



### Industry vision\*

Growing an internationally competitive, innovative and sustainable dairy industry.

## Our industry

The Australian dairy industry is one of the country's most important food and export industries, valued at \$2.8 billion at the farmgate in 2002/03.

It is the largest value-added food industry, increasing values more than three-fold through processing to contribute \$9 billion to the nation's economy.

With product exports of around one million tonnes to more than 130 countries, the industry generates \$3 billion in export income.

The industry is based on some \$17 billion in capital assets on farm and \$2.3 billion in manufacturing.

The Australian dairy industry involves about 100,000 people through activities such as:

- > farming (about 10,000 farms supporting or employing 50,000 people);
- > services to farming (including veterinary, genetics, animal nutrition, milking machinery, seed and fertiliser, and fodder contracting – an estimated 10,000 people);
- > manufacturing (including cheese, yogurt, ice-cream, butter, chocolate, powders, dairy and pharmaceutical ingredients – estimated at up to 30,000 people);
- > transport (from on-farm milk pick-up to container shipping); and
- > research (in areas such as agriculture, environment, human nutrition, manufacturing processes and food technology).

### Industry values\*

The industry's values are to:

- > contribute to the prosperity of all Australians through the development of a productive and sustainable dairy industry;
- > contribute to the health and well-being of the nation through dairy foods that meet the highest nutritional and food safety standards;
- > act as responsible and caring custodians of natural resources, including ecosystems and animals; and
- > encourage the highest standards of corporate citizenship including employment practices, business probity and community welfare.

### Industry objectives\*

The industry's objectives are to:

- > have sustainable improvement in profitability for dairy farmers and all other sectors of the dairy supply chain;
- > protect and grow the value and quality of industry assets in all sectors of the dairy supply chain;
- > have viable growing markets for the dairy industry;
- > have a positive operating and regulatory environment in all sectors of the dairy supply chain;
- > have skilled human resource capability in all sectors of the dairy supply chain; and
- > have access to natural resources as the basis for confidence to invest in the dairy industry.

## Who we are

Dairy Australia is a public company limited by guarantee. We operate within rules and laws set by our Constitution, the *Corporations Act 2001 (Cth)* and a Statutory Funding Deed with the Australian Government. We have a Board of nine Directors and our head office is in Melbourne.

Each year, Dairy Australia invests about \$35 million of dairy farmer levy payments and \$15 million of taxpayer funds in projects for the benefit of farmers, the dairy industry and the community.

Our activities help the Australian dairy industry – one of the country's most important food and export industries – be innovative, sustainable and internationally competitive.

We provide technical expertise and essential services – many that are not provided elsewhere – across the whole dairy value chain, from pre-farm and farm activities, through manufacturing to the end products.

All members (dairy farmers and peak industry representative groups) can have a say about what Dairy Australia does, however only Group A members (dairy farmers) can vote on resolutions. All dairy farmers who pay the levy can become Group A members.

We invest in R&D, information, issues management, national marketing and international trade development by:

- > providing technical expertise and resources;
- > funding 300-plus research and development (R&D) projects for the farm and manufacturing sectors;
- > sourcing and providing industry information and market analysis;
- > promoting the functional, health and nutritional benefits of dairy products;
- > co-ordinating industry responses to consumer and regulatory expectations and concerns in areas of food safety and the environment;
- > providing trade policy analysis and support to industry and government; and
- > enhancing end-user awareness and understanding of Australia's capacity to produce safe, quality products.

We invest in these areas in close consultation with industry and develop strategic plans at corporate and portfolio/group levels.

While time frames vary, most projects are expected to deliver benefits to the industry within one to five years.

### Are you aware of these projects?

- > Dairy Moving Forward – knowledge, choices and control
- > The Australian Dairy Herd Improvement Scheme (Breeding Values)
- > InCalf – towards better herd fertility
- > TopFodder Silage – improving the quality of silage
- > The Australian Cheese Technology Program
- > Strategic market intelligence reports
- > 'Dairy. The food of life' campaign.

*These are just a few of the projects we fund. Dairy Australia-funded projects and activities are published in Dairy Projects at [www.dairyaustralia.com.au](http://www.dairyaustralia.com.au)*



## How you can become a member

To apply to become a member of Dairy Australia, please contact the Dairy Australia Helpline:  
Free call 1800 004 377  
E-mail [dairy@msanda.com.au](mailto:dairy@msanda.com.au)

The address for all written correspondence is:  
Dairy Australia Membership Applications  
Locked Bag 4008  
South Melbourne Victoria 3205

All dairy farmers who pay the dairy levy or who have the dairy levy deducted from the proceeds of their milk sales are entitled to, and are encouraged to, become members of Dairy Australia and have a say in the direction of the company and election of its Directors. Membership is free.

## Where you can get more information about Dairy Australia

Dairy Australia  
ABN 60 105 227 987  
Level 5, IBM Centre  
60 City Road  
Southbank Victoria 3006 Australia  
T + 61 3 9694 3777  
F + 61 3 9694 3733  
E [enquiries@dairyaustralia.com.au](mailto:enquiries@dairyaustralia.com.au)  
[www.dairyaustralia.com.au](http://www.dairyaustralia.com.au)  
Memberline 1800 004 377

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Delivering for the dairy industry

## Our vision

Delivering world's best service, to achieve the Australian dairy industry's vision of 'Growing an internationally competitive, innovative and sustainable dairy industry'.

## Our job

To develop and drive industry services and innovation for the ultimate benefit of levy payers.



## Our focus

### Delivery

Dairy Australia delivers the services needed by the Australian dairy industry for its ongoing and future development as a competitive, innovative and sustainable dairy industry that contributes to the overall prosperity of Australian and regional economies.

### Supporting farmers

While the Australian dairy industry has a strong and positive future, dairy farmers are still weathering the effects of drought. Dairy Australia will run down its financial reserves to help speed up drought recovery and better position the industry going forward. This will enable us to increase our investment in areas that will give dairy farmers practical on-farm benefits.

### Planning for the future

Our Strategic Plan 2005-10 and annual operational plans support the Australian dairy industry's vision, values and objectives (see 'Our industry'). They are updated annually, with industry consultation, to ensure we deliver benefits to the industry and the community.

All our plans are aligned with the Australian Government's National Research Priorities and the ministerial priorities for the Rural Research and Development Corporations. They also take the 'triple bottom line approach', endorsed and used by the Australian Government, so that we can monitor and report on our social, economic and environmental performance.



## Our commitment

To meet industry's expectations, we are committed to performing strongly, achieving results and making measurable contributions to the industry's vision by:

- > delivering real benefits for dairy farmers and manufacturers;
- > streamlining our structures and delivery,

improving the co-ordination and integration of our activities;

- > evaluating our performance so that dairy farmers and our stakeholders can see how we are contributing to the industry achieving its goals; and
- > being accountable to our levy payers.

## Working with industry

As part of our ongoing review process and consultation with industry, we've refined what we're doing to ensure we are still meeting industry needs.

The changes we've made:

- > provide greater clarity and focus to our direction, and link our strategic initiatives with the underlying industry objectives;
- > refine our focus going forward in light of ongoing consultation; and
- > reduce overlap to improve program delivery.

Our activities are aligned with the following key issues, which were identified by industry as essential for helping it achieve its objectives:

1. Developing product markets.
2. Influencing customer and consumer demand.
3. Enhancing supply chain culture and competitiveness.
4. Developing farm business success and profitability.
5. Enhancing community and environmental sustainability and integrity.
6. Building industry capability.
7. Enhancing Dairy Australia's performance and delivery.

## What we're doing

Our activities are for the ultimate benefit of Australian dairy farmers:

### 1. Developing product markets

- 1.1 Assisting industry decision making through effective market intelligence
- 1.2 Contributing strongly to Australian trade reform initiatives
- 1.3 Extending existing market access opportunities
- 1.4 Supporting future market opportunities through targeted research and innovation.

### 2. Influencing customer and consumer demand

- 2.1 Communicating the benefit of Australian dairy to target audiences
- 2.2 Anticipating and managing threats to the dairy industry
- 2.3 Developing knowledge of dairy product usage and consumption
- 2.4 Positively positioning Australian dairy in key markets.

### 3. Enhancing supply chain culture and competitiveness

- 3.1 Supporting business opportunity identification and exploitation
- 3.2 Facilitating cross-sectoral linkages to deliver improved competitiveness
- 3.3 Verifying the dairy supply chain system through monitoring.

### 4. Developing farm business success and profitability

- 4.1 Supporting profitable growth by building capacity to deal with complexity and change
- 4.2 Supporting whole-farm-systems research and information dissemination
- 4.3 Maintaining genetic platforms that substantially advance industry returns
- 4.4 Improving farm productivity through technology adaptation and adoption.

### 5. Enhancing community and environmental sustainability and integrity

- 5.1 Fostering positive regulatory and policy environments
- 5.2 Co-ordinating industry approaches to food safety and product integrity
- 5.3 Maintaining and enhancing the dairy industry's positive image
- 5.4 Supporting industry actions to protect and enhance natural resource and environmental management
- 5.5 Supporting sustainable water access and usage.

### 6. Building industry capability

- 6.1 Co-ordinating and supporting industry efforts to meet current and projected capability needs
- 6.2 Developing and supporting specialist change management research and extension
- 6.3 Developing and facilitating industry knowledge management, strategy development and scenario planning.

### 7. Enhancing Dairy Australia's performance and delivery

- 7.1 Continuously developing the organisation
- 7.2 Implementing, with other service providers, changes to improve program results including prioritisation and returns
- 7.3 Enhancing accountability through consultation, communication and reporting to our members.
- 7.4 Leveraging resources through co-operation, partnerships and infrastructure alignment
- 7.5 Complying and aligning with the Australian Government's National Research Priorities.

## What benefits do we deliver?

### Farmers and manufacturers benefit from Dairy Australia-funded projects and activities through:

- > increased farm productivity and sustainability;
- > improved productivity in processing and other supply chain steps; and
- > increased consumption.

### Industry owned

As a service delivery company that is owned by the industry, Dairy Australia:

- > meets the specific needs of the industry;
- > takes a cost-effective 'whole of industry' approach to issues;
- > focuses on delivering returns to dairy farmers from their levy investment; and
- > provides efficient and effective administration.

### Innovation

Over the years, many dairy farmers have benefited directly from research which has led to developments such as new pasture varieties, better animal genetics, and extension courses such as those offered by Target 10 or mastitis control measures through Countdown Downunder.

Manufacturers have also benefited from research, which has generated the knowledge needed for developing new products and processes.

### Return on investment

Independent evaluation has shown the dairy industry gets \$3.20 worth of benefit for every R&D dollar invested by Dairy Australia. Similar rates of return are estimated for market promotion investments. And with an ever-increasing proportion of dairy produce being exported, investment in trade development also delivers enormous benefits to industry.

### Positive product image

Dairy farmers benefit from work carried out by professionals showing the benefits of dairy foods and countering negative comments by the producers of competing products, thereby ensuring continuing demand for milk.

