



Writer & editor: Louise Thomas 0418 443 433 louise@lthomaswriter.com

BUILDING A PROFITABLE DAIRY BUSINESS

Macarthur suppliers Peter and Fiona Musson won this year's Gardiner Foundation Farm Business Manager of the Year at the Great South West Dairy Awards in May.

After arriving from England 21 years ago, Peter and Australian-born Fiona began building up the dairy farm business from scratch, starting by leasing the original part of the property from Fiona's parents and obtaining a loan to purchase a dairy herd, which they soon repaid. By building equity through the herd, they eventually bought additional parcels of land in stages, built up the cow numbers and added a 60-unit rotary dairy, now farming on 730 hectares (milking area of around 320 hectares) with cow numbers peaking at around 780.

'It has always been run as a business', Peter emphasises. 'Having to work for everything – it has always been very cut-throat for us. We know our strengths and weaknesses and we make decisions on what is the profitable thing to do.'

Peter and Fiona feel that the key challenge is to make each area of the farm business pay and to be able to use the land and business profitably.

'Whatever choices you make, there's got to be money in it or it's not worth doing', Peter says.

The Mussons are very focused on analysing their business performance, and have been part of the Farm Monitor Project for many years.

During the interview for the award, judges asked Peter and Fiona about all aspects of the business, including financials, profitability, employment, environment, risk management and how the business had grown during the year. They were also asked about their five-year and ten-year plans.

'They looked at all aspects and were extremely thorough', Fiona says. 'They were interested in how we had built up from the beginning.'

Peter and Fiona found that a lot of the information required for the application process was already on hand because they are constantly analysing the farm business.

They also found the award application process valuable for opening up dialogue about the farm business with their staff as well as between themselves, allowing them to consider making positive changes.

Fiona explains that she and Peter are very different people and they each focus their skills on separate parts of the business. Peter adds that it is important to have the support of staff for the way you want to run the business.



Macarthur suppliers Peter and Fiona Musson.

They have four full-time employees, with team members contributing skills that complement their own. In 2013, they also won the Great South West Dairy Award for Employer of the Year.

Peter and Fiona emphasise the importance of either having business management skills yourself or outsourcing them from experts. Early on, they used consultants to help develop the financial side of the business. They also attended a lot of training courses and discussion groups, such as Target 10 and Pastures for Profit, to help them adapt to running a dairy farm business in Australia. They have since built up long-term relationships with nutritionists, agronomists, contractors and feed companies. Fiona has also gained valuable skills through undertaking a Diploma of Business Management as well as a Diploma of Human Resources Management.

Over the years Fiona's father Ian Webb has also contributed his programming and spreadsheet skills to the analysis of their business performance.

Risk management is fundamental to their approach, and feed budgeting has been a key part of this. They find the Macarthur area has good winter growth and they can usually produce a good hay stockpile, which helps insulate the business from ups and downs.

With large numbers of calves produced each year, they have been able to supply export and domestic markets for heifers and replacements.

BULK MILK CELL COUNTS

The Top 25 recognises the efforts of suppliers in keeping their average monthly BMCC to low levels.

Top 25 May 2017

| | | |
|----|--|--------|
| 1 | Carl Walder | 43,000 |
| 2 | D C Johnson Pty Ltd | 47,000 |
| 3 | Cyril & Marjo Nijskens | 48,000 |
| 4 | Matthew Ross | 55,000 |
| 5 | Mary, Robert & Helen Grieve | 57,000 |
| 6 | Triple T Farms | 59,000 |
| 7 | SJ & V Ewing | 62,000 |
| 8 | Noel, Franci & Narrelle Hann | 64,000 |
| 8 | Corey Baulch | 64,000 |
| 9 | Lex & Rachael Moloney | 65,000 |
| 9 | RG & TA Morey (Rachael) | 65,000 |
| 10 | Costin Partnership (Colin) | 66,000 |
| 11 | Rod & Libby Swayn | 68,000 |
| 12 | Mark & Tania Nevill | 70,000 |
| 12 | Tim & Anne McSween | 70,000 |
| 13 | Glenmead Pty Ltd (I,V & N Smith) | 71,000 |
| 14 | S & P Rea | 75,000 |
| 14 | Howard Partnership | 75,000 |
| 15 | Michael & Jill Mahony | 76,000 |
| 16 | Lyn Logan | 78,000 |
| 16 | Lyndon & Joyce Cleggett | 78,000 |
| 17 | Peter & Christine Raper | 80,000 |
| 17 | Gerard & Jo McNamara (Nathan) | 80,000 |
| 18 | Barry & Andrea Smith (Stephen & Allira Smith) | 81,000 |
| 18 | John & Mary Meade | 81,000 |
| 19 | Doug & Karren Hunter | 82,000 |
| 19 | AF & EM Darcy | 82,000 |
| 20 | LR & SL Madden | 83,000 |
| 20 | Hans & Susanne Vogel | 83,000 |
| 21 | Andrew Buckley | 84,000 |
| 21 | Ian & Colin Heatley, Rebecca Hodson | 84,000 |
| 21 | Lance & Lynette Greenwood | 84,000 |
| 22 | Trevor & Carolyn Beasley | 86,000 |
| 22 | Peter & Joy O'Keeffe | 86,000 |
| 22 | Lyndon & Janet Rogerson | 86,000 |
| 22 | Craig & Annette Smart | 86,000 |
| 23 | Rohan & Jayde Smith | 87,000 |
| 23 | Kieran & Raymond Campbell | 87,000 |
| 23 | Brian & Cathy McCosh | 87,000 |
| 23 | Michael & Stephen Everett | 87,000 |
| 24 | Balpat Pastoral | 89,000 |
| 24 | Tyson & Vanessa Sinclair | 89,000 |
| 25 | Ted, Doreen & Andrew Delaney | 90,000 |

Factory Average BMCC May: 171,000

QUALITY MATTERS

By Anne Prince, Farm QA Manager

In July, all suppliers will be halfway through licensing or accreditation periods with the state dairy regulator. Please take a moment to reread your licence conditions, which are printed on the reverse of your licence. Contact your state dairy regulator to update your details if they are incorrect or if you have recently ceased dairying. If you have moved to a new property, contact the regulator so that the licence linked to the property can be transferred to your name. Licences are not transferrable between properties, although properties can be enlarged without affecting the licence. Talk to your Field Officer for further information.

Thanks to those of you who have already given your time and cooperation to participate in the audit that is part of your licensing conditions. For those whose audit is due in the second half of the licencing or accreditation period, now would be a good time to check when your audit is due. If you would like to change the month of the audit, please contact me to arrange this for you. Forty-eight hours' notice is required to cancel or rearrange an audit time once it has been set. To do this, you can either contact your auditor directly or let me know.

I am always interested in receiving feedback regarding suppliers' audit experiences. Feel free to contact me on 0447 467 303 or email anne.prince@saputo.com to discuss.

By now, all suppliers should have a copy of the WCB Milk Supply Handbook for 2017/18. There are some changes to the content since last year's edition. Please take the time to read the material carefully.

If you have any questions regarding your quality program or the auditing process, please contact myself or your Field Officer.

DIAA AWARDS

WCB has been successful at both the Victorian and national 2017 Dairy Industry Association of Australia (DIAA) Dairy Product Competitions. Results reflect the hard work and commitment of our suppliers in producing quality milk and the entire WCB business in producing the highest quality dairy products.

In the national competition, we won four trophies and seven silver medals. At the awards night in May, John Williams, our General Manager Consumer Goods, was presented with the John Bryant Gold Medal in recognition of his outstanding contribution to the dairy industry.

In the Victorian competition, WCB received nine trophies and six silver medals.

QUALITY AWARDS

WCB would like to congratulate suppliers who have been recognised for their outstanding milk quality in the 2017 Australian Milk Quality Awards, as listed below. These awards recognise farms that have achieved the best milk quality in Australia based on annual average bulk milk cell count (BMCC) across Australia's milk processing companies. Sixty per cent of the gold plaque winners in western Victoria are WCB suppliers – an excellent achievement!

These awards are a great recognition of suppliers' pride in producing high quality milk, and their care and attention to cow health and good mastitis control techniques for the whole year. Milk quality is enormously important to the quality of our end products at WCB and we appreciate the efforts of suppliers in producing low BMCC milk. Award plaques will be distributed in the coming weeks.

GOLD PLAQUE WINNERS

Balpat Pastoral
 TJ & CJ Beasley
 CA & AL Duro
 TR & KM Foote
 Glenmead Pty Ltd - ATF Smith Farm Trust
 RJ, MI & HI Grieve
 B & D Howard
 Kippers Family Trust
 L'Lubatul Nominees
 G & J McNamara, N McNamara
 RG, TA & R Morey

PG & CJ O'Keefe
 Powell Dairy Farms
 IR & JA Rhode
 MP Ross
 C & A Smart
 TA Taylor
 The Claine Family Trust
 Triple T Farms
 H & S Vogel
 Scotts Creek Dairies - A & J Vogels



SILVER PLAQUE WINNERS

Alnor Partners Pty Ltd
 Alta Vista Enterprises
 M & S Brown
 KP Campbell & The Campbell Family
 LF & JM Cleggett
 CJ & CL Costin
 EJ, DA & AE Delaney
 W Dumesny, N & E Hayes
 Eirenclare Farms - Miltown
 BT & MA Farley
 Gundi Partnership
 WN & F Hann, N Hann
 B, M, A, M & T Holloway

DO & KM Hunter
 RJ & M Hussey
 J & J Inglis
 Lallawa Grazing Co
 Tim & Anne McSween
 MA & TL Nevill
 CP & MJ Nijskens
 KD & GM Parsons
 D, N & O Simpson
 Smith Rural Holdings
 Michael & Nicole Uebergang
 Linda & Andrew Whiting



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Their strong financial management skills have also stood them in good stead when dealing with banks.

'The banks see that we risk-manage our business and they trust us', Peter says. 'Our ten-year plan is to put ourselves in a position to be able to take up opportunities as they arise.'

Fiona adds that their earlier plans were more rigid but their aims have changed. Five years ago they began focusing more on work/life balance and increased their number of employees as a result.

Peter and Fiona have four children: Jake, Jessica, Harry and Isabelle.

Eldest Jake is currently doing his masters in agribusiness and recently undertook an analysis of Wagyu beef as a potential second income stream for the farm. Peter and Fiona are currently considering this option. 'We're always looking for something challenging', Fiona explains.

Jake attended the award ceremony in May with Peter as Fiona was unable to go. 'It was nice for him to see the industry', Fiona says.

Peter and Fiona both enjoyed the award process and feel it has helped them to refocus and to know where they are going. 'We try not to stand still', Peter adds.

Congratulations to Peter and Fiona on a well-deserved win!

CLASSIFIEDS

TO PLACE OR CHANGE AN AD IN THE CLASSIFIEDS:

Please email your ad to james.maxwell@saputo.com or contact your Field Officer before the 24th of the month to place an advertisement.

EMPLOYMENT:

Casual farmhand position available within 15 minutes of Timboon, excellent facilities and team environment. Ph James 0437 921 162.

Herd manager/Manager required for 800-cow dairy in the Macarthur area. All enquiries ph Rachel 0439 790 252 or email resumes to rachel.alexander@saputo.com.

Share farm/lease wanted. Couple with 20 years' experience, references available, have own herd and equipment. Prefer Mt Gambier area. Ph. 0427 188 623.

FOR SALE:

25 AI straws of "Shottle" for sale, currently stored at Camperdown facility. Ph Ian 0457 895 924.

Complete dairy infrastructure for sale - purchaser to remove. 15 side double up. Milkaware plant, electric pulsators, electric cup removers, Dairy King air stall gates, Dairy King individual feed system incl. augers and old silo apparently computer capable. Incl. vac pump, compressors etc \$45,000 ex-GST; Frigrite 5,600 litre vat complete with refrigeration, however has been decommissioned approx. 4 years ago, \$3,000 ex-GST; Calf feeder system Foster Technik VDW1 (SA2 32S / 230), 3 bay, milk powder type, \$7,000 ex-GST. Located Port Campbell. Ph Bruce 0429 101 331.

25 Milkaware ACR3 cup removers, Milkaware TL pulsators & milkline with 25 entries at 580mm centre; 10m backing gate with chain curtain in working condition. Ph Joseph 0425 927 266.

24 Waste-Not Stockfeeder panels & 6 ends in very good condition, \$12,000 + GST. Ph 0438 665 353.

20 'Milka-ware Pro 4' ACRs in excellent condition, selling due to moving dairies, Price negotiable. Ph Sam 0447 308 321.

Hay for sale, dry cow quality, predominantly ryegrass, 4 x 6 rolls, located Darlington, \$25/roll + GST. Ph Greg 0429 901 230.

Oaten hay \$135/t and vetch hay \$185/t ex-GST delivered Warrnambool, feed tests available, sourced Nhill area, Ph Mont 0428 861 159 or Syd 0428 504 487.

Cereal hay, feed test available, sourced Murtoa area, \$138/t ex-GST delivered Warrnambool area, Ph 03 5385 2236 or 0429 391 206.

Hay for sale, approx 20,000 big squares, discounted with payment plan available over several months; feed test available. Ph Westwind Farming & Trading 0417 354 703.

11,000-litre vat 15HP compressor and Packo vat wash \$18,000 ; 2X DeLaval Plate coolers \$600 each; RVS M7000 vacuum pump \$1800; 2 X Nupulse double-ended diaphragm milk pumps coupled together, \$500 each. All prices ex-GST. Ph Nick 0419 316 850.

Herringbone dairy plant: complete 30-unit DeLaval milk plant (no filter or plate cooler), automatic cup removers including swing arms, 3" loop milk line, electronic pulsators, harmony plus clusters, wash jettors, vacuum pump, milk pump. Best offer. Ph Phil 0428 988 134.

Hay: vetch, oats and barley/vetch mix. Squares and rolls. Feed test available. POA. Horsham. Can arrange freight. Ph Anthony 0427 056 886.

Contracting: Power harrowing with air seeder & rippers for autumn pasture renovations. Simpson-Cooriemungle area. Ph Colin 0429 206 180.

Vat, Frigrite 4800 L \$6500 + GST. 26-a-side Coweld feed system, 40 kg bins, 610 mm, with roller mill. \$4500+GST. Ph 0438 376 433.

WANTED:

100 to 180 acres lease ground in Cooriemungle area. Ph Colin 0429 206 180.

Vat for calf milk up to 4,000 L capacity, doesn't need to cool. Ph Tully 0437 247 322.

CHEESE TOWERS

Cheese World is helping to meet demand for the latest trend of replacing a traditional wedding cake with a cheese tower, for couples who love cheese and want something different for their big day.

Cheese World stacks and decorates wheels of different flavoured and textured cheeses to match the wedding theme.

'Our cheese experts will work with the bride and groom around their theme and budget to carefully select the perfect cheeses to create a spectacular "cake" for their special day', says Kim Kavanagh, Cheese World Marketing and Promotions Coordinator. 'We work closely with Apostle Whey Cheese from Cooriemungle, using their delicious soft ripened and blue-vein cheese wheels showcased alongside our very own award-winning Warrnambool Cheddar.'

The cheese towers were displayed at the Warrnambool Bridal Expo in late May at Deakin University. Kim says there is always great interest in the towers at these events and that the trend is growing.

The towers can also be made to order for special birthdays and anniversaries. If you would like to find out more, please contact Kim Kavanagh at Cheese World on 5565 3190.



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