

Dairy in the Murray Darling Basin

Dairy is the largest irrigation-based livestock industry in the Murray Darling Basin. More than 10,000 people in the Basin rely on dairy for their livelihoods. The industry supports businesses in nearby towns, keeps schools open, and helps justify regional medical services.

The dairy industry supports improved environmental outcomes. Dairy farmers have sold hundreds of gegalitres (GL) of water to the environment. They have upgraded farm systems to be more water efficient, often with government funding in return for giving more water to the environment.

But many farmers are now struggling to access enough water at an affordable price. This is stifling the industry's ability to be profitable and invest in recovering milk production to pre-Millennium drought levels.

The Murray Dairy region

More than 90% of milk produced in the Murray Darling Basin is from the Murray Dairy region.

This region incorporates northern Victoria and the southern Riverina in NSW. It has 1509 dairy farms, which produced 2335 million litres of milk in 2015 (24% of the national total).

- ▶ 1697 farms across four States – 98% family owned
- ▶ 2,542 million litres of milk in 2015 (26% of national total)
- ▶ Farmgate value: \$1.224 billion
 - ▶ \$980 million flows into local economies
- ▶ 10,000+ jobs on farms, in processing and local dairy service industries.

The farmgate value of milk production was around \$1.1 billion in 2015, with an estimated \$880 million spent in local economies.

The Murray Dairy region is home to 14 factories, including nine major processing facilities. More than 8000 people are employed in the Murray Dairy industry, on farms, in factories and in local dairy service industries.

Ten years ago, the Murray Dairy region produced about 2800 million litres of milk a year. It dropped to 1870 megalitres (ML) by the end of the Millennium drought. It has since recovered to around 2300 ML a year, but production now appears to be levelling out 500ML below where it was 10 years ago.

Milk companies are considering investing \$300 million in new, upgraded and expanded processing facilities – but milk production must increase to justify the investment and keep those factories full.

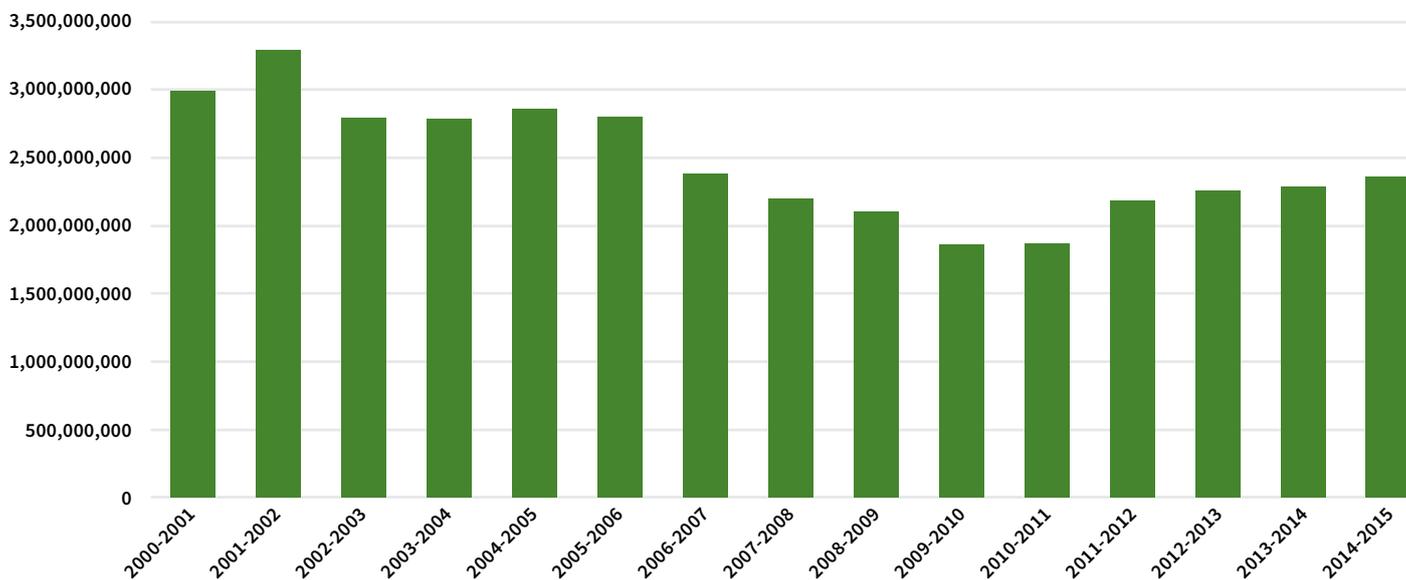


Australian Dairy Industry Council Inc.



Victorian Farmers
Federation

Milk production - Murray Dairy region 2001 - 2015



Source: Dairy Australia

The Goulburn Murray Irrigation District

Dairy is the largest water user in the Goulburn Murray Irrigation District (GMID) in northern Victoria. The GMID has about 1250 registered dairy farm businesses, and 12 factories.

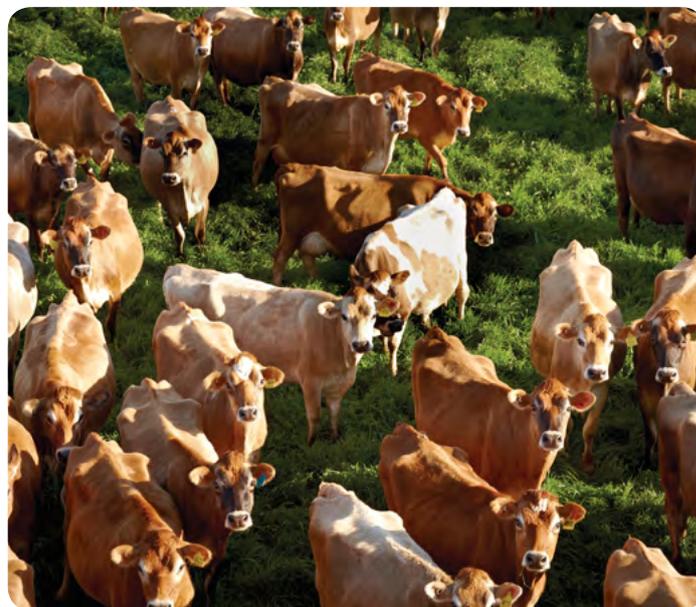
Approximately 1850 million litres of milk was produced in 2015, worth \$860 million at the farmgate. An estimated \$690 million of that was directed back into the local economy

More than 7000 local people are employed directly on GMID dairy farms and in factories and dairy service industries. The region's processed dairy products are worth more than \$1930 million on local and export markets.

Many dairy farms went out of business in the GMID during and following the Millenium drought, with the number reducing by about 25%.

Many remaining farms offset this loss by expanding and increasing their production once the drought broke. This has enabled milk production to recover to about 1850ML.

But this is still about 500ML less than 10 years ago, with water availability and affordability the main constraints on the industry making a full recovery.



This document was produced by the United Dairyfarmers of Victoria and the Victorian Farmers' Federation in collaboration with the Australian Dairy Industry Council.

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