

Natural Resources Management

DairySA supports natural resource management projects that:

- contain point source pollution on-farm.
- minimise diffuse source pollution.
- optimise production from utilised land and water resources.
- develop environmental stewardship, ensuring the environment on and off-farm is enhanced.
- assist South Australian dairy farmers to adapt their farming systems to cope with changes in climate.

PROJECT	REGION/S	FUNDING SOURCE/S and/or PARTNERS	INVESTMENT*
Climate change adaptation through understanding farm emissions and water use efficiency	South East	Department of Agriculture Fisheries and Forestry (DAFF)	\$103,200
Dairying for Tomorrow in the SE	South East	Department of Agriculture Fisheries and Forestry (DAFF)	\$34,197
Future Ready Dairy Systems (FRDS)	Murraylands, Barossa Mid North, Adelaide Hills	Department of Agriculture Fisheries and Forestry (DAFF) and Dairy Australia	\$101,700
Reusing dairy effluent to reduce surface water run-off	Lower Murray irrigation area	SA MDB NRM board and farmer investment	\$17,200
SA Dairy Soil Nutrients	Barossa Mid North, Fleurieu, South East	Department of Agriculture Fisheries and Forestry (DAFF)	\$199,800

*This indicates the financial year investment only, not the full project budget for projects that operate over one or more financial years.

People in Dairy and Business Management

DairySA supports people in dairy and business management projects that:

- support farmers to develop better business skills.
- promote the industry and opportunities in dairying.
- enhance access to innovative process and procedures that develop efficient and profitable dairy businesses.
- engage in business performance and benchmarking programs.

PROJECT	REGION/S	FUNDING SOURCE/S and/or PARTNERS	INVESTMENT*
Cows Create Careers	All regions	Dairy Australia , DairySA and commercial business	\$20,000
Tassie Tour for young farmers (Don Campbell tour)	All regions	DairySA and GippsDairy	\$970
Dairy business support and advice sessions		DairySA reserves	\$26,000
Making Milk Solid Business – Young Dairy Farmer Network	All regions	Department of Agriculture Fisheries and Forestry (DAFF)	\$133,250
Gippsland Tour: Feeding, leading and breeding	Fleurieu	DairySA	\$23,700

*This indicates the financial year investment only, not the full project budget for projects that operate over one or more financial years.

Animal Performance

DairySA supports people in dairy and business management projects that:

- assist farmers to maximise milk production and herd fertility while meeting the needs of the animals.
- promote industry initiatives regarding herd health and reproduction.

PROJECT	REGION/S	FUNDING SOURCE/S and/or PARTNERS	INVESTMENT*
Cools Cows Workshops	South East	Dairy Australia	Funded direct from DA
Cups on Cups off —milk harvesting workshop	All regions	Participants	Funded by participants, TafeSA and NCDEA
Fleurieu Fertility project	Fleurieu	DairySA	\$9,136
Focus on Fertility forum	Central region	DairySA	\$6,337

*This indicates the financial year investment only, not the full project budget for projects that operate over one or more financial years.

Education and Extension

PROJECT	REGION/S	FUNDING SOURCE/S and/or PARTNERS	INVESTMENT*
Dairy Discussion Groups	All regions	DairySA and participants	\$31,962
DairySA Innovation Day	South East	DairySA, sponsors and participants	\$23,000
SA Dairy Extension Officers	All regions	PIRSA, Dairy Australia and DairySA	\$299,275

*This indicates the financial year investment only, not the full project budget for projects that operate over one or more financial years.

ACKNOWLEDGEMENTS

DairySA gratefully acknowledges the following organisations for their support:



Government of South Australia
Primary Industries and Resources SA



Dairy SA Regional Development Program Inc

**Financial Report
For the Year Ended 30 June 2011**

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Dairy SA Regional Development Program Inc

Statement by Members of the Committee

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 5:

1. Presents fairly the financial position of Dairy SA Regional Development Program Inc as at 30 June 2011 and its performance for the financial year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Dairy SA Regional Development Program Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Dated this _____ day of _____ 2011

Dairy SA Regional Development Program Inc

Committee's Report

Your committee members submit the financial report of Dairy SA Regional Development Program Inc for the financial year ended 30 June 2011.

Committee Members

The names of Committee members throughout the financial year and at the date of this report are:

James Mann, Rob Mulhern, Greg Gilbert, Simon Maddocks, Simon Gierke, Frank Young, Michael Connor, Craig Zilm, Verity Ingham, Alex Edmonds and Angus Williams.

Principal Activities

The principal activities of the association during the financial year were research and development for a profitable dairy industry.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The operating result from the association's activities was a deficit of \$3155.

Related Party Transactions

In accordance with section 35(5) of the Associations Incorporation Act 1985, the committee of Dairy SA Regional Development Program Inc hereby states that during the financial year ended 30 June 2011:

- (A) i) no officer of the Association;
ii) no firm of which an officer is a member; and
iii) no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the association.
- (B) no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary nature.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the association in future financial years.

Signed in accordance with a resolution of the members of the committee.

Dated this _____ day of _____ 2011

Dairy SA Regional Development Program Inc

**Income and Expenditure Statement
For the Year Ended 30 June 2011**

	2011	2010
	\$	\$
Income		
Project Income		
Dairy Australia (DA)	256,558	341,816
PIRSA	10,000	10,000
Dept Agric, Fisheries & Forestry	281,906	198,163
NRM Board	6,000	7,500
Sponsorship	18,227	43,730
Farmer Registration Fees	16,386	24,109
Interest Received	13,352	12,095
Other /Income - Extension Materials	1,196	1,000
Reimbursements (DA)	3,656	2,206
	<hr/>	<hr/>
Total Income	607,281	640,619
Expenses		
Accommodation	7,246	6,356
Advertising, Promotion & Communication	12,460	23,997
Auditor's Remuneration	4,135	4,165
Bank Charges	430	420
Project Delivery	404,655	452,614
Catering	21,921	7,642
Dues & subscriptions	70	45
Attendance Fees	12,303	12,412
Gifts	427	359
Insurance	6,896	6,777
Conference Registrations	1,605	7,022
Office Expenses	1,211	1,121
Postage, Printing & Stationery & office expenses	22,075	21,891
Project Operating Expenses	40,586	18,414
Seminar Expenses	34,466	33,566
Sponsorship	1,569	3,728
Telephone	1,312	1,747
Travelling Expenses	36,583	35,395
Venue Hire	486	2,122
	<hr/>	<hr/>
Total Expenses	610,436	639,793
Profit from Ordinary Activities	(3,155)	826

The accompanying notes form part of the financial statements



Dairy SA Regional Development Program Inc

**Balance Sheet
As at 30 June 2011**

	2011	2010
	\$	\$
Current Assets		
Cash		
ANZ Business Extra Account	106,765	68,666
Rabo Plus Account	235,080	271,845
ANZ GST Payment Account	-	56,237
ANZ GST Management Account	84,628	-
Next Gen 2 Account	8,589	40,219
Urease Project Account	-	1,481
Next Gen 3 Account	49,005	-
WUE & DGAS	179	164
	<hr/>	<hr/>
Total Cash	484,246	438,612
Receivables		
Trade Debtors	92,653	91,357
	<hr/>	<hr/>
Total Receivables	92,653	91,357
	<hr/>	<hr/>
Total Current Assets	576,899	529,969
	<hr/>	<hr/>
Total Assets	576,899	529,969
	<hr/>	<hr/>
Current Liabilities		
Creditors and Borrowings		
Accounts Payable	52,684	-
Accruals	-	3,750
GST Paid/Collected	7,060	5,909
	<hr/>	<hr/>
Total Creditors & Borrowings	59,744	9,659
	<hr/>	<hr/>
Total Current Liabilities	59,744	9,659
	<hr/>	<hr/>
Total Liabilities	59,744	9,659
	<hr/>	<hr/>
Net Assets	517,155	520,310
	<hr/>	<hr/>
Members Funds		
Retained Profits	517,155	520,310
	<hr/>	<hr/>
Total Members Funds	517,155	520,310
	<hr/>	<hr/>



The accompanying notes form part of the financial statements

Dairy SA Regional Development Program Inc

**Notes to and forming part of the Financial Statements
For the year ended 30 June 2011**

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of South Australia 1985. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act of South Australia and the following applicable Accounting Standards:

AASB 110: Events Occurring After Reporting Date
AASB 1031: Materiality

No other applicable accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Goods and Services Tax

Revenues and expenses are recognised net of the amount of goods and services tax (GST) except where the amount of GST is not recoverable or payable to the Australian Taxation Office.

Receivables and Payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is shown separately in the Balance Sheet.

Note 2: Retained Profits

Retained profits at the beginning of the financial year	520,310	519,484
Net profit (loss) attributable to members	(3,155)	826
Retained profits at the end of the financial year	<u>517,155</u>	<u>520,310</u>

