ANNUAL REPORT 2014

Assisting farmers to be dynamic, profitable and sustainable in the Mallee.
ABBREVIATIONS

CSIRO – Commonwealth Scientific and Industrial Research Organisation
CWFS - Central West Farming Systems
DAFF – Department of Agriculture, Fisheries and Forestry
DSS – Department of Social Services
GRDC – Grains Research & Development Corporation
MCMA – Mallee Catchment Management Authority (Victoria)
MSF – Mallee Sustainable Farming Inc.
MLLS – Local Land Services Murray (NSW)
Murray CMA – Murray Catchment Management Authority (NSW)
NR SAMDB – Natural Resources South Australia Murray-Darling Basin
SAGIT – South Australian Grains Industry Trust
SAMDB – South Australia Murray-Darling Basin
WLLS – Local Land Services Western (NSW)
WUE – Water Use Efficiency

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ABN: 99 557 839 332

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*Night harvesting*
SPONSORS AND RESEARCH PARTNERS

Mallee Sustainable Farming Inc. (MSF) would like to gratefully acknowledge the ideas and time committed to MSF by our funding bodies, advisers, researchers and staff. Without their support MSF would not be able to achieve the targets it has accomplished.

GOLD SPONSORS
Sturt Grain

SILVER SPONSORS
Westpac

BRONZE SPONSORS
RaboBank
AWB
WDLewis & Co

INVESTORS, RESEARCH PARTNERS and COLLABORATORS
AgExcellence Alliance
AgriVision (Vic)
Australian Government – Caring for Our Country
Australian Government – Department of Agriculture Fisheries and Forestry
Australian Government – Department of Social Services
CSIRO
Dodgshun Medlin (Vic)
GRDC
Growing Solutions
Low Rainfall Collaboration Group
Mallee Focus
Meat and Livestock Australia
Moodie Agronomy
NSW Government - Murray Local Land Services
NSW Government - Western Local Land Services
South Australian Government – Department of Environment and Natural Resources
South Australian Government – Natural Resources SA Murray-Darling Basin
South Australian Government - Rural Solutions SA
South Australian Government - SAGIT
Souther Australian Government - SARDI
SPAA (Precision Agriculture Australia)
Sunraysia Institute of TAFE
Tri-State Collaboration Group
University of Adelaide
Victorian Government – Department of Environment and Primary Industries
Victorian Government - Mallee Catchment Management Authority
Mallee Sustainable Farming Inc. (MSF) is a farmer driven organisation delivering research and extension services to the less than 350mm rainfall Mallee cropping regions of New South Wales, Victoria and South Australia. MSF operates within a region of over seven million hectares, extending beyond Balranald (NSW) in the east to Murray Bridge (SA) in the west. Our mission: To provide excellence in research, development and extension initiatives for the dryland Mallee of South Eastern Australia.

Our 18 Year Legacy
MSF was formed in 1997 in response to a recognition that conservation farming practices had not been widely adopted across the region. There was a need to identify the issues restricting the adoption of technology that would enhance the development of profitable and sustainable farming systems. During its first 17 years of operation, MSF has achieved a great deal in partnership with Mallee farmers. Increases in farm profitability have been observed as a result of activities undertaken in conjunction with industry scientists and advisers, along with environmental and social gains. MSF continues to strive to be relevant to farmers’ information needs, whether in the sphere of cereal cropping or livestock management, supporting farmers to increase their knowledge and skills to meet continually changing production, environmental, climate and market challenges.

Our Members
The Mallee has approximately 2000 dryland farming families whose farming activities include cropping (wheat, barley, vetch, lupins and canola) and livestock (sheep for wool, lambs and cattle for meat). There are 1017 members of MSF, making it the largest sustainable farming group in Australia.

MSF activities are open to all farmers with a strengthening membership base receiving new and timely information on research, best management practices and practical solutions. Such activities include fact sheets, farm walks, trial sites, field days, farmer groups and research compendium publications.

MSF Location
Suite 1, 152 Pine Ave, Mildura, Vic, 3500
PO Box 5093, Mildura, Vic, 3502
Phone: 03 5021 9100
Fax: 03 5022 0579
Email: admin@msfp.org.au
Our Vision
Dynamic, profitable and sustainable farming.

Our Mission
Provide excellence in research, development and extension initiatives for the dryland Mallee of South Eastern Australia.

Principal Purpose
To protect and enhance the natural environment by the encouragement of sustainable dryland farming practices.

Our Values
- Creativity and Innovation
- Honesty and Integrity
- Professionalism
- Collaboration
- Credibility
- Accountability
- Dignity and Respect
- Fairness and Impartiality
## STRATEGIC PLAN

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<th>OUR STAKEHOLDERS</th>
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| **1. Farmers and their Communities** | 1.1 Promote proven innovation and practice to improve dryland farming systems. | 1.1.1 Implement a program to reinvigorate state reference groups  
1.1.2 Ensure quality control and risk management assessment on all research projects and programs  
1.1.3 Build a proactive extension and information plan  
1.1.4 Further build MSF’s agronomic capacity and profile  
1.1.5 Develop MSF’s capacity to measure and evaluate each project  
1.1.6 Respond to a demonstrated need for community capacity building initiatives where MSF is able to deliver outcomes  
1.1.7 Add a monitoring and evaluation component to new projects. |
| 1.2 Identify practices for improved dryland farming systems and facilitate necessary research. | 1.2.1 Generate increased opportunities for farmer directed participation in MSF’s RD&E activities  
1.2.2 Investigate farming system options to address issues in sustainable farming |
| **2. The Environment** | 2.1 Promote environmentally sustainable farming practices | 2.1.1 Investigate farm management options to tackle the environmental challenges for sustainable dryland farming  
2.1.2 Provide credible representation of dryland farming issues  
2.1.3 Build out capacity to be a credible information and referral sources on environmental and natural resource management issues relevant to Mallee dryland farming  
2.1.4 Maintain obligations as holding an Environmental Organisation Registration  
2.1.5 Develop and implement an MSF Environmental Management System |
| **3. Our Partners and Funders** | 3.1 Be credible and deliver value and performance to our corporate and funding partners | 3.1.1 Identify and develop strategic alliances which demonstrate specific and measurable benefits for Mallee farmers  
3.1.2 Demonstrate excellence in compliance and project management systems  
3.1.3 Develop and implement a stakeholder engagement strategy |
| **4. Our Organisation** | 4.1 Be proactive, accountable and financially viable | 4.1.1 Grow the MSF business by incorporating new activities, building alliances and applying economic efficiencies  
4.1.2 Implement and maintain sound governance, policy and risk management practices  
4.1.3 Review resource arrangements for research, development and extension delivery |
| | 4.2 Be known, respected and run professionally as an organisation worthy of investment and membership | 4.2.1 Increase MSF brand awareness and profile  
4.2.2 Implement best practice human resource management to provide a safe and productive work environment, promoting professional behaviour and respect at all times  
4.2.3 Deliver relevant and valued services to members  
4.2.4 Improve MSF activity recording and reporting capabilities. |
| | 4.3 Be an environmentally responsible organisation | |

Mallee Sustainable Farming  
2014 Annual Report
MSF STRUCTURE

Mallee Dryland Farming Communities

NSW State Farmer Consultative Forums

Vic State Farmer Consultative Forums

SA State Farmer Consultative Forums

Board Sub-committees:
- Executive
- Finance & Audit
- Research Development & Extension
- Communication & Membership
- Remuneration & Human Resources

Mallee Sustainable Farming Inc Board of Directors

Current Project Tracking Group:

MSF Executive Manager

Administration & Finance

Agricultural Extension Services & Education

Agronomy Services

A Trial Site at Karoonda SA.
A snapshot of our region, our problems and our achievements over the past year.

Food and fibre production in our membership area is diverse and includes wheat, barley, peas, lupins, canola, vetch, oats, hay, wool, prime lambs, beef cattle and I’m sure there are things that I have missed out! Our markets are both domestic and export.

Cropping farms are now generally managing areas from 2,500 hectares with a few in the 20,000 hectare range. Some enterprises include or are totally grazing, and their production area can be huge. Our larger area farms are normally the first to take up new technology such as precision agriculture, as larger farms have the most to gain in cost efficiencies and returns.

There are presently many challenges to the profitability and sustainability of our region. For some we can find a solution directly, others are part of the political and marketing environment in which we do business.

Profitability is severely hampered in eastern SA, Victoria and NSW by the huge cost beyond the farm gate of "product to market". Inefficient and expensive rail services, where 40 wagons carrying 2,000 tonnes, costing the grower $45 per tonne are prevalent. Compare this to Canada, where they move 120-170 wagons carrying 6,000 – 8,000 tonnes, over the Rocky Mountains, a distance of up to 1,000 kms, for a cost to the producer of about $40 per tonne.

The substantial domestic market for all products produced in our region, needs access to larger, more economic road transport infrastructure.

The Western Australian port of Esperance, with similar distance from farm to port as this region, has 24/7 road access for grain with vehicles up to 53 meters long, a gross mass of 120 tonnes and 80 tonnes of load, all with no greater axle loading weights than we have here in the eastern states. With significant reductions in cost per tonne of produce moved, this is a great example of what can be done.

Here, in Mallee Sustainable Farming’s region, I believe we are producing approximately $1.8 Billion worth of grain produce. My calculations assume that 4 million hectares of the 7 million hectares in the area influenced by MSF is cropped and a wheat equivalent yield of 1.65 tonnes per hectare at a port value of $270 per tonne is achieved. The recent report "The costs of Australian bulk grain export supply chains" (AECIG 2014) makes the point that in our region we are then giving away $580 Million or 33% of that in freight and logistics costs which largely goes out of our region.

The same study states that the mining industry freight and logistic costs, at their most efficient, can be as low as 25% of the cost of grain port and logistic costs.

We have recently been informed of $60 Million of co-investment over 5 years by the Victorian Government and GRDC, in the Wimmera, being mostly for research and capacity building in Victoria.

MSF now does most of the cropping and grazing Development and Extension in the Mallee region. Investment of this scale is missing in this region and is critical for building our capacity to deliver greater services to growers and therefore speed up the uptake of research gains.

Productivity gains in crop production are now only keeping pace with CPI so it is no wonder the excitement and enthusiasm is disappearing out of our industry and, as a result, we find it difficult to attract our share of bright young minds to be part of this wonderful and fascinating industry.

The terms of trade in our industry at present are very concerning. A statement from BLP Agribusiness Solutions highlights the issues.
“BLP Agribusiness Solutions based in Swan Hill, and with their unique farm business analysis, are extremely concerned that farm profitability is falling. Total Cost of Production for a majority of farms is unsustainable.

Improving efficiencies within each individual business by achieving an adequate scale of operations and investment can provide large profit increases, allowing for new technical uptake.

BLP Agribusiness Solutions have found that while profitability can be maximised at any farm size; the trend is clearly towards larger operations.”

This leads to less farm families in smaller towns, less local services, hospitals and medical services, schools, with less attraction for young people to take up primary production, thereby reducing community numbers and giving way to less resilience in the community. While this is a trend we may not be able to reverse it is an issue we must deal with to ensure that larger scale farming enterprises have the social capital necessary to operate efficiently and effectively in smaller and more remote communities.

Access to the most competitive finance options, as farm businesses continue to scale up, is another issue we must address.

Within the environment that I have just described, MSF is leading the charge to help support the sustainability of Mallee farming to encourage and assist farmers to be dynamic, profitable and sustainable; to care for the environment and community capacity on which successful farms depend. Developing an integrated program across a range of funding streams is our challenge.

In this past year we have facilitated and been involved in projects covering a range of topics which have been raised as regional issues or questions that need answers.

I would encourage you to read some of our project case studies in this Annual Report to discover the diversity and range of activities undertaken.

MSF has over 1017 members throughout the Mallee. We regularly ask our members at field days and farmer forums to tell us what problems they have where funding for Research Development and Extension (RD&E) can be applied to find solutions or to refine farming techniques. We then try to fit those needs into project specifications or encourage funding bodies to recognise our members’ needs, and allocate funds and projects to address these gaps.

The reason I have included this detail in my report is to allow you to understand what MSF does and how it works to improve sustainability overall.

What we need now is your combined help to overcome some of these challenges.

As examples, MSF will continue to seek more funding in the State and National RD&E spend to investigate innovative options for crop fertiliser needs. For example, can bio-solids at $60 per tonne replace our current $600-800 per tonne fertilisers?

We also need reliable and profitable break crops for this region which can provide our nitrogen requirements, so taking away the need for artificial, petro chemical produced fertilisers. These crops need also to be capable of leaving sufficient stubble cover after harvest on our erosion prone soils.

The lack of profit for our most common break crop, canola, through increased input costs to deal with the arrival of Beet Western Yellow Virus and Diamond-back Moth along with unreliable germination means few farmers now consider canola a viable break crop.

We require a more sustainable funding source to enable MSF to have the capacity to continue to deliver RD&E to address the needs of our farming members and their communities.

We also request your help to promote our sustainable farming methods, our farmers and our communities.

MSF is an exciting place to work and we want to encourage and attract the bright young minds to our industry, so our region can continue to thrive.

Ian Hastings
EXECUTIVE MANAGER’S REPORT

MSF has gone from strength to strength in the past twelve months and through its collaborative approach to project delivery to achieve on ground change.

MSF’s activities have ranged from agronomic to strengthening communities in its endeavour to assist Mallee farmers to be profitable, sustainable and dynamic.

MSF and its partners across the tri-state region of the Mallee have successfully secured funding for major projects which provide Mallee farmers with the opportunity to demonstrate innovative practices on their own properties as part of a larger network of activity.

The year has seen the successful ongoing implementation of MSF’s research, development and extension program in areas from crop sequencing to machinery set up. The portfolio of events encompassed spray efficacy, new technology, profit risk, pasture management and finance. The annual tri-state research and extension forum was a valuable opportunity to gather the key priorities for the region and to extend the key outcomes of MSF’s extensive trials network.

MSF has promoted proven innovation and practice to its membership base of more than 1000 farmer and consultant members. Social media has become increasingly used as a tool for sharing of information by farmers within the region and MSF’s YouTube videos have provided farmers with a forum to do so.

MSF’s team of experienced staff including Donna Robertson (Finance and Administration Officer), Stephanie Haw (Project Officer), Amy Nicol (Administrative Support Officer) and Susan Walla (Project Support and Administrative Officer) along with key consultants such as Moodie Agronomy (Michael Moodie and Todd McDonald) have continued to strengthen MSF’s capacity to deliver excellence in research, development and extension initiatives across the Mallee.

MSF’s ability to provide good value for investment (time and money) for its partners can also be attributed to the strong relationships that it has with Western and Murray Local Land Services (NSW), Mallee Catchment Management Authority (Vic), Department of Environment and Primary Industries Victoria, Rural Solutions in South Australia, Mallee Focus, Growing Solutions and Dodgshun Medlin, AgriVision who, together with the scientific expertise provided through CSIRO, underpins the way in which MSF meets the needs of Mallee farmers.

MSF continues to be actively involved in the Low Rainfall Collaboration Group, Victorian Grower Group Alliance and South Australian Ag Excellence Alliance. Project collaboration and information sharing with other regional farming system and industry groups enables MSF to provide informed services to the Mallee.

MSF was honoured to be a finalist in the Powercor WIN Network Mildura Innovation Awards and to win the “Innovation in Sustainable Farm Practices” category at the SA State Landcare Awards. MSF is a finalist in the National Landcare Awards.

My time with MSF has been very enjoyable and I wish Mallee Sustainable Farming Inc. and its members all the best for the future as they strive for dynamic, profitable and sustainable farms in the Mallee.

Gemma Walker

Mallee Sustainable Farming
2014 Annual Report
Composition of the Board
The Board consists of six farmers (two from each State being Victoria, New South Wales and South Australia) complemented by invited specialists who bring a balance of experience and skills as determined by a majority vote of the farmer representatives.

Board Committees
The Board has formed several sub-committees to assist in its discharge of duties and to support effective corporate governance and informed decision making.

Executive
The principal functions of the Executive Committee are to provide support and attention to the board in-between Board meetings in recognition of the geographic challenges of meeting face to face to:
- Monitor policies and strategic directions to guide MSF;
- Ensure all responsibilities relating to human resource management and occupational health and safety are met.

Finance and Audit (F&A)
The principal functions of the Finance and Audit Committee are to:
- Provide ongoing oversight of financial management;
- Provide regular reporting and timely consideration of any financial issues arising;
- Ensure standards of financial reporting meet the needs of the Board to make effective decisions on financial matters;
- Provide guidance and oversight of all funding submissions to ensure they meet cost requirements and are in line with MSF strategic directions;
- Manage MSF Public Fund Committee responsibilities.

Research Development Extension and Information (RDE&I)
The principal functions of the RDE&I Committee are to:
- Provide a tri-state balanced perspective for Board deliberations on RDE&I activities across the three participating States with input from State Farmer Consultative Groups;
- Provide a key link between agency providers, researchers, extension staff and the Board;
- Provide a key link between State Farmer Consultative Groups, core site committees and Board;
- Provide assessment and recommendations to the Board of RDE&I proposals;
- Support and facilitate planning and evaluation processes with partners and stakeholders;
- Provide guidance regarding RDE&I work programs involving MSF;
- Negotiate with research providers and funding agencies to provide Research and Development capacity as determined by the Board.

Communication and Membership (C&M)
The principal functions of the Communication & Membership Committee are to:
- Develop a Communication Strategy for MSF for consideration by the Board;
- Monitor implementation of the Communication Strategy endorsed by the Board;
- Facilitate review and ongoing improvement of the Communication Strategy on an annual basis following the AGM.

Remuneration and Human Resources (R&HR)
The principal functions of the Remuneration and Human Resources Committee are to:
- Oversee the employment of the Executive Manager and on-going performance appraisal processes and make recommendations accordingly;
- Oversee all Human Resource Management policies and processes within MSF to ensure they meet legal and sound practice requirements.
- Ensure MSF’s compliance with applicable legal requirements associated with Human Resources and remuneration;
- Obtain external legal, financial or other professional assistance where necessary to resolve related issues or employment contract negotiations;
- Support the Executive Manager in Human Resource Management when required.

MSF Public Fund Committee
Administered under the Finance and Audit Committee. MSF was recognised as a registered environmental organisation in November 2011. This working group was established to meet the requirements as a registered environmental organisation.
State Farmer Consultative Groups
In order to better direct research and extension to meet the needs and priorities for sustainable farming practices, state-based Consultative Groups have developed based on the experience of the strong direction achieved through the State structure in South Australia.

State consultative groups have now evolved to suit the historic, cultural, sociological, geographic and farming conditions in both NSW and Victorian areas to strengthen direct participation from farmers in those States.

Field peas
MSF BOARD

Ian Hastings
Chairman and Victorian Farmer
Director since 2009.

Ian Hastings is a fourth generation farmer operating 4,000 ha in a family business around the Ouyen area (Victorian Mallee). He has been active in many agricultural organisations including a past President of the Victorian Ground Sprayers Association and was honoured with a life membership upon his retirement from the President’s role. Ian also contributes substantially to the local community holding positions such as President of the local RSL sub-branch and Ouyen Farmers Festival Committee member. He is past President of the VFF Grains Group (2003-2007) and served on the VFF Board of Management from 2003 - 2007. From 2002-2009, Ian was a member of the Grains Council of Australia and served as Deputy Chair from 2005-2009. Ian was an inaugural Board Member of Mallee Sustainable Farming Inc in 1998 and remained a Victorian farmers’ representative until 2002. He re-joined the Board in 2008 becoming Vice Chair in 2009, appointed Chair in 2011 and is a member of the Executive, Finance and Audit and RD&E committees. As a member of Grain Producers Australia, Ian became a member of the National Mouse Management Working Group at its formation and was elected Chair in early 2012. Ian is also a member of the National Variety Trials Mallee Advisory Committee.

Tim O’Halloran
Deputy Chair and New South Wales Farmer
Director since 2007.

Tim runs a mixed farm business at Tylden with his family, 30km north east of Bairnanald, NSW. Until 1980, Tylden was predominately a grazing farm but has changed to Poll Merinos and grain growing. In more recent years Tim has adopted biological farming methods. He is a member of the Executive and Finance and Audit Committees.

Ron Hards
Treasurer and Victorian Farmer
Director since 2009.

Ron Hards began share farming in the Milleva area of North West Victoria in 1978. In 1988 Ron bought his first farm at Yarrara, Victoria, where he began spray fallowing and reduced tillage practices. In 1998 Ron’s son Nick, undertook a farm apprenticeship at Longerenong College and joined Ron in farming at Yarrara. In 2001 Ron bought his second farm next door to the farm at Yarrara. In 2002 Ron and Nick began converting their plant from reduced tillage to no till. In 2006 Ron bought their third farm bringing the total to 2,800ha and leasing another 1000 hectares. Ron has been associated with many organisations such as the Milleva Carwarp Landcare Group where he held the role of President for 6 years from 1987-1994. From 1989–2006 Ron was involved with the VFF Grains Council. From 1999–2003 Ron held the position of President of the VFF Grains Council and was also on the Farrer House Board for 4 years and during this period held various roles on the Grains Council of Australia including Vice President and Treasurer. From 2004 to 2006 Ron was a member of the Grain Corp Board and member of its Audit Committee during that time. He also has been involved with the Grain Growers Association for 2 years, 1 year as President in 2005/06. In October 2009 Ron was appointed Treasurer and Chair of the Finance and Audit Committee and is also a member of the Executive and RD&E Committees.

Paula Gordon
Secretary and Specialist Director since 2001.

Paula Gordon was invited onto MSF Board in 2001 as a specialist with experience in education, communications, rural community, capacity building and policy development. Paula continues to bring to the Board extensive experience in all areas at a regional (Mallee), State, Tri-State and Commonwealth level as well as experience in corporate governance and knowledge of MSF. A teacher and sociologist by training, Paula has held positions...
largely in the Victorian public service in areas such as community services, agriculture and natural resource management. Paula has an interest and experience in risk management and building farmer capacity and resilience, having been involved with the establishment of the first Rural Financial Counselling Service in Australia and then later with the Mallee Crisis Committee Victoria. Paula is currently retired, operating a vine and almond nursery applying biological farming methods in a family business at Trentham Cliffs, NSW. Paula has experience with a wide range of government, community and agricultural industry organisations associated with sustainable farming and is currently involved in the Trentham Cliffs Landcare Group.

Robert Pocock  
*South Australian Farmer Director since 2009.*  
Robert currently farms at Lameroo in the southern Mallee of South Australia. He manages the Lameroo properties with his parents Bruce and Gaylia. The farm “Lampata” is 2,650 ha in area. Robert is a fourth generation farmer at Lameroo and they have been farming in the district for over a century. With his parents they run a poll merino stud with 1650 breeding ewes. The business has generally been managed as a mixed farm and is roughly a 50/50 mix between livestock and grain production. Robert also runs a contract seeding and harvesting business where they plant and harvest approximately 1,000 – 1,800 ha annually. Robert finished school in Adelaide in 2002 and then returned home to the farm. Once home he completed a Diploma in Agriculture, a graduate Certificate in Rural Business Management and also participated in the Rabobank Farm Managers Program in 2009 in New Zealand. Along with this he has been involved with some young farmer groups and other organisations such as SPAAA, MSF and local Ag Bureau. From his involvement with these groups he has been able to host trials. Robert has a high level of knowledge of modern farming technologies and equipment, along with sheep breeding. Robert is a member of the RD&E Committee.

Dean Wormald  
*South Australian Farmer Director from 1999 to 2005, returned 2010.*  
Dean worked the family farm in partnership with his father and brother for 12 years before taking over the 900 ha property, including a 50 sow piggery, 40km SW of Loxton (Caliph) on his own. Between 1995 and 2007 the land under crop grew to over 3,000 ha and now runs at 3,200 ha. Dean is a member of the local Ag Bureau, Country Fire Service and SANTFA. Dean is a member of the RD&E Committee. Dean is also a Member of the Federal Agricultural Industry Advisory Group.

Gavin Howley  
*New South Wales Farmer Director since 2010.*  
Shortly after obtaining a Degree in Agriculture from the University of Adelaide in 2000, Gavin returned home to the family farm near Kyalite in NSW. A fourth generation farmer, he runs a no-till cropping enterprise with his father based mainly on wheat and various break crops. The original part of the farm was taken up in 1910 by his great grandfather and today the farm covers 6,000 ha including Red Gum forests and the Wakool – Murray River junction. He is an active member of the Kyalite and district community and is looking forward to future opportunities and overcoming farming challenges. Gavin is a member of the Membership and Communications and Chair of RD&E Committees.

Rick Llewellyn  
*Director and Specialist Director since 2006.*  
Rick was invited to the MSF Board as an invited specialist and provides scientific expertise. He is currently a research group leader with CSIRO’s Agricultural Systems program. Rick attained a Bachelor of Agricultural Science from the University of Adelaide, followed by a PhD from the University of Western Australia. Rick previously worked at the University of Western Australia in Agricultural Systems Program.
where he also conducted research into weed and herbicide resistance management. He was recently appointed to the GRDC Regional Cropping Solutions Network. Rick has been with the CSIRO since 2005 working as a Senior Research Scientist in Farming Systems based at the Waite Campus in SA. He currently leads a range of farming systems research projects and has continuing research developing strategies for greater adoption of farming systems innovations. Rick is a member of the RD&E committee.

Ron Storey  
**Director and Specialist Director since 2010.**
Ron has spent over 35 years in the grains and agribusiness sectors, with over 25 years in international and domestic grain marketing. He was General Manager - Marketing with AWB Ltd for almost 20 years and was involved in many changes introduced over that time: deregulation of the domestic market in 1989, a new trading business in the early 1990’s, and offshore investments in 1996-2000. In 2000, Ron established his own consulting business, Storey Marketing Services, which continues today. Ron owned Australian Crop Forecasters (ACF) from 2005 – 2010 before its sale to NZX. Ron remains as a consultant to NZX (which owns Clear Grain Exchange, ACF and Profarmer). Ron is Chairman of Australian Grain Technologies P/L and a Director of Pulse Australia Limited. Ron grew up on a grain and sheep farm at Wycheproof in the Victorian Mallee, where he retains a farming interest. His most valued characteristic in the grain business - integrity and independence.

**MSF SUB-COMMITTEES**

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<th>Committee</th>
<th>Members</th>
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<tr>
<td><strong>Executive Committee</strong></td>
<td>Ian Hastings (Chair), Ron Hards, Tim O’Halloran, Paula Gordon</td>
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<tr>
<td><strong>Finance and Audit Committee</strong></td>
<td>Ron Hards (Chair), Ian Hastings, Tim O’Halloran, Paula Gordon, Glen Hornsby (Independent Accountant), Gemma Walker (MSF Executive Manager)</td>
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<tr>
<td><strong>MSF Public Fund Committee</strong></td>
<td>Forms part of the Finance and Audit Committee.</td>
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<tr>
<td><strong>Communication and Membership Committee</strong></td>
<td>Ron Storey (Chair), Paula Gordon, Ian Hastings, Gemma Walker (MSF Executive Manager)</td>
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<tr>
<td><strong>Research, Development and Extension Committee</strong></td>
<td>Gavin Howley (Chair), Dean Wormald, Rick Llewellyn, Robert Pocock, Ron Hards</td>
</tr>
<tr>
<td><strong>Remuneration and Human Resources Committee</strong></td>
<td>Paula Gordon (Chair), Ian Hastings, Ron Storey, Gemma Walker (Executive Manager)</td>
</tr>
</tbody>
</table>
“The Growers’ Friend” – a farming systems pioneer remembered.

The Grains Industry farewelled one of its brightest minds in December 2013 when former CSIRO researcher, Dr David Roget, passed away. Known as the “go-to” person for delivering scientific outcomes that could be applied by growers, David will be remembered for taking research out of the laboratory and into the paddock. David contributed more than 30 years of service to agricultural research, initially in the field of soil borne plant pathology and later on biological disease suppression and farming systems research.

Waikerie SA grower, Allen Buckley, worked closely with David to develop an initiative to encourage the uptake of no-till farming and continuous cropping in the Mallee. Backed by GRDC support, the Mallee Sustainable Farming (MSF) Project was formed in 1997 and David was a board member until he retired from the CSIRO. Today, MSF continues to promote and apply David’s guidelines for optimising performance by matching inputs to crop requirements, soil capacity and seasonal opportunities. As the inaugural MSF Vice-Chairman and a past Chairman, Mr Buckley has seen the impact of David’s work on farming systems in the Mallee and across SA. Mr Buckley described David as a grower’s friend and the ultimate collaborator who could unite growers and researchers.

David Roget passed away, aged 61, on 3 December 2013. The funeral was held in Adelaide on 9 December 2013. He is survived by his wife Robyn, son, daughter and grandson.
AWARDS RECEIVED 2013-2014

2013 Ag Excellence Alliance – Ag Excellence Sustainability Award
Sponsored by DEWNR (South Australia)

2013 Mildura Innovation Awards - Finalist – Innovative Process (Not-for-Profit)
Sponsored by Regional Development Victoria

2013 SA State Landcare Awards – Innovation in Sustainable Farm Practices Award
Sponsored by Government of South Australia

2014 National Landcare Awards – People’s Choice Award
Sponsored by Australian Government

Gemma Walker with Allan Holmes (DEWNR Chief Executive) and Bill Long (AgEx Chair)

Gemma Walker with the SA State Landcare Award
MSF TEAM

Gemma Walker
Executive Manager

Employment
August 2011 to October 2014

Donna Robertson
Finance Officer

Steph Haw
Project Officer
30 July 2012 to 25 July 2014

Amy Darrington (nee Nicol)
Administration Officer
24 June 2013 to 9 July 2014

Susan Walla
Project Support / Administration Officer
MSF TEAM

MSF has a valuable partnership with Moodie Agronomy.

Michael Moodie
Agronomist
Moodie Agronomy

Todd McDonald
Technical Officer
Moodie Agronomy

Ron Hards and Michael Moodie examining grain samples.
**OUR PROJECTS - Key Messages from 2013-2014 Trials**

MSF’s Research Compendiums and Articles can be found on our website www.msfp.org.au, for further reading of the full articles.

**Herbicide resistance in brome grass across Southern Australia**

**Key messages**
- Herbicide resistance to Group A and B herbicides in brome grass is becoming more common across southeastern Australia.
- Of the resistant populations of brome identities, several differed in their level of resistance to Group A and B herbicides.
- Increasing herbicide does only marginally improve control in most cases but some Group A and B herbicides were more effective than others in controlling resistant populations.

**Mapping brome grass proves difficult in the Mallee.**

**Key messages**
- Current technology sensors are good but limited.
- In uniform crop growth opportunity to pick up weed patches from greater density growth on the map.
- Higher weed growth where crop is less vigorous. Observed with brome and rye grasses in the Mallee, Mid North and Yorke Peninsula.
- Weeds proliferate where there is less crop competition.
- Improving crop vigour will aid in reducing and eliminating weed patches.
- Crop vigour options include soil amelioration, increased sowing rates, improved crop establishment, improved crop nutrition.
- Weed ID sensors that differentiate between plant species is being development in Germany.

**Identifying new herbicide options for brome grass**

**Key messages**
- Brome grass becomes problematic due to ineffective herbicides for control.
- Present treatment reliant on Group A and B herbicides.
- Over-reliance of herbicide groups can cause widespread resistance.
- Research continues to find effective alternative herbicide options.

**Soil specific strategies continue to pay at Karoonda.**

**Key messages**
- Strong support for the use of soil-specific N management to improve profitability and risk management on Mallee dune-swale paddocks.
- Sandy soil types consistently show yield responses to increased N.
- Heavy swale soils do not show a yield benefit of increase N inputs.
- Nil fertiliser (N & P) most profitable fertiliser treatment on heaviest swale soil and least profitable elsewhere.
- Measurable response in 2013 to a pasture break in 2009.
MSF N Tool: playing with the pre-sowing nitrogen decision in the Mallee.

Southern Australia

Key messages
- MSF N Tool is a convenient and easy to setup way of "playing" with the difference scenarios for deciding on pre-sowing nitrogen rates for wheat crops.
- Practice with the tool a few times on some paddocks to understand what is driving profit and risk in a limited or unlimited N budget applied across multiple soil zones.

Long term soil modification trials show benefits of clay.

SA Mallee

Key messages
- Shallow clay showed increased yields from delving, spading or delving and spading combined.
- No significant yield difference between methods.
- Deeper sand, clay spreading has a beneficial effect on crop yield even when no clay applied.
- Reason was that spading has buried and mixed the water repellent topsoil, allowing the soil to wet up.
- Quality of clay used is very important.
- Amount of actual clay present and its chemistry (pH, carbonates and toxic elements) will determine how successful the result will be.

Impact of grazing intensity on wheat crop production.

Victorian Mallee

Key messages
- In low rainfall environment, early sowing and grazing of spring crops reduce yield risk, as does lighter grazing (leaving more plant material).
- Grazed crop recovery is a function of paddock conditions, timing, grazing management and remaining season conditions.

Sowing in February: crazy or clever?

Victorian Mallee

Key messages
- Winter wheat sown as early as February, flowers at the optimum time and yields as well as spring wheat sown in May.
- Winter wheat provides lots of feed for livestock if used as a dual purpose crop.
- The Mallee needs adapted winter wheat varieties bred for it.

Barley varieties differ in weed competitiveness.

South Australian Mallee

Key messages
- Growers should consider variety choice in a long term weed management strategy.
- Hindmarsh and short semi dwarf varieties were poor competitors with weeds and similar to bread wheat.
- Longer season varieties that lacked early vigor eg Gairdner, Wimmera and Grander, were also poor competitors.
- Tall and more vigorous varieties Maritime, Fleet, Fathom and Compass show superior weed competitiveness and can reduce the weed set by more than half that of Hindmarsh.
- In Karoonda, Compass, Fathom and Skipper were the highest yielding varieties in both a weed free and weedy environment.

Sulphur and Nitrogen responses of barley in Mallee 2013.

South Australian Mallee

Key messages
- 2013 consistent with 2012 results.
- Only in S responsive situations SoA is likely to be more effective than urea, or urea and gypsum.
- Growers should look beyond N and S alone.
- Trace elements may be limiting.
- Variable conditions during spring highlighting fertiliser responses will differ from season to season irrespective of soil N and S levels due to moisture constraints and differing yield potentials.
- More results shown in the MSF 2013 Compendium.
Key messages

- MSF N Tool is a convenient and easy to setup way of “playing” with the difference scenarios for deciding on pre-sowing nitrogen rates for wheat crops.
- Practice with the tool a few times on some paddocks to understand what is driving profit and risk in a limited or unlimited N budget applied across multiple soil zones.

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Phosphorus from stubble to soil.

South Australia (Mid North) and Victoria (Mallee)

Key messages
- Cereal and legume stubble over 3 seasons contained 1-5kg P/ha.
- 50% of total stubble P was water soluble and potentially available to plant roots and microorganisms.
- Within 80 days of application a significant amount of stubble P was released into the soil and taken up by the subsequent wheat crop.
- 3 stubble treatments (slashed stubble, incorporated stubble and fine chaff), proportion of wheat P derived from stubble ranged from 9-16%.
- On average, 50% of stubble added in the incorporated stubble treatment was measured in the plant and available soil P pools, compared to 20% for the two surface stubble treatments.

Forage shrub systems for the Mallee.

SA and Victorian Mallee

Key messages
- Potential components of shrub-based grazing systems could include:
  - River saltbush
  - Old man saltbush
  - River Murray saltbush
  - Nitre goosefoot
  - Ruby saltbush
  - Rhagodia
  - Thorny saltbush
- Combining species results in a more stable and productive feedbase than if single species are used alone.

Vetch production and use in Australian farming systems.

Northern Mallee Victoria

Key messages
- Vetch is versatile in terms of its potential end-users: grain, hay/silage, pasture or green/brown manure.
- Grain and hay/silage from common vetch varieties can be used to feed ruminants without limit.
- The grain can also be used in up to 20% of the ration with cereal grains in a diet for pigs.
- Vetch in crop rotations is an excellent tool to reduce problem weeds, diseases and insects.
- Vetch is one of the best crops to improve soil fertility and contribute to increased yield and protein content in following crops.

Grain legume crop selection and agronomy to complement Mallee rotations.

SA and Victorian Mallee

Key messages
- Grain legume crops evaluated all established well and returns of $400-600/ha from harvested grain equated well with cereals at the same locations in 2013.
- Chickpea and lupin production were reduced up to 75% when no inoculum was used.
- Field pea and vetch were least sensitive to inoculum.
- Inclusion of grain legume crops into a cropping rotation impart additional benefits to following crops.

(LtoR) Ruby Saltbush and Old Man Saltbush
**Key messages**

- Field pea was the best yielding pulse crop at both sites.
- Selecting the right crop was more important than selecting the best variety.
- Field pea, lupins and faba beans had the greatest biomass production.
- Vetch biomass production was low due to the late break.

**Key messages**

- Comparison of a one year break where there had been a 2 year break.
- Break crop benefit of a 1 year break may only last one season if grass weeds are a significant factor.
- Large break crop benefits of 0.5-1.25t/ha achieved following a 2 year non-cereal break phase compared to continuous wheat.
- Benefit of a 2 year break had little to do with the phases chosen for those two breaks.
- 8 most profitable crop sequences over a 3 year period is this trial had 2 year breaks in them.

**Key messages**

- Including legume crops and pastures in rotations increases soil nitrogen even 2 years after the legume break was grown.
- Brown manure vetch has proven to be the best break phase for increasing soil mineral nitrogen.
- Crop sequences have had small and variable effects on plant availability soil water.
- Rhizoctonia incoulum levels are highest following cereal crops and high Rhizoctonia levels have corresponded with poor root health.
- Canola decreased inoculum levels to levels similar to a fallow.
- High brome grass numbers re-emerged 2 years after a 1 year break.

**2 year break phases can boost wheat yields and profits.**

**Key messages**

- P Avg wheat yield gains were approx 0.6t/ha in the first year after a break and the size of the yield gain was similar in high and low yielding seasons.
- 2 year break effects were generally of 0.3t/ha and 3rd year break effects 0.1t/ha, resulting in a total of 1t/ha more wheat being produced following a break compared to continuous wheat.
- Effect of breaks on subsequent wheat yields is consistent across soils, seasons and break type than the yield of break crops.
- Cumulative gross margins from wheat following legume, brassica and legume-based pasture breaks were generally much higher than continuous wheat.
- Overall profitability of including breaks is strongly determined by the high variability in the relative profit from the different break options on different soils in the year that they are grown.
**Fixed nitrogen benefit and inoculation response of field pea.**

**South Australia (Mid North) and Victoria (Mallee)**

**Key messages**
- All pea genotypes nodulated satisfactorily with the soil rhizobia at both sites, producing more than 40 nodules per plant.
- Some genotypes had fewer nodules that did not appear to limit their dry matter production.
- Biomass production varied by more than 60% at both sites which may be the most significant driver of their fixed nitrogen contribution.
- Predicted fixed N benefit of the different pea lines is estimated to range from 80 to 160kg/ha at Curyo and from 78 to 123kg/ha at Pinery.
- Cultivar Hayman performed best.
- Addition of mineral nitrogen was less significant than plant genotype for all measured parameters.
- Inoculation failed to significantly increase nodulation, above ground biomass or grain yield and N concentration.
- Lack of response to inoculation for field pea was not unexpected given the slightly alkaline soil conditions and the presence of >300 pea rhizobia per g soil. 100 rhizobia/g soil is considered adequate for prompt nodulation.

**Vetch production and use in Australian farming systems.**

**Northern Mallee Victoria**

**Key messages**
- Vetch is versatile in terms of its potential end-users: grain, hay/silage, pasture or green/brown manure.
- Grain and hay/silage from common vetch varieties can be used to feed ruminants without limit.
- The grain can also be used in up to 20% of the ration with cereal grains in a diet for pigs.
- Vetch in crop rotations is an excellent tool to reduce problem weeds, diseases and insects.
- Vetch is one of the best crops to improve soil fertility and contribute to increased yield and protein content in following crops.
## 2013-2014 PROJECTS

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<td>Strengthening Communities 7</td>
<td>To build capacity by improving access to support systems and services, and encourage community networks for farmers in the Mallee region of Victoria</td>
<td>DSS</td>
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<tr>
<td>Maintaining profitable Mallee farming systems with retained stubble</td>
<td>This project will address the major constraints to maintaining profitable farming systems with stubble retention and deliver improved options to grain growers.</td>
<td>GRDC Until June 2018</td>
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<td>Rotational grazing to reduce wind erosion in the VIC and NSW Mallee</td>
<td>There is a need for Mallee farmers to be diverse in their farming enterprises, through multiple commodity enterprises but high level land management through improved knowledge will assist in long term sustainability. As requested by Mallee farmers, this project will build on Mallee farmers’ knowledge of managing their pastures and crop stubble to ensure that adequate ground cover is maintained to retain soil health and to maximise livestock production. Based on the recent Grain and Graze 2 project, farmers will learn to effectively use rotational grazing systems relevant to their area. It will assist them to make effective management decisions to maintain economically viable and environmentally sustainable farming practices.</td>
<td>DAFF - Community Landcare Grant Until Dec 2014</td>
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<td>Demonstrating Advanced Seeding Systems to Mallee Farmers (Vic)</td>
<td>This project will increase the capacity of Mallee farmers to implement productive cropping enterprises that improve ecosystem services through the on-ground demonstration of advanced seeding systems. Most Mallee farmers use tyne based seeders that have limitations such as high soil disturbance, low stubble handling capacity and slow operating speeds. This project will combine the knowledge, skills and experience of scientific experts, agronomists and farmers to put in place demonstrations of advanced seeding systems and technology to evaluate their potential to overcome the limitations of existing seeding equipment and to provide improved benefits such as stubble handling and maintenance of high ground cover levels. The site will be located at Murrayville and links with the GRDC Stubble project.</td>
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<td>In the Cloud - Technology for a sustainable farming future (Vic and NSW)</td>
<td>This project aims to build on the knowledge of sustainable farming practices to the next generation of Mallee farmers, to enable them to better manage their agricultural business. Currently, young farmers (18-40 yrs) in the Mallee regions have expressed a need for information on how to use new farming applications with the ever increasing field of new technology applications and the need for high speed information and understanding of carbon farming practices. The project aims to run workshops alongside field days at Kyalite, Merbein and a workshop at Nangiloc for sustainable farming practices and effective management decisions to maintain economically viable and environmentally sustainable farming practices. This is a collaborative project with Sunraysia Institute of TAFE which will lead the Nangiloc event.</td>
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<td>Mallee Challenge 2013/14 (SA)</td>
<td>The Mallee Challenge project will give farmers in the SA Murray Darling Basin the opportunity to conduct paddock demonstrations relevant to them and their region. The farmers will choose an issue pertinent to their area to address. The final outcome of the project will be improved on farm environmental sustainability and better farmer understanding and management of on farm issues. The project will help engage farmer groups and improve land management outcomes throughout the Mallee region, particularly in relation to wind erosion management. This is a collaborative project with SAMDB.</td>
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<td>Extension to SAGIT project</td>
<td>3 Projects in one - speakers for SAGIT facilitated groups, support for shrubs groups, grazing shrubs extension material.</td>
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<tr>
<td>NSW Variety trials</td>
<td>Variety trials in two locations to identify crop options to replace bare fallow.</td>
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<td>Capacity Building (NSW)</td>
<td>To develop the capacity of two groups (Kyalite and Trentham Cliffs).</td>
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<tr>
<td>Farmers leading and learning about the soil carbon frontier</td>
<td>To examine existing, new and alternative strategies for farmers in the broad-acre wheat/sheep zone to increase soil carbon involving a network of trial and demonstration site, coordinated by key farm groups in Central and Southern NSW (CWFS, FarmLink and the Murrumbidgee CMA), Victoria (SFS, BCG and MSF) and SA (Ag Excellence Alliance) and Tasmanina (SFS) in conjunction with CSIRO (Sustainable Agriculture Flagship).</td>
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<td>Grain and Graze 2 - SA</td>
<td>1) Increase biomass in the South Australian Mallee and 2) Improving No Till crop performance when transitioning from pasture to crop in Mallee environments.</td>
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<td>Grain and Graze 2 -VIC</td>
<td>Perennials on constrained soils and grazing solutions for large Mallee paddocks.</td>
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<td>Farmer Groups to Focus On Innovative Practices</td>
<td>To improve both the productivity and profitability of SA Mallee farmers through greater adoption by farm businesses of industry and government funded research outcomes; to maintain farmer involvement in MSF projects by providing extension support to farmer groups in the SA Mallee; to maintain farmer participation in the direction of MSF research and extension in the SA Mallee.</td>
<td>SAGIT</td>
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<tr>
<td>Water Use Efficiency</td>
<td>Aim to get more growers to use practices and strategies with greater WUE to increase whole farm profitability &amp; improve WUE systems in the future.</td>
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<td>Crop Sequencing</td>
<td>Develop an improved understanding and implementation of management practices for Brassica, pulse crops, pastures and other options to reduce the risk of crop failure and improve whole farm profitability in low rainfall south-east Australia.</td>
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<td>Profit/Risk Workshops</td>
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Karooonda SA Trial site
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<tr>
<td>Farmer Groups to Focus On Innovative Practices</td>
<td>To improve both the productivity and profitability of SA Mallee farmers through greater adoption by farm businesses of industry and government funded research outcomes; to maintain farmer involvement in MSF projects by providing extension support to farmer groups in the SA Mallee; to maintain farmer participation in the direction of MSF research and extension in the SA Mallee.</td>
<td>SAGIT</td>
</tr>
<tr>
<td>Crop Sequencing</td>
<td>Develop an improved understanding and implementation of management practices for Brassica, pulse crops, pastures and other options to reduce the risk of crop failure and improve whole farm profitability in low rainfall south-east Australia.</td>
<td>GRDC</td>
</tr>
<tr>
<td>Alternative Fodder Crops for Dryland Grazing Systems</td>
<td>This project will focus on maintaining groundcover in the mixed grazing industry of the Victorian Mallee to reduce soil and nutrient loss through wind erosion. This project will establish 5 trial sites to demonstrate innovative practices, such as using native shrubs as an alternative grazing option and grazing stubble over summer. The Mallee CMA, farming systems groups and regional government</td>
<td>Mallee CMA</td>
</tr>
<tr>
<td>Task</td>
<td>Description</td>
<td>Funding Agency</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Winning the War on Erosion</strong></td>
<td>Agencies will deliver the project in partnership. It will integrate a suite of activities to support land managers to adopt sustainable grazing practices to manage the land resource.</td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable Brome grass management for no-till farming in the Central Mallee</strong></td>
<td>Mallee Sustainable Farming Inc. (MSF) will establish four paired paddocks in a commercial setting where farmers will compare an Integrated Weed Management (IWM) strategy to current brome grass management practices in cereal based no-till cropping systems. Monitoring will focus on a sandy soil within the paddock to collect data such as weed dynamics, soil parameters, productivity and economics. The project will be supported by a replicated research trial focused on individual IWM tactics and a multifaceted communication and extension program that includes workshops, training, presentations, field days, newsletter articles, MSF R, D &amp; E compendium article and videos.</td>
<td>Mallee CMA</td>
</tr>
<tr>
<td><strong>Demonstrating the benefits of break crops in Northern Mallee no-till cropping systems.</strong></td>
<td>Mallee Sustainable Farming will establish eight paired paddocks in the Northern Mallee where farmers will compare rotations that include a one or two year non-cereal crop phase to the cereal dominated cropping systems that are currently implementing. Monitoring will focus on two soil types within the paddock. The trial and demonstration activities will be supported by a multifaceted communication and extension program that includes training events, presentations, field days, newsletter articles, MSF R, D &amp; E compendium article and videos. The delivery approach for this project is to work with farmers to implement commercial scale comparisons of farming systems with different crop rotations.</td>
<td>Mallee CMA</td>
</tr>
<tr>
<td><strong>Tapping into Technology</strong></td>
<td>To encourage adoption of new technology in the SA Mallee.</td>
<td>SA Government</td>
</tr>
<tr>
<td><strong>Sandy Soils Review</strong></td>
<td>To identify gaps in knowledge about the improving the productivity of sandy soils in the low rainfall zone of the GRDC Southern Region. A review document will be presented to GRDC. It was written in consultation with stakeholders from around Australia.</td>
<td>GRDC and University of Adelaide</td>
</tr>
<tr>
<td><strong>Facilitated Farmer Groups to Boost Productivity in Victoria</strong></td>
<td>Facilitation of two groups across the Victorian Mallee to focus on weeds. Facilitated groups in the Milawa and Ouyen areas encouraged shared learning and acted as a conduit for information across the region.</td>
<td>DEPI Victoria</td>
</tr>
<tr>
<td><strong>Building Sustainable Landscapes and Communities through Facilitated Farmer Groups in South Australia</strong></td>
<td>Facilitation of eight groups across the South Australian Mallee to encourage shares learning and a conduit of information across the industry.</td>
<td>NRSAMDB</td>
</tr>
</tbody>
</table>
COMMUNICATION and EXTENSION

In any given year MSF continues to develop and offer a range of events to the farming community across the Tri-State region. The regular cycle of main Field Days (Karoonda, Ouyen, Mildura), Trials Review, RD&E Forums continue to offer up-to-date information to all members and also the wider agricultural community. Where necessary, further events are scheduled depending on the season and perceived requirements.

The level of interest shown by farmers has been sustained and MSF envisages that the number of attendees will increase with better communication techniques and advances in trial outcomes.

MSF provided a steady output of current, relevant information to its members in the form of e-News, media releases, flyers, field day booklets containing relevant articles, videos, live streaming etc.

The 2013 R&D Compendium of Articles was available at the Tri-State Forum and is also accessible online at www.msfp.org.au.

Workshops and other upskilling topics for farmers are delivered by professionals in their fields of expertise.

The establishment of MFS's social media presence has proven to be highly effective in getting our activities online in a format that has appealed to the cropping community. The use of GoPro software has enabled short video clips to be uploaded to YouTube for “activities in action” by our team on a daily basis or as it happens on the ground and when necessary.

Notices of all upcoming events are placed on social media and internet traffic is monitored and recorded regularly. MSF targets its audience more accurately to ensure information is getting to the right farmers. Social media gives MSF a greater modern appeal and allows for contact with the younger generation of agriculturalists. MSF prides itself on being a viable and active part of the online community.

Website: www.msfp.org.au
Facebook site: www.facebook.com/malleesustainablefarming
YouTube site: www.youtube.com/MSFMildura
Twitter site: www.twitter.com/msf_mildura
CASE STUDY – Farm Managers Learn the Real Costs

Land managers from the Balranald region attended a June half day workshop at the Balranald Fire Station to learn to evaluate their farm business’s true financial position. The free workshop was a joint initiative by Mallee Sustainable Farming and Murray Local Land Services (NSW) to address a perceived weakness in the agricultural sector - a lack of understanding and awareness of true business profitability when making management decisions on farm. The workshop, run by Brett Pekin and Andrew Wylie from BLP Agribusiness Solutions (Swan Hill), guided participants through how to properly evaluate their accountant’s information when making financial management decisions.

Using a real life scenario, participants used agronomist and accountant advice to analyse input costs versus income, to determine the businesses overall profitability. The farm exercise showed a productive, profitable and sustainable business, earning a healthy income for the 3 year example. When examined from a slightly different perspective, the true financial position of the business was revealed and participants were surprised to see an annual loss of over $200,000 leaving many of the participants re-evaluating their own farm businesses. Participants were then asked for potential strategies to overcome the annual loss with some surprising results. Reducing input costs made little difference to the overall profitability, while tripling the land manager’s total cropping land via a transition of leasing to buying, proved to be the soundest economic decision. Individual needs and wants were taken into account, and factors such as the recent purchase of a new header, and a son returning home to work were included.

Genevieve Reardon from Murray LLS said “The feedback from the event was really positive and we hope to be able to deliver more business profitability opportunities for landholders in the Murray Local Land Services area”.
MSF held their annual Tri-State Research, Development and Extension (RD&E) Forum in Tooleybuc (NSW) in February 2014. On the banks of the great Murray River, it was an idea location for the gathering of growers. The forum attracted growers from across the tri-state Mallee region, as well as interested researchers, agronomists and agricultural industry reps. The results of current trial work was showcased and RD&E priorities were discussed for development for the coming five years.

Local Kyalite grower and MSF Board member, Gavin Howley said, “The program will give a summary of many of MSF’s project and trial work from the 2013 season including the Mallee crop sequencing trials conducted at the Merbein South site”.

A feature of the program was a wrap-up of the water use efficiency project by Dr Rick Llewellyn, a key researcher on this project, who presented key finding on the work conducted on getting the most from a limited fertiliser budget and break crops effects in the Mallee. MSF’s crop sequencing project highlighted the best sequence after a year of wheat.

Other topics included a varieties update on the local region’s wheat, barley and canola trials, soil health and biology and making the most of your fertiliser inputs.

Jessica Crettenden from the Minnipa Agricultural Centre SA shared her findings on her work with flock (sheep) management in low rainfall areas. The project has completed its second year and has investigated the causes of lamb deaths from birth to weaning in a low rainfall environment. The project collected measurements on pedigree, birth weight, age, rectal temperature, maternal temperament and lamb vigour. The results showed an increase in lamb survival by 10% from year 1 to year 2 by following a “best practice” management system developed from the Lifetime Ewe Management (LTEM) principles. Benchmarking to determine the enterprise potential is the first step for producers hoping to increase their weaning percentages, and the next step is to recognise how to improve the gap between the potential and actual number of lambs weaned and this starts with understanding lamb survival issues.

The MSF Tri-State RD&E Forum was supported by the Grains Research and Development Corporation through its “Conference Award” Program, Western Local Land Services and Murray Local Land Services.
CASE STUDY – Ghana Study Tour

The Ghana Farmer Based Organisation (FBO) Study Tour to Australia was conducted from 17 to 28 February 2014 as part of a two-year program funded by the Australian Government to support capacity development for farmer based organisations (FBOs), specifically by strengthening the staff of the Department of Agricultural Extension Services (DAES) of Ghana’s Ministry of Food and Agriculture (MoFA). The study tour involved hosting a group of 20 Ghanaian representatives from a range of organisations including the Ministry of Food and Agriculture and several industry and farmer based organisations. The majority of participants ‘worked at the farmer level’ as district extension officers, with several participants performing more senior managerial roles within their respective organisations.

Study Tour Objectives
The objectives of the study tour are summarised as:

1. To develop an understanding of how agricultural extension is delivered in the Australian states visited.
2. To learn about the roles of public and private sectors in delivering extension services and the range of agricultural extension methodologies used.
3. To observe examples of collaboration taking place between research and extension in the dissemination of technologies along the entire value chain.
4. To experience and learn of ‘best management practice’ in setting up and managing economically viable farmer based organisation and producer associations and Apex bodies.
5. To study strategies for service delivery by apex bodies to primary farmer societies.

The study tour was initiated through the Australia-Africa Partnerships Facility (AAPF), and was an activity conducted under the ‘Ghana Farmer Based Organisations Capacity Building Project’. The tour was facilitated by a team of highly experienced professionals from International Agriculture for Development who have been involved in developing and leading agricultural extension related services in Australian agriculture in both the government and private sectors.

Day 4, Thursday 20 February, Horsham – Birchip – Tooleybuc
Travelling from Horsham to Birchip the group journeyed to Tooleybuc on the Murray River and were able to see irrigated horticulture along the river system in contrast to the dryland broadacre crop farming systems seen over the past couple of days. An evening dinner and meeting was held with the MSF Board. The MSF operate across the low rainfall Mallee regions of three states - NSW, Victoria, and SA. MSF covers dryland-farming systems with a farmer driven model. The MSF approach has a greater focus on leveraging and networking for resource use, and a range of communication and engagement approaches suited to the remoteness of the Mallee region being used. The meeting format was novel with discussion groups at each table hosted by a MSF Board member. This allowed the Ghana group to undertake in-depth discussions. The dinner was hosted by the MSF Chair (Ian Hastings) and the Executive Manager (Gemma Walker).
STRENGTHENING COMMUNITIES PROJECT 2013-2014

Since 2007, Mallee Sustainable Farming (MSF) has been successful in obtaining grants from the Department of Social Services, to assist rural communities in drought affected areas and assist farmers to manage drought recovery. The program still continues its aim of providing support to farming communities and to empower locals to tackle local issues and formulate positive local initiatives which will support the individual, the family and the wider farming community.

Another aspect of the Strengthening Communities Project is to be able to give encouragement to local community individuals to reach their potential in various aspects of life.

The program continues its aim of providing support to farming communities and to empower locals to tackle local issues and formulate positive local initiatives which will support the individual, the family and the wider farming community. The current round of funding will focus more on capacity building through people and less on community assets of a physical nature. The buzz words include leadership development, skill and knowledge development, volunteering, networks, partnerships, and holding community events across all age groups.

In keeping with our vision of dynamic, profitable, and sustainable farming we are able to access significant funding to improve our capacity to be better farmers in coping with continuous change. The project will help our communities to remain vigorous and sustainable.

The project has the following objectives:

- Assist small farming communities to identify capacity building opportunities and plan activities which will be driven by local volunteers;
- To form partnerships to tackle local issues and formulate local activities (organise events, social gatherings, workshops, seminars, field days, fun nights, etc);
- Build skills and knowledge amongst farmers, family members and the wider rural community to negate the negative impact of drought and drought recovery;
- Assist the community to participate in volunteering, mentoring and leadership development;
- To increase access by farmers to support systems, services available, and encourage linkages;
- To maintain and grow confidence, morale and self-worth while confronting difficult times.

In 2013-14, community groups were formed in areas that the project has not previously been able to deliver more professional workshop with a wider diversity of participants. Groups have been created at Wentworth/Pooncarie (NSW), Mannum (SA), Robinvale (Vic) and Balranald/Hatfield (NSW).
CASE STUDY – Sustainable Gardening with Sophie Thomson (SA)

Jill Nickolls and her husband Jeff farm in a remote, low rainfall corner of South Australia. The Nickolls family have been producing food for 88 years and now reside in the township of Pinnaroo. Jill, originally from Kangaroo Island, trained as a teacher. Since moving to the district to marry in 1976, Jill has been involved in Pinnaroo Community Inc, she is co-author of the book “The Mallee Track” and is very involved in the community wetlands.

As a result of the passion and enthusiasm of the Pinnaroo Garden Committee, Sophie Thomson, a gardening expert from the popular “Gardening Australia” television show was invited to speak to the group through MSF’s Strengthening Communities project.

This event attracted a huge and unanticipated crowd of 84 people; a mammoth effort from such a small rural town in the South Australian Mallee. Jill Nickolls, a long-term resident and gardener described the event as “a forum on garden sustainability; something that we who live in the Mallee don’t have this avenue of access to very often. We had hoped that people would come away from the day with a sense of well-being and a feeling of encouragement to get out into our gardens.”

The event was organised by a small committee, who gained a real sense of “doing something worthwhile for the community.” Jill, an organiser and participant herself, said the idea popped up from the communities thirst for gardening and the idea “snowballed from there”.

It was also a social gathering of Mallee community members ranging from Murrayville in Victoria and Pinnaroo, Parilla and Lameroo in South Australia. This activity enabled Jill to achieve an understanding of new points of view, particularly towards the environment. Jill was also able to develop her event management skills, along with her confidence, and is now organising another event for the Pinnaroo community.

Jill describes this learning experience as having given her “a boost in pride and a sense of achievement” and believes participation in this activity by other community members has provided avenues for people traditionally at home (e.g. stay at home mums).

This activity has benefited the community in many ways. Social interaction, connectivity, connecting in a positive way (e.g. not at the pub!) has had a hugely positive effect on the mental health of the local community, and herself individually. As a result of participating in this gardening activity with Sophie Thomson, “many participants have commented on them re-evaluating their style of gardens and the suitability of plants for the Mallee region” and also given “a new sense of well-being and a new attitude to garden chemicals.”
CASE STUDY – Sausage and Mettwurst Workshop (NSW)

On the last Saturday of June, as the chilly winter winds blew across Wamberra Station (NSW), over 40 people attended another Strengthening Communities Workshop in perfect sausage-making weather. Patty Byrnes co-ordinated all the details of this great workshop, with friends and neighbours travelling long distances to attend. Some even braved the weather to travel over 80 kms to be able to catch up with friends, learn new traditional Italian culinary skills and to also celebrate the 7th birthday of one of the attending children.

The original location was to be the Byrnes’ kitchen table, but with so many gathering, it was decided to change the venue to the historic old Wamberra Woolshed with its smell of sheep and lanolin, and whistling drafts. But this did not deter the participants from knotting sausages, mixing ingredients, sampling some wine and making the most of the time available. Everyone had a great day, finishing up around 3.00am, yes indeed, with some of the children curled up in their swags having played in the shed’s sheep pens and over the bales of wool.

Award-winning butcher, Darryl Muller of Muller’s Meats of Monash (near Renmark SA), who had won two categories in the 2013 SA Sausage King Competition in Adelaide, travelled to Wamberra Station for the day. Darryl made a variety of sausages using both natural hog casings and man-made collagen skins then completed the demonstrations with his own version of the classic Italian Capacolla, using a whole pork fillet.

The Strengthening Communities funding via MSF has been able to bring together isolated groups of families and friends, and in some cases, neighbours who have not seen each other for over 12 months.
CASE STUDY – Catherine Marriott Leadership Retreats (NSW & Vic)

Through Strengthening Communities Funding, the region was able to secure the attendance of Catherine Marriott for several workshops and local events during July 2014. MSF in collaboration with Sunraysia Rural Counselling Services, Local Land Services Western (NSW), Small Business Advisory Service, Penguin Club/Rostrum, Murray Darling Landcare, Eastern Mallee Landcare Consortium and Mallee Catchment Management Authority were able to encourage and engage the community members to attend via active marketing and social media.

A very dynamic and driven motivator and speaker, Catherine engaged local community members as forum participants to increase their confidence and feel empowered to not only create and engage in, but lead crucial conversations.

38 women from rural communities participated in a 2-day Women’s Leadership Retreat facilitated by Catherine Marriott, Director of Influential Women. All women participated in workshop sessions on:

- Myer-Briggs Personality Assessment;
- Effective Values Based Communication Techniques;
- Using Social Media;
- Working with the Media and Mock Interviews;
- Public Speaking.

The women participated in social networking during meals and breaks over the 2 days of the retreats. The backgrounds of the women who participated varied from those actively engaged in mixed farming and horticultural enterprises to those involved in Landcare or other environmental groups. Leadership training was conducted in two locations – Tooleybuc and Mildura centrally accessible to major population of rural women in North West of Victoria and south western region of NSW. Participants were drawn from across the region and some from a considerable distance from outside the region (Balaklava SA and Redbanks Victoria).

Catherine Marriott represents the next generation of Australian farming. She has global experience in Agribusiness and is an expert commentator on Australian rural industries. Catherine has made a significant contribution to global agribusiness, from hands-on farm work to technical consulting, facilitation and lobbying at all levels of government. She was named the West Australian RIRDC Rural Woman of the Year and the National Runner-up, and is the founder of “Influential Women”, a group established with the goal of creating strong, resilient and sustainable rural communities.

As an advocate for the future of Australian farming, Catherine consults to the Australian government and regulatory bodies on key policy issues facing the industry, and works with likeminded corporations who share her passion and interest in the future success of rural Australia. Catherine is an accomplished corporate speaker, brand ambassador and spokesperson, and also speaks on critical issues including the future of food and water management and the role agriculture will play within the Australian economy in the future.
CASE STUDY – Hatfield Happenings (NSW)

The Balranald Isolated Children’s Parents’ Association (ICPA) celebrated its 21st ‘Hatfield Happening’ in style on Thursday 29 May 2014. Seventy-seven (77) women from all over the Riverina and Mallee gathered at the remote Hatfield Hall, 110km north of Balranald for a day of great company, great food and great stalls.

There was much laughter but also a few tears with renowned inspirational speaker Robyn Moore. Robyn’s voice is well known on the radio serial ‘How green is my cactus’ and she has captured the imaginations of many as “Blinky Bill” on TV, but it was the power of her word that truly captivated the audience. Robyn is the National Patron of “Make a Wish Foundation Australia” and her experiences with helping ill children, combined with her own life experiences and her ability to tell great stories and jokes, took us all on a remarkable journey of self-awareness and how important our perception of ourselves is on the way we live our lives. “Hatfield Happenings” is the only annual Women’s Gathering for a 100km radius and is considered an integral part of the community, hosted by the ICPA. This year’s event also acknowledged the original work of Lorraine Ayson and Marie Scott who organised the first Ladies Health Day and is now hosted annually by the Balranald ICPA Branch. Without the early work of Lorraine and Marie, the event may not be what it is today so it is wonderful to publicly acknowledge the original contributions they made.

Mallee Sustainable Farming Inc. financially supported having Robyn Moore come and speak. This enabled ICPA to subsidise a lower entry fee, giving a greater number of women the opportunity to experience a great day at minimal cost. The Uniting Church Cumberland Zone in Parramatta donated pamper packs and we were fortunate to have been able to give a gift to each lady who attended, which was a lovely surprise for our rural women who often give so much in their own voluntary capacity - it was nice to be able to give back and send each lady home with a small gift.
CASE STUDY – Robinvale Community Gardens (Vic)

The multi-cultural Robinvale community successfully held a grand opening event for the community garden, located on vacant land owned by the Robinvale P12 College. This event was a huge effort to arrange, with contributions from various members of the community and the students at the school. The event was attended by approximately 500 people, many of which were from an Indigenous or culturally and linguistically diverse background.

There were 20 volunteers involved in organising the event. The Robinvale District Health Service was instrumental in establishing the link between Mallee Sustainable Farming and the Robinvale P12 College.

The guest speaker for the event, Basil Natoli, inspired and encouraged the youth to participate in the garden development and construction.

Basil’s involvement in school gardens is extensive with more than 25 years of community and school gardening experiences to his current role with Victorian Schools Garden Awards. Basil has worked closely with celebrated chef and food writer Stephanie Alexander in developing the first kitchen garden program at Collingwood College and in more recent times working with school communities across Victoria in the development of their own gardens as well as gardens in the community sector. Basil inspired the ambitious young gardeners with tales of his rich and colourful gardening experiences.

Students were involved in the organisation of various stalls around the boundaries of the garden on the day. Students from various year levels were invited to propose what type of stall they would like to hold and how they were going to go about it.

Stalls included fruit salad, barbecues, baked potatoes, salads, ice-cream, drinks and baked goods. Other groups were present on the day to share educational information with the younger audience.

Robinvale is one of the lowest socio-economic towns in Australia. This event was a fantastic opportunity to encourage many school and community members to participate in the garden and build support within the community to be involved in the garden establishment and development process. This encouraged the community to develop a sense of ownership of the garden so that enthusiasm is built for the garden project.

The garden aims to be accessible to all, a ‘community hub’ which will be used for learning, garden lovers, fresh produce distribution and a welcoming and inviting environment for everyone. This message was promoted on the day.

There was great support from the school and Robinvale Community with approximately 500 people involved in the project.
CASE STUDY – Clay Shooting Day at Bowhill (SA)

The Bowhill Mens Day was held at a rural property just out of Bowhill with 34 local men participated in a fun-packed clay target shooting challenge organised by Jeremy Hawkes.

With perfect weather and a beautiful backdrop of canola crop in full bloom, contrasted by the deep green and lush cereal crops, it was an enjoyable day. Graham Duell won the individual champion trophy and the “Shoot your Trap” team of Braden Herrmann, Kingsley Morrell Graham Duel and Jeremy Hawkes won the team medallions.

Participation brought “together a large quantity of the Bowhill regions’ men in a really positive and fun way.”

Jeremy explained that “many of those that attended would not normally attend a social function together, so it was a good way to bridge the gaps in the social network of our small rural and isolated community.”

The social interaction of local men, all bonding over an activity created “a really positive vibe across a vast range of social clusters within the community.”

The challenge was to get a vast range of social clusters together at the one event so the event was designed to be fun and challenging with prizes (trophies) and mixed teams (names drawn out of a hat).

“I asked some of the “influencers” of the community to attend early on in the organisation process, which made it easier to attract the vast majority on the day.”

As a result of being involved in this activity, “many participants have been able to bridge gaps and develop relationships with people they might not have in the past”.

This activity has also given “a new sense of well-being and a new attitude to camaraderie in the Bowhill farming community.”

Participants from this event have suggested “running this event as an annual event” which would continue to build the capacity and skills of each volunteer on the organising committee as well as those who participate.

Jeremy believes that due to the success of this event, a future activity would be most beneficial to the community.
Financial Report
For the Year Ended 30 June 2014

Statement of Profit or Loss and Other Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to and Forming Part of the Financial Statements
Letter from the Board
Independent Audit Report

Mallee Sustainable Farming
2014 Annual Report
### Statement of Profit or Loss

MALLEE SUSTAINABLE FARMING INC

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Revenue</td>
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<td>1,345,144</td>
</tr>
<tr>
<td>Less: Expenses</td>
<td></td>
<td></td>
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<tr>
<td>Research, development and extension expenses</td>
<td>3</td>
<td>(891,994)</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>3</td>
<td>(257,008)</td>
</tr>
<tr>
<td>Other expenditure on Ordinary Activities</td>
<td>3</td>
<td>(185,189)</td>
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<tr>
<td>Depreciation expense</td>
<td>3</td>
<td>(10,132)</td>
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<tr>
<td>Surplus before income tax for the year</td>
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<td>821</td>
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<tr>
<td>Income tax expense</td>
<td>1(g)</td>
<td>-</td>
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<tr>
<td>Net surplus for the year</td>
<td></td>
<td>821</td>
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<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>821</td>
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### Statement of Financial Position

**MALLEE SUSTAINABLE FARMING INC**

**Statement of Financial Position**

As At 30 June 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
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<td>$</td>
<td>$</td>
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#### CURRENT ASSETS
- Cash and cash equivalents 4 1,028,812 670,841
- Receivables 5 259,081 118,822
- Prepayments 6 4,455 4,805

**TOTAL CURRENT ASSETS** 1,292,348 794,468

#### NON CURRENT ASSETS
- Plant and equipment 7 35,086 19,553

**TOTAL NON CURRENT ASSETS** 35,086 19,553

#### TOTAL ASSETS
1,327,434 814,021

#### CURRENT LIABILITIES
- Unrecognised project income 1(f) 806,964 402,173
- Payables 8 210,896 127,986
- Employee benefits 9 37,460 26,760
- Chattel Mortgage (Current) 10 6,804 -

**TOTAL CURRENT LIABILITIES** 1,062,124 556,919

#### NON CURRENT LIABILITIES
- Chattel Mortgage (Non-current) 10 7,387 -

**TOTAL NON CURRENT LIABILITIES** 7,387 -

#### TOTAL LIABILITIES
1,069,511 556,919

#### NET ASSETS
257,923 257,102

#### EQUITY
- Retained surplus 187,923 187,102
- General reserve 1(h) 70,000 70,000

**TOTAL EQUITY** 257,923 257,102
## Statement of Changes in Equity

**MALLEE SUSTAINABLE FARMING INC**

**Statement of Changes in Equity**
**For the Year Ended 30 June 2014**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Balance at beginning of year</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>257,102</td>
<td>159,223</td>
<td>187,102</td>
<td>124,223</td>
<td>70,000</td>
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<tr>
<td><strong>Surplus (deficit) for the year</strong></td>
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<td>97,879</td>
<td>821</td>
<td>97,879</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Transfer to (from) reserves</strong></td>
<td>1(h)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(35,000)</td>
<td>35,000</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>257,923</td>
<td>257,102</td>
<td>187,923</td>
<td>187,102</td>
<td>70,000</td>
<td>70,000</td>
</tr>
</tbody>
</table>
### Statement of Cash Flows

MALLEE SUSTAINABLE FARMING INC

Statement of Cash Flows  
For the Year Ended 30 June 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**CASH FLOW FROM OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating grants received</td>
<td>1,766,851</td>
<td>1,510,514</td>
</tr>
<tr>
<td>Receipts from sponsorship and other</td>
<td>3,177</td>
<td>34,766</td>
</tr>
<tr>
<td>Interest received</td>
<td>20,713</td>
<td>11,180</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(1,304,408)</td>
<td>(1,242,285)</td>
</tr>
<tr>
<td>GST Paid</td>
<td>(121,061)</td>
<td>(49,695)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>365,272</td>
<td>264,480</td>
</tr>
</tbody>
</table>

**CASH FLOW FROM INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment for plant and equipment</td>
<td>(9,018)</td>
<td>(11,405)</td>
</tr>
<tr>
<td>Proceeds from sale of plant and equipment</td>
<td>9,439</td>
<td>-</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>421</td>
<td>(11,405)</td>
</tr>
</tbody>
</table>

**CASH FLOW FROM FINANCING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of chattel mortgage</td>
<td>(7,722)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(7,722)</td>
<td>-</td>
</tr>
<tr>
<td>Net (decrease) increase in cash held for the year</td>
<td>357,971</td>
<td>253,075</td>
</tr>
<tr>
<td>Cash at beginning of year</td>
<td>670,841</td>
<td>417,766</td>
</tr>
<tr>
<td><strong>Cash at end of year</strong></td>
<td><strong>1,028,812</strong></td>
<td><strong>670,841</strong></td>
</tr>
</tbody>
</table>
NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 (Vic). The Board has determined that the association is not a reporting entity. This financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Plant and Equipment
Each class of plant and equipment is carried at cost. The depreciable amount of fixed assets is depreciated over their expected useful lives commencing from the time the asset is held ready for use.

(b) Rounding
Amounts shown in the financial report are in whole dollars unless otherwise stated. Amounts have been rounded up or down to the nearest dollar.

(c) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(d) Cash
For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing less than three months, net of bank overdrafts.

(e) Employee Benefits
Provision is made for the association's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

(f) Revenue
Project funding which arises from contractual relationships for the provision of agricultural research and extension and rural community development services is recognised initially as a liability in the statement of financial position and classified as unrecognised project income. Project funding is then brought to account as income progressively as services required under project contracts are delivered. Surpluses arising from projects are recognised when they are reasonably assured, usually near the end of the project, while deficits are recognised as they become apparent. Revenue from the provision of other services is recognised upon the delivery of those services to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(g) Income Tax
Mallee Sustainable Farming Inc. is a not for profit community based organisation which is exempt from income tax.

(h) General Reserve
The Board has resolved to create a general reserve from the retained surplus to set aside sufficient funds to cover the costs of a managed winding up Mallee Sustainable Farming Incorporated should that eventuality ever become necessary. It is the Board’s intention that this reserve should be backed by liquid funds or investments at all times.
## NOTES TO FINANCIAL STATEMENTS

### NOTE 2: REVENUE

**Operating activities:**
- Project Funding 1,316,009 1,230,460

**Non-operating activities**
- Interest Received 20,713 11,180
- Sponsorship 586 20,486
- Other Revenue 7,836 6,952
  
  **Total Revenue** 1,345,144 1,269,078

### NOTES 3: EXPENSES

**Research, development and extension** 891,994 780,854

**Employment Expenses** 257,008 210,905

**Communication** 12,166 14,402

**Board Expenses** 50,444 22,919

**Other Administration** 122,579 137,554
  
  **Total Administration Costs** 185,189 174,875

**Depreciation Expense** 10,132 4,565

**Remuneration of auditor (included in Other Administration above)**
- audit or review services 3,045 3,000
- other services - -
  
  **Total Remuneration** 3,045 3,000

### NOTE 4: CASH AND CASH EQUIVALENTS

**Cash on Hand** 17 17

**Cash at Bank** 1,028,795 670,824
  
  **1,028,812** 670,841

### NOTE 5: RECEIVABLES

**Trade Debtors** 261,114 118,822

**Less Provision for Doubtful Debts** (2,033) -
  
  **259,081** 118,822

Mallee Sustainable Farming
2014 Annual Report
NOTE 6: PREPAYMENTS
Prepaid Insurance

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,455</td>
<td>4,805</td>
</tr>
<tr>
<td></td>
<td>4,455</td>
<td>4,805</td>
</tr>
</tbody>
</table>

NOTE 7: PLANT and EQUIPMENT

Plant and equipment at cost

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57,570</td>
<td>62,527</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(53,727)</td>
<td>(57,733)</td>
</tr>
<tr>
<td></td>
<td>3,843</td>
<td>4,794</td>
</tr>
</tbody>
</table>

Motor vehicles at cost

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38,335</td>
<td>38,224</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(7,092)</td>
<td>(23,465)</td>
</tr>
<tr>
<td></td>
<td>31,243</td>
<td>14,759</td>
</tr>
</tbody>
</table>

35,086             19,553

(a) Movements in carrying amounts

<table>
<thead>
<tr>
<th></th>
<th>Plant &amp; Equipment</th>
<th>Motor Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, 1 July 2013</td>
<td>4,794</td>
<td>14,759</td>
</tr>
<tr>
<td>Additions</td>
<td>2,089</td>
<td>26,929</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(3,353)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(3,040)</td>
<td>(7,092)</td>
</tr>
<tr>
<td>Balance, 30 June 2014</td>
<td>3,843</td>
<td>31,243</td>
</tr>
<tr>
<td>Balance, 1 July 2012</td>
<td>8,018</td>
<td>4,694</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>11,405</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(3,224)</td>
<td>(1,340)</td>
</tr>
<tr>
<td>Balance, 30 June 2013</td>
<td>4,794</td>
<td>14,759</td>
</tr>
</tbody>
</table>

NOTE 8: PAYABLES

Unsecured

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors and accrued expenses</td>
<td>204,305</td>
<td>100,487</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>6,591</td>
<td>27,499</td>
</tr>
<tr>
<td></td>
<td>210,896</td>
<td>127,986</td>
</tr>
</tbody>
</table>

NOTE 9: EMPLOYEE BENEFITS

Current Liability

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for annual leave</td>
<td>37,460</td>
<td>26,760</td>
</tr>
<tr>
<td></td>
<td>37,460</td>
<td>26,760</td>
</tr>
<tr>
<td>Total Employee Benefits</td>
<td>37,460</td>
<td>26,760</td>
</tr>
</tbody>
</table>

As there are no current staff members with more than five years completed service, no provision for long service leave has been made at 30 June 2014. Employment history indicates it is unlikely that current employees will become entitled to long service leave.
NOTE 10: CHATTEL MORTGAGE
Current Liability
Chattel Mortgage 7,722 -
Deferred Finance Charges (918) -

Non-Current Liability
Chattel Mortgage 7,721 -
Deferred Finance Charges (334) -
Total Chattel Mortgage 14,191 -

NOTE 11: CONTINGENT LIABILITIES
At 30 June 2014 the Board is unaware of any liability, contingent or otherwise, which has not already been disclosed elsewhere in this financial report.

NOTE 12: CAPITAL COMMITMENTS
At 30 June 2014 there are no commitments for capital expenditure.

NOTE 13: RELATED PARTIES
The following persons held office on the Board during the financial year and up to and including the date of this report:
- Ian Hastings (Chairman)  - Gavin Howley  - Robert Pocock
- Paula Gordon (Secretary)  - Rick Llewellyn  - Ron Storey
- Ron Hards (Treasurer)  - Tim O'Halloran (Vice Chair)  - Dean Wormald

NOTE 14: ASSOCIATION DETAILS
The principal place of business of the association is:
Mallee Sustainable Farming Incorporated
Suite 1, 152 Pine Avenue
Mildura Victoria 3500

NOTE 15: EVENTS OCCURRING AFTER REPORTING DATE
Since the date of preparation of this financial report, there have been no events which require specific disclosure.

NOTE 16: CASH FLOW INFORMATION
(a) Reconciliation of Cash
Cash on hand 17 17
Cash at bank 1,028,795 670,824
1,028,812 670,841

(b) Reconciliation of Net Cash provided by Operating Activities to Result from Ordinary Activities after Income Tax:
Surplus (deficit) from ordinary activities after income tax 821 97,879
Non Cash Flows in Operating Result:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>10,132</td>
<td>4,565</td>
</tr>
<tr>
<td>Chattel Mortgage charges</td>
<td>1,913</td>
<td>-</td>
</tr>
<tr>
<td>Provision for Doubtful Debts</td>
<td>2,033</td>
<td>-</td>
</tr>
<tr>
<td>Profit on sale of plant and equipment</td>
<td>(6,087)</td>
<td>-</td>
</tr>
</tbody>
</table>

Changes in Assets and Liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase(Decrease) in provisions</td>
<td>10,700</td>
<td>17,294</td>
</tr>
<tr>
<td>(Increase)/Decrease in receivables</td>
<td>(142,292)</td>
<td>201,070</td>
</tr>
<tr>
<td>(Increase)/Decrease in repayments</td>
<td>350</td>
<td>(197)</td>
</tr>
<tr>
<td>(Increase)/Decrease in GST receivable</td>
<td>(22,301)</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(Decrease) in creditors &amp; accruals</td>
<td>105,211</td>
<td>464</td>
</tr>
<tr>
<td>Increase/(Decrease) in GST payable</td>
<td>-</td>
<td>(12,533)</td>
</tr>
<tr>
<td>Increase/(Decrease) in unrecognised project income</td>
<td>404,792</td>
<td>(44,062)</td>
</tr>
</tbody>
</table>

Net cash (used in) provided by operating activities

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>365,272</td>
<td>264,480</td>
</tr>
</tbody>
</table>

(c) The association has no credit stand-by or financing facilities in place.

(d) There were no non-cash financing or investing activities during the period.
LETTER FROM THE BOARD

Mallee Sustainable Farming Incorporated

Statement by Members of the Board

The Board has determined that Mallee Sustainable Farming Incorporated is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial report.

In the opinion of the Board, the financial report:

1. Presents a true and fair view of the financial position of Mallee Sustainable Farming Incorporated as at 30 June 2014 and its performance for the year ended on that date.

2. At the date of this statement, there are reasonable grounds to believe that Mallee Sustainable Farming Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

IAN HASTINGS
CHAIRMAN

RON HARDS
TREASURER

Dated at Mildura this 5th day of September, 2014
INDEPENDENT AUDITOR’S REPORT

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MALLEE SUSTAINABLE FARMING INCORPORATED

The accompanying financial statements, being the special purpose financial statements, of Mallee Sustainable Incorporated (the Association), which comprises the statement of financial position as at 30 June 2014 for the year then ended, the statement of profit or loss & other comprehensive income, statement of changes in equity, statement of cash flows, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee have been audited.

Committee’s Responsibility for the Financial Report
The Committee of the Association is responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements, are consistent with the financial reporting requirements of the Associations Incorporation Act Victoria and are appropriate to meet the needs of the members. The Committee’s responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial statements.

The financial statements have been prepared for distribution to members for the purpose of fulfilling the Committee’s financial reporting under the Associations Incorporation Act Victoria. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting the audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor’s Opinion
In my opinion, the financial statements of Mallee Sustainable Farming Incorporated present fairly, in all material respects the financial position of Mallee Sustainable Farming Incorporated as of 30 June 2014 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporations Act Victoria.

Kellice Jane Nutly
Dated this 1st of October 2014

Mallee Sustainable Farming
2014 Annual Report
Assisting farmers to be dynamic, profitable and sustainable in the Mallee