



DAIRY NSW STRATEGIC PLAN

2021–2025



ABOUT THE INDUSTRY IN DAIRY NSW



13%

of milk production is exported

AUSTRALIA'S ANNUAL PER CAPITA CONSUMPTION

97 litres
milk



MAJOR EXPORT MARKETS

25,168 t
Greater China

2,772 t
Singapore

2,888 t
Japan

2,780 t
Malaysia

1,747 t
Indonesia



4th

Dairy is Australia's fourth largest rural industry

VALUE OF FARMGATE PRODUCTION

\$448 million



354

Registered farms in Dairy NSW



TOTAL ANNUAL MILK PRODUCTION

787
million litres



5,100

Dairy industry workforce



AVERAGE HERD SIZE

272
COWS

DAIRY HERD

96,000
COWS



AVERAGE ANNUAL MILK PRODUCTION PER COW

7,067
litres



Dairy NSW regions

Dairy NSW is broadly divided into six regions

Central West

Far South Coast

Hunter

Mid Coast

South Coast and Highlands

Wagga and Inland





DAIRY NSW

VISION

A valued and trusted partner that empowers and enables dairy farmers and industry to thrive

MISSION

Collaboratively identify and deliver regional needs for education, extension, research and development, to advance the NSW dairy industry

STRATEGIC INTENT

To advance the interests of the industry by improving the prosperity, productivity, and sustainability of dairy farmers in the Dairy NSW region



VALUES

Farmer first

- Farmer needs guide our purpose
- We use farmer needs and insights to inform the development of activities
- We ask ourselves – is the decision we are making in the best interest of farmers?

One team

- We work together to achieve great things
- Respect and inclusivity is a critical part of how we work together
- We take responsibility for our actions
- We engage with expertise across the organisation to make decisions and deliver outcomes
- We avoid an 'us and them' way of thinking as this works against teamwork



Innovative thinking

- We embrace new ideas and learning as we go
- We actively seek new ideas and perspectives to get better outcomes
- We know that embracing new ideas means taking a risk and that's ok

Decisive action

- We make informed decisions and move quickly to implement
- We balance having sufficient detail with the need to deliver
- We are solution driven and action orientated

INTRODUCTION

Purpose of this document

This strategic plan sets the broad strategic direction for Dairy NSW from the current financial year through to, and including, 2025/26.

It was developed by the Dairy NSW Board with input from stakeholders through multiple meetings including the members' council.

The strategy will inform the activities Dairy NSW will undertake in the coming years as captured in our annual operating plan (AOP).

This plan aligns to the Dairy Australia Strategic plan where appropriate, including measures of success. This creates efficiencies while ensuring regional issues are addressed.

Dairy NSW

Dairy NSW Ltd is one of eight regional development programs (RDPs) throughout the nation's key dairy areas, and operates under the auspices of Dairy Australia.

Dairy NSW sets priorities, seeks submissions for dairy improvement projects and commissions these projects. It is also responsible for supervising the coordination and delivery of extension and education programs.

To do this, Dairy NSW works closely with New South Wales dairy farmers, Dairy Australia, other RDPs, farm policy organisations, Regional Development Groups (RDGs) and government agencies.

In doing so, it works hard to ensure regional and national policies are linked and fully integrated so research and extension work carried out in the region provides productivity gains and efficiencies.

Dairy NSW is overseen by a skills-based board of directors, the majority of whom are dairy farmers.

Dairy NSW operating environment

The dairy industry in NSW operates across a diverse landscape spread along the coastal and hinterland regions and in irrigated inland regions. Along with the Dairy NSW region, the NSW industry includes parts of both the Murray Dairy region in the south and the Subtropical Dairy region further north (refer to map, page 1).

Geography is a major influence in the NSW Dairy industry, more so than other RDPs. The wide variation in geography and climate in the region explains why farming systems (and cost of production) in NSW is so variable.

The close proximity to two major population centres, Sydney and Brisbane, means the steadily growing domestic market is particularly important to NSW dairy farmers. In 2019/20, 64% of milk produced in NSW was sold as fresh drinking liquid milk. 23% was manufactured into other products (such as cheese or yoghurt) and sold on the domestic market. The remaining 13% was exported overseas (accounting for 7% of Australian dairy exports by volume).

NSW is the area which has also traditionally been the area which made up shortfalls in milk production in Queensland. Since 2011/12 Queensland hasn't been self-sufficient with respect to milk production and consumption and has relied on milk produced in NSW to fill seasonal gaps in production. This has opened a gap of opportunity for more than 200 million litres from NSW.

An implication on this focus on the domestic milk markets is that milk production is flatter in NSW than in Victoria and Tasmania. Farmers meet this challenge in a range of ways, such as year-round calving systems and a wide variety of production systems to fill gaps. While typically securing a premium, this also adds complexity and a higher cost of production per kilogram of milk solids (kgMS).



Farms in the northern reaches of NSW are generally characterised as having moderate to high rainfall, limited irrigation and a kikuyu/annual ryegrass pasture base with some use of summer forage crops. Farms to the south generally feature lower rainfall, mainly irrigated perennial and annual pastures, greater use of forage crops, larger herds and bigger farms. Western and inland farms are typically larger and more intensive, with a higher proportion of Partial Mixed Rations (PMR) and Total Mixed Rations (TMR). NSW dairy farmers have access to significant amounts of grain and fodder produced within the inland regions of the state.

This geographic diversity also has implications on access to labour, service provision and cost of production. Farm numbers in NSW have reduced over the years, as they have in other areas. This leaves some geographic areas with a relatively small number of farms. When the relevance of dairy in a geographic area declines, the

pool of skilled labour and number of service providers also reduces, in turn increasing costs. This also means delivering education and extension resources efficiently is more challenging for organisations though the greater acceptance of online learning due to the impact of COVID-19 has been positive for NSW. Competing land use and urban encroachment in some regions also create challenges to addressing the impact of a declining pool of skilled and interested individuals.

There have been a significant number of natural disasters in NSW in recent years, such as drought, bushfires and flooding. Climate variation is an increasing consideration for the future of dairying in NSW. NSW farmers employ a wide variety of production systems and strategies to mitigate climate risks. The diversity of systems is a feature of the state and, while this adds complexity, it also provides a wealth of lived experience that can be leveraged across regions.

SWOT analysis (strengths, weaknesses, opportunities, threats)

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

Strengths	Weaknesses
A committed team focused on quality service	Large geographic area to cover
Working relationships with broad range of external stakeholders	Challenge of many competing priorities to replace reactive and lack of focus
Regional dairy groups (RDG) network	Recognition and capacity to access alternate funding streams
Relationship and access to DA resources	Provision of services across all regions
Delivery of Dairy Australia (DA) training and programs to NSW farmers	Challenge to achieve and maintain farmer engagement
Dairy Farm Monitor Project (DFMP) data	
Committed and engaged board providing leadership to organisation and industry	
Credibility across the supply chain	
Opportunities	Threats
Talent development and increase resources	Declining farming numbers
Increasing appetite for change amongst farmers and industry	Ability to attract relevant research and investment
Alternate funding streams strengthening	Declining revenue for research, development and extension
Emerging extension techniques – online learning, Dairy business network (DBN), Dairy discussion group (DDG)	
Greater industry collaboration	

STRATEGIC PRIORITIES

Dairy NSW has five strategic priorities over the next five years. Each priority is underpinned by an objective and key outcomes.

	1	2	3
	CULTURE OF PROSPEROUS FARM BUSINESSES	OUR PEOPLE, OUR FUTURE	THRIVE IN A CHANGING NATURAL ENVIRONMENT
OBJECTIVE	Nurture a positive culture of prosperous farm businesses that are skilled, informed, and innovative in managing market volatility	Our passion for people enables farm businesses to attract great people, build their capability, careers, and foster a safe and caring work culture	Prosperous farm businesses that adapt to the changing natural environment and provide good stewardship of resources
OUTCOMES	a Farm businesses understand their profitability drivers	a Dairy industry is seen as an excellent work choice with multiple career paths and opportunities	a Greater ability to accept and adapt to changes in the natural environment
	b Improved productivity through implementing business planning practices across key aspects of dairy farming	b A culture of businesses that foster progression, values growth, who inspire and encourage their people	b Efficient and profitable use of land, water, carbon, and energy resources which nurtures and sustains the natural environment
		c Access to capable service providers and skilled farm employees	c Proactive approach to positively addressing climate and environment changes to preserve or enhance our natural capital

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ADOPTION OF RESEARCH AND TECHNOLOGY

Improved adoption through higher engagement that leads to an increase in productivity and a culture of evidence-based decision making

a Better access and understanding of feed base and grazing management options

b Commitment to continuous improvement in animal performance, health and wellbeing

c Farm businesses have the capability to evaluate the suitability of adopting various technologies

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COLLABORATIVE AND RESPONSIVE ORGANISATION

Collaborate effectively with stakeholders including farmers, regional and national entities to influence positive outcomes for dairy farm businesses

a A team committed to driving engagement and influencing practice change through quality extension and trusted service

b Regional needs are prioritised and actioned through collaboration with Dairy Australia and our partners

Strategic Priority 1 Culture of prosperous farm businesses

Goal Nurture a positive culture of prosperous farm businesses that are skilled, informed, and innovative in managing market volatility

Outcomes/strategies	Actions
a Farm businesses understand their profitability drivers	<ul style="list-style-type: none">• Deliver 90% of foundational programs in AOP with average rating of 8 or above e.g. Our Farm Our Plan (OFOP) and Farm Business Management (FBM) programs
b Improved productivity through implementing business planning practices across key aspects of dairy farming	<ul style="list-style-type: none">• Deliver two applied programs each year e.g. DFMP workshops, Focus Farm• Integrate FBM principles into technical program delivery• Meet delivery target for OFOP each year to improve number of plans each year• Establish and promote clear process for formation, evaluation and ongoing support of DDG/DBN• Successful DDG/DBN operating with Dairy NSW support – participant evaluation (can report improvement in productivity/practice change) & DDG meeting stated goals

*DFMP data

Strategic Priority 2 Our people, our future

Goal Our passion for people enables farm businesses to attract great people, build their capability, careers and foster a safe and caring work culture

Outcomes/strategies	Actions
a Dairy industry is seen as an excellent work choice with multiple career paths and opportunities	<ul style="list-style-type: none">• Support promote and adopt school programs• Implement programs as part of DA leadership strategy• Review Young Dairy Network year 1, and implement recommendations to improved the development of young people in the industry
b A culture of businesses that foster progression, values growth, who inspire and encourage their people	<ul style="list-style-type: none">• Deliver 90% of foundational programs in AOP with average rating of 8 or above e.g. Farming My Team• Increase awareness of share farming leasing and equity partnership resources and approaches• Collaborate with external stakeholders to deliver at least one farm safety and/or capacity building program per year
c Access to capable service providers and skilled farm employees	<ul style="list-style-type: none">• Support and promote existing and emerging initiatives which seek to improve people capability• Build service provider network, capture in database, include in training opportunities and extension activity• Engage a mixture of attendees at training events including farm staff, service providers, not just owners• Identify skills gaps and prioritise development needs

Strategic Priority 3 Thrive in a changing natural environment

Goal Prosperous farm businesses that adapt to the changing natural environment and provide good stewardship of resources

Outcomes/strategies	Actions
a Greater ability to accept and adapt to changes in the natural environment	<ul style="list-style-type: none">• Deliver 90% of foundational programs in AOP with average rating of 8 or above e.g. Fert\$mart and Feeding Pastures for Profit (FPFP)• Undertake Dairy businesses for future climate project and wide communication of outcomes• Water use efficiency assessment/partnership• Explore partnerships in NSW to deliver opportunities to reduce methane emissions and carbon sequestration under current dairy systems
b Efficient and profitable use of land, water, carbon, and energy resources which nurtures and sustains the natural environment	<ul style="list-style-type: none">• Embed climate risk into extension delivery including OFOP, Focus Farm, FPFP etc.• Energy Efficiency Project – deliver and communicate• Smarter Irrigation for Profit• Small project applications that support Land, Water, Carbon (LWC) initiatives
c Proactive approach to positively addressing climate and environment changes to preserve or enhance our natural capital	

Success indicator	Unit	Baseline	Target
Farm decision makers can accurately state the profit metrics for their farm	% of farms	TBD	60%*
Dairy farm businesses make key decisions using a documented business plan	% of farms	12%	80%
More than 50% of farms achieving an average five-year profit (earnings before interest and tax) of at least \$1.50 per kgMS	% of farms	22%	50%
Improvement in kgMS per labour unit	Median kgMS per labour unit*	37,400	45,000

Success indicator	Unit	Baseline	Target
Dairy farm employers and employees can describe why dairy is rewarding to work in	% of employers and employees	82%	85%
Employers report that the time taken to find a new employee was less than three months	% of employers that employed someone in the last 12 months	85%	90%
Employers were able find an employee with the right capability for the role in the last 12 months	% of employers	84%	90%
Dairy farm businesses agree they have sufficient access to skilled service providers to meet their needs	% of farms	74%	85%

Success indicator	Unit	Baseline	Target
Farmers have access to enough information to understand the likelihood and impacts of changes in the environment	% of farms	67%	90%
Farmers have the right information and skills to thrive in increasingly volatile climatic conditions	% of farms	TBD	75%*
Dairy farm businesses have adopted at least three new technologies and management practices to achieve land, water, carbon and energy efficiency	% of farms	59%	70%
Dairy farm businesses have access to and have adopted three commercial solutions for reducing on farm emissions	% of farms	17%	40%

*Metric methodology in development/review

Strategic Priority 4 Adoption of research and technology

Goal Improved adoption through higher engagement that leads to an increase in productivity and a culture of evidence-based decision making

Outcomes/strategies	Actions
a Better access and understanding of feed base and grazing management options	<ul style="list-style-type: none"> • Deliver 90% of foundational programs in AOP with average rating of 8 or above e.g. FPPF, Smarter Irrigation for Profit (SIP) • Support Dairy UP projects on unlocking potential of Kikuyu and feedbase for intensive systems • More extension of DA funded Regional dairy groups (R&D) e.g. DairyBio where applicable to NSW • Prioritisation of regional research needs – what is different about NSW e.g. coastal forages, annual sowing, water efficiency, intensive cropping systems
b Commitment to continuous improvement in animal performance, health and wellbeing	<ul style="list-style-type: none"> • Monitor and communicate key animal welfare practices • Deliver 90% of foundational programs in AOP with average rating of 8 or above e.g. Rearing Health Calves, Healthy Hooves • Evaluate development of a program like taking stock for herd performance – identify productivity barriers in herd performance
c Farm businesses have the capability to evaluate the suitability of adopting various technologies	<ul style="list-style-type: none"> • Promotion of existing tech evaluation resources e.g. TechKISS • Identify areas for independent evaluation of technology and commission report to support farmers in making informed decisions • Commission/collaborate in communication of latest and relevant research with practical applications

*DFMP data

Strategic Priority 5 Collaborative and responsive organisation

Goal Collaborate effectively with stakeholders including farmers, regional and national entities to influence positive outcomes for dairy farm businesses in NSW

Outcomes/strategies	Actions
a A team committed to driving engagement and influencing practice change through quality extension and trusted service	<ul style="list-style-type: none"> • Continued development of Dairy NSW team's skills and knowledge with a focus on improving • Have an offering to support a range of learning styles to improve engagement and adoption e.g. online, webinars, hybrid and DDG's • Implement targeted evaluation of program impact/adoption • Implement best practice extension techniques – follow up to embed learning, incorporate 1:1 delivery where appropriate
b Regional needs are prioritised and actioned through collaboration with Dairy Australia and our partners	<ul style="list-style-type: none"> • Consultation to identify needs • Review and prioritisation of R&D needs • Ideas submitted to DA and partners • Actively network and collaborate with key regional stakeholders to leverage resources, streamline service delivery and create alignment

Success indicator	Unit	Baseline	Target
Increase in tonnes of dry matter (TDM) utilised per hectare	Rolling three year average TDM utilised per usable hectare*	5.4	6.0
Farmer engagement and attendance at feed related programs	Number of people at Feedbase related programs	117	135
Improvement in measures for NSW against target 7.2 of the Australian Dairy Sustainability Framework	%	As reported in framework	
Improved median kgMS per kg bodyweight	%	88%	95%
Farmer engagement and attendance at animal related programs	Number of people at animal related programs	107	125

Dairy NSW ID a way to measure tech adoption

Success indicator	Unit	Baseline	Target
Employee engagement score increase	Employee engagement score	70%	80%
Farm businesses feel Dairy Australia (Dairy NSW) has an effective relationship management and service delivery model	Levy payer response	70%	8/10
Programs are delivered collaboratively, including co-funding	Number of programs	12	15

Disclaimer

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