

# **WA Dairy Industry 5 Year Development Plan**

**Western Australian  
Dairy Industry  
Working Group**





## The working group

The WA Dairy Industry Working Group (WADIWG) is a unique structure, bringing together representatives from key stakeholders in the WA dairy supply chain.

- **WA Farmers**

- **Brownes Dairy**


- **Lactalis**

- **Bega**

- **Department of Primary Industries and Regional Development**

- **Western Dairy**

- **Dairy Australia**

An aerial photograph of a lush green landscape. A paved road winds through the middle of the frame, flanked by dense green trees and fields. In the background, more greenery and a few small buildings are visible under a cloudy sky. The overall scene is peaceful and rural.

*“Our discussions have improved relationships, especially between processors and farmers, and have provided the opportunity to acknowledge past pain and learn from it.”*

**Ian Noakes – President, WAFarmers Dairy Council**







# WAFarmers Dairy Council President's foreword

*Western Australia has a proud history of dairy farming and this year we are celebrating the Centenary of Group Settlement in the South West .*

We have achieved a lot since those first faltering steps. This year we are also celebrating 10 years since the development of our nationwide Dairy Sustainability Framework, which has helped guide WA's industry forward.

However, it has not all been plain sailing and we have had some very serious ups and downs. This strategy should help even out the ups and downs, so life for dairy farmers is less of a roller coaster.

The development of this 5-year plan began with previous WAFarmers Dairy Council President, Michael Partridge asking to meet Minister MacTiernan to address the crisis of exiting dairy farmers and the looming milk production shortage.

At an industry roundtable, as the new president, I suggested the need for a 5-year plan to address the crisis. It is to the credit of our dairy industry that the major processors, Western Dairy and Department of Primary Industries and Regional Development (DPIRD) agreed and got on board. It has been very beneficial for all parties to meet regularly.

Our discussions have improved relationships, especially between processors and farmers, and have provided the opportunity to acknowledge past pain and learn from it.

While understanding we still operate in a competitive market, we are now able to consider issues as an industry, instead of just as individuals. This is a major breakthrough, and it should continue. The industry is already reaping the benefits. Profitability should not be a dirty word, and better profitability will increase entries and decrease exits from dairy farms. The strategy should help us diversify and expand as a whole industry, meet the rising expectations of the community in terms of sustainability and publicise our achievements. The strategy is a live document that will get updated yearly, especially the specific targets.

I thank all the parties of the WA Dairy Industry Working Group (WADIWG) for their good will and persistence, and Brad Weir as our independent Chair. I thank the WAFarmers Dairy Council and my fellow dairy farmers for their support and commitment.



**Ian Noakes**

*President, WAFarmers Dairy Council*





*“We are now able to consider  
issues as an industry,  
instead of just as individuals.”*



# WA Dairy Processors' forewords

## Brownes Dairy

*Established in 1886, Brownes Dairy is Western Australia's oldest and most iconic dairy company, employing 300 people and managing two production sites here in WA. For over 130 years, Brownes Dairy has been an integral part of the fabric that makes up dairy production in this State.*

Brownes Dairy only sources fresh milk from WA dairy farms, so it has been our great pleasure to be involved in the forming of this WA-specific 5 year plan.

The WA Dairy Industry Working Group (WADIWG) brought together all major stakeholders within our industry, and worked collaboratively to set expectations and a strategic direction. This ensures we give ourselves the best possible platform to provide Western Australians with Australia's finest quality dairy products, now and into the future.

While recognising the current headwinds the WA dairy industry faces, now more than ever, a coming together of all stakeholders is critical to growing our primary resource, white milk on farms, and allowing our industry to continue to thrive.

Brownes Dairy is at the forefront of adopting sustainably responsible operations and we have identified the need to move quickly and strategically on environmental issues. As such, we have set some ambitious targets to address both the environmental and other sustainability contributions of the Australian dairy industry.

Brownes Dairy has been measuring and reporting Scope 1 and 2 emissions for some time with initiatives in energy and water consumption, as well as waste management

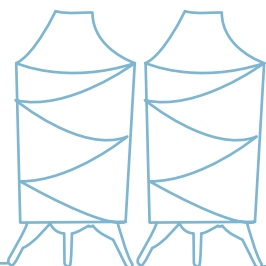
programs, seeing a reduction within our business. More recently Brownes Dairy is working with our wider supply chain, including contributing to all our farmers to identify the full and current carbon footprint of their operations. This is identifying reduction opportunities and will allow farmers to build plans for a better dairying future. As a further part of Brownes Dairy contributions to the net zero target, we are actively involved in the Trillion Trees challenge supporting climate change and ecosystem restoration.

Brownes Dairy continues to focus on the sustainability credentials of our packaging, launching all new products in more sustainable options. This includes light weighting packaging, increasing recyclability or reuse outcomes and using fully renewable materials where possible. This approach has recently enabled us to launch Australia's "most sustainable milk carton".

At Brownes Dairy we look forward to further working with WADIWG to develop and implement projects that complement the 6 goals of the WA Dairy Industry 5-Year Development Plan.

**Marc Anderson**

*Chief Operations Officer, Brownes Dairy*







## Lactalis Australia

*As a founding member of the WA Dairy Industry Working Group (WADIWG), Lactalis Australia is very pleased with the progress of the initiative and have found the process of working with key stakeholders to develop the WA dairy industry 5-Year Development Plan very informative and productive.*

As a global leader in dairy, we recognise the ever-changing conditions faced by the industry and we are keen to provide our worldwide experience and insights for adaptation to local WA conditions, so that the already successful dairy sector can sustainably grow. We recognise the breadth and depth of issues a successful dairy industry now needs to respond to and that some of the pre-competitive issues are best managed at an industry level rather than through a linear supply chain involving an individual processor.

Lactalis Australia strives to maintain a strong local focus; which nurture the 3 pillars, which comprise our Corporate Social Responsibility strategy:

- Land and Resources
- People and Communities
- Authentic Products and Heritage

With 3 priorities:

- Climate
- Circular Economy
- Animal Welfare

We are committed to continual improvement in these 3 pillars so that we along with our business partners are able to run successful businesses which; contribute to local employment, provide support to farmers, produce quality and safe fresh milk and innovative dairy products, preserve the environment and improve biodiversity, reduce carbon footprint, and importantly have our suppliers adhering to the highest standards of animal welfare.

The WA Dairy Industry 5-Year Development Plan is consistent with the Lactalis Australia corporate strategic directions and we look forward to working with the WADIWG to develop and implement pre-competitive projects to achieve the goals of the Plan.

### Malcolm Fechney

*Supplier Services Manager Northern & Western,  
Lactalis Australia Pty Ltd*











# Minister's foreword

*It's encouraging to see producers and processors come together to develop a plan for Western Australia's dairy industry.*

We must ensure we keep consumers at the centre of our planning. Consumers are becoming more discerning and open to new, quality products. Their concerns around nutrition, climate change and animal welfare are an important part of the story industry tells.

This 5-year industry development plan demonstrates cohesiveness and commitment to meet some of the current and emerging challenges.

The WA dairy industry is one of the State's longest established agricultural industries, largely focused on producing high quality, fresh milk for the local market. We must also continue to develop more value-added products and new markets.

The industry needs to maintain a critical mass of milk supply to stay viable. However, it's important we consider the metrics to ensure prices are sufficient to ensure the industry thrives at its 'sweet spot' - balancing supply and demand.

WA is proudly one of the nation's top performing States in terms of productivity and profitability. A focus on business skill development will help spread success across the industry.

We will work enthusiastically with industry to ensure the long-term future of this important industry.



**The Hon Alannah MacTiernan MLC**

*Minister for Regional Development; Agriculture and Food; Hydrogen Industry*

# Why do we *need* a plan?

Over the years the WA dairy industry has had several attempts to develop a strategic plan. Historically, these have been developed by a third party or one element of the industry. Ultimately these plans have not succeeded.

In 2020, WAFarmers Dairy Council approached the Department of Primary Industries and Regional Development (DPIRD) with concerns about the future of the WA dairy industry.

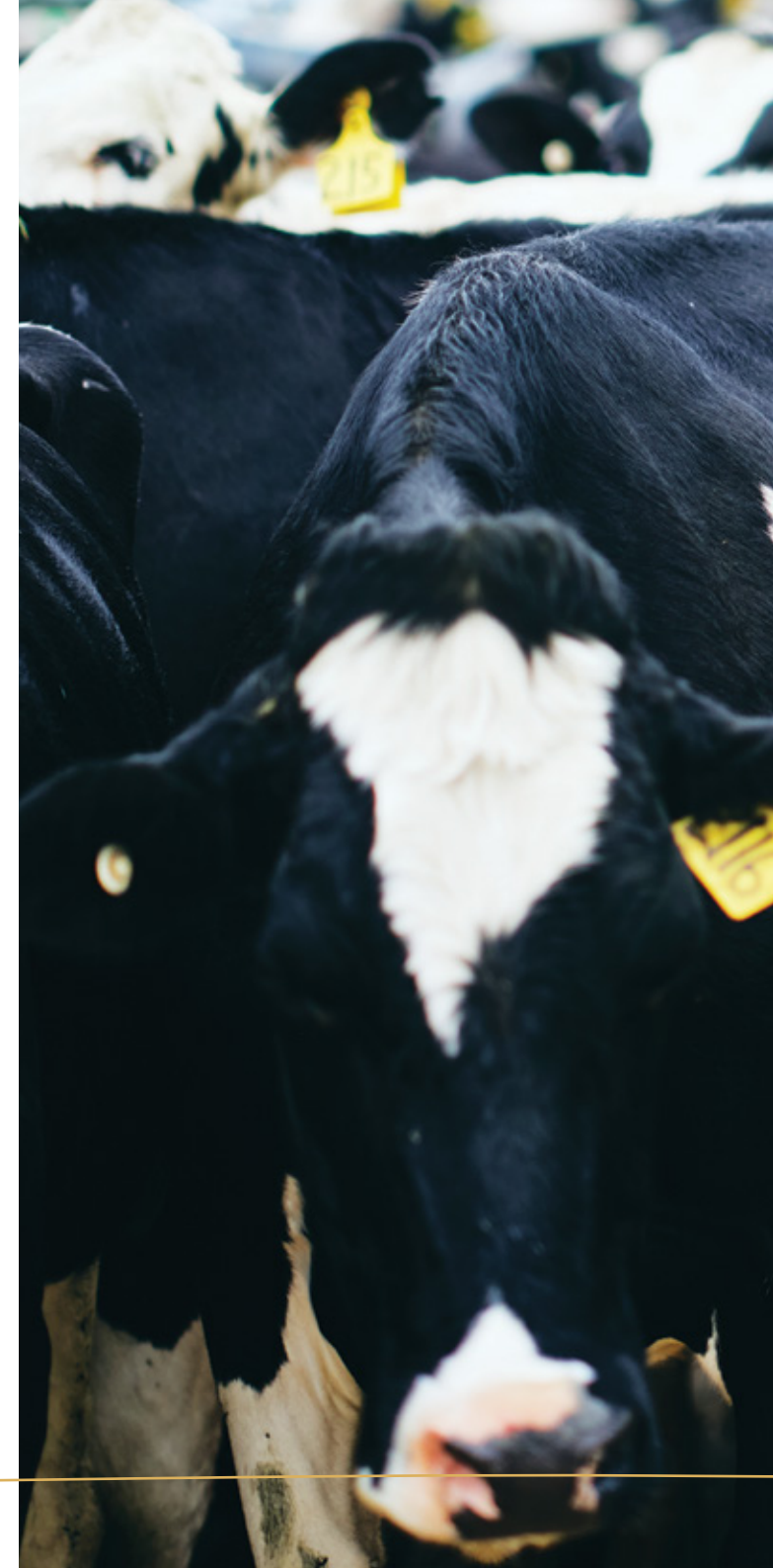
In January 2021, DPIRD brought together the key stakeholders to attend a facilitated round table consultation process of industry and government representatives.

As a result of that roundtable, it was agreed that what the WA dairy industry needed was a long-term strategic plan that was developed by industry, for the industry, and owned by industry, and a plan that industry could

deliver on. From this, the WA Dairy Industry Working Group (WADIWG) was formed with representatives from:

- Bega – Ruben Zandman
- Brownes Dairy – Marc Anderson
- Dairy Australia – Charles McElhone
- DPIRD – Terry Burnage and Carmel Lyttleton
- Lactalis Australia – Malcolm Fechny and Kevin Sorgiovanni
- WAFarmers Dairy Council – Ian Noakes, Michael Partridge and Laura Stocker
- Western Dairy – Robin Lammie, Peter Evans and Julianne Hill

Brad Weir is the independent Chairman of the working group.







## Our vision

*The WA dairy industry has a reputation for best practice, innovation and sustainability, enabling growth and building confidence in our industry to ensure its long term viability.*

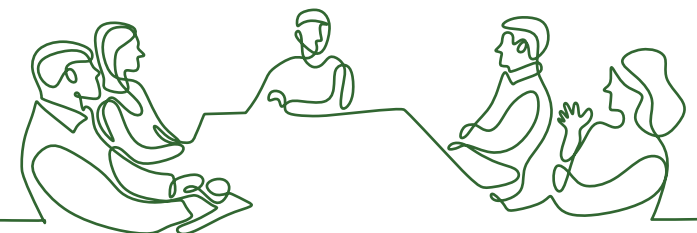


# Our achievements

Since its formation the WA Dairy Industry Working Group (WADIWG) has achieved a significant amount of progress including:

- The industry now has a set of agreed common goals.
- All the founders have made significant input and have seen the value of this over the last year.
- It has provided a forum where robust and trusting relationships have been formed.
- Regular bi-monthly meetings have been held with an opportunity for all parties to openly raise issues faced by the industry.
- The factors affecting the sustainability of the industry have been identified and unpacked through a wide lens.
- The expectations of key stakeholders have been discussed and we now have a much better mutual understanding of where other parties are coming from and what issues and constraints they have.
- The group has looked at issues such as carbon management and will proceed with further work to see how we can turn this from a cost to an additional income stream for the industry.
- WADIWG has been instrumental in influencing the biggest annual price rises paid by processors to farmers in the last year.
- The WADIWG has affirmed just how sustainable the WA dairy industry is.
- Lactalis, the world's largest dairy company, has voiced that in WA, we do it well and the rest of the world should have a look at just how well the WA dairy farmers do their job.
- We have strengthened the engagement with WA Government, and have been boosted by the willingness of Minister MacTiernan to listen to the industry.
- We have been able to work with Dairy Australia to ensure that the WA dairy industry is well presented to allow Dairy Australia to wherever possible tailor national initiatives to accommodate circumstances that we face here in WA.
- All in all, the formation of the WADIWG has been a very positive experience and the parties are working well to implement the 5-year development plan.

*“The development plan will help us diversify and expand as an industry and meet the rising expectations of the community.”*





# Our goals

To achieve this vision, WA Dairy Industry Working Group (WADIWG) has developed the following goals to achieve by 2027.

1.



**Increase the profitability of the WA dairy industry to retain critical mass within the industry.**

2.



**Engage across the entire supply chain in order to remain aware of industry needs; respond to current and emerging consumer trends; and promote dairy with one voice that reinforces the virtues and value of the WA dairy industry.**

3.



**Establish new markets for diversified dairy products and grow the WA milk supply to meet those demand opportunities.**

4.



**Create viable pathways for entry, growth and succession in the WA dairy industry and ensure that the industry can attract and retain the workforce and service providers it requires.**

5.



**Optimise our supply chain by considering and using alternative dairy farming methods, adopting best practice technology and being data enabled.**

6.



**Capture the opportunities presented by the emerging low carbon economy and continue to strive for best practice systems that will reduce our footprint across our supply chain.**

## Goal 1:

Increase the profitability of the WA dairy industry to retain critical mass within the industry.

*Moving forward on programs and initiatives to support growth, diversification and sustainability of the WA dairy industry.*





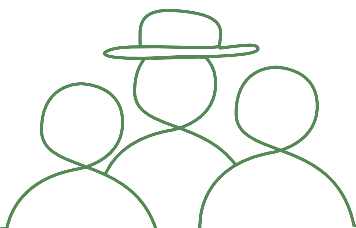


### Strategic outcomes

- A** At least 50% of WA dairy farmers achieve a profit of at least \$0.20 EBIT for every litre of milk.
- B** At least 50% of WA dairy farmers have achieved a ROTA of 6.5%.
- C** New WA dairy farmers have been attracted to the industry and are in production.
- D** Existing WA dairy farmers have made an investment in new dairy infrastructure.
- E** Farmers are recognised commercially in a timely fashion for significant cost input increases.
- F** WA dairy produce achieves enough value to ensure a profitable supply chain, so processors and farmers can invest in innovation and sustainability.

### Strategic initiatives

- 1** Increase participation in the Dairy Farm Monitor Project to provide a more holistic measure of how WA dairy farmers are performing against the established profit targets.
- 2** Introduce a WA dairy industry Cost Index.
- 3** Continue to engage with retailers.
- 4** Match parties wishing to enter the industry with those planning to exit.
- 5** Educate those interested in entering the WA dairy industry about alternative funding models for potential entry strategies through effective communication.





## Goal 2:

Engage across the entire supply chain in order to remain aware of industry needs; respond to current and emerging consumer trends; and promote dairy with one voice that reinforces the virtues and value of the WA dairy industry.

*Collaborating with stakeholders, strengthening relationships and together, promoting our dairy industry with one voice.*







## Strategic outcomes

- A** WADIWG continues to operate and be funded to coordinate stakeholder engagement.
- B** Stakeholders have a clear understanding of the positive virtues and value of the WA dairy industry.
- C** WADIWG continues to have a clear understanding of current and emerging consumer trends and sentiment and the challenges and opportunities that represents.
- D** Consumers of dairy and alternative milks have an increased level of trust and acceptance in dairy products, through an understanding that WA dairy farmers use best animal health and welfare practices. Consumers understand and respect the importance of biosecurity to WA dairy farmers.
- E** A clear set of positive messages has been agreed, developed and communicated.

## Strategic initiatives

- 1** Develop a strategic marketing and communications plan for WA Dairy that is informed by consumer and social trends that builds trust and reminds consumers of why WA Dairy is important and drives value and support for its products.
- 2** Continue to work with Dairy Australia and through the implementation of the Australian dairy plan to build support for Australian dairy with consumers.
- 3** WADIWG to be informed annually of current and emerging consumer trends and sentiment and ensure that opportunities are captured in efforts to identify new markets.



## Goal 3:

**Establish new markets for diversified dairy products and grow the WA milk supply to meet those demand opportunities.**

*Strengthening WA's dairy offering and grasping new market opportunities for now and the future.*







### Strategic outcomes

- A** The WA fresh milk market continues to supply the majority of WA consumption of fresh milk.
- B** Any decline in the WA dairy industry milk supply is abated and reversed.
- C** Exports of WA white milk and manufactured milk products have increased.
- D** Imports of manufactured milk products (both domestically and internationally) have reduced.
- E** New premium markets have been identified for the WA dairy industry.
- F** There is an improved cold chain compliance and management regime in place.
- G** There is an improved supply chain and logistics model in place to support export markets.
- H** WA consumers clearly understand where dairy products sold in WA are produced.

### Strategic initiatives

- 1** Ensure potential domestic and international export markets are clearly identified and reviewed on an ongoing basis.
- 2** DPIRD continue to represent WADIWG to improve in cold chain export compliance, competitive international logistics and export market development.
- 3** Introduce a WA Dairy Concierge.
- 4** WADIWG to pursue the adoption of truth in labelling on WA dairy products.



## Goal 4:

Create viable pathways for entry, growth and succession in the WA dairy industry and ensure that the industry can attract and retain the workforce and service providers it requires.

*Farming for the future – attracting and retaining our dairy farmers and workers.*





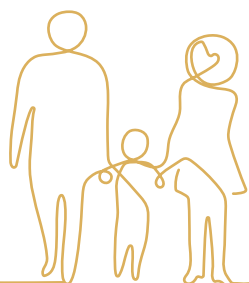


### Strategic outcomes

- A** WA dairy farmers and processors are able to attract and retain the employees and service providers they need.
- B** There is an increased awareness of the WA dairy industry as an attractive industry with rewarding careers.
- C** There is an increase in sentiment/satisfaction towards the WA dairy industry from employees within the industry.
- D** Farmers have a clear understanding of the staff recruitment channels available to them.
- E** Farmers have the right support, advice and information to assist with succession planning for their business.
- F** New entrants and investment are attracted into the WA dairy industry.
- G** Our people have an increased level of positive mental health and well being.

### Strategic initiatives

- 1** Develop a WA dairy jobs social media platform to assist with recruitment as part of a strategic marketing and communication plan.
- 2** Identify and promote successful WA dairy industry career progression stories.
- 3** Continue to lobby and influence Federal Government regarding skills migration.
- 4** Lobby local governments and associations to review temporary accommodation strategies.
- 5** Develop mental health programs to support our people.



## Goal 5:

Optimise our supply chain by considering and using alternative dairy farming methods, adopting best practice technology and being data enabled.

*Maximising productivity within the dairy industry and supply chains through innovative thinking.*





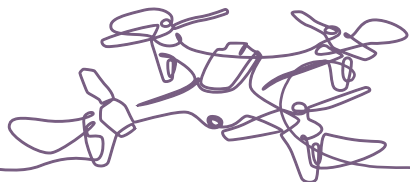


### Strategic outcomes

- A** All WA dairy farmers (that meet quality and hygiene requirements) can sell their milk.
- B** Additional value has been created by optimising the whole supply chain.
- C** An industry sponsored review has been undertaken to identify transitioning dairy farming models best suited to the WA industry and climate.
- D** Alternative dairy farming operating systems, along with alternative dairy farming land locations are considered to align with our changing climate and sustainability requirements.
- E** There is an increase in the uptake of advanced technology and utilisation of data by the WA dairy industry.
- F** There is better availability of technical and operational support to the WA dairy industry for technology.
- G** The WA dairy industry has secured government and private sector support for the further introduction of technological advances.
- H** Technology is being introduced with visible and transparent benefits to the long-term sustainability and profitability of the industry.
- I** A streamlined process has been developed for the WA dairy industry to deal with state and local governments regarding planning regulations and approvals.

### Strategic initiatives

- 1** The signatories to this plan will commit to using their best collaborative endeavours to ensure all WA dairy farmers (who meet quality and hygiene requirements) will be able to sell their milk.
- 2** WADIWG will continue to provide a collaborative forum to improve supply chain productivity.
- 3** WADIWG will undertake a review of transitioning dairy farming models best suited to the WA industry and climate.
- 4** Develop a WA Dairy Technology Transition Program.
- 5** Develop a WA Dairy Carbon Reduction Technology Program.



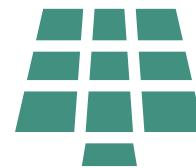
## Goal 6:

Capture the opportunities presented by the emerging low carbon economy and continue to strive for best practice systems that will reduce our footprint across our supply chain.

*Striving to reduce our carbon footprint across the dairy industry supply chain and turning costs into additional income streams.*







## Strategic outcomes

- A** 100% of WA dairy farmers have upgraded their effluent management systems to meet or exceed the standards of Code of Practice for Dairy Effluent Management WA.
- B** WA dairy farmers optimise their use of organic and non-organic fertiliser management to maximise their profitability and use best fertiliser practices through soil and leaf tissue testing.
- C** WA dairy farmers and processors increase renewable energy use and improve energy efficiency where profitable within their operations.
- D** 100% of major processors and WA dairy farmers have undertaken a baseline carbon assessment by the end of 2025.
- E** The WA dairy industry has achieved at least a 30% reduction in carbon emissions by 2030.
- F** WA dairy farmers and processors understand their carbon footprint and have plans underway to reduce their carbon footprint.
- G** WA dairy farmers are aware of the leading options to reduce enteric emissions from their herd.
- H** An Industry Growth Partnership is in place involving carbon reduction.
- I** The WA dairy industry has captured value from the emerging low carbon economy.
- J** The WA dairy industry is supported by the private and public sectors to capture that value.

## Strategic initiatives

- 1** Continue to promote best practice environmental farming systems to WA dairy farmers.
- 2** Select and communicate the preferred WA Dairy Carbon Calculator(s).
- 3** Assess options to reduce enteric emissions.
- 4** Identify opportunities for the WA dairy industry to create value from the emerging low carbon economy.
- 5** WA dairy farmers continue to comply with or exceed:
  - Australian Animal Welfare standards and guidelines,
  - Animal Health Australia guidelines for health and biosecurity, and
  - Food Standards Australia New Zealand.







# Sustainability framework

*The WA Dairy Industry Working Group (WADIWG) has developed this 5-year development plan under the Australian Dairy Sustainability Framework, established by Dairy Australia, Australian Dairy Products Federation, Australian Dairy Farmers and Australian Dairy Industry Council.*



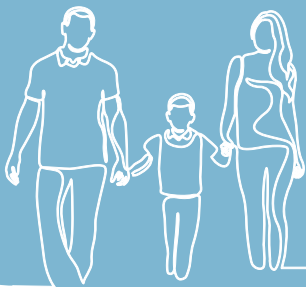
## **Enhancing economic viability and livelihoods**

**Creating a vibrant industry that rewards dairy workers and families, their related communities, business and investors.**



## **Providing best care for all our animals**

**Striving for health, welfare and best care for all our animals throughout their lives.**



## **Improving wellbeing of people**

**Providing nutritious, safe, quality dairy food.**



## **Reducing environmental impact**

**Meeting the challenge of climate change and providing good stewardship of our natural resources.**

# Next steps

The WA Dairy Industry Working Group (WADIWG) will continue to develop a detailed implementation plan with clear key performance indicators and measures against each outcome and initiative. Updates on the implementation plan will be communicated with stakeholders on a regular basis as part of the WADIWG strategic communications plan.

*“The development plan will help us diversify and expand as an industry, meet the rising expectations of the community in terms of sustainability and publicise our achievements.”*







## Contact

To find out more, please contact the  
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and Regional Development.

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