



COMMON GROUND

Burra Foods Community Report



Rob and Marita Pandolfo have invested in quality infrastructure over the years to help grow and expand their farm.

PASSIONATE FARMERS CELEBRATE 25 YEARS OF MILK SUPPLY SERVICE



FROM STEWART'S DESK

Welcome to the Burra Foods Community Report for Summer 20/21. As we near the end of 2020, and my first full year as CEO, it has not been the year that I – nor anyone at Burra – thought it would be! We started the year with drought followed by some of the worst bushfires in Australia's history, only to then be exposed to a global pandemic with coronavirus (COVID-19).

However, on reflection, while we will no doubt look back on it as a turning point in how Burra operates – and how we, as a community, function – 2020 has taught us to be resilient and to embrace change.

Family heritage and a love of the dairy industry has seen farmer Rob Pandolfo and wife Marita supply Burra Foods with great quality milk for the past 25 years.

Their dairy, located at Lardner in West Gippsland, has been established for more than 50 years.

"My parents started here with about 50 cows on 31 hectares before we purchased the farm from them," Rob said.

"We have invested a significant amount of money and commitment over the years and are now milking 340 Holstein Friesian cows on about 150 hectares."

The Pandolfos have been supplying milk to Burra Foods since Rob and Marita purchased the farm in 1994 and were one of nine suppliers working with the company at the time.

"We were always impressed with Grant Crothers, the CEO of Burra Foods at the time," Rob said.

"We had a lot of trust in Grant and his business as it was a small and very personable company.

"The staff were approachable, honest, and it felt as though you really did matter to them. We felt like we were a part of the Burra family."

Rob says he is a dryland dairy farmer who relies on rainfall to produce quality feed for grazing.

"Pasture is the cheapest feed, so we reduce feed costs year-round if the rainfall is suitable," he said.

Over time, the Pandolfos have been able to invest in quality infrastructure to help to grow and expand the farm.

"Reliable and efficient equipment is one of the keys to our business," Rob said.

"We started with a nine swing-over dairy and are now sitting at a 28 swing-over. We have also divided the property into 62 paddocks with laneways to each, to improve pasture and livestock management.

"Other tools such as automatic cup removers have helped improve milking efficiency.



FROM STEWART'S DESK CONTINUED

Resilience is the ability to adapt in the face of adversity and recover quickly from setbacks. COVID-19 has been the greatest threat to Burra this year and continues to challenge us. We saw the impacts of COVID-19 in China late last year and the rapid growth of cases in Italy. When cases started to emerge in Melbourne we implemented a series of strong controls internally, to 'protect our people, protect our factory and protect our financial stability'. The way our team responded was fantastic and we continue to meet our objectives with no COVID-19 cases and our product mix on track.

However, with record new cases and lockdowns across Europe and continued growth of cases in the United States, the pandemic continues. The impacts of this on export markets and the global dairy industry is hard to predict. Large volumes of milk were dumped on-farm in the US during its first wave, resulting in global demand remaining relatively strong. Demand for fat products has significantly reduced in the second half of 2020 with declines in the hotel, restaurant and cafe trade. Despite this, some of Burra's core markets in Asia have proven resilient and demand for our high-quality products has been maintained. This reinforces our long-term strategy to diversify across products, markets and customers, and gives us the best chance to adapt.

PASSIONATE FARMERS CELEBRATE 25 YEARS OF MILK SUPPLY SERVICE

"We also invested in renewables such as solar for electricity and hot water several years ago to assist with our electricity expenses; along with other environmental improvements such as water recycling for dairy yard wash down and water pre-cooling." The Pandolfos have faced many challenges in their 25 years of dairy farming.

"When the milk prices were down and expenses were going up, it was very hard to make a living," Rob said.

"Dry seasons, low milk prices and high feed costs made it tough, but our main priority was always to look after our cows and their welfare.

"We had built our business robust enough to handle the situation, but we weren't able to invest anything significant into the

BURRA AND COVID-19

Burra's management team has changed the way the company operates in 2020 due to COVID-19. With essential people only on site at the factory, many staff have worked from home. Embracing new technology has enabled meetings to be virtual, including with employees, suppliers and customers. While there is no substitute for meeting in person, we have adapted to a new normal until we can return to the workplace with less restriction. Recording and sharing of business updates and presentations has enabled staff off-shift, or who may not have been able to attend, to access them when they can. Caring for and supporting one another through virtual social events and frequently talking about mental health has built resilience and will remain a priority in future.

DAIRY FARM MONITOR PROJECT

The recently published Dairy Farm Monitor Project for 2019-20 reflects Gippsland's strength as one of Australia's premier dairy-producing regions. The 25 focus farms in the project averaged the highest profitability across Victoria, highlighting the fantastic seasonal conditions for many farmers.

Burra is grateful to call Gippsland home because the reliability of milk production provides confidence to our customers of ongoing supply. Of course, this reliability attracts competition and we understand the need to deliver a milk price that rewards the commitment of our milk supply partners.

business to improve for the long term. It really tested our resolve."

With the last two seasons providing good prices and rainfall, the Pandolfos have been able to invest more into their business.

"We are very proud of the business we have developed over the years, but times continue to change and things continue to become more technologically advanced," Rob said.



DAIRY INDUSTRY STRATEGY

This year, the dairy industry has been dominated by the introduction of the Mandatory Code of Conduct and development of the Australian Dairy Plan.

The code presented no concerns for Burra because it reflected the honest and open relationships we value with milk supply partners. The requirement for all processors to publish standard form agreements and milk price on their website by 2pm on June 1 was new. I question whether this has provided the transparency and choice for dairy farmers as intended but it is a start.

The intent of the Dairy Plan to bring the whole supply chain together and implement strategies for the long-term sustainability and profitability of our industry is to be applauded. As the implementation plan is finalised, I hope it will reflect this intent and unite the industry.

While 2020 has been a year like no other, in times to come, I expect we will look back proudly on it as the year we embraced exceptional change and improved our resilience, which gave us the confidence to take on new opportunities and grow.

Have a safe and Merry Christmas and all the best for a prosperous 2021.

Stewart Carson
Chief Executive Officer
stewartc@burrafoods.com.au

"We are open to implementing changes to make our business more efficient and robust and we will continue to look at reducing costs and investing in good, reliable equipment.

"We are very passionate about the industry and our business and Burra Foods definitely played a part in getting us to where we are today."



Michael and Michelle Axford have been dairy farmers for 25 years and became Burra Foods milk supply partners in 2018.

PRICING AND PERSONAL APPROACH KEY TO AXFORDS' MOVE

A sense of community and on-farm support were the reasons why dairy farmers Michael and Michelle Axford made the switch to supplying Burra Foods 15 months ago.

The property near Korumburra was originally a beef farm run by Michael's parents but now the dairy business is in its 25th year.

After completing his apprenticeship and working on other dairy farms in the area, Michael decided to move back to the family farm and convert it into a dairy.

"We built the dairy business from scratch and since 1996, the farm has grown in size and productive capability," he said.

The Axfords had been with the same processor since they began dairying however they had started to think about making the switch to Burra Foods because it is a local company.

"Burra Foods is just 10 minutes away from the farm and we liked the idea that the milk is processed close to our property to reduce food miles and support our local community," Michelle said.

"We were also monitoring pricing and decided Burra Foods was a better fit for our business."

Since making the switch, the Axfords have been pleased by the level of support provided.

"The on-farm support and communication from Burra Foods Milk Supply Manager, Peter Fort, has been great," Michelle said.

"As this year has been quite muddy, we have been struggling with sediment in some areas of the farm. The support from the Milk Supply team helped build awareness around this issue and suggested steps towards reducing this as much as we could.

"Working with a smaller company feels more personal and we appreciate their ethos and the effort they put into community and industry activities. We have also enjoyed getting to know other Burra suppliers."

Michelle's family are multi-generational dairy farmers in Canada. This experience, along with her background in dairy genetics working for DataGene and studying her PhD at LaTrobe University,

has helped to provide more opportunities for their operation.

"I have been working in the dairy genetics field for more than a decade. I enjoy testing new ideas and tools on-farm during their development as 'real-world' feedback is important to getting them right," she said

"The diversified income provides us with more options to support our family and continually invest in improving our operation."

In future, the Axfords see scope for farmers to benefit from using the data Burra Foods collects, along with the data they collect on-farm, to help forecast risks and opportunities.

"We are continually trying to improve and fine-tune our operation."



TOP 10 MILK QUALITY AWARD WINNERS

Burra Foods congratulates its 2019-20 Milk Quality Award winners.

Burra appreciates the ongoing efforts of milk supply partners and their commitment to producing high quality milk for premium dairy products. The Top 10 award winners include:

Shane & Isobell Derrick

Terri Geary

Stuart & Jenny Bland

J H Cuthbertson Pty Ltd & Elliott

Rick & Jackie Schneider

Campbell & Karen Chapman

Jeff & Suzanne Ashby

Robert, Beverley & Rachael Lade

Peter, Helen & Michael Thomson

Kevin, Helen & Mitchell Jones

TIMELY MANAGEMENT ENSURES QUALITY MILK



Peter and Helen Thomson made the switch to Burra Foods in 2012 and have valued the improved communication between processor and milk supply partner.

Effective management strategies and a lifetime of experience in dairy farming has helped Peter Thomson and his family provide quality milk for more than 30 years.

The family-owned dairy at Fish Creek has been in Peter's family since the early 1950s.

"Dad started with only 70 cows in a walkthrough milking set-up and today we currently have 320 dairy cows and a more modern and effective dairy," Peter said.

Peter, wife Helen and son Michael have been supplying Burra Foods with quality milk for eight years.

"We shopped around for a good milk company for a while before making the switch to Burra Foods in 2012," he said.

"We wanted a milk company who was straight forward to work with and allowed us the freedom to run our business the way we wanted."

Improved communication has been a major benefit from the switch to Burra Foods.

"Our Milk Supply Manager, Peter Fort, is really easy to contact and he provides great support," Helen said.

The Thomsons are known for their excellent quality product, providing milk with a low somatic cell count.

"We've always placed a high emphasis on managing mastitis in our herd," Peter

said. "Instead of herd testing we have just developed an eye for picking up on mastitis symptoms which are often hard to identify.

"Every morning and night we check the cows for signs of mastitis and we try to keep our cell count at 80,000 to 100,000 cells per millilitre."

Peter said milk quality management comes down to staff training.

"As we're a family-owned business, it's easy to train and educate everyone on the best way to manage our herd," he said. "Our milking hand, Greg Collis, takes pride in his attention to detail and his ability to notice the signs of mastitis.

"We also make sure to spray teats after milking and teat seal our cows and heifers in the dry period to prevent the risk of any mastitis spreading."

Despite the wet season, the Thomsons have still managed to keep on top of the mastitis risk in their herd.

"We use the cell count data we collect on-farm as feedback to adjust management decisions where necessary, however, we mainly stick to our routine as that's what works best for us," Helen said.

Peter said the industry is continuously improving and somatic cell count will continue to be a focus.

"The expectations of the industry are increasing so it is important we stay on top of our cell counts and continue to develop our business moving forward."



Burra has delivered a series of productivity improvements in 2020 with members of the team working on reducing waste while improving processes.

RESOURCE EFFICIENCY AND SUSTAINABILITY KEY FOCUS

Reducing waste, downtime, chemical use and environmental impact without compromising on quality is the priority for Burra Foods Production Improvement Coordinator, Krystel Li.

As a young graduate engineer, Krystel joined Burra Foods after completing the three-month Monash Industry Team Initiative (MITI) program with the company at the end of 2016.

"During the MITI program, I focused on how Burra Foods can reduce waste in the factory," she said.

After working as a graduate engineer with the company, she moved into the Production Improvement Coordinator role, focused on delivering a series of productivity improvements.

"We've put a lot of emphasis on how to improve resource efficiency and sustainability across the business," Krystel said.

"This year we have been focusing on improving issues such as cleaning processing equipment, batching time, dryer throughput and baghouse socks reliability."

Krystel has been focused on improving dryer throughput of powder and reducing blockages along the processing line.

"By reducing blockages in the powder transport line, we have increased the throughput of powders by almost 13 per cent," she said.

"We want to continue to improve this year-on-year so this will be another focus for 2021."

Baghouse socks are used to help reduce dust and emissions in the plant by capturing fine particles released during powder processing.

"Higher grade socks last longer and capture more fine particles. Using new high-grade socks helped reduced emissions to less than one per cent in three months," she said.

Cleaning down equipment used during milk processing can often be time consuming and requires large amounts of water, steam and chemicals.

"We looked at optimising our washes in the processing plant, which reduced our cleaning time by 25 per cent. This allowed us to reduce our utility use without compromising on the effectiveness of the washes."

Krystel said by improving these processes, they ensure faster turnover and less downtime resulting in more milk processed in a shorter timeframe.

"The milk which goes into our product is fresher because it is spending less time in the silos," she said.

Burra Foods continues to focus on improvement in production and processing and is now planning projects for 2021.

"Next year we will be focusing on the issues found from this year and we will work to minimise them while working more effectively and processing more milk," Krystel said.

"Burra Foods is determined to continue to improve production efficiency and is committed to producing top quality products while still having a strong outlook on sustainability."



Burra's Brand Ambassador, Eleanor Patterson, is back into full training for the 2021 Tokyo Olympics. The Burra team checked in with her on progress ...

With COVID-19 cancelling competitions, how have you stayed focused on your goals in 2020?

This year has thrown a lot of curveballs; I was focused on competing and performing well at the Tokyo Olympics but obviously that has been postponed so there was a short period where I was lacking a bit of motivation. In the end, training was my salvation and a way to get in the zone and try to ignore what was going on in the

world. Outside of that, I use my downtime to do the things I love: like cooking, hanging out with friends and I meditate as well to keep myself centred. I work a bit in disability care, which is a really good way for me to keep myself occupied beyond training. In competition season, when it is all about training and competing, it can be quite overwhelming because I want to be able to perform well. When it comes to the day of competition, I don't want to overthink things. It is the same with training, I just need to relax and do exactly what is set out. I find work and the balance of my hobbies is a really great way to balance

my life and helps me to be present at training and to be able to put in 110 per cent.

What's the plan in the lead-up to the Tokyo Olympics next year?

Just to be able to compete is my big goal! At the moment, it is still quite unpredictable because there is a lot of uncertainty around what competitions and travel are possible due to COVID-19. There will be competition in Australia and so I want to maintain my early 2020 form and continue to jump Olympic qualifying heights and new personal bests. If all goes well, we have the Australian Nationals



INVESTING IN FLEET'S FUTURE

Peter Stoitse Transport has come a long way from one truck 50 years ago to more than 120 trucks on the road and 280 employees across Victoria.

CEO Mike Munday said the business is continuing to expand and is constantly looking to improve the fleet.

"We are continuously renewing our fleet, with an additional six prime movers and new tankers arriving this month," he said. "This will not only improve the work environment for our tanker drivers, but ensure we maintain the latest technology and improve efficiencies with our fleet."

"We have ensured all of the trucks now have an enhanced GeoTab GPS system and all of our drivers are up-to-date with training to ensure safety on-farm."



SUSTAINABILITY FOCUS: OUR CARBON FOOTPRINT

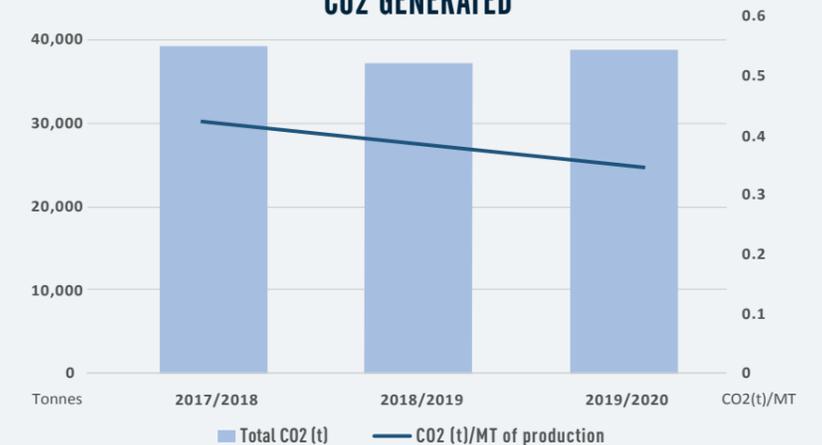
Burra Foods' sustainability focus in 2020 has been on improving production planning, operational stability and increasing efficiency. Environment Manager, David Lambert, said combined with previous investments in sourcing electricity from renewable sources and a solar installation at the Korumburra plant, these activities have led to a decrease in the tonnes of carbon dioxide emitted per unit of production.

There has also been a minor increase in the total energy consumption for the site and corresponding greenhouse gas (GHG) emissions as plant utilisation has improved. "Burra Foods recently undertook an energy diagnostic study to improve understanding of the current status of our energy utilisation and opportunities for further sustainable improvement," he said.

"Burra has improved its energy and GHG emissions accounting process to ensure it provides the very best information to the Clean Energy Regulator, has a clear picture of how Burra Foods can improve sustainability, and contribute to Australia meeting its commitments to the 2015 Paris Agreement to address global warming."

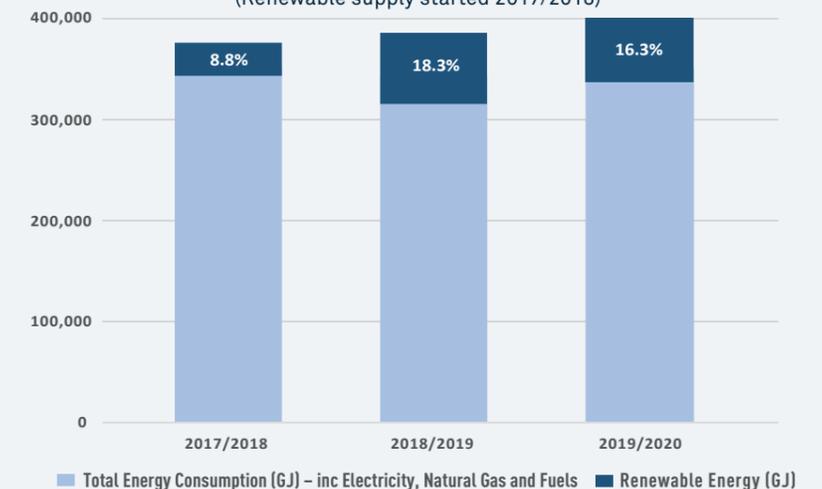
"Burra Foods continues to proactively seek opportunities to decrease its carbon footprint, improve business sustainability and work with our value chain partners to ensure a sustainable dairy industry over the decades ahead."

CO2 GENERATED



TOTAL ENERGY CONSUMPTION

(Renewable supply started 2017/2018)



in April in Sydney. These double as the Olympic trials and, while I have already qualified, I do need to participate in this competition to be officially in the Australian Olympic team. I have also qualified for the World Athletics Indoor Championships in China in March – but we're not sure whether that is going ahead.

What's it like walking into your training venue?

Even after countless hours spent at the Sydney Olympic Park Athletics Track and the NSW Institute of Sport's gym, I still feel very lucky to be able to train in such incredible facilities. The track is so beautiful and my squad and I always have it all to ourselves in the mornings. The gym at NSWIS is an impressive sight to behold with its size and equipment but more so due to the athletes training alongside us. There are elite athletes from diving, swimming and many other sports; some are Olympics medallists and many are up-and-coming talent, all with the common goal of sporting success. It is a very inspirational environment.

What is your diet like during training and what is your Achilles heel when it comes to foods you love?

High jump is about power to weight ratio – I need to have a lot of power and strength in movement but I have to be light enough too. So, in regards to my diet, I have to be quite strict on myself. I eat a lot of vegetables and small portions of meat and seafood. It's about being able to eat the right foods and match them to activity – like eating more carbs to fuel before training and then afterwards more protein to help with recovery to train the next day. It's about timing of food as well because the training is quite intense. I want to be able to come every day and be able to train as best as I can so I do watch my diet closely to make sure I can get through sessions. My Achilles heel is definitely peanut butter ... I love it so much!

How can the Burra community follow your progress and provide messages of support to you?

Through my contact with Burra Foods, I will be able to provide regular updates on my progress, how training is going and which competitions I will be at. I also have an Instagram account at @eleanorpatterson where people can follow my journey.

What are your plans for Christmas and New Year?

With the announcement that the Victorian and NSW border will be open soon, I will be going home! I have not been home to South Gippsland since Christmas last year so I'm really looking forward to getting home to see my family.



CHINA ECONOMIC RECOVERY GOOD NEWS FOR AUST DAIRY PROSPECTS



China's economy is on the rebound as the country recovers following COVID-19.

Haiming Xu (pictured) Burra Foods Sales Manager, who's based in China, said China's major economic indicators were showing signs of entering positive territory, including the volumes of dairy imports.

"In the first half of 2020, 1.88 million tonnes of dairy was imported into China. This volume is even higher than the same period last year. There is every indication this will continue into the second half of the year and an indication the consumer market has significantly recovered," he said.

"In part, this has been driven by the message from the Chinese Government to 'drink a glass of milk every day', as research published during the height of the pandemic reinforced the benefits of milk in building stronger immunity."

Haiming says aside from the rebound post COVID, China will continue to rely on imported food products in the long term. "China's middle class continues to have strong demand for imported products, especially food," he said.

As the country returns to a post-COVID normal, its industry exhibitions and trade shows have resumed. Haiming represented Burra Foods at the China International Import Exhibition (CIIE) last month, which attracts about 800,000 people from 3,600 companies.

The CIIE was first held in 2017 and has now grown into China's largest international import expo, further opening the Chinese market to the world and facilitating opportunities to strengthen economic cooperation and trade.

BURRA FOUNDATION PROUD TO SPONSOR COMMUNITY UPGRADES



Korumburra Secondary College students Chloe Jones, Breanna Debondt, Kirrah Belvedere and Payton Swain with the new hot water service, funded through the Burra Foundation.

Community safety has been the theme of two projects receiving Burra Foods sponsorship this year.

Loch and District Bowling Club and Korumburra Secondary College were the worthy recipients of Burra Foundation support, assisting their efforts to complete some much-needed upgrades to disabled access options and hand-hygiene facilities.

The Foundation has sponsored everything from sporting clubs to agricultural shows and orchestras to the tune of more than \$50,000 in 2019-20. It provides up to \$500 for every milk supply partner per year to go towards community organisations, events or projects.

Loch and District Bowling Club secretary, Sue Loughridge, said the club was "extremely grateful" for the sponsorship, which would go towards improving disability access to the clubrooms.

"We're working to open our clubhouse for public use as a function or meeting area and give something back to our community," she said. "This sponsorship supports us to have a concrete ramp and railing built to ensure all our community members can access the clubrooms. "We're lifting the quality of our facility with a big investment and we're very appreciative to Burra Foods for their support."

Korumburra Secondary College has adapted to improve hygiene measures across the campus this year as the COVID-19 pandemic has presented new challenges. This included installing

hot water services for hand washing in bathrooms where previously there had only been access to cold water.

College business manager, Kim Cross, said the funding assisted in efforts to encourage best-practice hand hygiene recommendations for students to use warm soapy water to wash hands.

"We're very grateful to Burra Foods for supporting the college in its journey to promote hand hygiene to the school community," she said.

"The return of students to our site meant we needed to address this in the most cost-effective way."

Kim said while the importance of providing a safe environment for students and staff was a priority, the reality was these measures were adding significant budget expenses. The school has implemented hand sanitiser stations for each classroom entry, extra cleaning and gloves, and spray sanitiser for staff. "Our college has had a long-standing relationship with Burra Foods through work experience, educational partnerships and sponsorship," she said. "We're proud to be a part of our local community and having a positive relationship with Burra Foods through many different avenues."



TRAINEE BOOST SUPPORTS BRIGHT BURRA FUTURE



Burra Foods is looking to the future as the business prepares to take on two new trainees in 2021 with the assistance of Federal Government funding.

The Boosting Apprenticeship Commencements program, a COVID-19 economic recovery initiative worth \$1.2 million, provides Burra Foods with the opportunity to expand the existing apprenticeship and trainee program and target areas of the business for skills development support.

Burra Foods Human Resources Manager, Helen Falls, said the funding support was a positive way to continue employee development.

"This funding option is an effective way to develop our people with job specific skills and experience, while we continue to manage the day-to-day impacts of the COVID-19 pandemic," she said.

"Trainees help us meet the immediate and future requirements of the business and this program allows us to design a program to suit our needs and those of the trainee."

Ebony Sartori (pictured above) is a recent trainee with Burra Foods who has now taken on full-time employment with the business as a Quality Systems Specialist. She said she was unsure of what career path she wanted to take following school and the traineeship has given her a lifetime of opportunities in the dairy industry.

"The production traineeship offered by Burra Foods is such a fantastic opportunity that allowed me to get a grasp on each department in the factory," she said.

"I had a very in-depth training plan tailored to suit my needs which also allowed me to study and complete a Certificate II in Food Processing with GOTAFE."



PROVENANCE CENTRAL TO NEW PRODUCT DEVELOPMENT

With its lush green valleys and rugged hills, Gippsland is renowned for its supply of nutrient-rich and wholesome milk – and increasingly this provenance story is a key reason why customers choose Burra Foods' products.

Burra customer, Optivance Nutrition, recently released a new infant formula range under the Optivance brand, a scientifically formulated product incorporating the latest nutritional advice for children's healthy development.

The product, currently sold throughout pharmacies across Queensland and New South Wales, bears the Australian Made symbol with the description: "Our formulas are proudly Australian Made using Australian cow's milk sourced from pasture-fed herds. This means our customers are nourishing both their little ones and helping build a brighter future for Australian dairy farming families."

Burra Foods Sales Manager – Nutritionals, Belinda Smale, said in addition to developing the product based on science, it was important for Optivance Nutrition to let its customers know the full story about where the milk in their formula is sourced.

"Part of the value in purchasing Optivance is a really clear message that a customer's decision to buy a product full of the goodness of Australian milk makes a difference to Aussie farming families," she said.

"Optivance Nutrition worked closely with the Burra Foods' research and development team to create exactly the right product to meet their vision."

A key factor for Optivance was to align with the right supplier of nutritional base powders with the milk being supplied from farms in Gippsland, a unique point of difference for the new brand.

"Prior to COVID-19, Optivance Nutrition had planned a photo shoot in Gippsland as part of the new product campaign launch. Unfortunately, this had to be delayed but the great story that is Gippsland dairy farming will still feature prominently in the campaign."



NEW BURRA FACE KEEN TO FORTIFY FARMER RELATIONSHIPS



Clint Newcombe (pictured) is looking forward to getting back to meeting farmers face-to-face as he settles into his role of Milk Supply Officer with Burra Foods.

“Building relationships with farmers is key and I find this to be a really enjoyable part of what I do,” he said.

“We haven’t been able to get out on farm as much as we would like to due to the COVID-19 restrictions but as these are lifting, we will be back out there soon.”

Clint is well known to the Gippsland dairy industry having worked in the region since 2009. His career has covered liquid milk processing, milk quality assessment, internal auditing and production planning and scheduling.

Before joining Burra Foods, Clint was the Gippsland Territory Manager for Ecolab where he was responsible for on-farm sales and service of dairy cleaning chemicals and equipment. He has a proven track record of improving raw milk quality on-farm and building strong relationships with dairy farmer clients.

“We’re here to support our farm milk supply partners as best we can,” he said. “I’m interested to learn more about their operations and their goals, and we can assist to achieve the best possible outcomes.”

STRONG CUSTOMER RELATIONSHIPS PROVIDE NEW BUSINESS OPPORTUNITIES

Building strong customer relationships and exploring business opportunities has helped Burra Foods to build synergies with another locally-owned milk packaging business, Nature’s Dairy Australia.

Burra Foods Commercial Business Manager, Paul Bills, said the relationship began when Burra Foods needed a company to contract pack its Pure Source brand of extended shelf life (ESL) milk for a customer in Taiwan.

“In 2018 we decided to contract Nature’s Dairy Australia to pack for our own brand of ESL milk,” he said.

“Using its state-of-the-art manufacturing capabilities, Nature’s Dairy Australia were able to formulate a finished product that was consistent with the taste, quality, design and safety standards expected by our customer.”

For the past two years, Nature’s Dairy Australia has been contract packing all the Pure Source milk and Burra Foods has been supplying Nature’s Dairy with a small volume of milk in the process.

“Based on this initial relationship, we saw an opportunity to further partner

with Nature’s Dairy Australia to supply additional milk for its own dairy retail range,” Paul said.

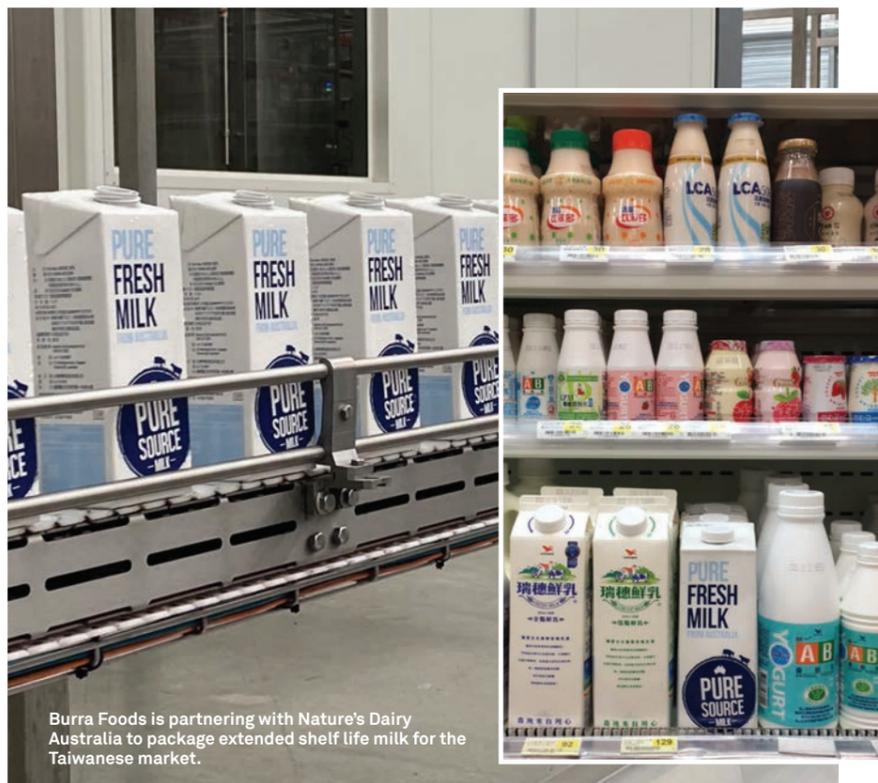
“We saw the opportunity to supply milk direct from our farmers in Gippsland to the Nature’s Dairy Australia processing site in Truganina.”

Currently, Nature’s Dairy Australia use the supplied milk in a range of ultra-high temperature processed (UHT) and ESL products it manufactures, including the Pure Source milk for Burra Foods.

“This existing customer relationship allowed us to build and develop additional synergy which benefits both of our businesses,” Paul said.

“It provides the opportunity for Burra Foods and Nature’s Dairy Australia to continue to develop value-added dairy products for our customers and markets.

“There is still potential to further develop this relationship as we continue to explore opportunities which are commercially beneficial for both parties.”



Burra Foods is partnering with Nature’s Dairy Australia to package extended shelf life milk for the Taiwanese market.



INNOVATION KEY TO REACHING CONSUMERS DURING COVID-19

It has been a challenging year for many of Burra Foods’ domestic and international customers with disruption caused by COVID-19 heavily impacting key retail and food service market categories.

Many Burra customers have had to think differently and adapt quickly to challenging circumstances. Burra Foods Sales Manager - Ingredients, Des Reilly, says Malaysian-based PS Food & Beverage Sdn Bhd is a great example of innovation among Burra’s business development customer base.

At the height of the pandemic, COVID changed normal life in Malaysia, disrupting conventional sales distribution and retail marketing channels as well as consumer food purchasing patterns.

PS Food & Beverage manufactures a range of UHT juice, tea and dairy beverages marketed in an innovative sterilised pouch pack under the brand ‘Origina’. The brand name is derived from PS Food’s mission statement – to provide customers with safe, healthy and high-quality products using original and natural ingredients where possible.

Des said PS Food & Beverage adopted a marketing strategy incorporating social media and launched the origina.my website for online sales and home delivery, in addition to traditional



supermarket and convenience store outlets.

“In late 2019, PS Food launched a range of milk drinks which included established flavours such as chocolate and banana but some specifically tailored to local taste preferences such as ‘Date Milk’ and ‘Teh Tarik’, a traditional Malaysian milk tea,” he said.

“The milk for this dairy range is frozen whole milk concentrate manufactured by Burra Foods specifically designed to provide heat stability of the milk proteins when the product is exposed to high temperature during the UHT and pouch sterilisation process.”

“PS Food was pleased to be able to use Australian milk which has a long history among Malaysian consumers as high quality and recognised as being naturally produced on fresh pasture. They proudly promote the milk as the best Australian dairy.

“For Burra, the Origina brand provided strong synergies with our core strategic marketing objective to provide customers with quality Australian dairy ingredients which deliver the natural flavour and functionality of fresh milk.”

PS Food & Beverage’s new Origina dairy range includes a traditional Malaysian milk tea.

AND NOW FOR SOME NUMBERS...

Burra Foods’ contribution to Gippsland 2020

Burra Foods strongly believes in contributing to positive change and strengthening the local economy in Gippsland. The factory has a ripple effect on the local economy as we create local jobs through sustainable investment. This is all the more satisfying given in 1991 the site was derelict, generating zero economic activity.

PURCHASED MILK FROM
210
MILK SUPPLY PARTNERS

59K MT
OF PRODUCT PRODUCED FROM
340M
LITRES OF FRESH MILK COLLECTED

INVESTED
\$7M
IN CAPITAL WORKS USING LOCAL SUPPLIERS & CONTRACTORS WHERE POSSIBLE

Year ended 31st Dec	2018	2019	2020*
Total revenue (\$M)	301	315	410
Total assets (\$M)	194	200	224
Raw milk collected (M litres)	340	332	340
Manufacturing output (MT)	66,674	62,307	59,800
Employees	183	191	192

*2020 Calendar Year based on Jan-Oct actual and Nov-Dec forecast



MILK SUPPLY PARTNER SERVICE AWARDS

Burra Foods acknowledges the longstanding commitment of milk supply partners through the company's annual service awards.

Burra Foods Milk Supply Manager, Peter Fort, said it was these long-term relationships that formed the backbone of Burra's milk supply.

"We value and appreciate the contribution of our milk supply partners. Like our customers, it is relationships like these on both sides of our business that ensure a successful, reliable and stable supply chain of dairy ingredient manufacture from the farmgate to the end user," he said.



Rob & Marita Pandolfo



Stewart & Marlene Dyke

Jeff & Suzanne Ashby

Brendon & Kate Martelli

Steve Snowdon

John & Lyn Verstedden

David, Kerrie, Michael & Jacqui Williams

Michaela Whiting

Graham, Kerry, Phillip & Kerri Wildes

Geoff, Carol & Mark Landy

Ian & Michelle Conn

David & Penny Conn

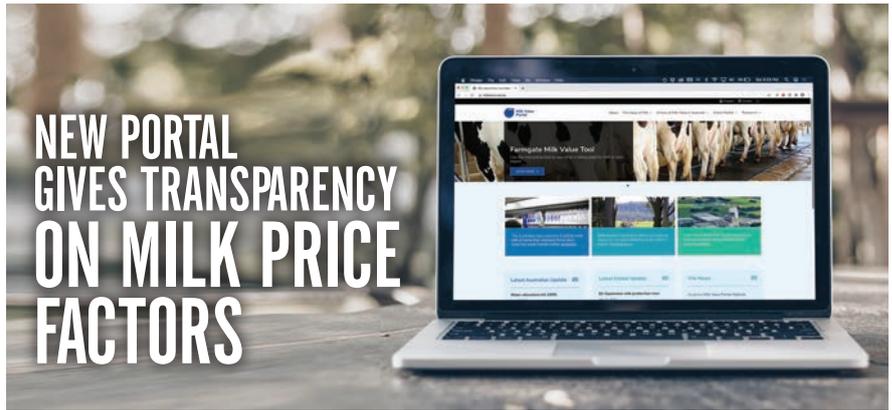
Kevin, Helen & Mitchell Jones

Gary Shilliday

Malcolm & Glenys Sheedy

Marco & Rita Payette

Ben Croatto



Dairy farmers will be able to gain a comprehensive understanding of the average farmgate milk price and the value of their raw milk at any time of the year by specific region and production parameters through the new Milk Value Portal.

The portal – launched in November by the Australian Dairy Products Federation (ADPF) – is an education gateway to better understand the many factors that shape Australian farmgate milk price and enables users to be better informed about their milk supply agreement.

At the core of the portal is the Farmgate Milk Value Tool, which enables assessment of the average milk value in the current season for a region based on a set of farm characteristics.

The tool takes milk pricing data from dairy processors and puts it in an easy-to-understand format that users can easily interpret and use to guide business decisions.

The easy-to-use tool enables customisation for each farm situation by setting factors like location, farm size, seasonal milk supply pattern and expected butterfat and protein content. The tool will then provide a weighted average farmgate milk value.

All visitors to the portal can do 'what if' scenarios to help them make better business decisions.

The portal also features local and global market intelligence and data and 'what-if' scenarios showing the impacts of changes to dairy commodity prices and exchange rates – all to provide a complete picture around the value of raw milk.

ADPF President, Grant Crothers, also Burra Foods Director and founding CEO, says the portal delivers on the fifth commitment of the Australian Dairy Plan, which is to 'restore trust and transparency between farmers, processors and retailers to strengthen industry confidence'.

"Over time, farmgate milk price has become complex, risking making on-farm revenue business decisions more difficult than many would like," he said.

"Dairy farmers along with all industry observers often hear commentary on how much raw milk is worth. There has never been aggregated primary data to clearly explain what raw milk is worth by region, by farm size, or by production system allowing for fat/protein content variability.

"The ADPF, with the support of all dairy processors, saw the opportunity to better explain how raw milk pricing works and the key factors influencing prices offered to dairy farmers across Australia."

Grant says the ADPF wants to remove the mystery around the farmgate milk price and its influencing factors throughout the year, providing a local and global perspective.

"There is no other jurisdiction that has anything like this portal, and it has been developed and paid for by dairy processors and brokers based on the seriousness they place on farmgate milk price transparency and trusted relationships with farmers.

"It is readily accessible, credible, centralised source of information on milk price and the value of raw milk at different times of the year. It was created and tested among end-users to optimise the information available and how it is accessed.

"Milk prices do vary by state, season and farm size and to be able to aggregate that information and be able to show people clearly what the value of milk is in any particular region at a particular time of year is a unique transparency initiative from the ADPF."

Visit the portal at www.milkvalue.com.au

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