WestVic Dairy News

January 2026

Drought, decisions and determination

Nicolett Hart – Communications Manager

Western Victorian dairy farmers Richard and Kylie Martin have faced their share of challenges and had to make some tough decisions during recent extreme dry conditions.

In 2024, much of their region received only 50–66% of its usual annual rainfall. The impact varied across the region but, like many farmers, they have been forced to make significant on-farm adjustments to cope with the shortfall.

Changing business focus

The Martin family were originally beef farmers and also worked off-farm. When the opportunity arose to purchase their current property, which had substantial existing dairying infrastructure, they were initially unsure how to use it, planning at first to continue with beef.

With limited off-farm work available during the COVID pandemic, a stock agent family member suggested they consider buying dairy cattle and taking over the Kariah dairy, 10 minutes north of Camperdown.

Five years on, the Martins have continued with the dairying, despite the challenges of starting a new enterprise under difficult circumstances. Currently, the dairy represents the larger portion of their business running a Holstein herd, pasture-based system, with split calving.

As extreme dry conditions brought significant challenges to much of the region, to support the dairy herd some beef cattle were removed and feed resources redirected. Over the past 18 months, only productive animals have been retained.

"It was an opportunity to make things better. The outlay to replace those older cows cost us a bit of money, but we're starting to see the value of that in the production," Richard explained. The changes have allowed them to improve the farm's efficiency and better adapt to ongoing challenges.

Kylie says the support from Dairy Australia's Western Victoria team made a real difference during that time.

"They were always available on the phone, and when they didn't have an answer right away, they'd work to find one," Kylie said.

Feed management

With traditional hay supplies quickly depleted, sourcing feed during the prolonged dry conditions became a major challenge for the Martins. They explored options as far away as mid-NSW, including the Wagga Wagga area, and even considered supplies from the Northern Territory.

"Everybody had to work," recalls Kylie. "We spent some significant hours on the phone trying to find suppliers to actually source hay – there was a lot of work done."

By supplementing with grains, cottonseed, and other protein sources to support their nutritional management, they were able to maintain strong milk production despite the tough conditions.

"Dairy Australia's Nutritional Fundamentals program was the right program for us at the right time to help with the feeding," Richard said.

Reflecting back, Richard acknowledges that while some of the decisions they made were costly, they have since proven worthwhile.

"It cost us a bit of money at the time," he says, "but we're starting to see the value of that investment in our production and in the herd. It made us even more efficient. We've been able to maintain and even grow our production – it hasn't gone down."

"Slowly but surely, we're now on a steady plane. Our production's lifting. When we started, we had a pretty ordinary herd of cows, but we've spent a lot of money and a lot of time making that better."

For support, information and resources to navigate critical issues and events, contact the Western Victoria team.

Avian Influenza (AI) update - safeguard your dairy team

Debbie Twiss, Extension Advisor – Animal Health and Performance

Avian Influenza (AI) is a viral respiratory disease affecting hundreds of species of birds worldwide. The AI viral strains can be lowly infective with 3-15% of infected birds dying in outbreaks, or highly infectious with up to 100% of infected birds dying in outbreaks.

In Western Victoria in 2024, Agriculture Victoria managed an emergency disease response to irradicate two outbreaks caused by two different highly pathogenic strains of AI (H7N3 and H7N9). These outbreaks were in poultry farms located in Meredith and Terang. Through movement control and depopulation of infected poultry farms the infection was irradicated from Australia, at a cost of $75 million.

The real question is not if, but when the next outbreak will hit Australia.

It may come from the highly infectious H5N1 strain, first found in farmed geese in 1996. Since 1996, the H5N1 strain has spread worldwide from China. Since March 2024, this stain has even infected cattle and people in the United States (U.S.). In October 2025, the H5N1 strain of avian influenza was detected in elephant seals on Australia's sub-Antarctic Heard Island. Mainland Australia is the last continent yet to be infected by the H5N1 strain of the AI virus.

Agriculture Victoria information predicts that there is an 83% chance of a highly pathogenic AI outbreak occurring in Victoria in the next five years. Which strain will be the cause of Victoria's next AI outbreak is unknown.

It is important to monitor your dairy herd for signs of coughing, unusual clinical mastitis involving thickening of milk, lethargy, decreased rumination and decreased intake for which a cause cannot be identified. It is better to report early and get appropriate advice than to allow disease to spread in your herd. If in doubt, reach out by calling the emergency disease hotline 1800 675 888 for free advice.

In the U.S., the exact clinical signs seen in cattle depend on the size of the infectious dose of virus. The larger the dose, the more severe the signs. Cattle in the U.S. have been infected ingesting or inhaling the virus.

Whilst the AI virus can be shed in many secretions, studies in the U.S. have shown infected cattle shed the largest amount of virus in milk. Avian influenza cases in U.S. dairy farmers likely came from milk or milk aerosols. Some simple steps to protect your health include:

- Wear gloves when working with milk, including when carrying milk to feed calves.
- Strip cows gently into a container rather than squirting milk directly onto the milking platform when checking for clinical mastitis. Avoid stripping cows if there is no evidence of clinical mastitis infection.
- Get the flu vaccination. The human vaccine won't protect against AI, but it will improve your immunity to human respiratory diseases which could compromise your health and make it easier to be infected by a new emerging disease.
- If you are sick with a respiratory disease, stay home for the health of yourself and your dairy team.

This summer, be on the lookout for groups of dead migratory seabirds, and report sightings to the disease hotline. Early detection is our industry's best protection. Cattle infection risk is low, but now is the time to review your farm biosecurity plan to protect the health of everyone working in your dairy.

Dairy Australia has information and resources to help prepare for and respond to emergency animal diseases in the industry.

Scan the QR code for resources:

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Psychological health regulations

Matt Wood, Extension Advisor – Workforce

With all the fun and excitement of the run up to Christmas, along with a prolonged harvest season, one thing that you may have missed is the new psychological health regulations that came into play in December.

These regulations strengthen the occupational health and safety (OHS) framework and recognises that psychological hazards are just as harmful as physical hazards. They also provide employers with clearer guidance on their obligations to protect employees from physiological injury.

I know, I can hear the groans as you are reading this, 'yet another thing we have to do'... 'more red tape'...etc.

The good news is that if you're a fair and decent employer, and we'd like to assume that's everyone, then other than a little bit of paperwork you won't have to change anything.

These regulations fall under the Occupational Health and Safety Act 2004, which states:

'Employers must provide and maintain a working environment that's safe and without risks to employee's health so far as is reasonably practicable.'

So, there's no changes there, we've been living with that legislation for some time now.

When it comes to what you need to have in place as an employer, WorkSafe has very kindly drafted a document to guide you. Here is the summary and key points from that document:

For employers to meet their legal responsibilities under the OHS Act, they must:

- Identify psychological hazards in the working environment
- Assess risks
- Control risks
- Review and improve controls.

When it comes to practicalities on-farm, some examples of potential psychological hazards include:

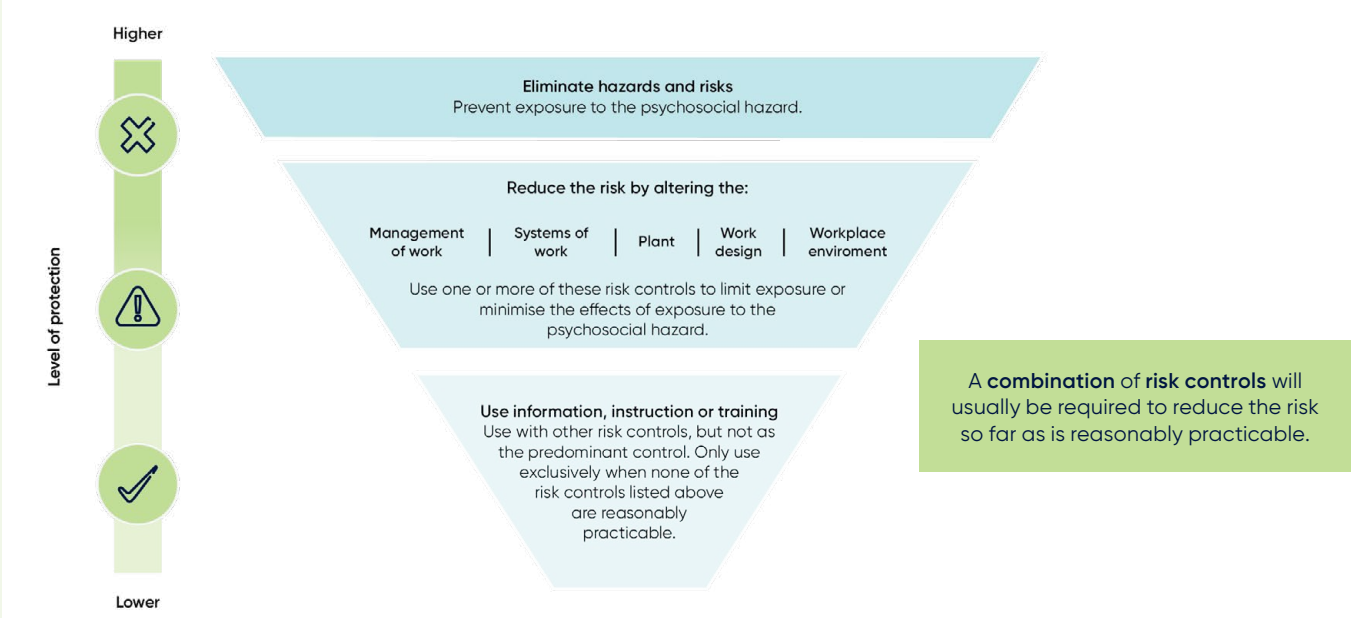
- **High job demands**
  That's not to say there cannot be busy periods, that happens in most occupations, certainly in farming. It is if the workload is consistently excessive that you could run into issues. Good rostering, employing more staff or outsourcing work to contractors can all help mitigate that risk
- **Low job control**
  This can occur when work is repetitive, the employee has little control overhow it is done and there is excessive monitoring of tasks.
- **Poor support**
  This is self-explanatory, however, let's not assume that it isn't an issue. Examples of this include poor communication regarding what needs to be done, lack of on-the-job training or inadequate tools to get the job done effectively.

Of course, so much of this is subjective which makes it more difficult – lots of shades of grey with little black and white.

The key, as with any people management topic, is clear, honest communication, along with employee consultation when drafting any systems or protocols.

Reporting of any physiological hazards or injury should be reported in the same way as any other work-related injury. The employer must then investigate the hazard or injury, then put measures in place to prevent it happening again. Templates for registering and investigating any incidents or hazards can be found on the **thepeopleindairy.org.au** website.

If you're keen to **read the full WorkSafe document,** you can find it, along with more resources at: **worksafe.vic.gov.au/psychosocial-hazards-contributing-work-related-stress.**



Equity Partnerships in dairy: a practical pathway for growth

Sheeraz Ahman, Extension Coordinator – Farm Business Management

As the dairy industry continues to change - driven by the push for scale, efficiency, and financial resilience - equity partnerships are becoming a valuable option for many farmers.

These arrangements allow farm owners and skilled operators to share investment, risk, and reward, helping dairy businesses grow in a structured and sustainable way. In simple terms, an equity partnership involves a farmer (usually the current owner) teaming up with one or more investors. The operator runs the day-to-day farming, while partners contribute capital. Everyone owns an agreed share of the business and works together toward long-term goals.

Why equity partnerships make sense in dairy

Dairy is capital intensive. Land, cows, machinery, and infrastructure all require significant investment, and expansion is often limited not by skill but by access to capital. Many aspiring farmers are strong operators but lack the funds to buy a farm outright. Meanwhile, investors often want exposure to agriculture but need skilled people on the ground to manage operations. Equity partnerships bridge this gap by combining capital with capability.

Advantages for Owners

1. **Shared upside:** When milk price or production improves, all partners benefit.
2. **Stronger performance:** A skilled operator is more likely to increase profitability, and owners share the gains.
3. **Flexible structure:** Agreements can be tailored to different investment levels and timelines.
4. **Easier expansion:** Owners can grow without taking on all the extra debt themselves.
5. **Scalable model:** Ownership can change or expand as the business grows.

Advantages for Operators

1. **Pathway to ownership:** Operators can gradually increase their equity over time.
2. **Financial resilience:** Access to capital partners helps smooth out tough seasons.
3. **Mentorship:** Working with experienced owners and investors boosts business and management skills.
4. **Wealth building:** Operators build assets without relying solely on borrowing.

Challenges for both parties

While equity partnership in dairy farming offers many benefits, it's important to be aware of the potential challenges.

1. **Shared risk and responsibility**
   Both owners and operators feel the impact of tough seasons, milk price changes, and unexpected events. Everyone shares the highs and lows.
2. **More complexity and administration**
   Equity partnerships involve extra paperwork, agreements, reporting, and regular meetings. It takes more time and organisation than a standard set-up.
3. **Financial and long-term commitments**
   Ownership changes can bring tax implications, and operators must understand the financial commitment of buying equity. Both sides need to be committed for the long term for the partnership to work.

Challenge and advantage for both parties: Shared decisions and communication needs

No one has full control; decisions must be made together. This requires clear communication, trust, and a willingness to compromise.

Keys to success

Strong equity partnerships rely on transparency, alignment, and good planning from the start. Successful arrangements begin with realistic investment from both sides and a well-prepared shareholders agreement that outlines roles, responsibilities, profit sharing, reporting processes, and exit options. Partners need shared long-term goals and agreement on how the business will be operated day to day. A skilled and motivated equity manager is central to profitability, and structured governance - regular meetings, performance reviews, and clear decision-making processes - helps prevent conflict. When the combined balance sheet is strong, the partnership is better able to handle seasonal volatility, unexpected events, or milk price shifts. Above all, long-term commitment and good communication underpin a stable, productive partnership.

Equity partnerships provide a realistic way for aspiring farmers to step into ownership while helping established farmers grow, share financial risk, or plan for succession. When structured well, they combine capital with hands-on skill, creating dairy businesses that are more resilient, scalable, and positioned for long-term success. As the industry continues to evolve, equity partnerships will remain a valuable model for supporting the next generation and strengthening the future of dairy.

This article is based on insights from the 'Governance & Investors in Dairy Farming workshop' by Dairy Australia and Pinion Advisory covering various business models including share farming, direct management, leasing, and equity partnerships.

*If you'd like to find more about Dairy Australia's Farm Business Management services and resources, contact Sheeraz Ahmad on **0414 684 065** or email **sheeraz@westvicdairy.com.au.***

Virtual fencing and herding option now available to all dairy farmers

Dr Andy Hancock, Sustainable Animal Care Manager

The way we manage livestock is constantly changing, and the advent of virtual fencing and herding technologies represents a significant advance for pasture-based dairy farming, offering flexibility, efficiency, and improved animal welfare. With recent legislative changes in New South Wales, South Australia and Victoria, these innovations are now legal in all six dairying states, marking a major milestone for the industry.

So, what is virtual fencing? In simple terms, it's a system that creates invisible boundaries using GPS-enabled collars or ear tags. Instead of physical fences, livestock are guided by audio and vibrational cues when they approach a virtual boundary, followed by electrical cues if they cross the virtual boundary. Very quickly, animals learn to respond to the audio and vibrational signals, reducing the need for manual herding or temporary fencing. Importantly, these systems are designed to avoid adverse welfare impacts, and safeguards are built into the technology and legislation.

Globally, several virtual fencing solutions exist. The technology is already well established in New Zealand, with around 200,000 cattle on the system, and approximately 20,000 in Tasmania.

With legalisation now in NSW, South Australia and Victoria, we can expect broader adoption and new market entrants.

Until recently, virtual fencing was prohibited in NSW, South Australia and Victoria, due to animal welfare laws restricting electronic devices. That changed in December 2025 when NSW amended the Prevention of Cruelty to Animals Regulation to allow virtual fencing for cattle under strict conditions. Victoria and South Australia have subsequently passed similar reforms, ensuring responsible use and clear welfare guidelines.

These changes mean dairy farmers can now explore virtual fencing as a practical tool to improve operations. Whilst farmers should adopt systems which suit their specific farm, some of the potential benefits include:

- Improved pasture management: Precise grazing control for optimal feed utilisation.
- Labour savings: Less time spent setting up fences or moving herds.
- Increased safety: Fewer quad bikes and vehicles, reducing accident risks.
- Animal health and welfare: Real-time data for early disease detection and reduction in lameness (due to the fact that cows are allowed to walk at a steady pace).
- Environmental protection: Safeguards sensitive areas and reduces wildlife entanglement.
- Emergency management: Rapid and remote boundary adjustments during floods, fires or emergency animal disease outbreaks.
- Like any new technology, it is important that virtual fencing is introduced in a considered way that does not cause unintended consequences. Animal welfare remains the top priority, and the newly developed legislation includes criteria for device approval, training requirements, and property-based use. Farmers should choose reputable providers and stay informed about best practice guidelines.

Looking ahead, virtual fencing is more than a convenience – it's a strategic tool for modern dairy farming. By reducing labour pressures, improving productivity and safety, and supporting sustainability, it aligns with the industry's long-term goals. With legal barriers removed, now is the time for farmers to explore how this technology could potentially fit into their systems.

For details on the new regulations in Victoria scan the QR code.

WestVic Dairy Focus Farm report

Bostocks Creek	
Date	12/10/2026
Milking area	212 ha
Production	
Cow numbers	265
Milk solids/cow/day	1.87kg
Litres/cow/day	24.4L
Fat	4.06%
Protein	3.59%
Grazing and supplement feeding (cow/day)	
Barley costing 38c/kg DM ($340/t)	4.0kg
Wheat costing 44c/kg DM ($395/t)	3.0kg
Pasture (kg DM)	11kg
Area in rotation	170ha
Rotation Length	40 days
Grazing area (ha per 24 hours)	4.3ha
Daily income over supplementary feed costs (IOSFC)	
Jan Milk Price ($/kgMS)	$10.10
Income/cow	$18.89
Supplementary feed cost/cow	$2.55
IOSFC/cow	**$16.34**
IOSFC/ha	**$20.43**

Notes

- No silage being fed to the herd yet.
- 18 ha of summer crops have started to detriorate, planning to start offering the leafy turnip crop soon.
- 32 Wagyu calves are planned to be sold in the next few weeks.
- Produced 2,170 bales of silage and 1,000 bales of hay - a good spring.
- December milk production was up 10% despite cow numbers being down by 12% - a good spring.
- January's meeting discussion involved our staffing requirements, summer feeding and farm development priorities.

Contact us if you would like know more about our services and resources

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MC-1006 | Jan 2026