

The Milk Flow

Autumn edition - 2026



Dairy NSW board update to NSW dairy farmers

We want to update NSW dairy farmers on where things are heading and the work underway behind the scenes to support a strong and sustainable regional industry.

Strong regional dairy does not happen by chance. It relies on clear direction, sound governance, and ongoing connection with the farmers and communities it represents.

Over the past quarter, the Board has been focused on strengthening the foundations of our organisation and setting a clear course for the years ahead. We want to share where that work is progressing and what it means for our region.

Transition update

Dairy NSW continues to work closely with Dairy Australia as the proposed RDP evolution model undergoes further review. In the meantime, Dairy NSW remains focused on supporting farmers through regional delivery, collaboration, and locally driven priorities under the current Accord arrangements. Establishing strong governance foundations is a priority - ensuring clarity of roles, sound financial oversight, and systems that support transparency and accountability.

While much of this work occurs behind the scenes, it is critical. A stable and well-governed organisation provides the platform for effective advocacy, meaningful programs, and long-term regional impact.

Throughout this process, our focus remains unchanged: supporting dairy farmers across the region and ensuring your voice is represented at every level.

Strategic planning – setting direction

The Board is actively shaping the organisation's strategic direction for the next three to five years.

Rather than simply setting activities for the year ahead, we are focused on disciplined priority-setting. In a resource-constrained environment, clarity matters. We cannot do everything, so we must be deliberate about where we lead, where we support, and where we advocate.

Our focus includes:

- Prioritising areas where we can deliver practical value to farmers
- Strengthening regional representation and influence
- Ensuring investment decisions align with genuine industry need

This strategy will not sit on a shelf – it will guide decision-making, partnerships and investment across the region.

Over coming months, we will be engaging with regional groups to test our thinking and ensure our priorities reflect on-the-ground realities. Your insight will directly inform our direction.

Getting out to the regions

A key focus for the year ahead is increasing our presence across the region.

Where possible, Directors and the Executive Officer will visiting regional groups and industry events to strengthen connection and hear directly from farmers about local challenges and opportunities.

Strong governance depends on active listening. These visits will directly inform board discussions, investment decisions and advocacy efforts.

We look forward to being on the ground more regularly and encourage members and farmers to engage when we are in your area.

Working with regional groups & members

Regional groups remain the backbone of our industry network. We are working closely with group representatives to strengthen alignment between local priorities and board-level decision-making.

Member engagement matters. When farmers participate (whether through events, feedback, or informal conversations) it strengthens the collective voice of the region.

If you are not currently connected with your local group, we encourage you to reach out. Your perspective is important.

As always, our commitment is to ensure this organisation remains farmer-focused, regionally grounded, and future-oriented.

Donna Salway
Chair
donna.salway@dairynsw.com.au

Natalie Campbell
Executive Officer
natalie@dairynsw.com.au

Scan the QR code to view the Dairy NSW Board of Directors on our website.

Dairy NSW spotlight

Meet Ebony Wilson

Young Dairy Network (YDN) Leader, South Coast NSW



At just 17, Ebony Wilson knew she had found her place in the dairy industry.

"When I met my husband, I instantly knew that he - and the industry - was meant for me," Ebony says. "I wanted to learn more about this farming life and how I could be a part of it."

Now, 13 years on, that passion has only grown stronger.

"I'm just as keen - if not more - than when I first started," she says. "Having my own cows and involving my daughters is what keeps me thriving in the dairy industry. I want to show them a beautiful life on the farm."

Ebony's drive to learn and improve has been central to her journey.

"Learning how to breed better cows and understanding all aspects of dairying is something I'm really enthusiastic about," she explains. A standout moment came when she won Reserve Intermediate Red and White Champion at the Holstein State Show with her first cow, Peaches. "She was gifted to me by the Hamilton family and really inspired me to try harder and keep learning."

This year, Ebony has stepped into a full-time role on the Hamilton dairy farm.

"I'm excited to keep building my skills, especially in IVF and breeding programs - not just for the herd, but for my own cows," she says.

As the new Young Dairy Network (YDN) Leader for the South Coast, Ebony is equally enthusiastic about people.

"I love that everyone in farming has a unique story," she says. "I'm really eager to connect with other young farmers, hear their stories, and help build a stronger sense of community. Whether it's through employment, education, or social events - I just love sharing this passion with others."

Meet Sophia Mansell

Young Dairy Network (YDN) Leader, South Coast NSW



Sophia Mansell, Young Dairy Network Leader for the South Coast NSW, is enthusiastic about the practical, hands-on nature of the dairy industry and the strong sense of community that comes with it.

"I was drawn to dairy because it's a hands-on, practical industry where you can see the impact of what you do every day," Sophia said. "What keeps me passionate is the people. The dairy community is uplifting and supportive, and there is always something new to learn."

A recent recipient of a Global Footprints Scholarship, Sophia travelled to the Netherlands and New Zealand, gaining valuable insights into different dairying systems. She has since brought these learnings back to her local region, applying new ideas and approaches on farm.

Sophia is particularly interested in improving efficiency and sustainability, with a focus on genetics, pasture management, and herd performance. Alongside her growing on-farm responsibilities, she is also actively involved in industry groups such as the South Coast and Illawarra Highlands Dairy Industry Group (SCHDIG).

For Sophia, the greatest value lies in connection.

"It's a great way to connect with other young people in the industry, share ideas and learn together," she said. "It feels good to be part of a network shaping the future of our dairy industry."

Fuel and Fertiliser Disruption: Managing risk in a volatile input environment



Fuel and fertiliser availability has emerged as a persistent structural risk for dairy businesses, with global supply volatility now translating into more variable conditions at a local level. While short-term interventions have improved access pathways, the underlying drivers of disruption - geopolitical instability, constrained shipping routes, and domestic infrastructure pressures - are likely to continue influencing input cost and reliability through 2026 and beyond.

For NSW dairy farmers, the challenge is not simply price escalation, but reduced predictability. Diesel remains a critical input across irrigation, feed production, milk harvesting, and transport, while nitrogen fertiliser underpins pasture growth and home-grown feed supply. Disruptions across either input have immediate and compounding impacts on farm system performance, cost of production and operational flexibility.

Recent global instability has highlighted the fragility of key supply chains. The Strait of Hormuz, a major transit point for fuel and fertiliser, remains vulnerable to disruption, while domestic constraints - including refinery outages and freight network pressures - are contributing to uneven availability across regional Australia. Although additional fertiliser imports and fuel supply measures have provided temporary relief, these are unlikely to fully offset ongoing volatility.

At the farm level, these pressures are already evident through rising diesel prices, increased fertiliser costs, freight surcharges, and tightening input availability. Critically, any disruption to milk collection presents an immediate operational and financial risk, reinforcing the importance of reliable fuel access across the entire supply chain.

Strategic focus areas for NSW dairy businesses

In this environment, leading farm businesses are shifting from reactive decision-making to structured risk management:

1. Optimise input efficiency
Maximising output per unit of input is essential. Focus on improving nitrogen use efficiency (NUE) and feed conversion efficiency (kg milk solids per tonne of dry matter). Review fertiliser timing, application rates, and pasture utilisation to ensure every input is delivering measurable return.

2. Strengthen feed system capability
Where feasible, increase reliance on home-grown feed to reduce exposure to external input markets. This includes strategic use of legumes, alternative crops, and improved pasture management to reduce nitrogen dependency.

3. Scenario planning and cashflow management
Model multiple input cost scenarios (fuel, fertiliser, freight) and understand breakeven milk price under each. This supports more informed purchasing, forward contracting, and investment decisions.

4. Review logistics and fuel use
Audit on-farm fuel consumption across irrigation, machinery, and transport. Identify efficiencies in pump scheduling, machinery use and contractor timing to reduce total diesel demand.

5. Maintain strong supply relationships
Engage early with suppliers, contractors, and processors to understand availability risks and secure supply where possible. Communication across the supply chain is increasingly critical.

Key takeaways

- Input volatility is likely to persist – plan for variability, not stability
- Efficiency gains in feed and fertiliser use are the most immediate lever for cost control
- Cashflow modelling and scenario planning are essential business tools
- Strengthening on-farm capability reduces exposure to external shocks.

Taking a proactive, systems-based approach will be critical to maintaining profitability and operational stability in a constrained input environment.

Dairy Australia continues to provide tools, resources, and regional support to assist farmers in navigating these conditions. Scan the QR code to access this support.

Inside the numbers: how high-performing dairy farms drive profitability

Do you run your business, or does your business run you? Top farmers make informed decisions enabling them to optimise land, cows, feed, labour and water resources, while actively managing risks such as weather and price volatility.

This article compares the "Top 25%" (T25%) of NSW Dairy Farm Monitor Project (DFMP) farms with "The Rest" (the other 75%) averaged over the last 5 years and adjusted for inflation (2020/21 – 2024/25). It focuses on three areas:

- Profitability – the results
- Cost structures
- Efficiencies

Before we get to the financials, the table below shows some key physical differences averaged over the last five years for each group.

	Average milker number	Kilograms milk solids/ cow (kgMS/cow)	Litres/cow (L/cow)
Top 25%*	640	605	8,090
The Rest	336	500	6,848

*Most Top 25% farms over the last five years have been in the NSW DFMP south subset.

Profitability – the results

To be in the T25% group, a business must rank in the top 25% for return on total assets (ROTA) in a given year.

In Figure 1, profit, measured as earnings before interest and tax (EBIT) shows the Top 25% are performing strongly, and it's worth noting that milk price isn't the determinant. Over the last five years, the T25% averaged a $10.67/kgMS milk price compared with $11.55/kgMS for The Rest, while EBIT averaged $3.63/kg MS (ranging from $2.98 to $4.57/kgMS over the 5-year period) compared to $1.90/kgMS (range $1.57 to $2.44/ kgMS).

Return on total assets (ROTA) shows how effectively all assets (owned and leased) are used to generate a profit. This average EBIT translated into a 9.5% ROTA for the T25%, compared to 3.1% for the Rest.

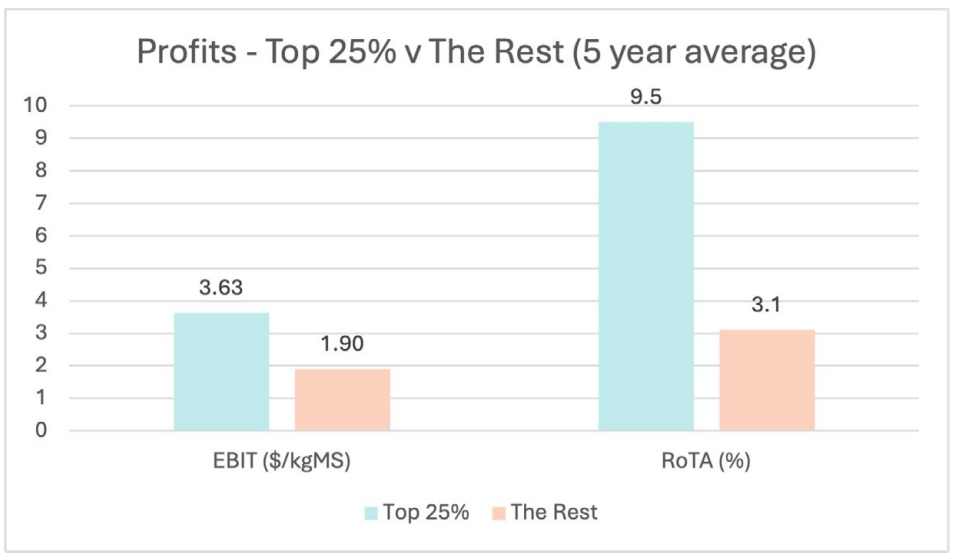


Figure 1: Profits

Cost structures

Efficient resource use and cost control are central to profitability. Figure 2 compares variable and overhead (operating) costs across the two groups, with particular attention to feed and labour, the two largest operating costs in most dairy businesses.

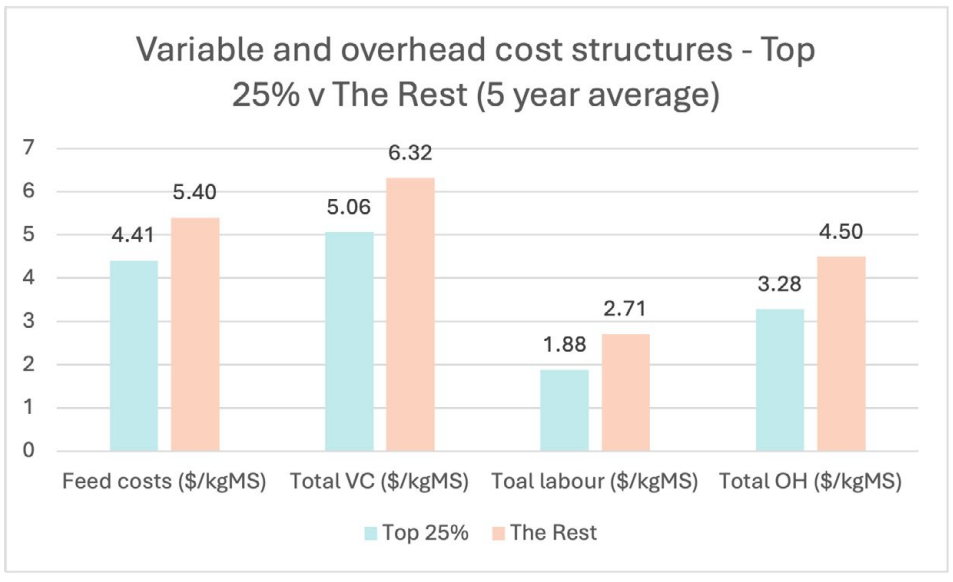


Figure 2: Variable and overhead costs

The T25% have lower feed costs than The Rest on a $/kgMS basis, although feed makes up a slightly higher share of variable costs (87% v 85%) for the T25%. As these farms are mostly in southern NSW, they are often closer to grain and fodder sources, reducing freight costs, and they also tend to contract feed supplies to manage risk. They also tend to have more efficient cows.

Labour is generally the second-largest operating cost on dairy farms. Although the Top 25% use more labour overall (7.1 FTE compared with 4.9 FTE), they achieve lower labour costs on a $/kgMS basis than The Rest ($1.88 compared with $2.71/kgMS). This reflects stronger labour efficiency.

Overhead cost control remains critical, as extra spending here does not usually improve productivity.

Higher production can help dilute these costs on a $/kgMS basis.

Efficiencies

Figures 3 and 4 shows efficiencies that can impact performance.

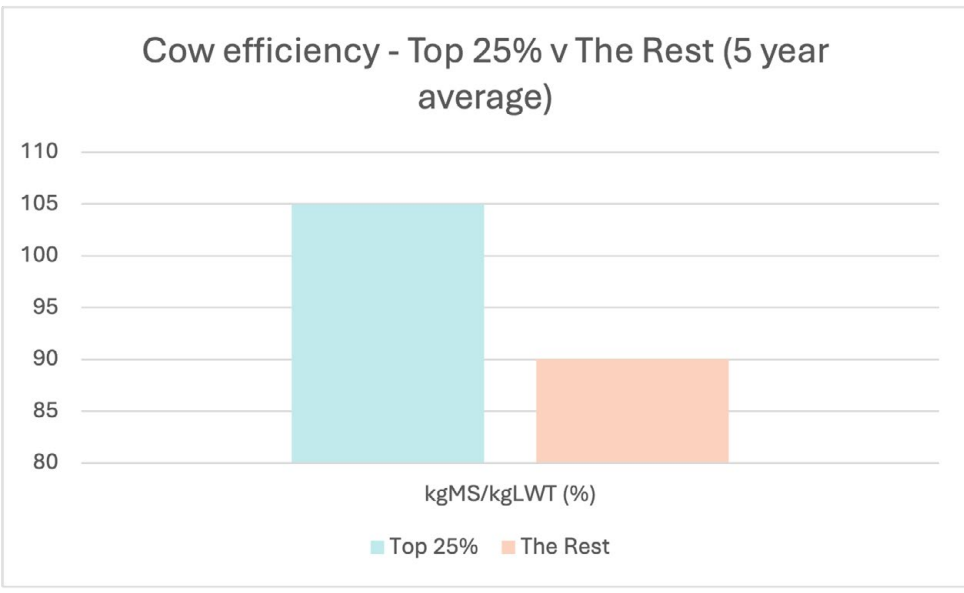


Figure 3: Cow efficiency

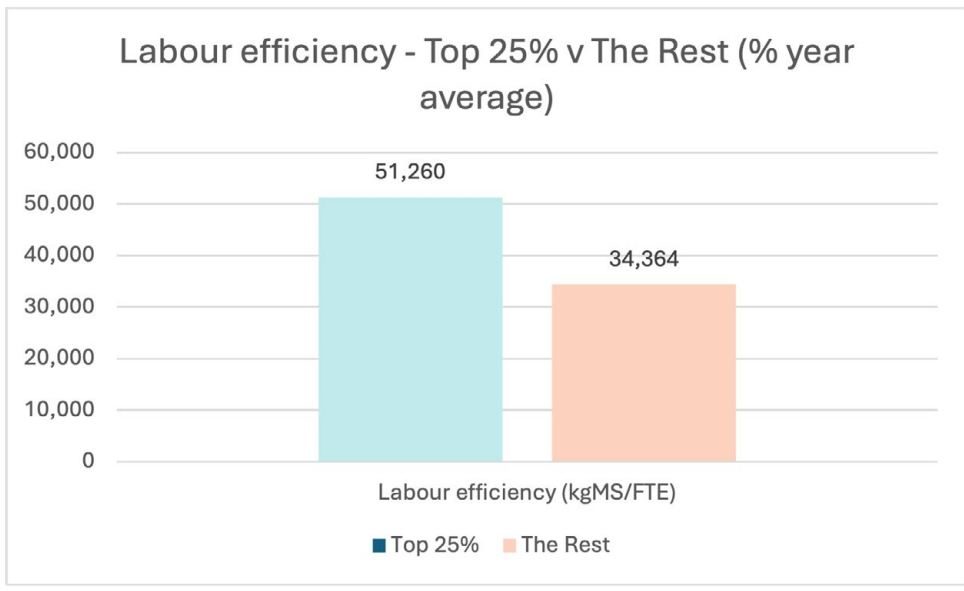


Figure 4: Labour efficiency

Figure 3 shows the Top 25% have more efficient cows than The Rest (105% v 90% cow efficiency). In practical terms, a 600 kg cow at 105% efficiency produces 630 kgMS/year, compared with 540 kgMS/year at 90% efficiency. This difference is influenced by many factors including feed conversion efficiency, grazing management, ration balance and herd fertility.

Figure 4 shows a large difference in labour efficiency, with the Top 25% producing 51,260 kgMS/FTE compared with 34,364 kgMS/FTE for The Rest (49% higher). This helps explain why they achieve a lower labour cost on a $/kgMS basis despite higher total labour costs. Labour efficiency is influenced by factors such as farm layout, dairy infrastructure and investment priorities.

The data suggests that Top 25% farms tend to manage resources more effectively than The Rest. They manage the business to optimise input efficiency while maintaining a strong focus on overhead cost control.

It is important to remember that these results represent the average of two groups of farms in the NSW Dairy Farm Monitor Project. Performance still varies within each group, as individual businesses manage their resources and apply their skills in ways that suit their own circumstances.

What about you – how is your business performing?

Dairy businesses are more complex than they were 10 or 20 years ago, so performance must be monitored and managed closely.

If you use **DairyBase**, you already have the information to interrogate your business in relation to the metrics outlined in this article. Check your numbers and see what they tell you – have you been improving, are you doing well, or are there areas that need investigation?

If you don't use **DairyBase**, now is the time to start. If you want something simpler, try Dairy Australia's **Farm Business Snapshot** tool and contact Dairy NSW for support.

Key end of financial year activities

Good managers make informed decisions which are aided by good data. Keeping accurate records is part of this. The end of financial year is the right time to update key information:

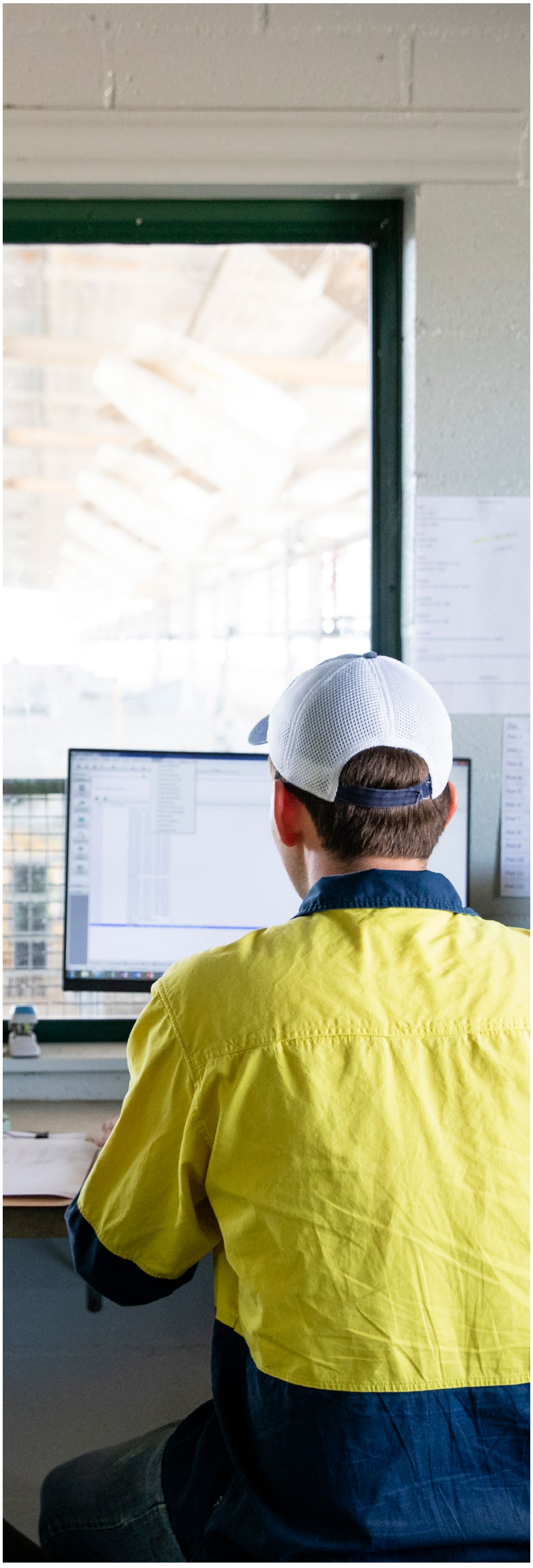
- June 30th is 'stocktake' day!
- Get accurate livestock information – how many milkers, replacements, calves, bulls and/or dairy x beef head do you have on hand?
- How much feed do you have in your sheds and silos – record the tonnes of each individual type of feed
- If you manage your finances in accounting software, use the Dairy Standard Chart of Accounts (SCoA). It puts your numbers into categories that transfer easily into DairyBase or Farm Business Snapshot and produces more useful management reports than tax-only reports. The SCoA is tax compliant, so speak with your bookkeeper or accountant before the new financial year and set it up for next year.

This article has been written by Sheena Carter, Development Officer - Dairy, NSW DPIRD. If you are interested in participating in the NSW Dairy Farm Monitor Project, please contact Sheena via email sheena.carter@dpird.nsw.gov.au

Dairy Australia's farm business tools, programs, and advisory support are designed to help farmers take this next step - turning data into practical, profit-focused decisions that strengthen both performance and profitability.

Scan the QR code to access the Farm Business Planning Resources on our website.

Disclaimer: Interpretation of top 25% benchmarking results should be undertaken with caution, as the analysis is based on an unbalanced panel of farms. Changes in the farms participating each year can influence the composition of the top-performing group, limiting the ability to draw conclusions from the data.



Reproductive performance: turning herd data into measurable profit

For NSW dairy farmers operating year-round calving systems, reproductive performance remains one of the most powerful - and often underutilised - levers of whole-farm profitability. Increasingly, research and on-farm data are reinforcing a clear message: reproductive metrics are not just biological indicators, but leading economic drivers that directly influence milk production, feed efficiency and cost of production.

Work led by a team of cattle veterinarians at the University of Sydney including Luke Ingenhoff and aligned with national frameworks such as InCalf highlights that high-performing herds are defined by a small number of measurable, interrelated indicators.

At a system level, these include a good fresh herd structure with average days in milk around 160–180 days, average days to conception (<120 days), 80-day submission rate (>73%) and 100-day in-calf rate (>40%). Together, these metrics determine whether a herd is tracking towards a 13-month inter-calving interval - widely recognised as the optimal balance between biological efficiency and economic return.

Key Reproductive Performance Indicators

160–180 Average days in milk

<120 Average days to conception

>73% 80-day submission rate

>40% 100-day in-calf rate

As Dr Ingenhoff explains, the focus is increasingly shifting towards real-time, actionable metrics rather than historical averages.

"The most important metrics are the three-week pregnancy rate and the three-week submission rate, particularly when you look at them alongside each other," he says. "Most other metrics reflect what happened months ago, but these give you the closest real-time picture of how reproductive performance is tracking right now."

He also emphasises that submission rate is often the most powerful lever available to farmers.

"In most situations, farmers have more control over submission rate than conception rate," he explains. "If submission rate is too low, that's where the biggest opportunity sits to drive improvement in overall pregnancy rate."

The science underpinning these targets is well established. Milk production follows a lactation curve, with peak output early in lactation and a gradual decline thereafter. As herds become 'stale' - with a higher proportion of cows beyond 180 days in milk - average daily production declines. Industry data suggests that for every 10 days beyond 180 DIM, milk yield can fall by up to 1 litre per cow per day.

Crucially, reproductive performance is not a single metric but a system of drivers. Pregnancy rate - the most meaningful real-time indicator - is a function of both submission rate and conception rate, measured in 21-day cycles. However, Dr Ingenhoff cautions that pregnancy rate is often misunderstood.

"Pregnancy rate is not the same as conception rate," he says. "It's the proportion of all eligible cows that fall pregnant in a given period - not just the cows that were inseminated."



This distinction is critical when setting targets and interpreting performance.

“Our benchmark is a 20% three-week pregnancy rate. That means we want to see 20% of the non-pregnant eligible cows falling pregnant every three weeks,” he explains. “It’s a much more meaningful measure of system performance than conception rate alone. Farms that achieve very high conception rates can still end up with pregnancy rates that are too low if they don’t breed enough cows.”

Equally important is the role of heat detection and breeding strategy. “Pregnancy rate is essentially conception rate multiplied by submission rate,” Dr Ingenhoff says.
“Improving heat detection directly lifts submission rate, and that’s what drives more cows getting pregnant sooner.”

For farms where heat detection is a constraint, multiple pathways exist.

“Some farms achieve excellent results with traditional heat detection aids, while others rely on activity collars or fixed-time AI programs,” he says. “There’s no single system that works for every farm - the key is choosing a strategy that suits your labour, infrastructure and management style.”Equally important is the role of data discipline. Early pregnancy testing (at 32–60 days), re-testing at three-to-four months gestation to capture expected pregnancy loss, and proactive identification of cows not cycling post voluntary waiting period are all critical interventions that improve herd performance.

Dr Ingenhoff is clear on where farmers should start.

“You can’t analyse reproductive performance without good data, and that starts with pregnancy testing,” he says. “Ensuring all key events are recorded, including calving dates, mating dates, dry-off dates, exit dates and pregnancy outcomes gives a farm all of the data needed to calculate and act on reproductive performance metrics.”

The payoff from improved reproductive performance extends well beyond fertility.

“When more cows get pregnant earlier, you end up with a fresher herd, higher average daily milk production and fewer cows culled for failure to conceive,” he explains. “That gives you more flexibility to cull for other reasons, like mastitis or cell count, which has flow-on benefits across the whole system.”

For many farms, the opportunity lies not in collecting more data, but in analysing it with intent. Whether through herd management software or structured veterinary support, translating reproductive data into a decision-making tool is what drives outcomes. In a tightening margin environment, the herds that consistently monitor, interpret and act on these metrics will be best positioned to maintain production, manage costs and capture value

To support this, Dairy Australia provides a range of practical tools, benchmarks and advisory resources to help farmers assess and improve reproductive performance, including InCalf guidelines, herd fertility insights and decision-support materials. Farmers can explore these resources and access regionally relevant support via the Dairy Australia website.

Scan the QR code to access Reproductive Management resources.



Promoting Australian dairy: coordinated, evidence-based system driving trust, confidence, and demand

Dairy Australia's consumer and community marketing has evolved into a highly integrated, insight-led system designed to influence consumer perceptions, strengthen trust, and support long-term demand for Australian dairy. Rather than relying on discrete campaigns, the model operates across multiple, mutually reinforcing programs - combining consumer marketing, education, health engagement, and farmer advocacy to deliver impact at scale.

This approach is underpinned by a strong research and segmentation framework focused on Australians aged 18-49 - approximately 11 million people at key life stages for shaping dietary habits and purchasing decisions. Within this cohort, behavioural segmentation identifies groups ranging from '"questioning"' consumers to active advocates, enabling tailored communication strategies that address specific concerns while reinforcing positive perceptions.

At the consumer level, campaigns such as Your Dairy Questions, Simply Answered reflect a deliberate shift towards transparency and evidence-based communication. These campaigns directly address priority concerns - including cholesterol, weight, lactose intolerance, animal welfare, and environmental impact - through credible, expert-led content.

Evaluation data demonstrates strong effectiveness:

- **83%** of campaign recognisers reported increased trust in Australian dairy.
- At least **75%** reported improved confidence and positivity towards dairy and dairy farmers.
- Approximately **25%** took a measurable action, such as purchasing dairy or engaging further online.
- The You Ask, We Answer platform recorded **93,891** visits during the campaign, with **69%** driven directly by campaign activity.

At a system level, these outcomes translate into broader industry metrics. Trust in dairy foods and the dairy industry has reached 87% - an all-time high - with 87% of Australians also identifying dairy as an important part of their diet and 64% rating it as very or extremely important. Notably, exposure to marketing activity materially lifts sentiment, with trust increasing to 91% among campaign recognisers compared to 79% among non-recognisers.

87% Trust in dairy foods and the dairy industry

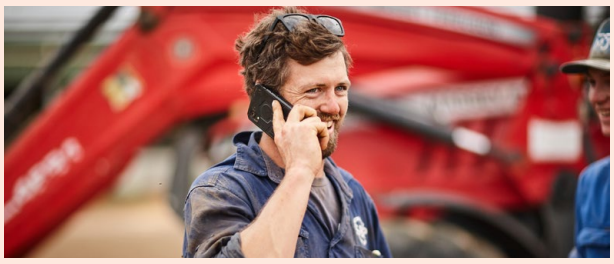
87% Australians identify dairy as an important part of their diet

64% Australians rate dairy as very or extremely important

However, consumer marketing represents only one component of a multi-channel influence model. School education programs - including Discover Dairy, Picasso Cows, and immersive virtual farm experiences - deliver curriculum-aligned content at scale, building foundational understanding of nutrition, sustainability, and farm systems. These programs are critical in shaping early perceptions and supporting long-term community connection to the industry.

In parallel, health professional engagement targets one of the most trusted sources of dietary advice. By equipping dietitians, GPs and allied health professionals with up-to-date, evidence-based resources, Dairy Australia ensures consistent and credible messaging on dairy's nutritional role reaches consumers through influential clinical channels.

Farmer ambassadors provide a further layer of trust and authenticity. Farmers are consistently identified as highly credible voices, and structured programs support them to engage directly with communities, media, and schools. This peer-to-community communication reinforces transparency and brings real-world context to industry messaging.



Supporting all pillars is a suite of dairy promotion resources and platforms, enabling farmers and stakeholders to engage locally through school visits, community events, and media activity. This ensures national messaging is amplified at a regional level, increasing reach and consistency.

Importantly, all activity is aligned to a central objective: strengthening community trust and social licence by demonstrating the industry's commitment to sustainability, animal care, and the production of high-quality, nutritious food.

The evidence is clear - when coordinated, research-driven communication is delivered across multiple trusted channels, it not only addresses consumer questions but measurably shifts perceptions and behaviours. This integrated model is central to maintaining confidence in Australian dairy and supporting its ongoing role in Australian diets and communities.

Scan the QR code below to read more about Dairy Australia's consumer and community marketing activities.



Events

Dairy NSW delivers a wide range of workshops and events designed to build capability across both technical and people management areas of your farm business.

Led by our regional team members and experienced consultants, these sessions support farmers, and staff to strengthen skills in areas such as herd management, feed planning, workforce development, and environmental management.

As farm systems become more complex, investing in skills and knowledge is critical to maintaining performance and profitability. Dairy Australia also supports training pathways for the next generation entering the industry.

Scan the QR code to access the Dairy NSW events calendar, where you can explore upcoming workshops and RSVP for those best suited to your business and team.



Resources

Production Inputs Monitor

A monthly update on key farm inputs providing unbiased data and insights on current market trends. It reports on climate and seasonal outlook, water availability and seasonal determinations, temporary water for irrigation, hay and grain, fertiliser, and cull cows.

Hay and Grain reports

The reports provide an independent, unbiased, and timely assessment of feed markets in each dairy farming region. They are updated 40 times per year using key data and insights from the Australian Fodder Industry Association (AFIA) and Bendigo Bank Australia.

Scan the QR code to access these reports.



Connect with Dairy NSW

Dairy NSW works alongside farmers and industry to deliver practical support, trusted information and regionally relevant opportunities that help dairy businesses improve productivity, profitability and long-term sustainability.

Guided by a farmer-first approach, Dairy NSW collaborates with industry partners to deliver education, extension, research and development activities that create value on-farm.

Farmers are encouraged to connect directly with local Dairy NSW team members to discuss farm business challenges, technical questions, workforce needs, upcoming workshops, discussion groups and industry opportunities relevant to their region.

Whether you are looking to improve feed efficiency, strengthen business performance, build skills or connect with other farmers, the Dairy NSW team is here to support practical outcomes for your farm business.

Scan here to connect with the team at Dairy NSW.

Contact us:

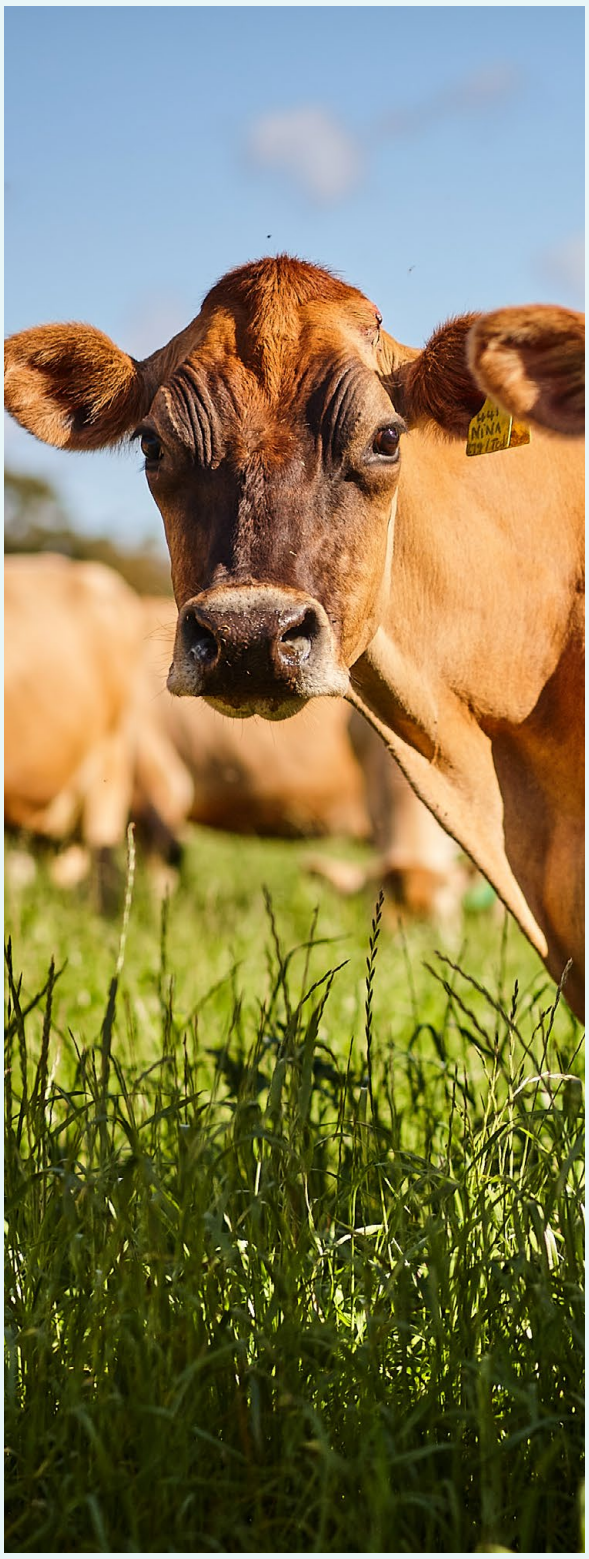
Visit our website
dairyaustralia.com.au/dairynsw

Follow us on Facebook
facebook.com/dairynsw.au

Follow us on Instagram
@dairynsw

Sign up to receive Snapshot – our monthly email newsletter
bit.ly/dnswsnapshot

Call us
1800 004 377



Dairy NSW PO Box 4028
Shellharbour NSW 2529
dairyaustralia.com.au/dairynsw
E info@dairynsw.com.au

Paul van Wel
Regional Manager
0407 434 073
paul@dairynsw.com.au

Natalie Campbell
Executive Officer
0438 261 912
natalie@dairynsw.com.au

Rachel Chittick
Communications
0413 506 419
rachel@dairynsw.com.au

Tania Ketteringham
Research and innovation
0412 040 504
tania@dairynsw.com.au

Jane Woolacott
Farm Engagement Lead
Far South Coast and Wagga
0409 076 140
jane@dairynsw.com.au

Ali Briggs
Farm Engagement Lead
Mid Coast and Hunter Region
0456 971 331
ali@dairynsw.com.au

© Dairy Australia Limited 2026. All rights reserved.

MC-1753 | Jun 2026