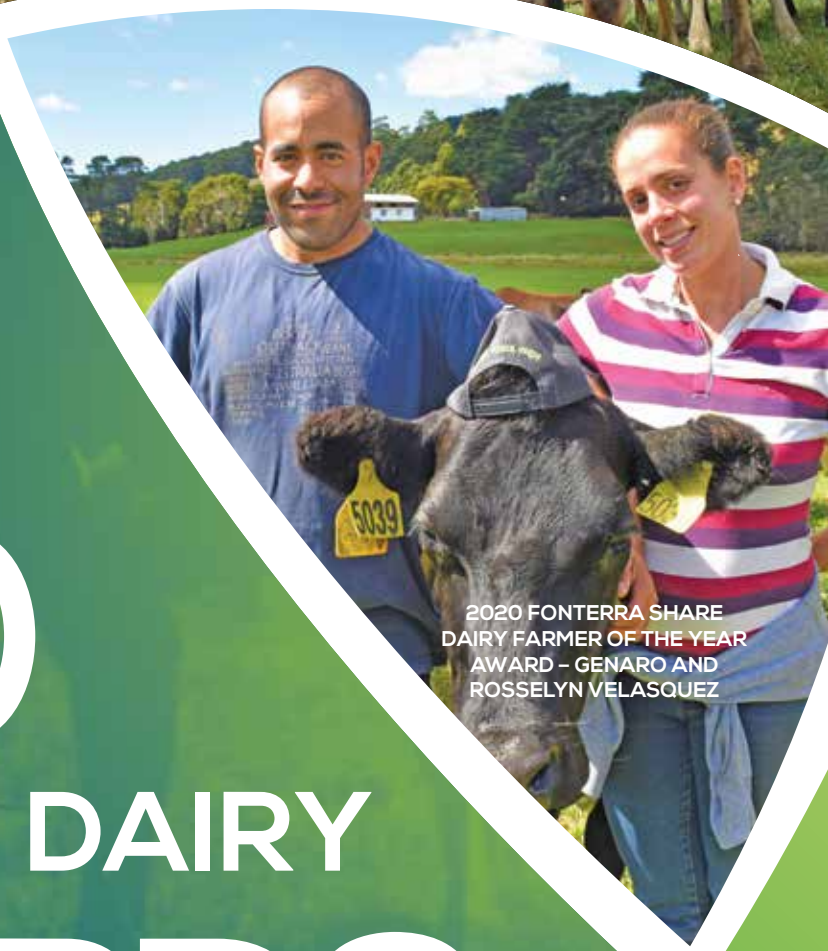
2020 ANZ DAIRY BUSINESS OF THE YEAR AWARD - ACTIVE DAIRIES PTY LTD OWNED BY GRANT & KIM ARCHER



2020 FONTERRA SHARE DAIRY FARMER OF THE YEAR AWARD – GENARO AND ROSSELYN VELASQUEZ

2020 TASMANIAN DAIRY AWARDS

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2020 Tasmanian Dairy Awards

The Tasmanian Dairy Awards are organised by TIA and DairyTas. The Awards have been made possible by the generous support of the following:

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ANZ – Dairy Business of the Year Award

Fonterra – Share Dairy Farmer of the Year Award

Rex James Stockfeed – Dairy Safety Award

Veolia – Dairy Environmental Award

Cadbury – Young Farmer Encouragement Award.

Fonterra - Employee of the Year Award

Aurora Energy – Dairy Employer of Choice Award

ACKNOWLEDGEMENTS

Thank you to all the farmers who participate in the Awards.

The Dairy Business of the Year Award and Share Dairy Farmer of the Year Award are organised by TIA. TIA is a joint venture between the University of Tasmania and the State Government.

Data for the Dairy Business of the Year Award has been analysed using DairyBase. The field days for these Awards are conducted through the Dairy HIGH project which is funded by Dairy Australia and TIA. Other Awards in this booklet are co-ordinated by DairyTas.

This booklet has been prepared by Nathan Bakker, Lesley Irvine, Symon Jones and Samantha Flight, TIA. Content has been written by Lesley Irvine (TIA), Symon Jones (TIA), Jonathan Price (DairyTas and Sian Savage (DairyTas).

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2020 Dairy Award Winners

The annual Dairy Awards dinner was cancelled in 2020 due to the Covid-19 pandemic. Instead, the 2020 Award winners were announced online. Recordings of the announcements and discussions are located on the Tasmanian Institute of Agriculture Facebook page and YouTube channel (Dairy Business of the Year Award and Share Dairy Farmer of the Year Award) and the DairyTas Facebook page (Dairy Safety Award, Dairy Environmental Award, Young Farmer Encouragement Award, Employee of the Year Award and Dairy Employer of Choice Award).

Congratulations to the 2020 winners:

ANZ Dairy Business of the Year
Active Dairies Pty Ltd - Grant & Kim Archer

Fonterra Share Dairy Farmer of the Year
Genaro and Rosselyn Velasquez

Rex James Stockfeed Dairy Safety Award
Trinity Pastures - Denis Ryan and Aisling O'Neil

Veolia Dairy Environmental Award
Dutch Mill Australia Pty Ltd (Hatfield) Leased by Silverdale

Cadbury Young Farmer Encouragement Award
Aaron Ferguson

Fonterra Employee of the Year Award
Luke Davey-Baldock

Aurora Energy Dairy Employer of Choice Award
Delmont Trading Trust

2020 ANZ Dairy Business of the Year Award

DBOY Winners: Active Dairies Pty Ltd - Grant and Kim Archer
Finalists: Rosemount - managed by James Greenacre
Dalmore Dairy – managed by Luke Davey-Baldock

Kim and Grant Archer

Past Dairy Business Of the Year Winners

Year	Winner	Participants
2019	Clear Springs Dairy, Meander - managed by Tim and Fiona Salter	33
2018	Remlap (Palmer family), Sisters Creek	36
2017	Mulder family, Forest	34
2016	Brian & Michele Lawrence, Meander	31
2015	Bill & Jill Chilvers with Grant & Kim Archer, Symmons Plains	52
2014	Nigel & Rachael Brock, Montana	35
2013	Rob, Norm & Lesley Frampton, Gawler	31
2012	Rob & Jo Bradley with Grant & Kim Archer, Cressy	40
2011	Darron & Veronica Charles, Mawbanna	33
2010	Grant & Melanie Rogers, Ouse	45
2009	Huisman family & Hatfield Dairies P/L	36
2008	Paul & Nadine Lambert, Merseylea	36
2007	Gary & Helen Strickland, King Island	36
2006	Stephen & Karen Fisher, Togari	40
2005	Symon & Louise Jones, Gunns Plains	50
2004	John & Katrina Sykes, Ringarooma Alan & Rosie Davenport, Derby	42
2003	Grant & Kim Archer, Mella	47

2020 ANZ Dairy Business of the Year Winners - Active Dairies Pty Ltd

Grant and Kim Archer currently own two dairy farms within their Active Dairies Pty Ltd business. They have won the 2020 ANZ Dairy Business of the Year Award with their Mountain Vale dairy farm located at Bracknell in the central north of Tasmania.

Grant and Kim have had an extensive career in the dairy industry. At the beginning of his dairy career, Grant worked on his family's Circular Head dairy farm, then transitioned into share farming and then purchased the family farm.

After many successful years farming in Circular Head, Grant and Kim moved their family to the central north of Tasmania. They retain ownership of the farm in Circular Head and have a very stable share farming partnership on that farm with Leigh and Kellie Schuuring.

After moving away from their farm, Grant and Kim were keen to stay active in the dairy industry. They became involved in the conversion and development of two further dairy farms – Rosemount at Cressy with Rob and Jo Bradley and Oakdene at Perth with Bill & Jill Chilvers. Grant and Kim were 50/50 share farmers on each of these dairy farms.

After several years working with each of these businesses, Grant and Kim purchased a dairy farm at Liffey – Mountain Vale Dairy.

A testament to the business acumen and dairy expertise of Grant and Kim Archer is that they have won the Dairy Business of the Year Award at each of the four dairy farm businesses they have managed.

Small beginnings

As they are familiar with managing 1000+ cow farms, when Grant and Kim decided to purchase their own dairy farm in the central north region, they were looking for a property to milk a similar number of cows. What they originally purchased, was Mountain Vale Dairy in Liffey, an operational dairy farm of 125 hectares milking 250 cows through a 24-unit swing-over herringbone dairy. While the property was smaller than their initial plans, they saw potential in the region and for the farm. This was in December 2013. In February 2014 they were able to purchase a neighbouring 134-hectare beef block and increased their herd size to 530 cows.

While they had plans to build a new dairy, they needed to continue milking the 530 cows through the old herringbone dairy. To make

this as efficient as possible, they made some minor upgrades to the dairy ensuring these could be transferred to a new dairy. The upgrades included:

- Auto draft at front of the dairy
- Yard blasters and pump
- Upgrading all cups to high volume claws to assist with faster milking

The dairy farm continued to grow with the purchase of two additional neighbouring blocks. As they concluded their share farming arrangements at Rosemount and Oakdene they were able to bring additional cows to the Bracknell farm as it grew. Surplus cows were leased-out.

Mountain Vale Dairy now has an effective milking area of 396 hectares (86 hectares is

irrigated) and over 1300 cows were milked through the 60-bail rotary dairy this season.

Farm development

In developing the farm, the Archers focused on pasture improvement, soil fertility and the farm layout. Everything done, was done properly despite the higher cost. Grant believes this saves money in the long-term as something not done well or isn't fit for purpose might save money at the time but will cost more to fix it later, or results in a lack of efficiency.

An important aspect in the farm plan is the final layout. The dairy was placed at the centre of the farm, even though increased costs for connecting power to the dairy and building the tanker laneway. The benefit is long-term, a more efficient movement of people and cows around the farm.

The layout of the laneways provides efficiency of movement and were built to a high standard. Drains were constructed alongside laneways to keep the laneways as dry as possible. The dirt from the drain excavations was used to further build-up laneways to minimise water logging. The best gravel – hard wearing but good for the cows feet – was sourced rather than relying on the closest/cheapest option.

Know your farm

Having managed multiple farms, Grant and Kim have learnt the importance of knowing the strengths and weaknesses of the farm to make the most profitable strategic and operational decisions.

A SWOT analysis (analysis of Strengths, Weaknesses, Opportunities and Threats) helped prioritise farm development at Mountain Vale as well as make effective strategic decisions.

Example of a SWOT analysis for Mountain Vale Dairy

Strengths	**Weaknesses**
• Good rainfall – dryland is still valuable so invested in improving pasture • Flat – good for large scale dairy farming	• Wet farm – so put in a lot of drains (based on experience with farming in Circular Head) • Large proportion of the farm is dryland – moved to earlier calving date; prioritised spending on irrigation
Opportunities	**Threats**
• Not a lot of cropping in area – didn't have to compete with cropping farmers so less competition and good land purchase price	• Access to more water limited • High voltage power line through farm which limits pivot irrigation potential

Know your business

For Grant and Kim, formal budgeting and planning is an important part of managing dairy farms. Having a good understanding of their business position and financial budget allowed them to purchase, develop the farm and build cow numbers quickly. It also gave them the confidence to purchase additional land when the opportunity arose.

The Archers develop an annual cash flow budget as well as an annual operating plan. They have recently changed to using Xero for managing their accounts as it allows them to work more closely and effectively with their accountants. They undertake a formal review of their budgets and plans on a quarterly basis with their accountants.

Grow as much pasture as you can

Having a good understanding of their farm and business, the Archers are very clear on the importance of growing and utilising pasture to their overall profitability. In the development of the farm, they have focussed on pasture renovation to improve the pasture growth potential, carefully selecting the right cultivars for irrigated and dryland areas of the farm. The K-line irrigation system that was already in operation when they purchased the original Liffey farm has been upgraded to one 53 ha pivot, and another 33 ha pivot with plans underway for the installation of a new 36 ha pivot, increasing the irrigated area to 30% of the whole farm area. Alongside the irrigation development has been the improvement of existing drains and the addition of new drains on the farm. The farm can become very wet, so drainage is important in minimising damage to the soil. Pugging dramatically reduces pasture growth and utilisation.

Pasture can't grow well without the right nutrients, so soil testing is undertaken every year. The farm is divided into 15 management zones based on factors such as irrigated,

dryland or effluent applications. One paddock from each zone is soil tested each year and fertiliser is applied based on the test results. Nitrogen is applied to pasture at a rate equivalent 1 to 1.5 kg nitrogen/ha/day whenever the pasture is growing.

Rotation length is actively managed to ensure paddocks are nearly always grazed at the 3-leaf stage to maximise the amount of pasture grown. The exception is in spring, when the rotation is faster – paddocks are grazed at 2 to 2.5 leaf stage to maintain quality. The days between grazing is monitored by everyone and is recorded in the farm diary.

Pasture utilisation

Alongside growing plenty of grass is the ability of making sure it is well utilised. Philosophically, Grant would rather be overstocked than understocked, as this ensures good pasture utilisation (but not so overstocked that cow health and welfare is compromised). Apart from stocking rate, other factors the Archers focus on to ensure good pasture utilisation are:

- Determining the right calving date to match the feed supply curve. The more pasture that can be directly harvested, the lower the cost of production will be.
- Growing crops through spring when there is surplus pasture to enable a transfer of feed to the summer. This has also been useful with undertaking pasture renovation.
- Achieving target grazing residuals, particularly in spring to maximise quality. Each paddock is grazed to a residual of 1500-1700 kg DM/ha. After the last full-herd grazing of a paddock, it is measured and if the target residual hasn't been reached, the amount of feed still available is calculated and a proportion of the herd (determined by amount of feed) is returned to the paddock after milking.
- Aim for moderate per cow production – if chasing too high a level of cow production, it will compromise pasture consumption.
- Have the right cow for the system – Grant and Kim have bred crossbred cows for their good fertility, longevity and grazing ability.

Team

Grant and Kim are very people focussed. Keeping and supporting their farm team has been one of the factors they carefully consider when growing their business.

Their current farm team at Mountain Vale is:

- Wayne French - manager
- Melissa Chugg and Jaimie Chilcott – assistant managers
- Thomas Chugg and Kirsten Wade – dairy assistants
- Stephen Hayes – milk harvesting assistant
- Mel Dawkins – calf rearing manager
- Megan Tubb – assistant calf rearer

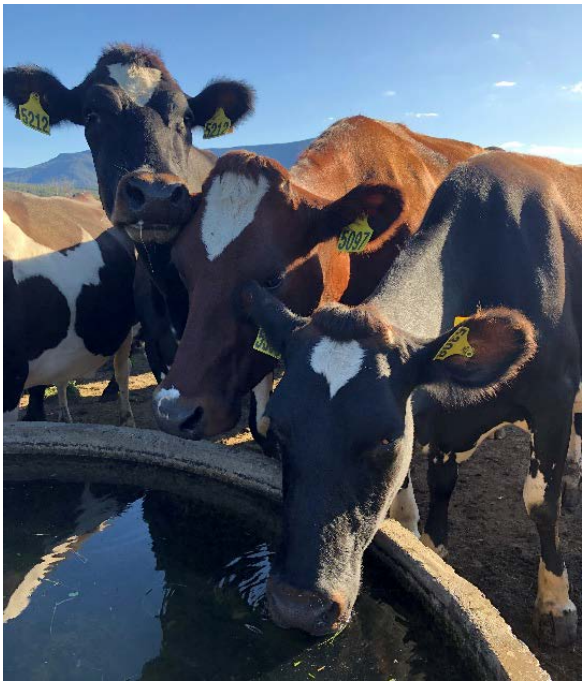
The Archers believe it is important to always try to 'put yourself in the shoes of your farm team' – "if I wouldn't like to do the job, I shouldn't expect staff to do it". They work with their team to ensure they have the days off in the week that suits them best and they have input into when they take their holidays.

Each person has a particular area of responsibility and while all jobs on the farm need to be done, if someone has a particular interest or area of expertise, they are encouraged to develop their skills.

Keeping the team happy and working well in the business is assisted by having good facilities, equipment, and machinery that is both comfortable and safe to use. Grant and Kim aim to have a nice work environment. They conduct an annual review with each member of the team and pay above award wages.

The 10%

The Archers don't just settle for doing a good job. Doing that last 10% can make a lot of difference – attention to detail is very



important in achieving above average profit.

Grant believes if something is important, you need to make sure you do it. Ideas don't work if they aren't implemented. When Grant identifies something that might be useful in the business, for example, lead feeding, teat sealing, 16-hour milking – he works with team to work out the practicalities and then puts it into practice.

Innovation is very important – it is good to think outside the square. Just because something isn't being done, doesn't mean it won't work. An example of something the Archers have developed over the last few years is a price matrix to purchase silage based on its quality. While this is something that gets talked about a lot, most silage is still purchased on a per bale basis. Grant and Kim identified silage as a very important part of their milk production system, given their high proportion of dryland. Their previous farms had higher rainfall or were fully irrigated so silage tended to be a smaller component of the diet, usually later in the lactation. At Mountain Vale, silage is a large part of the diet for at least half the lactation – about 1 t DM/cow is fed each year. Consequently, silage quality has a big impact on milk production. Knowing the importance of silage quality to their business, they developed a price matrix (the higher the quality, the higher the price) and worked with their silage suppliers. When the silage is delivered to the farm, it is weighed and a feed test is taken 3 to 4 weeks later. If the silage is 12 MJ ME/kg DM, they pay a certain amount, if it is 11 MJ ME/kg DM they pay a lower amount and so on. Protein levels are also part of the price matrix. They identified a need, worked out how to meet that need and implemented a process to achieve it. In the few seasons they have been paying for silage based on the quality of the silage they have seen significant benefits.

To be consistently profitable, Grant emphasises the importance of knowing the system, determining what works best and sticking with it – but always looking for ways to improve.

Table 1 Key performance indicators for Mountain Vale compared to the state average (2018-19)

KEY PERFORMANCE INDICATORS	Mountain Vale 2017-18	Mountain Vale 2018-19	Tasmanian average 2018-19
Usable area, ha	442	442	305
Milking area, ha	396	396	215
Irrigated area, ha	86	86	145
Cows milked, number	1230	1235	657
Stocking rate, cows/milking area	3.1	3.1	3.0
Milksolids per cow, kg MS/cow	425	435	426
PASTURE AND FEED – MILKING AREA			
Grazed feed, t DM/ha	9.8	9.0	10.6
Conserved feed, t DM/ha	0.6	1.3	0.9
Total Homegrown Feed, t DM/ha	**10.4**	**10.3**	**11.5**
Grazed feed fed, t DM/cow	3.2	2.9	3.5
Homegrown fodder fed, t DM/cow	0.2	0.5	0.4
Purchased fodder fed, t DM/cow	0.7	0.6	0.3
Purchased concentrate fed, t DM/cow	1.2	1.0	1.0
Total feed fed, t DM/cow	**5.2**	**5.0**	**5.3**
Nitrogen applied, kg N/ha	377	236	201
Water used, ML/irrigated ha	3.4	3.6	3.9
Total water use efficiency, t DM/100mm/usable ha	1.42	1.02	0.87
FINANCIAL KPI's ($/kg MS)			
Milk income (net)	6.08	6.13	6.16
Livestock trading profit	0.54	0.51	0.67
Other farm income	0.07	0.01	0.03
Gross farm income	**6.69**	**6.65**	**6.86**
VARIABLE COSTS			
Herd costs	0.29	0.23	0.31
Shed costs	0.12	0.10	0.17
Homegrown feed costs	0.57	0.91	1.09
Purchased feed costs	2.23	2.32	1.74
Feed & water inventory change	-0.03	-0.13	-0.03
Total feed costs	**2.77**	**3.10**	**2.80**
Total variable costs	**3.18**	**3.43**	**3.28**
GROSS MARGIN	**3.51**	**3.22**	**3.57**
OVERHEAD COSTS			
Employed labour cost	0.72	0.75	0.71
Farm insurance	0.03	0.03	0.07
Repairs and maintenance	0.34	0.33	0.36
Other overhead costs	0.14	0.12	0.19
Imputed labour cost	0.09	0.09	0.46
Depreciation	0.22	0.12	0.27
Total overhead costs	**1.53**	**1.44**	**2.06**
TOTAL OPERATING COSTS	**4.72**	**4.87**	**5.34**
EARNINGS BEFORE INTEREST & TAX	**1.97**	**1.78**	**1.52**
COST OF PRODUCTION (excl inventory change)	**4.75**	**5.00**	**5.37**
RETURN ON TOTAL ASSETS	**8.6%**	**7.9%**	**5.5%**

Judges' Comments – 2020 ANZ Dairy Business of the Year Award

Judges

Tim & Fiona Salter, 2019 Dairy Business of the Year Award winners
Lesley Irvine, TIA Dairy Development & Extension Team Leader

For the 2020 ANZ Dairy Business of the Year Award there were 3 finalists. These were selected from the participants in the 2018-19 benchmarking program (excluding those who were not eligible to win or chose not to participate in the Award). The finalists were selected based on their Return on Total Assets and Earnings Before Interest and Tax.

Congratulations to each of the finalists:

- Active Dairies Pty Ltd 'Mountain Vale Dairy' – managed by Wayne French and owned by Grant and Kim Archer
- Dalmore Dairy – managed by Luke Davey-Baldock and Paul Loader, owned by the Dalmore Group.
- Rosemount – managed by James Greenacre and owned by Rob & Jo Bradley and James and Sophie Greenacre

All the finalist farms are located in the central north region of Tasmania and are large dairy farm businesses. The judges visited each of the farms as part of the judging process and considered farm profitability and business management along with the operational management of the farm including the feedbase, cow nutrition, health and welfare, young stock, environment, safety and the farm team. Points were allocated for each of the categories and the business with the highest number of points was awarded the 2020 ANZ Dairy Business of the Year. This year, that Award went to Active Dairies Pty Ltd. Congratulations to the team at Mountain Vale Dairy.

As is often the case, it was a close contest between each of the finalists and they should all be proud of the high standard of management on their dairy farms.

Being large dairy farms, each business employed staff. Across each of the farms, it was evident that a high value was placed on their farm team. During each farm visit, the managers and/or owners spoke about the importance of people to their business and how they supported their farm team including:

- Encouraging involvement in training
- Flexibility around working hours and days
- Creating opportunities for people to develop areas of expertise and take on increased responsibility
- Ensuring a positive working environment by having comfortable, clean and fit-for-purpose facilities

Highly productive pastures were another feature of each business. Once it was rare to find farmers, even finalists in the Dairy Business of the Year Award, that undertook regular monitoring of the physical aspects of their business. However it is now becoming standard practice to have some form of pasture monitoring, regular soil testing, and soil moisture monitoring and we saw this with each of the 2020 finalists. The way they undertook their monitoring varied but they all recognised the importance of pasture to their business profit and were actively managing their feedbase.

As previously stated, it was a close contest between each of the finalists – each business scored more highly than the others in different areas of their management. Dalmore Dairy had very good profitability and an excellent standard of animal health and welfare. Rosemount excelled in feeding their cows, herd reproductive performance and managing their inputs such as fertiliser and water. The winners, Active Dairies Pty Ltd, scored a higher number of points across more categories. In particular, the experience of the owners, Grant & Kim Archer, shone through in their understanding of their business, the key drivers of their profitability, goal setting and financial management. Such a detailed understanding of their profit drivers has led to a strong focus on managing their rotation length and residuals, driving high pasture utilisation. Grant and Kim also exhibited a high level of commitment and support to their farm team, creating opportunities for their development. Their attention to detail and philosophy of making sure things are done right was evident from the layout and presentation of the farm.

The judges would like to thank each of the finalists for their time and willingness to open their business to scrutiny. It was a pleasure to visit each of their farms.

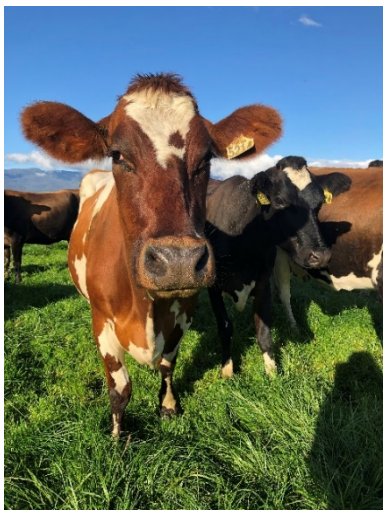
ANZ Dairy Business of the Year Finalist Profiles

Rosemount - Managed by James Greenacre

Rosemount Dairy is owned by an equity partnership between Rob and Jo Bradley and James and Sophie Greenacre. The dairy farm is located at Cressy and is managed by James Greenacre. 1250 cows are milked on the farm. The aim of the partners is to run a profitable business that is:

- Sustainable for the environment
- Sustainable for staff
- Looks after the cows

As equity partners, the Bradley's and Greenacre's have formal meetings on a quarterly basis which is chaired by an outside dairy business owner who provides an independent perspective.



Dalmore Dairy – Managed by Luke Davey-Baldock

Dalmore Dairy is owned by the Dalmore Group (a group of investors). 750 cows are milked on the farm at Dairy Plains. In the Award year the farm was being managed by Paul Loader but during the year management was transitioned to the current manager, Luke Davey-Baldock.

Animal welfare is the number one priority on the farm. This requires having a good team of skilled people. Luke works to ensure the team is happy and involved in training opportunities. This is part of the continuous improvement culture on the farm – always look for what can be done better and how to achieve it.

The farm management team have monthly management support meetings with the farm owners to discuss how the key performance indicators are tracking compare to the budget.

2020 Fonterra Share Dairy Farmer of the Year winners – Genaro and Rosselyn Velasquez

Genaro and Rosselyn Velasquez share farm in the far North West at Edith Creek on Michael and Cheryl Hughes' 143-hectare farm, milking 465 Jersey cross-bred cows, on an effective milking area of 122 hectares.

The couple are share farming on a cents per kilogram of milk solids payment arrangement, supplying their own labour and motorbikes.

The farm is highly productive with a stocking rate of 3.8 cows per hectare, producing 207,000 kg MS or 1750 kg MS/ha for the 2018/19 season. This is a 10% improvement on the previous season. Currently, the farm is on target to increase production to 212,000 kg MS for the 2019/20 season.

Milk production per cow is around 450 kg MS, which is 96% of the cow's bodyweight.

While the cows have a small stature, they are of high genetic merit and have excellent components and feed conversion efficiency.

The couple are in their second season on this farm after spending the previous season managing a 900-cow dairy farm at Arthur River.

The Journey

Genaro and Rosselyn's journey to the Edith Creek farm has been a much longer road trip than just the trip from Arthur River to Edith Creek.

Genaro and Rosselyn emigrated from Venezuela at the northern end of South America in 2009, travelling 17,000 kilometres to Australia in order to leave the worsening political and social crisis developing in their home country. They both came to Australia possessing veterinarian qualifications but found the cost of retraining in Australia prohibitive and so with very little knowledge of commercial large-scale dairy farming set about learning as much as possible to set themselves on a career path in the dairy industry.

They originally were employed on a large beef property and then moved to a position on a 900-cow dairy farm in the Hunter Valley, NSW, progressing from farm hands to herd managers.

Ambitious and hungry for knowledge and experience, they finally reached a point where they had outgrown their positions as herd managers and in 2016 made their way to Tasmania to take up a new challenge managing a high rainfall pasture-based dairy.

This system was the complete opposite to the low rainfall partial mixed ration (PMR) system they were used to in NSW. This presented a huge learning curve as both the farms in Tasmania they have worked on are in regions with rainfall in excess of 1100 mm/year.

Acutely aware that to be successful farmers in Tasmania would require excellent pasture management skills, they have focused their attention on developing skills in all areas of pasture management.

Both Genaro and Rosselyn's skill development has involved taking part in the TIA pasture workshops and participation in the follow up pasture coaching sessions as well as attending local discussion groups.

Pasture Management

The Edith Creek farm is situated in a 1100 mm/year rainfall zone and as well, is almost fully irrigated. This guarantees excellent pasture growth almost all year and while this ensures plenty of pasture, Genaro and Rosselyn say "the challenge is being able to utilise as much pasture a possible during the wetter months, particularly during the spring calving period." About half the herd are wintered on farm and therefore good pasture management is critical for looking after and maintaining quality pastures and for ensuring adequate herd intake.

Paddocks are managed with the focus on quality before quantity and are grazed between the second to third leaf stage. Nitrogen use is estimated at around 331 kg N/ha or 0.9 kg nitrogen per hectare per day.

The grazing rotations are adjusted according to the leaf emergence rates with a pre-grazing pasture cover of around 3000 kg DM/ha and target residual of 1600-1700 kg DM/ha. As a result, Genaro and Rosselyn have excellent pasture performance achieving 12.5t DM of pasture consumed per hectare.

Herd Management

Cows are dried-off in mid-July and calving begins on the 25th August. The aim is to breed and maintain a young, small to medium size cow weighing around 460-470 kg liveweight with high components and producing around 1 kg milksolids per kilogram of bodyweight.

The breeding program comprises 4-5 weeks of artificial insemination and 5-6 weeks of paddock mating. Most cows calve within eight weeks.

Grain feeding amounts are regularly monitored and changed according to pasture availability. Cows are fed 1.25 tonne of concentrate per cow, averaging 4 kg per cow per day during lactation.

Focus

Genaro and Rosselyn believe the important factors in their business success are having focus on the following:

A strong work ethic

Excellent communication

Attention to detail

Their philosophy is to continually focus on self-improvement and professional development by taking on the opportunities that challenge them. They have done this by having a very good work ethic and by constantly taking bigger steps. They say a good working relationship and sharing the same goals and values as a couple are essential for success. They are both very hands on in the business and do most of the farm work themselves.

While Genaro and Rosselyn calved the 470-cow herd almost completely by themselves, with minimal losses and reared all calves, they emphasise this was only made possible by following a strict routine and adhering to their own very strict work procedures and systems.

They also acknowledge that having a very good farm, with a history of good farm hygiene and animal health helps. They say it would not have been possible without the help and advice they have received along their journey from farm owners Michael and Cheryl Hughes, and from various other farm managers and mentors who have provided support since Genaro and Rosselyn arrived in Australia.

Table 2 Key performance indicators for Genaro & Rosselyn Velasquez compared to the other share farmer Award participants

	G & R Velasquez	Average of finalists
Useable Area Ha	246	222
Milking Area Ha	122	110
Irrigated Ha	88	44
No. Cows Milked	465	300
Stocking Rate cows/ha	3.8	2.7
Milk Production, kg MS/Cow	457	443
Milk Production, kg MS/ha	1,736	1,212
Milk Production, kg MS/LW	96	85
Pasture Consumption, t DM/ha	12.4	8.8
Concentrates fed	1.26	1.25
Nitrogen, kg N/Mha	331	226
Labour Efficiency, cows/FTE	232	150

Judges' Comments – 2020 Fonterra Share Dairy Farmer of the Year

Judges

Troy Franks, Fonterra Milk Supply Officer
Damien Cocker, 2019 Share Dairy Farmer of the Year Winner
Symon Jones, TIA Dairy Development & Extension Officer

The three finalists in the Fonterra Share Dairy farmer of the year award are:

- Marcus and Simone Haywood, Ringarooma
- Craig and Zoe Waterhouse, Marrawah
- Genaro and Rosselyn Velasquez, Edith Creek

The judges would like to congratulate each entrant, not only on their farm business performance, but for their willingness to participate and share information for the benefit of other sharefarmers and industry.

In choosing a winner for the Sharefarmer of the Year Award, the judges visit each entrant's farm and judge their management on all areas of their farming business.

The finalists were judged on a range of criteria covering four main areas of both operational and financial management of their business.

Financial Management

- Career plan/growth
- Understanding the business
- Annual cash flow and budget preparation
- Contract/agreement – business strategy

Farm Management

- Pasture & supplement
- Dairy management/hygiene
- Environment – effluent, water, cow – nutrition & breeding
- Making the most of the property/planning and monitoring

Herd Management

- Production and herd management
- Breeding, mating, condition scoring
- Animal health and welfare
- Record keeping

People Management

- Induction/training
- Communication
- Working conditions and safety
- Motivating and supporting staff
- Relationship with farm owner

The judges were impressed with the work ethic, dedication and commitment shown by all the entrants in the management of their businesses.

They all have a very good understanding of their farm system and their pathway for future development within the industry.

All participants had a very good working relationship with their farm owners, which involved regular meetings and discussion progressing to conversations around flexibility of renegotiated contracts.

This year's winners Genaro and Rosselyn Velasquez performed particularly well in pasture and herd management with a demonstrated focus on self-improvement and development.

Share Farmer Finalist Profiles

Craig and Zoe Waterhouse

Craig and Zoe Waterhouse share farm with Doug and Wendy Nicholls at Marrawah in the far north west. They have the honour of being the most western dairy farm on mainland Tasmania.

They operate on a 20% share, milking 240 cows on a 133 ha dryland farm with an effective grazing area of 110 ha.

Craig and Zoe moved to Tasmania after dairy farming for 18 years in the Margeret River district of Western Australia. They have been share farming with Doug and Wendy for two years.

For Craig and Zoe, the most important aspects of managing a successful dairy farm business are:

- Herd fertility – if you can't get your cows in calf, you can't milk them.
- Financial literacy – it isn't just the physical work that matters, being able to understand and manage the financial side of the business is necessary.
- Building good relationships with people important to the business such as nutritionist, agronomist and accountant.

Craig and Zoe have a great attitude toward their business with the aim of 'being better today than yesterday'. This means they are always trying to learn in order to improve and make sure they put what they have learned into practice. They are working towards owning cows and purchasing a dairy farm.

Marcus and Simone Haywood

Marcus and Simone share farm with Chris and Jo Holmes at Ringarooma, in north east Tasmania. They milk 240 cows on a cents per kilogram of milk solids arrangement.

Of the 187 usable hectares on the farm, Marcus and Simone milk off 99 ha (43% is irrigated). All replacement dairy stock is reared on the remaining area.

Marcus is from a share farming family while Simone was new to dairy farming. They are now in their fifth season share farming for Chris and Jo, a testimony to the good working relationship required for a successful share farming arrangement.

Their farming philosophy is to:

- Keep things simple and do the basics right – this covers everything from making sure electric fences are working so grazing can be managed properly, through to having cows in good health so they have good reproductive performance and milk production.
- Be as efficient and practical as possible
- Have good communication between everyone involved in the farm business.

Marcus and Simone are focussed on building equity to position themselves for farming opportunities in the future.

Tasmanian Benchmarking Snapshot

Benchmarking in Tasmania

The Tasmanian dairy industry has a long history of benchmarking, with dairy farmers having the opportunity to submit their figures and benchmark their business performance on an annual basis for over 30 years. Since 2011, the Tasmanian Institute of Agriculture (TIA) has been funded by Dairy Australia to manage the Tasmanian Dairy Farm Monitor Project. This involves collecting benchmarking data from 30 Tasmanian dairy businesses each year. The data from these businesses is used to compile an annual report that monitors trends in the Tasmanian dairy industry. The data is also used in DairyBase (the national online benchmarking program) as a validated dataset that can be used by anyone for comparative analysis. This year, 32 Tasmanian dairy businesses participated in the Dairy Farm Monitor Project. A summary of the data from the 2018-19 Dairy Farm Monitor Project annual report is provided below. A copy of the full report is available on the TIA and Dairy Australia websites. A printed version of the report is available from TIA.

Dairy Farm Monitor Project Summary

In 2018-19 Earnings Before Interest and Tax (EBIT) was on average $468,542 per farm, a 5.1% decrease on the previous year. Return on Total Assets Managed (RoTA) decreased from 6.3% in 2017-18 to 5.2% in 2018-19. The top 25% of farms (as measured by RoTA) had RoTA of 10.5%.

In 2017-18 all participants had a positive RoTA. In 2018-19, three participants had a negative RoTA. There was a wider range of RoTA in 2018-19, from -1.9% to 15.5%.

Net farm income, calculated after interest and lease charges were deducted from EBIT, was on average $317,530 per farm, a 12% decrease from last year.

Six out of the 32 farms recorded a negative return on equity (RoE). The average RoE was 6.5% and 21.1% for the top 25% performers. For the second year in a row, there was a slight increase in equity from 62% to 64%. There was an increase in debt service ratio from 9% to 10%.

Cost of production without inventory change increased from $5.04/kg MS to $5.49/kg MS, an increase of 9%.

Milk income of the top 25% was only 0.6% higher than average at $6.20/kg MS and gross farm income was 1% lower than average. However, EBIT for the top 25% was 58% higher than average at $2.27/kg MS compared to $1.44/kg MS. The variable costs of the top 25% were 2% lower at $3.20/kg MS than the average ($3.27/kg MS). The top 25% performers spent 38% less on overhead costs at $1.36/kg MS than the average ($2.19/kg MS).

Milk production decreased on both a per cow basis and per hectare basis. Milk sold per hectare decreased from 1042 kg MS/ha to 947 kg MS/ha and milk sold per cow decreased from 444 kg MS/cow to 418 kg MS/cow. The top performers sold more milk per cow and per hectare, 14% and 50% higher, respectively.

Stocking rate measured as cows per usable hectare decreased slightly from 2.3 cows/ha in 2017-18 to 2.2 cows/ha in 2018-19. Farms in the top 25% had a higher stocking rate per usable hectare than the average at 2.9 cows/ha, an increase from 2.8 cows/ha.

Average homegrown feed consumption was 11.2 t DM/ha on the milking area forming an estimated 72% of the diet.

Milk price and input prices continue to be ranked as the most important issues facing the dairy industry both in the immediate and longer-term future.

Table 3 Farm physical data – Tasmania overview (from the 2018-19 Tasmanian Dairy Farm Monitor Report)

Farm physical parameters	Tasmania average	Q1 to Q3 range	Top 25% average
Herd size	639	362-900	833
Annual Rainfall	969	830-1,062	885
Total water use efficiency (tDM/100mm/ha)	0.84	0.71-0.97	0.83
Total usable area (hectares)	305	186-429	288
Milking cows per usable hectare	2.2	1.6-2.9	2.9
Milk sold (kg MS/cow)	418	343-480	478
Milk sold (kg MS/ha)	947	607-1,258	1,417
Home grown feed as % of ME consumed	76%	69-82%	74%
Labour efficiency (milking cows/FTE)	152	126-195	181
Labour efficiency (kg MS/FTE)	63,775	47,938-83,350	85,239

National Dairy Farm Monitor Project Results

Being part of a national project means direct comparisons can be made with other states. Western Australia, South Australia, Victoria, New South Wales and Queensland all participate in the Dairy Farm Monitor Project. Reports for each of these states is available on the Dairy Australia website. Data from these states is also included in DairyBase which expands the pool validated farm data sets that can be used for comparative analysis. Some of the key performance indicators for Tasmania, Victoria, South Australia and New South Wales are shown in the table below. The data shows that despite having one of the lowest milk prices, Tasmanian dairy businesses achieved the highest return on assets through good cost management. This was assisted by a high proportion of home-grown feed in the diet and high labour efficiency.

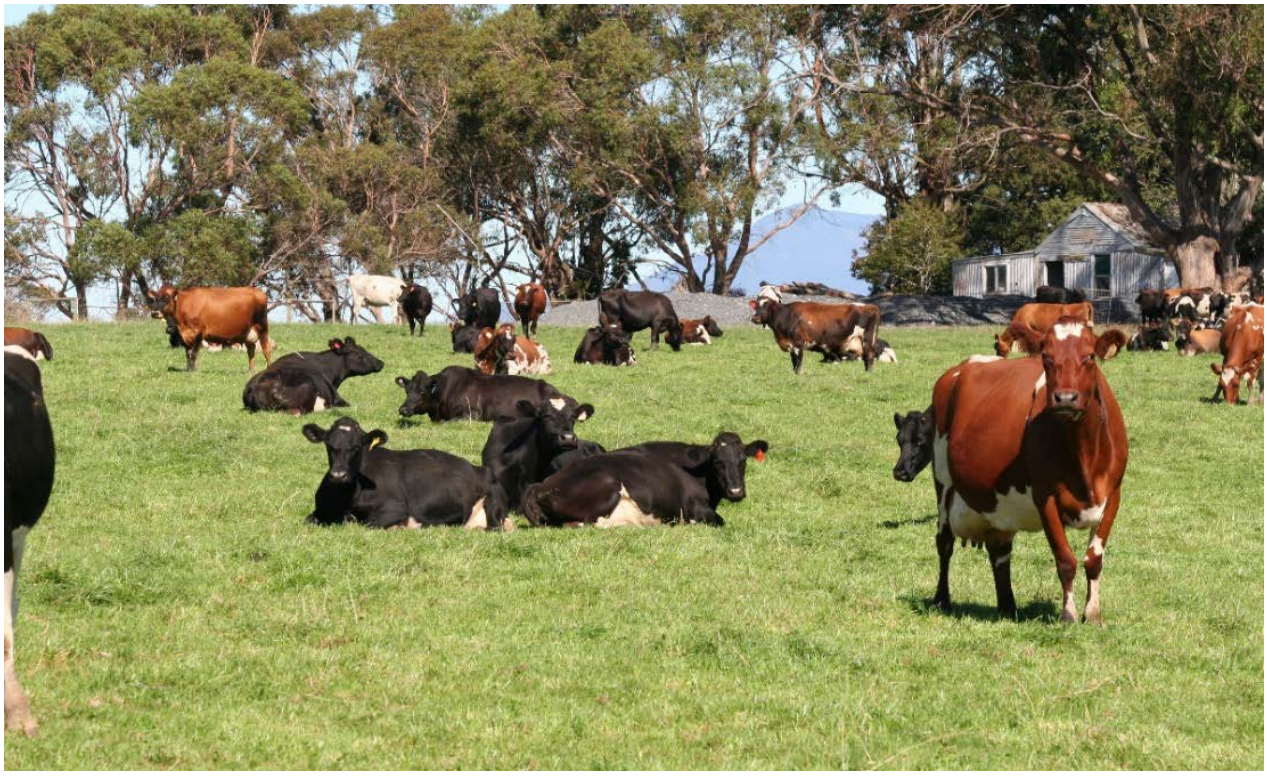


Table 4 Comparison of Tasmanian Dairy Farm Monitor Project data with other states

	TAS Average 2018-19	VIC Average 2018-19	SA Average 2018-19	NSW Average 2018-19	Qld Average 2018-19	WA Average 2018-19
Herd size	639	357	414	373	257	497
Annual rainfall (mm)	969	596	605	706	1.038	802
Total water use efficiency (tDM/100mm/ha)	0.8	0.9	0.6	0.7	0.5	0.6
Total usable area (ha)	305	261	573	342	279	579
Milking area (ha)	210	162	226	144	84	286
Stocking rate (cows/Mha)	3.0	2.4	1.8	2.6	3.1	1.8
Milksolids (kg MS/cow)	418	495	574	491	441	566
Homegrown feed (t DM/Mha)	11.2	8.1	6.3	7.7	10.2	5.8
Proportion of homegrown feed, % diet	72%	62%	62%	62%	60%	62%
Labour efficiency (milking cows/FTE)	152	107	94	77	75	83
Labour efficiency (kg MS/FTE)	63,775	51,993	52,922	37,908	32,937	46,894
Milk income (net) ($/kg MS)	$6.16	$6.13	$6.46	$7.74	$8.32	$7.07
Total Farm Gross Income ($/kg MS)	$6.90	$6.76	$7.32	$8.68	$9.27	$8.25
Total variable costs ($/kg MS)	$3.27	$4.17	$3.83	$5.11	$5.63	$4.40
Total overhead costs ($/kg MS)	$2.19	$2.34	$2.40	$3.19	$3.81	$2.69
Earnings before interest and tax ($/kg MS)	$1.44	$0.25	$1.09	$0.38	$-0.17	$1.16
Return on Assets	5.2%	0.7%	3.5%	0.7%	0.0%	3.2%

Tasmanian Benchmarking Trends

Table 5 Key performance indicators from benchmarking in Tasmania for the past six years - physical

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Farm						
No. registered dairy farms*	435	440	430	427	412	404
Usable area, ha	260	280	302	268	289	305
Milking area, ha	178	191	198	190	208	210
Irrigated area, ha	98	126	133	124	137	143
% milking area irrigated	n/a	n/a	n/a	63%	67%	69%
Cows						
Average herd size (Tasmania)*	315	334	347	374	362	366
Cows milked, benchmarking participants	502	545	580	542	607	639
Stocking rate, cows/Mha	2.8	2.9	3.0	2.9	2.9	3.0
Milksolids per cow, kg	425	447	444	433	445	418
Feed production						
Proportion of homegrown feed, % diet	70%	67%	68%	68%	67%	72%
Grazed feed, t DM/Mha	9.4	9.7	10.5	9.7	10.0	10.4
Conserved feed, t DM/Mha	0.7	0.7	0.5	0.7	0.5	0.9
Total Homegrown Feed, t DM/Mha	10.1	10.3	11.0	10.4	10.4	11.2
Feed consumption						
Grazed feed fed, t DM/cow	3.4	3.3	3.5	3.4	3.4	3.5
Homegrown fodder fed, t DM/cow	0.5	0.4	0.4	0.4	0.3	0.4
Purchased fodder fed, t DM/cow	0.2	0.2	0.2	0.1	0.3	0.3
Purchased concentrate fed, t DM/cow	1.2	1.4	1.3	1.2	1.2	1.0
Total feed fed, t DM/cow	5.3	5.4	5.4	5.2	5.2	5.2
Inputs						
Feed Costs, $/t DM						
Grazed Feed – Direct Costs	76	81	88	80	81	84
Conserved Feed – Direct Costs	176	181	247	249	206	204
Homegrown Feed – Direct Costs	76	90	97	64	92	98
Concentrate Purchased	436	421	439	390	426	550
Fodder Purchased	146	168	184	148	165	154
Nitrogen, kg N/Mha			247	220	219	192
ML Irrigation/Irrigated ha	3.5	3.4	4.5	3.6	3.8	3.9
Total Water Use Efficiency, t DM/100mm/usable ha	0.61	0.82	0.74	0.64	0.86	0.84
People						
Employed Labour, FTE	2.6	2.7	3.1	2.6	3.0	3.1
Imputed Labour, FTE	1.2	1.3	1.0	1.3	1.1	1.1
Cows Milked per Labour Unit, cows/FTE	136	140	141	143	154	152
Milksolids per Labour Unit, kg MS/FTE	57,220	61,601	62,053	61,111	67,059	63,775

**Data from www.dairyaustralia.com.au and relates to the whole Tasmanian dairy industry, not just benchmarking participants.*

Data in this table is from the Tasmanian Dairy Farm Monitor Project funded by Dairy Australia and TIA. Data is not directly comparable from year to year as the farm businesses participating are not necessarily the same each year and data analysis methods change from time-to-time. Rather the data in the above table indicates trends.

Table 6 Key performance indicators from benchmarking in Tasmania for the past six years - financial

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Income, $/kg MS						
Milk Income (net)	6.87	6.19	5.55	5.03	5.95	6.16
Livestock Trading Profit	0.60	0.68	0.45	0.73	0.72	0.69
Feed & Water Sales	0.01	0.01	0.00	0.01	0.00	0.00
Other Farm Income	0.05	0.01	0.04	0.08	0.03	0.04
GROSS FARM INCOME	**7.53**	**6.90**	**6.04**	**5.84**	**6.70**	**6.90**
Variable Costs, $/kg MS						
Herd Costs	0.28	0.29	0.29	0.28	0.30	0.30
Shed Costs	0.23	0.20	0.17	0.20	0.18	0.18
Homegrown Feed	0.91	0.91	0.97	0.92	0.86	1.09
Purchased Feed	1.61	1.74	1.85	1.48	1.61	1.73
Feed Inventory Change	-0.07	-0.04	-0.06	-0.02	0.00	-0.04
Feed Costs	2.44	2.60	2.76	2.39	2.47	2.78
Total Variable Costs	**2.95**	**3.08**	**3.22**	**2.87**	**2.95**	**3.27**
GROSS MARGIN	4.58	3.81	2.82	2.97	3.75	3.63
Overhead Costs, $/kg MS						
Employed Labour Cost	0.74	0.72	0.88	0.71	0.73	0.73
Farm Insurance	0.11	0.09	0.08	0.10	0.06	0.07
Repairs & Maintenance	0.39	0.39	0.31	0.33	0.37	0.36
Other Overhead Costs	0.18	0.14	0.16	0.17	0.19	0.19
Imputed Labour Cost	0.61	0.50	0.34	0.29	0.44	0.55
Depreciation[1]	0.21	0.19	0.15	0.13	0.29	0.29
Total Overhead Costs	**2.23**	**2.03**	**1.93**	**2.03**	**2.09**	**2.19**
TOTAL OPERATING COSTS (Variable & Overhead)	**5.18**	**5.11**	**5.14**	**4.90**	**5.04**	**5.45**
EARNINGS BEFORE INTEREST & TAX (EBIT), $/kg MS	**2.35**	**1.78**	**0.90**	**0.94**	**1.66**	**1.44**
COST OF PRODUCTION[2]	5.25	5.15	5.20	4.92	5.04	5.49
Finance Costs, $/kg MS						
Interest Costs	0.35	0.33	0.43	0.54	0.50	0.52
Lease Costs	0.12	0.09	0.13	0.09	0.08	0.14
Total Finance Costs	0.47	0.42	0.56	0.63	0.58	0.66
NET FARM INCOME	**1.88**	**1.36**	**0.34**	**0.31**	**1.08**	**0.78**
Total Farm Assets Owned, $'000	5,223	5,569	5,868	6,071	7,003	7,183
Total Assets Managed, $'000	5,632	5,990	6,336	6,539	7,543	8,168
RETURN ON TOTAL ASSETS	**9.1%**	**7.4%**	**3.8%**	**3.6%**	**6.3%**	**5.2%**
EQUITY AS % OF OWNED ASSETS	75.5%	74.6%	70.1%	61.2%	61.8%	64.0%
RETURN ON EQUITY	12.1%	9.0%	0.6%	2.5%	6.8%	6.5%

[1]From 2017-18 There was a change to how depreciation was calculated – the milking plant and irrigation equipment were separated from land value and listed as depreciable equipment.

[2] Cost of Production excluding inventory change

Data in this table is from the Tasmanian Dairy Farm Monitor Project funded by Dairy Australia and TIA. Data is not directly comparable from year to year as the farm businesses participating are not necessarily the same each year and data analysis methods change from time-to-time. Rather the data in the above table indicates trends.

Tasmanian Average compared to Top 25%

Table 7 A comparison of the physical and financial performance of the average and top 25% (based on ROTA)

		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Physical							
Milking area	**Avg**	178	191	198	190	208	210
	Top 25%	203	194	179	266	218	244
Cows milked	**Avg**	502	545	580	542	607	639
	Top 25%	592	592	532	817	738	833
Stocking rate	**Avg**	2.8	2.9	3.0	2.9	2.9	3.0
	Top 25%	3.0	3.1	3.1	3.2	3.4	3.4
HG feed produced	**Avg**	10.1	10.3	11.0	10.4	10.4	11.2
	Top 25%	11.1	12.1	12.3	12.3	12.7	13.8
MS per cow	**Avg**	425	447	444	433	445	418
	Top 25%	450	500	464	475	480	478
Fat %	**Avg**	4.48%	4.43%	4.49%	4.48%	4.55%	4.62%
	Top 25%	4.65%	4.53%	4.58%	4.41%	4.64%	4.75%
Protein %	**Avg**	3.51%	3.51%	3.57%	3.57%	3.60%	3.58%
	Top 25%	3.57%	3.53%	3.53%	3.58%	3.66%	3.68%
MS per Mha	**Avg**	1,227	1,324	1,328	1,257	1,327	1,275
	Top 25%	1,382	1,540	1,427	1,508	1,642	1,651
Income, $/kg MS							
Milk income (net)	**Avg**	6.87	6.19	5.55	5.03	5.95	6.16
	Top 25%	6.96	6.40	5.95	5.15	6.02	6.20
Variable costs, $/kg MS							
Herd	**Avg**	0.28	0.29	0.29	0.28	0.30	0.30
	Top 25%	0.26	0.28	0.32	0.32	0.31	0.34
Shed	**Avg**	0.23	0.20	0.17	0.20	0.18	0.18
	Top 25%	0.20	0.13	0.18	0.16	0.12	0.14
HG feed	**Avg**	0.91	0.91	0.97	0.92	0.86	1.09
	Top 25%	0.88	0.84	0.79	0.87	0.65	0.77
Purch feed	**Avg**	1.61	1.74	1.85	1.48	1.61	1.73
	Top 25%	1.66	1.67	1.73	1.47	1.54	1.96
Overhead costs, $/kg MS							
Employed labour	**Avg**	0.74	0.72	0.88	0.71	0.73	0.73
	Top 25%	0.84	0.59	0.73	0.79	0.65	0.71
Farm insurance	**Avg**	0.11	0.09	0.08	0.10	0.06	0.07
	Top 25%	0.05	0.06	0.06	0.07	0.04	0.04
Repairs & Maintenance	**Avg**	0.39	0.39	0.31	0.33	0.37	0.36
	Top 25%	0.26	0.30	0.27	0.32	0.32	0.28
Other	**Avg**	0.18	0.14	0.16	0.17	0.19	0.19
	Top 25%	0.10	0.09	0.16	0.09	0.14	0.10
Imputed labour	**Avg**	0.61	0.50	0.34	0.59	0.44	0.55
	Top 25%	0.31	0.42	0.29	0.19	0.28	0.07
EBIT	**Avg**	2.35	1.78	0.90	0.94	1.66	1.44
	Top 25%	3.08	2.80	1.87	1.66	2.65	2.27
Cost of Production*	**Avg**	5.25	5.15	5.20	4.92	5.04	5.49
	Top 25%	4.67	4.55	4.70	4.39	4.28	4.57
Return on Total Assets	**Avg**	9.1%	7.4%	3.8%	3.6%	6.3%	5.2%
	Top 25%	14.2%	12.6%	8.7%	6.6%	11.5%	10.5%

*Cost of production excluding inventory change

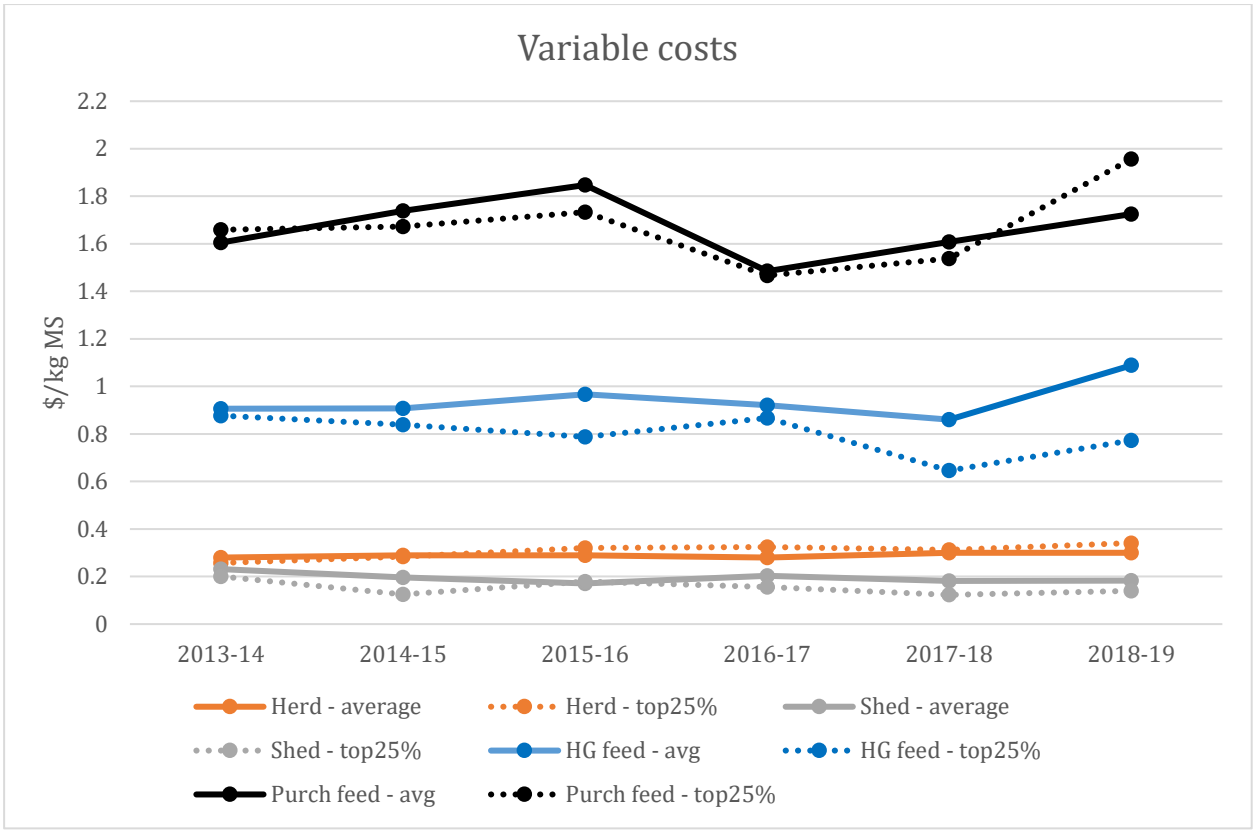


Figure 1 The change in variable costs for the average and top 25% of Tasmanian benchmarking participants

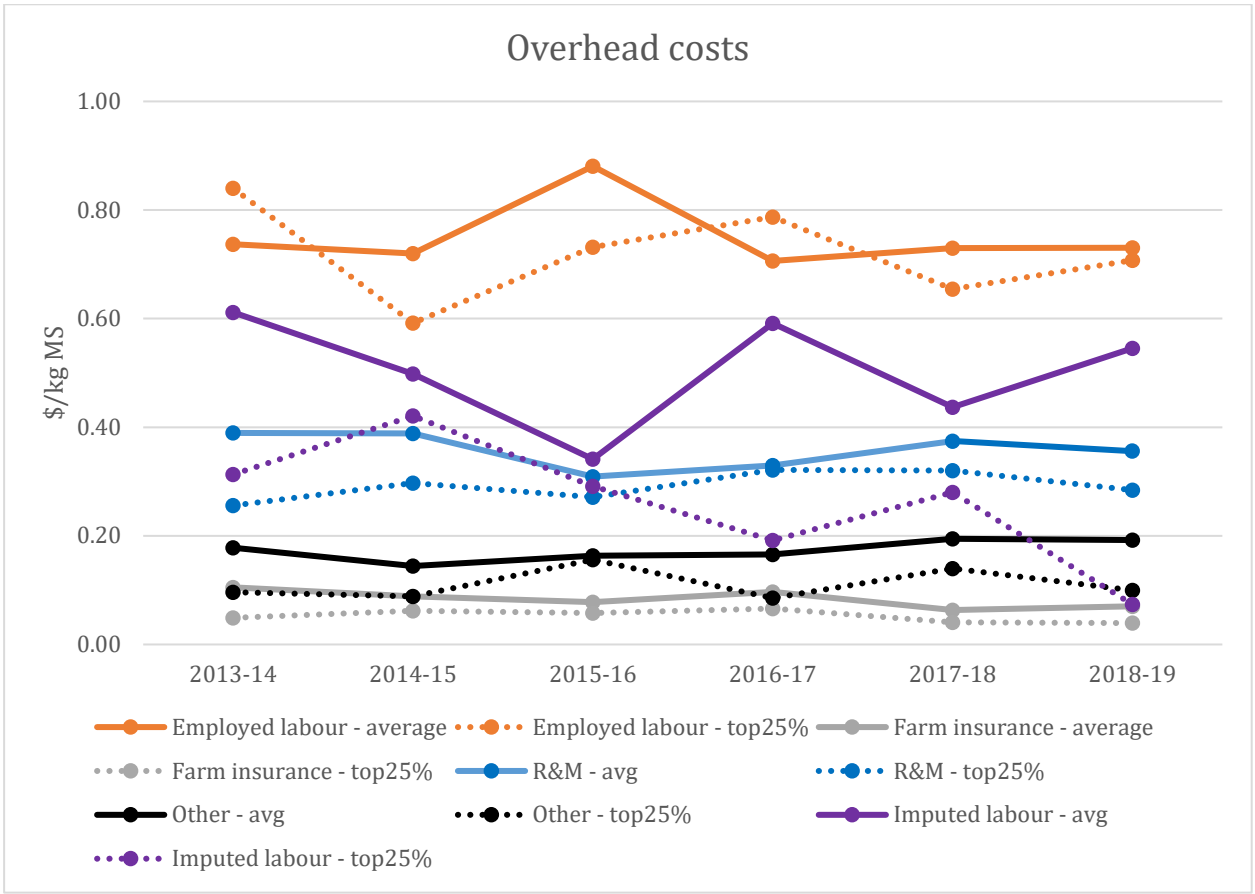


Figure 2 The change in overhead costs for the average and top 25% of Tasmanian benchmarking participants

Tasmanian milk production and milk price

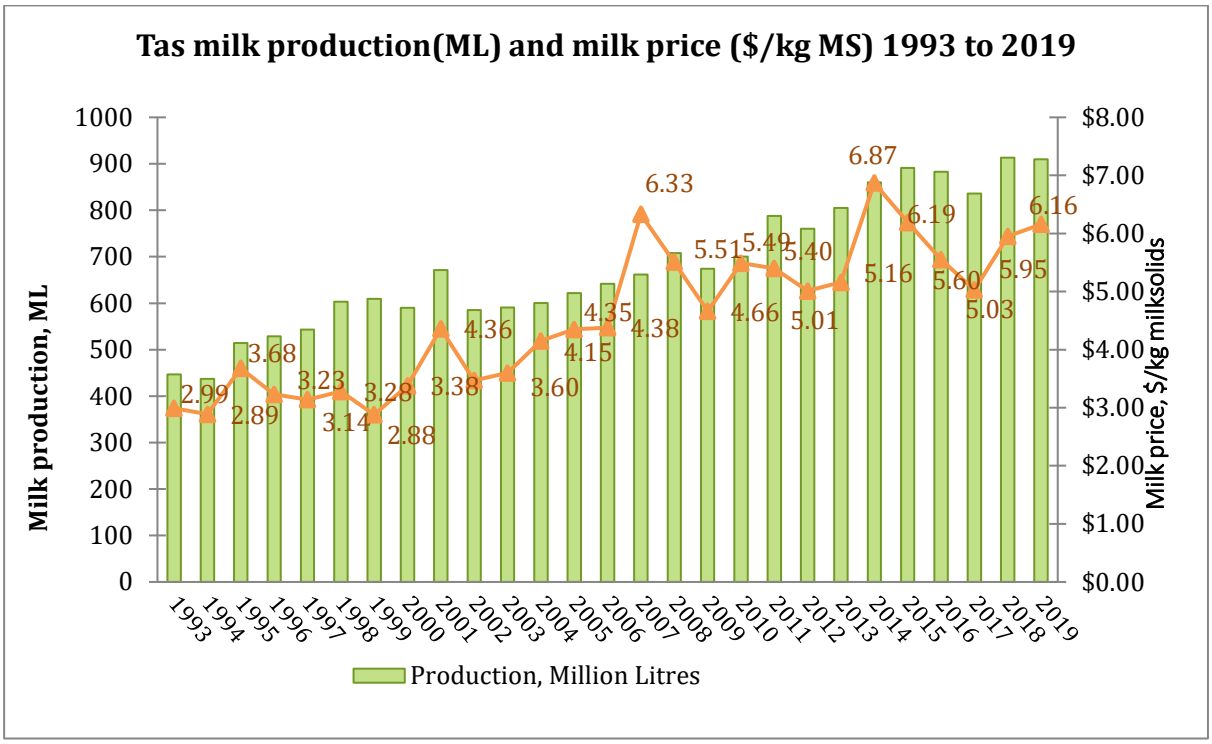


Figure 3 Milk production and milk price in Tasmania from 1993 to 2019. Milk production data has been sourced from Dairy Australia. Milk price data has been sourced from TDIA, DPIPWE and the Tasmanian Dairy Farm Monitor Project. Milk production and milk price are based on financial years – e.g. 1993 represents 1992-93 financial year; 2019 represents 2018-19 financial year.

Rex James Stockfeed Dairy Farm Safety Award

Trinity Pastures - Denis Ryan and Aisling O'Neil

The Dairy Safety Award is an ideal award to highlight the farm operators across the State who have acknowledged the importance of safety in the workplace and have promoted safety in their business. To aid industry, there is an abundance of resources and support provided for those looking to improve their safety policies and procedures.

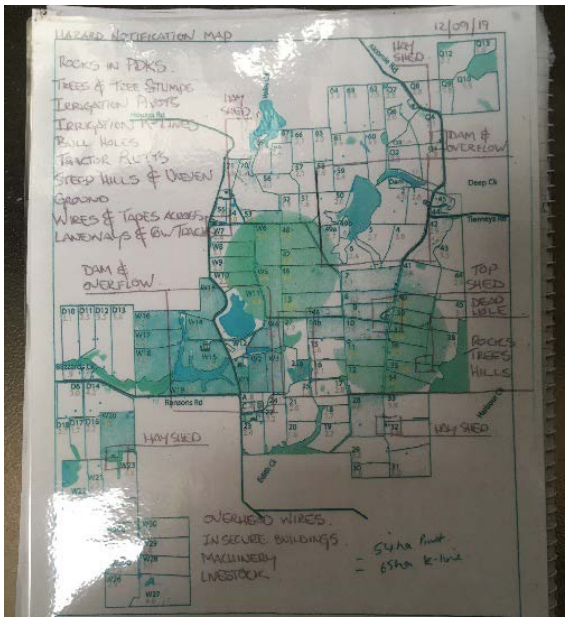
Farming on the rolling hills of Lileah on the North West Coast, Denis and Aisling are share farmers with a strong focus on safety in the key areas of staff induction, risk registers and pre-employment checklists. They have implemented these and many other initiatives with help from the DairyTas Work Force Development Support contractor (Penny Williams), Deb Morice Area Manager from Fonterra and Phil John from Farm Safe Tas.

Denis and Aisling have gained awareness of the need for a comprehensive Work Health Safety (WHS) system from their own experiences when working for other large corporate dairy businesses. They recognise the risks that come with an intensive dairy environment, which often can be employing inexperienced people in unfamiliar surroundings.

To ensure they remain informed on developments in this key area, they have attended several WHS information sessions to further understand their requirements for WHS compliance. These studies combined with the use of externally sourced resources for induction new employees has formed a solid basis for all safety initiatives. Specifically, Denis and Aisling have utilised ESKI for employment contract templates, hazard identification and YouTube videos, all sourced from the Dairy Australia & Dairy NZ employer starter packs. Throughout the farm there is comprehensive signage identifying hazards and risks.

The detailed induction process is required as this farm often employs backpackers, who have various levels of farm experience. The process includes:

- A job description, position and title / casual or permanent.
- A pre-employment form – disclosure of relevant information, pre-existing injuries and medical conditions and emergency contacts.
- A skills checklist – as a precursor to a 30-day performance review.
- Farm safe induction
- Farm hazard identification map
- Safe workplace procedures
- Understanding the emergency plan
- In house training - they currently offer employees pasture and quad bike training.



The farm holds a compulsory Weekly Toolbox meeting as part of the work roster. The rolling agenda covers:

1. WHS issues and reports – recorded, updated and kept at the dairy
2. Repairs and maintenance – identify & record
3. Rostering

Operations and procedures – grazing rotation, maintenance, seasonal activities, milking, cow treatments, mating, fencing etc.

To ensure a safe workplace is maintained, there is a clear process in place for recording all WHS information including accidents, incidents and hazards. Quad bikes are serviced by qualified mechanics and records of service kept. Incident reporting is compulsory with a record kept on file. These reports are filled out with assistance from the employers.

Denis and Aisling must be congratulated on the commitment and effort they have demonstrated to safety. They are worthy winners of this award.

DairyTas

Dairy Australia

Veolia Dairy Environment Award

Dutch Mill Australia Pty Ltd (Hatfield) Leased by Silverdale

The Environmental Award is a fabulous opportunity that allows the dairy industry to showcase many of the of the innovative and successful methods dairy farmers are using to effectively manage environmental challenges. This award allows the sector to showcase completed projects enhancing resource use efficiency through improved nutrient and effluent management or through water efficiency/quality and riparian management.

The Hatfield Dairy in Togari is leased by Silverdale. Milking 1200 cows, this new dairy was installed after significant research into best practice of effluent storage and water efficiency. The new dairy development incorporated findings from extensive research, travel, consultant advice into its design. Located in a high rainfall area, dealing with effluent creates unique challenges which had to be carefully considered in the building of the dairy. This 365-hectare farm utilises 70 hectares for effluent distribution, when conditions permit. Various water efficiency measures have been incorporated into the design of the yard and cup washing system that saves 10,000 litres of water per week.

Over 3.5 kilometres of fencing has been undertaken across the farm reducing stock access to the creeks. The fencing program received financial support from the State Government funded Cows out of Creeks program, which is managed by DairyTas.

We congratulate Dutch Mill and Silverdale on their extensive research, implementation and current operation of these successful initiatives.

Cadbury Young Dairy Farmer Encouragement Award

Aaron Ferguson

This award aims to recognise the achievements and further encourage a young dairy farmer aged between 18 & 35 years. It celebrates someone who loves working in the dairy industry, is passionate about the industry and is extending themselves to achieve their goals.

DairyTas were impressed with the high standard of the nominees for this Award. Congratulations to all the nominees, who are great ambassadors sharing a genuine passion for the industry.

The 2020 Cadbury Young Farmer Encouragement Award winner is Aaron Ferguson, owner of AFGM Farms in Calder.

A common theme occurring in Aaron's nomination was a clear goal, from a young age, to own his own dairy farm. During the last 10 years, Aaron has spent time working on cropping farms, built equity rearing dairy stock and undertaken other agricultural endeavours in order to learn skills he can bring back into dairy farming. His passion for dairy farming has never wavered.

Last year, Aaron's dream became a reality when he purchased a dairy farm in Calder where he now milks 100 cows. He loved his own upbringing on a dairy farm and now wants to replicate that experience when he has a family. He intends to keep growing his dairy farm. In Aaron's interview he said "I love mornings, they are the best part of the day". Other aspects of dairy farming he really loves are the cows, rearing the calves and the silage season. On the flip side, he also sees the challenges the dairy industry is facing, but looks at these challenges in a philosophical way, "we need to adapt and change with each challenge" he said.

Being a new farm owner has resulted in Aaron to have to learn a lot in a very short time. To support his learning, he attended the inaugural DairyTas 2IC course which he found extremely beneficial. He has since identified areas of his skill development he would like to further improve and has actively sought out further DairyTas courses that can assist him gaining new skills.

Aaron is grateful for all the support available for people in the dairy industry and encourages others to take advantage of the learning opportunities that are presented.

Fonterra Employee of the Year Award

Luke Davey-Baldock

Now in its second year, this award is designed to showcase some of the great people progressing through the dairy industry and highlight the invaluable role that employees have in the dairy business. This year an outstanding calibre of nominations were received. These nominees were assessed against four criteria, a willingness to learn new skills / educate others (in farm manager instance), the pride they show in their role, an ability to work independently on tasks and for going above and beyond their normal role when required.

The winner of this year's Award is Luke Davey-Baldock. Luke has worked his way from being a dairy farm hand to his current position as manager at Dalmore Dairy, a 700+ cow dairy farm. Luke demonstrates all the characteristics required to be a worthy winner of the Fonterra Employee of the Year Award.

Luke has shown great enthusiasm, knowledge and skills in all the key areas of farm management. Luke is always thinking ahead, considers risk, knows where his budget is sitting and communicates early to all other relevant staff. Luke has been working in the dairy industry for 20 years, a period which commenced on the Sheffield School Farm and has included time on several other farms. Luke's progression through the industry is testimony to his passion and professional attitude.

Aurora Energy Dairy Employer of Choice Award

Delmont Trading Trust

The Employer of the Year Award is designed to highlight and reward dairy farm businesses across the state that have excelled in creating great working environments for their staff. Each of the candidates for this award were assessed against five key criteria in order to gauge their performance in the areas of compliance (pastoral award and safety), staff development, visibility of business performance and non-financial related engagement activities.

Employing up to 20 people, Delmont Trading Trust have refined their approach to their employees over time. When they initially transferred into dairying, they found it hard to retain staff but have now developed an approach allowing them to successfully run three farms, milking 2,400 cows. Delmont Trading Trust leverages the services of Primary Employers Tasmania (PET), keeps abreast of changes relating to the Pastoral Award and encourages all staff members to up-skill through attendance at both on and off farm training activities. Delmont was nominated for the award by one of its long-term employees who appreciates the company's business approach and support given towards employee training.

Summary of all benchmarking participants

Table 8 Key performance indicators for individual participants in the 2018-19 Dairy Farm Monitor Project

Herd size	Stocking Rate	Milk Production	Milking area irrigated	Home Grown Feed	Home Grown Feed	Milk Income (net)	Cost of Production	EBIT	Return on Total Assets
No.	Milking cows/ha	kg Milksolids	%	t DM/ha	% of Diet	$/kg MS	$/kg MS	$/Mha	%
501-700	3.6	287,425	92%	13.9	61%	6.84	4.14	5,944	15.5%
700+	3.4	499,548	100%	17.4	63%	6.06	4.22	4,729	13.0%
700+	4.0	489,360	89%	14.4	75%	6.54	4.30	4,497	10.6%
301-500	3.0	167,163	50%	10.0	56%	6.05	5.41	2,004	9.6%
700+	3.2	386,657	36%	12.2	58%	5.91	4.49	2,782	9.0%
700+	3.2	533,658	72%	13.3	66%	6.04	4.16	3,600	8.9%
700+	3.0	359,971	69%	15.1	69%	6.15	5.17	3,209	8.9%
700+	3.9	472,865	93%	14.2	62%	6.04	4.71	3,079	8.7%
700+	3.1	536,889	22%	10.3	58%	6.13	5.00	2,411	7.9%
700+	3.5	526,085	90%	13.1	69%	6.69	5.63	3,118	7.7%
700+	3.1	355,610	100%	11.9	80%	6.01	5.30	2,223	6.6%
501-700	2.1	244,977	35%	7.8	77%	6.20	5.38	1,439	6.1%
<300	3.4	111,920	63%	11.5	60%	5.77	5.03	2,296	5.4%
700+	3.0	457,130	78%	9.0	85%	6.29	5.18	2,131	4.9%
301-500	2.3	181,861	58%	11.5	85%	5.67	5.18	1,739	4.7%
700+	2.8	304,039	36%	8.6	49%	7.01	5.98	1,382	4.6%
700+	3.5	571,808	73%	12.8	64%	5.90	5.30	2,344	4.0%
301-500	3.1	117,688	67%	10.1	85%	5.84	4.96	1,415	3.6%
700+	3.6	513,568	80%	12.5	71%	6.18	5.32	2,021	3.4%
501-700	2.9	206,746	39%	11.4	75%	5.95	6.23	1,097	3.4%
301-500	1.9	126,837	36%	7.7	81%	6.35	5.00	947	3.4%
<300	3.5	55,975	96%	13.1	75%	6.72	5.63	1,679	3.3%
700+	3.8	433,298	89%	14.2	80%	5.95	5.72	2,141	3.2%
301-500	2.8	151,552	54%	11.5	63%	6.02	5.97	938	2.9%
<300	3.4	63,781	69%	10.6	86%	5.81	6.22	1,703	2.4%
301-500	3.0	128,998	79%	7.0	87%	6.56	6.67	1,390	2.4%
301-500	2.6	185,917	77%	9.6	71%	5.88	6.50	636	1.8%
301-500	1.6	103,099	41%	8.5	103%	7.47	6.14	494	1.8%
<300	2.2	113,357	83%	9.5	83%	5.84	5.78	376	1.2%
<300	2.9	72,975	100%	9.6	79%	5.80	6.82	-85	- 0.3%
<300	2.5	100,501	75%	9.1	51%	5.81	6.28	-112	- 0.4%
<300	2.5	93,005	68%	8.0	82%	5.76	7.88	-976	- 1.9%
AVERAGE	**3.0**	**279,821**	**69%**	**11.2**	**72%**	**$6.16**	**$5.49**	**$1,956**	**5.2%**

Notes

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