



SW
DAIRY
LIMITED

Sept 2024

CHAIRMANS REPORT

Dear Supplier/Shareholders,

I hope you are receiving some much-needed rain. It certainly has been an unusually dry winter and we are all aware of the challenges it has presented. Despite the conditions, production on most farms appears to be tracking well so far. However, the season's success will largely depend on how much rain we receive in the next month or so, as it will be crucial for replenishing our haysheds.

SW Dairy Limited (SWDL) produced approximately 31 Million Litres of milk or approximately 2.5 million kg/MS during the 2023-2024 financial year, closing with a milk price of \$9.30 per kg /MS. As we enter the 2024-2025 season, SWDL is opening with a milk price of \$8 kg/MS. This price is paid flat & aligns with the current prices offered by the major processors. Rest assured; we will continue to monitor price movements with ProviCo as the season progresses.

Our Supplier/Shareholders Meeting held on Tuesday July 30th, at the Junction Hotel in Allansford, was well attended. SWDL was pleased to welcome our two newest farming families:

Barry, Nick & Jo Gleeson

Michael & Joy Nowell

The meeting covered many important topics, but the clear takeaway message was the ongoing commitment of SWDL to encourage and mentor young farmers. We emphasized that seasonal dairy farming not only offers an enviable lifestyle but has also proven to be the most profitable system over time, providing a solid pathway to wealth creation.

Duncan & Paul Kerr (SWDL Consultant) have recently engaged with David Beca, an independent Dairy Consultant, to ascertain his analysis of the benefits of seasonal dairying, this is to highlight to key players the sustainability of our seasonal system & the risk associated with out of season milk.

We are still hoping to fill the current Board position, so if it is something you might be interested in and would like to find out more, feel free to contact myself, Duncan, Greg or Rachel.

I look forward to catching up at our next Suppliers' Discussion Group, and certainly won't be disappointed if it happens to be pouring rain!

If you know of any farmers who might be interested in SWDL be sure to bring them along!

Kind Regards

BRAD COUCH

TABLE OF CONTENTS

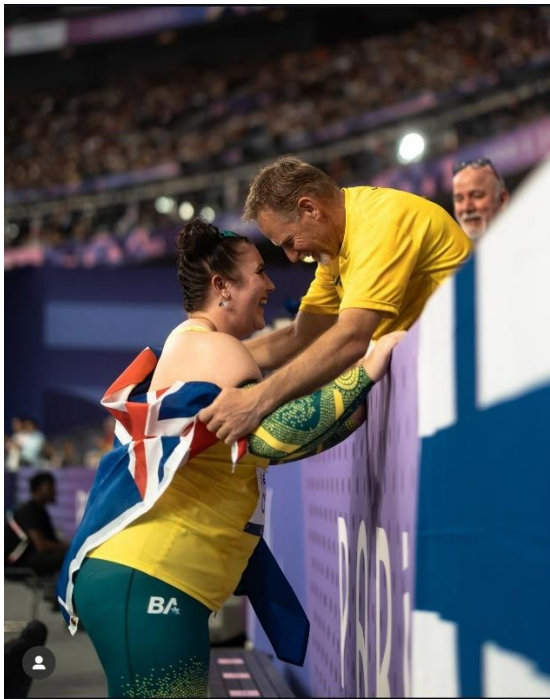
Chairmans Report	1
ProviCo Update	2
Announcements	2
Discussion group	3
Supplier Focus	4-5
Photos	6

ProviCo Update from Ben Anderson

Not a dairy industry related topic this time however topical given the recent completion of the Paralympic and Olympic Games. Over the course of the games, we have been very keenly following the performance of many athletes, but one in particular had a special link to ProviCo. Dayna Crees is the daughter of Mark Crees, the General Manager – Finance at ProviCo. Dayna was born with hereditary spasticity paraplegia, a genetic condition that causes weakness in the lower limbs. Dayna started in athletics at age 12, and started out competing in running and jumping, where she set Australian youth records in long jump that still stand. But as she got older, her balance worsened, and she transitioned to seated throwing.

Dayna competed in both the javelin and shotput at the Paralympics and took home a bronze medal in the javelin (F34)! Dayna was the second-last competitor to throw out of a field of 10, and cast a personal best 17.65 metres, furthering her previous best of 16.84 metres which she landed in the 2023 world championship for fourth place. Mark and Debra were in the stands to watch firsthand what was a memorable occasion for their family. We are extremely proud of Dayna's achievements and thrilled for the Crees family.

On the work front, we were recently impacted by a strong weather and wind event at the start of September, which caused some challenges on the processing front that you may also have experienced at the farmgate. With processing plants being offline due to power outages, silos were soon full with tankers acting as make shift silos. It took the best part of the week for the network to work through the backlog and for milk level to resume to normal operating levels. We appreciate the patience during these events in particular when they impact on farm with milk collection times.



Announcements

Dates for the Diary

13/9 ProviCo Rural Rebate invoices due

19/9 Discussion group day at Morris'/Moyles

Discussion group update

It has been a quiet few months for discussion group while everyone has been calving and now, we carefully plan around the upcoming harvest season.

We came together in July for a supplier meeting at Allansford to discuss and plan for the year ahead.

A few notable discussions

- The current milk price of SWDL and competitors
- The consensus of the room was that we want to use SWDL as a way to promote and educate seasonal farming
- The SWDL advertising was well received by suppliers and potential suppliers
- We will continue to investigate the seasonal farming investment option to support young farmers.
- Some potentials need us to have more runs on the board to ensure we're the real deal
- The opportunity to use SWDL as a bargaining tool

Our next discussion group is next Thursday (September 19th) with Emily Walsh from Webber & Chivell, as we discuss sowing and cropping options for summer.

Our AGM will be held in late November with dates to be sent out closer to the day.

Other topics for discussion group include power usage on farm, and comparing the cost of farm equipment vs contractors.

If you have any other topics you would like to discuss please let Rachel know.

SWDL milk intake

July

3.205ML Litres

141,797 kg BF

111,794 kg Protein

August

3.757M Litres

162,901 kg BF

131759 kg Protein

Supplier Focus

Brendan & Kylee



Noorat



400ac leased plus 220ac owned



280 Milking cows



It has been 11 years since Brendan Clarke has been back on his family farm and it's been slow and steady improvements that have got he, and his wife Kylee in the position they're in today. When Bruce, Brendan's father, left school and came back to the farm 53 years ago, the farm was a 130 acre, 90-cow dairy farm. The farm experienced rapid expansion in the early 1990's when they purchased three of the surrounding farms in a space of 5 years, which put significant financial strain on the business, but you never know if or when the opportunity will come up again.

Brendan and Kylee have been leasing the farm off his parents Bruce & Elizabeth Clarke for the last 7 years after Brendan spent some time away from the farm, working for 6 years with Unigrain as one of their Western District sales representatives, as well as a number of years with Total Livestock Genetics in their export heifer arm. The farm is Kylee's first experience on a dairy farm, after working at the Terang IGA for 13 years, but she is absolutely loving it, and enjoys the tractor work most of all. Bruce and Elizabeth are still very involved on the farm, still opting to get the cows in for the relief milkers, while Elizabeth is happy to feed the calves and help with the accounts and budgeting. The farm team also includes 4 part-time staff, with Brendan explaining that their location, being so close to Terang, has made them lucky with finding employees.

The herd is a mixed breed herd with a jersey background and is owned outright by Brendan and Kylee.

They have previously been milking 300 cows at peak, but find that 280 is a lot more comfortable for everyone, and allows for extra home-grown feed to be preserved.



The herd

The herd has been a big opportunity for improvement for the farm, something they can continuously work on each year. They complete three herd tests a year, which allows for more precise decisions to be made around culling for cell count, but also the fertility and the individual productivity of each cow. Joining is completed with sexed Jersey semen in the first round of AI, followed by conventional on the second round before the mop up bulls join the herd for the remainder of the joining period. The farm, like most SWDL farms, begins calving in May and the farm is working to tighten the calving pattern.

Cropping is a large part of the Clarke farm, with 20ha of oats sowed after the autumn break each year to feed the herd over the winter months and reduce the need to graze the wetter paddocks, and rape and millet are the choice for summer crops to carry the herd through late lactation. For the first time this

SW Dairy Limited

12A Curdie Street
Cobden, VIC 3268

KEY CONTACTS

Brad Couch
Chairman
0400 569 256
bradc@swdl.com.au

Duncan Morris
Director
0408 528 915
admin@swdl.com.au

Greg Tongs
Director
0400 754 374
admin@swdl.com.au

Rachel Mclean
Field Services Officer
0437 835 378
rachel@swdl.com.au

Fair and Equal for all farmers

Facebook:
<https://www.facebook.com/profile.php?id=100086552004945>
Instagram:
https://www.instagram.com/sw_dairy_limited/
Find us on the Web:
<https://swdl.com.au>

year, the farm has sowed red wheat in the dry cow paddocks to try and boost their hay crop. So far, the germination is looking great and they are eager to see the results.

One of the first jobs Brendan completed when he came back to the farm was to complete fencing and pasture renovations, splitting the farm into more paddocks to improve the pasture rotation. They have been liming annually, and sowing perennial ryegrass bases, with clover being planted on the river flats as well.

The last few years have allowed significant improvements on the farm, new yards and a solar pump at the out block will ensure working with young stock is safer and more enjoyable for those involved. The Clarke's utilise ProDairy's heifer program to ensure their heifers are growing to their full potential, and to ensure all vaccinations are completed at the right time. They have also purchased scales so that they can check that animals are reaching their target weights, saving money on wasted feed.

Cyprus tree plantations have been removed to be replaced with native trees when the time is right, and to improve water flow in the wetter areas of the farm. Drains have been cleaned and effluent ponds have been scraped and cleaned, all benefits of being able to access the farm which is usually too wet to work with in wetter years.

Brendan and Kylee are one of SWDL's founding members, coming across to the co-op at our inception in 2020. They have found that managing their finances with the flat payment system much easier to budget with, and agreed strongly that co-ops need be farmer run for correct management. They are part of a very communal area of farmers and believe that farmers looking after farmers ensures the best for everyone.



Paul has been working for the farm for 7 years



The oat crop

