



# ANNUAL REPORT 2021/22

SUBTROPICAL DAIRY PROGRAMME LTD





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# SUBTROPICAL DAIRY BOARD

A Board Selection Committee recommends appointments to the Board, which are voted upon at each Annual General Meeting. Recommendations are based on skills, experience and ability to commit to the role. The Constitution allows for between six and nine Board members with the majority needing to be dairy farmers operating in the Subtropical Dairy region of Queensland and northern NSW.

During 2021/22, the Board met twelve times, excluding the Annual General Meeting. The Board Directors are listed below with a record of attendance. The Board also has committees including Finance, Audit and Risk, Projects, Strategy and Innovation, and Extension and Adoption.

	Attended		Attended
 <b>Paul Weir</b>	Farmer Director – Kyogle NSW Chair 01/07/21 to 28/02/22 Extension and Adoption Committee Projects Committee 11/12	 <b>Howard Smith</b>	Independent Director Appointed 11/11/21 Extension and Adoption Committee Projects Committee 6/6
 <b>Luke Stock</b>	Farmer Director – Glenore Grove Qld Interim Director 01/07/21 to 11/11/21 Director 11/11/21 to 30/06/22 Interim Chair 28/02/22 to 30/06/22 Vice Chair 01/07/21 to 28/02/22 Finance, Audit and Risk Committee NRM Steering Committee 12/12	 <b>Paul Judge</b>	Farmer Director – Gowrie Junction Qld Projects Committee Strategy and Innovation Committee Young Dairy Network Project Advisory Committee 10/12
 <b>Ian Hollindale</b>	Independent Director Interim Vice Chair 28/02/22 to 30/06/22 Finance, Audit and Risk Committee Strategy and Innovation Committee 11/12	 <b>Bill Tranter</b>	Independent Director Term ended 11/11/21 Extension and Adoption Committee Projects Committee 4/6
 <b>Ruth Chalk</b>	Farmer Director – Carney's Creek Qld Extension and Adoption Committee Projects Committee 12/12	 <b>Cameron Whitson</b>	Independent Director Finance, Audit and Risk Committee Strategy and Innovation Committee 12/12
 <b>Rob Cooper</b>	Independent Director Finance, Audit and Risk Committee Projects Committee Strategy and Innovation Committee 11/12	 <b>Brad Granzin</b>	Company Secretary

# SUBTROPICAL DAIRY STAFF

Subtropical Dairy has seven staff members. These are a mix of full-time and part-time Dairy Australia employees and contractors.



Executive Officer Subtropical Dairy  
Regional Manager Dairy Australia  
Company Secretary

**Brad Granzin**



Regional Extension Officer – Sunshine Coast and  
Central Queensland  
Commenced 10 January, 2022  
Resigned 17 May, 2022

**Arlene Rutherford**



Regional Extension Officer – Northern NSW  
Resigned 10 September, 2021

**Alicia Richters**



Regional Extension Officer –  
Far North Queensland  
Resigned 30 June, 2022

**Jo Srhoj**



Regional Extension Officer –  
Northern NSW  
Commenced 10 January, 2022

**Alana Connolly**



Project Manager: Resilient Farm Systems and  
Precision Fertiliser FNC NSW

**Ruth Chalk**



Regional Extension Officer –  
Sunshine Coast and Central Queensland  
Business Support Officer  
Resigned 29 October, 2021

**Kylie Dennis**



IT Manager

**Di Gresham**



Regional Extension Officer –  
Darling Downs and South-east Queensland

**Belinda Haddow**

## REPORT FROM THE CHAIR

Despite a promising start to 2021/22, unprecedented flooding and wet conditions across much of the region resulted in one of the most challenging years in history for the northern Australian dairy industry.

A number of farms across the Subtropical Dairy region were inundated by catastrophic floods, some multiple times. For those farms not directly flooded, ongoing wet conditions saw lost crops, missed plantings and herd health issues commonplace. These challenging operating conditions were further compounded by high input prices for feed and fertiliser, and a challenging labour market. Dairy Australia supported Subtropical Dairy with almost \$200,000 of funding for over 150 consultancies and events to assist dairy farms and businesses to recover from flooding and wet conditions. I would like to thank our Regional Extension Officers for their commitment to servicing our farms during this challenging time.

During 2021/22, Subtropical Dairy delivered 90 workshops and events to 1221 participants. This delivery was down compared to previous years due to Regional Extension Officer resignations, Covid-19 restrictions and flooding from late February 2022. Programmes delivered during the year included Our Farm, Our Plan, Dairy Farm Business Fundamentals, Herd Nutrition, Low Stress Calving, Rearing Healthy Calves, Cups On Cups Off and Farm Safety.

2021/22 also saw Subtropical Dairy complete or continue its delivery of two major external projects: The Resilient Farm Systems project funded from the National Landcare Program and the Dairy Grains Mentor project funded from the Australian Government's Future Drought Fund. The Resilient Farm Systems project completed working with 30 southern Queensland dairy farms to develop feed-based strategies to manage climate variability. The Dairy Grains Mentor project is a concept developed by Subtropical Dairy Director Ruth Chalk. This project is engaging with dairy businesses to reduce their risk and exposure to drought and soil degradation by adapting key agronomic and soil conservation strategies from regional grain farmers.

Subtropical Dairy would also like to acknowledge funding received during 2021/22 from the Farm Business Resilience Program which is co-funded through the Australian Government's Future Drought Fund and the Queensland Government's Drought and Climate Adaptation Program. This funding was used to support a number of projects in Subtropical Dairy such as our Commodity Report, additional on-farm technical consultancies and group events focussed on business resilience.

We continued our investment in our regional RD&E newsletter, Northern Horizons, during 2021/22. Six editions were published and emailed to 925 recipients as well as being posted in hard copy to dairy businesses in our region. We are very grateful to our sponsors of Northern Horizons – Department of Agriculture and Fisheries Queensland, Allflex Australia, Alltech Lienert, AusWest and Stephen Pasture Seeds, Biomin Australia, Bugs for Bugs, Dairy Express, Feed Central, Lallemand Animal Nutrition and Queensland Machinery Agency.

I would like to thank our staff, consultants and collaborators for their efforts during the year. The ongoing financial and in-kind support of the Department of Agriculture and Fisheries Queensland, regional processors and agribusiness are vital to our operations and value-adding to levy investment.

I would like to thank my Board members for their diligence and governance over the 2021/22 year. Special thanks goes to Paul Weir who stood down as Chair following the devastating flooding to their farm in February. Today also sees Paul step down as a Subtropical Dairy director after serving eight years on the Board. I would like to acknowledge Paul's contribution to Subtropical Dairy. This AGM sees the retirement of Ian Hollindale after serving 12 years as a director for Subtropical Dairy. Subtropical Dairy will miss Ian's extensive senior executive experience from a career spanning over 50 years in the Australian dairy industry.

I would also like to acknowledge our Regional Groups, their chairs and secretaries who are the foundation and members of Subtropical Dairy. Finally, I would like to thank our Executive Officer, Dr Brad Granzin, our Regional Extension Officers – Alana Connolly, Kylie Dennis, Belinda Haddow, Fiona Neville, Alicia Richters, Arlene Rutherford and Jo Srhoj, and our project managers – Ruth Chalk and Di Gresham for their great efforts during the year.

I hereby submit my Chair's report to the 2022 Annual General Meeting of Sub-tropical Dairy Programme Limited.



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**Luke Stock** Chairman  
Subtropical Dairy Programme Ltd





## EXECUTIVE OFFICER'S REPORT

During 2021/22, Subtropical Dairy's revenue was \$984,048. Our key revenue sources were Dairy Australia (\$567,372), Australian Department of Agriculture, Water and the Environment (\$167,249) and the Queensland Government's Farm Business Resilience Project (\$120,000).

We also appreciate the financial support from regional agribusiness during the year for projects such as regional dinners and Northern Horizons. During 2021/22, this sponsorship totalled approximately \$45,643. We also highly value the significant ongoing in-kind investment from the Queensland Government and milk processors. Including in-kind expenditure from collaborating organisations, Subtropical Dairy delivered projects valued at \$1.5 million.

Our expenditure during 2021/22 was invested in a variety of projects, all of which are aligned to our priorities outlined in our Strategic Plan 2017-2022 and also the national priorities of Dairy Australia.

Key projects delivered this year included:

- The employment of Regional Extension Officers to deliver a range of technical events, facilitate groups, provide flood recovery services and manage our communication channels.
- Our networks such as our Regional Groups.
- Workshop and webinar delivery including the disciplines of business strategic planning, financial management, flood recovery, managing employees and farmer safety.
- Our communication and engagement platforms such as our bimonthly newsletter, Northern Horizons, [www.northernaustraliandairyhub.com.au](http://www.northernaustraliandairyhub.com.au), the weekly eNews, the Commodity report and Facebook groups.
- Regionally targeted applied R and D which is instigated by Regional Groups.

2021/22 also saw the fifth year of implementation of Subtropical Dairy's Strategic Plan 2017-2022. Flooding, Covid-19, reduced farmer engagement, and a reduction in access to government grants, whether at federal or state levels, have all been constraints to the implementation of this plan. Despite this, Subtropical Dairy continued progress during 2021/22 in a number of key strategies regarding delivering improved business strategic planning, safe work practices, animal welfare, improved herd reproduction and improved industry capacity to manage climate risk.



As with other extension activities, participation and outcomes from our Regional Groups were also challenged during 2021/22. Subtropical Dairy invested in thirteen Regional Group projects with some of these projects continuing from previous years.

These covered a range of disciplines including herd nutrition, forage development, discussion groups, greenhouse gas mitigation, herd reproduction and pasture nutrient management. Further details can be found in the People section of this year's Annual Report.

Despite 2021/22 being a challenging year in terms of extension delivery, a pleasing result has been the continuation of our programmes being rated highly by participants. During 2021/22, our post event evaluation results showed that participants ranked our events 8.9 out of 10 in terms of value to their business. This result is a continuation of the previous high scores recorded during 2020/21 (8.9) and 2019/20 (8.5).

I am very fortunate to work with a team of great colleagues: Belinda, Di, Fiona and Ruth. Their hard work, commitment and patience is greatly appreciated by the Subtropical Dairy Board, their Executive Officer, Dairy Australia, their service provider colleagues and the farmers who work with them. I would also like to acknowledge our team members who resigned over the last twelve months: Arlene, Alana, Kylie and Jo.

Finally, I would like to thank Luke Stock, Ian Hollindale and the Board for the confidence shown in myself to carry out this role.

I hereby submit my Executive Officer's report to the 2022 Annual General Meeting of Sub-tropical Dairy Programme Limited.

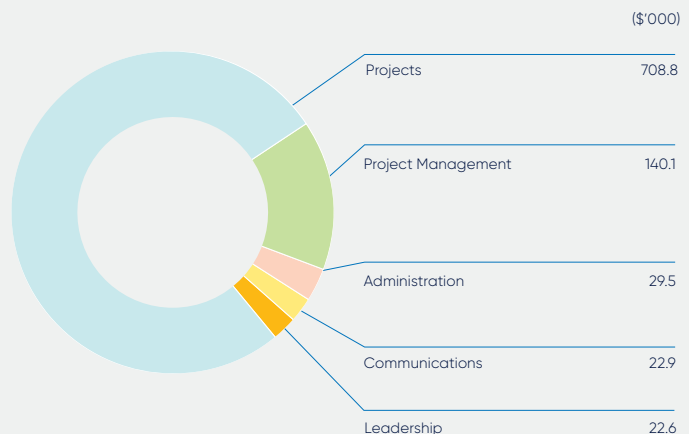


*Dr Brad Granzin*

**Dr Brad Granzin** Executive Officer  
Subtropical Dairy Programme Ltd

## EXPENDITURE 2021/22

Subtropical Dairy endeavours to provide the most effective and efficient spend of funds. The graph of expenditure under a range of headings, is shown to the right.



# FARM BUSINESS MANAGEMENT

Subtropical Dairy supports farm business management practices that:

- Increase profitability by improved decision making based on appropriate analysis and interpretation
- Increase long-term profitability and business resilience through enterprise strategic planning
- Inform farmers and aspiring farm owners about business and ownership models that can enable transition in or out of the industry.

In response to unprecedented flooding and wet weather, Subtropical Dairy and Dairy Australia in conjunction with state governments and local service providers facilitated a range of on-farm consultations, events and workshops to help dairy businesses with a range of technical issues, accessing government funding and long term business planning. The quantum of this response was one of the largest seen in Subtropical Dairy's history. The impact on our industry and its long term sustainability has been significant.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Our Farm, Our Plan (seven online sessions)	A risk and strategic business planning program that aims to support dairy farmers to consistently make decisions over time that increases profit and wealth, while confidently responding to challenges and opportunities, manage risk and achieve their own business and personal goals.	Dairy Australia, Gardiner Foundation, Dairy NZ	\$31,374
Dairy Farm Business Fundamentals (one series)	Farm Business Fundamentals provides participants with the skills and knowledge to setup and use good record keeping systems for farm financial and physical information, prepare an annual farm budget and create a balance sheet for their business.	Dairy Australia	\$13,325
Flood response and Taking Stocks (144 completed)	Taking Stocks address the specific needs of dairy businesses during challenging operating conditions. These may include financial, biophysical and human resource issues.	Dairy Australia	\$251,978
Flood and Wet Weather recovery workshops and dinners (10)	Group Q&A sessions focussed on feed management and herd health.	Dairy Australia, agribusiness and processors	\$61,025
Dairy Farm Monitor (benchmarking three farms in northern NSW)	Participating farmers are provided with data regarding their cost of production and profit drivers that can be most readily improved.	NSW DPI and Dairy Australia	\$8,085

**Got your game plan yet?**  
Set your farming and personal goals with **Our Farm, Our Plan**

Whether you want to improve business performance, grow your herd, invest in new equipment, or just carve out a little more time for yourself, then Our Farm, Our Plan can help.







**Delivering for Dairy**



Australian Government  
Department of Agriculture,  
Water and the Environment



Future  
Drought  
Fund



GARDINER  
FOUNDATION



Contact our regional team  
Visit [dairyaustralia.com.au/ofop](http://dairyaustralia.com.au/ofop)  
Call 1800 548 073

This program is delivered nationally by Dairy Australia, with funding support from the Australian Government and state governments through the Future Drought Fund, the Gardiner Dairy Foundation and other project partners.

## CASE STUDY: Rob Stewart and family

There was a time when Rob Stewart was convinced his family's dairy farm needed a dam.

He'd contemplate this piece of costly irrigation infrastructure as he milked their herd of 130–150 registered Holsteins.

For the Warwick, Queensland dairy farmer – he thought a dam could help mitigate the risk of fodder shortages in dry years and reduce any possible reliance on costly bought-in feed.

This could have been true – but it would have been unnecessary.

It turned out there was no need for the Stewart family to stump-up for this costly investment as an alternative plan not only required less capital outlay, but it also helped mitigate climate risk.

All Rob needed was a fresh perspective from an outside expert.

This industry consultant helped him, and his parents Bill and Coralie, use historical rainfall data and soil samples to devise a farm business model that maximised homegrown feed in 'good' rainfall years to bolster fodder stores.

He got this advice through the Subtropical Dairy Our Farm Our Plan workshops where he and his parents developed feasible and realistic farm plans to ensure the sustainability of their business.

'If it wasn't for the Dairy Australia program, we wouldn't have got help,' Rob said. 'We would have worked it out ourselves, but when there are professionals out there, their expertise is definitely worth chasing-up instead of making mistakes on our own.'

These free workshops, include one-on-one professional support over two years and are designed to help farmers identify long term goals, improve business performance, and manage volatility.

Our Farm, Our Plan is a program designed by Dairy Australia and delivered in Queensland and northern NSW by Subtropical Dairy.

Rob saw the workshops advertised in the Subtropical Dairy Northern Horizons newsletter and registered for the COVID safe Zoom sessions.

A former schoolteacher, and three years into his return to the family farm, Rob wanted to develop a sustainable farm model that maximised returns without depleting their asset or hindering the businesses' future.



'We wanted to see what the farm is capable of without pushing it beyond its means so therefore a fourth generation can continue – my kids – if they choose that path,' he said.

Participating in Our Farm, Our Plan also prompted the Stewarts to address succession planning – providing Rob with a path from employee to farm ownership, while accounting for his three siblings off-farm.

Like all dairy farmers, Rob has little downtime.

Our Farm, Our Plan not only highlighted the long term and business benefits of achieving a work-life balance, but thanks to the structure of the program he understood how to achieve this and more through an investment in farm labour.

'We now have a full-time employee and two casuals, school students, so our goals from the Our Farm, Our Plan sessions are lining up,' Rob said.

'But with the extra labour we are making sure we are getting the cropping, and everything done when it should be. When that's all being done properly, we should be able to get the feed stores up.'

The goals generated as part of the Subtropical Dairy Our Farm, Our Plan sessions were intrinsically linked. For example, planning an annual family holiday to ensure a better work-life balance results in improved on-farm management.

'It keeps us fresh on the farm, the idea that you know you can get away for a holiday and that's something to look forward to,' Rob said.

As part of the workshops Rob and his parents also developed a plan to build a new dairy and calf shed.

For Rob, the structure of a plan – backed by professional advice – and the accountability that comes with goal setting provided confirmation about the sustainability of his family farm.

The modelling involved in the Stewart's Our Farm, Our Plan goals provided them with assurance that they can run a self-sufficient operation and manage climate extremes.

## AGRONOMY AND HERD NUTRITION

Subtropical Dairy supports projects that:

- Increase forage production and utilisation
- Improve the nutritional management of herds
- Investigate management and breeding techniques of tropical grasses to significantly increase intake and/or digestibility
- Address the market failure in the improvement of perennial tropical grasses.

Subtropical Dairy continued its long-term collaboration with the Department of Agriculture and Fisheries (DAF) Queensland at Gatton to support regional feedbase RD&E. C4 Milk (Developing low risk high forage feeding systems) continued as a key project for the northern Australian dairy industry. During 2021/22, DAF also wrote a number of C4 Milk technical articles in each edition of Northern Horizons. Many thanks goes to DAF staff for supporting this initiative.

Subtropical Dairy continued to publish the Weekly Hay and Grain report customised for our region during 2021/22. This is generated from the national Dairy Australia report and is emailed to over 850 recipients every week as a component of Subtropical Dairy's Weekly eNews.

Subtropical Dairy also continued the delivery of the Commodity Report every fortnight during 2021/22. This was supported by funding from the Farm Business Resilience Program which is co-funded through the Australian Government's Future Drought Fund and the Queensland Government's Drought and Climate Adaptation Program. The Commodity Report was also financially supported by Dairy NSW and Murray Dairy given its relevance to total and partial mixed ration farms across inland NSW and northern Victoria.



Project and outputs	Description	Co-funder	Total funding inc. in kind
Feedbase Management (two workshops)	Our joint workshops delivered by the Department of Agriculture and Fisheries team covered some of the new research findings from the C4Milk project, revisited some of the fundamentals of forage management and herd nutrition, and discussed any local relevant emerging opportunities and issues.	Department of Agriculture and Fisheries, Processors and Agribusiness	\$11,000
Basic Nutrition (two workshops)	A course which reviews fundamental nutritional science and its application in subtropical and tropical dairy farming systems.	Agribusiness	\$10,450
Smarter Irrigation 2 (one review dinner)	The Smarter Irrigation for Profit – Phase 2 (SIP2) project is a partnership between the dairy, cotton, horticulture, rice and grain sectors, supported by funding from the Australian Government. There are four dairy industry projects that collectively aim to get the irrigation fundamentals right on farm, increase adoption of existing technologies and explore the potential of new strategies and technologies not yet adopted in dairy. A partner farm was located at Coraki, FNC NSW.	Cotton Research Development Corporation, Dairy Australia, Sugar Research Australia, Grains Research and Development Corporation, NSW DPI, Department of Agriculture and Fisheries	\$5,603





## ANIMAL HEALTH AND WELFARE

Subtropical Dairy supports animal management projects that:

- Improve herd reproduction, especially during hot conditions
- Mitigate high heat loads on milking herds
- Improve levels of mastitis management
- Results in farmers operating at best practice in animal husbandry.



Project and outputs	Description	Co-funder	Total funding inc. in kind
Low stress calving (one workshop)	Low Stress Calving is an on-farm, group discussion focusing on how transition cow feed management can adapt fresh cows ruminants to high energy feeds, avoid milk fever and other health problems around calving related to hypocalcaemia, maintain high feed intakes post calving and control body condition loss in early lactation.	Dairy Australia	\$5,223
In Charge herd fertility (two webinars)	Benchmarking and improving herd reproductive performance.	Dairy Australia	\$7,800
Rearing Health Calves (two workshops)	An event focussing on pre-calving care, calf housing, identification and traceability, nutrition, disease prevention, health management and weaning management.	Dairy Australia	\$10,446
Cups On Cups Off (two workshops)	Cups on Cups Off is designed to help both farm owners, managers and employees to deliver best practice management regarding milk harvesting and milk quality, with the emphasis on the detection, treatment and prevention of clinical mastitis.	Dairy Australia	\$9,700
Milking Mastitis Management – online self-facilitated programme	Five module online and on-farm program for new and inexperienced milking staff. Covers bringing the cows in, WHS, cups on, cups off, post-milking teat disinfection, detection of clinical mastitis and water use around cows in the dairy.	Dairy Australia	\$5,603

## PEOPLE

Subtropical Dairy supports projects that:

- Support young people in the dairy industry
- Embed a culture of safe work practices in all dairy farm businesses
- Result in farmers being preferred employers and skilled managers
- Develop new leaders
- Improve the capacity of staff.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Regional Groups (seven with 10 meetings)	Undertake local R&D and advocate for Subtropical Dairy services.	Department of Agriculture and Fisheries, Processors and Agribusiness	\$80,845
Discussion groups (seven groups supported across 14 events)	Subtropical Dairy funds support for discussion groups to enable dairy farmers to share ideas and learn from each other's experiences. This financial support can be facilitation, technical delivery or operating costs. Subtropical Dairy supports ongoing discussion groups based on regions, groups focussed on a particular topic or short-term discussion groups as follow up from a workshop or course.	Dairy Australia	\$54,748
Young Dairy Network (six events)	The Young Dairy Network aims to develop the personal, technical, business, communication and leadership skills of young dairy farmers, create a network of young farmers that shares challenges and successes and boosts morale through challenging periods, and inspire young farmers to grow and develop together.	Processors and agribusiness	\$32,302
Cows Create Careers – projects delivered in northern NSW and Darling Downs	Cows Create Careers is a Dairy Australia program designed to promote dairy industry careers and industry education to students in years 7-11.	Jaydee Events, Lismore and Toowoomba secondary schools	\$30,254
Farm Safety (five online events)	The Safety on Farm project goal is to make a sustainable improvement to the safety of farm owners, employees, families, contractors, service providers and visitors that come onto the farm through provision of materials and workshops.	Dairy Australia	\$23,615
Employment attraction, retention and compliance (four events)	Practical strategies to improve time management and communication skills for dairy leaders.	Dairy Australia	\$23,892
Stepping Back (one event)	Business transition strategies for owners looking to reduce their involvement.	Dairy Australia	\$5,223



## Regional Groups

2021/22 saw Regional Groups continue in Far North Queensland, Darling Downs/Burnett, Sunshine Coast, south-east Queensland, Far North Coast NSW and Mid North Coast NSW. Each Regional Group has an annual budget of \$5,000 to invest in local RD&E projects, with some additional funding provided to some regions during 2021/22. Project proposals are submitted to the Subtropical Dairy Board Projects Committee.

Projects supported during 2021/22 were:

- the incidence of mycotoxins in tropical grass swards (FNQ)
- an appraisal of *Vigna parkeri* germplasm for seed production in far north Queensland (FNQ)
- establishing a mid-career discussion group (FNQ)
- developing Key Performance Indicators (FNQ)
- herd health consultancies (CQ)
- a survey of acaricide resistance on Sunshine Coast dairy farms (Sunshine Coast)
- evaluation of milk urea nitrogen as an indicator of nitrous oxide emissions (Sunshine Coast)
- feedmilling and labour survey (Sunshine Coast)
- reproductive performance on south-east Queensland dairy farms (SEQ)
- an evaluation of rumen bolus technology (Smaxtec) to aid with the detection of calving and heats (Darling Downs)
- precision nutrient mapping and tactical fertiliser application on northern NSW dairy farms (Far North Coast NSW)
- a preliminary consultancy regarding the feasibility of establishing collective carbon trading platforms for the Far North Coast NSW dairy industry (Far North Coast NSW)
- electroconductivity scanning and satellite NDVI images to precision manage pastures (Mid North Coast NSW).

A tropical grass evaluation project instigated by our Sunshine Coast Regional Group was also included as a project in C4Milk.

## Discussion Groups and Young Dairy Network

During 2021/22, Subtropical Dairy and Dairy Australia funded seven discussion groups across the region which held 14 events. This project also supported the continuation of the delivery of modules from the Farm Safety manual which commenced in 2019/20.

Engaging with new and emerging farmers through our Young Dairy Network (YDN) again proved difficult this year. Challenging industry conditions has again seen low engagement. A positive was the instigation of a new YDN discussion group on the Darling Downs led by Kieran Bourke with support from Subtropical Dairy Regional Extension Officer Belinda Haddow. We would like to replicate this model going forward across other Subtropical Dairy regions.



## NATURAL RESOURCE MANAGEMENT (NRM)

Subtropical Dairy invests in NRM projects that build industry capability to manage land, water and energy resources to minimize environmental impact whilst enhancing profit and mitigating climate risk.

Two large NRM projects (also with feedbase outcomes) delivered during 2021/22 included the Resilient Farm Systems project and the Dairy Grains Mentor project.

The Resilient Farm Systems project is funded from the National Landcare Program. It has the key objective of improving climate risk management strategies of Southern Queensland dairy farms to deliver resilient and sustainable soils, waterways and businesses. The project completed recruiting 30 farms to look at strategic and tactical on-farm opportunities to improve their sustainability including financial, biophysical and social outcomes. A key approach used in this project is the development of multi-year feed budgets based on climate modelling. Subtropical Dairy would like to acknowledge the significant support of the Queensland Department of Agriculture and Fisheries in the delivery of this project.

The Dairy Grains Mentor project is a concept developed by Subtropical Dairy director Ruth Chalk. Funded by the Australian Government's Future Drought Fund, this project engaged with dairy businesses to reduce their risk and exposure to drought and soil degradation by adapting key agronomic and soil conservation strategies from regional grain farmers. A Community of Practice between these industries was developed focussed on contemporary agronomic practices in conjunction with the adoption of sustainable soil health practices. Further coaching support was provided by consulting agronomists who service the northern Australian grain's industry. This project has allowed Queensland and northern NSW dairy farms to improve the resilience of their business against drought, improve groundcover, nutrient utilisation and soil health, thereby reducing the risk of sediment and nutrient loss.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Resilient Farms – Southern Qld	Improving climate risk management of Southern Queensland dairy farmers to deliver resilient and sustainable soils, waterways and businesses.	Department of Agriculture and Water Resources, Department of Agriculture and Fisheries Qld	\$215,125
Dairy Grains Mentors	The Dairy Grains Mentoring project aims to reduce dairy business risk and exposure to drought and soil degradation by adapting key agronomic and soil conservation strategies learnt from regional grain farmers.	Department of Agriculture, Water and the Environment	\$180,125



## COMMUNICATION AND SERVICE IMPROVEMENT

Subtropical Dairy invests in projects that:


- Develop and deliver world class RD&E that is regionally relevant, contextualised and adapted to business needs
- Improve the delivery model to drive participation and adoption (practice change)
- Improve participation and adoption through better marketing and communication
- Overcoming barriers to practice change post-participation
- Co-invest in contemporary RD&E for tropical and subtropical dairy businesses through global relationships.

Key to the delivery of this portfolio is Subtropical Dairy's communication platform. Relevant projects delivered during 2021/22 are shown below.

2021/22 continued to see our bimonthly newsletter, Northern Horizons, as a highly valued extension resource. We sincerely thank all of our sponsors and contributors to Northern Horizons. Subtropical Dairy would like to acknowledge funding for our Commodity Report from the Farm Business Resilience Program which is co-funded through the Australian Government's Future Drought Fund and the Queensland Government's Drought and Climate Adaptation Program.

Project and outputs	Description	Co-funder	Total funding inc. in kind
Northern Horizons (six editions)	A 24 page publication focussing on contemporary RD&E for the northern Australian dairy industry	Department of Agriculture and Fisheries Queensland.	\$114,532
Website <a href="http://northernaustraliadairyhub.com.au">northernaustraliadairyhub.com.au</a>	Local website co-delivered with Department of Agriculture and Fisheries Queensland.	Department of Agriculture and Fisheries Queensland Corporate Sponsors	\$51,615
Commodity pricing and availability report (24 editions)	Provide fortnightly market intelligence regarding by-product availability and pricing	Dairy Australia, Dairy NSW, Murray Dairy	\$47,230
Weekly eNews (50 editions)	A newsletter including upcoming events for all the Subtropical Dairy regions, Seasonal Reminders, Covid-19 updates, the weekly Hay and Grain report and any other current links, information or news.	Dairy Australia	\$32,338
Flood response online meetings (10)	Network regional service providers, share intel of conditions on ground, identifying service gaps, assist with service deployment.	Department of Agriculture and Fisheries, Processors, Agribusiness and Advocacy	\$87,230
Facebook	One Subtropical Dairy group and seven Young Dairy Network groups.	Regional farmers and agribusiness	\$29,784
Regional dinners (five)	Regional engagement	Processors and Agribusiness	\$47,230
Levy engagement dinners (six)	Q&A session regarding levy voting options.	Dairy Australia	\$53,435





Subtropical Dairy



Dairy Australia

June 2022

# NORTHERN HORIZONS



[@subtropicaldairy](#)    [www.northernaustraliandairyhub.com.au](http://www.northernaustraliandairyhub.com.au)

**Inside this issue**

- Mastitis control in wet conditions
- Pasture quality variation between strata of annual ryegrass
- Soil Testing – Understanding your soils
- Key to quality colostrum + more



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# FINANCIAL REPORT

## Statement of comprehensive income for the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Revenue	2a	991,656	674,764
Depreciation expenses		(45)	(53)
Operating expenses	2b	(923,939)	(686,332)
Surplus (Deficit) before income tax expense		67,672	(11,621)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Sub Tropical Dairy Programme Ltd		67,672	(11,621)
<b>Other comprehensive income for the year net of tax</b>		-	-
<b>Total comprehensive income/(loss) for the year, attributed to members</b>		<b>67,672</b>	<b>(11,621)</b>

The accompanying notes form part of these financial statements.

## Statement of financial position as at 30 June 2022

	Note	2022	2021
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	645,008	597,114
Trade and other receivables	4	31,450	26,240
Other financial assets	5	401,161	399,236
Other current assets	6	3,354	3,300
<b>Total current assets</b>		<b>1,080,973</b>	<b>1,025,890</b>
<b>Non-current assets</b>			
Plant and equipment	7	255	300
Total non-current assets		255	300
<b>Total assets</b>		<b>1,081,228</b>	<b>1,026,190</b>
<b>Current liabilities</b>			
Trade and other payables	8	13,987	26,621
Total current liabilities		13,987	26,621
Total liabilities		13,987	26,621
<b>Net assets</b>		<b>1,067,241</b>	<b>999,569</b>
<b>Equity</b>			
Retained surplus		1,067,241	999,569
<b>Total equity</b>		<b>1,067,241</b>	<b>999,569</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2022

	Retained surplus	Total
	\$	\$
<b>Balance at 1 July 2020</b>	<b>1,011,190</b>	<b>1,011,190</b>
Surplus for the year	(11,621)	(11,621)
<b>Balance at 30 June 2021</b>	<b>999,569</b>	<b>999,569</b>
Surplus for the year	67,672	67,672
<b>Balance at 30 June 2022</b>	<b>1,067,241</b>	<b>1,067,241</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2022

	Note	2022	2021
		\$	\$
<b>Cash flows from operating activities</b>			
Receipt from grants		982,445	670,137
Payments to suppliers and employees		(934,638)	(667,245)
Interest received		2,012	4,937
<b>Net cash (used in)/generated from operating activities</b>	<b>9</b>	<b>49,819</b>	<b>7,829</b>
<b>Cash flows from investing activities</b>			
Payments for debentures and deposits		(1,925)	(4,710)
<b>Increase (decrease) in cash held</b>		<b>47,894</b>	<b>3,119</b>
Cash and cash equivalents at the beginning of the financial year		597,114	593,994
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3</b>	<b>645,008</b>	<b>597,114</b>

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

## Note 1 Summary of significant accounting policies

The financial statements cover Sub-Tropical Dairy Programme Limited as an individual entity. Sub-Tropical Dairy Programme Limited is a not for profit company limited by guarantee, incorporated and domiciled in Australia. The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared to meet information requirements of the members. The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The financial statements are presented in Australian Dollars, which is Sub Tropical Dairy Programme Limited's functional and presentation currency. The accounting policies that have been adopted in the preparation of this report are as follows:

### Accounting Policies

#### (a) Revenue

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and the time value of money, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Where the performance obligations within an enforceable contract are not sufficiently specific revenue will be recognised as it is received. All revenue is stated net of the amount of goods and services tax (GST).

#### (b) Trade receivables:

Trade and other receivables are measured at amortised cost, less any provision for impairment.

#### (c) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

#### (e) Other financial Assets

Term deposits with original maturities of more than 3 months are classified as other financial assets – held to maturity. These term deposits are measured at amortised cost using the effective interest rate method.

#### **(f) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the Statement of Cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(g) Income Tax**

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

#### **(h) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

#### **(i) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. There were no significant adjustments as a result of estimates or judgments during the period.

#### **(j) Economic Dependence**

Sub-Tropical Dairy Programme Limited is dependent on Dairy Australia for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe Dairy Australia will not continue to support Subtropical Dairy Programme Limited.

#### **(k) New or Amended Accounting Standards and Interpretations Adopted**

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.



## Note 2 Surplus/(Deficit) for the year

	2022	2021
	\$	\$
<b>a Revenue</b>		
Funding Received	989,672	670,884
Interest Received	1,984	3,880
	<b>991,656</b>	<b>674,764</b>
<b>b Operating Expenses</b>		
Project Expenses	708,775	439,504
Industry Meetings	22,612	44,050
Communication	22,887	33,608
Project Management	140,148	137,569
Administration	25,467	27,751
Audit Fees	4,050	3,850
	<b>923,939</b>	<b>686,332</b>

## Note 3 Cash and cash equivalents

	Note	2022	2021
		\$	\$
Cash at bank		645,008	597,114
		<b>645,008</b>	<b>597,114</b>

## Note 4 Trade and other receivables

	Note	2022	2021
		\$	\$
Current			
Trade receivables		19,931	25,768
Credit card		-	-
GST refundable		11,075	-
Interest accrued		444	473
		<b>31,450</b>	<b>26,241</b>

## Note 5 Other financial assets

	Note	2022	2021
		\$	\$
Term deposits (Held – to – maturity investments)		401,161	399,236
		<b>401,161</b>	<b>399,236</b>

## Note 6 Other current assets

	Note	2022	2021
		\$	\$
Prepaid insurance		3,354	3,300
		<b>3,354</b>	<b>3,300</b>

## Note 7 Plant and equipment

	Note	2022	2021
		\$	\$
Plant and equipment – at cost		13,320	13,320
Less accumulated depreciation		(13,065)	(13,020)
		<b>255</b>	<b>300</b>

## Note 8 Trade and other payables

	Note	2022	2021
		\$	\$
Current			
Other amounts payable		13,987	26,298
GST payable		-	323
		<b>13,987</b>	<b>26,621</b>

## Note 9 Cash flow information

	Note	2022	2021
		\$	\$
Reconciliation of cash flows from operations with			
Surplus/(Deficit) for the year		67,672	(11,621)
Non cash flows			
Depreciation		45	53
Changes in assets and liabilities			
Decrease/(increase) in receivables and other assets		(5,264)	407
(Decrease)/increase in trade and other payables		(12,634)	18,990
<b>Net Cash flows (used in)/provided by operating activities</b>		<b>49,819</b>	<b>7,829</b>

## Note 10 Entity details

The registered office of the company is:

455 Tregeagle Road, Tregeagle NSW 2480

The principal place of business is:

455 Tregeagle Road, Tregeagle NSW 2480

## Note 11 Member guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 (2020 – \$10) each towards meeting any outstanding obligations of the company. At 30 June 2022 the number of members was 7; at 30 June 2021 the number of members was 7.

# DIRECTOR'S DECLARATION

For the year ended 30 June 2022

The directors of the company declare that:

- a The financial statements and notes, as set out on pages 8 to 15, are in accordance with the *Corporations Act 2001* and:
  - i comply with Australian Accounting Standards to the extent of Note 1;
  - ii give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
- b In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Ruth Chalk  
Director



Luke Stock  
Director

7 October 2022

# INDEPENDENT AUDITOR'S REPORT



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## Independent Auditor's Review Report

To the Directors of Sub-Tropical Dairy Programme Limited

### Conclusion

We have reviewed the financial report of Sub-Tropical Dairy Programme Limited (the Company), which comprises the statement of financial position as at 30 June 2022 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Sub-Tropical Dairy Programme Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date.

### Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Emphasis of Matter – Economic Dependence

We draw attention to Note 1(j) to the financial report, which describes the company's economic dependence on Dairy Australia for the majority of its revenue used to operate the company. Our opinion is not modified in respect of this matter.

### Responsibility of the Directors for The Financial Report

The directors of the Sub-Tropical Dairy Programme Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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### **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the year ended on that date and complying with the *Corporations Regulations 2001*.

### **Auditor's Responsibility for the Review of the Financial Report (Continued)**

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Crowe Audit Australia*

**Crowe Audit Australia**

A handwritten signature in black ink that reads "Bruce Preston".

**Bruce Preston**

Partner

5 October 2022

Toowoomba

# AUDITOR'S INDEPENDENT DECLARATION



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## Auditor's Independence Declaration

As auditor of Sub-Tropical Dairy Programme Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sub-Tropical Dairy Programme Limited during the year.

*Crowe Audit Australia*

**Crowe Audit Australia**

A handwritten signature in black ink that reads "Bruce Preston".

**Bruce Preston**  
Partner

5 October 2022  
Toowoomba

# ACKNOWLEDGEMENTS

The Subtropical Dairy Board of Directors sincerely appreciates the financial assistance and support of many people and organisations. In particular we would extend our appreciation to the following:

- All Dairy Farmers in the Subtropical Dairy region
- All project and program supporters and sponsors
- Advanced Rural
- Agrimentum
- Allflex
- Alltech Lienert Australia
- Auswest and Stephens Pasture Seeds
- Barenbrug Australia
- Bega
- Biomin Australia
- Border Ranges Richmond Valley Landcare Network (BRRVLN)
- Bugs for Bugs
- Castlegate James and MiFeed
- Chairs and Secretaries of SDP regional groups
- Conrad Carlile Accountants
- CRG Ag
- Crowe Australia
- Dairy Australia
- Dairy Connect
- Dairy Express
- Dairy Farmers Milk Co-operative
- Dairy NSW
- Datagene
- Department of Agriculture, Water and the Environment
- Department of Agriculture and Fisheries (Qld)
- DHA Rural Sales
- Far North Coast Dairy Industry Group
- Feed Central
- Gympie Motorcycles
- Gympie Veterinary Services
- Jaydee Events
- Lactalis
- Lallemand Animal Nutrition
- Lely Australia
- Lockyer Bookkeeping Service
- Malanda Rural Sales
- Maxum Health
- Murray Dairy
- National Landcare Programme
- NSW Department of Primary Industries
- Norco Co-operative
- North Coast Local Land Services
- NQ Silage Contractors
- Nutrien Ag Solutions
- Queensland Machinery Agency
- Ridley Agriproducts
- RuralVet
- Solar Energy and Battery Storage Solutions
- ST Genetics
- S&W Seed Company
- Tableland Veterinary Services
- The Drawing Room
- The Milk Processors that source Subtropical Dairy milk, Barambah Organics, Cooloola Milk, Kenilworth Dairies, Lactalis, Bega, Maleny Cheese; Maleny Dairies, Mungalli Dairy, Norco, Richmond Dairies and Scenic Rim 4 Real Milk.
- The other six Regional Development Programs across Australia
- University of Queensland
- Vanderfield Gympie
- Wade Agricultural Consultants
- William Group Australia.



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