

# AUGUST 2023 | SW Dairy Limited



## CHAIRMANS REPORT

Dear Supplier/Shareholders

I hope the calving season has gone well and you have now had a chance to come up for some air! We haven't had a field day for a while given everyone being busy with calving, but I'm looking forward to our next discussion day and hopefully catching up with our new supplier/shareholders.

SWDL welcomes our new supplier / shareholders.

- David and Raylene Hallyburton – Cobden
- Peter and Jenny Battistello – Ecklin
- Ben McCosh and Jayne Day - Grassmere
- Richard 'Dick' and Pat McCosh – Grassmere
- Will Whiteley- Cobrico

On behalf of SWDL we welcome you to our growing Co-op and I look forward to catching up with you at one of our SWDL events.

SWDL produced approximately 31 million litres for season 22/23 and has steadily increased year on year since we first established in 2020, producing approximately 12 million litres.

Our milk price closed at \$9.75 kg/MS for season 22/23, and as you are aware 23/24 season has opened at \$9.30 kg/MS.

Dairy commodity prices have fallen significantly the past twelve months, a high domestic competition for milk has resulted in another strong milk price this season. We are hopeful that commodity prices increase to underpin a strong sustainable milk price in Australia.

SWDL will continue to have open dialogue with ProviCo, to ensure we remain competitive.

Notably, I would like to thank our Field Officer – Rachel Mclean who has done an awesome job putting in the hard yards, meeting with potential suppliers over the last few months. Rachel successfully recruited five, like minded, seasonal, family operations to SWDL in a highly competitive and shrinking milk pool.

The modest growth of SWDL continues to highlight the importance of a **'fair and flat milk price'** for low-cost, sustainable, and seasonal family dairy farms.

Another beneficial element of SWDL is that we are a fairly young group of farmers. Uniting these minds with the longer serving dairy farmers, allows us to share our unique knowledge of seasonal operations and ensuring the longevity of sustainable, low-cost and profitable dairy farms.

Brad

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# ProviCo Update from Ben Anderson

Since the last update the milk recruitment season has completed, and we now focus on the year ahead. The recruitment process was a successful one with SWDL increasing from 22 suppliers to 26 suppliers and volumes growing almost 10%. Any feedback on the advertising and approach during the recruitment period is most welcome and will add to our discussion with the SWDL Board in preparation for the next milk recruitment season.

Based on the level of interest versus prior year and discussion around the region, awareness and understanding of the SWDL brand and philosophies certainly seems to be growing.

Commentary around market conditions have been well documented following finalisation of milk prices and we have continued to see pricing of commodities decline, particularly in the Skim Milk Powder (SMP) stream. Since April 2022, SMP as per the Global Dairy Trade auction has decreased from a high of USD 4,599/MT to the most recent auction (15<sup>th</sup> August) being USD 2,333/MT (-49.2%). Over the same period commodity butter has declined from USD 6,891/MT to USD 4,539/MT (-34.1%). The variation in pricing supports the bio-nutrients strategy to increase the value from the skim milk stream and minimise exposure to the fluctuations in the commodity cycle; a strategy which ProviCo is focused on delivering. Stability will come through a value-added product mix and diverse customer and market base.

Following on from the previous newsletter the solar project infrastructure installation is now complete with final connection pending approval from the service provider. The project is expected to generate what will be equivalent to 25% of the electricity required for the manufacturing plant.

Ben Anderson

## Announcements

### Farm Diaries

We will shortly begin work on the 2024 SWDL Farm Diary. If you have any feedback relating to the diaries, please give myself a call or email regarding suggestions.

Feedback received so far includes.

- Changing the binding
- Yearly planner with area for recording events on dates
- Bookmark

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### Milk Collection Times

As we prepare for our peak milk production, Rachel will be in contact to check your recorded milking times. We are working with McColls to improve efficiency around milk collections on our farms.

## Discussion group update

After a three-month break, we are getting prepared for our next few discussion group days.

August will see us at Jancourt East to discuss Farm drainage options. Our guest speaker for the day will be Richard and Syd Gloyne, and with over 40 years' experience with farm drainage, it is a day not to be missed.



September we will have a social lunch and a discussion about the upcoming season, more details will be provided closer to the day.





## Supplier Focus

Mick & Marcia Clover



Timboon



310Ha (265Ha milking area)



195 Milking cows

Both Mick & Marcia have a long history in dairy, and their striving for a family-friendly dairy career has resulted in the couple building their farm based on their need for family time. Mick is the third generation on his family's farm and has been working on the farm since he was 16 years old.

His grandfather first came to the farm in the 1950s and supplied Bonlac. Up until the Ash Wednesday fires, 180 cows were milked through a 5-walkthrough dairy and although the farm itself wasn't damaged by the fires, the decision was made to upgrade the dairy to a 14 swing-over to speed up the milking time. The dairy was expanded again in 1991 to its current size of a 20 swing-over. The farm expanded when an additional 100 acres were purchased in 2002 and 271 acres in 2021. Mick & Marcia decided to lease the farm off Micks parents in 2003 after they made the decision to retire from the farm.

Marcia joined Mick on the farm around 20 years ago, after working at her brothers' farm after school, milking 80 cows with her father, and then getting a job at the Timboon Herd Improvement, working her way up from washing crates to weighing samples and testing for fat, protein, and cell counts.

Mick & Marcia have concentrated a lot of their time on their next generation of milking cows. Mick's grandfather had a registered Friesian herd, while his father decided to go into jersey cross animals until a bull called 'Sooner' gifted them terrible kicking heifers and daughters. Since then, all jersey and crossbred cows have either been sold or have bred themselves out. Mick & Marcia prefer a medium-framed pure Friesian cow with high components and good temperament. They have been genomically testing all their calves that are sired by home-bred bulls for the last three years, and this year will test every heifer calf on the ground, and although they are quite new to genomic testing, they believe the results should be genetically superior heifer calves.

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<https://swdl.com.au>



## Western District Families

13 Dec 2020 · 🛠️

We are nearly back at Timboon but first a stop at the farm of Charles Marr on Marr's Road just south-west of Timboon. Woodcutting is happening aided by a Farmall A tractor teamed with a 36-inch sawbench. This photo is part of an International Harvester Co. of Australia collection held by Museums Victoria and was taken in 1940.

Image courtesy of the Museums Victoria Collections  
<https://collections.museumvictoria.com.au/items/1469430>



*Figure 1. Clearing of farmland, at the back corner of Clovers' farm 1940*



*Figure 2. The same hill now in permanent pasture, 2022*

The farm is fully perennial ryegrass pasture, and Mick says that is been quite a few years since they've put summer crops in, 'when the kids were young, it was just another job that you had to do, to shift them on and then off, and it was another reel that needing shifting and all of these jobs are time-consuming'. So, like many SWDL suppliers, dry-off is usually based on silage availability, condition score and grass growth.



In 2012, a Delaval Calf feeder was installed to help with calf feeding while Marcia concentrated on getting the kids to school on time. Since then, another 2 calf feeders have been purchased. Up to 100 calves are fed off the feeders and Marcia finds that minimal involvement is required to get the calves to weaning.

In 2016, Mick & Marcia began looking for an alternative milk company after supplying Fonterra from the Bonlac days. They came to SWDL at the end of 2020 and have found the biggest benefit to be the no-spring discount payment system. “We can calve when it suits because it doesn’t matter”, they have varied their start of calving from April through to June but have found the best spot in late May.

Their goal with their farm has always been to minimise expenses, completing as much of their own maintenance as possible, and concentrating on being self-sufficient when it comes to grass (and feed) production.





