

# Australian Dairy Plan

2020–2025

Overview

*A bold new industry led plan to deliver  
increased profitability, confidence  
and unity across the industry*





## About the Dairy Plan

The Australian Dairy Plan has been formed from one of the most extensive listening exercises in dairy's history. It sets a clear industry direction for the next five years and beyond to deliver increased **profitability, business confidence and unity** across the industry.

The Plan is a joint initiative of Australian Dairy Farmers, Australian Dairy Products Federation, Dairy Australia and Gardiner Dairy Foundation (the partners) with its development led by Independent Chair, John Brumby AO.

What is at stake is the future of a great Australian success story, one built off the back of dairy farmers but also one of our last manufacturing industries of scale. With an annual farmgate value of A\$4.6 billion (FY20), dairy is the country's fourth largest rural industry and a major driver of regional economies employing more than 43,500 people. Many communities across Australia rely on a thriving dairy sector. The last decade has seen significant challenges for the whole supply chain and the genesis of this Plan was widespread recognition that the industry must unite to position dairy for success in the next decade.

The Australian Dairy Plan is fundamentally different to any of those that have preceded it, having a number of unique features:

- **A sustained commitment to collective action:** this is the first time in the industry's history that these four partner organisations have worked together to deliver a plan with a single set of national priorities
- **An industry-wide, national engagement:** the key shared priorities for the industry have been confirmed through one of the largest listening exercises in our industry's history, reaching over 1,500 people
- **A focus on the drivers of business success:** while previous plans have focused on growth targets, the Dairy Plan focuses on the drivers of business success – profitability, confidence, unity – recognising this is the path to long-term sustained growth by driving value and value creation across the supply chain.

At the core of the plan are five commitments – to deliver on the priority issues that were loudly and consistently communicated through industry engagement across the supply chain and from all dairy regions. These commitments are backed by specific initiatives with clear action and implementation plans. Well established work programs and greater alignment of the operating plans of partner organisations will also play a key role in the industry's success.

Meaningful and long-lasting industry change is within our grasp if we resolve to work together to deliver it.

There has never been a greater need and more opportune time for the Australian dairy industry to come together with such a committed, bold and well-considered plan. While there will always be challenges to navigate, the passion and drive of the supply chain to come closer together and deliver a more prosperous future has never been louder than it is today.

A whole-of-industry response to this plan is required, led with investment, direction and reporting from all partners. By the end of 2025, together we will:

- **Lift profitability** across the dairy supply chain.  
Greater than 50% of farms achieve profit of at least \$1.50 EBIT/kgMS (average over five years)
- **Rebuild the confidence** of dairy businesses in the industry's future.  
Greater than 75% of farmers and processors are confident about the future.
- **Unite** the industry by working together to address our key challenges.  
Greater than 75% of farmers and processors are positive about industry unity.



## Industry Commitments

### COMMITMENT 1

We will reform industry structures to create a more cohesive dairy industry and strengthen our influence with key stakeholders.

The dairy industry will have a stronger voice and be more confident in realising opportunities and dealing with challenges. Reform will increase our connectedness as an industry, ensuring transparent priority-setting and strategic decision-making when investing in research and development and industry services.

### COMMITMENT 2

We will attract and support new people and investment to build our industry.

Our industry needs to continuously renew and evolve. This means we have to attract new people, provide opportunity and access the investment required to support this. Key initiatives will position the industry more favourably and play to its strengths.

### COMMITMENT 3

We will increase our effort in marketing and promotion to build greater levels of trust and improve the value of dairy.

With heightened interest in the way food is produced and the growing competition from alternatives, the industry needs to speak more effectively to the consumer. Australian dairy has a great story to tell in terms of health credentials, provenance and quality. There is opportunity for all parts of the supply chain to work more closely together to improve our marketing and promote the value and benefits of consuming dairy and the responsible way it is produced.



#### COMMITMENT 4

We will intensify the focus on farm business skills to improve profitability and better manage risk.

More resilience in farm businesses is closely linked to implementing effective business plans and working together to manage risk and identify business opportunities. This is critically important to identifying climate and market risks, combating the risks with data to inform decisions, and developing new risk tools to provide greater protection in changing seasons.

#### COMMITMENT 5

We will restore trust and transparency between farmers and processors to strengthen industry confidence.

Farmers and processors dealing with a perishable product every day require a business relationship built on trust and transparency. New ways to provide greater transparency on farmgate milk prices and the value of milk at different times of the year, will complement new tools that measure the cost of production and lay the groundwork for additional milk trading options.

## Ongoing programs

In addition to the five commitments, the Dairy Plan recognises the crucial contribution of ongoing programs which will continue to ensure sustainable long-term growth of the industry.

This work includes:

### Shaping future success through research and innovation

---

Research and innovation is critical to increasing on-farm profit and reducing the cost of production. Important research that can be transformative, such as genetics and adapting farm systems to climate challenges, will operate in tandem with innovation focused on addressing regional challenges.

### Industry success through stronger policy leadership

---

Policy leadership and influence is crucial in ensuring the dairy industry remains an essential agricultural commodity. This will involve working collaboratively along the supply chain from farmers to retailers, government and the corporate and investment sectors, on areas such as energy pricing, fair water access and protecting and promoting the health credentials of dairy.

### Creating opportunities through market development

---

Responding to opportunities and challenges of changing markets is even more important given global market uncertainty. Industry must continue to grow the value of both the domestic and export market and ensure competitive trading conditions to maximise returns on products sold.

### Empowering people through learning and capability development

---

The dairy industry provides a wide range of career opportunities that require ongoing learning and capability development. This includes the core skills for success through to adoption of latest research and successful farming systems.

### Transforming dairy through industry-wide leadership and a positive culture

---

A positive culture plays a critical role in industry success. A new approach to leadership development will focus on everyone in our industry including young farmers, those new to farming, multigenerational farmers, people working in processing, and those supporting the sector.

### Sustaining the trust and support of the community and consumers

---

Industries that require land, water, animals and people to make food are central to many of the sustainability challenges facing the world. The Dairy Industry Sustainability Framework will continue to evolve and underpin our collective commitment and progress.

For more information on the Australian Dairy Plan (including the full document) visit: [dairyplan.com.au](https://dairyplan.com.au)

# What makes Australian dairy great

## DAIRY IS VITAL TO THE AUSTRALIAN ECONOMY AND OUR REGIONS

**4th**  
largest  
rural industry



**\$4.6**  
billion  
farmgate value  
production

**\$9.6**  
billion  
economic  
contribution

**\$3.4**  
billion  
export revenue

**43,500** people

employed directly across dairy farming and manufacturing



## DAIRY CONTRIBUTES TO THE HEALTH AND NUTRITION OF ALL AUSTRALIANS

**340**  
litres  
of milk consumed per  
person each year – one  
of the highest in the world



Milk, cheese and yoghurt  
naturally contain more than

**10** essential  
nutrients

Health  
benefits



of eating dairy foods include  
strong bones and muscles, heart  
health, healthy blood pressure  
and maintaining a healthy weight

### Disclaimer

Whilst all reasonable efforts have been taken to ensure the accuracy of the Australian Dairy Plan, use of the information contained herein is at one's own risk. To the fullest extent permitted by Australian law, Dairy Australia, Australian Dairy Farmers, Gardiner Foundation, and Australian Dairy Products Federation disclaim all liability for any losses, costs, damages and the like sustained or incurred as a result of the use of or reliance upon the information contained herein, including, without limitation, liability stemming from reliance upon any part which may contain inadvertent errors, whether typographical or otherwise, or omissions of any kind.