

Tasmanian Dairy Industry

Strategic plan 2022–2027



Contents

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Context

Dairy is the largest agricultural sector in Tasmania, contributing over \$1 billion to the state economy each year and employing nearly 3,000 people. The industry generates wealth and long-term jobs for regional communities and is based on the sustainable use of Tasmania's natural resources including fertile soils, access to water and a climate that underpins Tasmania's pasture-based systems.

The industry offers several opportunities including large-scale pasture-based milk production, specialty cheese manufacture and large-scale dairy commodity processing.

The Tasmanian Dairy Industry Strategic Plan 2022–2027 sets the overarching framework for the industry for the next five years outlining the critical issues to be addressed, objectives to be achieved and strategies to be implemented. The Plan aims to ensure the industry builds on its core strengths and continues to be sustainable into the future.

The Plan aligns to the Australian Dairy Plan where appropriate. The Strategy will inform the activities of DairyTas, Tasmanian Institute of Agriculture (TIA) and other industry stakeholders in the coming years.

The Plan has been prepared under the direction of the DairyTas Board based on wide consultation with industry and representative bodies.

Representatives consulted to develop objectives for the plan including:

- Tasmanian dairy farmers
- Tasmanian Farmers and Graziers Association (TFGA)
- Tasmanian Institute of Agriculture (TIA)
- Dairy Australia
- DairyTas Board
- Milk processors
- Agricultural service providers

Vision

An adaptive pasture based dairy industry that all of Tasmania is proud of.

Mission

The Tasmanian dairy industry will focus on:

- building and developing operational and business efficiencies to create an **adaptable** and **profitable** dairy industry
- enhancing livelihoods by improving the wellbeing of our people and animals
- improving **sustainable** dairy farming practices including natural resource management and environmental impacts
- strengthening and maintaining strong industry partnerships across the dairy sector.



Tasmanian dairy industry 2021

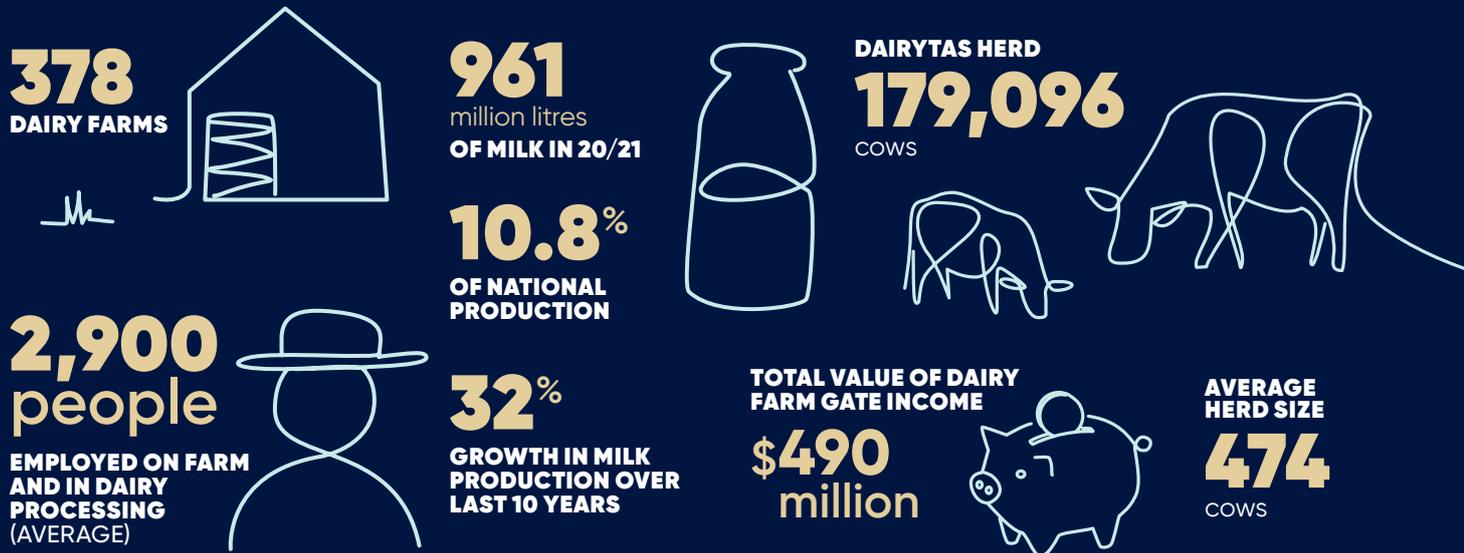
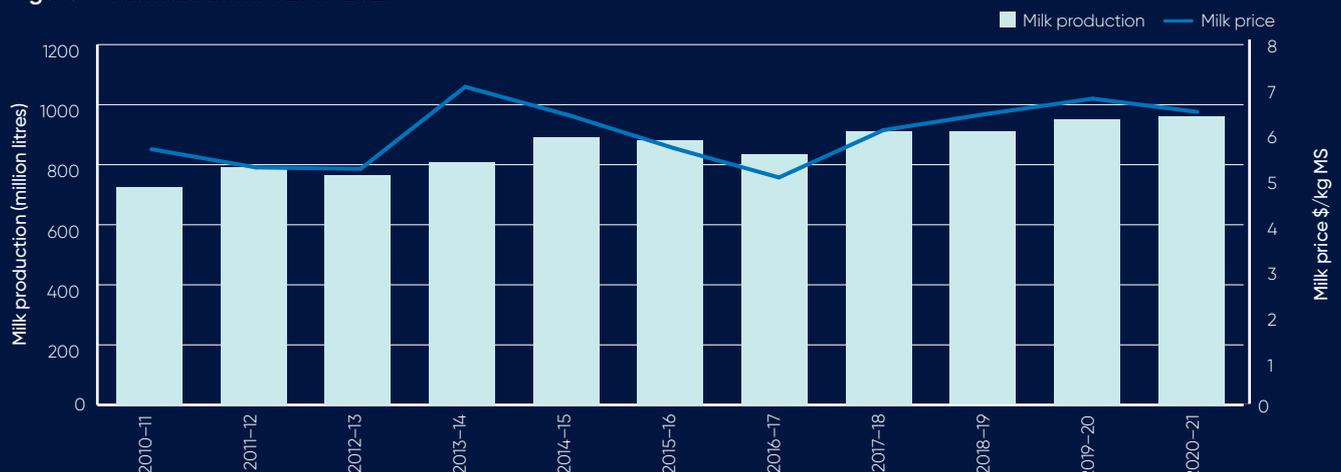


Table 1 Tasmanian dairy industry growth

Measure	2010/11	2015/16	2020/21
Number of dairy farms	437	430	378
Number of dairy cows in production (000s)	138	149	179
Average herd size	316	346	474
Milk production (million litres)	726	883	961
Milk production (milk solids million kg)	56	69	77
Production per cow (litres)	5,379	5,981	5,366
Production per cow (milk solids kg)	406	462	428
Proportion of Australia's milk production (%)	7.9	9.1	10.8
Total employment on farm and in dairy processing	2,100	2,900	2,900
Farmgate value of dairy production (\$M)	313	386	490

Figure 1 Tasmanian milk 2011–2021



The Tasmanian dairy industry rode a wave of favourable conditions to propel itself into a record-breaking season in 2021. Long-term growth for Tasmania has increased significantly with 32 per cent growth in the past 10 years and 63 per cent across the last 20 years. Moderate growth of one or two per cent is expected to be maintained in the coming years.

Farmer confidence in Tasmania is high with Tasmanian dairy farmers the most optimistic in the country (Situation and Outlook Report June 2021). This is a result of good seasons and strong milk prices. It is expected that this confidence will continue to see strong investment in Tasmanian dairy into the future.

Global demand for dairy is forecast to grow over the next five years with confidence in the industry expected to be maintained. The impact of the COVID-19 pandemic has witnessed an increase in the recognition of the nutritional benefits across the globe which is further expected to boost import demands from emerging markets over the next decade.

At the same time, the global milk pool has continued to shrink as less milk is produced in the four key exporting regions. Whilst weather challenges continue to impede production in Oceania, higher input costs and increased culling is weighing on growth prospects in the northern hemisphere. Milk supply is expected to remain tight in the short term, supporting strong commodity prices.

With the Tasmanian dairy sector being predominantly export focused, there will be opportunities for the industry in the coming years.

As Tasmania emerges from the global COVID-19 pandemic, upward pressure on key inputs such as fertiliser and grain and increasing pressure on fuel and chemical prices and a highly competitive employment market are expected to continue.

In addition, an ongoing labour shortage, high land prices and strong commodity prices in other sectors are likely to influence on-farm decisions in the coming years.

The Tasmanian Dairy Industry Strategic Plan aims to build on the core confidence throughout the industry. The Plan outlines actions to support Tasmanian dairy farming businesses to increasingly capitalise on the State's natural advantages, maintain continual improvement across the industry and ensure the industry is sustainable now and into the future.





Strategic priorities

PRIORITY 1

People

- Skilled and capable workforce – training and education
- Uptake of technology and resources to accelerate best practice
- Tasmanian dairy as a career of choice

PRIORITY 2

Business adaptability

- Performance and productivity – benchmarking
- Efficient and adaptable farm systems
- Business skills and farm management – human resources, financial and planning

PRIORITY 3

Sustainability

- Stewardship of our community, animals and natural resources
- Sustainable farm and business operations
- Industry environmental impacts and strategies

PRIORITY 4

Market access

- Supply chain relationships and management – major and niche
- Access to quality service provision and supplementary services
- Market information, research and insights to improve business performance

PRIORITY 5

Industry promotion

- Recognised and respected dairy industry
- Community engagement and reputation management
- Social licence to operate

PEOPLE

The attraction and retention of skilled employees across the sector will be the key catalyst for future success and profitability of the Tasmanian Dairy Industry.

Key strategic aims:

- 1 Support and train appropriately skilled and capable people necessary to meet current and future demands
- 2 Assist with the uptake of on-farm skills, technology and resources to accelerate best practice farming and business operations
- 3 Establish and position the Tasmanian dairy industry as a career of choice in Tasmania



Farm Management	<ul style="list-style-type: none"> • Improve people management practices across the industry by: <ul style="list-style-type: none"> – Improving on-farm workforce planning and action – Providing training & education for farm owners and employees – Focusing on strong business management including human resources and workforce planning. • Provide support to assist in successful farm successions and transitions.
Training and education	<ul style="list-style-type: none"> • Invest effectively in training and education to develop a skilled and industry specific workforce. • Identify skill gaps and work with education providers to deliver expertise and programs. • Enhance partnerships with key service providers and education sector for whole of industry alignment. • Increase participation of dairy farmers involved in activities and programs with new engagement models.
Career of choice	<ul style="list-style-type: none"> • Position the Tasmanian dairy industry as a career of choice that will attract new and young people to the industry by: <ul style="list-style-type: none"> – Developing and promoting clearly defined dairy career pathways. – Creating pride within the Tasmanian dairy network to promote and sell itself as an attractive career option. – Improving the appeal of the industry and employment opportunities.
Measuring our Success	<ul style="list-style-type: none"> • Percentage of industry members who have participated in industry training • Percentage of public willing to consider dairying as a career option • Percentage of farmers who are actively promoting the industry

BUSINESS ADAPTABILITY

Tasmanian dairy businesses are required to be dynamic and adaptable as they face continual change across markets, environments, climate and global operating conditions. Equipping farmers and dairy businesses with the right tools to navigate future challenges will aid and assist long-term industry success and viability.

Key strategic aims:

- 1 Support farmers to enhance and improve dairy farm performance and productivity
- 2 Develop and foster efficient and adaptable farm systems
- 3 Prioritise farm business management to lift industry standards



Farm productivity	<ul style="list-style-type: none"> • Improve farm operational efficiencies – milk production, labour, feed conversion, animal health, energy and water • Support pasture & feed base efficiency – our natural advantage • Support irrigation investment and management • Increase adoption of technology to improve productivity
Adaptable farm systems	<ul style="list-style-type: none"> • Drive a holistic approach to farm management and operations by farmers • Increase emphasis on sustainable and adaptable farm systems • Advance pasture-based systems management and application • Foster innovation, research and development application on farm • Increase participation in industry training activities to lift overall industry knowledge and performance
Business management	<ul style="list-style-type: none"> • Invest in Tasmanian farm business management skills by: <ul style="list-style-type: none"> – Focusing on financial planning and human resources to improve business management practices – Improving business management skills and reporting to enable dairy businesses to respond to change – Increasing use of forecasting for future planning and investment strategies
Measuring our Success	<ul style="list-style-type: none"> • Number of farmers that have participated in Our Farm Our Plan • Earnings Before Interest and Tax (EBIT) return for Tasmanian Dairy Farmers compared to National EBIT average

SUSTAINABILITY

Stewardship of our community, animals and natural resources is an important priority and focus for the Tasmanian dairy industry. The implementation and application of sustainable and ethical business operations will contribute to overall productivity, performance and perception enhancing the social licence for Tasmanian dairy farmers to operate into the future.

Key strategic aims:

- 1 Foster responsible stewardship of our community, animals and natural resources
- 2 Develop sustainable and ethical farm and business operations
- 3 Sustain and enhance the social licence to operate
- 4 Align with the goals outlined within Australian Dairy Industry Sustainability Framework.



Animal Health	<ul style="list-style-type: none"> • Promote best practice and ethical standards in livestock management practices • Continue education and training in best practice animal husbandry and management
Natural resources	<ul style="list-style-type: none"> • Improve nutrient and effluent management • Improve water quality and riparian management • Improve energy efficiencies for farm operations • Reduce greenhouse gas emissions and intensity (kg CO₂-e/kg MS) of milk production • Increase the focus on environmental social governance
Management	<ul style="list-style-type: none"> • Reinforce the priority on sustainable operations over growth • Increase climate change mitigation strategies and farmer education • Develop proactive strategies to address & mitigate climate change impacts • Continue to develop industry culture that celebrates best practice management • Support industry members to meet & exceed industry & regulatory protocols. • Continue strong working relationships with key stakeholders
Social licence	<ul style="list-style-type: none"> • Be an industry leader on climate change strategy and practice • Promote transparency and accountability of the Tasmanian dairy industry • Increase overall connection and education between industry and community • Improve engagement with public regarding sustainable practices and methods.
Measuring our Success	<ul style="list-style-type: none"> • Percentage of consumer who believe the industry has sustainable practices such as: <ul style="list-style-type: none"> – Contribution to Greenhouse Gas Emissions – Efficient use of water – Caring for animals – Caring for the environment • Percentage of farmers who have implemented NRM strategies on farm

MARKET ACCESS

Market accessibility has a range of implications for Australia’s only island state. Relationships with key supply chain partners (including supplementary services) are critical along with the exploration of niche market opportunities. The advancement of the Tasmanian dairy industry will also be driven by market access to information, research, insights and data to drive performance.

Key strategic aims:

- 1 Manage and nurture profitable and sustainable supply chain relationships
- 2 Support industry access to quality service provision and supplementary services
- 3 Provide accessible market information, research and insights to improve business performance
- 4 Explore and nurture niche dairy market opportunities – organic, King Island, dairy-related products



Supply chain	<ul style="list-style-type: none"> • Drive optimal processor productivity and capacity • Strengthen strong and trusted relationships with supply partners • Explore and nurture niche dairy market opportunities • Identify, explore and assist new market entrants for Tasmania • Monitor and advocate for improved freight and accessibility with mainland suppliers and markets • Enhance and improve marketing of Tasmanian milk and dairy products • Strengthen recognition of the local and iconic brand as premium products
Service provision	<ul style="list-style-type: none"> • Facilitate and foster quality service provision and access for supplementary services engineering, tech, feed, nutrient, supplies • Promote and reinforce the importance of industry led activities and participation • Enhance strong and supported industry bodies working together • Improve methods to identify farms requiring assistance • Improve access to supplies, support services and training opportunities for all dairy regions • Better connection between other sectors (such as beef) and dairy to improve services to dairy farmers.
Market insights	<ul style="list-style-type: none"> • Greater education and implementation of industry and farm benchmarks • Increase collection and sharing of quality industry information and data • Foster and facilitate decision making via shared industry networks
Measuring our Success	<ul style="list-style-type: none"> • Provision of market insights to farmers • Export market access for Tasmanian dairy products • Diverse and competitive processing sector that supports entire supply chain

INDUSTRY PROMOTION

The Tasmanian dairy industry is innovative and vibrant with many success stories. Strong engagement with the community is the key to developing positive and impacting perceptions to a wider audience. A proactive approach to marketing and communications will increase awareness of the importance of dairy to the economy, lifestyles and livelihoods of all Tasmanians.



Key strategic aims:

- 1 Develop a proud and rich culture of the Tasmanian dairy industry
- 2 Increase awareness of the industry as a key contributor and influencer of the local economy
- 3 Share success stories to drive greater education and awareness within the community
- 4 Develop and foster strong relationships within the industry

Image and reputation	<ul style="list-style-type: none"> • Greater focus on image and reputation of the Tasmanian dairy industry within the community • Proactive marketing and communication to increase awareness of the value of dairy to Tasmania • Be a transparent and accountable industry willing to engage and discuss topical issues • Foster positive media liaisons and relationships to encourage positive media outcomes
Value of dairy	<ul style="list-style-type: none"> • Develop strong media partnerships and communication channels to communicate the value of dairy to Tasmania and regional communities. • Develop strong local partnerships (service providers, education sector) to increase dairy perceptions. • Enhance and promote Dairy Australia campaigns regarding the importance of dairy to nutrition and health.
Community engagement	<ul style="list-style-type: none"> • Position the Tasmanian dairy industry as a career of choice • Attract new and young people to the industry • Develop and promote clearly defined dairy career pathways • Foster and enhance strong partnerships with the education sector • Create pride within the Tasmanian dairy network to promote and sell itself as an attractive career option
Industry relationships	<ul style="list-style-type: none"> • Be an industry leader on climate change strategy and practice • Promote transparency and accountability of the Tasmanian dairy industry • Increase overall connection and education between industry and community • Improve engagement with public regarding sustainable practices and methods
Measuring our Success	<ul style="list-style-type: none"> • Percentage of consumers who see the dairy industry is an essential part of our community • Percentage of consumers who see dairy as a wholesome and healthy food choice • Percentage of Farmers who are actively promoting the industry



DairyTas
PO Box 1352
Burnie, Tasmania 7320
+61 3 6432 2233
admin@dairytas.net.au
dairytas.com.au