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SADA NEWSLETTER JUNE 2021

2021 SA Dairy Awards

The South Australian Dairy Awards provides an opportunity to celebrate the effort and contribution of dairy farmers and processors in SA who showcase their products in our markets, supermarket delis, cafés and restaurants. The Dairy Awards has been a premier event on the dairy industry calendar for 15 years.

First held in 2006, the South Australian Dairy Awards is a result of the amalgamation of the Dairy Industry Association of Australia (DIAA) and Royal Adelaide Show competitions. The DIAA's role in the amalgamation was to arrange and mount the awards event, and its sponsors, with the Royal Adelaide Show to run the competition and manage the prize/competition sponsors.

The DIAA are thrilled to host the Dairy Awards at the Sanctuary at Adelaide Zoo. This location will provide a picturesque backdrop to the gala

dinner on Friday, August 13. Still in partnership with the Royal Adelaide Show, this premier event will showcase South Australia's finest dairy products and provide a platform for the winners to lead the way for the future industry in this country.

SADA is pleased to announce that it will again be the Premier Partner of the South Australian Dairy Awards for 2021. This is a tradition that SADA has maintained for many years and would be proud to continue into the future.

This year SADA will present 3 awards

Best Innovation

Young Farmer of the Year

Best Relationship with a Processor

This is an important event for the South Australian Dairy Industry and

continues to strengthen our relationship across the supply chain, recognising the work and products of both farmers and processors in SA. Collaboration and communication is highly important for the future of the industry and events such as this demonstrate this.

SADA will be sending out nomination forms in the next couple of weeks and we ask all farmers to participate.

SADA looks forward to working with the DIAA and seeing the dairy industries progression into the future.

If you have any questions or would like to make a comment, please feel free to contact Ashleigh at ashleigh@sada.asn.au or alternatively contact reception at sada@sada.asn.au or via telephone 08 8293 2399.

Innovative
Farmer
of the Year

Young
Farmer
of the Year

Best
Relationship
with a
Processor

2021 SA DAIRY AWARDS

OPENING PRICES

Since the release of the dairy contracts by Dairy processors nationally on 1 June 2021, a number of farmers have contacted SADA offices (John Elf) seeking advice on the operation of the Dairy Industry Code. While SADA will not give financial advice to members we will assist members by discussing contractual issues with members as well as assisting members regarding their rights and obligations under the code.

SADA was at the front and centre of lobbying for the Mandatory Code and much of what went into it. While not all of SADA's recommendations were adopted the essential elements of the Code did reflect SADA's expectations. Core to SADA's position was an expectation that dairy contracts were made public at least a month before the beginning of the financial year. This has now enabled farmers to take the time to visit the various websites and consider their options.

SADA has also provided advice to numerous processors

to assist the industry being as successful as possible. While comparing contracts can be challenging as many processors present their contracts in ways that are difficult to compare or with different incentive schemes. Time needs to be taken looking at the offers through the lens of your own farm. Many processors certainly load a premium to a flat milk supply and it is clear that expectations around this are going to increase into the future.

What has been certain so far, now that the Code has been operational for 18 months, is that the position of farmers has improved substantially in relation to the contracting environment. The Code will not set prices but what it does do is create a much fairer environment for the farmers which has been achieved.

If you have any questions call John Elf on 0418406400 and he'll be happy to have a chat.

Did you miss any of our updates? [Register here](#)

[Dairy farmers' contracting season starts today.](#)

[Processor's Year 2021 – 2022 Price Updates](#)

DairySafe Strategic Plan Results

We're pleased to report that DairySafe operations and results are on track with our 2017-2020 Strategic Plan. The [following article](#) details key results from 2019, based on the goals of our Strategic Plan.

Dairyfarmers look to future with confidence as opening prices jump - Stock Journal

DAIRYFARMERS are able to have more confidence for the year ahead, as processors come out strong with opening prices for the 2021-22 season.

With more competition for milk, processors have come out with prices said to be at near-record levels, while the new requirement for mandatory contracts has led to something of a bidding war.

SA Dairyfarmers' Association president John Hunt said this was positive news as farmers prepared for the new season.

"The opening prices for the new season have set farmers mind at ease that things are looking good for another year," he said.

"(Prices) are where we expected them to be and it also shows (processors) are abiding by the code of conduct in getting prices out there."

A number of companies have already revised and increased their averaged weighted price ahead of opening, in order to maintain a "competitive" price.

Saputo Dairy Australia, Bega Cheese and Fonterra have each revised their prices upwards, just days after announcing their initial price earlier this month.

After initially offering an opening weighted average milk price for the southern region of \$6.55 a kilogram milk solids on June 1, Saputo increased its offering to \$6.85/kgMS, saying it was "committed to paying our suppliers competitive milk prices".

Bega Cheese, which in November acquired the former Lion Dairy & Drinks plant at Salisbury, also lifted its opening southern dairy price late last week, by 14 cents to \$6.94/kgMS. It is offering Central SA producers a butterfat price of \$5.83/kg and protein price of \$8.15/kg.

Fonterra has gone from \$6.55/kgMS in May to \$6.85/kgMS on June 4.

In SA, Beston Global Food Company and Union Dairy Company are each offering \$6.80/kgMS, while Coles, which has begun dealing direct with farmers, is offering a \$7.03/kg butterfat and \$8.73/kg protein price in the South East and \$7.20/kg butterfat and \$9/kg protein in Central SA.

It means milk is being treated as having different standards of quality, which is helping us get over that \$1 a litre period - an attitude that smashed the industry. - LYNDON CLEGGETT

Mr Hunt said dairyfarmers should still take the time to explore the contracts and see what options suited their farms.

But he said there were other good signs with a relatively "kind" season, and feed prices down on the highs of the past few years.

He said other reasons for optimism were the new free trade agreement with the United Kingdom and the next step of the Australian Dairy Plan, which is expected to be "on the table" within the next month, with a goal to "put money in farmer's pockets".

The latest global quarterly dairy report from Rabobank is also showing good prices on the global and farmgate level.

Rabobank senior dairy analyst Michael Harvey said signals suggested another season of "sustained profitability" and high prices.

He said Rabobank had also revised its prices and was forecasting a full-year milk price of \$6.90/kgMS in the southern export sector.

SafeWork SA will begin a compliance campaign in South Australia this month, focusing on the risks associated with livestock handling and transport.

It defines livestock handling as working with livestock in paddocks, laneways, yards, cattle transportation, feedlots, abattoirs, saleyards and activities relating to on-farm sales.

SafeWork SA highlights some of the common injuries faced by workers and other people involved in livestock handling. These include bone fractures, bruising, dislocations, crush injuries, lacerations and in some cases injuries may be fatal.

Data from Safe Work Australia reveals that animals are involved in around 20 per cent of serious injuries in the agriculture sector.

SafeWork SA inspectors will be auditing feedlots, saleyards, abattoirs and livestock exchange facilities to determine if adequate safety control measures are in place to protect workers from injury, including training, manual handling techniques and the provision of appropriate plant and systems of work to separate workers from animals.

SafeWork SA Acting Executive Director, Glenn Farrell said the livestock transport industry is faced with high risk activities and it is vital they are appropriately managed

“SafeWork SA has recently developed [guidelines on livestock handling](#) providing information on managing risks associated with handling livestock and safe design for loading ramps and yards.

“I encourage anyone involved with livestock handling and transport to understand their responsibility and ways to make their workplace safe.”

Bushfire Resilience Agriculture and Land Management Courses

Aim to create stronger, smarter and more connected communities. Through participation in courses, landholders will become better prepared to respond and recover from the impact of bushfires and other adverse events. Courses are free to attend for landholders impacted by the Cudlee Creek 2019–20 bushfire and will consist of 4 sessions to be delivered by 30 June 2022.

[Register your interest](#)

Changes to Superannuation Guarantee Contributions

Employer Contribution

The current employer contribution will increase to 10% from 1st July 2021.

Removing the \$450 per month threshold for superannuation guarantee eligibility.

The current \$450 per month minimum income threshold before employees are paid the superannuation guarantee by their employer means that many part-time and casual employees, seasonal workers, and shearers will result in these employees becoming eligible for superannuation payments.

Minimum Wage Adjustment 2021

The review into the Minimum Wage Adjustment is nearing completion and an announcement of the amount and effective date is expected to be made within the next week or two.

The ACTU will argue for an increase in the minimum wage and in awards of 3.5 per cent – or \$26.38 per week for a full-time minimum wage worker - in its submission to the National Minimum Wage Review on Friday.

The Ai Group (one of the employer submissions) proposes an increase of 1.1% in the minimum Wage and to award wage rates, arguing the 0.5% Superannuation Guarantee (SG) increase that is operative from 1 July 2021, and extension of the tax offset for low and middle earners should be considered.

Last year the unusual step by the Fair Work Commission approved the increase which usually is effective from the 1 July, but was delayed for industries affected by Covid, resulted in the increase delayed for most Awards. The Pastoral Award 2020 increase did not occur until 1 November 2020, but

it is too early to advise what the date of effect will be this year. The Fair Work Commission this year has signalled it could again defer any increase to low paid workers' incomes for the second year in a row.

Work Health and Safety

The SafeWork SA website has been updated with more safety information for farms. It is worth visiting as there are a number of articles that supplement the Farmers' Guidebook to Work Health and Safety. The link is www.safework.sa.gov.au/industry/agriculture.

Casual Employment

A High Court decision is expected late this year to hand down its decision as to whether long term casuals will be eligible for paid leave as well as the 25% casual loading. An update will be provided at the time.

In the meantime, employers may consider avoiding, when possible, not rostering casual employees for regular hours and days that may lead them to have an expectation of regular and ongoing employment.

The conversion from casual employment to fulltime employment is in any event cheaper than casual employment and should be considered when engaging new employees who are likely to work an average of 38 hours per week.

Unfair dismissal laws do not apply in the first 12 months of employment for small employers (less than 15 employees) and 6 months for other employers.

If you have any queries, please do not hesitate to contact the office on 8293 2233 or email sada@sada.asn.au.

NFF FORUM

#towards2030

SA's regional forum was a joint initiative of the National Farmers' Federation and one in a series of national events. With the aim to bring farming and regional leaders to take stock of progress towards NFF's goal of reaching \$100 billion in farmgate output by 2030. Presentations were also made from a broad range of experts, policy makers, politicians and producers. Including Dan Tehan, Minister for Trade, Tourism and Investment; Richard Heath, Executive Officer, Australian Farm Institute; Michelle Edge, Chief Executive, Primary Industries and Regions South Australia.

NFF President Fiona Simpson and NFF CEO Tony Maher as well as representatives from the whole primary sector in South Australia.

The one take away from the NFF Forum was the importance of the Sustainability Frameworks, each SDFO should live and breath this document along side their own strategies to ensure that we all reach 2030 with the same goals.

Identify any gaps between the national and state directions to build the advocacy agenda for a proactive approach to state policy and advocacy.

[Australian Sustainable Dairy Framework](#)

[South Australian Dairy Action Plan](#)

Around the grounds

- Ash and Elf met with Peter Adamo and David Travers at Golden North Ice Cream to discuss the involvement of Golden North in the SA Traceability Trial. It was a very promising conversation with a factory tour coming up in the next couple of weeks.
- Ash attended the National GS1 Steering Committee to discuss the traceability accords and some information webinar events coming up in the next possible months explaining the usefulness of traceability and implementation of technology.
- Curtis and Elf attended the NFF dinner on Monday 11 June 2021 to meet with the Minister, the Minister's staff and other people in the South Australian Primary Sector.
- Elferink assisted two farmers with inquires regarding processor dairy contracts and updates were released to farmers comparing differing contracts.
- Elferink met with a farmer regarding a leasing dispute over farm equipment. SADA will assist the farmer in attempting to resolve the leasing issue between the lessor and the lessee.
- Elferink participated in the Australian Government's review committee into the dairy industry Code. The Code obliges the government to review the Code this year. SADA will continue to make a contribution as the committee continues to meet.
- Ash and Elf met with Beston to discuss progress on the two traceability trials. Discussion included the base layer protocols being used by each party and the pros and cons of each. Information sharing was committed to in an effort to enhance SA's position in becoming the national trial site.
- Marilena and Elf met with Coles regarding the progression of the SADA Fresh cheese products and the outline of an MOU for the continued relationship between the parties and to ensure that the relationship was ongoing and understood by both parties. Elf further reviewed the relationship between SADIF and SADA and prepared a briefing note on the matter.
- Elf reviewed the contract prices posted by various processors on their respective websites. Briefing note was prepared as well as member updates and press releases. Hunt spoke on radio regarding the matter.
- Elf attended the Food SA dinner held at Adelaide Oval hosted by Food SA. SADA Fresh is a member of Food SA and is working with Export Connect a partner of Food SA to introduce SADA Fresh cheese into the middle east.
- Ash attended a meeting with Ed from Entrust. Discussion were around a progress update on the technology implementation and to look at the application for the farmers and the tanker drivers.
- Ash and Elf met with Brad Perry to discuss the traceability trial and to update on the progress that the trial is making. Other topics of discussion were the progress on the underpasses project, the State Budget and the PPSA CEO application.

SADA Welcomes

UK/Australia FTA

The overnight announcement by the United Kingdom and Australia of a Free Trade Agreement (FTA) has been welcomed by the South Australian Dairyfarmers' Association (SADA).

WFI, proud alliance partner of the South Australian Dairyfarmers' Association



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- > Over 100 years' experience
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