



# January 2025

## CHAIRMANS REPORT

Dear Supplier/Shareholders,

As we step into the 24/25 season, I want to take a moment to acknowledge the challenges and triumphs many of us have experienced over the past year. The season has been a mixed bag – dry conditions have hit some regions hard, while others have managed to fare reasonably well.

I hope you all managed to take some time off the farm over the Christmas and New Year period, even if only briefly, to recharge and reconnect with loved ones. For those managing silage and hay during this busy period, I hope you have enough to see you through the season ahead.

Looking ahead, may 2025 bring favourable conditions, stability and profitability for us all.

On a positive note, the global dairy trade has shown encouraging signs of strengthening over the past 12 months. Additionally, the US dollar remains low which is favourable to Australian dairy exports, which should underpin a strong milk price moving forward.

A stronger dairy commodity has resulted in **15 cents per kilogram of milk solids step-up**, announced and paid in December. This step-up takes our price to **\$8.15 per kilogram of milk solids**.

Within SWDL, we have many reasons to be proud. Our average age remains well below the industry average, highlighting the energy and innovation our younger members bring to the sustainability of the industry. Furthermore, our average butterfat and protein levels are consistently well above industry standards. It was also fantastic to see such strong representation from SWDL Members in recent Dairy Quality awards – I extend my congratulations to all those who received recognition for their dedication to excellence.

Our recent AGM was another highlight, with positive feedback from members and some fantastic suggestions on how SWDL can better promote itself and its mission moving forward. Your engagement and input are invaluable as we strive to strengthen our cooperative and deliver value to every member. I'm looking forward to catching up with many of you at our upcoming discussion days, strategically arranged by Rachel Mclean. These sessions provide a valuable opportunity to share knowledge, insights, and support as we tackle the season/future together.

Thank you for your continued commitment to SWDL. Here's to a successful and rewarding year ahead.

Warm Regards,

BRAD COUCH

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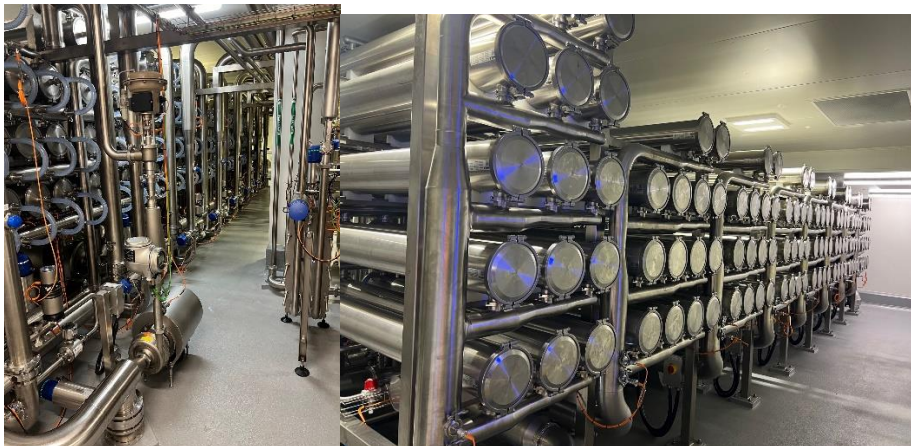
## ProviCo Update from Ben Anderson

Happy New year to you all and best wishes for 2025.

The 9<sup>th</sup> January 2025 was an important milestone for ProviCo with the first milk processed through the new nutritional's plant. The construction is the second phase in the bio-nutrients strategy following lactoferrin and uses membrane technology to produce liquid Micellar Casein Isolate (MCI) and native Whey Protein Isolate (nWPI). Microfiltration (MF) is used to separate the skim milk into casein and whey streams. Ultrafiltration (UF) separates the whey stream into liquid nWPI and milk permeate/minerals streams. Reverse Osmosis (RO) concentrates the milk permeate and removes minerals and salts. The resulting streams are:

1. **Liquid MCI** that can be dried into a powder at ProviCo or sold as a liquid stream to other processor for applications such as senior nutrition supplements, coffee creamers, cheese milk and yoghurt ingredient extension
2. **Liquid nWPI** which will be dried by a third party and be predominately used in sport nutrition applications.
3. **Milk permeate liquid** that will used internally or sold to other processors for the purpose of protein standardisation in powders.

The commissioning and trial process will be completed over a 7-week period through to the annual plant shutdown which will commence 1<sup>st</sup> March 2025. Approval for commercial sale will come from Dairy Food Safety Victoria. Below are some photos of the manufacturing plant and product.



Microfiltration



Whey Liquid



MCI

The completion of the MCI plant is an important step to phase three of the bio-nutrients strategy which is to further fractionate the whey stream into alpha-lactalbumin, beta-lactoglobulin and immunoglobulin.

## Announcements

**There are some spare diaries and bucket hats available. If you would like an extra one, please let Rachel know**

## In The news

We are pleased to see two of our suppliers in the news in the last few months.



Duncan, Henry & Zarli featured in the Weekly Times after their Milk Quality Award.



Rachel & Dale featured in last months Weekly Times to discuss seasonal farming.

## Hot milk and the use of EMCI to guide milk collections

**Industry requirement:** Milk must be cooled to 5°C within 3.5 hours of the commencement of milking and not exceed 5°C until it is collected OR Milk must be cooled to 5°C within 2 hours and 24 minutes from the completion of milking and kept at this temperature until collected.

As temperatures have increased over the last few months, we are beginning to see some breakdowns occurring across our supplier base, which has resulted in a number of vats requiring dumping. When transport is notified of a vat breakdown, or a hot milk collection, which is any milk over 8 degrees, a risk assessment must be completed prior to the milk getting collected. This risk assessment is known as an EMCI, or an Early Milk Collection Index.

**An EMCI assessment takes into account the current milk temperature, the time that has lapsed since milking was completed and the number of milkings affected.** From a milk collection and processing perspective, the amount of milk on the full load, and the time between collection and unloading at the factory also play a role in the decision making.

If you are experiencing any issues with cooling, please report it to Rachel or direct to McColls as early as possible to allow time to organise a home for the milk. Please also make sure if you change your milking times, especially common during hay and silage, or days of hot weather, and you are due for collection, please notify McColls to ensure the EMCI can be completed correctly.

## SWDL milk intake

### November

**3,161,830 Litres**  
**145,649 kg BF**  
**115,636 kg Protein**

### December

**2,761,466 Litres**  
**126,733 kg BF**  
**97,773 kg Protein**

## 2024 Milk Quality Award Winners

### Gold

Claine Farm trust  
B & R Couch  
D & R Hallyburton  
G & N Tongs

### Silver

M & M Clover  
Curdies River  
partnership,  
H & Z Moyle  
D & A Ryan



## Supplier Focus

Callum & Jayne



Grassmere



260 leased, 66ac irrigated



2120 Milking cows



After spending her post school years as a roustabout and in hospitality, Jayne was given the opportunity to farm alongside her father Ben, and has embraced the farming lifestyle along with her husband Callum, and together they are creating a herd and farm with their own ideas and passion. Although she has had to take a step back from the farm after the arrival of their first daughter last year, Callum has taken on the role of full-time farmer with enthusiasm. Before coming back to the farm, Callum has spent his years since school working as a diesel mechanic around Warrnambool, and a stint as a farm hand on a 600-cow farm close-by and says although he learnt a lot, the job has definitely turned him away from Friesian cows for life.

Last year marked the first time that the farm has used artificial insemination, after previously using poll Hereford bulls to breed with the herd. The farm therefore has never reared their own replacements, instead selling every calf, either at 5 days old or weaned at 8 months old. After working through the numbers, Jayne & Callum found the numbers weren't stacking up for the beef calves at the time, and with the price of in-calf dairy heifers sky rocketing, the time had come to breed and grow their own replacements. The herd has been bred with Jersey and Aussie Red bulls, with a big emphasis on feet and leg strength and longevity, as well as positive health traits.

The biggest driver of swapping away from bulls, was the risk of bulls breaking down without realising it. A dodgy bull two years ago didn't get the cows in calf and resulted in a lengthy calving, which the couple are working to bring back to a reasonable length. Calving will begin in late May, and finish in August, down from the 9-month calving last year. The Preg test results last month show an empty rate of 19% was achieved, which is a big relief for them both. The long-term goal for Jayne and Callum is to have a closed herd, reducing the risk of bought in diseases like pestivirus.



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Another change that Callum and Jayne have trialled is the use of multispecies crops. The first year, Hopkins Ag were contracted to sow the crop with their SoilKee. The crop performed well under the irrigation over summer and they were pleased with the volume of feed that was produced. They found that it required more irrigation than was stated, but the moisture it did use turned into a strong feed over summer for the herd.



Callum believes the cows stomachs struggled with the multispecies, due to the species and densities varying each feed 'some days they could be eating mostly vetch, then the next day it could be mostly peas.' Callum says the manure would change from solid to liquid each milking depending on what each cow had consumed. The couple trialled the multispecies again as a winter crop, this time seeded with the seed drill, and found most of the species didn't germinate, only the ryegrass and millet germinated, making the crop a bit of a disappointment. He believes there is a spot for multispecies crops, but perhaps they are more suited for heifers, or fattening stock, rather than the milkers. The rest of the pastures on the farm are rye grass and clover mixes, usually perennial pastures.

Callum and Jayne are already making plans for the next 12 months, concentrating their efforts on improving milk quality and improving the fences and water supply around the farm, further allowing them to improve their rotational grazing.

They are using the knowledge of dairy farmers around the area to improve their skills and set themselves up for a long and profitable future in the dairy industry.