



South Australian Dairy Industry

ACTION PLAN

2024-2029



President's Foreword

As the international market place becomes more competitive and pressure grows for an increasingly global world for all forms of dairy produce smaller jurisdictions have to assert themselves to get foothold in the industry.

South Australian dairy is uniquely poised to carve out a niche in the global market place by placing itself at the front of the premium market. There is little doubt that South Australia will not be able to occupy a commanding space in the commodity supply chain, primarily because of its size. While we can participate in the commodity markets there is an opportunity in South Australia to pursue something different and special, making this plan's focus about differentiation and identifying what makes SA both separate and unique.

The dairy farmer in South Australia produces their milk in a near pristine environment with farmers' properties presenting to the world a splendid visage of contented cows producing the best milk in the world on farms that belong on postcards. This is a simple image to convey because it is true.

This plan seeks to highlight this truth and present to the world a premium jurisdiction that produces a premium product. As the President of the South Australian Dairyfarmers' Association I proudly attach my organisation's name to this plan as it is a document which can galvanise the dairy farming community into sharing a vision for the future that places South Australia in a position of being second to none.

Robert Brokenshire
President of SADA



Minister's Foreword

Congratulations to the South Australian Dairyfarmers' Association and all the members of the state's dairy sector for the development of their new industry Action Plan. The Dairy Industry Action Plan 2024-29 will help guide the sector's goals and targets for the next five years and I look forward to seeing the collective action from industry to drive these actions forward.

The Dairy Action Plan 2024-2029 will build on the solid foundations of the previous sector plan released in 2019. The previous plan outlined the need to create an aligned industry with common goals which has allowed for a thriving sector today. Despite challenges, industry has done well to accomplish the goals set out in 2019 and has utilised that momentum to establish a new set of objectives and targets.

South Australia's agribusiness sectors are moving forward with modern techniques, machinery and digital tools to boost farming yields, profitability, and productivity, while also helping to reduce the industry's carbon footprint.

The Dairy Action Plan is a great example of an industry-led initiative to help the sector grow their market share, provide premium products domestically and internationally, invest in research and development, and ensure growers are profitable and performing well.

The state dairy sector is setting its sights around the world, with the aim of being recognised as one of the safest and greatest places to obtain premium dairy products. This Action Plan is a purposeful and conscious expression of the industry's desire to make South Australia second to none globally.

As Minister for Primary Industries and Regional Development, I look forward to working with the South Australian Dairyfarmers' Association as they implement the initiatives they have laid out in this Action Plan and work with producers, processors and sector leaders to deliver these outcomes over the coming years.

The Hon Clare Scriven

Minister for Primary Industries and
Regional Development

Why a new Plan for 2024-2029?

The 2019-2024 plan was about galvanising the mindset of all who are in the South Australian dairy chain.

The chain is represented by the cow, the farmer, the processor, the wholesaler, the retailer and the consumer, and each has a part to play in the process of getting milk from grass to glass or from paddock to plate. Other components which impact the chain include regulators, consumers, and the environment.

In the past the dairy industry was considered in terms of its discrete elements. Historically, this compartmentalised thinking has meant that the relationship between producers and processors has eroded opportunity at the expense of the product overall.

The ambition of bringing a world class product to the world means that an industry with segregated views of the supply chain is no longer a viable proposition.

This Action Plan represents a continuation in creating a industry in which each part of the chain have a role in improving the image and the performance of the dairy product in the journey from cow to consumer.

This plan seeks to galvanise supply chain participants into not only considering their discrete parts of the chain, but to also consider the needs, expectations and requirements of other participants along milk's journey to the consumer.

The first Dairy Industry Action Plan did much to create an environment for growth. It worked because it was the product of broad consultation and agreement. This iteration of the Action Plan seeks to use that environment to grow the seedlings which took root in the earlier plan.

The Dairy Industry Action Plan of 2019-2024 was adopted by the industry it served and became a touch stone for representative organisations that sought to advocate for the industry to legislators, ministers, governments, decision makers and others who had influence in the industry.

Consistent messages started coming from industry to those who had an effect on industry and positive outcomes arose.

The 2019 – 2024 Plan said, *“In short an industry that owns shared goals is an industry with a shared future.”* That has proven to be true for the earlier Plan and remains true for this Plan.



Our History

The Dairy Industry Action Plan 2019 – 2024 provided a short history for context for the South Australian Dairy Industry. Those four years it also contributed to the history of the industry, with the impacts of COVID 19 being pronounced. The South Australian Dairy industry has followed, and been influenced by, the national and international environment.

In 1907 there were over a thousand small dairy farms in South Australia. With the passage of time the number of farms had, steadily decreased to 241 farms by 2017-18, when the first Dairy Industry Action Plan was released. By 2023 the number of farms fell to 181, but these numbers need to be seen in context.

In the period after the second world war herds were generally about 70 cows. Today the average herd size exceeds 374 cows.

Herds have become larger, and cows have become more productive. South Australia's production was 474 million litres in 2022 – 2023. This represents 5.8% of the overall production in Australia.

The overall state herd has also become smaller in recent years. At the turn of the century the South Australian herd was 120,000 cows. By 2018 the state herd was 70,000. There are around 67,650 cows in production in South Australia in 2021 - 2022 with an average yield of 7,358 litres/cow. This compares with 3,650 litres/cow in 1985 and 6,820 litres/cow in 2018 - 2019.

In the two years preceding 2018 dairy markets locally, nationally and internationally faced a number of confronting issues.

The years 2016 and 2017 were difficult years for producers in South Australia and this was also experienced by the industry nationally and internationally, however by late 2017 South Australian exports were starting to show initial improvements in their volumes.

By early 2018 prices were showing some return but the movement was still muted.

Historically there have been sharp ebbs and flows in overall milk production in South Australia. In 1980 annual production was about 300 million litres. By 2000 that had increased to 600 million litres before the state's annual production fell back by 2017 to 487 million litres. Production has since risen to 497 million litres in 2021-2022 and the projection for 2023 – 2024 forecasts 475 million litres .

Improvements in technology and animal husbandry has seen an increasing dislocation between herd numbers and productivity. Individual cows in the correct environment can now produce as much as 13,000 litres per year. This represents an output nearly twice the average for a cow in South Australia.

The Dairy Industry Action Plan 2024 – 29 builds on the optimism outlined in the earlier plan.

Over the past five years South Australia has displayed an inclination towards investment and technology. Robotic dairies and research into blockchain based traceability reflect the faith that farmers, processors and related organisations have in the future of the industry.

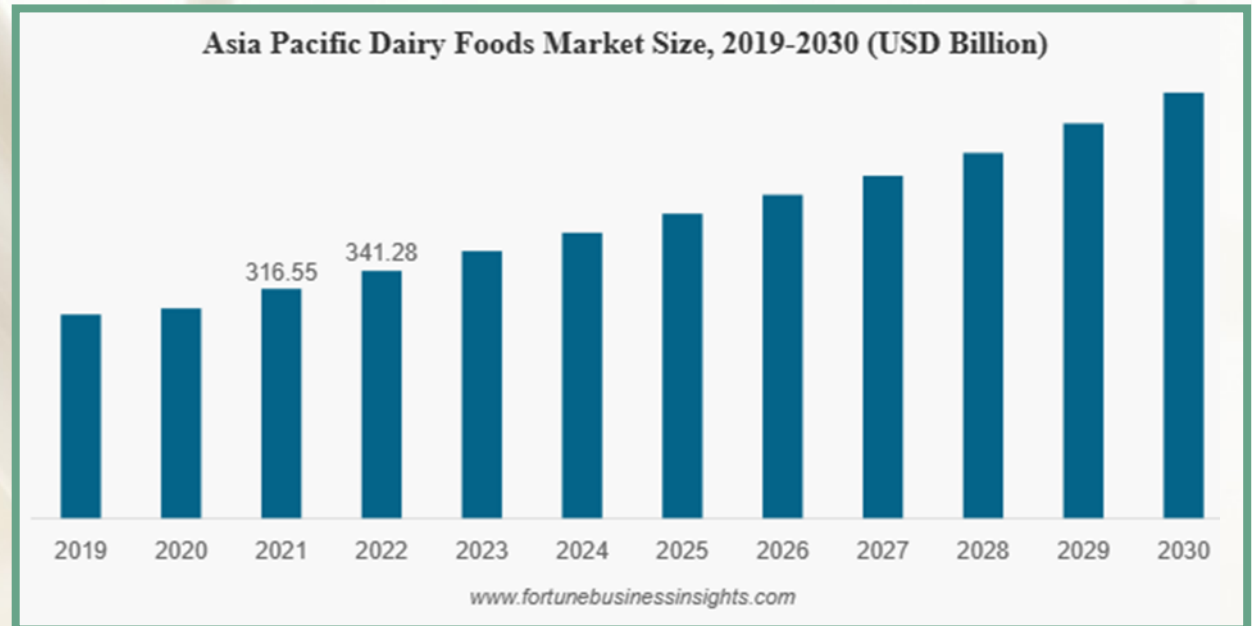
The ongoing challenge for this Dairy Industry Action Plan is to continue to support an environment of consistent growth based on the export of premium dairy products to both the rest of Australia as well as the world coupled with sustainable conduct to maintain the industry into the future.

Other industries, particularly wine, have already made their mark by making wine one of the most lucrative exports for the state. Dairy is now emerging from the shadow cast by wine to establish itself as a premier industry using the latest in technology to create a future for dairy that will be second to none in the world.

The dairy industry in South Australia will continue to forge links with partners such as state and federal governments, trade organisations and Australian representatives overseas to advance the reputation of the dairy industry in this state.

The purpose of this plan is to make South Australia the go to Australian jurisdiction for premium dairy and dairy products from buyers around the world.

A growing taste for dairy



In spite of the contraction which came with COVID 19 the dairy product continues to show strong signs of becoming increasingly popular in the international marketplace. As global income and wealth increases so does the demand for products derived from milk production.

South Australia remains in a strong position with its premium dairy products. Getting dairy products out to the world will be enhanced as South Australia will be able to demonstrate that it produces some of the cleanest and greenest dairy products on the face of the planet.

Growth is projected to continue into the foreseeable future and with countries such as Indonesia and other parts of Southeast Asia on our doorstep the opportunities will continue to emerge.

But in a competitive international market place South Australia will still have to say ahead of the game with our premium reputation. as reputation alone doesn't guarantee success. Reputation has to be earned, maintained and demonstrable at all times.

A Commitment to Premium

The Australian product is amongst the best in the world. South Australia is no exception to the rule, and we can justifiably claim to be among the best of the best. The taste for what South Australia does will be supported by traceability technology that will embed our deliverables in uncorruptible ledgers for all to see.

Premium will be more than just what is inside the package but premium will come to mean what is around the package such as proof of sustainability, fairness in trading, adherence to environmental standards, adherence to biosecurity standards all of which will have to be verifiable to anyone who seeks verification at any time.



Verifiably Premium

Technology is changing at an astonishing rate and it is increasingly inserting itself into the dairy industry.

Over the past 5 years the South Australian dairy industry has seen substantial investment in technologies, particularly on farm with many farms advancing their milking systems to accommodate greater capacity both in terms of cow numbers but also overall volumes of milk processed.

This has led to an increased capacity to harvest information from their systems. That information, while informative to the farmer, does not necessarily find its way to a greater audience.

Equally information is harvested by processors and again that information is used internally when it represents an overall picture of high standards of quality control.

Over the past 5 years it has become manifest that premium does not only attend to what is inside the wrapper but also what supports the assertion of premium.

Recently the South Australian Dairy Industry has positioned itself to become a world leader in traceability research. This research aims to create a distributed ledger/blockchain based system which harvests information from all participants

in the supply chain to prove premium status. Moving forward if any jurisdiction is going to claim premium status, not only will it have to demonstrate the quality of the product inside the wrapper, but attention will also have to be paid to:

- Environmental impacts and carbon footprints
- Child labour/slavery standards
- Biosecurity guarantees
- Animal welfare standards
- Regulatory standards
- Quality standards such as ISOs
- Conveyance oversight and compliance

This non-exhaustive list will also need to be independently verifiable to the consumer so that the claim of premium can be easily validated by the simple inspection of an independent and trustworthy ledger where this information is stored.

Currently, this technology is in its infancy globally, and the South Australian Dairy industry is at the forefront of the development of distributed ledger/blockchain technology to enable these standards to form part of our premium product.

The Dairy Industry Action Plan 2024-2029 commits South Australian dairy to the ongoing development of technologies which will ensure that standards are not only maintained but improved and moreover are verifiable to any person who asks.

Positioning the South Australian Product

On the global scale South Australia is a tiny part of the world's market. South Australia produces 5.8% of Australia's milk and Australia produces less than 2% of the world's milk. Australia maintains high farmgate prices for farmers because of the operation of the Dairy Industry Code which sees processors competing for Australia's production.



South Australia isn't geared to compete in the world commodity market, having neither the volumes of product nor the cost advantages in place to make such an approach viable.

While limited parts of the SA industry can participate in a commodity-based approach what South Australia can underscore is an ability to offer premium produce to the world. The Dairy Industry Action Plan 2019 – 2024, the South Australian Government and a number of South Australian exporters have already positioned themselves via their strategic planning to take up the mantle of being premium producers.

The strong advantage for the dairy industry is its presentation to the world. South Australia is blessed with cobalt blue skies and fields of emerald green. South Australian cows can be presented, because they are, as the most content and well-tended animals in the world.

Coupled with verifiable standards, this capacity to present the South Australian product as clean and green builds on the premium standard that has been set.

The South Australian dairy industry believes this remains the correct approach and as such should be supported and endorsed by Governments, federal, state and local as well as other participants and decision makers who have influence and impact on the industry.

South Australian farmers should be prepared to look overseas and adopt the notion that for certain types of premium products such as cheeses there needs to be specific breeds of cow to cater to the needs of the processor, and such flexibility is already recognisable in some dairy herds in South Australia.

South Australia Dairy Position on International Arrangements

A premium product does not mean an exclusive attitude.

As the South Australian dairy industry positions itself in the international marketplace there are clear indications from processors that a greater supply in Australia is needed for both domestic and international reasons.

Over the past 5 years the primary focus upon China has diminished in light of international events. China has demonstrated a disposition towards leveraging trade for diplomatic purposes. This plan still encourages trade with China, however, dairy will not create an environment of over reliance on a single market.

South Australian dairy accepts that it is part of the global economy. It is acknowledged that the dairy industry is not only not immune from the challenges of the international marketplace but moreover is intrinsically bound to it, with all of the challenges that accompany that internationalism. South Australian dairy welcomes the investment by other countries in the local industry.

Investment by foreign businesses in the premium product that the South Australian dairy industry offers is an expression of faith as well as a certain mechanism to participate in those marketplaces in other countries. Expecting entrée should be considered and approached as though it is a two-way street. A positive acceptance of foreign investment that reflects the ambitions and ethos of this plan and the South Australian Dairy industry as a whole, will be embraced by the industry and expected of any such investor.

South Australia will support Free Trade Agreements which are genuinely free. Tariff walls and Geographic Indicators will remain barriers to free trade and the South Australian industry will not endorse arrangements which do not reflect a genuinely free market.

Partnerships that reflect our ambitions will have the effect of increasing the value and presence of the South Australian dairy industry throughout the world.



Driving Productivity and Driving Profit

Since deregulation in 2001 median prices have generally grown consistent with historical trends, however prices have been subject to much greater volatility. That volatility became manifest during the latter half of the 2010s where the retail price of milk fell well below the retail price of bottled water.

The Australian Competition and Consumer Commission (ACCC) investigated pricing practices and in 2019 placed responsibility of the harm which was being done to the industry at the feet of processors. Since that time a compulsory Dairy Industry Code of Practice has been passed into law, levelling the contractual playing field between processors and farmers.

This plan seeks to ensure that all participants in the supply chain are ensured of fair access to market coupled with fair treatment by other industry players based on good faith approaches to doing business. History has taught the Australian dairy industry that ruthlessness amounts to a short-term gain for long term pain.

Productivity reflects demand. South Australia struggles to be a participant in the lowest cost commodity supplier race. In the first third of the Asian century South Australia continues to compete in an environment of countries with lower overheads and wages that many of our competitors are possessed of.

Wages and costs will increase in Southeast Asia and India as they have in China and South Korea to almost western levels, but that will not occur within the timeframe contemplated by this plan.

As a jurisdiction, South Australia needs to be able to transform efficiencies into profits, and those are profits which will come from a premium status. Premiumisation will provide for business performance and a stronger defence against rising problems in an oversupplied commodity space.

Dairy industry profitability is a fundamental driver in attracting new skills as well as retaining existing talent and expertise. Productivity growth will remain an important component as the industry seeks to retain an edge against the long-term downward price directions that affect products. Moreover, an increase in productivity growth which is better than those who we compete against transitions from being a shield of protection to a more assertive sword of competitive advantage.

As a sector, South Australian Dairy will be obliged to offer information in a way that easily transmits the commercial advantages of adaption and adoption. This means transferring supply chain information to other parts of the chain to enhance accurate and robust decision making across all sectors, with a particular focus on the production component of the sector, hence the focus on traceability and distributed ledger/blockchain technologies.

This process demands a whole of sector focus, which includes partnerships with Governments, trade organisations and where necessary across commodity sectors. Priority will evolve to be given to a system that rewards in this plan across the supply chain.

Industry therefore will need to have technology that can measure stock performance, labour capacity, transport challenges, market penetration, sustainability, proper environmental practices and standards compliance as part of this process, all the while, maintaining an attitude of partnership at all points in the supply chain.

Sustainable both in presentation and practice

Environmental concerns form an important component of this Plan.

In 2020 a systematic literature review on sustainable indicators and dairy industries showed that the sustainability indicators in the dairy industry are emerging and lacked comprehensive research. The review found seven papers, that highlight indicators of the environmental, eleven of the social and eight economic dimensions, that may be considered fragile and initial. A sustainable supply chain framework for dairy farming operations will be a central consideration to address these challenges and ensure long-term sustainability. Such a framework can help to ensure that the dairy farming industry is socially, economically, and environmentally sustainable.

Sustainability is a broad and complex concept that involves balancing the needs of the present and the future, as well as the economic, environmental, and social aspects of human activities. There are many definitions and interpretations of sustainability, but one of the most widely accepted ones is from the 1987 report by the World Commission on Environment and Development, also known as the Brundtland Commission. According to this report, sustainability is *"meeting the needs of the present without compromising the ability of future generations to meet their own needs."*

This demand for sustainability is growing exponentially across the world and all manufacturers will not only have to have systems in place but verifiable systems to prove compliance.

Some of the main challenges and goals of sustainability are to conserve natural resources, reduce greenhouse gas emissions, prevent biodiversity loss, promote social justice, and ensure human well-being.

To achieve these goals, sustainability requires the collaboration and participation of various stakeholders, such as governments, businesses, civil society, and individuals. Sustainability also requires the adoption of innovative and responsible practices, such as renewable energy, circular economy, green technology, and sustainable consumption and production.

Given this definitional boundary, in this Dairy Industry Action Plan, the South Australian dairy industry will position itself to deliver, as well as demonstrate delivery of, sustainable practices.

The Australian dairy industry has a Sustainability Framework which promises to provide nutritious food for a healthier world. The industry's commitment to addressing emerging sustainability issues is about keeping dairy in business for the long term and improving the industry's resilience to meet challenges as they come, including a changing climate. The Australian dairy industry recognises it has a role to play in Australia's contribution to international sustainable development goals and intends to be an integral part of the national and global effort to address the world's biggest sustainability challenges. The framework has four commitment areas:

- Enhancing farmer livelihoods
- Improving the wellbeing of people
- Providing best care for all our animals
- Reducing environmental impact

This Dairy Industry Action Plan adopts those principle not only to develop sustainable practices but by being seen to engage in sustainable practices.

Exports to develop a growing future

For the industry to grow in South Australia, there must be a focus on the development of foreign markets.

The demand for domestically supplied milk remains strong in South Australia. It is a product that is well established and has been entrenched in the consumer psyche in South Australia. Therefore the opportunity for expansion of this marketplace is unlikely and limited unless some new use for dairy products is discovered, beyond normal population growth.

The South Australian Dairy Industry Action Plan 2019-2024 identified increasing incomes and an expanding middle class in Asia and Southeast Asia including China. That plan anticipated that the trade barriers with India would be lowered with the passage of time as has now become clear from negotiations between Australia and India that dairy will be quarantined from any FTA arrangements. Furthermore, the black swan event of COVID 19 did have a pronounced impact on trade arrangements with other nations.

Nevertheless, as with the earlier Plan, this Plan still seeks to target countries such as Malaysia, Vietnam, Indonesia and Thailand because these nations are also seeing a greater level of disposable income with the passage of time.

It is not anticipated that South Australian or even Australian products can compete with local markets in these countries either based on demand as a competing commodity or alternatively on cost.

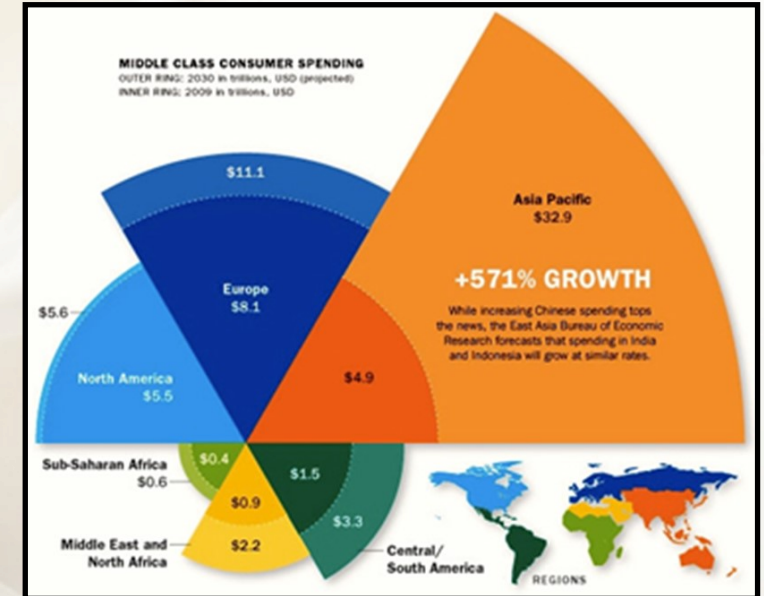
What South Australia possesses, remains, a reputation for being clean and that our products are untainted by the pollution of Asia.

The commitment to sustainability of the South Australian product will enable South Australia to overcome some of the cost differentials that exist with Australian products and our competitors in countries like China. As part of this plan the South Australian industry will continue to monitor the emerging middle classes in these nations as it is that group of consumers that will be able to afford the more expensive South Australian product.

It remains important to position South Australia as being a producer of premier product.

Deregulation has positioned the industry to compete in global markets and South Australia has products which can, will and have successfully competed on the international stage.

The Dairy Industry Action Plan 2024 – 2029 commits the South Australian Dairy Industry to exploring and developing markets around the world with our attention firmly fixed on our near neighbours to the north.



Supply chain enhancement

Within the term of this Plan dairy producers and processors in South Australia will come to be reliant on a more robust and verifiable supply chain mechanism. Currently, the milk flow is compartmentalised by existing arrangements across the supply chain.

This compartmentalisation creates an increasingly unacceptable risk profile for participants in the supply chain. These issues can be addressed by creating a supply chain with increasing standards of monitoring along the chain. Dairies which use robotic technology or scanning technology are already in a better position to spot issues before milk leaves the farm, lowering risk to milk in tankers or in processor vats. Protecting the supply chain's integrity means lowering the risk profile. Innovation will be incentivised by lower risk profiles leading to higher profits.

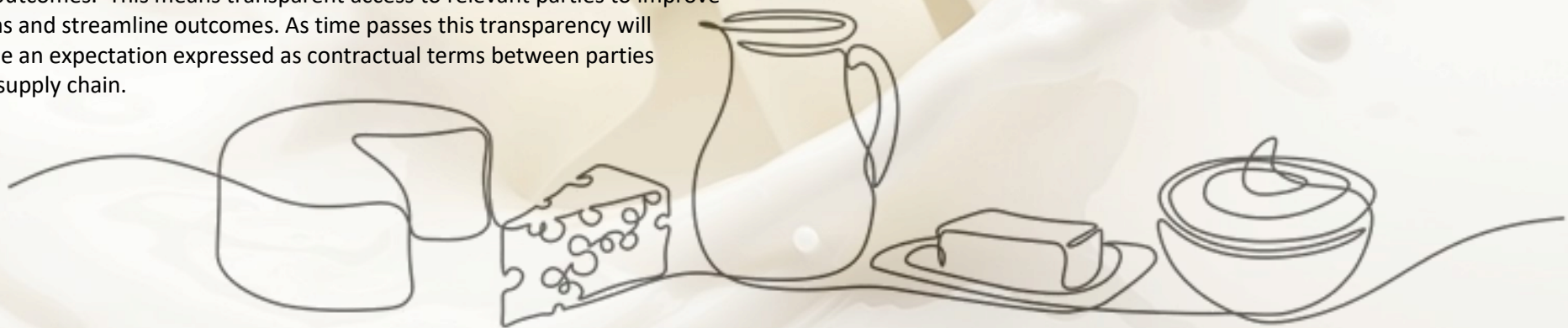
Part of the process will mean better and more open communications across the whole supply chain, which will be confirmed by improving traceability technology. This will create mechanisms that have integrity so that each participant can trust in information shared on the traceability record thereby improving supply chain outcomes. This means transparent access to relevant parties to improve systems and streamline outcomes. As time passes this transparency will become an expectation expressed as contractual terms between parties in the supply chain.

Getting produce on farm/biosecurity

There are a number of farming practices that require the transport of feed on farm. Biosecurity standards and practices have seen improvements during the period of the operation of the first Dairy Industry Action Plan. Nevertheless, challenges in relation to movement of product such as substantial amounts of food to cattle on farm remain. The South Australian Dairy industry will keep its commitment to making certain that the risks of fodder production are limited in emerging farming models.

An Industry Focused Flatter Milk Supply

Being able to offer consistency in milk volumes is an important element for milk processors. Dairies will be encouraged to find mechanisms which enhance a flatter milk supply from the state or even regions within a state. This will require collaboration between farmers and processors, and processors have already acknowledged flatter supplies by adding step ups to contracts where flatter supplies are offered by farmers. Consistency of supply is a central goal for the supply chain. Supply that is both reliable and predictable for processors means a better capacity for planning and growth of dairy products going forward.



Transport of Milk

Changes in vehicular and 'internet of things' (IOT) technology means a revisit of transport issues. In the previous Dairy Industry Action Plan it was noted that B double vehicles had an array of configurations that mean it is possible to reduce the number of visits by milk trucks to farms. This means that farms also have to affect changes to their storage systems and vat sizes. This Dairy Industry Action Plan will work to increase communications along the IOT using the developing traceability technologies. Vats, which talk to processors which in turn talk to transport companies via the internet will become a central component on the collection and delivery of milk from farms to processors. As with the last Dairy Industry Action Plan 2019-2024 work will continue to be done to address communication issues along the transport corridors which the industry relies upon. As the IOT increases its presence effective rostering between processors, producers and markets will mean new efficiencies can be found across the supply chain.

Processor Advancement

In pursuit of demonstrable premium farmers and processors will increasingly become reliant on information recording and storage. As dairy consumption essentially stabilised in South Australia the ability for processors to get product into the growing international marketplace is the next important step in the post COVID 19 era. As supply chain integrity, verifiability and transparency will become an increasingly important component of the dairy industry globally.

Consumer input

Traceability and distributed ledger technology will provide a direct vehicle for consumers to have input into products. Naturally, the best input a consumer can have is to leave a product on the shelf, but in a world where the consumer can trace a product back to a single processor, farm or even cow, then the consumer can pass their input directly back through the system.

Retail Involvement

The future of the supply chain involves a constant communication with the retailer in terms of the way various dairy products are presented on the shelves and how they are tracked through the supply chain. The involvement in by a major retail chain in dairy research in South Australia is reflective of the understanding and importance the retail sector brings to the need to be part of the supply continuum. This includes reconsideration of product packaging and labelling to improve the retailer's capacity to present the dairy product to the consumer for verification purposes. A reliable supply chain stored on a distributed ledger will offer greater clarity for all participants in the supply chain including retailers.

Driving Innovation

The industry as a whole must drive innovation. At the time of this Plan's launch farmers, processors, technology companies and representative organisations are committed to research which seeks to improve the supply chain and its transparency. This is a direct result of the earlier Dairy Industry Action Plan being implemented, but the work cannot stop as it is still, at the time of launching this iteration of the Dairy Industry Action Plan, in its infancy. Nevertheless, the quality of co-operation needed for such work will be vital in creating a future that can embrace the ambitions of this plan. Getting each participant in the supply chain to step back and look what they do must be incentivised by outcomes.

Getting people in the chain to take the risk of communicating with others in the chain in full and frank ways will lead to better understanding and more open discussions. Agreements between players across the chain which contain protection for participants must become an essential part of the communication process so that the best technologies can support the best products.

A Centre of Excellence

South Australia is a state with a rich history and potential in the dairy industry. South Australia produces just under 500 million litres of milk annually, which accounts for 5.8 % of the national production. The state has just under 200 dairy farms, mostly located in the Southeast, Fleurieu Peninsula and Barossa Valley regions. The dairy industry contributes about \$700 million to the state's economy and employs over 2,500 people directly and indirectly.

However, the dairy industry in South Australia also faces many challenges and opportunities in the changing global and domestic markets. Some of the challenges include increasing costs of production, environmental sustainability, animal welfare, biosecurity, consumer preferences, and competition from other regions and countries. Some of the opportunities include innovation, value-adding, diversification, niche markets, and export potential.

To address these challenges and opportunities, South Australia needs a dairy centre of excellence that can provide leadership, research, education, and extension services to the dairy industry and its stakeholders.

A dairy centre of excellence would be a hub of excellence and innovation that would bring together the best minds and resources from the government, industry, academia, and community sectors. A dairy centre of excellence would aim to achieve the following objectives:

- To enhance the productivity, profitability, and resilience of the dairy industry in South Australia through research and development, technology transfer, and adoption of best practices.
- To support the development and growth of the dairy value chain in South Australia, including processing, manufacturing, marketing, and distribution of dairy products.
- To foster the skills, knowledge, and capacity of the dairy workforce in South Australia, including farmers, processors, service providers, educators, and researchers.
- To promote the social, economic, and environmental benefits of the dairy industry to the wider community and consumers in South Australia, Australia, and overseas.
- To collaborate and network with other dairy centres of excellence, organisations, and institutions at the national and international levels to share information, expertise, and resources.

A dairy centre of excellence in South Australia would be a strategic investment that would benefit not only the dairy industry, but also the state and the nation as a whole. It would enhance the competitiveness and sustainability of the dairy industry, create more jobs and income, stimulate innovation and entrepreneurship, and improve the quality and diversity of dairy products. It would also contribute to the food security, health, and wellbeing of the population, and support the regional development and social cohesion of the state.

To achieve the ambitions of this Dairy Industry Action Plan South Australia needs a dairy centre of excellence to realise its full potential and opportunities in the dairy industry, and to ensure its long-term viability and success.

Creating a Workforce

The dairy industry remains a vital part of the agricultural economy and the rural communities in South Australia.

According to the South Australian Dairy Industry Snapshot, the state's dairy industry accounts for almost a billion dollars in generated revenue and employs 2,500 people directly on farms and in processing plants. The industry also produces high-quality dairy products that are sold in domestic and international markets, targeting the premium end of the consumer demand.

However, the dairy industry in South Australia, as well as in other parts of Australia, faces some significant challenges and opportunities in terms of its workforce development. One of the main challenges is the shortage of skilled labour at all levels of the industry, from farm managers and workers to processors and marketers.



The 2020 National Dairy Farmers Survey found that 70 per cent of farms with 500 cows or more reported difficulties in recruiting staff. Some of the factors that contribute to this challenge are:

- Inadequate business profit to employ more worker as the dairy industry is subject to market and climate volatility, which affects the profitability and cash flow of dairy farms. Many farmers struggle to pay competitive wages and offer attractive working conditions to retain and attract workers.
- Negative perception of the jobs in the industry as the dairy industry is often perceived as a low-skilled, low-paid and physically demanding sector, with long and irregular hours and limited career prospects. This perception discourages many potential workers, especially young people, from considering a career in dairy.
- An ageing workforce as the average age of dairy farmers in South Australia is 56 years, and many of them are approaching retirement without a clear succession plan. There is a need to attract and develop the next generation of dairy farmers and leaders, who can bring new skills, ideas and innovation to the industry.

To address these challenges and create a workforce that can support the growth and sustainability of the dairy industry in South Australia, some of the possible opportunities are:

- Investing in training and education - The dairy industry will provide more opportunities for training and education for its current and future workforce, both on and off the farm. This includes offering formal qualifications, short courses, workshops, mentoring and online learning, that cover a range of topics such as animal health, business management, technology, environmental management and marketing. Training and education can help improve the skills, knowledge and confidence of the workforce, as well as enhance the image and reputation of the industry as a professional and rewarding career choice.
- Promoting the diversity and innovation of the industry - The dairy industry will showcase the diversity and innovation of its products, processes and practices, to attract and retain a diverse and talented workforce. This includes highlighting the different types of dairy farms and products, the use of technology and automation, the adoption of best practices for animal welfare and environmental sustainability, and the opportunities for value-adding and niche marketing. Promoting the diversity and innovation of the industry can help demonstrate the variety and quality of the jobs and careers available in dairy, as well as the potential for creativity and entrepreneurship.
- Building partnerships and networks - The dairy industry will build stronger partnerships and networks with other stakeholders, such as government, education providers, research organisations, service providers and community groups, to support its workforce development. This includes collaborating on policies, programs and projects that can address the workforce challenges and opportunities, such as labour market analysis, workforce planning, recruitment and retention strategies, skills development, career pathways and recognition. Building partnerships and networks can help leverage the resources, expertise and influence of different stakeholders, as well as foster a sense of belonging and pride among the workforce and the wider community.

Creating a workforce for the dairy industry in South Australia is a complex issue that requires a strategic and collaborative approach from all industry participants and partners. By addressing the challenges and seizing the opportunities, the dairy industry will ensure that it has a skilled, diverse and innovative workforce that can drive its growth and sustainability in the future.

2029 – Emerging Challenges & Opportunities

Biosecurity

As with 2019 when the first Dairy Industry Action Plan was launched, in a world of increasing movement biosecurity incidents will become and increased risk over time. This was reflected in the Foot and Mouth as well as the Lumpy Skin Disease scare of late 2022. Working in partnership with the whole supply chain and government the dairy industry in South Australia commits to its role in being outbreak ready in the case of a disease and further commits to making certain that other bio-security threats are minimised. This includes having an effective response to diseases like Bovine Johne's Disease and other recognised maladies in dairy cattle. Where necessary the industry will continue to throw its weight behind research that makes our industry more insulated from biological threats.

Changing Technologies

In an everchanging world the dairy industry in South Australia will not only embrace technology as it is developed but rather actively participate in the development of technology such as distributed ledger technology to advance South Australia to global industry leader.

Animal Welfare

The ethical treatment of animals will continue to be an industry priority. The South Australian Dairy industry acknowledges that there is an increasing expectation that animals will be treated respectfully and carefully into the future. This means a continued commitment to abandoning redundant practices and the use of humane systems of management including pain relief where required.

Planning issues

With increasing demands on land and different expectations on land, title, use and planning issues will be an essential component of the development of the industry. This means working with Government and competing title holders, to make them an important part of the planning for the industry moving forward.

Water

The South Australian Dairy Industry commits to using water in a responsible and sustainable fashion. This includes the responsible and sustainable use of on farm effluent and waste solids as well as the careful extraction, harvesting and collection of water from various sources to be applied to the production of milk for the benefit of all in the supply chain.

2029 – Emerging Challenges & Opportunities

Government Relationships

There is no industry works in splendid isolation from the influences of Government be it local, state or federal. The industry will increase its political positioning moving forward and seek to develop an increasing presence in the government sphere to enable positive relationships to develop with a view to legislative and policy structures that will suit industry.

This includes working with various regulators who either directly or indirectly maintain a policy interest in the dairy industry at any point along the supply chain.

Foreign investment

South Australia's dairy industry will keep an open door to developing better relationships with investors from other countries. With our evolving presence in the international marketplace, the industry will commit itself to embracing partnerships with those nations we trade with. The more investment there is in the South Australian dairy industry the greater the South Australian economy can grow resulting in more wealth for all South Australians.

Reputational Management

In an environment where there is an ever critical media, including social media, an industry's reputation can turn on a single broadcast, livestream or Youtube video.

As with the prior five years of the first South Australian Dairy Industry Action Plan, over the next five years industry will continue to foster better relationships with the print and electronic media as well as managing its own reputation through the use of social media outlets. Holding media at bay increases the notion of secrecy. As the industry improves its systems it should use the opportunity to improve perception through the effective presentation of what the industry does and its outcomes for all consumers.

Focus and Objectives for 2024 — 2029

1. Grow South Australian production to 700 million litres to meet growing demand.
2. The continued development of the South Australian product as a premium product.
3. Increased reach into Asian nations to develop markets for South Australian Dairy.
4. The development of a world class traceability system using distributed ledgers/blockchain technology.
5. The creation of an industry centre of excellence.
6. A strong focus sustainability dovetailing on Australia's excellent reputation as the best clean green natural supplier of dairy products, while positioning SA as being recognised as the best of the best.
7. Demonstrating that South Australia has the highest animal welfare standards.
8. Working with the South Australian Government as it outlines its strategic direction for South Australia.
9. Development of career paths, training models and succession plans for the future of the industry.
10. Promoting the industry as an industry with prospects.

SOUTH AUSTRALIAN DAIRY INDUSTRY ACTION PLAN 2019-2024

