Strategic plan 2016/17 to 2018/19
Revised June 2017

Role of Dairy Australia

• Dairy Australia is the national services body for dairy farmers and the industry. The role of all of the organisation’s funds and managed programs are to drive the dairy industry forward, but would not occur effectively or efficiently if the market were left to self-regulate. There is typically a high degree of research, development and extension (RDE) industry capability, trust and regulatory support, and pre-competitive promotion.

• Under its Constitution, Dairy Australia is precluded from age-political activity. This is a rule of the representative bodies (see below).

• In essence, Dairy Australia’s role is to help farmers adapt to a changing operating environment with the objective of achieving a profitable and sustainable dairy industry.

Industry support structure

• Dairy Australia is one of a number of organisations that supports the dairy industry. The industry vision cannot be achieved in isolation and Dairy Australia is committed to working closely with organisations such as the ADIC, State Dairy Farmer Organisations, RDCPs, Dairy Farmers’ Federation, Dairy Australia & Community, Dairy Farmers’ Federation of Australia (Queensland), Dairy Farmers’ Federation of Australia (New South Wales), Dairy Farmers’ Federation of Victoria, Dairy Farmers’ Federation of Australia (South Australia) and Graziers Association of Australia. Dairy Australia works closely with the RDCPs to facilitate technology transfer and operational improvements for the advancement of the sector.

Australia’s Dairy Industry

The Australian Dairy Industry

1.74m
294 cows
39,000
5,460 litres/cow
9.5b litres
$4.14b
Annual milk production (2015–16)
Sales value:
Milk
Cheese
Skim milk/butter milk powder
Drinking milk
Milk utilisation:
Milk
Sales value:
Milk
Cheese
Skim milk/butter milk powder
Drinking milk
Milk utilisation:
Milk
Sales value:
Milk
Cheese
Skim milk/butter milk powder
Drinking milk
Marketing services

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### Project expenditure*

#### Strategic programs - Objectives and scope

<table>
<thead>
<tr>
<th>Strategic program</th>
<th>2016–17 expenditure</th>
<th>% of expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profitable dairy farms</strong></td>
<td>Total expenditure</td>
<td>41.29%</td>
</tr>
<tr>
<td></td>
<td>Support innovation in the supply chain that reduces costs and promotes longer-term sustainability</td>
<td>6.84</td>
</tr>
<tr>
<td></td>
<td>Promote and maintain consumer trust in the sector and its products</td>
<td>2.19</td>
</tr>
<tr>
<td></td>
<td>Improve post-farmgate profitability and farmgate price through improved supply chain management</td>
<td>3.97</td>
</tr>
<tr>
<td></td>
<td>Post-farmgate programs are focused on improving the capability and culture of industry participants, including extending services (to farmers and advisors) and more general education and training activities.</td>
<td>23.32</td>
</tr>
<tr>
<td></td>
<td>Capable people</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Food and drink products</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Regional and community marketing</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Triple Bottom Line Allocation</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Wholesale and retail support</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Dairy Australia programs: funding allocation</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Strategic priority 02</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Strategic priority 03</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Strategic priority 01</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Strawberry</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Blueberry</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Other berries</td>
<td>26.7%</td>
</tr>
<tr>
<td></td>
<td>Total expenditure</td>
<td>56.63</td>
</tr>
<tr>
<td></td>
<td>Profitable dairy farms</td>
<td>100%</td>
</tr>
</tbody>
</table>

#### Project expenditure*

#### Strategic focus on Dairy Australia investment

**Profitable dairy farms**

- Funding of projects and services to post-farmgate to achieve longer-term benefits to farmers and the industry.
- Activities that protect the sector’s long term viability through investments that reduce costs and promote longer-term sustainability.
- Activities that directly improve the capability and culture of industry participants, including extending services (to farmers and advisors) and more general education and training activities.

**Strategic priority 02**

- Regional extension services
  - Facilitating the provision of quality educational programs.
  - Enhancing labour availability by improving on-farm human resource management and recruiting a quality, safe and skilled workforce.

**Strategic priority 03**

- Trusted dairy industry
  - Activities that protect the sector’s long-term benefits to consumers and the industry.
  - Communication and promotion aimed at increasing consumer brand loyalty and preference for Australian dairy products.

**Strategic priority 01**

- Capable people
  - Activities that protect the sector’s long-term viability through investments that reduce costs and promote longer-term sustainability.
  - Activities that directly improve the capability and culture of industry participants, including extending services (to farmers and advisors) and more general education and training activities.

**Investment focus**

- What is the focus of Dairy Australia investment?
  - Triple Bottom Line Allocation
  - What is the focus of Dairy Australia investment?
  - Triple Bottom Line Allocation
  - Tax Horizon to achieve project benefits

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*Note: *Proportion of funding allocated to strategic programs may alter over time as Dairy Australia’s budget priorities evolve.

**Dairy Australia programs: funding allocation**

#### Expenditure and Returns

<table>
<thead>
<tr>
<th>Region</th>
<th>Expenditure 2016–17</th>
<th>Return 2016–17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Australia</td>
<td>$2.10</td>
<td>48%</td>
</tr>
<tr>
<td>Northern Australia</td>
<td>$0.90</td>
<td>22%</td>
</tr>
<tr>
<td>Southern Australia</td>
<td>$1.40</td>
<td>14%</td>
</tr>
<tr>
<td>National</td>
<td>$4.40</td>
<td>32%</td>
</tr>
</tbody>
</table>

#### Expenditure by Strategic Program

- **Strategic priority 01**
  - Forecasts and Analysis
  - Strategic Program Development

- **Strategic priority 02**
  - Investment in Dairy Education and Training

- **Strategic priority 03**
  - Manufacturing Innovation and Sustainability

#### Return on Expenditure

- Total return on investment: 14.4%