

Summary of meeting outcomes

NSW Dairy Industry Consultative Committee

16 June 2021

The NSW Dairy Industry Consultative Committee met via video conference on Wednesday 16 June 2021. Specific issues considered at the meeting are outlined below.

Attendees

NSW Dairy Industry Consultative Committee: Michael Cains (Pecora Dairy), Allison David (Norco Foods), Helen Dornom (Dairy Australia), Sarah Mandelson (Serendipity Ice Cream), James Neal (Dairy NSW, Dairy Research), Phil Ryan (NSW Farmers' Association, dairy producer), Bimi Singh (Bega Cheese Limited), Justin Wilson (The Riverina Dairy Pty Ltd), Su Zhang (Star Combo Australia Pty Ltd).

NSW DPI: Jane Bennett (Senior Veterinary Policy & Procedure Officer), Sheena Carter (Dairy Industry Advisory Unit), Eric Davis (Manager Food Standards and programs), Jaime Garcia (Secretariat), Mark Mackie (Manager Regulatory Operations Unit), Ian Sanders (Director, International Engagement), Helen Schaefer (Team Leader Animal Welfare Policy & Programs), Craig Shadbolt (Principal Food Safety Scientist) (Acting Chair), Ryoko Uchida (Senior Industry Analyst, International Engagement Unit), Greg Vakaci, (Manager Compliance Investigations Compliance & Integrity Systems).

Apologies: Geneveive Bonello (Manager Communications Strategic Programs & Partnerships), Sarah Britton (NSW Chief Veterinary Officer and Group Director Animal Biosecurity), David Cusack (Manager Food Standards & Programs), Peter Day (Director, Compliance & Integrity Systems), Paul Freeman (Snr Veterinary Policy & Project Officer), Ruth Kydd (Dairy Connect, dairy producer), Suzanne Robinson (Director Animal Welfare), Lisa Szabo (Chair - Director Food Safety & CEO NSW Food Authority).

Industry updates

Members provided updates on key and emerging issues/concerns in their respective industry sectors with following issues/concerns identified:

- COVID-19 remains a concern;
- Changes to the Industrial Relations Act and its impacts on industry;
- Dwindling source of expertise in Dairy Technology and training costs – shortages of suitably trained staff are making it hard to run manufacturing plants at full capacity;
- NSW Food Authority, in conjunction with other state regulators, is currently looking at online learning opportunities. Safefood Queensland has also been running refresher courses on hygiene, food recall and is considering making these available online.
- Pecora Dairy and The Pines Dairy are participating in a DPI co-funded pilot Energy Efficiencies Scheme. Both farms installed about 100 kilowatts of solar panels each, plus another 60-70 kilowatt hours of Australian manufactured flow batteries. This technology ensures both dairies can operate irrespective of power interruptions, and reduces energy consumption from the grid by 75%. NSW DPI co-investment has reduced the break-even period from 12-14 years to around six and a half years.
- The Australian Government Department of Agriculture, Water and the Environment was given funding and is partnering with Dairy Australia to encourage exports and streamline the export registration process.

Food Safety Compliance Report

The Committee noted dairy industry compliance activities from 1 July 2020 to 31 December 2020. 97% of the licensed dairy businesses recorded an acceptable audit and/or inspection result which is a 1% decrease over the previous period. There were 151 audits and 110 inspections during this period with only 2 audits and 4 inspections failing.

Most Corrective Action Requests (CARs) in the dairy processing sector and the dairy primary production sector related to construction and maintenance issues (including equipment), and issues with pre-requisite programs such as not correctly implementing & documenting a calibration program.

Craft Dairy Producers

Sarah Mandelson presented a paper on new and aspiring craft dairy producers and her concerns about their lack of food safety skills and knowledge. Members noted resources available on the Food Authority website¹ for start-up businesses, including an interactive flow chart to guide start-up business and fact sheets covering issues from food safety to food labelling.

Start-up businesses can also call the Food Authority helpline on 1300 552 406.

It was agreed that DPI would look to include information on this issue in regular training and updates provided to local council Environmental Health Officers.

International Engagement Update

Ian Sanders updated members on NSW dairy export figures. NSW milk exports increased to their highest level in the past decade at \$28m, with China accounting for 72% or \$20m. NSW milk exports to Hong Kong also rose to \$3.4m and exports to Vietnam increased from \$74,670 in 2019 to \$616,560.

Exports of raw and processed dairy products decreased 9% year on year (worth \$172m) with the top five markets being China, Taiwan, Malaysia, Japan and Singapore. Despite the fall in total value, exports in some markets increased with China at \$62m, Taiwan at \$21m and Singapore at \$9m. Exports of raw and processed product to Vietnam also rose by 24% year on year to \$3.7m.

DPI Dairy Business Unit Update

Sheena Carter provided an update to members on strategic work areas within the Dairy Business Unit.

- Members noted the ‘Milking Edge’ project. This is a joint initiative between NSW DPI, Dairy Australia and DeLaval to support industry investment in successful Automatic Milking Systems (AMS). The project has already run an online Automatic Milking System training session. The next one will run over 10 weeks starting in July 2021. More information can be found at the link below².
- NSW DPI, with support from the Hunter Local Land Services, recently started “The Business of Dairy” Podcast. A monthly session where Sheena Carter talks with farmers and service providers about their businesses, and things that drive business

¹ <https://www.foodauthority.nsw.gov.au/industry/starting-a-food-business>

² <https://www.dpi.nsw.gov.au/animals-and-livestock/dairy/dairy-technologies/robotic-milking-systems/ams-projects/milking-edge>

performance. The first podcast³ was available on World Milk Day, with Tocal Dairy manager, Matt Brett, talking about some of the on-farm monitoring and measuring at they do.

- NSW DPI, in partnership with the Dairy Regional Development Programs, Dairy NSW, Murray Dairy and Subtropical Dairy Team, will be starting the NSW Dairy Breakfast which will be a quarterly initiative to keep people up to date with industry information, knowledge, and awareness. The initial breakfast to be held on 25 June 2021, will include discussions around Dairy Farm Monitor, a tool for to help farmers measure and monitor their performance. It is also provides a national industry benchmarking program.
- Dairy Australia is about to release a farm business snapshot tool⁴, an online tool for generating farm management reports relating to cost of production and profit.
- A large collaborative, RD&E project “Dairy Up” (unlocking potential) is underway in NSW. This five-year project is funded through a bushfire recovery sector development grant with additional funding from Dairy Australia, Sydney Uni, DPI, Cybus, Norco, Australian Fresh Milk holdings, Leppington Pastoral, Dairy Connect, NSW Farmers’ Association and the Hunter Local Land Services. The project focuses on productivity, profitability and de-risking the dairy industry and new markets.
- New South Wales Fresh Milk advocate, Ian Zanstra, and his advisory panel have developed an industry Action Plan with recommendations for the future of the NSW Dairy industry. The plan has been submitted to government and is awaiting approval.
- Under the new mandatory code, milk processors must announce their minimum price (from 1st June 2021) so farmers can consider their future contracts.
- DPI have created a website⁵ for information on milk supply agreements, and background material about supply agreements and the mandatory code, with links to industry resources such as Dairy Australia’s conversations and considerations for dairy farmers. There is also a table listing all major NSW processes with links for farmers and other service providers to find milk supply agreements that have been updated for the current year

The date for the next meeting of the Dairy Industry Consultative Committee is on 20 October 2021.

³ <https://www.dpi.nsw.gov.au/animals-and-livestock/dairy/dairy-business-advisory-unit/the-business-of-dairy-podcast>

⁴ <https://www.dairyaustralia.com.au/resource-repository/2021/05/20/farm-business-snapshot#.YNPkTOqzY2w>

⁵ <https://www.dpi.nsw.gov.au/animals-and-livestock/dairy/dairy-business-advisory-unit/milk-supply-agreements>