AGDA 2023

DIAA members shine at these awards

The Dairy Report

Member Profile: 'Tuscany in Bunbury'

... and more

innovative value-adding podcast, dairy science, milk market report, celebrations, vales, member news

Volume 44, No.2 April / May 2023

ISSN: 0157-7964

Dairy Foods

Official magazine of the Dairy Industry Association of Australia



contents

VOLUME 44, NO. 2 APRIL / MAY 2023



5

Top US cheese Top 20 cheeses announced in USA.

The Dairy Report

How the Smith family won WA's top DIAA award.



AGDA 2023
DIAA members win

16 of 18 awards.



WA Results
Championship
results for 2023
announced.

Also in this issue

- 2 President's Message
- 3 News
- 12 Milk Market Report: Milk flows have slowed, dynamics to remain
- 19 WA Technical training
- 32 Dairy Science: Grass-fed milk aspects
- 42 Vale: John Bennett AM
- 44 Vale: Jim Marshall
- 46 Dairy Diary: Australia and internationally
- 48 In the Bunker: Vic on the golf course

Value adding
New podcast,
Innovation AG talks,
value adding in dairy.

About the cover



IFN

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New podcast explores value-adding innovation

Episode four in a new podcast series, Innovation AG, looks at value adding in dairy. *Australian Dairy Foods* spoke to those behind the creation at the **Vic Hub**.

nnovation AG is a new, 10-part podcast series that examines innovation throughout the agribusiness supply chain.

Created by the Victoria Drought Resilience Adoption & Innovation Hub (or the "Vic Hub") this free podcast has proven popular since its launch in January.

Sabine Tausz-Posch, Associate
Director – Innovation at the Vic Hub,
says, "There is no clear 'innovation
roadmap' in farming and agriculture,
thus we decided to create this new
podcast series as a guide for farmers
who are deciding whether to invest

36

in new agtech, or tying to fund or future-proof their next project."

Sabine says Innovation AG is also for those who want to value-add to their agricultural businesses, or even just keep up with industry changes.

"The podcast picks the brightest minds, examines the latest research and maps out a step-by-step process to help farmers implement change. Hear from farmers, scientists, technologists and ag industry leaders, who are all working towards innovation, improved sustainability and new opportunities in agriculture. This podcast draws out the practical

lessons, so farmers can apply them on farm, in industry or research."

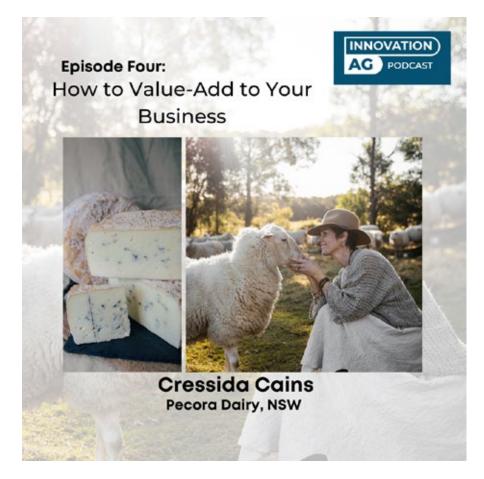
Hosted by Vic Hub Knowledge-Broker and former ABC radio and television journalist, **Kirsten Diprose**, the free 10-part series is supported by funding from the Australian Government's Future Drought Fund.

Kirsten says, "I am so very excited about this podcast. Innovation AG is intended to act as a 'guide book' to innovation on-farm and for the broader agriculture industry. While there's no perfect playbook for innovation, throughout the series we're drawing on the latest research from universities, farmers and industry to help those on the land navigate what can be a messy journey of changing practices. We also share the 'fails' too, because no innovation happens without the odd misstep along the way."

The experienced broadcaster and rural-storyteller said the Vic Hub podcast series brings together the best advice from farmers, academics and science.

"We ask questions such as 'what motivates people to innovate?' and 'how can you make the right decision when thinking of introducing a new innovation?' And – the big one – 'how do you fund it?'.

"Innovation AG is different to other farming podcasts: we incorporate the latest research as well as farmers and rural communities. I live on a farm and I work in academic research, so I get that these two worlds don't always sit down for a chat. But they do on this podcast!



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"There are so many bright minds we have interviewed for this series and I feel so privileged to be hosting, with the series brought to life by the Vic Hub's talented producer **Rachael Thompson**, who has worked on many podcasts and films over the years.

"In episode four, 'Value adding', one of the people I interviewed was dairy farmer **Cressida Cains**."

Here is an abridged version.

The beginnings of Pecora Dairy

Returning to Australia after postuniversity work overseas, Cressida began working in the wine industry. A few years later she and her husband **Michael** moved to a small property in Robertson, in the NSW Southern Highlands

"And that was where we got the idea of sheep milking. We were very clear



innovation and technology feeds into what makes a sustainable and profitable small business

right from the beginning that we wanted to go into a very high value product.

"We don't come from a family farm, so we had work it all out ourselves. It was a huge learning curve but we had some very clear pillars that we wanted to stand by – the very high value product, good proximity to main markets, to have an environmentally sustainable business and to treat our animals ethically."

Cressida said the wine industry was an interesting example to learn from.

"Back in the '70s, we really assumed that wine from overseas was far better than anything we could produce in Australia. Some of it was, but our skills as winemakers in Australia then developed. Back in the day, if you wanted to be the height of sophistication going to a dinner party, you'd take a French Beaujolais or something like that. Whereas today we have such a dedication to our Australian wine industry that wherever you are, you take your local wine. So I think there's some really good parallels there. The wine industry has done a fabulous job of branding and value adding to their product.

"I believe value adding is a really sustainable and profitable way of running a business; it can be done with most agricultural commodities – such as wine or cheese – and obviously some areas more than others, but I think it's a really



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interesting and poignant area at the moment particularly after COVID and all the supply chain issues.

"The other thing of course, is that when we walked into supermarkets during COVID, we suddenly realised that there were all these empty shelves and exactly how much we were importing into this country. So I think consumers, together with the environmental concerns they have in regards to climate change and the like, are really interested to know where their food comes from.

"So to be able to tell the story of your product, and to help the consumer understand where the product is coming from is really, really important.

"The other element from my point of view is the health consideration. There are a lot of people who are turning away from eating meat

38

or dairy – which is, of course, completely up to their own desires – but I would also pose the question that maybe we should be looking at what is being farmed and how it's being farmed."

She said more broadly, stakeholders are increasingly applying the "ESG" or non-financial metrics of "environmental, social and governance" to analyse companies and assess risk and growth opportunities.

When they established Pecora Dairy over a decade ago, the Cains identified markets that they wanted to move into; Michael gradually moved away from consulting to do more work on the farm.

"It was a very organic process. We didn't have the ability then to travel overseas widely to do a lot of research, so our research was online and from setting up systems ourselves. In some ways it was quite interesting because neither of us come from a traditional Australian agricultural background, so we were perhaps able look at things with different eyes. We have dairy sheep, not dairy cows, so the systems that we put in place were those that we developed and that worked for us."

Opportunities

"In the 12 years that our business has been in operation, there are basically the same number of sheep dairies in Australia – half a dozen.

"To me, there's a massive opportunity with sheep dairying. Certainly if you look at New Zealand, they're taking the ball and running with it. There's a huge amount of government investment and stakeholder investment in sheep, because there are massive markets in Asia, low cow-

Australian Dairy Foods **April / May 2023** www.diaa.asn.au

milk tolerance, so sheep milk is a very good alternative.

"There's no doubt that sheep milking is a sustainable, profitable industry. Hopefully one day there will be more interest in Australia."

Cressida said the focus on more land, with bigger machinery and higher livestock numbers is starting to flip due, in part, to a consumer focus on sustainability and food provenance."

Innovation and technology

"Things are starting to be more interesting for very small producers, which feeds into what makes a sustainable and profitable small business.

"Consumers are interested in alternative forms of protein too."

Kirsten said the disruption to supply chains that the pandemic created was a shock to many people, unable to get what they wanted or finding items were outrageously expensive due to shortages.

This has renewed a focus on local production and local manufacturing, making it a fantastic time to be involved in value adding produce. From consumers, there is much more of a push towards local produce and a greater understanding of the need to support small Australian businesses, but there needs to be a balance for consumers in lower-priced specialty goods too.

"People will choose more expensive cheese to have at a restaurant or on a special occasion, while there's the everyday cheese for the lunch boxes."

Food waste

Cressida said, "We need food to be a fair price so consumers can feed their family proper, nutritious, fresh produce. One comment I would make is that maybe we need to look at actually consuming less. Food waste in this country is massive, and is still yet to be seriously addressed. We could, perhaps, all look at buying better quality and eating less of particular products – it's something to be considered in that food-waste conversation."

Kirsten said, "For farmers who have traditionally supplied the commodity market, it can be a really tricky switch to start thinking about value adding.

"How do you potentially switch your mind? I think it's a big barrier – I'm speaking from personal experience from when I talk to my own husband about it: he cannot see the value in value adding at all, so it's hard for me to show him a business case without starting the process of it. Value adding is a different way of thinking, in building a business around a brand."

Cressida said, "It's definitely a different way of thinking. We do need larger producers, and we really do need to be able



to produce food in this country at a good price – that's essential.

"From my point of view as a producer, I can't comment too much on a big producer because that's not my area of expertise. But in terms of being a really small producer, I think starting that having a good idea, creating a clear plan, and then implementing it, it's important as a small producer to be able to jump in and 'have a go', because you're never going have all of the details crossed off at the start. At some point you have to hop in and make decisions on the fly, knowing that they are moving towards your overarching goal of that clear picture of where you see your product and how you want it to be produced and sold."

So does value adding open up agriculture to other business models, and that perhaps you don't need large tracks of land to have a successful farming business?

Quite possibly.

40

Young people who don't come from a farming background have difficulty in Australia acquiring land for a farm. Apart from more traditional share-farming, other models include small parcels for small-scale food production.

And while a criticism could be "consumers want low-priced food", in the past 10 years, the opportunity for self-marketing and branding yourself, just with the technology available, has exploded the concept of food trails. Silo art trails have joined in the tourism boon.

With this concept of food trails growing, is the door opening for another crack at that value adding in Australia experience that perhaps didn't work 20 years ago?

Cressida Cains thinks so.

The tourism boon

"Back when we started 12 years ago, we did a lot of farmers' markets to start people understanding about our brand. We watched so many young people who would do the rounds of the market, and then really make a very targeted decision about what they wanted to purchase.

"And cost was not the main factor: they were really interested in how things were produced, the story behind it, and they would make a very very strategic decision. I think there's a huge amount of room for that. Certainly if you look at our model at Pecora Dairy: during the pandemic when a lot of other people were actually moving out of hospitality, we decided to move *into* hospitality.

"Let's take a piece of cheese that we produce on-farm; now we actually up the value chain and serve that as a piece on a cheese plate with a glass of wine, which is the most profitable way that you can serve that. So for small producers, there are so many different and innovative ways that you can sell your product and value-add agile product."

See the next issue of *Australian Dairy Foods* magazine for the continuation of this feature, where we hear about food as the connector, shaping stories, how to begin value adding, Dairy Cocoon, Kevin the cheeky ewe and taking opportunities.

For more information on the Innovation AG podcast, please see vicdroughthub.org.au/podcast



That's a mini burrata

That's Amore Cheese, established by DIAA member Giorgio Linguanti, has added a new mini cheese to its range: a Mini Burrata aimed at lovers of the highly popular, gooey Burrata.

About half the size of the original, the Mini Burrata has the same oozing centre of mozzarella strips bathed in cream within the mozzarella outer layer.

The Mini Burratas are packaged in a tub of two, weighing 120g per tub, compared with the regular-sized Burrata at 125g.

Like That's Amore Cheese's award-winning regular sized Burrata, the Mini Burrata is a fresh cow milk cheese made from mozzarella and cream. To make it, That's Amore's cheesemakers create an outer shell of mozzarella, which is crafted in a money bag style, then filled with strips of mozzarella bathed in cream.

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