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New farmer survey confirms tough times for dairy industry

For Immediate Release

A tough season and skyrocketing grain and water prices have had a devastating impact on farmer confidence, according to the latest country-wide poll of dairy farmers.

The 2019 National Dairy Farmer Survey, taken as part of Dairy Australia's June *Situation and Outlook Report*, recorded just 34 per cent of farmers as being "positive about the industry future", the lowest in the survey's history and a 13 per cent drop since last year.

A key concern is the ballooning cost of feed and water, which has further eroded farm profitability despite stronger than average opening milk prices. Nearly two thirds of farmers (64 per cent) said they were concerned about the cost and availability of feed, while just 43 per cent expect to make an operating profit in 2018-19, a 24 per cent drop from last year.

The price of hay and grain has varied significantly across the country, from \$278 per tonne (t) in south-west Western Australia to \$478/t in north-west Tasmania for hay, and \$150/t in north-west Tasmania to as high as \$563/t in the Darling Downs for grain, according to the *Situation and Outlook Report*.

The report also records the 12-month average price of water in Northern Victoria as \$353 per megalitre (ML) to April 2019, a 255 per cent jump on last year, while the cost of water in the Murray Irrigation System skyrocketed 260 per cent over the same period to \$337/ML.

Australian Dairy Farmers (ADF) President Terry Richardson said the report confirmed the tough conditions confronting the industry.

"The survey highlights the difficult situation currently facing the majority of dairy farmers," Mr Richardson said.

"Farmers are making every effort to address cost pressures on their businesses, ensuring they make the most efficient use of their production systems, but there is a limit to what is achievable, and this is only a short-term solution."

The industry is developing an Australian Dairy Plan to define priorities for the next five years.

Mr Richardson said the dairy plan would seek to address unprecedented volatile conditions, including farm input costs.

"There is no doubt that the dairy industry is facing increased market volatility, drought, and high input costs," Mr Richardson said.

"But if we are to tackle these issues, we must be proactive and contribute to a national roadmap and initiatives that have direct relevance to everyone in dairy.

"The industry has a long and proud history of working together successfully through the tough times and it is critical that we renew our commitment to jointly tackle the difficulties and opportunities we face."

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