

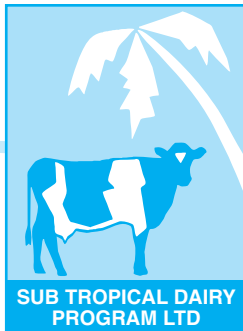
Subtropical Dairy

Annual Report 2005-2006

Malanda



DAIRY AUSTRALIA



Kempsey

Subtropical Dairy Program Ltd

Annual Report 2005-2006



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To August 2006

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From August 2006

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Subtropical Dairy board members



The Subtropical Dairy board comprises six farmers, from left Ross McInnes, Harrisville, Di Gresham, Gympie, Terry Toohey, Casino, Fleur Tonge, Casino, Lyn O'Connor, Ravenshoe and chair Laurie Dunne, Beaudesert.



A decade of change has challenged us all

Chairman's Review

Shane Gittins



When I reflect on my 10 years service with Subtropical Dairy and its predecessor the Northern Dairy Group, I am struck by how much change has taken place in our industry in the space of one decade.

Subtropical Dairy has made a real difference in our industry and I am confident it will continue to have an

important role to play into the future.

I have been a firm believer in the importance of Research and Development and the impact it can have on improving the profitability and viability of individual farm enterprises. In an era of industry de-regulation, we need everything going for us to remain in business, from management skills to adopting the latest science and technology.

Subtropical Dairy is a great model for delivering relevant industry research and development. With opportunity for input from farmer groups throughout northern dairying districts, we are able to ensure that R & D is focused on addressing our major issues.

I believe it is critical that farmers be involved with scientists and researchers to ensure their work is relevant to our needs.

Farmers have the opportunity to have a voice in research programs and to contribute some really great ideas. By being actively involved in the R & D process, farmers are also ideally placed to adopt the results of research in their enterprises.

The real strength of Subtropical Dairy lies in its regional groups and the building of skill levels and confidence of farmers involved at the local level.

The operation of the regional groups and the management committee have improved a lot over the last few years and this is reflected in the great outcomes now being achieved.

There have been some outstanding projects over the past 10 years. Protein Plus was an initiative started by farmers in Central Queensland which went on to become a significant national project.

Other important developments have included gene marker tick research, the development of the dairyinfo.biz website, the M5 farmlets study at Mutdapilly Research Station and the work done at Wollongbar Agricultural Institute.

I would like to pay tribute to the very capable members on the board and management committee and key portfolio managers. Laurie Dunne has been an outstanding deputy and I am confident that Subtropical Dairy will continue to play a vital role for our industry under his stewardship. Thanks also to our Program Manager Philip Chamberlain, who is also leaving Subtropical Dairy, for the great effort he has put in.

The challenges ahead are great, but I am confident that there is a bright future ahead for Subtropical Dairy and the dedicated dairy producers in northern Australia.

Laurie Dunne elected leader



Laurie Dunne was elected chairman of Subtropical Dairy at the annual meeting in August 2006 to succeed Shane Gittins.

The Annual General Meeting was held as part of a joint conference with the Queensland Dairyfarmers' Organisation from the 28 to 30 August 2006 in Ipswich.

Mr Dunne and his wife Denise run a 200 cow family dairy enterprise on the Logan River in the Beaudesert district.

He is no stranger to industry research and development, having been involved with Subtropical Dairy at a number of different levels over the years.

Mr Dunne has chaired the South East Regional Team and served on the management committee as deputy chairman.

New Subtropical Dairy board members

The board of Subtropical Dairy has two new members who were elected at the 2006 annual meeting at Ipswich.

Di Gresham from Gympie and Lyn O'Connor from the Atherton Tableland were elected to succeed the retiring chairman Shane Gittins and Janeene Wallwork.

The board of Subtropical Dairy consists of six farmers, one nominated from the Dairy Division of NSW Farmers, one from QDO and four from Subtropical Dairy regional groups.



Coping with a changed funding climate

Program Manager

Philip Chamberlain



Subtropical Dairy began by putting together large, long term research and development projects that were expensive, and often had difficulty in achieving extension to the farmers. The funding climate has changed, and large R&D resources are no longer available from the public sector.

There is a lot of information currently available, and much of this has not been taken up by the farming community, due to lack of extension processes, appropriate information packages being unavailable and farmers not being empowered to seek and filter appropriate information.

I believe it is now the role of Subtropical Dairy to empower farmers to seek information, give farmers the opportunity to

access this information in appropriate formats and mediums, and encourage them to take it up and use it.

This is a much more effective use of limited resources than putting it into large new R&D projects which take a long time to finish. We shouldn't lose sight of Subtropical Dairy's aim – to look at issues, identify them, provide solutions and empower farmers to seek and adopt the appropriate new technologies.

After many years service with Subtropical Dairy it is time for me to move on. I have enjoyed working with a very dedicated team of farmers, researchers and industry professionals all committed to improving the performance of our industry. Shane Gittins has made an outstanding leadership contribution over the past 10 years. I wish my successor Janine Teese all the best in guiding Subtropical Dairy in the future.

New Program Manager appointed



Janine Teese was appointed Subtropical Dairy Program Manager in October 2006. She has taken over the position on the departure of Philip Chamberlain.

Ms Teese grew up in the Beaudesert district where her family had a dairy and a heifer rearing business.

In 1998 she graduated with a Bachelor of Applied Science, 1st Class Honours, from

the University of Queensland. She completed a Masters in Agribusiness in 2004, also at UQ.

In the last 8 years, she has worked in Europe, South East Asia and Eastern Africa as a project manager. During this period she designed, acquired finance for and managed the start-up of agribusinesses enterprises with a focus on value adding locally, quality assurance and strengthening supply chain alliances. Ms Teese said she looked forward to applying her agricultural knowledge and project management skills in her new role. Subtropical Dairy chair Laurie Dunne welcomed Ms Teese to her new position and said he looked forward to working with her.

Fostering R,D&E since 1995

Subtropical Dairy has actively fostered research, development and extension since it was established in 1995 to succeed the Northern Dairy Group.

It is one of eight Regional Development Programs running across Australian dairying areas which were established to provide a mechanism for dairy farmers to have a strong involvement in identifying, selecting and managing research, development and extension activities relevant to their region. Subtropical Dairy, split into seven sub-regions covers all Queensland dairying areas and those in NSW north of Kempsey. There were an estimated 1035 farm enterprises in the region in 2005-06 producing 789 million litres of milk.

The key roles of Subtropical Dairy are to work closely with the dairy community to identify priorities, commission and manage relevant projects for research, development, extension and educational activities.

The goals, issues, priorities and project areas have been developed with strong emphasis on industry consultation. The mission of Subtropical Dairy is to foster a collaborative and unified approach to farm viability, by facilitating research and extension, improving technology and empowering people.



North Queensland

Chairman

Des O'Connor

07 4097 6424

Secretary

Janeene Wallwork

07 4097 2347

Regional team reports

Cyclone Larry a setback for the north

Severe damage from Cyclone Larry has been a huge setback for the dairy industry in the far north.

Farmers have had to focus their energies on repairing damage and rebuilding infrastructure which has limited their time for participation in regional activities.

The cyclone destroyed many trees and this has added a new dimension to a major project examining heat stress and conception rates which has been underway since 2001.

The impact of heat and humidity has been demonstrated to impact significantly on cow fertility.

With so much natural shade wiped out, the group has looked at short term solutions providing artificial shade and replanting for the longer term. Lessons learned include selecting suitable species with pine trees proving particularly susceptible and the placement of shade lines as many trees fell over fences during the cyclone.

A number of on-going projects include:

Youth forum

There was again strong support for helping young farmers from the region to attend the New Generation Dairy Farmers Forum held at Coffs Harbour.

Silicon project

This project is looking at soil treatment using this locally available product.

Neospora

Examining the causes of abortion and how to prevent the spread of this disease from wild dogs.

Grow Malanda

This project has been a major work of the north Queensland team which has encompassed a number initiatives.

Farmers have responded well to targeted programs such as Protein Plus and Nutrition Plus.

About 30 percent of farmers in the region have been involved in Profitable Dairying Quickly courses since deregulation.

AI Courses

There has been an excellent attendance at artificial insemination courses with farmers keen to learn and improve their management skills. Many have been new entrants to the industry since deregulation.

Feed Systems

A program has been looking at two systems -- easy care with low labour input and large herds focused on maximising production. The performance of tropical pasture and pinto peanuts has been evaluated.

New projects

New projects planned included a molasses project, the development of a new pasture monitoring tool, calf rearing workshops and a tour to northern NSW.

Central Queensland

Chairman

Gordon Falls

07 4958 4615

Secretary

Charlie Ernst

07 4931 7616

Regional team reports

Protein project originated in CQ

The Central Queensland team have been involved in several national and regional projects over the past year.

The Milk Biz Program

This project being progressively introduced to producers and is aimed at improving business skills and farm management.

Protein Plus

The group has taken a lot of pride in instigating the project which has now been introduced across the Subtropical Dairy region and grown into a national program.

It aims to increase summer milk protein levels by focusing on cow nutrition. It has helped raise the awareness of the importance of optimum nutrition to enterprise profitability.

Dairy Moving Forward

Many farmers have been involved in the Taking Stock program.

There has also been support for local initiatives.

Young Farmers

A focus on encouraging young producers with the group providing support for young farmers from the region to attend the New Generation Dairy Farmers Forum at Coffs Harbour and also attend the Dairy Research Symposium at Camden. There has been interest in fostering young farmer groups as 50 percent of enterprises in the region have a second generation involved.

Tick and Fly Control

The group is adapting a Meat and Livestock Australia document on fly control to have a dairy focus. The task of spreading information on effective means of tick control continues.

Natural Resource Management

Interest in a range of Subtropical Dairy NRM initiatives includes the formation of a Dairying Better 'N' Better group at Eungella to encourage the adoption of NRM best practice in dairy management.



Darling Downs

Chairman

John Saville

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Secretary

Mal Maroske

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Regional team reports

Refining goals and objectives

A meeting of the Darling Downs team held in November 2005 served to redefine goals and objectives.

The decision was taken to aim at holding four meetings a year, simplify minute taking and agendas and encourage all participants to come up with project ideas and suggestions.

From 20 ideas put forward, three projects that could be supported with local funds were identified.

Young Farmers Network

The first was establishing the Darling Downs Young Farmers Network.

This has been successful with social events held and a forum attracting about 40 participants to focus on issues facing young producers.

Soils project

A soils project funded by the National Landcare Program has also been supported.

A soils manual specific to the Darling Downs has been developed with four case studies based on local farms.

Two farm walks were held in March with others planned to address the issues of understanding soil analysis results and tailoring fertiliser management. More group activities are planned in 2007.

An on-farm incentives program attracted more than 50 applications.

Situation and Outlook

The team also decided to commission a Situation and Outlook Report for the Darling Downs in July 2006.

Such a project had not been done since 1988 and it was considered important to provide an understanding of regional prospects and to help with planning.

The report was compiled by University of Queensland, student Brooke Ashton, drawing upon 2006 NRM survey and Dairy Australia data. Milk processors also provided resources. There were 62 farms surveyed. The report was completed in October and has been posted on the dairyinfo.biz website.

Other projects

A forum was held on succession planning and investing on and off farm. A workshop was held on goal setting and understanding and accessing funding available.

On farm incentives worth \$120,000 have been made available for effluent management, soil conservation, irrigation use efficiency and riparian management.

Seasonal conditions

Dairying on the Darling Downs has been severely impacted by a string of difficult seasons over the past 15 years. In the past year, dry weather and heatwave conditions slashed crop production with silage, hay and grain yields well down. Very little winter crop was able to be planted and conserved feed has been in short supply. Lots of poor quality stubble has been fed.

Burnett

Chair

Chris Heathwood

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Secretary

Nita Anderson

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Regional team reports

Successful forum in Wondai

A successful forum Making Dairy Work for You was held at Wondai in March 2006.

The forum was a joint effort between Subtropical Dairy and the QDO and was attended by a number of farmers from the region.

Belinda Haddow provided an update on the Dairy Moving Forward program and Jeff Potts from Dairy Express gave a presentation on using individual animal identification to improve cow management and herd recording. Local farmer Andrew Zerner discussed his experiences trialing once a day milking.

A group of producers at Nanango has begun a local Dairying Better 'N' Better for Tomorrow program which will focus on a range of key natural resource management issues.

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Drought, price takes heavy toll

The Burnett group is struggling as extended drought conditions and low milk prices have taken a heavy toll on farmers in the region.

The Federal Government extended Exceptional Circumstances drought relief to a fourth year to June 2007 for the 18 shires in the Burnett Region

Many farmers have been leaving the industry and this trend is expected to continue.

Those still committed to dairying have focused their energies on surviving.

The average age of farmers is rising with few young people coming in to family enterprises.

Farmers are looking at options to stay on the land after ceasing dairying and those choosing to exit have been able to sell into a buoyant property market fuelled by lifestyle buyers.

A social barbeque is being planned to help keep some cohesion among Burnett farmers.



Subtropical Dairy Program Ltd

Projects Budget 2005-06 (\$ x 1,000)

	Subtropical Dairy	Other contributions
1. FEED SYSTEMS MANAGEMENT		
DAQ10785 Mutdapilly Farmlets	90	840 (DPI&F/DA)
2. NATURAL RESOURCES		
Dairying Better n Better II Extension	(50 in kind)	2652 (NRM Bodies, EPA etc) 100 (DPI&F)
SDNR01 - NRM Coordinator	25	80 (QDO, DAFF, projects etc)
SDNR01 - NRM Project Support Officer		50 (QDO, DAFF, projects etc)
3. WHOLE FARM MANAGEMENT		
UQ10833 Milk Business		
Dairy Moving Forward		40 (DA)
4. HUMAN RESOURCE MANAGEMENT		
SDP003 SRT Development		Included in program conduct
REC001 Monitoring & Evaln		Included in program conduct
SDSP008 Annual Forum		Included in program conduct
Communication, technology transfer & Internet Training Project	75.8	100 (Processors, DPIs)
5. ANIMAL MANAGEMENT		
Tick-Fungal Control (Turner)	(10 in kind)	150 (DPI&F)
Tick Genetic Marker) (Turner)	(10 in kind)	420 (CSIRO/UQ/DPIF/DA)
SD Funds to DA - Extension of National Projects	33.78	120 (DPI, Processors)
6. PROGRAM CONDUCT		
SDP006 Program conduct		
Administration	18	16.4 (Processors & DPIs)
Program Leadership		
Board, TAG & Man Com	10.3	25 (Processors & DPIs)
Subregional Groups	9	10 (Processors & DPIs)
Farmer representation	2	
Annual forum	24	21 (Processors & DPIs)
Monitoring & evaluation	16	61.3
		5 (Processors & DPIs)
Program Management	62.9	13 (Program Manager)
Industry consultation & communication		
Annual report	3	
Contribution to National Project Development	8.3	2 (Processors & DPIs)
Newspaper/Newsletter	18	2 (Processors & DPIs)
Dairyinfo.biz	40	69.3
		204 (DPI&F)
Project development	28	7 (Processors & DPIs)
Learning Skills & Development- (Small Projects)	50	289.55
		80 (Processors & DPIs)
Total	\$514.130	\$3,137,400
Dairy Australia allocation to Subtropical Dairy 05/06		\$492,256
Total Project Value		\$3,629,656
Value adding on R&D funds	x 5.5 times	



South East Qld

Chairman

Laurie Dunne

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Secretary

Peter Rohan

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Regional team reports

Effluent testing project completed

A project which involved sampling and testing effluent pond on farms in the region was completed during the year. The project aimed to develop a reliable database of effluent used in irrigation.

One of the key findings was the variability of test results between the various ponds tested. This suggests that individual farmers should have their own pond tested before using effluent for irrigation.

The project found that using effluent for irrigation could on average replace more than \$2000 worth of fertiliser a year.

Current project include

Mycotoxins/alfatoxins

Information is being gathered about these toxins and the probability of being present in different feeds. This reflects the concern among

local farmers.

The project is looking at feed sources that pose the most risk, possible contamination of milk and animal health implications.

Healthy soils

This project follows on from a workshop conducted at Kerry 18 months ago that stemmed from farmer concern about sustainability of soils and how to enhance the natural fertility of soils.

The project will include farm monitoring strategies and a southern tour.

Calf rearing workshops

Two successful workshops conducted at Gympie and Beaudesert by calf rearing expert Jeanette Fisher attracted more than 140 people.

The importance of feeding colostrum was a key message to emerge.

NSW Far North Coast

Chairman

John Sykes

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Secretary

Pam Wilson

02 6628 4345

Regional team reports

Interest in solid waste recycling

The Far North Coast team had an active year with a number of projects in progress.

A project to compare different methods of recycling dairy solid waste including two farms walks generated a lot of local interest. One site being studied produces compost from solid waste and soybean stubble, using a machine to turn the compost and wet it at the same time. A 40 tonne batch of compost is spread on about 12 hectares.

Another property operates a worm farm using waste collected from silage pits, feed pads and concrete laneways.

The waste is composted in a shed with a sloping floor which allows the juice to be collected and spread with a liquid manure spreader.

Oversowing rye grass

Critical factors in oversowing ryegrass in tropical pasture are also being examined.

Failures are not uncommon resulting in re-sowing with subsequent winter feed deficit and increased costs.

Successful establishment depends on restricting the growth of tropical grasses in autumn and achieving high ryegrass plant

numbers at establishment.

Management of kikuyu before and after sowing ryegrass and the method of establishment were keys to a successful outcome.

The project has also compared establishment methods, direct drilling and mulch sowing.

Glasshouse studies have also been conducted to determine the effect of temperature, seed depth and mulch cover on plant emergence and the effect of temperature on ryegrass performance during the establishment phase.

Key findings have included the benefits of using tetraploid cultivars, not sowing below a depth of 3 cm and not having mulch cover more than 5 cm.

Other projects

A demonstration was held at an on-farm trial site where a fertigation system is using a specialist liquid nitrogen product.

The team supported the maintenance of five Miser weather stations spread across the region which electronically gather weather and evaporation rate for data for publication in local media.



NSW Mid North Coast

Chairman

Jason Blake

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Secretary

Joe Pearce

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Regional team reports

Dairy Forum now major event

The New Generation Dairy Forum for young producers at Coffs Harbour was an initiative of the regional team which has become a major event.

A co-ordinator is now employed to organise the forum and arrange top industry and farmer presentations.

The 2006 forum held on October 18 and 19 was supported by Subtropical Dairy teams in other regions and advertised nationally. It covered five major management areas, feeding, the dairy herd, business, human resources and natural resources.

Feed trials

The team is also conducting several feed trials on farms in the region including different corn varieties, peanuts and chicory and plantain varieties.

Nutrition project

A nutrition project is employing a ruminant nutritionist to consult with a group of eight local farmers with visits to a new property every two months and half day group discussions.

Natural resources

A natural resource management project started in the Bellingen and Nambucca Valleys involving local farmers undertaking an assessment of environment issues on their properties. The project includes a series of workshops to prioritise key issues and develop solutions to problems identified. Funding support was sourced from Landcare, the Northern Rivers CMA, the NSW DPI and Norco. It is being conducted in a similar format to the Dairying Better 'N' Better for Tomorrow program in Queensland.

Project Reports

Animal Management

Technical Coordinator

Bill Tranter, Tableland Veterinary Services

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Goal set for 2020

The goal of this program is to have 100 percent of farmers by 2020 using management practices that enhance the efficiency of production, animal welfare and quality of dairy products.

Objectives

1. To develop animal management systems that enhance the high quality and acceptability of dairy produce.
2. Make information about these systems available and accessible to farmers.
3. Have national and internationally accepted animal welfare standards practiced on farms within the Subtropical Dairy region.
4. Adopt management systems that minimise animal health and management constraints to improved animal performance and productivity.

Ticks a major issue

Tick and buffalo fly control are ranked by Subtropical Dairy as one of the major issues confronting dairy managers in coastal Queensland

from the south east corner to the far north.

It has been estimated that Queensland milk suppliers who do not practice stringent integrated tick and buffalo fly control management could be losing more than 2.6 litres of milk per cow per day – a significant loss when margins are tight.

Control strategies have been recommended to help dairy farmers to be proactive in their battle.

With new tick control methods slow in development the strategic management challenge for farmers is to minimise the use of registered chemical formulations to prolong the effective life of the chemical group.

With the need to promote an integrated approach which adopts Best Management Practice (BMP), a working group has been set up to oversee the implementation of BMP for tick and fly control. This strategy is assisted by using proven non chemical control measures such as tick vaccine and buffalo fly traps.

The Queensland Department of Primary Industries and Fisheries (QDPI&F) is currently conducting a fungal biopesticide project as another non chemical option while there is collaborative research with CSIRO to isolate a marker for tick resistance which could allow breeding of resistant cows.

The build-up of chemical resistance in tick populations has become a serious issue and it is recommended producers collect tick samples from their cattle for testing if there is any doubt about the effectiveness of the product they are using.

Buffalo fly infestations can have a negative effect on production,



particularly from high yielding cows. An acceptable cow tolerance level is about 30 flies per animal. Research trials indicate irritation and distress caused by populations above this level starts to impact on production.

Healthy dung beetle activity in cow pats can lower buffalo fly emergence four fold.

Walk through buffalo fly traps which physically remove insects lend themselves to use in a dairy where they can be strategically placed in the laneway system and left in service all year.

Cow Time continues

The successful national program focusing on a more efficient dairy shed operation has continued with a series of workshops run to maximise productivity.

The Cow Time project team has developed a simple Energy Monitor tool to help farmers save energy and money. Research that shows some farms use four times as much energy as others to harvest the same amount of milk point to the potential for significant savings. Key areas where energy savings can be made are in system cleaning and maintenance.

The Monitor takes farmers through a few simple questions and provides a report on how the power use of their enterprise stacks up against others in the industry. It can be accessed directly through the website www.cowtime.com.au

Top Fodder

This national project was completed in July 2006. A contractors technical update day has been held and further courses are planned for Queensland to extend the results of the program.

In Calf project

This national program is conducting Farmer Action Groups to help producers address a range of herd fertility issues.

In Calf is reviewing the method of delivering activities in Queensland and NSW where farms are more geographically scattered with all year round calving systems.

Countdown Downunder

A collaboration between all stakeholders, including processors, is designed to assist producers incurring penalties to reduce problem cell counts.

The program is running in north Queensland with 11 participants. A series of one day training workshops for milking staff was proposed for Queensland regions in the second half of the year.

Other projects

- Heat stress and fertility, North Qld
- Buffalo flytrap testing, all regions
- Calf rearing seminars, SEQ
- Rubber matting on laneways, North Qld
- Assessing the impact of Neospora, North Qld

Project Reports

Communication

Goals

- To provide appropriate information to all sectors of the dairy industry and build the capacity of people to effectively seek and adopt appropriate skills and information to develop their businesses.
- To promote a positive profile and image of Subtropical Dairy and the dairy industry

Objectives

- To ensure all appropriate dairy information is collated edited and provided in a format producers will access.
- To ensure that appropriate media channels are provided so that all farmers have access to appropriate information.
- To build the capacity of people to effectively search for and utilise appropriate information.
- To initiate and maintain positive and strong relationships with individuals and organisations relevant to Subtropical Dairy.
- To help inform the dairy industry of the results of relevant and current research and development.

Dairyinfo.biz website

A major initiative has been the establishment and maintenance of a comprehensive industry information website, www.dairyinfo.biz

The website now delivers industry news and information and has significant content on research and development projects including Dairy Predict, The Mutdapilly M5 project, and other QDPI&F projects such as QDAS and an effluent booklet.

The Northern Dairy Industry Strategic Plan and the Subtropical Dairy Regional Action Plan are both posted on the site.

Northern Dairy Times

Subtropical Dairy joined forces with the QDO to support the launch of a new bi-monthly publication The Northern Dairyfarmer for wide distribution to farmers and the industry.

Three issues of the magazine were published in 2006, carrying a topical range of news and information on industry events and research programs.

Computer training

With many farmers still uncomfortable with the internet, training in computer skills and internet use continues to be a major focus. Training days have been held collaboratively with the QDPI&F and processors through all Subtropical Dairy regions with farmers able to access Farmbis subsidies.

Training goes beyond the basics, assuming a basic familiarity with home computing use. It includes

- Developing computer and internet browsing skills.
- Reinforcing and teaching how to manage computer information



- Accessing milk production and payment information from the processor
- Using tools such as the Dairyinfo.biz website and how to locate other sources of information.
- Discussions on viruses, internet security and other uses such as internet banking.

Communications plan

The newly appointed Subtropical Dairy Program Manager Janine Teese is also taking on the position of Communications Officer. Internal and external communications planning will be subject to review.

Project Reports

Feed Systems Management

Technical Coordinator

Glen Chopping

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Goal is farmer involvement

The goal of this program is to have 100 percent of farmers involved by 2010 in the implementation and management of feed systems that are socially, economically and environmentally sustainable.

Objectives

- Identify and encourage adoption of practices to improve sustainability of feed systems.
- Improve the development and availability of more efficient grasses, legumes and crops.
- Improve the availability and efficient use of supplements within feed systems.
- Facilitate the development and uptake of extension products and packages that enhance farmers' ability to improve the sustainability of feed systems.

Boosting protein levels

Protein Plus is a major project which aims to lift protein from 3.1 percent to 3.5 percent and boost average farm gate income by \$12,000.

It was initiated to provide milk suppliers within the Subtropical Dairy region and farmers in Western Australia with the skills to address the milk protein composition issue and collect factory bonus payments. Extension programs are helping farmers prioritise and implement management solutions by giving them a clear picture of what influences milk protein levels in their enterprise.

Milk protein levels in herds reliant on tropical pastures are historically lower than those in southern climates.

Research has revealed that up to 90 percent of milk protein is generated from the cow's rumen bacteria. In addition to the need for a balanced feed ration, the animal's physiology coupled with the dairy breed and the genetics within the breed also have an influence on protein level.

It has shown that nutrition is a critical issue in lifting milk protein

levels – particularly the source of protein and energy.

The main nutritional factor limiting milk protein is energy. The high fibre associated with tropical pasture reduces overall dry-matter intake which limits the energy component of the diet.

Starches and sugars are the main energy sources available to the rumen bugs.

The percentage of starch available in the diet is a significant issue for protein production.

Grain sorghum which is widely used in northern Australia has a reasonable starch content, but availability in the rumen digestion process is low in comparison to other grain sources.

Experience from the nine intervention farms showed it was possible to get significant short-term milk protein gains by changing grain or the method of processing.

Water use efficiency

Water Use Efficiency studies at the Mutdapilly M5 farming systems project have demonstrated that there are significant gains to be made.

A double crop of short rotation annual ryegrass followed by a summer forage crop of either sorghum or maize was the most water-efficient cropping system for subtropical areas.

Although the single harvest summer crops such as maize and forage sorghum for silage were the most water efficient for dry matter yield, they produced a lower quality forage than the temperates such as ryegrass.

The double crop option took advantage of the region's climatic pattern of summer dominant rainfall and continued high radiation levels in winter.

Farmers need to take a flexible approach and adjust to suit the season and available water.

The farmlet study was conducted during a period of water restrictions which influenced the choices made such as switching from planting perennial temperature pasture to forage sorghum during the warm season.

A lesson to emerge if summer watering is limited is to reduce the total area planted to maize to match water availability and plant more drought tolerant sorghum.

The research showed that growing and conserving forage sorghum or barley was an efficient way to use limited water supplies to help fill feed gaps.

The key findings from the Water Use Efficiency project at Mutdapilly were tested on two companion farms. The results confirmed small changes to current practices will significantly improve water use efficiency as well as dry matter yield and forage use and milk production.



Nutrition Plu\$ benefits

Nutrition Plu\$ is a project which aims to increase farm profitability by 5 percent in the Subtropical Dairy region.

As part of the project, a successful advanced nutrition workshop was held in Toowoomba featuring US-based global authority Dr Bob Patton.

Basic nutrition courses have also been delivered throughout

Queensland and Northern NSW since March 2006 at Mutdapilly, Warwick, Gympie, Casino, Malanda, Monto, Beaudesert and Oakey. Recurring topics at all events were feeding protein meals, starch intake requirements, silage quality and increasing milk yield.

A further rounds of courses in dairy regions are planned during 2007

Project Reports

Human Resource Management

Technical Coordinator

Kate Roberts

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Evaluation process for 2006

The processes used by Subtropical Dairy are evaluated each year. Activities for 2006 were:

1. Review of recommendations made the previous year.
2. Monitoring the experience of Regional Group members.
3. Evaluate the views and opinions on the usefulness of Subtropical Dairy to those not associated with it.
4. Evaluation of the Management Committee.
5. Evaluation of the Technical Advisory Group.
6. Evaluation of the Subtropical Dairy annual forum.

Group feedback is positive

The feedback to come out of the review of Regional Groups is mainly positive and continues to express the value of Subtropical Dairy.

The most important message to emerge is that some dramatic change needs to happen for groups who have asked for the same help from year to year.

Members consistently ask for rejuvenation and more contact with each other. Suggested solutions include rotating executive positions and holding teleconferences as a substitute for some face to face meetings.

Results of the analysis of comments:

- Regional groups are valued by members. On average members scored the groups 3.5 out of 5 with regard to how much they helped them manage their enterprises.
- A high 93% indicated that they gained new ideas by being a member of their group. Gaining access to information and people who can help and support them was rated by 80 percent.
- The number of members involved to some extent in research jumped to 84% from 73% in 2005.
- 67% did not want to change their level of involvement or anything about their group.
- Project results are communicated mainly at an informal level

between producers, according to 77% of respondents. Meeting presentations and government and processor newsletters also rated highly.

- 73% of members felt that their regional group had helped them identify and achieve some or all of their goals.
- Recurring themes were the need for more farmer participation, particularly younger producers, to have some telephone meetings and to have new or different leaders.
- Farmers use a range of mediums to access information. Other producers rated 85%, followed by government advisers and newsletters each on 83%, 75% gathered information from the radio, 71% from private advisers and 60% from the internet.
- Only 46% of farmers were on broadband.

High level of awareness

The review of individuals in the industry not associated with Subtropical Dairy put awareness and knowledge of the organisation at an all time high with 70% of respondents having heard of it.

Key findings:

- For farmer respondents the main issues were the price of milk, 38%, business management, 27% and pastures and feed 27%.
- Subtropical Dairy was rated effective in providing information about projects, helping develop projects and address dairy issues.
- The regional groups were also considered to be playing their role effectively. There was a dramatic difference in the rating of group effectiveness in helping to develop projects from 20% in 2004 to 60% in 2006.
- About half the respondents use a range of electronic technology in their businesses from banking to herd management.

2006 recommendations

From the surveys

1. The Management Committee provide groups with a strategy to recruit new members, especially younger farmers.
2. Most groups have asked for more meetings. The Management Committee institute a policy for regional groups to meet at least every three months with teleconference meetings where appropriate.
3. It is recommended that group members consider limiting the term of executive positions to change every two years.

From the Management Committee

1. The Management Committee to seek Burnett Regional Group approval to invite all regional farmers to a gathering to meet and share ideas about research.
2. The Management Committee institute a policy of rotating the chair of regional groups so that all members, particularly younger members can gain leadership experience.



3. The Management Committee incorporate into the evaluation process the Dairy Australia statement on Regional Development Program key performance indicators.
4. That at the conclusion of each Management Committee meeting the issues that need resolution are raised.

From the Annual Forum

1. Ensure that there are opportunities for networking to occur at the annual forum. Trade displays may need to be a regular feature of forums.

2. The 2006 combined forum with the Queensland Dairy farmers' Organisation was a success and should occur regularly every second or third year.
3. More time must be provided for presentation of Regional Group and Technical Advisory Group reports and questions to presenters.

Project Reports

Natural Resource Management NRM Coordinator Bronwyn Fischer

Projects worth \$15m

Natural resource management (NRM) programs are worth more than \$15 million.

Dairying Better N Better for Tomorrow

Valued in 2005-2006 at \$1.95 million

Funding partners for this project are the Federal Department of Agriculture, Fisheries and Forestry, SEQ Catchments, Burdekin Dry Tropics NRM, Dairy Australia, Burnett Mary Regional Group, Queensland Farmers' Federation and Regional NRM Groups Collective.

Seven groups comprising of 67 enterprises from the South East Queensland catchment area are participating in the program and include:

- Beechmont
- Beaudesert
- Boonah
- Dayboro
- Woodford
- Toogoolawah
- Harrisville

The groups are addressing a number of key NRM issues such as effluent management, soil fertility and weed control.

New groups are being established at Eungella, Monto, Maleny and Nanango.

A Continuous Improvement Project has also commenced which involves the review of the current Dairying Better N Better program and the development of a model and tools to further develop the Farm Management System to reflect the Plan-Act-Review cycle.

Young Farmer Network

Valued in 2005-2006 at \$534,000.

Funding partners are Dairy Australia, Condamine Alliance and Subtropical Dairy.

The Darling Downs Young Farmer Network has 64 members from 49 farms and represents 20% of the dairy industry on the Darling Downs. Four events were held to improve the capacity, skills, knowledge and decision making ability in farm and business management.

Downs Soils Project

Valued in 2005-2006 at \$633,310

Funding partners: Federal Department of Agriculture, Fisheries and Forestry and Condamine Alliance.

Year one of the soils project has been completed with a 'Darling Downs Smart Land Use' guide containing relevant information on land management and case studies finalised and distributed. Year two of the project is currently underway and involves a series of workshops together with an incentive component to support landholders implementing on-ground works.

Utilising Effluent

This project which includes dairy, pigs, feedlots and chicken enterprises has a 2005-2006 value of \$825,480.

Funding partners are the Federal Department of Agriculture, Fisheries and Forestry, SEQ Catchments (SEQC) and the Burnett Mary Regional Group (BMRG).

This project will develop a workbook and case studies on the numerous aspects of animal waste products. This will be supported by a workshop series across the SEQC and BMRG areas. The focus is on the end users of the various waste products and promotes not only the Best Management Practices for collection but also the Best Management Practices on use. The project also involves an incentive component for on-ground works.

Market Based Instruments Pilot

Project value in 2005-2006 \$400,000.

Funding partners Burnett Mary Regional Group

This is a competitive tender process that is targeted at dairy farmers in the East Gympie region to improve effluent and riparian management.

NRM Staff 2006

We farewellled NRM Project Support Officer Roslyn Arthy and have welcomed Lisa Thompson as Roslyn's replacement. We also welcome Raelene Rosevear who is the NRM Reporting Manager and Sarah Kenman who has been seconded from the QDPI&F to implement the Dairying Better N Better for Tomorrow program.



Project Reports

Whole Farm Management

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Project goal

To have 100 percent of farm businesses by 2010 implementing an integrated systems approach that enhances social, economic and environmental sustainability.

Objectives

- Change the culture of the dairy community to one of a systems approach to decision making on farm.
- Identify and develop guidelines, decision support tools and demonstration models that enable farmers to make more effective whole farm management decisions.
- Make available and continually improve decision support tools and information and learning packages which enhance business decisions.
- Build the capacity of farm owners, managers and employees to enable them to adopt appropriate strategies to effectively manage their business as an integrated system.

Tracking performance

Subtropical Dairy has continued its support of the Queensland Dairy Accounting Scheme from regional group funding.

This Queensland Department of Primary Industries and Fisheries initiative provides an extremely detailed annual stocktake of the financial performance of producers throughout the Subtropical Dairy region.

The 2005-06 QDAS report is published on the dairyinfo.biz website and provides a valuable tool for producers to benchmark the performance of their enterprise.

The report contains physical and financial data from 142 farms across the region.

Within that group there is a detailed analysis of 87 farms which have provided continuous data over the last four years, enabling the tracking of trends since 2003.

The report reflected the financial difficulties facing the industry with an average operating profit a low \$325 per cow or 13.8 percent of income. However the top producers were able to achieve \$800 per cow or 28.6 percent.

The average cost of production was 38.7 cents a litre, giving a cash surplus of just 2.8 cents per litre.

Feed accounted for 83 to 86 percent of total variable costs, highlighting the need to optimise feed inputs.

Dairy Moving Forward

In early 2004, a national initiative entitled Dairy Moving Forward was developed to address the uncertainty of where the dairy industry was heading. This initiative was particularly important with the overlaying impacts of low milk prices and extensive drought.

The industry came together to support farmers with new information and tools for business analysis. The program aided in coordinating the service sector to meet the real needs of farmers.

When it became apparent that there was a need to focus on individual farm enterprises, Taking Stock was launched. This free one-on-one consultation and planning service was designed to help farmers focus on the key issues for their business and create an action plan that identified opportunities for improvement.

Dairy Moving Forward has been widely supported by all sectors of the industry including dairy companies.

The most common issues identified from Taking Stock sessions have included lower than average pasture production/utilisation, costs associated with grain or concentrate feeding, high debt servicing/low equity and succession planning or transition issues.

More than 500 farmers in Queensland and NSW have taken advantage of the Taking Stock program which has a 60 percent rate of farmers reporting that it had made a practical difference for their enterprise.

Significantly, 40 percent of farmers who have done the Taking Stock program do not usually participate in activities such as group discussions or workshops.

Issues facing portfolio

There is a need to reintroduce a specific farm business management project like the MilkBusiness project. This is being considered by Subtropical Dairy.



Subtropical Dairy Program Ltd

Statement of Income and Expenditure for the year ended June 30, 2006

INCOME	\$
SDP001 – Admin (Reg Group, Board, Man Com, TAG)	60,743.44
SDP003 – Regional Groups	58,704.00
SDP004 – Project Development	76,952.00
SDP008 – Annual Forum	67,129.37
REC001 - M & E	15,428.00
SDP 11055 - dairyinfo.biz	38,830.00
Program Management	60,655.00
National Projects	22,688.57
Dairying Better n Better II (NRM Operating Account)	168,871.04
SDNR01 - NRM Coordinator	134,469.46
UQ62A - Protein Project	4,675.00
SDNR02 - NRM Project Support Officer	554.62
SDCA Soils - Condamine Alliance NRM Group	37,200.00
SEQNR01 - SEQ NRM Group	76,000.00
SDCT01 - Computer Training	95,479.49
WCNR01 - Western Catchments NRM Group	147,000.00
SDP12313 - NRM Coordinator - Italy Conference	5,800.00
SDP12339 - DBnB Continuous Improvement	15,000.00
SDIG01 - Seasonal Information packages Communication Officer	10,000.00 30,000.00
Total Income	<u>\$1,126,179.99</u>
EXPENDITURE	
SDP001 – Regional Group Expenses	12,314.33
– Communication, Annual reports etc	16,516.00
– Administration (Board, Man Com, TAG)	31,487.65
SDP003 – Regional Groups	118,541.71
SDP004 – Project Development	28,600.00
SDP008 – Annual forum	34,609.22
REC001 – M & E	10,556.97
SDP 11055 – Dairyinfo.biz	32,790.26
Program management	70,325.81
National projects	20,562.75
Dairying Better n Better II (NRM Operating Account)	14,867.62
SDNR01 - NRM Coordinator	113,990.53
UQ62A - Protein Project	4,750.00
Sabah I	458.00
SDSC01	464.95
SDNR02 - NRM Project Support Officer	68,524.03
SDCA Soil - Condamine Alliance NRM Group	116,618.15
SEQNR01 - SEQ NRM Group	74,491.74
SDCT01 - Computer Training	73,439.50
WCNR01 - Western Catchments NRM Group	12,293.35
SDP12313 - NRM Coordinator - Italy Conference	5,245.99
SDP12339 - DBnB Continuous Improvement	192.48
SDIG01 - Seasonal Information packages	5,626.26
SDCA Soils II - Condamine Alliance NRM Group	820.31
Total Expenditure	<u>\$868,087.61</u>
NET INCOME	<u>\$258,092.38</u>



For more information about Subtropical Dairy contact the Program Manager

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