



Murray Dairy Interim Strategic Plan

2024/25

DELIVERING
for **DAIRY**

Background

Every three years, Murray Dairy reviews its Strategic Plan and sets the broad priorities for the following three years.

This brings together farmers' priorities and considers the operating environment impacting the region. Murray Dairy is working closely with Dairy Australia to streamline delivery and align priorities and investment in the region. Murray Dairy's last Strategic Plan was from 2020–2023. Dairy Australia is due to renew its Strategic Plan in 2024 and will work with Murray Dairy and other stakeholders in the region to connect and consult with farmers to ensure it is relevant, up-to-date, and closely reflects farmer needs. As a result, the Murray Dairy Board has decided to extend the current Strategic Plan for a 12-month period, and then update a full three-year Strategic Plan in conjunction with Dairy Australia. This will ensure that both Strategic Plans are aligned, and consultation with farmers and industry is efficient and effective. This will also coincide with the delivery of a new *Dairying in the Murray Darling Basin Regional Strategy* being developed by the Gardiner Foundation in partnership with Murray Dairy and industry stakeholders, which will provide critical input into both Strategic Plans.

This document provides a summary of the Interim Strategic Plan for 2024, which is based on a streamlined version of the Strategic Plan 2020–23. It contains new Key Performance Indicators to reflect the shortened time frame and an updated SWOT analysis to reflect the current state of the industry.

The role of Murray Dairy

Murray Dairy is one of eight Regional Development Programs (RDPs) supported by Dairy Australia.

Murray Dairy's role is to provide regional context, relevance and connection for targeted services to the dairy industry within the Murray region. Murray Dairy coordinates research, development and extension (RD&E) activities drawing on international, national and state resources complemented by cross-sector and regionally-driven partnerships. Activities are tailored to the specific climate, water, market, policy and regulatory environments in which farmers operate in the Murray region.



Dairy in the Murray Region

Dairy plays a major role in Murray region communities, employing more than any other agricultural sector and contributing over \$700 million to the local economy.

Every \$1 million of dairy production generates 6.5 FTE ongoing jobs. In addition, dairy supports numerous auxiliary services including advisors, vets, dairy machinery and irrigation equipment specialists, agricultural stores, financial services and agronomists. Dairy businesses in the Goulburn Murray Irrigation District (GMID) and southern NSW Riverina have access to relatively cheap, productive land, a modernised irrigation system and diverse feed sources to maintain a supply of high-quality milk. Dairy businesses in the North-east subregion reap the benefits of high business equity and reliable, plentiful rainfall supporting pasture-based systems. All major processors are present in the Murray region, as well as a diversity of smaller milk companies supplying specialised markets. The region is strategically located to transport milk and dairy products around Australia and export to major international markets.

The Murray Dairy industry has demonstrated huge capacity to adapt and develop innovative farm systems and business management practices to respond to challenges and take up opportunities. The region, and consequently its dairy industry, has changed significantly since the millennium drought (1997-2009). Change drivers include rising input costs, volatile milk prices and challenging commodity markets. In the GMID and Riverina subregions, specific change drivers include water policy reform, climate change and volatile seasonal conditions such as drought and floods. In the North-east, transitioning dairy to the next generation has challenges. Few landholders sell, creating a barrier to new entrants and investors. Change is most apparent in the GMID, where the intensively irrigated, pasture-based systems of the past have diversified into more extensive, diverse systems capable of growing, sourcing and storing a wide range of feed. Recently, land use has also shifted away from dairying towards cropping, mixed farming and grazing. Many of these land uses, however, supply a supporting feedbase that underpins the region's diverse dairy farm systems.

Despite pressure on multiple fronts, our farmers have proved their ability to respond proactively with an eye for the future. Dairy remains a dominant land and water user, and is a critically important component of the regional economy. Innovation is embedded in the diverse farms systems reflecting each subregion's strengths and individual businesses' unique approach to problem solving. Diversity of climate and farm systems means season and market shocks do not affect all farmers alike. Instead, where one subregion may be disrupted, others continue business as usual. Resilience is also evident in Murray Dairy farmers becoming highly skilled in risk management, strategic planning, agronomy and operating in complex fields such as the water market. Confidence in the future is evident in new entrants/ investors and the emerging next generation, who only know the new operating environment and farm accordingly. Dairy farmers are now experienced in adapting feed systems in response to volatile climate, water and market trends. The Murray region benefits from a strong industry culture of farmer-to-farmer learning, nurturing skills, welcoming new ideas and people. The Murray region is strategically well located to buy feed with low freight from cropping businesses within and nearby the dairy regions. Good soils, temperatures and a longer growing season support year-round milk production. While the future operating environment is likely to be characterised by increasing variability and volatility which will require adaptive management at all industry levels, the industry has already demonstrated a capacity to evolve and adjust to these change drivers. Further support is now required to accelerate the rate of transition and the uptake of new knowledge, innovation and best practice. The strategy challenge for Murray Dairy is to ensure dairy farmers have the information they need to support the farm system they choose as best for their business model now and in the future. Effective risk management is key, ensuring farmers buffer their risks through flexible, adaptive farm systems, and lift profitability by capitalising on efficiency gains.

SWOT analysis

The following provides some more details about the strengths, weakness, opportunities and threats facing Murray Dairy as an organisation and the industry more broadly.

Strengths

- 1 Resilient industry:** The dairy sector remains a key economic driver despite various pressures.
- 2 Diverse farm systems:** Varying climates and farming systems buffer against widespread disruptions, allowing tailored risk management.
- 3 Skilled farmers:** Farmers are adept at risk management, strategic planning, and adapting feed systems to volatile conditions.
- 4 Industry culture:** Strong culture of learning and knowledge sharing supports continuous improvement and innovation.
- 5 Strategic location:** The region's advantageous location supports competitive processing, efficient feed procurement, transportation, logistics, and year-round milk production.
- 6 Emerging generations:** New entrants and the next generation of farmers bring new energy and perspectives.

Weaknesses

- 1 Aging demographics in North-east:** Land use changes and reduced options for new entrants may stifle innovation and adaptation.
- 2 Transitional challenges:** Ongoing industry transition due to rising input costs, volatile milk prices, and water policy reforms requires effective management.
- 3 Declining milk production:** Decrease in milk production impacts the overall industry revenue and sustainability.

SWOT

Analysis for the dairy industry in the Murray Region

Opportunities

- 1 Technological innovations:** Advancements in irrigation, feed sourcing, and dairy production can improve efficiency and sustainability.
- 2 Sustainable practices:** Growing demand for sustainable farming practices presents an opportunity for adoption and funding.
- 3 Policy engagement:** Active engagement with policymakers can ensure the industry's considerations are represented in water and climate policies.
- 4 Education and training:** Further education and training in new technologies and risk management can enhance profitability and adaptability.

Threats

- 1 Economic volatility:** Economic downturns including from reduced milk production or forces such as inflation can impact funding from levies and government contributions.
- 2 Climate change:** Increasing climate variability and extreme weather events pose significant risks.
- 3 Regulatory changes:** New regulations could increase operational costs and complexity, challenging profitability and sustainability.
- 4 Market volatility:** Fluctuations in milk prices and commodity markets require robust risk management and strategic planning.

Strengths

- 1 Strong corporate knowledge:** Proven track record of identifying and delivering investments that meet stakeholders' needs.
- 2 Industry culture:** Supports continuous improvement and innovation through strong learning and knowledge-sharing culture.
- 3 Skilled farmers:** Farmers adept at risk management and strategic planning, enhancing the effectiveness of Murray Dairy's programs.

Weaknesses

- 1 Dependency on external funding:** Susceptible to fluctuations in milk production and government grant programs, affecting financial stability.
- 2 Resource constraints:** Limited financial and technological resources compared to larger national organisations.
- 3 Difficulty in attracting and retaining staff:** Challenges in recruiting and retaining skilled personnel impact operational efficiency and service quality.
- 4 Rising costs and inflation:** Increasing operational costs due to inflation put financial pressure on Murray Dairy.
- 5 Declining milk production:** A decrease in milk production impacts Murray Dairy's revenue from levies, limiting financial resources.

SWOT

Analysis for Murray Dairy as an Organisation

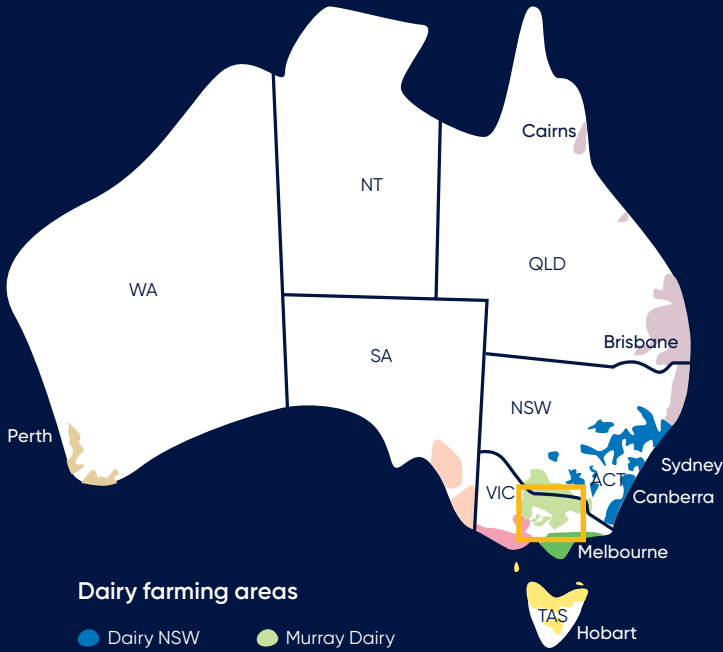
Opportunities

- 1 Technological innovations:** Embracing advancements can improve efficiency and sustainability.
- 2 Sustainable practices:** Promoting environmentally friendly practices can attract funding and support.
- 3 Policy engagement:** Informing policy development can ensure industry considerations are represented.
- 4 Education and training:** Providing education and training opportunities can enhance adaptability and profitability.

Threats

- 1 Economic volatility:** Can impact funding from levies and government contributions, posing a risk to financial stability.
- 2 Climate change:** Increasing climate variability and extreme weather events necessitate adaptive management strategies.
- 3 Regulatory changes:** New regulations could increase operational costs and complexity, challenging profitability.
- 4 Market volatility:** Fluctuations in milk prices and commodity markets require robust risk management and strategic planning.
- 5 Difficulty in staff retention:** Can hinder organisational effectiveness and the ability to deliver high-quality programs.
- 6 Rising operational costs:** Inflation and rising costs for core business operations strain financial resources and affect program delivery.

Regional snapshot



Dairy farming areas

- Dairy NSW
- Dairy SA
- Dairy TAS
- GippsDairy
- Subtropical Dairy
- WestVic Dairy
- Western Dairy
- Murray Dairy



- 1 Lactalis Australia (Bendigo)
- 2 Fonterra Australia (Stanhope)
- 3 Kyvalley Dairy (Kyabram)
- 4 Tatura Milk (Tatura)
- 5 ACM (Girgarre)
- 6 Noumi (Shepparton)
- 7 Bega Cheese (Strathmerton)
- 8 Saputo (Cobram)
- 9 Milawa Cheese Co. (Milawa)
- 10 Riverina Fresh (Albury)
- 11 Saputo (Kiewa)
- 12 Gundowring Ice Cream (Gundowring)
- 13 Goulburn Valley Creamery (Kyabram)

Dairy in the Murray Region 2023/24

Average herd size

343
COWS

\$1,224
million
milk/farmgate value
of milk produced

Milking

276,000
COWS

805
registered dairy farms

5,900
people directly working in dairy

Producing
1,679 million litres of milk

Our organisation

Our vision

Fostering a confident, valued and profitable dairy industry.

Our mission

Murray Dairy leading in the development and delivery of trusted, timely and relevant dairy services to meet farmer and broader industry needs.

Our objectives

- 1 To be a centre of excellence for diverse, adaptable and profitable production systems qualified by regional, national and international expertise.
- 2 Promote the adoption of practices that improve farmer and industry outcomes accounting for the region's wide range of geographical, climatic, market and regulatory environments.
- 3 Foster partnerships, networks and increase recognition, to enhance opportunities, benefits and community support for the industry.
- 4 To ensure we have access to quality people with the right skills to advance our industry.



Our strategic priorities

In recognition of the key trends, issues and opportunities in our region, the following priority areas have emerged:

1 Promote adoption of innovation and industry best practices

Statement of intent

Murray Dairy will deliver agile services that meet the needs of the region's diverse production systems.

2 Foster partnerships, networks and increase regional industry recognition

Statement of intent

Murray Dairy will enhance productive partnerships and networks and increase the industry's recognition to ensure the industry is well resourced, engaged and valued.

3 Attract, retain and develop quality people

Statement of intent

Murray Dairy will invest to ensure a perpetual supply of diverse, highly skilled and talented people for the dairy industry.

1 Promote adoption of innovation and industry best practices

Statement of intent

Murray Dairy will deliver agile services that meet the needs of the region's diverse production systems.

No	Priority area	Description	KPI
1.1	Support delivery of DA National Programs and investments	Murray Dairy provides a platform to deliver Dairy Australia's national priority programs.	Priorities identified in the DA Five-Year Strategy 2021-25, and the 2020 Australian Dairy Plan.
1.2	High quality, relevant and timely delivery of complementary activities directly to Murray region farmers and stakeholders	Murray Dairy will develop and deliver regionally relevant services using innovative technical information and extension practices.	One premier conference event delivered biannually. One major flagship project focusing on driving feedbase performance in local conditions delivered annually.
1.3	Identify and respond to future drivers of change	Murray Dairy will continue to identify and support adaptation to future environment impacts and drivers of change such as climate, water policy reform and market trends.	In partnership with the Gardiner Foundation and other stakeholders deliver updated Dairy in the Murray Darling Basin Regional Strategy. Collaborate with Dairy Australia to deliver updated Dairy Australia Strategic Plan-Murray Region to ensure it reflects the needs of the region. Develop and maintain a list of key priority areas for RD&E investment to represent effective investment opportunities for stakeholders to best support the Murray Region.

2 Foster partnerships, networks and increase regional industry recognition

Statement of intent

Murray Dairy will enhance productive partnerships and networks and increase the industry's recognition to ensure the industry is well resourced, engaged and valued.

No	Priority area	Description	KPI
2.1	Engaged dairy industry networks	Murray Dairy will create and support industry networks to promote information sharing and development of the industry.	Murray Dairy will support the delivery of: Regional Network Groups. <ul style="list-style-type: none"> • The Young Dairy Network. • Active Discussion Groups • DBNs.
2.2	Embracing productive partnerships	Murray Dairy will create and maintain productive partnerships including with: <ul style="list-style-type: none"> • Dairy industry stakeholders including DA, The Gardiner Foundation, other RDPs, State advocacy bodies, ADF and milk companies. • Agriculture industry partners including Birchip Cropping Group, Irrigated Farmers' Network. • Regionally with CMAs, Water Authorities, local government. • Members of Parliament. 	Murray Dairy Board and EO will engage key partners to deliver: <ul style="list-style-type: none"> • 4 collaborative projects annually. • 1 executive level tour of the region annually. • 4 engagement opportunities per annum with key funders.
2.3	Trusted source of information	Murray Dairy will provide regional intelligence for industry, local, State and National Government bodies and other organisations in support of policy development, strategic planning and priority setting and RD&E investment opportunities.	Represent Murray Dairy farmers on 4 steering committee or advisory groups annually. Murray Dairy will respond to all requests for information about the industry.

3 Attract, retain and develop quality peoples

Statement of intent

Murray Dairy will invest to ensure there is a perpetual supply of diverse, highly skilled and talented people underpinning the industries success.

No	Priority area	Description	KPI
3.1	Promote HR and workforce best practice	Murray Dairy will actively promote and deliver programs that embrace the adoption of HR, WHS and workforce best practices and standards.	Murray Dairy will support the dissemination of best practice people and OH&S management through ensuring industry resources are available and up to date, integrating safety messages into extension delivery and supporting linkages to information through Farmer Engagement Leads.
3.2	Attracting people to the industry	Murray Dairy will engage with the education sector and other community groups to highlight the career opportunities and facilitate connects within the industry.	Murray Dairy will deliver information and support to assist 40 farmers attract and retain CALD employees through partnership with the Gardiner Foundation.
3.3	Developing a pipeline of quality people	Murray Dairy will nurture a pipeline of diverse and skilled people involved in the industry including farmers and service providers.	Murray Dairy will support two PhD students to work on research relevant to the Murray region. Murray Dairy will support the placement of one internship annually.

4 Organisational performance

Statement of intent

Murray Dairy Board and Executive will run an efficient and effective organisation that is financially responsible and is an employer of choice.

No	Priority area	Description	KPI
4.1	Financial sustainability	Murray Dairy will operate within budget. Diversification of income.	90 per cent adherence to annual operating budget. 25 per cent of funding will come from external sources.
4.2	OH&S	Murray Dairy will adhere to all compliance and legislation relating to OH&S. Murray Dairy staff will have zero major OH&S incidences.	100 per cent compliance OH&S requirements.
4.3	Development of Murray Dairy's people	Murray Dairy will support the development of highly skilled and passionate staff and Board members to support the Organisation's activities and outcomes.	All staff implement and completes a professional development plan. One Board member or executive per annum completes training through Australian Institute of Company Directors.





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