



Workplan

*NSW Department of Primary
Industries*

2005 - 2008

*An overview of the intentions of Dairy
Pathways and summary of the detailed
submission forwarded to Dairy Australia
and key NSW industry stakeholders.*



Context

Increased international competition, declining terms of trade, removal of market and price support arrangements, an ever increasing pace of technological change and increased complexity and intensification of farm operations has seriously compromised the ability of farmers to cope with ongoing change.

The “cost price squeeze” has been accentuated by lower real milk prices post deregulation and the increased costs of production due to adverse seasonal conditions. Production costs have increased and margins have declined requiring farmers to increase the volume of production to improve farm profitability.

To adjust to the effects of deregulation many investments involving industry restructure funds have been based on intuition rather than sound farm business management information. Unfortunately, results have often been disappointing, with farmers working harder and not necessarily improving the performance of the business or their financial position.

NSW dairy farmers have clearly indicated to industry groups, service providers and government at all levels that they now have major concerns about their dairy farm business' operation reflected in decreased farm profitability, erosion of lifestyle, and the overall direction of their industry. Farmers have indicated that increasing market uncertainty and reduced terms of trade have affected their confidence to introduce management and technical options that improve farm profitability.

Reduced business confidence and the apparent low uptake of production options to improve farm profitability has caused Dairy Australia and its Regional Development Groups to consider initiatives that assist farmers to analyse their businesses, make more informed decisions through initiatives such as Dairy Moving Forward and introduce cost effective technology and production systems, as proposed by the Future Dairy project.

Dairy Pathways Background

The NSW Department of Primary Industry (DPI) in conjunction with others in the NSW dairy industry through the Dairy Industry Development Corporation (DIDCo) and Sub Tropical Dairy have subsequently designed the Dairy Pathways project. Dairy Pathways is about delivering extension programs, activities and tools that will enhance dairy farmers (and service providers) capacity to make better farm management decisions, based on a thorough understanding of their business; to understand how and when to integrate appropriate technologies into the business; and to develop profitable and sustainable production systems.

Dairy Pathways builds on DairyCHECK and Milk Business, previous projects which were designed primarily to assist NSW dairy farmers prepare for and manage through the massive changes wrought by deregulation in 2000. The projects delivered extension activities to train farmers to analyse their businesses and adopt appropriate technical information to manage and adapt to changing market conditions. Considerable training of DPI staff and some other service providers has been undertaken during the DairyCHECK and Milk Business projects. This training has enabled DPI dairy officers to successfully deliver Taking Stock in NSW during 2005.

Dairy Pathways Vision

The whole NSW dairy industry, with strong leadership from NSW Department of Primary Industries, developing and delivering an extension service focused on improving dairy business performance, using management systems and appropriate technologies that enhance the physical, environmental and social sustainability of NSW dairy businesses.

Principles

Dairy Pathways is founded on the following principles:

- ◆ NSW DPI dairy team collaborates with the dairy industry farm sector at a number of levels:
 - Locally through regional development groups, discussion groups, one:one with farmers, and processor field staff
 - State-wide through representation on boards of DIDCO (Doug Hocking), Subtropical Dairy (Tim Burfitt) and Murray Dairy (Regan Johnson); and constructive relationships with open communication NSW Farmers dairy committee and Policy Officer.
 - Nationally through our involvement with Dairy Moving Forward and the national projects, InCalf, Countdown, Topfodder, Cowtime, Protein Plus and also through links with other state DPIs, especially Queensland.

- ◆ We understand and respond to industry needs through our close connection with the above people.

- ◆ We have a team of competent and professional staff, and we provide an independent or “unbundled” advisory service:
 - We have a wide array of technical competence and experience across the team, and have a team approach to extension development and delivery. We are the conduit for farmers to access information across all aspects of dairy farm management.
 - We use action learning and adult learning principles in our extension activities.
 - We are concerned with farmers making informed decisions and being aware of the consequences of their actions. Our advice and support is not simply based on providing a ‘recipe’.
 - We focus as individuals on pursuing the technology behind dairying as a career that provides satisfaction derived from clients we service, our team mates and our perception of success through work.
 - We work cooperatively with a range of other service providers, such as other DPI staff, and DPIs in other states, other government agencies, processors, consultants, agribusiness, community organisations. We often play a leadership role in bringing others together, and we share resources where we can.

These principles align closely with the investment principles of Dairy Moving Forward:

1. The investment is collaborative in development and in delivery
2. The investment is focused on recognised key issues, eg those identified through Taking Stock
3. The investment provides opportunity for all
4. The investment leverages existing infrastructure and funds
5. The results of investment are available to all

Dairy Pathways Approach

NSW DPI takes a business management approach to on-farm extension and advice, so that:

- We strive to understand where the business and people are at in their stage of life and in the business cycle, in the first instance
- We analyse the issues in the context of the whole farm and aspirations of the farmers
- We provide a range of options and information and assist farmers to make informed decisions
- We consider the impact of decisions on the triple bottom line, that is, financial, social and environmental.

We are very much aware that most dairy farms in NSW are family farms, often with two or three generations of family members involved. This affects greatly how and why decisions on farms are made, and any professional advice and assistance must always take account of the needs and aspirations of the people involved.

Dairy Pathways Outcomes

- ◆ Farmers understanding and managing their farm as a business, making plans and decisions that position them to be profitable, successful and satisfied.
- ◆ Farmers using their resources in a way that is environmentally and socially responsible and sustainable.
- ◆ People on farms have the opportunity to learn and develop in a safe environment, in jobs that are satisfying, and in an industry that is vibrant and challenging.
- ◆ Industry organisations that have a focus and direction, working together with DPI and other service providers in a mutually supportive way.

Dairy Pathways Activities and Outputs

The technical teams have developed five project areas under the Dairy Pathways umbrella, which we believe will meet industry and farmer's needs:

1. Business Management

Aims:

- to build a culture where most farmers actively review and understand their business performance, and achieve their business and personal goals
- to develop a coherent culture grounded in shared standards for farm business and management practice

Activities:

- Milk Business – workshops, Fact Sheets, build on Taking Stock, support for business planning and budgeting
- Milk Biz software – training, distribution, upgrade to include cashbook
- Develop pilot with farm secretarial service to farmers
- Case study farms – identify and document sustainable systems
- Agribusiness – awareness and training in Milk Business
- Comparative analysis – using QDAS where required

2. Human Resource Management

Aims:

- To promote effective working relationships on farms, meeting needs and goals of employers and employees
- To facilitate the development of an effective industry strategy and support network for HRM

Activities:

- Convene a cross-sector steering group to develop an HRM strategy for NSW and liaise with Dairy Employment Management Committee (Victoria)
- Review and update the Dairy Farm Training Program
- Develop information kits and training for employers in improving HRM skills and practices
- Develop information on alternatives to land ownership, ie sharefarming or leasing, other business structures and career paths
- Prepare case studies on successful people management on profitable farms
- Build capacity of service providers in supporting successful workplace relationships

3. Natural Resource Management

Aim:

- To enhance dairy farm productivity, sustainability and environmental management through better use of natural resources

Activities:

- Farmer Targets for Change process will be delivered through NSW, based on the Taree model
 - √ Individual farm audit using Dairy SAT or other tool
 - √ Farm mapping and planning using digital aerial photos
 - √ Farmer targets and plans developed
 - √ Catchment targets and plans developed
 - √ Funding sought for on-ground works through CMAs

4. Feedbase Management

Aim:

- To increase industry adoption of feed management practices that improve the sustainability and profitability of dairy farm businesses.

Activities:

- Managing Pastures for Profit - an adaptation of a successful Victorian DPI program to the NSW environment, and the conduct of workshops through NSW
- Ration Check – a new farmer friendly software program to better analyse rations
- Update Nutrition workshops to incorporate Milk Biz, Protein Plu\$, Topfodder, Feedplan and other modelling programs

5. Herd Management

Aim:

- To improve the reproductive performance and herd management systems of NSW dairy herds to achieve farm profitability and lifestyle goals

Activities:

- Calving patterns - develop a model to analyse implications of different calving patterns; and provide information on how to choose and implement the most appropriate calving pattern
- Herd health booklet and CD
- Manipulating the breeding program – evaluate use of sexed semen, ET, heifer sales, beef options, crossbreeding etc.
- Herd replacements – partial budget template to assess contract rearing, buying or leasing adult replacements.
- Electronic ID – information on legal requirements and new technology to improve herd management
- Deliver InCalf farmer courses in NSW

These activities build on previous extension projects and the National projects, such as Topfodder, InCalf, Countdown, and Cowtime. They will be conducted over the next three years, as determined by regional priorities and demand. They can be modified along the way, as circumstances in the industry dictate.

Project Structure

An effective extension program involves the fostering of collaborative relationships between the various stakeholders and client groups. Whilst these kinds of relationships currently exist in NSW, they will need to be further developed and expanded to ensure that the project remains focussed, relevant and responsive; and the resources of the various stakeholders are combined to generate maximum benefit.

Under the leadership of Tim Burfitt, the dairy extension team have organised ourselves into Technical Area (TA) Teams for development and some delivery, and Regional Extension Teams (RETs) for delivery of programs.

The Technical Areas are:

- ◆ Business & Human Resource Management
- ◆ Feed Management
- ◆ Herd Management
- ◆ Natural Resource Management

Technical teams are currently being expanded to include relevant people from within and outside DPI, processors, agribusiness, and other government agencies. There are three RETs with agronomists, researchers and processor field staff involved. These are North Coast team, Mid-north Coast and Hunter team, and South Coast and Inland team.

This structure has enabled technical teams to work on development of projects, activities and products in each specialist area. The regional extension teams are responsible for the timing and method of delivery to suit local needs and priorities, and to coordinate with other service providers.

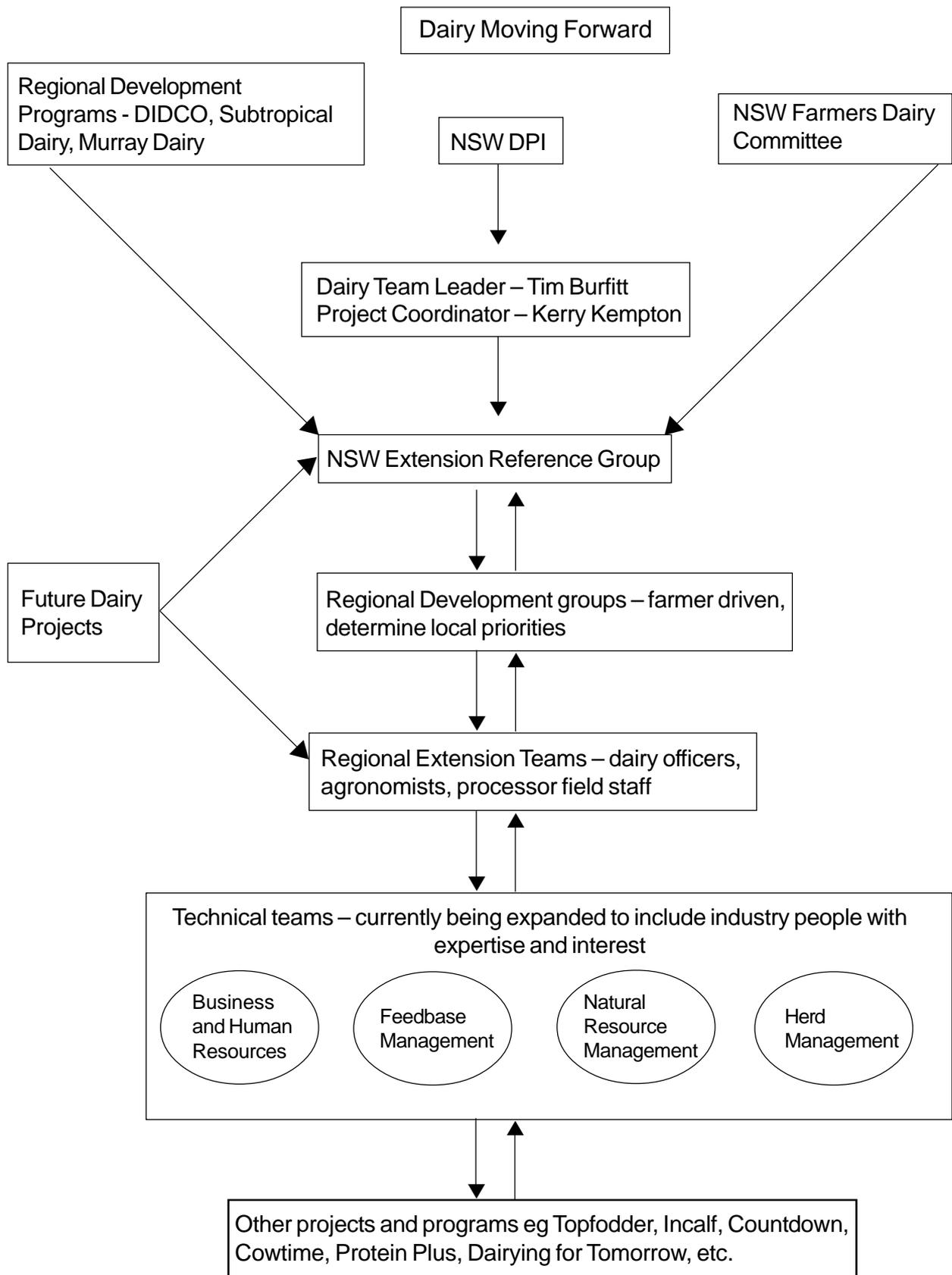
An important part of the successful delivery of Dairy Pathways will be the establishment of an Industry Extension Reference Group, which will ensure a coordinated and collaborative approach to dairy extension across NSW. This group will represent the DPI, the Regional Development Programs, and NSW Farmers, and their main role initially will be to oversee the delivery of Dairy Pathways.

The terms of reference for this group are yet to be established, but are expected to include:

- Providing input and feedback on the Pathways proposal, and endorsing the final submission
- Supporting and promoting the project to industry
- Providing monitoring and feedback to Dairy Australia about Pathways
- Reviewing the progress of the project and re-aligning where necessary
- Evaluating the success of the project

The diagram below shows the structure and organisations involved in delivering Dairy Pathways. There are several opportunities for farmer and industry input, from a local level to a state level.

Diagram 1: Dairy Pathways Delivery Structure



The detailed version of the Dairy Pathways project proposal is available from

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