

# ANNUAL REPORT

SUMMARY

# 2019 / 20



# DairyNZ delivering a better future for farmers across New Zealand

## Northland

DairyNZ is a partner in Extension 350, a farmer-to-farmer extension program that has so far supported 341 farmers to be better prepared for challenges and feel more confident making decisions. At a recent workshop, farmers who joined the project in 2016 said they wanted to continue being part of Extension 350 beyond the original scope of the project.

DairyNZ has been working with a range of organisations to coordinate drought support. Consulting officers offered free feed budgets, and we helped host free community dinners which attracted over 550 people from local rural communities.

## Waikato

DairyNZ has been supporting drought affected farmers by completing free feed budgets, co-hosting Lunch on Us events, and shed meetings. We have also been working with, and for, farmers to prepare a submission on Healthy Rivers Plan Change 1, which achieved some positive changes for farmers.

Lye and Scott farms are researching sustainable, profitable on-farm options including plantain, maximum milking times, pasture persistence and validation of the forage value index.

## Top of South/West Coast

DairyNZ worked with a range of organisations to support West Coast farmers following adverse weather. A West Coast benchmarking group has been set up to help farmers increase their financial skills and profitability. A benchmarking group for the Upper South now has key environmental performance indicators and three years of data to profile trends.

## Bay Of Plenty

Over 100 farmers joined a series of DairyNZ workshops on contract milking due diligence. Attendees told us the workshops improved their understanding of requirements. The Eastern Bay of Plenty Māori Agribusiness cluster programme was launched in 2019 to better support Māori farming.

## Lower North Island

DairyNZ is working with 118 Taranua farmers to trial using plantain to reduce nitrogen losses to meet stringent regional rules. The project is a blueprint for farmers to meet catchment nitrogen requirements.

## Canterbury/North Otago

DairyNZ is continuing to work with partner farmers in Selwyn and Hinds to identify options to reduce nitrogen losses and share this with local farmers. A recent survey indicates that widespread change is now occurring in these zones. DairyNZ also hosted a People Expo, and has been working with farmers and stakeholders to put forward strong submissions to a number of plan changes. Local research into '3 in 2 milking' is indicating this may benefit farm teams, with only minor affects on milk production.

## Southland/South Otago

DairyNZ delivered a wintering campaign with a range of events which has increased awareness and implementation of good practice. DairyNZ's Southland team hosted 100 farmers at a People Expo, and worked closely with farmers to support them through a significant flood.

# An important year for dairy, and a chance to shine — Jim van der Poel



## At last year's AGM I reflected that 2018/19 had been a very big year for the dairy sector.

Well each year it seems to be the same – as this past year has been an even bigger one for dairy, and it has highlighted the value and importance of our sector to New Zealand's future.

In October 2019 the Government accepted a farming sector proposal – He Waka Eke Noa – to work together with the government to build a farm-level emission reduction framework. This is a world leading partnership that will allow farmers and the farming sector to identify practical ways to measure and reduce emissions on farms.

Significant freshwater reforms were released for consultation in 2019. DairyNZ developed a strong submission to address areas of concern. We saw over 2,000 farmers attend our events on the Action for Healthy Waterways proposal. Thousands of farmers lodged submissions too.

From this effort we achieved some significant wins, but there is still further work ahead for farmers and the sector as the Action for Healthy Waterways regulation is implemented through regional plan changes.

This year we have made good progress toward the eradication of *Mycoplasma bovis*. The independent

review DairyNZ commissioned resulted in some significant changes to the *M. Bovis* programme. Over 1,500 farmers have used the compensation assistance service offered by DairyNZ and Beef + Lamb New Zealand. This service is producing faster compensation for farmers and helping reduce the stress associated with a claim.

Covid-19 has also shone a light on the important role the dairy sector plays in New Zealand. At a time when some of our major sectors have been adversely affected by Covid-19, dairy is playing an increasingly vital role as a source of income and employment.

It hasn't been an easy year for many farmers. Covid-19 has created a lot of uncertainty about staffing issues for many farms and milk price volatility. A number of regions have been affected by drought too.

However, we are also seeing some significant shifts in the way the community perceives and values dairy which are extremely positive, along with the entry of more Kiwis into the sector.

In May this year, farmers had the opportunity to vote on the milksolids levy. Thanks to everyone who took the time to vote during what was an extremely busy time, amid Covid-19.

I believe that having DairyNZ as an industry organisation is more important than ever in a time of significant change.

With an election looming, DairyNZ is now focusing our activity on sharing your priorities and concerns with political parties through our View from the Cowshed survey. This survey highlighted that uncertainties about regulation are stressful for farmers, on top of the existing challenges inherent in farming.

Over the next year DairyNZ will be continuing to work with you, and for you, to deliver a better future for all New Zealand dairy farmers. Our team is always ready to offer our advice and assistance so please get in touch if you need our help.

Warm regards,

**Jim van der Poel**  
DairyNZ chair

## DairyNZ events attract over 20,000 attendees

In 2019/20, 21,973 people participated in 1,182 DairyNZ events including field days, discussion groups, workshops, meetings and forums.

# DairyNZ and farmers work together in changing times — Tim Mackle



**As I reflect on this year, I'm proud of how farmers and our team at DairyNZ have come together to turn challenge into success.**

Responding to Covid-19 created a significant number of challenges for New Zealand businesses, and farmers had to rapidly adapt how they farm to meet changing requirements. At the heart of this response was a need to keep everyone safe and still farming to provide Kiwis and global customers with nutrition and much needed export income for New Zealand.

Both farmers and DairyNZ rose to this challenge. Our team worked with other primary sector organisations and the Government to find solutions to enable Moving Day to go ahead, and to successfully advocate for visa extensions for migrant workers. On the ground, farmers were operating in a rapidly changing, complex environment and adapted their farming practices.

DairyNZ worked with the Government to set up a significant GoDairy campaign to offer Kiwis who had lost their jobs due to Covid-19 the opportunity to move into a dairy career. It's been great to meet GoDairy participants and hear about their enthusiasm for the training and dairy farming. Practical training is now

underway across New Zealand.

Significant freshwater reforms generated a number of concerns amongst farmers – particularly proposed nutrient limits and requirements to move existing fencing. Across the organisation, staff worked to develop a 240 page submission and submit 27 technical papers to the Government. Strong submissions from DairyNZ and farmers resulted in substantial changes by the Government.

Our Vision is Clear campaign has been successful in improving how the public view dairy. The campaign is reaching over 500,000 people a month through social media. 66 percent of those who have seen or heard stories from the campaign have a favourable view of dairy farming, compared to 43 percent favourability amongst people who have not seen the campaign.

Our research team had a very busy and successful year. There is some exciting research underway into flexible milking, testing fertility traits and how zeolite can reduce the incidence of milk fever.

Two key science programmes were acknowledged through awards. Our Pillars of a New Dairy System programme was recognised with gold status from the Ministry for Business, Environment and Employment, while our long-running Forages for Reduced

Nitrate Leaching programme received a significant achievement award. You can read more about our activities in this report.

In May, farmers were invited to vote on the continuation of the milksolids levy. As part of the way we work, we want to keep identifying how we can improve and the feedback we received from meetings, Farmers' Forums and discussions is helping shape a strategy refresh which will guide our future focus.

As part of our new approach we will be placing more emphasis on engaging with farmers and communicating the results your levy investment is achieving.

As we refresh our strategy, we will look ahead and focus on prioritising our research and resources to deliver the greatest value to you for your levy investment.

I appreciate the support we have received from farmers and our team at DairyNZ during this busy and successful year.

Warm regards,

**Tim Mackle**  
**Chief Executive**

# BETTER SOLUTIONS THROUGH SCIENCE



## Improving the fertility of our national herd

A large-scale trial involving 5,000 animals is testing new traits as indicators of cow fertility.

Cow fertility is measured by a Fertility Breeding Value (BV). Currently, the traits used to estimate BV have low

heritability. This limits farmers' ability to select for these traits to improve herds.

Researchers have found that high fertility BV heifers reach puberty three weeks earlier, and 25 kg lighter, than low fertility BV heifers.

High fertility cows also had a shorter non-cycling

period after calving and stronger and longer heats. These characteristics are associated with significantly greater submission and 6-week in-calf rates.

In 2019, the research team estimated puberty timing in around 5,000 heifers. Current findings indicate this puberty measure is 19 percent heritable, making it significantly more useful than existing measures to select sires that produce more fertile daughters.

Researchers are now looking at the fertility of these heifers as lactating cows to confirm the link between heifer puberty and cow fertility.

The length of the non-cycling period after calving, strength and length of heat, and conception date, will also be examined as fertility traits.

The trial is part of a partnership programme jointly funded by DairyNZ, the Ministry of Business, Innovation and Employment, and AgResearch. Additional funding and resources are provided by Fonterra, LIC and CRV Ambreed.



## Flexible milking creates options to manage farm workload

New research into 'three in two' milking indicates that farmers and their staff could benefit from this system, with only a small reduction in milk production.

A flexible milking trial has been running for a year at the Lincoln University Research Dairy Farm. It involves 116 cows split into four herds. One herd is milked twice-a-day; while three herds are on different variations of 'three in two' milking (three milkings over two days).

The initial trial results show a 0.09 kg decrease in milksolids per cow a day for each day of 'three in two' milking. This equates to a five percent decrease in milksolids for the full-season 'three in two' herd.

Dr Paul Edwards, the DairyNZ Senior Scientist leading the research says the trial results are exciting. "Many

Canterbury and Otago farms use 'three in two' milking in mid to late lactation," he says. "Our results indicate that starting 'three in two' milking earlier in the lactation or using it across the whole season could be a good option for many farms."

"Reducing the number of milkings, and changing their timing, can help manage farm workload and open up dairy roles to a wider workforce."

The trial is part of a three-year project

investigating flexible milking options. Six farms will pilot 'three in two' milking in 2020 and 2021. To follow the trial visit [dairynz.co.nz/3in2](https://dairynz.co.nz/3in2)



## Zeolite trial produces promising results

The first stage of a large-scale trial on the use of synthetic zeolite to reduce milk fever and improve reproductive performance has produced promising preliminary results.

Feeding synthetic zeolite before calving binds dietary calcium and other minerals in a cow's rumen, stimulating cows to optimise calcium balance at calving.

As part of the Zeolite Scale-Up Trial, researchers have confirmed that synthetic zeolite reduces the risk of milk fever in grazing cows. Results indicate that synthetic zeolite also reduces the incidence of subclinical milk fever and may improve reproductive performance. The best responses have been obtained when zeolite is delivered using maize

silage in troughs or bins, or using concentrate pellets through in-shed feeding systems.

In the 2019/2020 season, 1000 cows joined the trial. Half of these cows will receive zeolite for three weeks prior to calving.

The trial is being repeated this season with 1500 cows.

The trial is a collaboration between DairyNZ and Cognosco (a research division of Anexa Animal Health), and funded by DairyNZ and the Ministry for Business, Innovation and Employment.

To follow the trial visit [dairynz.co.nz/pillars](https://dairynz.co.nz/pillars)

# SHAPING A BETTER FUTURE FOR THE SECTOR



## The Vision is Clear improves perceptions of dairy farming

The Vision is Clear movement is sharing stories of environmental change with a growing number of Kiwis, and changing the public's views of dairy farming for the better.

In November 2018, DairyNZ launched The Vision is Clear – a movement that aims to improve water quality by raising the profile of dairy farmers' environmental work and inspiring Kiwis to play their part in looking after waterways.

Radio, print, and online videos led 218,000 people to visit The Vision is Clear website in the past year

and the movement reached over 525,000 people on social media every month. This shared environmental improvement work occurring nationally.

The work of Southland farmers Chris and Lynsey Stratford to fence off waterways, add 10,000 plants, and begin a pest trapping programme was profiled.

"We wanted good environmental outcomes," Lynsey said. "But that doesn't mean you can't farm. Farmers do a really good job and they now know what good looks like. So, the

more they can be empowered, the better the outcomes will be."

'Do something Tree-warding' was also launched in October 2019, and through this initiative 1421 trees have been donated to conservation charity Trees that Count for community waterway planting projects across New Zealand.

The Vision is Clear is part of a wider programme to improve perceptions of dairy farmers which includes school farm visits, providing education resources and proactive media activity.



LET'S IMPROVE OUR WATERWAYS  
Powered by DairyNZ

# 218,000

visits to the Vision is Clear website

# 525,000

people saw posts on social media each month

Favourability toward dairy farmers was **66 percent** for those who had been exposed to the Vision is Clear (compared to **43 percent** who had not)

## M. bovis eradication on track

Good progress is being made towards dairy farmers being able to farm free from *Mycoplasma bovis* (*M. bovis*).

The Government recently recognised that having primary sector organisations involved has strengthened the *M. bovis* programme. Significant improvements were made in the past year following a DairyNZ commissioned independent review.

We continue to work closely with programme partners to protect hard won gains, find solutions and ensure farmers have a strong say in decisions. The Biosecurity Response Levy was reduced from 2.9 cents to 2.4 cents per kilogram of milksolids for the 2020/21 season.

### Strengthening our biosecurity system

Beyond *M. bovis*, we've worked with farmers, Beef+Lamb NZ and the community through our OnFarm Biosecurity programme to offer nationwide workshops, good practice guidance and a growing set of resources to support practical, on-farm biosecurity.

We have engaged with Government policy teams to support sensible outcomes and advocate for a wider biosecurity system that is properly resourced, draws on our *M. bovis* learnings and ensures everyone plays their part.

Our majority investment in the TBfree programme has contributed to the



number of infected dairy herds dropping from 230 in 1996 to 11.

We've also developed the DBRiEF tool – to help us identify the risks of foreign organisms getting on to farms, how widely they could spread and their impacts.

## World leading emissions partnership signed

In October 2019 the Government accepted a farming sector proposal – He Waka Eke Noa - to work together to build a farm-level emission reduction framework.

The partnership between 11 primary sector and Māori groups and the Government is a world-first and one of the most significant developments on climate action in New Zealand's history.

The partnership means that instead of pricing agricultural emissions through the Emissions Trading Scheme (ETS) as previously proposed, farmers and growers will be incentivised to take action through an appropriate pricing mechanism. The mechanism will be designed in collaboration with the agricultural sector and Māori groups and be in place by 2025, in line with Government legislative requirements. Farmers benefit from the partnership by avoiding a system through the ETS that would have been similar to a tax on production (of up to \$47 million per annum from the sector) rather



than a system linked to emissions. This allows farmers and sector bodies to focus on building the appropriate mechanisms and understanding to manage and reduce emissions, and get the settings right.

Primary sector organisations, Māori and Government are combining their expertise to support farmers to measure, manage and reduce emissions on farms. To date, over 140 experts have been involved in mapping out work already underway to support emissions measurement and reduction, and identifying current

gaps. Several project workstreams have been created.

The partnership aims to build knowledge so that by 2022 all farmers know their emission numbers, and by 2024 a system for farm level accounting and reporting of emissions is in place.

By drawing on a growing body of knowledge and resources, by 2025 under He Waka Eke Noa, all farmers and growers will be able to include climate change mitigation and adaption activities in their farm environment plans.



## Advocacy on freshwater achieves wins for farmers

A comprehensive evidence-based DairyNZ submission - and thousands of submissions from dairy farmers - contributed to positive changes to the Action for Healthy Waterways package this year.

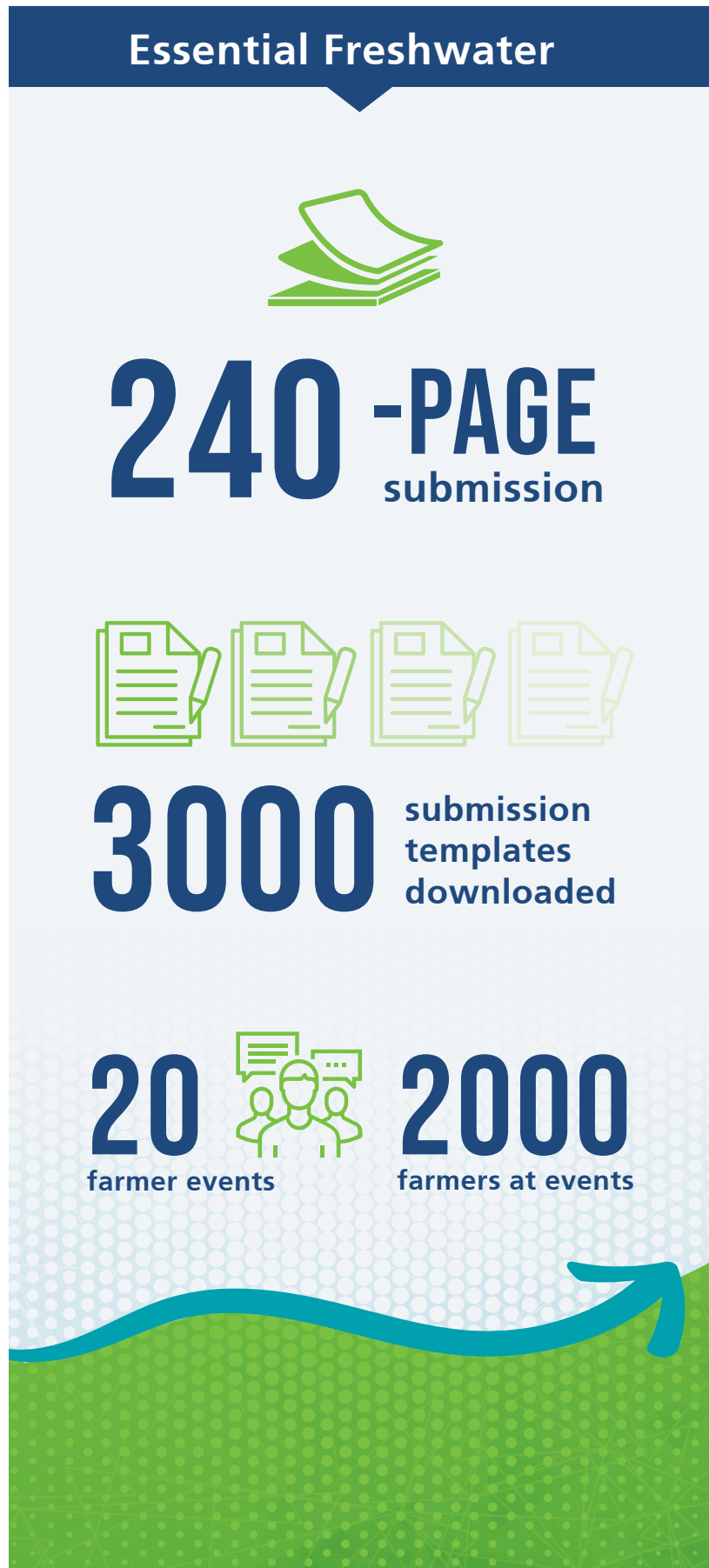
In September 2019, significant freshwater reforms were released for consultation. Over 2000 farmers and rural professionals attended DairyNZ hosted farmer meetings, submission drop-in sessions and webinars to explain the proposals.

Farmer feedback helped shape our submission. We supported some aspects of the package – such as mandatory farm environment plans, but not others. Farmers expressed concerns that the proposed nutrient limits, and requirements to move existing fencing, would impose substantial costs on rural communities without delivering the outcomes sought by the package.

Analysis by DairyNZ water quality scientists showed that the nutrient limits proposed in the package were not based on robust causal relationships. Our modelling indicated that the proposed package could reduce New Zealand's Gross Domestic Product (GDP) by over \$80 billion over 30 years.

In August, the Government released its final decisions on the Essential Freshwater reforms. One of the more impractical and expensive proposals - moving existing fence lines – was dropped, while proposed dissolved inorganic nitrate (DIN) measures are on hold.

While these are substantial wins, we know that it will be challenging for some farmers to meet the requirements in the package. DairyNZ will continue to advocate to ensure that new rules are pragmatic, evidence-based and implemented across appropriate timeframes as the freshwater reforms are rolled out through regional policy processes.



# SUPPORTING BETTER FARMING LOCALLY



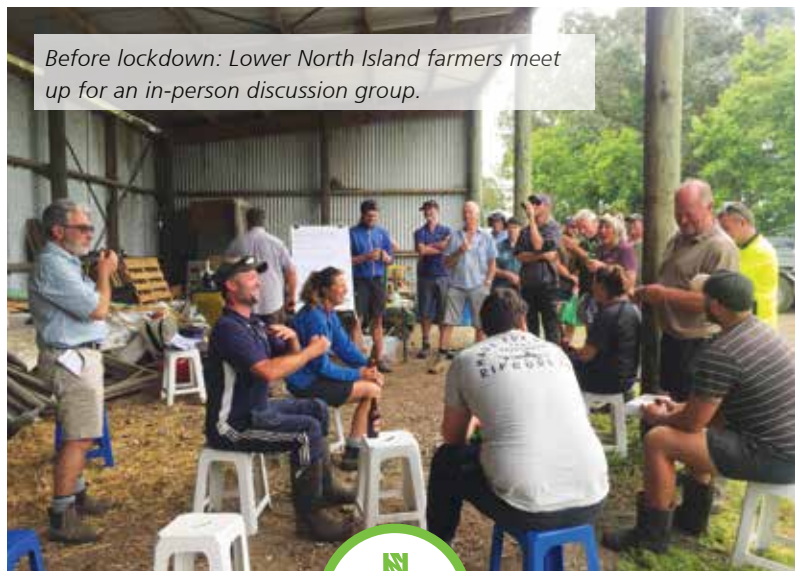
## Dairy farmers keep farming and feeding Kiwis through Covid

The dairy sector has played an important role in supporting New Zealand through Covid-19 by providing food and export income at a time when this was vital.

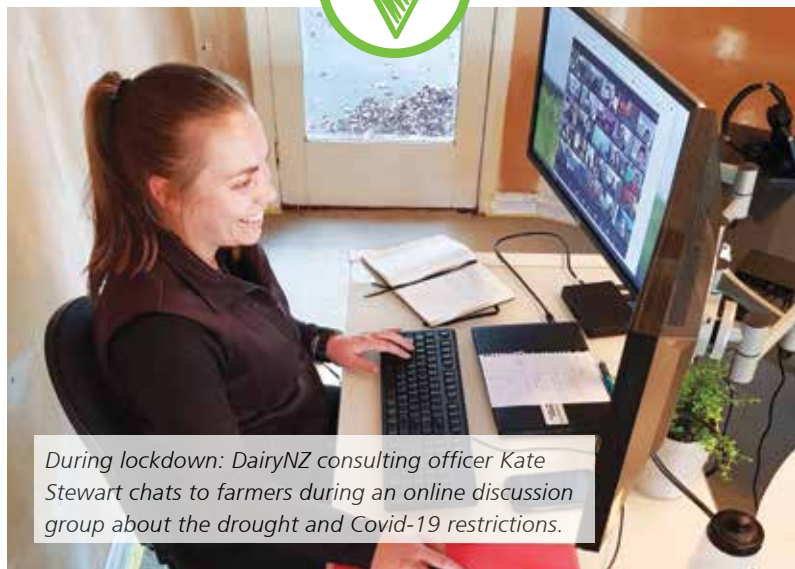
Covid-19 required farmers to make rapid changes to ensure employees were protected. DairyNZ supported farmers in a range of ways. As alert levels changed, we communicated these requirements to farmers. Our discussion groups and webinars moved online. We worked with the Ministry for Primary Industries (MPI), Federated Farmers and supply companies to seek solutions for immigration issues, Moving Day and staff shortages. Moving Day guidance was developed for a range of alert levels.

We were pleased to see the Government announce an extension for many temporary visa holders in March, after DairyNZ advocated for this change. This enabled workers to stay on-farm over the calving season. We're continuing to work closely with the Government to resolve immigration and visas for highly skilled migrant workers.

With key industries such as tourism and education continuing to be affected by the impacts of Covid-19, dairy looks set to become even more important to New Zealand's future.



*Before lockdown: Lower North Island farmers meet up for an in-person discussion group.*



*During lockdown: DairyNZ consulting officer Kate Stewart chats to farmers during an online discussion group about the drought and Covid-19 restrictions.*



## GoDairy gears up to train Kiwis for a dairy career

In 2020, DairyNZ prepared and launched a significant campaign to attract and train Kiwis for dairy farming jobs.

The GoDairy campaign was launched in June by DairyNZ, in partnership with the Ministry for Primary Industries, the Ministry for Social Development (MSD), and with support from Federated Farmers. It offers New Zealanders who have lost their jobs due to Covid-19 the opportunity to

take part in free Farm Ready Training. GoDairy is an existing DairyNZ programme which has supported people into dairy careers for 15 years. The Government and the sector have invested up to \$3.5 million in the programme to fund and promote entry level farm training.

GoDairy online training covers the New Zealand dairy sector, farm technology, pasture, rural living and finding a job. The practical training covers working

with animals, health and safety and operating farm vehicles.

The training will continue to be offered during 2020, with practical training taking place throughout New Zealand. It has attracted strong interest from Kiwis of all backgrounds, and from dairy farmers wanting to employ career changers.

For more information on GoDairy see [godairy.co.nz](http://godairy.co.nz)

## Tararua project trials how plantain can reduce nitrogen losses

DairyNZ is working with 120 farmers in the Upper Manawatu to trial using plantain to reduce nitrogen losses.

Under regional rules, farmers need to significantly reduce their nitrogen losses. Local dairy farmers initiated this project to encourage farmers to use plantain to help meet this requirement, while remaining profitable.

The Tararua Plantain Rollout project is funded by DairyNZ and the Ministry for Primary Industry's Sustainable

Farming Fund. It builds on DairyNZ's Forages for Reduced Nitrate Leaching programme which found that plantain could reduce nitrogen leaching by up to 30 percent.

In Tararua, plantain is being trialled on eleven farms, and farmers are sharing knowledge about how to incorporate plantain into their farm systems. A recent farmer field day looked at weed management options for buttercup. The community was



introduced to the project and the benefits of plantain at a public field day.

A national plantain group is planned to share knowledge from Tararua with farmers nationwide.



# Dairy Tomorrow: The future of New Zealand dairying

## Dairy Tomorrow Commitments

Launched in November 2017 by partners representing the dairy sector – DairyNZ, Dairy Women’s Network, Federated Farmers and Dairy Companies Association of New Zealand – the strategy encompasses the sustainability of dairy farming, and has six key commitments:

- protecting and nurturing the environment
- building resilient and competitive farm businesses
- producing the highest quality and most valued dairy nutrition
- practicing world leading animal care
- building great workplaces for New Zealand’s most talented workforce
- growing vibrant and prosperous communities.

## Piloting animal care measures on NZ dairy farms

Consumers, the public and farmers are increasingly asking how animal welfare on farms can be monitored and improved.

There are around five million dairy cows in New Zealand on 12,000 farms. As part of Dairy Tomorrow, the dairy sector has committed to developing and implementing a framework showing that every animal is valued and treated with care and respect. DairyNZ and the Dairy Companies Association of New Zealand (DCANZ) are leading this commitment.

In Autumn 2020, the Dairy Tomorrow working group animal care pilot visited 42 dairy farms nationwide to record a range of animal care measures. The goal was to find a group of high-level measures that could identify areas for improvement, provide value to farmers, and assure the public and consumers that the dairy sector is proactively addressing animal care. The project also engaged with farmers, the public and animal welfare experts to guide this work.

The pilot has found that farms are unique in how they approach animal care. A collection of indicators and measures will help provide a clear picture of animal care on farm.

The measures will be piloted on another group of farms this spring to help further refine them.

# LOOKING AHEAD

# 2020 / 21

## Commitment – 1



**We will protect the environment for future generations**

As part of our commitment to protect the environment for future generations we will carry out the following activities.

We will continue working to understand the implications of the Essential Freshwater package. In partnership with councils and central government we will work to ensure we achieve practical outcomes for implementation, including farm plan requirements, and that catchment limits are evidence-based and fair.

We will support the delivery of the primary sector-Government climate change agreement - He Waka Eke Noa.

We will build on our progress to deliver the Aparima, Selwyn-Hinds and Tararua catchment projects to provide farmers with options to meet environmental regulations and maintain profitable, resilient businesses.

We will develop guidance on the performance of edge of field mitigation options to support water quality improvement, and demonstrate dairy sector progress on water quality improvement in priority catchments.



## Commitment – 2



**We will build the world's most competitive and resilient dairy farming businesses**

Under this commitment, DairyNZ works with farmers and their communities to achieve on-farm change, resilience and competitiveness.

We will provide practical, cost-effective solutions that support sustainable and resilient dairy farming through projects such as Southern Wintering, Flexible Milking, Sustainable Fodder Beet Use, and the Future of Work. Our research will support our dairy sector's leading global position – for example by testing new fertility traits as indicators of cow fertility.

Farm assessment and planning resources such as Farm Gauge, farm assessment and planning groups, Mark and Measure, and sharemilking and progression groups support farmers to grow their profitability and return on investment. Training products such as InCalf, FeedRight and HealthyHoof will help upskill farmers and their advisers. We will continue to provide events and forums for farmers to learn, and share, and we will support a number of farming network organisations.

DairyNZ will also work to improve, and influence, New Zealand's biosecurity system.

### Step Change - farming with confidence

The objective of this project is for farmers to know by 2025 what they need to do to successfully meet changes to national environmental and farm performance goals.

Over the next year, the project will focus on 'knowing your numbers' for business and environmental goals. A

campaign to support farmers to have confidence and pride in their sector will also be launched. A range of events is planned to help farmers achieve their goals.

### **Integrated Farm Planning Framework – simplifying reporting**

Work will continue to bring together the on-farm aspirations of Dairy Tomorrow into one framework that simplifies goals and expectations for animals, people, the environment and business performance.

### **Supporting Māori agribusiness**

Through a designated Māori agribusiness specialist, DairyNZ is facilitating Māori working with Māori in pilot clusters in the Bay of Plenty to share knowledge. We are also championing DairyBase and the Ahuwhenua Excellence in Māori Dairy Farming competition.

### **Testing and improving the Forage Value Index**

The Forage Value Index (FVI) validation trial is comparing the productivity and profit of farm systems using some high and low FVI-ranking perennial ryegrass cultivars. This will confirm if the trial results align with predicted results from the FVI, and whether the index needs adjustment. This work aims to help improve farm profitability.



### **Improving our dairy sector's competitiveness**

An economic analysis of the 'mega dairy' sector in the United States will identify what Kiwi farmers can learn from these businesses, and how activity by this sector affects New Zealand farmers. Other projects are examining how to make more milk from pasture, and how farmers can thrive during low milk prices.

### **Southern Dairy Hub researches environmental solutions for farmers**

In its third year, a DairyNZ research project at the hub is looking at the profitability and environmental outcomes of lower impact and standard kale and fodder beet systems to identify what refinements could be made to improve profitability, while maintaining reduced nutrient losses.

Local farmers were keen to see if an affordable wintering infrastructure solution can be designed for pasture-based farm systems which meet environmental and animal welfare requirements. Work will start on this project.

### **Improving the accuracy of genetic evaluation**

A project led by DairyNZ subsidiary NZAEL to provide farmers with more accurate data underpinning genetic evaluations is continuing.

In 2020, genetic evaluation software used by breeding companies was upgraded to draw on ten years of New Zealand and international research. A second system upgrade in 2021 will incorporate genomic data into the national evaluation system.

## **Commitment – 4**



### **We will be world leading in animal care**

We are working with Dairy Tomorrow partners to develop a world leading framework that ensures every animal is treated with care and respect. The project will complete a pilot of high-level welfare metrics, and research novel measures for animal welfare. It will also be ensuring the natural behaviours of cows are met in challenging climatic conditions.



DairyNZ will continue working with a wide range of organisations to achieve good animal care outcomes. There will be an emphasis on wintering, providing shade and shelter and general animal husbandry skills. Smart wintering events and CalvingSmart workshops are planned.

The Early Response Service will continue to support farmers to farm their way out of welfare risks by partnering with dairy companies, the Rural Support Trust, vets and rural professionals to find solutions.

### **Animal care consultations – improving on-farm care**

Five hundred personal coaching sessions are offered through animal care consults. These help farmers identify where they are performing well and where improvements can be made.

### **Exploring alternative options for bobby calves**

We will continue working with key primary sector partners to develop new options for bobby calves.

## **Commitment – 5**



### **We will build great workplaces for New Zealand's most talented workforce**

A focus for this year will be continuing the GoDairy campaign promoting dairy careers and offering farm ready training to those looking to change careers.

Work will continue to develop a primary sector skills system which delivers training that meets the needs of farmers and their staff. We will continue to invest in career development programs, and increase our focus on supporting farmer leadership of teams on-farm.

A project is underway to provide options to reduce working hours on-farm by developing more flexible milking routines. DairyNZ is also continuing work to design future dairy workplaces.

## **Commitment – 6**



### **We will help grow vibrant and prosperous communities**

The Vision is Clear campaign continues to showcase the great work dairy farmers and others are doing to improve the quality and health of our waterways. The project builds on a public education programme to deliver a multimedia campaign that restores trust, and instils pride, in dairy farmers.



# FINANCIALS

# 2019 / 20

## Statement of Comprehensive Income

For the year ended 31 May 2020

<i>In thousands of New Zealand Dollars</i>	Consolidated		Parent	
	2020	2019	2020	2019
<b>Continuing operations</b>				
Revenue and other income	83,827	86,013	72,284	71,287
Operational expenses	(84,179)	(85,389)	(74,991)	(70,916)
<b>Profit/(loss) before finance activities</b>	<b>(352)</b>	<b>624</b>	<b>(2,707)</b>	<b>371</b>
Finance income	209	289	34	4
Finance expenses	-	(9)	-	-
<b>Net finance income</b>	<b>209</b>	<b>280</b>	<b>34</b>	<b>4</b>
<b>Profit/(loss) before income tax</b>	<b>(143)</b>	<b>904</b>	<b>(2,673)</b>	<b>375</b>
<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period</b>	<b>(143)</b>	<b>904</b>	<b>(2,673)</b>	<b>375</b>
<b>Other comprehensive income</b>				
Net change in fair value of available for sale financial assets	(124)	(362)	-	-
Income tax on other comprehensive income	-	-	-	-
<b>Other comprehensive income for the period, net of income tax</b>	<b>(124)</b>	<b>(362)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/loss for the period</b>	<b>(267)</b>	<b>542</b>	<b>(2,673)</b>	<b>375</b>



# Statement of Changes in Equity

For the year ended 31 May 2020

In thousands of New Zealand Dollars

Consolidated

	CONTRIBUTION BY OWNERS	INVESTMENT FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 June 2018	33,783	268	9,786	43,837
<b>Total comprehensive income for the period</b>				
Profit/(loss) for the period	-	-	904	904
<b>Other comprehensive income</b>				
Net change in fair value of available for sale financial assets	-	(362)	-	(362)
<b>Total other comprehensive income</b>	-	<b>(362)</b>	-	<b>(362)</b>
<b>Total comprehensive income for the period</b>	-	<b>(362)</b>	<b>904</b>	<b>542</b>
<b>Balance as at 31 May 2019</b>	<b>33,783</b>	<b>(94)</b>	<b>10,690</b>	<b>44,379</b>
Balance as at 1 June 2019	33,783	(94)	10,690	44,379
<b>Total comprehensive income for the period</b>				
Profit/(loss) for the period	-	-	(143)	(143)
<b>Other comprehensive income</b>				
Net change in fair value of available for sale financial assets	-	(124)	-	(124)
<b>Total other comprehensive income</b>	-	<b>(124)</b>	-	<b>(124)</b>
<b>Total comprehensive income for the period</b>	-	<b>(124)</b>	<b>(143)</b>	<b>(267)</b>
<b>Balance as at 31 May 2020</b>	<b>33,783</b>	<b>(218)</b>	<b>10,547</b>	<b>44,112</b>

In thousands of New Zealand Dollars

Parent

	CONTRIBUTION BY OWNERS	INVESTMENT FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 June 2018	33,783	-	(18,957)	14,826
<b>Total comprehensive income for the period</b>				
Profit/(loss) for the period	-	-	375	375
<b>Total comprehensive income for the period</b>	-	-	<b>375</b>	<b>375</b>
<b>Balance as at 31 May 2019</b>	<b>33,783</b>	-	<b>(18,582)</b>	<b>15,201</b>
Balance as at 1 June 2019	33,783	-	(18,582)	15,201
<b>Total comprehensive income for the period</b>				
Profit/(loss) for the period	-	-	(2,673)	(2,673)
<b>Total comprehensive income for the period</b>	-	-	<b>(2,673)</b>	<b>(2,673)</b>
<b>Balance as at 31 May 2020</b>	<b>33,783</b>	-	<b>(21,255)</b>	<b>12,528</b>

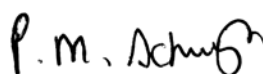
# Statement of Financial Position

For the year ended 31 May 2020

In thousands of New Zealand Dollars	Consolidated		Parent	
	2020	2019	2020	2019
<b>Assets</b>				
Property, plant & equipment	21,248	22,229	-	-
Intangible assets	4,995	4,880	-	-
Biological assets - Livestock	1,427	1,398	-	-
Investment in subsidiaries	-	-	34,954	34,865
Investment in associates	4,699	4,821	4,699	4,805
Other investments	1,322	1,446	-	-
<b>Total non-current assets</b>	<b>33,691</b>	<b>34,774</b>	<b>39,653</b>	<b>39,670</b>
Cash and cash equivalents	18,545	15,744	428	626
Inventories	106	112	-	-
Trade and other exchange receivables	2,891	7,740	4,473	3,903
Trade and other non-exchange receivables	7,618	3,881	7,302	3,881
<b>Total current assets</b>	<b>29,160</b>	<b>27,477</b>	<b>12,203</b>	<b>8,410</b>
<b>Total assets</b>	<b>62,851</b>	<b>62,251</b>	<b>51,856</b>	<b>48,080</b>
<b>Members' funds</b>				
Contribution by owners	33,783	33,783	33,783	33,783
Investment fair value reserve	(218)	(94)	-	-
Retained earnings	10,547	10,690	(21,255)	(18,582)
<b>Total members' funds</b>	<b>44,112</b>	<b>44,379</b>	<b>12,528</b>	<b>15,201</b>
<b>Liabilities</b>				
Employee entitlements	310	334	-	-
<b>Total non-current liabilities</b>	<b>310</b>	<b>334</b>	<b>-</b>	<b>-</b>
Trade and other payables	14,358	13,885	38,303	31,983
Deferred income	1,521	1,188	1,025	896
Employee entitlements	2,550	2,465	-	-
<b>Total current liabilities</b>	<b>18,429</b>	<b>17,538</b>	<b>39,328</b>	<b>32,879</b>
<b>Total liabilities</b>	<b>18,739</b>	<b>17,872</b>	<b>39,328</b>	<b>32,879</b>
<b>Total members' funds and liabilities</b>	<b>62,851</b>	<b>62,251</b>	<b>51,856</b>	<b>48,080</b>



**J VAN DER POEL, CHAIRMAN**  
30 July 2020



**P SCHUYT, DIRECTOR**  
30 July 2020

# Statement of Cash Flows

For the year ended 31 May 2020

*In thousands of New Zealand Dollars*

	Consolidated		Parent	
	2020	2019	2020	2019
<b>Net cash from/(used in) operating activities</b>				
<b>Cash provided from:</b>				
Dairy industry good levies	67,856	67,458	67,856	67,458
Biosecurity responses levies collected	47,005	-	47,005	-
Other funding	19,906	13,856	3,495	2,951
	<b>134,767</b>	<b>81,314</b>	<b>118,356</b>	<b>70,409</b>
<b>Cash applied to:</b>				
Cash applied to suppliers and employees	82,810	82,430	69,447	67,570
Biosecurity responses levies paid	47,005	-	47,005	-
	<b>129,815</b>	<b>82,430</b>	<b>116,452</b>	<b>67,570</b>
<b>Net cash from/(used in) operating activities</b>	<b>4,952</b>	<b>(1,116)</b>	<b>1,904</b>	<b>2,839</b>
<b>Net cash from/(used in) investing activities</b>				
Cash provided from sales of assets, investments and livestock	186	230	-	-
Cash applied to purchase of assets, investments and livestock	2,337	2,336	2,102	2,302
<b>Net cash from/(used in) investing activities</b>	<b>(2,151)</b>	<b>(2,106)</b>	<b>(2,102)</b>	<b>(2,302)</b>
<b>Net cash from/(used in) financing activities</b>				
<b>Net cash from/(used in) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash balances</b>	<b>2,801</b>	<b>(3,222)</b>	<b>(198)</b>	<b>537</b>
Cash balances at beginning of period	15,744	18,966	626	89
<b>Closing cash balances</b>	<b>18,545</b>	<b>15,744</b>	<b>428</b>	<b>626</b>

For a full disclosure of financial statements and audited Annual Report, please visit [dairynz.co.nz/annual-report](http://dairynz.co.nz/annual-report).

# DairyNZ your levy in action

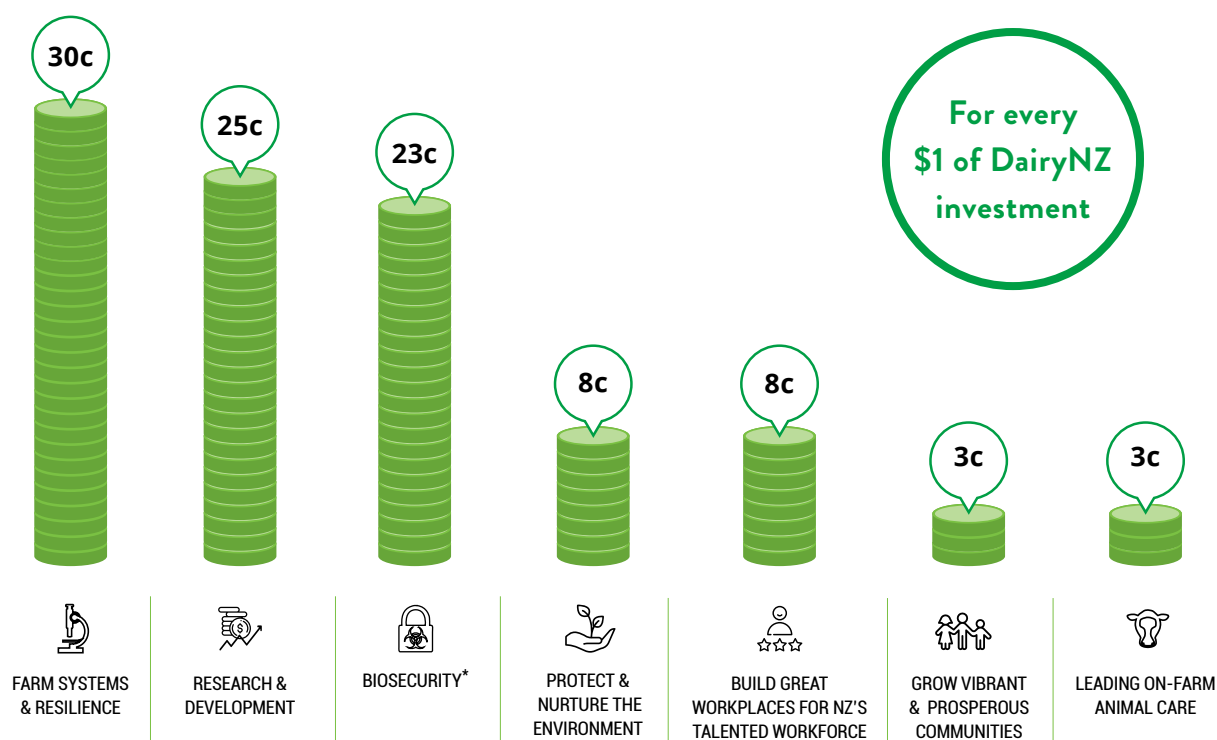
We invest dairy farmers' money into a wide range of programmes, guided by the dairy sector strategy.

In 2019/20, a total of \$68.3 million was collected through the milksolids levy, plus DairyNZ received government co-funding.

Our work includes research and development to create practical on-farm solutions, supporting farmers in the on-farm adoption of good practice farming, promoting careers in dairying and advocating for farmers with central and regional government.

## Levy and co-funding investment by objective

2019/20 funding under the sector strategy, Dairy Tomorrow.



\*largely TB control investment supporting OSPRI

### 2020/21 DairyNZ investment commitments

2020/21 funding under the commitments in the sector strategy, Dairy Tomorrow.

Commitment	Forecast Spend
Protect and nurture the environment	\$6.5m
Building competitive and resilient dairy farming businesses	\$56.8m
World leading in on-farm animal care	\$3.0m
Build great workplaces for New Zealand's most talented workforce	\$6.3m
Help grow vibrant and prosperous communities	\$1.8m

Download the full Annual Report at [dairynz.co.nz/annualreport](http://dairynz.co.nz/annualreport) or phone 0800 4 324 7969.

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