



Macalister Demonstration Farm

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NEWSLETTER 85

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Program



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AUSTRALIAN DAIRY INDUSTRY UNILEVER SUSTAINABILITY PILOT

Unilever has developed a Sustainable Agriculture Code to define supplier sustainability requirements. The purpose of the code is to set a standard which can be held up to consumers as a demonstration that the raw produce that is being purchased (and ultimately sold in the market place) is being harvested through agriculturally sustainable management. The implications of the Sustainable Agriculture Code to the primary producer is that effectively, a value is being placed on the product being delivered to Unilever and if that product does not meet the standards as set by the Code it may not be accepted as source material for Unilever manufactured goods. Dairy products from South East Asia & Australasia account for about 5% of Unilever's total dairy supply.

So who is Unilever? Unilever is an Anglo-Dutch multinational consumer goods company. The products include foods, beverages, cleaning agents and personal care products. A very small example of the range of brands owned by Unilever include: Streets Ice Cream, Flora, Flora pro-activ, Sunsilk, Rexona and OMO.

And what is the Australian Dairy Industry Unilever Sustainability Pilot? According to the Unilever Sustainable Agriculture Code, Australia is the only country in the world to meet the code as set by Unilever. However, despite gaining acceptance from Unilever, knowledge gaps in evidence for supporting

sustainability have been identified within our industry and Unilever is now seeking benchmark data to fill the void, hence the Australian Dairy Industry Unilever Sustainability Pilot. As a next step, to drive even higher standards of sustainable production, Dairy Australia, together with processors Murray Goulburn, Fonterra, and others have agreed to implement a pioneering sector wide project to focus on the areas of Soil use, Biodiversity and Waste management. Through the use of the proven Dairy SAT (self assessment tool), this partnership for improvement will involve about 100 farms across Australia's eight dairy regions.

The Pilot is currently happening in the MID, and MG Cooperative has sought the cooperation of Macalister Demonstration Farm (and others) to collect benchmark data for soil use, biodiversity and waste management. Fundamentally, the need for this data is customer driven and in the case of MG Cooperative, it is an opportunity to supply its customers with further evidence of sustainable practices implemented by the dairy industry to ensure ongoing sustainability.

As part of Unilever's Sustainable Living Plan, it aims to source 100% of all dairy produce used sustainably by 2020. The goals of the Living Plan indicate that farmers who manage their business with an eye on recognised best practise as well as the needs of the end user of their product, will be best placed to maximise returns from dairying into the future.

For further information on the Sustainable Agriculture Code or this Pilot, contact Mark Jago, at MG Cooperative on 5147 0722.

Yellow Rag Bit

Maria Rose, Industry Development Officer, DEPI Maffra

Improving farm profitability

As you all know, milk price, feed price and seasonal growing conditions have a huge impact on dairy farm profitability. Based on Dairy Farm Monitor results (2012-13), an average sized dairy operation in Gippsland a change in milk price of 50 c/kg MS is worth about \$70,000 in annual income, while a change in concentrate price of \$50/ tonne equates to around to \$21,000 in feed costs. A bottom line difference of around \$100,000 between years is therefore not an unusual occurrence to expect.

There is little doubt that particularly in a poor milking season, analysing your situation for that year can help you make management decisions that will improve your financial position of the business for that year. However analysing your situation and making management decisions for that year as well as the upcoming season/s can result in improving your financial position for the business in the longer term.

Greg O'Brien from DEPI Dairy Services, based at Ellinbank has developed a multi-year decision making approach that helps dairy farmers better manage such seasonal volatility and is keen to trial it this year in the MID (beginning end February). According to Greg, using your dairy farm's data, you will be able to look at the impact of changes in milk price, feed price and growing conditions and then assess options for changes in feeding and stocking aspects of farm management with confidence and ease.

In the trial planned for the MID an initial farm visit by Greg will assess the impact of feeding, milk price and seasonal growing conditions on your business and options that might be considered for improved management. There will be four follow-up visits to your individual farms at critical times during the season to discuss tactics for implementing the plan, taking into account how the season is panning out.

Additionally, a two-hour group discussion session held on-farm with around 10 other farmers involved in this trial will provide an additional opportunity to compare notes and glean other ideas.

Greg highlights that such a multi-year decision making approach focuses on matching feeding input and milk production output and the feeding and stocking options worth considering to obtain an improved financial position. It will then be possible to see the impact on milk income and feed costs for your herd (using a specifically designed calculation tool) which processes different values you can enter to represent changes to the level and cost of feed purchased, amounts of home grown feed produced (to reflect seasonal growing conditions), and stock numbers (including culling early or agisting stock off the milking platform to free up feed for milkers). Often the ability to feed to the optimum long term situation is hamstrung by cash flow in the poor year.

The Boisdale-Newry Dairy Discussion Group members have invited Greg O'Brien to their first meeting in 2014 (7pm - 9.30 pm Thursday 13th Feb) to give a demonstration on the calculation tool as described above, using real figures from an MID farm for last season (2012-13) **This meeting with Greg as guest speaker is open to all interested MID dairy farmers – a BBQ tea and soft drinks will be provided!**

If you are interested in taking part in the planned MID pilot program and or intending to see Greg O'Brien demonstrate how the multi-year decision making approach tool works at the next Boisdale-Newry Discussion Group meeting on Thus 13th Feb , contact myself on 5147 0843 or Greg on 5624 2288.

MACALISTER DEMONSTRATION TRAVEL AND LEARNING SCHOLARSHIP

Update by Jon Ryan – 2013 recipient

As the 2013 and inaugural recipient of the Macalister Demonstration Farm (MDF) Travel and Learning Scholarship I head off on my planned study tour to Tasmania and New Zealand at the end of this month.

My study focuses on how the application of new technology to manage forage on pasture based dairy farms that is readily available today can impact on the dairy farmers of the MID (of which I am one) into the future. To achieve this goal, my aim whilst on the tour is to learn more about innovative technologies used to assist in maximising pasture utilisation and hence drive down the cost of production in our dairy businesses. Technologies such as the Rapid Pasture Meter (RPM) approach, including appropriate software that makes use of the collected data, is what I will be focussing on during my travel time.

A brief summary of my tour is as follows;

- 27 – 29 Jan inclusive: Burnie Tasmania – Tasmania Institute of Agriculture research Farm, extension staff and relevant farms to observe the use of same technology in Australian conditions.
- 01 – 04 Feb inclusive: Christchurch/Canterbury region, South Island New Zealand - visit Lincoln Demonstration Farm and nearby farms to examine the benefits of managing pasture cover using the latest in rapid pasture meter and sensory GIS spray irrigation technology.

- 05 – 07 Feb inclusive: Palmerston North & Taranaki region, North Island - visit 'Massey University's Centre for Precision Agriculture' and nearby farms to examine the benefits of managing pasture cover using the latest in rapid pasture meter technology.

For those of you, not familiar with my background here is a quick relevant summary;

My wife Lauren and I run a pasture based operation currently milking 800 cows as part of our family's (Clynes) dairy business in the MID. The 230 hectare milking area is made up of 170 hectares of flood irrigation, 22 hectares of spray irrigation and 43 hectares of dry land. In addition, 70 hectares of dairy support is located nearby and agistment is also used for some of the replacement stock. Our farm is also the Newry farm in Dairy Australia's current Focus Farm Project

To my knowledge 6 farms in the MID are regularly measuring their pastures, of which our farm is one. Our business has been measuring for 18 months and this to date has resulted in

- *significant improvements in pasture utilisation*
- *a reduction in supplement cost per cow of \$360*
- *easier daily management of pasture allocation*

A key part of this study tour which will directly contribute to the reporting element required as recipient of the MDF Travel and Learning scholarship is to share my ongoing learning via appropriate forms of digital media such as a blog and or audio interviews with farmers, consultants and researchers and perhaps social avenues like face book/ twitter at the same time.

To get me started in the digital reporting world, Sandie Brown, MDF cooperative manager, has set up a blog page on its website which I will upload daily entries into, including daily summaries of key visit highlights, photos, interviews, face book and twitter updates etc. If you wish to follow my progress, please feel free to visit this blog page by typing the following link into your browser's web address tool bar:

<http://www.macalisterdemonstrationfarm.com/about-us/mdf-travel-and-learning-scholarship/jon-ryans-scholarship-travels/>

(this will have a direct link to my dairy business website).

or

if you have a touch phone, install a free QR Code app and scan in the following code.



To get you enthused to make comments or ask questions via my blog page; what I aim to find answers for on my travel and learning tour to Tasmania and New Zealand from Jan 27- Feb 07 includes;

- What devices or processes are available and what are the strengths and limitations?
- Has feed budgeting changed with the use of the technology?
- Has the technology itself assisted with increasing utilisation or has it allowed a system of management to form that has facilitated getting it right more often?
- What challenges, failures and successes have been experienced with the consistent use of the technology?
- By measuring on regular basis over a long period of time have farmers changed the way they invest on farm (e.g. long term data has identified that three of our main paddocks only grow 6 t/DM/ha,

so we addressed the cultivars, drainage or irrigation and now they are performing in the top 10% of the fields)?

- Can water use efficiency be effectively assessed and improved as a direct result?
- Can we make more money? And make our business more resilient?

I look equally forward to both updating you all on the ongoing progress of my trip and receiving your comments via my MDF travel and learn blog page in the social media world!

<http://www.macalisterdemonstrationfarm.com/about-us/mdf-travel-and-learning-scholarship/jon-ryans-scholarship-travels/>

Upcoming events

Boisdale Discussion Group, 7pm Thursday night 13th February.
More information contact Maria Rose DEPI on 5147 0843.

Australian Dairy Conference, 25-27 February 2014, Geelong. *For more information*
www.australiandairyconference.com.au *or Esther on 1800 177 636*

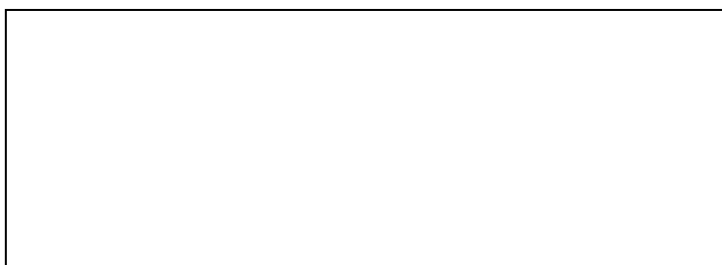
Upcoming courses

- 1 **People In Dairy GPS** (Job descriptions, Recruitment, Contracts/Awards, Payslips, Performance, Teamwork) **Maffra** Fridays Jan 24, 31, Feb 7
- 2 **Advanced Dairyfarm HR**, (Leadership, Workplace culture, Farm policies and procedures, Compliance) **Yarram** Fridays, bi-monthly, Mar 28, May 30, Jul 25, Sep 26
- 3 **Irrigation Management** (Managing flood and spray, soil moisture, for pasture performance) **Maffra** Wednesdays, Feb 12, 19, 26
- 4 **Dairy Cow Nutrition** (Cow feed requirements, Rumen function, Feed qualities, Rations, Feed margins) **Maffra** Wednesdays, Mar 5, 12, 19, 26
- 5 **Fodder Conservation** (Making quality Hay and Silage) **Maffra** Wednesday, April 9, 16, 23, 30
- 6 **Manage the Dairy Production System** (System targets, Performance indicators, Linkages and analysis, Profit drivers, Marginal thinking) **Maffra** Thursdays, Feb 13, 20, 27, Mar 13, 20
- 7 **Managing the Dairy Farm as a Business** (Budgets/cashflows, Profit & Loss, Balance Sheets, Financial performance indicators) **Maffra** Thursdays, April 3, 10, 17, 24 May 1

For more information contact Frank Tyndall on 0409 940 782.



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