

# JANUARY 2024 | SW Dairy Limited



## CHAIRMANS REPORT

Dear SWDL Supplier/Shareholders,

Summer is upon us and many of you may have completed the harvest season.

2023 has resulted in quite a handy season despite the El-Nino forecast!

We have had quite a busy year, securing new milk supply of like-minded farmers, despite the decrease in Australia's / Victoria's milk supply production.

Commodity prices appear to be on the rise, hopefully this trend will continue.

As you are aware, our constitutional values are of utmost importance to SWDL.

- *Adherence to co-operative principles.*
- *All farmers to be treated equally – one vote per member only.*
- *Work together collaboratively to achieve a common goal.*
- *To ensure a viable and sustainable dairy industry.*
- *To be leaders in the dairy industry.*

Ongoing discussions with our Supplier/Shareholders highlight the importance of striving to encourage young people into the dairy industry in a sustainable & profitable way. As such, we recently conducted a field trip to Tasmania with a small cohort of our farmers, researching how Steve Fisher of Circular Head Dairy Farms recognised 10 years ago an alarming issue of corporate farms slowly taking over the region of Smithton, ultimately leading to profit leaving the community along with the buying power of those corporations squeezing local businesses.

This gave us insight into how he successfully engaged with his local community to purchase a dairy farm, with the ambition of young dairy farmers building equity and remaining within the industry. His goal not only succeeded, but exceeded his expectations with now 11 operational dairy farms and plans for expansion.

Steve, along with his wife Karen, board members and share farmers were all very open with the process and how they have achieved this successfully, not of course without some minor hurdles.

Feedback from our farmers was very positive and has given us confidence to investigate this further, with SWDL potentially adopting a similar business model here, in Southwest Victoria.



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## ProviCo Update from Ben Anderson

It was great to again be part of the SWDL AGM and provide an update on the current operating environment for ProviCo and outlook for next season. I particularly enjoyed the discussion on farm investment to encourage new entrants to dairy and the successful model that has been established by Circular Head Farms in Tasmania. I have since learnt that from a single farm purchase in 2014, the group has grown to 11 properties across 3500 hectares. The founder and director Stephen Fisher believes that their core values of retaining local ownership of land, helping people come into the industry, build equity and make a career will create profit. A fantastic example of how from little things big things grow and how the passion of that community is making a difference. Some fantastic parallels with the SWDL group.

For those who couldn't attend the AGM I provided an update on the next phase of capital investment currently being undertaken by ProviCo which will enable manufacture of Micellar Casein Isolate ('MCI') and Native Whey Protein Isolate ('NWPI'). MCI is manufactured through filtration of skim milk and can be produced in a powder or liquid form. MCI is most commonly used in Greek style yoghurts, cheese, sports nutrition powders and drinks, liquid coffee creamer and protein bars. The remaining whey stream (NWPI) will be dried into a powder and sold into sports nutrition industry. Phase 2 of the bio-nutrients strategy is expected to be completed by June 2024.

With further capital investment the NWPI stream will be further fractionated into high value whey protein derivatives which I will explain in greater detail at the completion of the MCI project.

In closing out 2023, on behalf of the ProviCo team we wish you and your families a safe and prosperous year ahead and thank you for your partnership and support throughout the year.

## CHAIRMANS REPORT CONTINUED

On 22<sup>nd</sup> November 2023, we conducted our AGM. This was a great opportunity for Supplier/Shareholders to be informed, updated & raise any questions regarding SWDL and the future proposal.

We are very pleased to welcome two new sharefarmers to our family. We welcome Ash Rosolin and we also welcome Josh Worboys and Amy Kavenagh.

Thank you to ProviCo Dennington's CEO Ben Anderson, for providing us with an informed update on the dairy commodity prices and ProviCo Dennington investments and strategic plans.

Thank you also to McColl's CEO – Simon Thornton and his son for attending & for your ongoing support. Transport is an extremely important cog in the dairy supply chain.

The board of directors still have a vacancy, if this is of interest to you, or if you think there is someone who would be a great fit, great candidate, we encourage you to apply or nominate. Should you wish to know more about this, let us know.

In this busy festive season, I wish you, your business, and your families a safe Merry Christmas and may 2024 bring you joy, prosperity and happiness.

Kind Regards,  
Brad Couch



## **Announcements**

### **Farm Diaries**

We have a small number of diaries and beanies spare. If any suppliers would like another, please contact Rachel.

### **POTENTIAL SUPPLIERS FOR 2024**

Rachel will soon begin discussions with potential new suppliers for SWDL. If you have any farmers that you believe would suit our group, please let Rachel know.



**Congratulations to  
Henry & Zarli Moyle  
on the safe arrival of  
Alfie John Moyle**

## Discussion group update

We have three discussion group days organised for early 2024, including effluent, succession planning and a calf rearing day.

We are looking into having another farm tour day in April and would like to know if there are any farms who are interested in opening their doors for the day, please get in touch.

Please also let Rachel know of any other thoughts on discussion group days. Other days that have been suggested

- Farm safety
- Multi species cropping
- Farm planning
- Farm surface drainage

## Dates for the diary

**February 13<sup>th</sup>** Effluent usage day

**April 9<sup>th</sup>** Calf Rearing Day

Other dates will be communicated closer to the day.





## Supplier Focus

Matthew & David Gibbins



The Sisters



156Ha (53Ha leased)



215 Milking cows



In 1949, Matthew & David's parents and their grandparents purchased the current farm at The Sisters and started milking 30 cows through a 6-unit walk through. The brothers recall their father telling stories of the local farmers having a competitive streak and on more than one occasion, a farmer would half fill the milk cans to make it appear his cows were producing far more than everyone else. Cow numbers doubled before the farm finally changed to a 10-a-side herringbone, this allowed cow numbers to rise to 120. In 2009, the dairy was extended to its current size of 26-swing-over, with the dairy being completed first, followed by the yard a year later.

Matthew left school to come back on the farm in the early 2000's and worked alongside his father until his father's passing in 2015. Matthew took over the management and has been working solo with occasional help from David, before the two brothers decided to work together on the farm early 2023.

Before returning to the family farm, David had been managing a 600-cow corporate style farm in Terang, but the push for more family time, and more freedom drove David to return to help Matthew on the family farm.

In November 2022, the brothers decided to take over the lease of the neighbouring property, adding an extra 50 Ha to their milking platform and allowing them to increase their cow numbers from 175 up to 220. The lease has also allowed for more grass, a longer rotation over winter, and for more excess grass to be conserved, this year alone resulting in 300 more rolls than last year.



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It has been a good year for the two brothers, as they have found their feet working side by side, they are slowly improving the herd, selling cows with poor udders or poor fertility, and buying in in-calf heifers to speed up these improvements. They will calve down 250 cows this season, allowing more options for the next season. Per cow production is also a priority, as land is tightly held around the farm and the opportunity to expand the farm again may not happen for a long time.

In the future, there is a lot of interest into the Greenhams Dairy-beef program, and the role that It could play in increasing returns and also improving the quality of the dairy replacements.

Their number one goal for 2024 is to put cup removers in the dairy which has been on the cards for a long time but will finally occur before calving 2024. The move to SWDL has allowed the farm to finish the year with spare funds to make this upgrade, something that didn't happen with their previous milk company.









