



Annual progress report 2017–18





Published by DairyBio.

Whilst all reasonable efforts have been taken to ensure the accuracy of the DairyBio Annual Progress Report 2017–2018 use of the information contained herein is at one's own risk. To the fullest extent permitted by Australian law, DairyBio disclaims all liability for any losses, costs, damages and the like sustained or incurred as a result of the use of or reliance upon the information contained herein, including, without limitation, liability stemming from reliance upon any part which may contain inadvertent errors, whether typographical or otherwise, or omissions of any kind.

© DairyBio 2018. All rights reserved.

ISSN 2209-1424



Contents

Chair's review	2
Co-directors' review	3
Profile of DairyBio	4
Profile of DairyFeedbase	6
Education and Engagement	
DairyBio PhD students	8-10
Milestones	11
Project case studies	12
Project Snapshots of DairyBio	14
2017-18 DairyBio Financial position	16
Project Snapshots of DairyFeedbase	18
2017-18 DairyFeedbase Financial position	19

Chair's review

The 2017–18 year has been a significant period for both the continued success of DairyBio as well as the start up of DairyFeedbase. DairyBio completed its second year of operations and has strengthened the technology platforms that are key to delivering high-value outcomes for industry. DairyFeedbase commenced operations in a build-up year with the establishment of five new projects.

The twin value of operating at scale in both bioscience (DairyBio) and agronomy/nutrition (DairyFeedbase) will improve the outcomes in each initiative. This allows for the smooth movement of technology, staff, and delivered products. For example, the progress made in measurements of plants in breeding fields will be essential for addressing core challenges in measuring pasture performance in both variety trials and dairy paddocks.

Governance arrangements that are now well established in DairyBio are being applied to DairyFeedbase, with a common Board and common management. Our focus as a Board is to deliver on the outcomes set out for both initiatives.

Investment in major projects continues to also be a key area of attention for the Board. A feature of DairyBio is the strong support of project partners who are investing for both commercial and industry-good outcomes. There continues to be opportunities to fund well-established projects in DairyBio where further investment can leverage existing successes. These approaches will also be important for DairyFeedbase, where project partners bring both essential experience and know-how, as well as the ability to generate wide-spread adoption of project outcomes.

I would like to acknowledge the strength of the joint venture model that is based on the ongoing commitment of Agriculture Victoria and Dairy Australia to lead and invest in world-class innovation initiatives. The addition of Gardiner Foundation as a joint venture partner for both initiatives will further strengthen each initiative and the Board would like to thank the Foundation and welcome Dr Clive Noble as a Director.

As we reached the end of the 2017-18 period there are some significant changes in key roles. Firstly, the Board would like to acknowledge Ian Halliday for his leadership at Dairy Australia and his pivotal role in the establishment of both DairyBio and DairyFeedbase. We wish Ian well for his move to a new role as a Consul-General and Senior Trade Commissioner. We would also like to acknowledge the retirement of Steve Coats and the vision that Steve brought in the smooth transition of activities from Dairy Futures CRC to DairyBio and the experience that Steve provided when forming DairyFeedbase.

The Board also congratulates Dr. David Nation on his appointment as Managing Director of Dairy Australia and acknowledges his strong contributions as Co- Director. We also acknowledge and thank Peter Johnson for taking on an interim role as Co-Director. It has been a year of strong performance and has included substantial review and positioning of projects for success. I'd like to recognise the performance of the Co-Directors, Prof. Ben Cocks and Dr David Nation and the Project Leaders. Thank you also to my fellow Directors.



Peter Reading
Chairman

Co-directors' review

The creation of DairyFeedbase and developing strong linkages between both major initiatives has been a management focus for this year. This will ultimately be to the success of both DairyBio and DairyFeedbase. Each of the major initiatives has its own goals that will generate far-reaching and positive impacts for the dairy industry.

DairyBio continues to target an improvement in pasture productivity of \$800/Ha/year, with a concurrent target to improve animal productivity by \$350/cow/year. There has been substantial work to support setting these levels of impact in the past year. A Trans-Tasman panel has constructed a new and more sophisticated economic model that confirmed that the current projects can exceed the \$800 target. Meanwhile, a three-year study of the value of genetic improvement demonstrated the potential within existing herds, where the top quartile of the herd delivers productivity gains of \$300/cow/year compared with the bottom quartile.

DairyFeedbase has been formed with similar high impact targets and has involved a new approach to economic modelling to substantiate the targets. Annual impacts of at least \$100 million/year are forecast.

There continues to be twelve projects in DairyBio, while there are five projects now formed in DairyFeedbase. Milestone-based measurement of performance continues to be strong with 49 of 57 milestones achieved in DairyBio and 28 of 29 milestones achieved in DairyFeedbase.

One of the most significant challenges overcome in the past 12 months is the capacity to routinely analyse massive data sets and complex imagery collected as part of the large field trials in Hamilton, Victoria. We would like to recognise the effort of a wide range of skilled scientists and technicians to make this possible. This has also been a significant year for the creation of new genome edited breeding lines that can deliver substantial changes in the nutritive quality and productive life of pasture as well as reduce the environmental footprint of dairy farms.

The newly formed project teams in DairyFeedbase have worked diligently to build up each project and also to deliver value from the projects that are now finished. All project teams can now focus on the critical activities in the year ahead for DairyFeedbase.

We would like to recognise the important contributions of the Board over the past year, including a commitment to govern both initiatives. This will be a great advantage that will benefit industry, project partners, and management. All of the projects are complex and require quality management, and we thank all the project leaders for their contribution. Thank you also to Peter Johnson for his contributions as Feedbase Manager at Dairy Australia and for stepping up to take on an interim role as Co-Director to provide continuity for management changes planned for 2018–19.



David Nation and Ben Cocks
Co-directors

Profile of DairyBio

DairyBio was established in 2016 as a major investment in dairy bioscience. The core investment proposition is to generate large-scale impacts for Australian dairy farmers through the advanced and industrial-scale application of biological sciences. The investment portfolio is based on a limited set of defined impacts that have strong scientific rigour and substantial market value.

Headline impacts include:

- › Dairy farmers will benefit from improved perennial ryegrass through:
- › 20% increase in yield through the use of hybrid technology
- › Three-fold increase in genetic gain for all yield and nutrition traits through the use of genomic selection
- › Three-year extension of productive life through the improved use of endophyte technology
- › 2MJ increase in metabolisable energy concentration of pastures (i.e. increased energy density) through the use of genome editing.

Dairy farmers will benefit from improved herds that include:

- › 50% further improvement in the rate of genetic gain from the more reliable use of genomics to estimate genetic merit
- › \$80/lactation improvement in cow performance through the use of genomics to assess the merit of each cow
- › 10% lower health costs through genetic selection for health traits
- › 50% further reduction in costs of genotyping, which will stimulate the routine use of genotype services.

One of the major goals in the current five-year investment is to develop turnkey solutions for perennial ryegrass breeding and for a new and improved method of genomic selection of cattle. This means that all of the current innovations can be routinely applied in a commercial environment, and farmers can then easily access these innovations through the purchase of pasture seed and cattle semen.

DairyBio investors 2017–18

Joint venture partners



Project partners



Projects

Forage projects		Project leader
1	Perennial ryegrass	Noel Cogan
2	Fungal endophytes	Kathryn Guthridge
3	Short term ryegrass	Noel Cogan
4	Tall fescue	Noel Cogan
5	New breeding methods	Matt Hayden
6	Plant microbiome	Tim Sawbridge
7	High energy ryegrass	Noel Cogan and Pieter Badenhorst

Animal projects		Project leader
1	Improved reliability	Hans Daetwyler
2	Improve existing traits	Jennie Pryce
3	Develop new traits	Jennie Pryce
4	Novel phenotypes	Jennie Pryce
5	Trans-Tasman project	Jennie Pryce

Highlights

- › Completion of two years of large field trials in Hamilton, Victoria. This provides the basis for confirming elite parental pools for transfer into commercial breeding programs and developing more accurate DNA-based prediction of merit of breeding lines.
- › Development of reference populations for short term ryegrass that allow for rapid progress in the creation of both hybrid varieties and DNA-based prediction of merit.
- › Comprehensive DNA-sequence based analysis of a diverse panel of microbes that are present in *lolium* species.
- › Validation of new and more efficient methods to identify genetic variants in a global database of nearly 3,000 animals. This is a continuation of the 1,000 Bull Genomes project that is one of the major sources of data to improve the reliability of genomic selection in cattle.
- › Support for DataGene as it transitions to a new software operating environment, including changes to DairyBio projects where direct access to industry data will improve the relevance of current projects and speed up implementation of research outcomes.

Major supporting partners



Profile of DairyFeedbase

DairyFeedBase was established in 2017 as a major investment in transformation of the dairy feedbase. The core investment proposition is to generate step change for Australian dairy farmers through the advanced development, application and deployment of transformational feeding, nutrition and feed management insights and tools.

The aim of DairyFeedbase is to deliver innovations that will transform productivity of the feedbase and ensure the dairy industry is cost competitive as a global dairy producer. DairyFeedbase will improve the management of a high performance feedbase through new management tools, improved on farm decisions and more effective use of resources. It will deliver improved productivity for home grown forages, improved allocation of feed and deliver profitable improvements in cow and herd performance based on improved nutrition.

There are 5 projects running under three core themes:

Theme 1: Management tools that improve productivity in the paddock

- › Improved on-farm agronomy decisions
- › Better selection of pasture cultivars

Theme 2: Smarter allocation of feed for each herd

- › More effective allocation of existing feed resources
- › Reduced economic impact of hot weather

Theme 3: Right feed for each cow

- › More profitable individual cow performance from increased feed intake and peak milk yields



DairyFeedbase investors 2017–18

Joint venture partners



Projects

1	Improved on-farm agronomy decisions	Joe Jacobs
2	More confident selection of pasture cultivars	Kevin Smith
3	More effective allocation of existing feed resources	Martin Auldist
4	Reduced economic impact from hot weather	Leah Marret
5	More profitable individual cow performance from increased feed intake and peak milk yields	Bill Wales

Project highlights

- › Fast-track the ability to perform sensor-based estimations of pasture dry-matter yield.
- › Production of Forage Value Index results for 2018, including a parallel assessment of new sensor technology that can provide more efficient future methods of varietal assessments.
- › Critical development tasks, including reviews of sensor-based methods, forecasting tools, feed allocation improvements, and testing of diets for hot weather.
- › Distribution of major outcomes of nutrition work that improved the use of partial mixed rations, formulated grain mixes, and use of key supplements such as canola and maize.

Education and Engagement

DairyBio PhD students

In FY18, 28 students undertook postgraduate research in dairy science through DairyBio's PhD program.

Successful PhD students

Name	Research topic	University	Academic supervisor	Dairy industry mentor
Mijail Andrei Karpyn Esqueda	Effects of ryegrass endophytes on invertebrate pests	La Trobe University	Dr Simone Rochfort	Sam Simpson, Larpent dairy farmer
Long Chen	Effect of structural variants from whole-genome sequence in dairy cattle	La Trobe University	Dr Hans Daetwyler	Travis Wild, Chobani CFO
Rafael Narancio	Effects of modified organic acid and cytokinin metabolism and expression of a viral coat protein gene on productivity and stress tolerance in trifolium repens	La Trobe University	Prof John Mason	Naomi Pye, Gardiner Dairy Foundation director
Priyanka Reddy	Development of screening assays for determining toxicity of grass-associated fungal endophytes	La Trobe University	Dr Simone Rochfort	Barbara Meurer, formerly DIAL Milk Quality and Biotechnology Manager
Abdulqader Jighly	Computational simulation studies of genomic selection in next generation molecular breeding of tall fescue - endophyte symbiota	La Trobe University	Dr Hans Daetwyler	Ron Paynter, Ellinbank dairy farmer
Josephine Garner	Physiology and genetics of cows selected for low methane and improved heat stress tolerance	The University of Melbourne	Dr Bill Wales	Paul Mumford, Won Wron dairy farmer and UDV President

Current PhD students

Name	Research topic	University	Academic supervisor	Dairy industry mentor
Min Wang	Using functional information to improve the accuracy of genomic prediction	La Trobe University	Assoc Prof Ben Hayes	Aubrey Pellett, Gippsland dairy farmer
Natasha Brohier	Development and implementation of genome editing technology for modification of fungal endophytes of pasture grasses	La Trobe University	Dr Noel Cogan	Lee-Ann Monks, DataGene Marketing and Communications Manager
Nicholas Collinson	Tri-trophic interactions between insects, endophytic fungi and pasture grasses	La Trobe University	Dr Mallik Malipatil	Brian Anderson, Gippsland dairy farmer

Name	Research topic	University	Academic supervisor	Dairy industry mentor
Ian Tannenbaum	Perennial ryegrass microbiome discovery and application	La Trobe University	Dr Tim Sawbridge	Peter Thurn, Breeding, Genetics Australia Genetics and Production Manager
Paula Giraldo	Field evaluation of transgenic high-energy ryegrass under grazing	The University of Melbourne	Prof German Spangenberg	Cath Lescun, Dairy Australia Feedbase and Animal Nutrition Development Manager
Alem Gebremedhin	Advanced phenomic tools for molecular breeding of yield improvement in ryegrass	The University of Melbourne	Prof Kevin Smith	Matt Reid, Carlisle River dairy farmer
Jigme Dorji	Role of the X chromosome and mitochondrial DNA in the prediction of dairy traits and understanding cow families	La Trobe University	Dr Hans Daetwyler	Tony Francis, formerly DataGene Software Services Manager
Caeli Richardson	Incorporation of international data in breeding programs for the evaluation of novel traits: feed efficiency and methane emissions	La Trobe University	Dr Jennie Pryce	Craig Lister, Calivil dairy farmer and DataGene director
Claire Prowse-Wilkins	Functional genomics to discover biologically relevant regulatory variation	The University of Melbourne	Dr Hans Daetwyler	Tony Francis formerly DataGene Software Services Manager
Evans Kiptoo	Genetic aspects of heat tolerance in Australian dairy cattle	La Trobe University	Dr Jennie Pryce	To be allocated in 2019
Tim Luke	Digestive microbiome in healthy, productive dairy cows	La Trobe University	Dr Jennie Pryce	To be allocated in 2019
Beth Scott	Optimising the use of genomics on-farm	La Trobe University	Dr Jennie Pryce	Richard Shephard, Herd Health Managing Director
Sailajah Vishwanathan	Advancing genotyping - by-sequencing and genome resources for perennial ryegrass	La Trobe University	Dr Noel Cogan	Travis Wild, Chobani CFO
Saba Rabab	Genomic selection using novel forage phenomics for perennial ryegrass	La Trobe University	Dr Hans Daetwyler	Cath Lescun, Dairy Australia Feedbase and Animal Nutrition Development Manager

Name	Research topic	University	Academic supervisor	Dairy industry mentor
Tongda Li	Molecularly characterise fungal and bacterial microbiome enhanced associations of perennial and Short-term Ryegrasses for improved pasture performance	La Trobe University	Dr Tim Sawbridge	Tim Humphris, Tongala dairy farmer
Achini Herath	Phenomics tool for destructive seed-based testing of endophyte viability and other seed quality traits	La Trobe University	Simone Rochfort	Sam Simpson, Larpent dairy farmer
Chaya Smith	Forage nutritive quality predictions using novel forage phenomics for perennial ryegrass	La Trobe University	Dr Noel Cogan	Naomi Pye, Gardiner Dairy Foundation director
Krishni Fernando	Metabolomics and bioactivity – the novel chemistry of endophyte - perennial ryegrass symbiota	La Trobe University	Dr Simone Rochfort	Ron Paynter, Ellinbank dairy farmer
Chinthaka Jayasinghe	Genomic and phenomic indicators of persistence in perennial ryegrass cultivar evaluation	The University of Melbourne	Prof Kevin Smith	To be allocated in 2019
Pauline Delhez	Can modelling MIR spectra across the lactation improve its usefulness in pregnancy testing?	University of Liege, Belgium (visiting)	Dr Jennie Pryce	To be allocated in 2019
(Tan) Phat Nguyen	Phenome-informatics: Development of an integrated data acquisition and analysis system for a ground-based forage phenomics platform	La Trobe University	Dr Hans Daetwyler	To be allocated in 2019
Nima Norbu	Use of on-cow sensors for the measurement of dry matter intake of grazing cows	The University of Melbourne	Prof Brian Leury	To be allocated in 2019

Education and Engagement Milestones

2017–18 Overview

Status
On Track

Expenditure
\$0.433 million

Milestones achieved
6 students graduated
21 students commenced
or continuing
100+ Dairy industry visitors
4,337 students and teachers
in “Get into Genes”

Project Case Studies

DairyBio takes centre stage at world conference



DairyBio research was brought to the attention of world-leading scientists at the World Conference on Animal Production in Canada in July.

Dr Jennie Pryce demonstrated how leading DairyBio research initiatives were accelerating genetic gain in dairy cows during her keynote speech 'The next genomic revolution through vets and animal scientists' at the conference in Vancouver, Canada.

Held every five years, the conference brings together scientists to tackle global issues on animal science and animal agriculture.

"At DairyBio we are using infra-red spectroscopy (MIR) together with genomic selection to turbo-boost selection for traits we have not been able to tackle in the past such as methane emissions, feed efficiency and early lactation disease," she said.

"MIR is a really convenient way of getting a lot of data (hundreds of thousands of data points compared to hundreds) on expensive-to-measure traits like methane

emissions, which significantly bolsters the data that Ellinbank has meticulously collected over the years."

At the conference, Jennie also highlighted the importance of animal scientists, vets and geneticists collaborating to identify new traits for genomic selection.

"By working together through large-scale international collaborations across disciplines, we can develop breeding values for more traits of importance. These breeding values can then be used to increase farmer profit through optimal weighting in a selection index, in addition to improving animal welfare and environmental impact.

There are also opportunities to scale up DataGene's genomic information nucleus, Ginfo, which contains 100 herds of genotyped cows and are critical in the research and development of new breeding values, she said.

Project Case Studies

DairyBio opens doors to farmers



Dairy farmers gained an insight into the latest science in pasture improvement and herd genetics from DairyBio at a Dairy Open Day at AgriBio in February.

Visitors learned how DairyBio initiatives were helping farmers increase profitability through forage and genetic improvements.

The open day demonstrated how farmers can leverage the latest data and research on their own farms.

Gippsland dairy farmer Ron Paynter said the work being carried out at AgriBio was critical to the long-term sustainability of Australia's dairy industry.

"In such a highly-competitive global industry, Australia's advantage comes from being smart about how we manage our feed and our herd genetics and DairyBio programs are a key part of that," Mr Paynter said.

"The scientific work being carried out under the DairyBio programs really puts AgriBio at the cutting edge of improvements in both of those areas."

Project Snapshots of DairyBio

2017–18 Overview

Forage Project 1

Integrative genomics-assisted F1 hybrid breeding of perennial ryegrass-endophyte symbiots for pasture improvement

Status	Expenditure	Milestones achieved
On Track	\$4.3 million	8 of 8

Forage Project 5

Efficient doubled haploid production and targeted gene editing in *Lolium* and *Festuca* spp.

Status	Expenditure	Milestones achieved
On Track	\$0.1 million	2 of 2

Forage Project 2

Endophyte technologies for pasture improvement

Status	Expenditure	Milestones achieved
On Track	\$1.2 million	10 of 12

(2 milestones have a short delay with low risk of impacting project status)

Forage Project 6

Exploiting the *Lolium* microbiome to enhance performance of pasture and turf temperate grasses

Status	Expenditure	Milestones achieved
On Track	\$0.4 million	7 of 7

Forage Project 3

Integrative genomics-assisted F1 hybrid breeding of short-term ryegrass (Italian and Westerwold) - for pasture improvement

Status	Expenditure	Milestones achieved
On Track	\$0.6 million	2 of 3

(One milestone was discontinued)

Forage Project 7

Efficient GM ryegrass field evaluation

Status	Expenditure	Milestones achieved
Delayed	\$0.2 million	5 of 7

Forage Project 4

Increased digestibility and productivity through EXZACT genome editing and development of F1 hybrid breeding for tall fescue

Status	Expenditure	Milestones achieved
On Track	\$0.2 million	1 of 1

Animal Project 1

Enabling multiple generations of highly reliable genomic selection to accelerate genetic gain in dairy cattle

Status	Expenditure	Milestones achieved
On Track	\$1.9 million*	5 of 6

(One milestone has a short-term delay to improve final outcome)

Animal Project 2

At the cutting edge: world-leading breeding values and genomic services for the Australian dairy industry

Status	Expenditure	Milestones achieved
On Track	\$0.6 million	3 of 5

(Two milestones have been delayed based on recruitment of staff)

Animal Project 3

Accelerating improvement in health and resilience, and reducing the environmental impact of the Australian dairy herd

Status	Expenditure	Milestones achieved
On Track	\$0.7 million	3 of 3

Animal Project 4

Massive throughput phenotypes for complex traits in dairy cattle

Status	Expenditure	Milestones achieved
On Track	\$1.4 million	5 of 5

Animal Project 5

CRV collaboration

Status	Expenditure	Milestones achieved
On Track	*	3 of 4

** Expenditure for Project 5 is shared with Animal Project 1*

2017–18 DairyBio Financial position

Cash position	
Opening balance	\$403,838
Income received in 2017–18	\$12,585,180
Expenditure in 2017–18	\$12,160,970
Closing balance at 30 June 2018	\$828,048

Expenditure	
Forage improvement projects	\$7,125,615
Animal improvement projects	\$4,620,020
Education and management activities	\$415,335
Total expenditure	\$12,160,970

Notes on the financial position:

- › Financial position is reported on a cash basis.
- › A five-year cash position analysis is routinely provided to the Board to ensure that the Joint Venture remains in a positive cash position.



Project Snapshots of DairyFeedbase 2017–18 Overview

Project 1

Improved on-farm agronomy decisions

Status	Expenditure	Milestones achieved
On Track	\$0.9 million	6 of 6

Project 2

More confident selection of pasture cultivars

Status	Expenditure	Milestones achieved
On Track	\$0.8 million	10 of 10

(2 milestones have a short delay with low risk of impacting project status)

Project 3

More effective allocation of existing feed resources

Status	Expenditure	Milestones achieved
On Track	\$0.8 million	4 of 4

(One milestone was discontinued)

Project 4

Reduced economic impact from hot weather

Status	Expenditure	Milestones achieved
On Track	\$1.2 million	3 of 3

2017–18 DairyFeedbase Financial position

Cash position	
Income received in 2017-18	\$8,500,000
Expenditure in 2017-18	\$5,384,051
Closing balance at 30th June 2018	\$3,115,949

Expenditure	
Project expenditure	\$5,365,891
Education and management activities	\$18,610
Total expenditure	\$5,384,051

Notes on the financial position:

- › Financial position is reported on a cash basis
- › A six-year cash position analysis is routinely provided to the Board to ensure that the joint venture remains in a positive cash position.

DairyBio ABN 24 141 180 805

AgriBio, Centre for AgriBioscience
5 Ring Road, La Trobe University
Bundoora, VIC 3083
[w dairybio.com.au](http://dairybio.com.au)