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Murray
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Annual Report 2010

Murray Dairy

General information

Staff

Sarah Parker, Chief Executive Officer (appointed June 2010)
(Acting CEO, March–June 2010)

Natalie Akers, Chief Executive Officer
(until February 2010)

John Boyd, Regional Coordinator

John Gibney, Project Manager
(April 09–April 10)

Sarah Parker, Young Dairy Development Program Coordinator
(part time July 09–February 10)

Gemma Monk, Young Dairy Development Program Coordinator
(part time appointed March 10)

Julie Monteleone, Bookkeeper
(part time appointed September 09)

Registered office

Murray Dairy
255 Ferguson Road
Tatura, Victoria, 3616
Tel: (03) 5833 5312
Fax: (03) 5833 5929

Incorporation

Murray Dairy Inc. is incorporated under the
Victorian Associations Incorporation (Amendment) Act 1997.

Registration No. A0034448U

ABN 84414519559

Overview of the Murray Dairy Region and its Dairy Industry

The Murray Dairy region remains one of the largest dairying regions in Australia, with 1830 dairy farms producing 1.8 billion litres of milk and accounting for around 21% of Australia's total milk production (2009/10). Approximately 90% of this milk is produced on farms located in the irrigation districts of northern Victoria and southern NSW (Southern Riverina), with the remaining 10% produced in north-east Victoria and the Upper Murray of NSW.

The region is unique, with a diversity of production systems and significant topographical and climatic differences. It also has a large, modern and diverse manufacturing and processing sector, with more than \$1.5 billion (collectively) invested in capital infrastructure.

Dairying is the region's largest and most important industry. The farmgate value of the milk produced in the region is around \$610 million. The dairy industry directly employs almost 8,000 people in Northern Victoria and the Riverina, in both farming and processing.



An average dairy farm in the Murray Dairy region

Dairy Australia in its *Situation and Outlook 2010* noted that the average farm:

- › milks around 245 cows, producing 1.62 million litres,
- › farms on 160 hectares
- › Calving patterns in the region consisted of:
 - Split and/or batch calving (52%)
 - Seasonal calving (31%)
 - All year round (17%)
- › average grain usage of 1.74 tonnes per cow.



The Murray Dairy Board

Murray Dairy is an independent organisation with a seven-member Board of Management. A Chief Executive Officer is responsible to the Board for the operational management of the organisation.

The Board is accountable to the industry through an Industry Steering Group (ISG) made up of stakeholder representatives from across the Murray Dairy region.

The role of the Board is to:

- › develop policies and strategic directions for research and extension in the region;
- › identify priorities for research and extension projects;
- › invest industry R&D funds allocated to the region by Dairy Australia to address priority issues;
- › maximise investment in regional R&D through strategic and collaborative funding partnerships;
- › grow and diversify the research and extension funding base;
- › develop, monitor and review the implementation of the three-year Strategic Plan and Annual Operating Plan; and
- › ensure sound management and infrastructure to deliver Murray Dairy's programs across the region.

For 2009/10 the Board was made up of five farmers and two other skills based positions. The Board met for one annual general meeting (AGM), one strategic planning meeting and five general meetings—a total of seven meetings.

The Board Directors are listed below, along with the number of meetings each attended from August 2009 to August 2010.

Directors



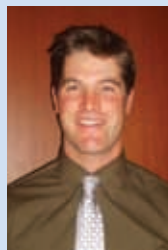
Jeff Odgers
Chairman
7/7



Malcolm Holm
Deputy Chairman
7/7



Doug Day
Treasurer
7/7



Craig Lister
ISG Chairman
7/7



Ken Jones
7/7



Daryl Hoey
7/7



Cameron Smith
7/7

Chairman's Report

It is widely recognised that the Murray Dairy region over the past decade has been at the coal face of adapting to climate change, ongoing drought and rapid policy development in water reform. Murray Dairy has had a significant role in collaborating with broader industry, community and government in order to successfully manage adjustment.

Murray Dairy's vision remains one of striving for a 'competitive, innovative and sustainable dairy industry that is fulfilling to its stakeholders'. Endeavouring to deliver on this during recent years has been a challenging task. However dairy still has critical mass and many individual businesses continue to position themselves for the future.

As I pen this report, the region is recovering from early September floods. This flooding will deliver high levels of water availability for the next couple of years and restore confidence. The *Murray Darling Basin Authority's—Basin Plan Guidelines* will also be released shortly. Dairy will seek strong outcomes from this water reform process that provide more certainty. Higher water availability and more clarity around water reform will generate investment and development. Dairy assets within the region are priced at a level where they represent opportunity and many options exist for capital structure.

Murray Dairy in the past year has provided leadership on our strategic priorities. We are focussed on building a stronger business culture at farm level. There are numerous ongoing research and extension initiatives that are informing farmers and enhancing capability. Funding has been successfully sought for a raft of recently developed projects; which are aimed at driving productivity from farm systems to a higher level. The organisation believes that effective communication across industry is critical in maintaining cohesive relationships and networks.

The dedication of all staff during the year has been commendable. Natalie Akers who had been CEO since July 2008 left the position in February 2010 and Sarah Parker moved into the role. The board are highly appreciative of Natalie's period of outstanding service. Sarah has also demonstrated a high level of commitment in recent months.

Murray Dairy's workload has necessitated at times an operational commitment from the individual directors. I would like to thank the Board for their considerable efforts and support throughout 2010.



Jeff Odgers
Chairman



Chief Executive Officer's Report

The 09/10 season was another difficult year with zero opening allocations and a dry late winter/early spring which led to many crops again being harvested for silage. Late spring and summer rains saw allocations increase to 100% on the Murray and 71% on the Goulburn and 27% in the Riverina. However, much of the allocation increases came too late in the season for any real benefit for the 09/10 season.

Throughout this period the Murray Dairy team has worked to assist the regions dairy farmers through a range of activities.

With many farmers affected by the milk price drop of late 2008, Murray Dairy together with Department of Primary Industries Victoria, NSW Department of Industry and Investment and a range of milk companies organised 30 farm shed meetings throughout September 2009. Over 200 farmers and 100 service providers attended the sessions. Murray Dairy also funded *Taking Stock: Taking Action* sessions which saw a free one-on-one advice session with a qualified consultant.

Much of 2009 saw Murray Dairy work closely with Dairy Australia with its Inquiry into dairying's future in the lower Murray Darling Basin. After extensive consultation Dairy Australia concluded that 'all of the conditions that enable a robust and viable dairy industry to exist are present in the Lower Murray Darling Basin, although dairy businesses face specific but manageable risks'.

Murray Dairy's 'Dairy Business Networks' continue to improve farmers business management skills with the Geoffrey Gardiner Foundation providing funding for new groups throughout 09/10. Additionally a Business Tool was developed that uses a spreadsheet format that allows farmers to enter their own farm business data to test the impact of water allocation, milk price and grain and fodder costs.

A number of new projects have been developed throughout 2010, including those that will examine the potential for Cluster farms in the region, workshops to improve financial literacy and evaluation of high flow surface irrigation.

Finally, the performance of Murray Dairy does not happen in isolation, the support and assistance of our many partners is critical to the results we are able to be a part of. Thank you to the dairy farmers and service providers of our region, Dairy Australia, UDV, the Regional Extension and Education



Committee, the Regional Network Groups, NVIRP, State Departments of Primary Industries, Sustainability and Environment Industry Innovation and Regional Development.

Thank you to the Board who provide drive and expertise to support the Murray Dairy team. Thank you also to the Murray Dairy staff for their hard work and support.

Sarah Parker

Sarah Parker
Chief Executive Officer

Organisational Structure

Industry Steering Group

The role of the Industry Steering Group (ISG) is to:

- select Board directors;
- monitor the Board's performance;
- identify and prioritise issues affecting the dairy industry;
- provide industry representatives for project development and monitoring teams;
- provide the communication link between Murray Dairy and the industry; and
- approve Murray Dairy's Annual Operating Plan.

ISG members and the organisations they represented in 2008/09

Mr Craig Lister	Chairman
Mr Stephen Henty	UDV No. 1 District Council (Deputy Chairman)
John Keely	UDV No. 1 Central Councillor
Guy Duncan	UDV No. 1 District Council
Andrew Leahy	UDV No. 1 District Council
Tim Leahy	UDV No. 2 Central Councillor
Mr Greg Ault	UDV No. 2 District Council
Rob Schloss	UDV No. 2 District Council
Yvonne Crawford	UDV No. 2 District Council
Jim McKeown	UDV No. 3 Deputy Central Councillor
Iwan Van Den Berg	UDV No. 3 District Council
Mr Leigh Barr	UDV No. 3 District Council
David Van Popering	UDV No. 3 District Council
Gordon Nicholas	UDV No. 4 Central Councillor
Stuart Crosthwaite	UDV No. 4 District Council
Neville Kydd	NSW Farmers Association Dairy Committee
Ken Frost	NSW Farmers Association Dairy Committee
Peter Middlebrook	NSW Farmers Association Dairy Committee
John Furphy	Murray Goulburn Co-operative
Stuart Brown	Tatura Milk Industries
Wendy Brown	Parmalat
Chris Thomas	Fonterra Australia
Katie Tonkin	National Foods
Bill Wales	Department of Primary Industries, Victoria
Jason Leeman	Department of Primary Industries, Victoria
Michael Cashen	NSW Department of Industry and Investment
Neil Aird	National Centre for Dairy Education Australia
Troy Mauer	Murray Irrigation Limited
Ruth Kydd	Regional Extension and Education Committee Chair
Kevin Preece	Goulburn Murray Water

Murray Dairy acknowledges the contribution made by the ISG members and the organisations they represent.



Regional Extension and Education Committee (REEC)

The REEC is made up of Murray Dairy, NCDEA, DPI Vic, NSW Department of Industry and Investment, farmer representatives from each regional group and dairy related service providers.

The primary function of the REEC is to provide strategic advice on extension and education activities across the Murray Dairy region.

Regional Networks

To provide effective communication between Murray Dairy and the dairy farmers they represent, five Regional Networks have been established across the region:

- three in the northern Victorian irrigation region—
Western Group, Central Group and Eastern Group;
- the Riverina Group; and
- the North-East Victoria and NSW Upper Murray Group.

Regional Networks are made up of locally based ISG members and other interested dairy farmers and industry representatives to assist with the development, promotion and implementation of industry activities.



Murray Dairy's Corporate Goals

Vision

A competitive, innovative and sustainable dairy industry in the Murray Dairy region that is fulfilling to all its stakeholders.

Mission

Lead industry services and innovation in regionally specific research, development and extension for the ultimate benefit of stakeholders.

Objectives of Murray Dairy's mission are:

- › Understand the needs of dairy farmers and others in the industry;
- › Obtain funding for activities to meet regional needs;
- › Coordinate, implement and promote collective activities in the region;
- › Provide recognised and respected regional leadership; and
- › Ensure that Murray Dairy is professionally led and managed.

Murray Dairy's competitive advantages include:

- › A unique and independent perspective of the region's dairy industry and its industry development needs;
- › A network that enables Murray Dairy to reach out to every dairy farmer in the region;
- › A structure that ensures effective industry participation throughout the entire research and extension process;
- › An ability to source funding for research and extension;
- › A reputation as trusted, responsible and accountable; and
- › An ability to effectively integrate research, extension and education.

Strategic Priorities 2010–2013

- › Optimise understanding of business profitability and risk
- › Increase communication and engagement with dairy stakeholders across the Murray Dairy region
- › Deliver relevant R, D and E
- › Provide industry leadership
- › Integrate responses to natural resource management
- › Ensure Murray Dairy is effectively governed



Murray Dairy Regional Development Program funding

In 2009/10, Dairy Australia's \$713,228 investment in Murray Dairy was leveraged to secure projects for Murray Dairy farmers worth more than \$5 million.

A Summary of Murray Dairy's projects is provided.



Summary of Murray Dairy projects

FARM BUSINESS MANAGEMENT

Project	Overview
Dairy Business Networks (DBN's)	<p>DBN's are groups of 8–12 dairy farm business that meet 8 times a year with a suitably qualified consultant to:</p> <ul style="list-style-type: none"> › improve farm business management skills; › review the performance of their business; › analyse future management changes or capital investments; and › identify and evaluate opportunities for their businesses. <p>Throughout 2009/10 Murray Dairy operated 11 DBN groups, of which four new groups were formed throughout the year. These new groups and continuation of existing groups was the result of funding from the Gardiner Foundation and NCDEA.</p> <p>Funding: Murray Dairy, Geoffrey Gardiner Foundation, NCDEA</p>
Dairy Directions—analysing farm systems for the future,	<p>The overall objective of the project is to build capability to help farmers make decisions based on potential changes on the profitability and business risk of Victorian dairy farm systems.</p> <p>The project will therefore:</p> <ul style="list-style-type: none"> › analyse options for dairy farms to maintain and increase profit, net worth and manage risk under: <ol style="list-style-type: none"> a. fluctuating milk and input prices (eg. grain, irrigation water, fertiliser), and real increases in input costs. b. increasing land values, which are impacting on expansion of dairy businesses. › disseminate information generated from the project to all relevant dairy stakeholders. <p>Funding: Murray Dairy, Dairy Australia, DPI, Melbourne University</p>
Lower Murray Darling Basin Inquiry	<p>The Lower Murray Darling Basin inquiry, commissioned by Dairy Australia in May 2009, aimed to assist relevant stakeholders to identify opportunities for the future and help them make decisions. Objectives of the inquiry were to:</p> <ul style="list-style-type: none"> › improve understanding of the issues in the LMDB region; › engage and consult those affected; › provide independent considerations of future directions, opportunities and risks for the region and dairy industry within it; and › establish credible opinions on likely developments in the region and their potential impact on the farm, the community and the regional dairy industry. <p>Public meetings were held Echuca, Shepparton, Deniliquin, Wodonga and Murray Bridge throughout September 2009, with an Industry response document launched in December 2009. A Regional Reference Group was also established during this time that has continued to meet throughout 2010 to develop key actions from the inquiry.</p> <p>Funding: Dairy Australia</p>
Murray Dairy Business Tool	<p>Throughout 2009–10 Murray Dairy developed a Business Tool to assist farmers with a range of decisions affecting their businesses.</p> <p>The tool uses a spreadsheet format and allows a farmer to enter their own farm business data to test the impact different water allocations, milk price and grain and fodder costs may have on their business.</p> <p>The business tool also has a series of budgets, which addresses specific strategies a farmer may employ to improve their farm business profitability. The budgets show the costs and benefits of implementing strategies such as applying more nitrogen or milking more cows.</p> <p>Funding: Murray Dairy, Dairy Australia</p>

Project	Overview
Cluster Farms Scoping Proposal — Murray Dairy Region	<p>This project will address issues specific to the irrigated dairy industry in the Murray Dairy region and facilitate the potential for Cluster Farms to form.</p> <p>The outcomes of the project will be:</p> <ul style="list-style-type: none"> › to provide an alternative mode of accessing resources for dairy farm businesses looking to expand; › to provide an alternative mode of transition for dairy farmers who are currently farming but are planning to cease dairy farming in the operational sense but who wish to continue to play a role in the dairy industry, through maintaining asset investment or transferring knowledge and/or skill to a larger dairy enterprise; and › to provide an alternative avenue for underutilised resources to again be used within the dairy industry. <p>Funding: Geoffrey Gardiner Foundation</p>
Growing Dairy in the Murray Irrigation Region	<p>Murray Dairy together with Murray Irrigation Limited, New South Wales (NSW) Department of State and Regional Development and the NSW Farmers Dairy Committee established a project to grow the dairy region across the Southern Riverina. Murray Dairy's key focus in the project is to develop a skilled workforce to support dairy farmers in growing their businesses by:</p> <ul style="list-style-type: none"> › improving dairy farmers' capacity to employ and manage labour; › training and development of farm labour and Increasing the supply of labour by; and › promoting careers on dairy farms. <p>Funding: Murray Dairy, Murray Irrigation Limited, New South Wales Department of State and Regional Development</p>
Taking Stock: Taking Action Sessions	<p>Over the past two years, Taking Stock: Taking Action sessions had been funded by the Commonwealth Government as part of the 'Dealing with Today: Planning for Tomorrow' project. When this project ceased in June 2009, Murray Dairy saw the need for these sessions to continue and provided funding for farmers to access free one-one-one advice sessions with a qualified consultant.</p> <p>Funding: Murray Dairy</p>
Farming Populations: Workshop & Tools to support increased capacity for decision making	<p>The project aims to improve the financial literacy of dairy farmers and the general farming population. This project involves information sessions that allow farmers to develop skills and knowledge needed to be able to comprehend, articulate and reflect upon their individual business structure and financial position. It also enables farmers to provide accurate information when working with consultants and advisors and to recognise when they need outside expertise to fill gaps in their own knowledge. These information sessions will also be underpinned by the development of a guide for farmers, based upon the previously successful Murray Dairy 'Financial Records Guide for Dairy Farms'. In addition to the 'Financial Records Guide' an 'A3 Farm Cash Management Planner' will be produced. This sheet (in hard copy) will allow farmers with limited computer skills to track expenditure and income.</p> <p>Funding: DPIV, Murray Dairy</p>



Project	Overview
Clear Your Mind: Facilitating Decision Making through enhanced information delivery & service provider access	<p>The project encompasses the delivery of 6 information sessions to dairy farmers and one for dairy related service providers across Northern Victoria. The focus of the sessions is to provide farmers with the understanding and tools to enhance decision making around the management of their major assets including water and land.</p> <p>The objective of the activities is to provide 'undecided' farmers with information and access to service providers who can support critical thinking needed in order for decision making to occur. The activity sessions will be non-threatening, held in local community settings with service providers present, rather than farmers being placed in the position of seeking out service providers and information.</p> <p>Funding: DPIV, Murray Dairy</p>
Riverina Focus Farm	<p>A focus farm has been established in Blighty with its first meeting commencing in March 2010. The aim of the focus farm is to encourage Riverina farmers to attend a group discussion on how the farm is being managed, discussions are facilitated by a consultant. Issues relating to agronomy, livestock and finances will all be discussed. The farm will also monitor soil water content by use of a continuous logger device, demonstrating to farmers the value of continuous soil moisture monitoring technology and its role in scheduling irrigation events.</p> <p>Funding: Murray Dairy, Murray CMA, NSW Department of Industry and Investment</p>
Cups on Cups Off Course	<p>Eleven sessions of Dairy Australia's Countdown Downunder 'Cups On Cups Off' training program were provided throughout June 2010 with over 170 farmers participating. The emphasis on the session is mastitis prevention and control, with specific discussion on, how and why infections occur, reducing the risk of infections, practical mastitis control, best practice in milk harvesting, the importance of teat disinfection and how to detect and deal with clinical cases of mastitis.</p> <p>Funding: Murray Dairy, Fonterra, Tatura Milk, Murray Goulburn, Parmalat, National Foods, NCDEA</p>
Northern Victorian Irrigation Renewal Project (NVIRP) Connections booklet	<p>Murray Dairy assisted NVIRP with the development of a 'Connections Booklet' that was posted to all farmers in the Goulburn Murray Irrigation District. The booklet aimed to provide information to farmers on how they can connect to the irrigation backbone, what works that may be required on farm and how the irrigation modernisation program will be delivered.</p> <p>Funding: NVIRP</p>
Regional Extension and Education Committee	<p>The Regional Extension and Education Committee advised Murray Dairy and DPI to undertake a number of activities. An overview of activities include:</p> <ul style="list-style-type: none"> › Thirty farm shed meetings. Titled 'Managing the Challenge' these meetings were organised following the milk price drop. 222 farmers attended the meetings and over 100 service providers. › Occasional Counsellor Workshop. This workshop was open to farmers and service providers to assist them in dealing with a stressed farming community; › What to Sow? Should I Water It. 246 dairy farmers and service providers attended. <p>Funding: Murray Dairy, DPIV</p>
Regional Network Groups	<p>Five regional network groups operate across the Murray Dairy Region, these regions include the North West, Central, Eastern, North East and the Riverina. Each group is facilitated by a DPI dairy extension officer.</p> <p>Murray Dairy receives monthly reports from the groups to aid the organization's planning of projects and research. The regional networks also have a strategic planning day each year where the groups forecast the needs of the dairy industry in five years time. This information is built into Murray Dairy's strategic and Annual Operating Plan.</p> <p>Funding: Murray Dairy, DPIV</p>

NATURAL RESOURCE MANAGEMENT

Project	Overview
Evaluation of High Flow Surface Irrigation within the Murray Dairy region	<p>Gravity fed, low energy use surface irrigation will continue to be the major form of irrigation in the Murray Dairy region. Yet there is no scientific understanding of the benefits of high flow irrigation. This project will therefore:</p> <ul style="list-style-type: none"> › undertake field studies and detailed monitoring or irrigation events; › complete a cost benefit analysis for each of the field sites/ host farms comparing any benefits of improved drymatter production and or improved water use efficiency against the costs of undertaking the farm system upgrade and any required changes to farm water management; › prepare case study reports for each site investigation; › prepare farm/industry flow rate guidelines; › evaluate the suitability of producing a simple tool that individual farmers or their advisers could use to evaluate the efficiency of current farm systems to identify what changes are appropriate; and › engage and inform water supply authorities modernising district supply infrastructure and Government bodies currently providing funding for farm irrigation efficiency works. <p>Funding: Dairy Australia, Murray Dairy, NVIRP, Rubicon, GB CMA, GMW</p>
Irrigation in dry conditions—northern Victoria irrigation R D & E priorities	<p>The project will provide new, authoritative information about on-farm irrigation efficiency R D & E priorities, and aims to influence the direction of new irrigation R D & E in the region. The project will deliver a major regional workshop of two days, facilitating the integration of future research with current national and international research in the areas of on-farm irrigation systems, forage production and farm business systems.</p> <p>Funding: Geoffrey Gardiner Foundation</p>
Future Ready Dairy Systems	<p>Future Ready Dairy Systems is focused on ensuring there are viable, practical and profitable options for dairy farmers around climate variability. There are two aspects of the program. The first involves farmers learning about what systems their counterparts have put in place to manage climate variability. The second will concentrate on proving the next generation of greenhouse gas mitigation technologies that will be tested at the Melbourne University, Dookie Campus farm to advance to the stage of being ready to use on farms.</p> <p>Funding: DAFF, Dairy Australia</p>
Goulburn Murray Integrated Farm Modernisation Program	<p>This project is led by the Goulburn Broken Catchment Management Authority with a consortium of partners including Dairy Australia and Murray Dairy and will provide on-farm investment to farmers for a return of some water savings to the Commonwealth. On-farm works detailed in the project include:</p> <ul style="list-style-type: none"> › converting unimproved flood irrigation practices to improved flood irrigation practices through laser grading and levelling; › purchase and installation of irrigation scheduling equipment; and › conversion to other new technologies. <p>Funding: DEWAH</p>
Dairying for Tomorrow Coordinantor	<p><i>Dairying for Tomorrow</i> is a Dairy Australia program that aims to promote the uptake of best-practice environmental management on dairy farms and to build the capacity of farmers to understand and adapt to Climate Change. A Dairying for Tomorrow Co-ordinator was employed from April 2009–April 2010. A part time consultant is continuing natural resource management work throughout 2010.</p> <p>Funding: Dairy Australia, Murray Dairy</p>
Soil Moisture Monitoring Project	<p>Murray Dairy has worked with the Northern Victorian Irrigation Renewal Project (NVIRP) and the Department of Primary Industries (DPI) on a project demonstrating the use of Soil Moisture Monitoring equipment for scheduling irrigations. Demonstration sites have been established on 12 farms throughout all irrigation areas in the Goulburn and Murray Irrigation District. A range of crop types including permanent pasture, winter/summer cropping and lucerne are represented. Various types of soil moisture equipment have been installed to allow for a comparison at the project's completion.</p> <p>Funding: NVIRP</p>

FEEDBASE

Project	Overview
Flexible forage systems for variable water supplies	<p>This project encompasses four modules—including two field experiments, one survey and one desktop modelling study—and an ongoing commitment to assist farmers, make the best use of limited and variable water supplies.</p> <p>Outputs from the six year project will include technical brochures for a farmer/service provider audience, backed up by scientific papers submitted to peer-reviewed journals, regarding:</p> <ul style="list-style-type: none">› lucerne performance under variable irrigation;› principles for grazing management of tall fescue-based pastures;› survey of forage yields and nutritive characteristics of winter crops; and› water requirements of a range of annual and perennial forages under future climate scenarios. <p>Funding: Dairy Australia, Murray Dairy, DPIV</p>
Blighty Feed Trial	<p>Murray Dairy funded DPI NSW to explore a number of feeds under various watering conditions. Rye grass, oats, barley, wheat and brassicas were studied, examining the differences in response to those being watered when required and those relying on rainfall. The trial was divided into grazed and ungrazed, with grazed areas being cut 2–3 times during the season to determine dry matter production.</p> <p>Funding: Murray Dairy, NSW Industry and Investment</p>
Barley Grass Technical Note	<p>Murray Dairy developed a technical note that was posted to all dairy farmers regarding the Management of Barley grass. The note identified factors which make barley grass a major weed for the dairy industry, as well as identifying tactics that should be considered when developing an integrated plan to manage the weed.</p> <p>Funding: Murray Dairy</p>

ANIMALS

Project	Overview
Accelerating the uptake of strategies to manage heat stress in dairy cattle in Northern Victoria	<p>With the trend towards higher temperatures and more frequent heat waves associated with climate change, dairy farms in Northern Victoria are significantly impacted and heat stress in dairy cattle is emerging as a key issue for dairy herd managers in the region.</p> <p>The first activity of the project was to commission a study to quantify the physical and economic impacts of heat stress likely under climate change probabilities. The next stage focuses on the development of a Cost Benefit Analysis Tool which farmers and their advisers can use to support investment decisions regarding various adaptations on their own farm to better manage heat stress. Cool cows workshops were held in Deniliquin, Undera, Gundowring, Leitchville, Strathmerton and Lockington throughout December 2009. A further heat stress workshop with international expert Dr Bob Collier was held in February 2010. This project will conclude March 2012.</p> <p>Funding: Department of Agriculture, Fisheries and Forestry</p>



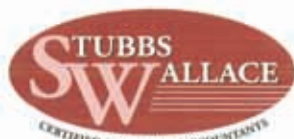
PEOPLE

Project	Overview
Young Dairy Development Program (YDDP)	<p>The YDDP Program aims to:</p> <ul style="list-style-type: none"> › develop young dairy farmers and service providers by building their knowledge, skills and leadership opportunities; › develop the dairy industry by improving the information flow and understanding of the industry by young people, in terms of issues and leadership roles within industry; › develop dairy communities by building social networks and increasing the participation of young people in their communities. <p>YDDP activities for 2009–10 include:</p> <ul style="list-style-type: none"> › Setting up for a Sensible Season in North East Victoria; › Echuca Race Day; › Milk IT Day; › Careers Day Out; › Calf Rearing sessions; › Heifer Rearing sessions; › Industry dinners; › Talking Irrigation Modernisation session with NVIRP CEO, Murray Smith. <p>Funding: Murray Dairy, Dairy Australia, Genetics Australia, Rural Finance</p>
Retaining people in dairy farming—what is working and why?	<p>This project focuses on the retention of people in dairy farming. The project aims to strengthen Victorian dairy regions' ability to support both the farmers in their region to value and plan for retention and improve the retention of people in the regions' dairy community. The project has the following objectives:</p> <ul style="list-style-type: none"> › regional groups understand current retention practices of farmers and employee experiences of retention in their region; › regional groups develop a plan to support farmers' retention strategies and link these with workforce development (careers, training, etc) initiatives in their region; and › dairy farms are supported to value and plan for retention in their farm business. <p>Funding: Geoffrey Gardiner Foundation</p>
Maurice Incerti Scholarship	<p>In memory of Maurice Incerti, former CEO of Murray Dairy, Murray Dairy and Dairy Australia provided one applicant within the Murray Dairy region with an \$8000 scholarship to undertake a:</p> <ul style="list-style-type: none"> › research study; or › research project; or › study tour; or › personal development in research, extension or industry. <p>This scholarship was awarded to Merrigum dairy farmer, Jamie Snell to undertake a comparative study between Australian and European Union dairy business data sets.</p> <p>Funding: Murray Dairy, Dairy Australia</p>
Regional Coordinator	<p>Throughout 2009–10 Murray Dairy expanded the role of the Drought Coordinator to focus on all regional issues, the purpose of the position was to provide coordination of people and community development activities across the region. Key achievements include:</p> <ul style="list-style-type: none"> › organising 33 <i>Taking Stock: Taking Action</i> sessions; › facilitating the delivery of a range of community and networking activities impacting on over 1000 dairy community members; › liaising with service providers on a range of issues; › provide feedback to the Health and Welfare service sector; › provide feedback to the Regional Extension Committee and UDV District Councils. <p>Funding: Murray Dairy, Dairy Australia, Geoffrey Gardiner Foundation</p>

Project	Overview
Supporting Dairy Communities Small Grants	<p>Through 2009–10 Murray Dairy received funding from the Gardiner Foundation for a number of small grants for dairy related groups to hold a social activity. Sixteen events were held ranging from Christmas dinners for dairy discussion groups, family fun days and industry liaison dinners.</p> <p>Funding: Geoffrey Gardiner Foundation</p>
Cows Create Careers	<p>Cows Create Careers promotes career and education opportunities in the dairy industry across vocational and university pathways. The project involves secondary students from years 7–11 to take an active part in learning about the industry while caring for dairy calves. Local farmers and a local dairy industry professional, such as a vet, a dairy company field officer or an agronomist, work with the students to teach them about different aspects of the dairy industry. The program is operating in 11 schools across the Murray Dairy region.</p> <p>Funding: Murray Dairy, Dairy Australia</p>
Relief Milking in North East Victoria	<p>This project piloted an NCDEA relief milking course for 8 participants in Kiewa in June 2010. With labour shortages affecting the North East the pilot was seen as opportunity to introduce those interested to learn how to milk on actual host farms, rather than the classroom. All of the participants expressed a desire to continue working within the industry in some capacity with some gaining employment. Many also indicated their interest in pursuing further training with the view to enhancing their employment prospects.</p> <p>Funding: Murray Dairy, NCDEA</p>
Australian Dairy Conference	<p>Murray Dairy together with Dairy Australia provided funding for a young farmer to attend the Australian Dairy Conference in Wollongong, New South Wales, February 2010. The successful applicant was Tom Acocks from Rochester.</p> <p>Funding: Murray Dairy, Dairy Australia</p>
School Careers Day	<p>Murray Dairy together with the National Centre for Dairy Education Australia (NCDEA) attended two careers days for secondary school students. Firstly in May 2010 in Shepparton and in Berrigan in June 2010. A strong dairy presence at these events has allowed students to understand the many careers available within the dairy industry.</p> <p>Funding: Murray Dairy</p>



Independent Auditor's Report



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INDEPENDENT AUDIT REPORT

TO THE MEMBERS

MURRAY DAIRY INC.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose report of Murray Dairy Inc., which comprises the assets and liabilities statement as at 30 June 2010 for the year then ended, the income and expenditure statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the board.

Board's Responsibility for the Financial Report

The board of Murray Dairy Inc. is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act Vic and are appropriate to meet the needs of the board. The board's responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the board. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

Independent Auditor's Report (cont)

The financial report has been prepared for distribution to board for the purpose of fulfilling the boards financial reporting obligations under the Associations Incorporation Act Vic. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Murray Dairy Inc. presents fairly, in all material respects the financial position of Murray Dairy Inc. as at 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act Vic.



WILLIAM M LEE – REGISTERED COMPANY AUDITOR
STUBBS WALLACE

DATE: 30th Sept 10

Financial Report

Balance Sheet

As at 30 June 2010

	2009/2010 \$	2008/2009 \$
Current Assets		
Project Account	224,998.46	422,966.81
Heat Stress Account	13,515.11	-
Reserve Account	243,102.13	-
Accounts Receivable	193,657.72	102,794.95
Petty Cash	404.62	30.67
Total Current Assets	675,678.04	525,792.43
Non Current Assets		
Computer	24,596.77	24,596.77
Less: Accumulated Depreciation	-16,932.74	-11,823.39
Motor Vehicle	27,225.93	27,225.93
Less: Accumulated Depreciation	-13,620.35	-10,478.84
Total Non Current Assets	21,269.61	29,520.47
Current Liabilities		
Accounts Payable	13,497.10	17,647.96
PAYG	-	7,499.00
Superannuation Liability	-	360.00
Tax Payable	18,113.50	14,960.07
Total Current Liabilities	31,610.60	40,467.03
Net Assets	\$665,337.05	\$514,845.87
Equity		
Retained Earnings	514,845.87	363,794.16
Current Year Earnings	150,491.18	151,051.71
Total Equity	\$665,337.05	\$514,845.87

Profit and Loss

As at 30 June 2010

	2009/2010	2008/2009
Income		
Fees from Conferences	-	3,557.28
Grants	862,122.00	872,314.08
Industry Contributions	-	245.45
Interest Income	7,779.06	6,679.81
Other Income	56,931.24	336.36
Refunds	-	-
	\$926,832.30	\$883,132.98
Expenses		
Accounting & Legal Fees	6,524.91	3,714.70
Advertising	24,645.20	9,008.51
Bank Charges	339.41	634.29
Catering & Venue Hire	49,288.11	54,653.83
Consultants Fees	235,568.73	190,355.21
Contract Wages	-	15,994.82
Depreciation	8,250.86	12,382.06
Event Costs	8,000.00	-
Equipment Hire	-	2,736.79
Flowers, Gift & Sponsorship	1,756.34	-
Fringe Benefits Tax	2,722.11	4,532.00
Insurance	7,054.69	5,764.71
IT Support	2,918.58	6,855.92
Meeting Fees	25,124.91	40,289.67
Office Accommodation	31,250.00	28,909.65
Personal Exp	-	63.18
Phone & Internet	5,808.58	12,287.29
Printing, Stationery & Postage	18,267.77	11,925.34
Program Contribution	-	48,104.61
Publications	11,036.36	-
Publicity & Promotion	-	6,098.84
Scholarship	5,000.00	-
Storage	90.00	-
Sundry Expenses	-	732.00
Superannuation	21,577.99	13,501.80
Training & Conferences	16,671.19	-
Travel Costs	16,875.37	39,781.14
Uniforms	298.18	-
Vehicle Expenses	17,690.58	23,120.13
Wages	258,758.90	192,767.54
Wages – Long Service	-	7,037.30
Workcover	822.35	829.94
	776,341.12	732,081.27
Profit/Loss	\$150,491.18	\$151,051.71

Statement of Cash Flow

As at 30 June 2010

	2009/2010	2008/2009
Operating Activities		
Net Income	150,491.18	151,051.71
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts Receivable	(90,862.77)	(42,005.57)
Petty Cash	(373.95)	202.13
Accounts Payable	(4,150.86)	(3,210.79)
PAYG	(7,499.00)	3,075.00
Superannuation Liability	(360.00)	(3,579.17)
Tax Payable	3,153.43	17,166.29
Net cash provided by Operating Activities	50,398.03	122,699.60
Investing Activities		
Computer purchase: Accumulated Depreciation	16,932.74	11,823.39
Motor Vehicle: Accumulated Depreciation	13,620.35	10,478.84
Provision for Depreciation	-22,302.23	(9,920.17)
Net cash provided by Investing Activities	8,250.86	12,382.06
Financing Activities		
Provision – Long Service leave	-	(17,182.00)
Net cash provided by Financing Activities	-	(17,182.00)
Net cash increase for period	58,648.89	117,899.66
Cash at beginning of period	422,966.81	305,067.15
Cash at end of period	\$481,615.70	\$422,966.81

Notes to and forming part of the financial statements

For year ending 30 June 2010

Note 1: Statement of Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of Victoria. The committee has determined that the association is not a reporting entity. The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The following significant accounting policies, which are consistent with the previous period, have been adopted in the preparation of the financial report.

(a) Income Tax

Murray Dairy Inc. is exempt from income tax pursuant to Section 50–45 of the Income Tax Assessment Act 1997.

(b) Receivables

Revenues are recognised when they are earned. Trade debtors are carried at nominal amounts due and are due for settlement within 30 days. Collectibility of debts is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists.

(c) Creditors

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of the acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28.

(e) Revenue Recognition

Income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

(f) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

(g) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions.

Acknowledgements

Murray Dairy gratefully acknowledges the support and financial assistance provided by Dairy Australia.



Murray Dairy also acknowledges the continued support and assistance of the following organisations:

- Bonlac Supply Cooperative
- Department of Agriculture, Fisheries and Forestry
- Department of Primary Industries, Victoria
- Department of Industry and Investment, NSW
- Department of Sustainability and Environment, Victoria
- Fonterra
- Geoffrey Gardiner Foundation
- Goulburn-Murray Water
- Murray Goulburn Co-operative Co.
- Murray Irrigation Ltd.
- National Centre for Dairy Education Australia
- National Foods
- NVIRP
- NSW Farmers' Association Dairy Committee
- Parmalat
- Tatura Milk Industries
- United Dairyfarmers of Victoria (UDV)
- UDV District Councils Nos 1, 2, 3 and 4



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