

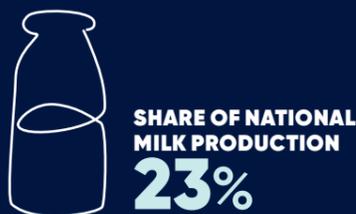
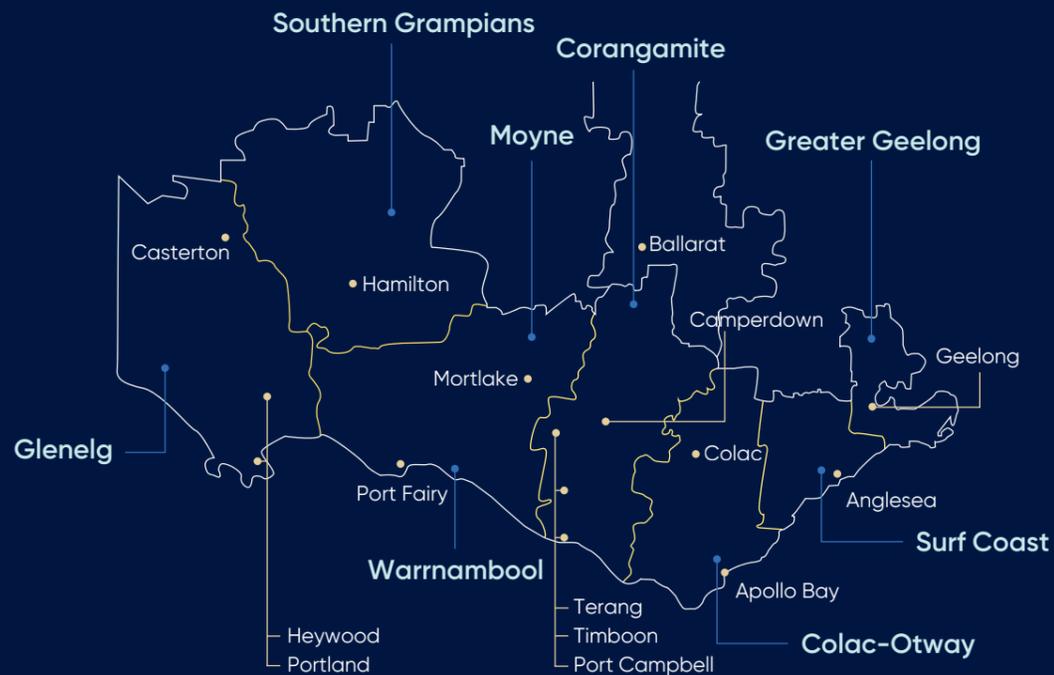


WESTVIC DAIRY STRATEGIC PLAN

2020–2023



INDUSTRY SNAPSHOT



1 INTRODUCTION

Purpose of this document

This Strategic Plan sets WestVic Dairy's (WVD) broad strategic direction for the year 2020/21 and possibly longer, subject to the outcomes of the Australian Dairy Plan and the industry restructure. It was developed by the WVD Board and incorporates the priorities of the region's dairy farmers as checked recently with a specific survey.

The strategy will inform the Annual Operational Plan, which outlines and sets the activities for the year. To ensure cohesion and consistency within the industry, WestVic Dairy's strategic plan aligns with the Australian Dairy Plan and the new Dairy Australia strategy.

Role of WestVic Dairy and Dairy Australia

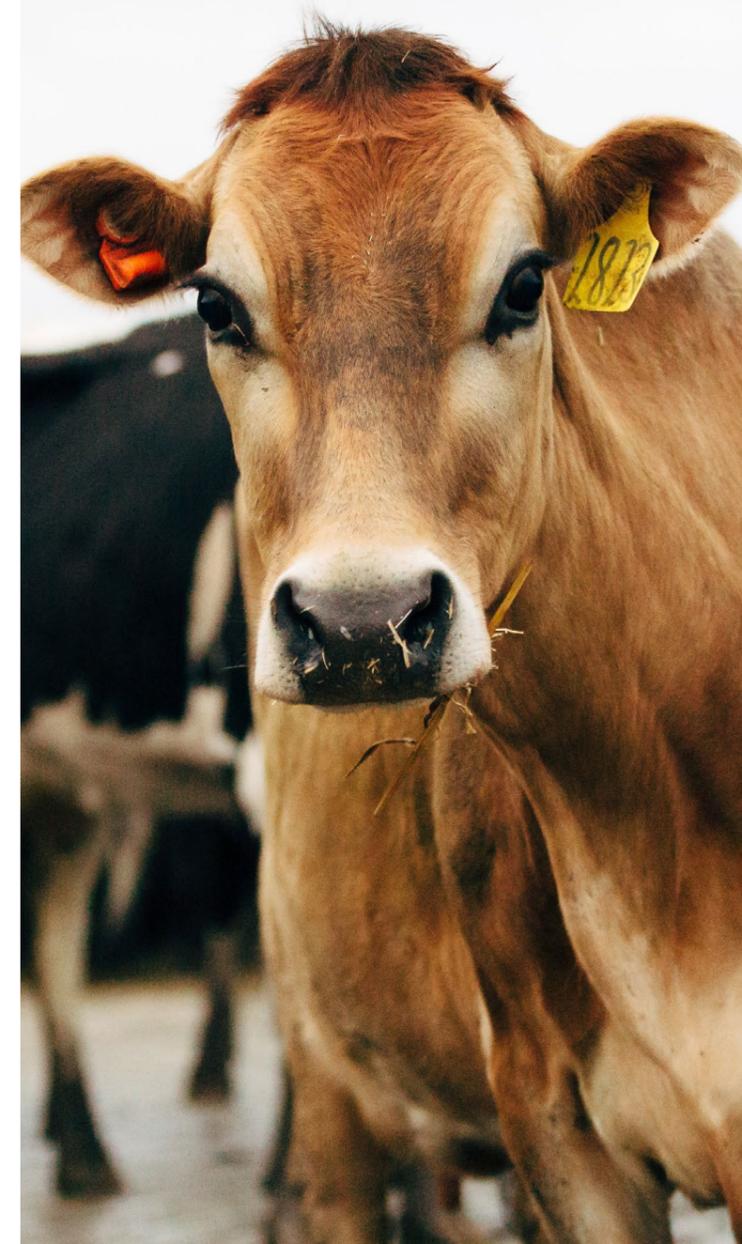
- WestVic Dairy Inc. is Dairy Australia's Regional Development Program for western Victorian and is responsible for delivering dairy extension activities and programs. It is overseen by a regional Board of Directors, the majority being dairy farmers. It works closely with DA and local industry partners to facilitate technology transfer for the advancement of the sector.
- DA is the national services body for the dairy industry. Its role is to help farmers adapt to a changing environment in order to establish a profitable and sustainable industry. WestVic Dairy aims to accelerate the extent and rate of adoption by farmers of industry standard practices, proven new ideas and technology. As the industry is currently structured, both DA and WVD are precluded by their charter, from agri-political activity which is the role of representational bodies, such as Australian Dairy Farmers (ADF).
- In recent years, DA has supported WVD in the building up of its capability through the employment of additional professional staff to provide a wider range of services to its stakeholders.
- **Background**—the industry has developed since settlement from small family farms with numerous local producer co-operatives, to the modern industry it is today with larger farms and herd numbers, employing an ever-increasing level of on-farm technologies. Milk is processed in a very competitive environment, comprised of both internationally competitive mega-plants and boutique/specialist plants across the region.
- **Production**—The region has approximately 1,200 farms that support some 338,000 cows. Milk production totals just over two billion litres, representing 23 per cent of the national milk production and 25 per cent of Australia's dairy exports. This milk is valued at \$969 million when it leaves the farm. There are 5,500 people employed on-farm, but a total of over 9,900 working directly in the industry (full-time and part-time).

OUR VISION

A vibrant, profitable and valued dairy region.

OUR MISSION

We strive to advance the industry by delivering programs that promote innovation, skills and sustainability for a successful dairying future.



2 OPERATING ENVIRONMENT

Western Victoria has significant advantages over other regions due to favourable climate, affordable pricing of land and many opportunities for expansion. It has a wealth of expertise and services that supply farm inputs and numerous options for milk and meat processing. As such, WestVic Dairy operates in a dynamic economic, social and environmental context.

At the regional level, the industry faces challenges in the availability and capacity of people due to rural population decline and high levels of employment. Retirements and new entrants on the farms create on-going change that calls for training, planning and management. Public infrastructure supporting the industry needs on-going investment by government. Other changes are more unpredictable, such as technological advances, climate variability and market conditions. This same technology is allowing rapid and significant improvements in efficiency on farms. Farmers who collaborate and utilise shared knowledge seem to be able to advance their businesses, even in challenging times. Industry organisations need open and direct communications with the farmers, made increasingly possible with interactive forms of media, such as social media.

At the national and global level, the image and perceptions of the industry have an impact. Product safety, animal welfare, the environmental footprint and 'community trust' are all issues that need monitoring and are well-supported with research to justify industry practices.

Government policy, particularly in the area of workplace health and safety, labour, milk pricing, competition and consumer law, environmental regulations, trade and investment all directly impact farming and therefore advocacy by representational industry bodies on regulatory matters is important.

The number of dairy farms in the region continues to decline, many being consolidated into larger businesses. Yet other farms are falling out of dairy in favour of other enterprises (mainly grazing) which reduces the efficiency of the supply chain. Many farms continue to expand their employment levels. This is problematic with shortages of skilled staff and puts added pressure on farms to improve their level of business management to not only be compliant with labour and other regulations, but in order to be profitable and sustainable.

The variability in seasons and especially in milk price, continue to place pressure on the need for timely and competent decision-making. The services of Dairy Australia and WestVic Dairy are available to support levy-payers and other stakeholders in that decision-making.

The COVID-19 pandemic that arrived in early 2020 has had limited impact on farm operations to date (August 2020), despite initial concerns

The impact on extension and service delivery has been more significant, with DA staff and most organisations and their operatives switching to remote means such as phone calls, video conferencing and online delivery of information. The positive side of this has been that while general communications and delivery in this mode has been slowly developing, the circumstances necessitated a more rapid development to be able to continue operations.

This has been successfully achieved with an increasing offering of programs available by remote modes. Many farmers have also been interested and able to participate in this form of extension. However, our recent survey confirms that the most preferred extension formats are still those held 'face to face'; such as discussion groups, Focus Farms and field days. The increased capacity to both deliver and receive by remote means, will provide extension services of the future with more flexibility, however, the need remains to focus on the most popular of the face to face delivery methods.

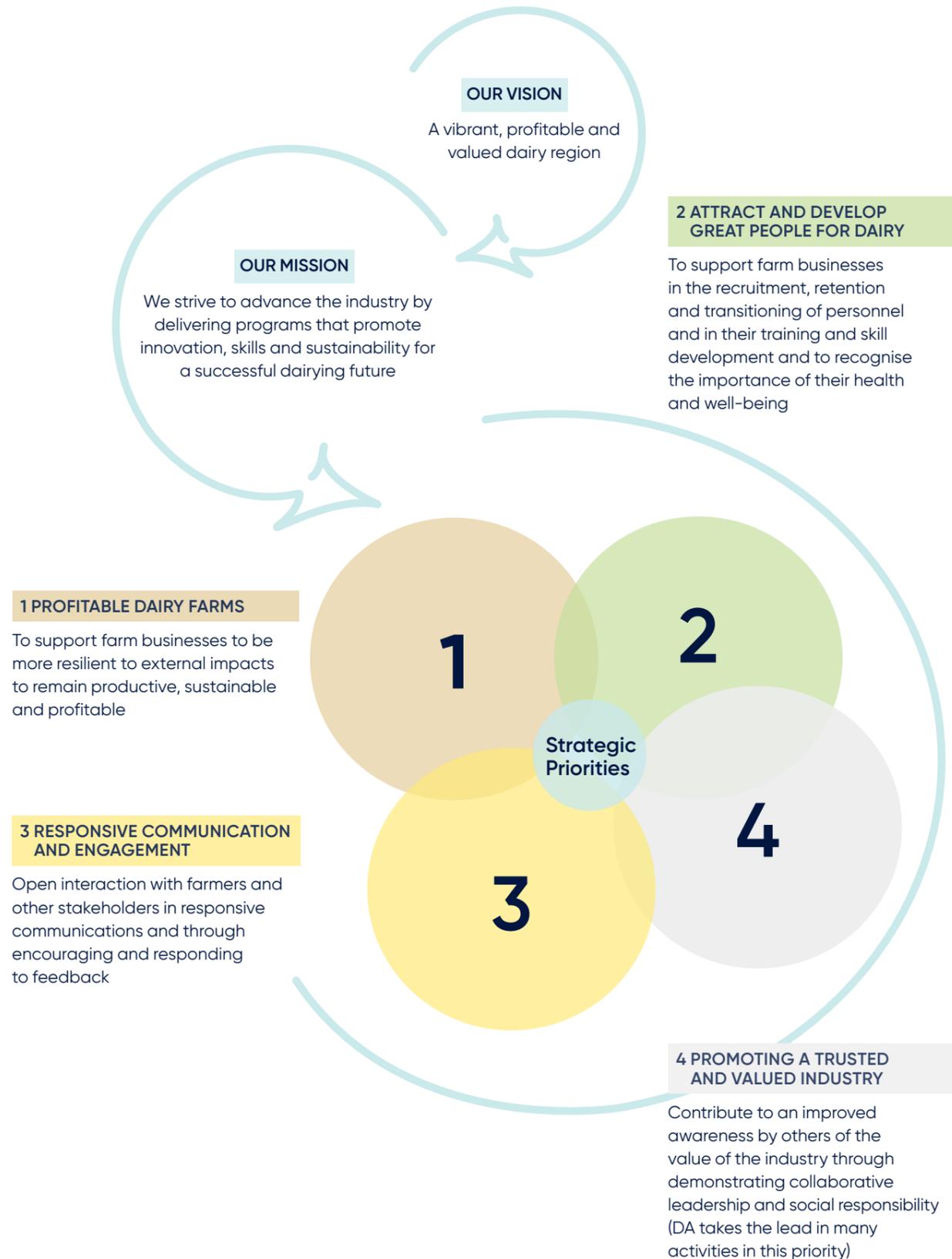
Regional SWOT Analysis (Strengths, weaknesses, opportunities, threats)

Factors that were taken into account in the development of this Strategy.

Strengths	Weaknesses
Availability of land and diversity of land types (including high rainfall and irrigation districts)	Limited labour availability—both in skills and numbers of farm staff
Good availability of and collaboration with service provider businesses (both technical and professional)	Limited vocational education training provision across the region
Good access to farm input resources (fertiliser, quarries, grain and fodder etc)	Lack of cohesion by some industry groups and negativity within the industry
A wide range of processing options	Poor image—a general lack of awareness and understanding of the industry's significance and opportunities
Good co-operation amongst stakeholders through the Industry Leadership Group and other organisational relationships	IT blackspots limit advances in technology areas
Relatively good level of IT adoption amongst the farming community allows for communication 'at a distance'	
Opportunities	Threats
Attraction of additional investment into the regional industry	Climate change and water security, especially lack of underground water in the Heytesbury area
Farm automation to reduce costs/improve lifestyle	Those opposing the 'right to farm' e.g. Animal activist groups
Helping farmers improve profitability through better farm management and other practices	Biosecurity issues—both people and livestock
Better communications and extension as technology advances	Deteriorating and increasingly inadequate transport and power infrastructure
Further improvements in communications through engagement with and feedback from farmers and other stakeholders	COVID-19 impacts on the workforce
Access to the Dilwyn aquifer for water security and irrigation	

3 STRATEGIC DIRECTION

In order to achieve our mission, our strategic priorities are:



Strategic investment by priority area

Our investments will be spread across the four areas in approximately the following proportions



Strategic Priority 1 Profitable Dairy Farms

Focus area	Outcomes	Activity
Productive Farms	Farmers supported to be more resilient and able to manage seasonal conditions, price and cost volatility	Delivery of regionally relevant extension programs in all technical areas including: Feedbase and Nutrition, Animal Health and Genetics and Farm Business Performance
	Farm business decision-makers supported with systems and tools	DairyBase and specific business tools
	Use of proven techniques of sharing skills and knowledge	Focus Farms and Discussion Groups
	Clear and understood drivers of farm productivity and profitability	Promotion of benchmarks
	Expanded range of risk management tools for price and cost volatility	Promotion of risk management tools
Sustainable Farms	Reduced environmental impact	Programs to support the efficient and profitable use of land, water, carbon and energy resources which nurtures and sustains the natural environment
	Adaption to a changing climate	As above
Innovation and Technology	People inspired to greater use of technology and data	Extension and communication of research and innovation outcomes
		Contribute ideas to help set research priorities and contribute to program development
		Demonstrated use of high value technology on-farm, in all technical areas

Strategic Priority 2 Attract and develop great people for dairy

Focus area	Outcomes	Activity
Recruit, Retain and Transition	Greater level of awareness of regional dairy as an attractive and rewarding industry in which to work	Resources with information about careers and employment, such as kits, websites and online tools
	Access to capable and skilled employees and service providers	Programs about succession planning, pathways into the industry, share farming and leasing
	Clear and supported skill development and pathways	Provide access to extension activities. Work in with education and employment providers on all levels
	Youth capability developed and supported	Young Dairy Network
Training and Skills Development	Leadership capacity within the regional industry, developed at all levels	Mentoring programs. Awards, scholarships and leadership programs such as Leadership Great South Coast; Gardiner Foundation programs
		Opportunity and experience of leadership in industry bodies e.g. WestVic Dairy
Health and Well-being	Improved health and well-being of our people, so they are productive, healthy and feel valued and supported	Support for others who run community-building activities such as Ladies' Luncheon, mens' health nights and relevant social/ community activities.

Strategic Priority 3 Responsive Communication and Engagement

Focus area	Outcomes	Activity
Effective communications with farmers	Increased level of effective and timely communication, contact and engagement with farmers, to better understand their needs; openly receiving and responding to feedback	Director participation in farmer forums and events. Monitoring of regional industry information sources
		Discussion Groups, Focus Farms and field days facilitation and attendance
		Farm visits and farmer phone calls
		Effective and targeted communications from the WVD office—newsletters, email, SMS, social media, podcasts and videos using good adoption of Customer Relationship Management (CRM) tools Maintenance of regional industry calendar
Other Stakeholders	Improved collaboration and coordination of activities with service providers and other industry stakeholders	Dedicated service provider communication 'campaigns'
		Harnessing the resource of service provider feedback and referrals
		Coordination and cooperation in information sharing for farmers
		Regular liaison with managers of key stakeholder organisations and the Regional Extension Committee
Encouraging and responding to feedback	Programs and practices improved through feedback	Inviting, monitoring and responding to feedback as a standard part of extension and communications activities
		Maintenance of the Compliments and Complaints register and reporting to the Board

Strategic Priority 4 Promoting a Trusted and Valuable Industry

Focus area	Outcomes	Activity
Regional Economic Value	Contributions made to regional planning and development, and to investment attraction, helping to ensure on-going significance and appreciation of the value of the industry. Through: Social Responsibility: Improved awareness, attraction of investors, recognition and respect of the industry in the region (in relation to its nature, practices, benefits, opportunities, impacts, health and well-being)	Actively contribute to community organisations—(including: Great South Coast Community Leadership Program, Natural Resource Management groups) through in-kind support of ideas, information and promotion
		Provision of employment opportunities and career pathways across the region
		Contribute information and relevancy to local policy debates—e.g. water policy, animal welfare, sustainability
		Provide regular contributions to local media outlets
		Support of people in the regional community
		Provide specialist speaking engagements for external groups
		Industry-wide events such as the Great South West Dairy Awards
		Promote the south-west 'Industry Investment Profile'
		[Without advocacy] influence the regional agenda through advisory input or membership of groups such as: the Local Learning and Employment Network SW Industry Leadership Group; SW Food and Fibre Council NRM Skills bodies/networks

4 OPERATING PRINCIPLES

Organisational Values

Our Values underpin our behaviours and inform the way we do business in order to work towards our Vision and implement our Strategy.

We adopt Dairy Australia's Values of:

- Farm focused
- One team
- Innovative thinking
- Decisive action

Monitoring and evaluation process

WestVic Dairy is committed to regular monitoring and evaluation of its Strategy. This ensures good progress towards achieving its Mission through implementing the activities under each strategic priority. To be effective in this, WestVic Dairy will use a straightforward approach to monitoring and evaluation, which aligns with its annual reporting period.

Stakeholder collaboration

WestVic Dairy values its strong relationships with the region's farmers and their representative bodies, along with government organisations and all businesses in the dairy supply chain, recognising their various roles and importance.



Disclaimer

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