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SADA NEWSLETTER JUNE 2020

Covid-19 and milk sales

Dairy Sentiment on the mend

The sentiment of Dairy Farmers to their industry has seen an improvement this year, however, the measure was taken prior to the restrained prices were offered on 1 June this year.

The National Dairy Farmer Survey conducted in February revealed that 44 per cent of farmers were positive about the industry's future, while 67 per cent were positive about their own farm businesses. This amounted to a 22 per cent increase on 2019.

Dairy Australia's *Dairy Situation and Outlook* reported on the survey. It reported that farmer confidence reflected a 10 per cent on last year. While optimistic at first blush the *Weekly Times* (Alex Sinnot) pointed out that the base was very low as it was compared to sentiment in the industry which was at its lowest point in over 15 years.

Dairy Situation and Outlook attributed the mood shift to early rainfall and lowering feed prices.

Nevertheless, a supplementary survey was conducted in early May. The report revealed that 20 per cent of farm businesses had been impacted by covid-19 restrictions in some way, including the ability to source farm based products.

Dairy Australia senior analyst Sofia Omstedt observed that Australia's milk production recovery had been driven in large part by favourable seasonal conditions in Victoria and Tasmania. However, it was noted that dry conditions and subsequent high input costs in other

parts of the nation have restrained the recovery beyond the south east of the continent.

"Input costs had become more manageable at the time of the survey. Favourable seasonal conditions have also been a factor in increased confidence," Ms Omstedt has told the *Weekly Times*.

The *Dairy Situation and Outlook* demonstrated how covid-19 restrictions in March substantially impacted the purchasing options exercised by Australian consumers.

The *Dairy Situation and Outlook* noted that the volume sales of long-life milk lifted by 76 per cent in the four weeks to the end of March while volume sales of fresh milk also went up by just under 5 per cent. Further in the three months leading up to 19 April, fresh milk volume sales went up by 3.8 per cent while butter volume sales grew substantially to a fraction under 32 per cent increase.

Ms Omstedt reported "Because most states and territories around Australia restricted cafes and restaurants to takeaway services only, sales in the foodservice sector declined significantly,"

"But with the decline in cafe and restaurant sales, more Australians had to cook from home and that's why butter and even fresh milk sales increased over the first four weeks of the coronavirus restrictions."

Access the full *Dairy Situation and Outlook* Report [here](#).

Regional Growth Fund

now open



One-off \$15 million funding round will help jump start regional economies

A special round of the Regional Growth Fund has been established to help fast-track the recovery of regional economies after COVID-19, and applications are now open. The one-off \$15 million Strategic Business Round 2020 will give grants from \$50,000 up to \$2 million to shovel-ready projects that drive new or enhanced activity and create jobs for our regional communities.

The Regional Growth Fund usually isn't available to individual businesses, however, the unprecedented nature of the coronavirus pandemic means there will be a once-off funding opportunity to stimulate investments by individual commercial enterprises.

Applications will be accepted from commercial enterprises, incorporated associations, and business clusters. Applications are open until 12pm on Monday 6 July 2020, and must be submitted online.

Full details, including eligibility and how to apply, are available on the PIRSA website [here](#).

If you would like to discuss an opportunity call the SADA Office.

Staying within your available allocation



Government of South Australia

**Department for Environment
and Water**

A message from the Water Licensing Branch of the Department for Environment and Water to all water licence holders:

As we are nearing the end of the 2019-20 water year on 30 June 2019, it is important that you closely monitor your water use to ensure that you have not taken more than your available allocation. Please note that a penalty will apply in all instances where the volume of water taken for the 2019-20 water year is in excess of the available allocation on a water account **at 5:00 pm on 30 June 2020**.

In order to remain within your available water allocation in this year and future years, you can:

- Stop taking water when you reach your allocation limit;
- Before you reach your allocation limit, trade water allocation onto your water account to cover your additional water needs. To comply with the Natural Resources Management Act 2004 [to be replaced by the Landscape South Australia Act 2019], to ensure that you do not exceed your available allocation and to avoid receiving a penalty charge, you need to trade water allocation onto your account before you take water above your current allocation limit; or
- Investigate whether water efficiency measures could be implemented for your property to decrease your demand for water.

You can submit an online meter reading at any time and elect to receive a water usage advice statement (similar to a bank statement) by email or SMS. This helps ensure you are monitoring water use and remaining within your available water allocation. The online meter reading form can be accessed by going to the following [website](#):

Submitting meter readings

We wish to remind you that the requirement to provide a meter reading(s) to the department is coming up in July 2020. Your water licence conditions provide you with the details of your requirement, including the period when you need to record the meter reading and the deadline for providing the reading to the department.

If you do not have a copy of your water licence handy, you can look it up online on the Water Licence and Permit Register, using your licence number or land title. The register is at the following [website](#):

These meter readings will be used by DEW to determine the volume of water you used against your water account in the 2019-20 water year and are required to be submitted even if you haven't used any water. The 2019-20 water use year closes on 30 June 2020.

It is important to note that failure to comply with a term or provision of a water licence, such as not providing your meter reading(s) by the due date, is an offence under section 127(6)(ab) of the Natural Resources Management Act 2004 [to be superseded by section 104(7)(b) of the Landscape South Australia Act 2019] for which an expiation fee applies.

There are a number of ways that you can submit your meter reading(s) to meet your water licence obligation and to avoid an expiation fee:

Using the online meter reading form, by going to the following [website](#):

By email to: DEWWaterLicensing@sa.gov.au

By calling the relevant water licensing office below, based on your location:

Contact numbers	Prescribed water resources managed by this office
Adelaide (08) 8463 6876	McLaren Vale, Northern Adelaide Plains, Western Mount Lofty Ranges, Far North
Berri (08) 8595 2053	River Murray, Angas Bremer, Eastern Mount Lofty Ranges, Mallee, Marne Saunders, Peake Roby and Sherlock, Clare Valley, Barossa Valley, Eyre Peninsula
Mount Gambier(08) 8735 1134	South East Region

If you would like any assistance, please do not hesitate to call the relevant water licensing office. We are here to help.'



Better Farm Household Allowance support for farmers

New measures to improve the Farm Household Allowance (FHA) program are now in effect. These changes make the FHA payment simpler to access and improve the support available to farmers and their families. These changes continue the FHA reforms underway since the 2018 FHA Review. FHA legislative reforms will be complete on 1 July 2020 when the Business Income Reconciliation process is removed. View the media release [here](#).

Improved dairy prospects see milk price forecast increase, but still long path ahead to recovery – Rabobank.

Global COVID-19 restrictions are easing, food service sales have resumed and dairy prices look to be on the rebound, however Rabobank's Q2 2020 global **Dairy Quarterly** warns it may still be too soon to assess the true strength of the global dairy market.

Global dairy markets have, though, performed better than expected throughout the pandemic's disruption, with the report, titled *Waiting for the dust to settle*, revising up Rabobank's milk price forecast for Australia and New Zealand.

In Southern Australia, the modelled price is AUD6.35/kgMS – the minimum price announcement set for the new season above expectation, suggesting limited upside in the season ahead.

The just-released report also forecast milk production to continue expanding across the dairy-exporting regions, despite weather-related issues, lower milk prices and efforts to bring supply back in balance with demand in many areas.

Full media release [here](#).

Water Market Fundamentals

The recording of the Water Market Fundamentals – how to make it work for you webinar presented by Primary Industries and Regions SA (PIRSA) is now available [here](#) PIRSA now has a Water Market Literacy Program website which can be found [here](#).

You can find copies of all of the presentations from the above webinar.

You can register for free access to [Waterflow™](#) which provides an up-to-date, independent source of water market information.

PIRSA are holding a webinar on Wednesday July 22 entitled **2020/21 Irrigation Season – Diversify your water holdings**, and includes:

- Diversifying your water portfolio
- How to make use of interstate water products, addressing benefits and associated risks e.g. interstate site use limits and spill risks
- Case studies to demonstrate benefits, costs and risks of interstate water products.

If you are interested please register [here](#).



Positive news from Regional SA

More so than ever we need uplifting and positive news in our lives, so we encourage you to visit the South Australian Regional Showcase website [here](#) to read about some of the amazing and inspiring work occurring across our regions. PIRSA is proud to be the Major Partner of the South Australian Regional Showcase program which provides an opportunity to celebrate and promote the achievements of individuals, groups and organisations that have made significant contributions to regional South Australia.



Government of South Australia

Primary Industries and Regions SA



Rural Business Support (RBS) engaged 30 dairy farming families to participate in a pilot Farm Business Strategic Review ('the Program') in South Australia in 2016. The Program included a review of each family farm's position, a comparison to the wider industry and financial analysis of options for improving the family's position. RBS engaged EconSearch to carry out an independent evaluation of the Program including a cost benefit analysis of quantifiable and qualitative benefits. You can read the entire research project [here](#).

ADF is encouraging any interested farmers to apply for a position on the Dairy Australia Board.

This year, two vacancies exist for milk producers to become Non-Executive Directors on the Dairy Australia Board. The term of each Director is three years.

Applications close in two weeks, on Wednesday 1 July at 5:00pm.

Formal applications/resumés can be emailed to Elizabeth Parkin, Secretary to the Dairy Australia Board Selection Committee at elizabeth.parkin@dairyaustralia.com.au.

If you wish to discuss the application process for the milk producer roles, or to receive an information pack, please contact Elizabeth on (03) 9694 3836.

The successful candidates will be required to understand the responsibilities of, and obligations owed by, company directors, possess general commercial and financial literacy and are expected to act with integrity, honesty and in a collaborative manner.

In addition to these general skills, suitable candidates for the milk producer director roles will need a strong background and experience in all facets of milk production/dairy farm systems and demonstrated capability in identifying and evaluating technology and service programs to support the industry.

Ideally, they will also have had relevant experience in representing the needs of dairy farmers and in governance / board roles. Consideration will be given to the interest and aptitude of candidates to assume the role of Chair of the Dairy Australia board at some future point.

Summary of feedback on draft Dairy Plan

A summary of industry feedback on the draft Australian Dairy Plan was published on 12 June 2020. It outlines themes and ideas in 19 items of feedback received from individuals and organisations prior to consultation closing on 19 March 2020 and next steps in the finalisation of the plan.

Read the [Summary of industry feedback on the draft Australian Dairy Plan](#).

BIOSECURITY EXTENSION IN SOUTH AUSTRALIA

Biosecurity is a shared responsibility that requires collaboration between supply chain members, communities, and governments. Traditionally, communication about biosecurity has been the responsibility of State and Federal Governments. In South Australia, the Department of Primary Industries and Regions SA (PIRSA) is responsible for enforcing biosecurity legislation, which includes having systems in place to monitor, detect, respond to and control pest and disease incursion and associated food safety issues. Traditionally, biosecurity enforcement has relied on the top-down regulation of animal health and welfare, rather than working to implement sound biosecurity practices from the ground up.

If you would like to find out more, please give Pene Keynes a call on her mobile: 0401 798 224 or at the office: 8293 2399

Around the grounds

- Milk prices have come out and contracts are available for display on all major processors bar one (UDC). This is a victory for dairy farmers who can now see the prices they're to be offered for milk from processors all around the country. SADA has been front and centre in providing input to the Government and the ACCC as to what needed to be in the Code from the outset. All processors with a turnover of more than \$10 million per year are obliged under the code to make public their intended contracts as well as the price they're offering by 1:30 on 1 June each year so farmers are in a position to compare.
- SADA has continued to work with its members and processors to give advice regarding contracts and what should be in them. SADA specifically recognises Beston for taking a positive attitude to building relationships with SADA to advance outcomes across the supply chain.
- SADA also attended the SA Government Covid 19 Primary Sector response team meeting. The SA government continues to brief SADA and other primary sector representative organisations regarding what is happening from an SA government perspective. Dairy has been largely unaffected by the crisis (with the possible exception of flavoured milk) and from a production point of view the process has been largely business as usual.
- SADA attending the quarterly PPSA Council Meetings, and the PPSA PIRSA Meeting with a presentation from Belinda Cay from Ag Communicators around an Educating Kids about Agriculture project. Bushfire Review including the Emergency Services Act.

