

# DAIRY SITUATION AND OUTLOOK

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#### WHAT'S BEEN HAPPENING?





 Farmer sentiment is strong and positivity is high, but there are growing concerns



Milk production continues to contract



Global fundamentals balance has shifted

## **NATIONAL DAIRY FARMER SURVEY (NDFS)**





Positive about their own businesses

+2%

67%

Positive about the industry's future

-1%

90%

Made an operating profit 2021/22



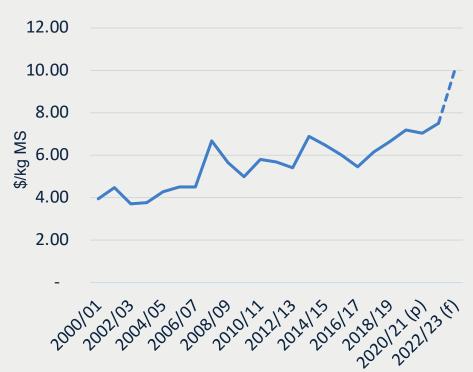
Anticipating profit in 2022/23

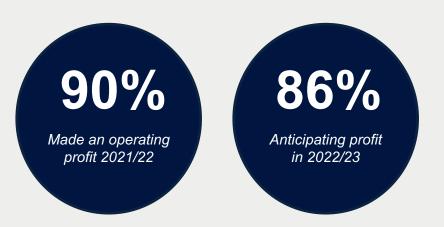
88% made an operating profit in 2020/21

### HISTORICALLY HIGH MILK PRICES







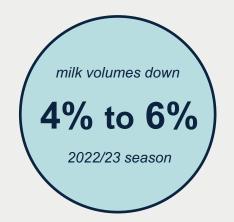


88% made an operating profit in 2020/21

## **MILK POOL CONTRACTING**

Dairy Australia
Australia

Volume growth by state		
	February	YTD
QLD	-9.0%	-8.6%
NSW	-8.7%	-11.5%
VIC	-6.9%	-7.2%
SA	-5.0%	-4.5%
WA	+1.7%	-1.2%
TAS	+4.9%	+1.2%
By VIC region	s:	
Gippsland	-8.4%	-8.2%
Northern	-9.9%	-7.6%
Western	-2.3%	-5.8%





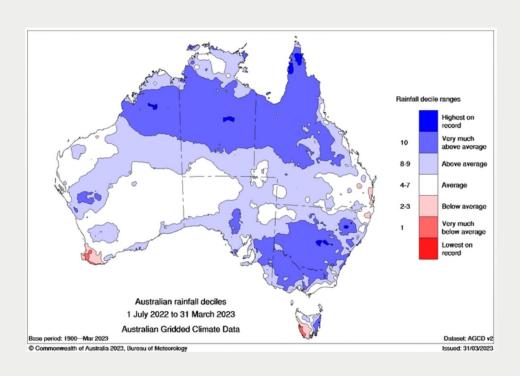
- Competition for resources
- Worker shortage
- Wet weather conditions

### **CLIMATE: A MAJOR CONCERN**









# DA'S PURCHASED INPUTS PRICE INDEX (PIPI)

Jan-15 Apr-15 Jul-15

Oct-14

Apr-14

Jul-13

Jan-16 Apr-16 Jul-16 Jan-17 Apr-17 Jul-17





Apr-18 Jul-18 Oct-18 Jan-19

Jan-18

Jul-19

Oct-19

Apr-19

Jan-20

Jul-20 Oct-20 Apr-21

#### **FODDER JOINING IN**







#### SUPPLY PRESSURES FLOWING UP THE CHAIN









volume sold





## **SHOPPING BEHAVIOURS ARE CHANGING**



76% of households

shopping between three or more retailers

32% of households

select lowest priced products, irrespective of brand

24% of households

opting to purchase private label products

35% of households

buying whatever is on promotion

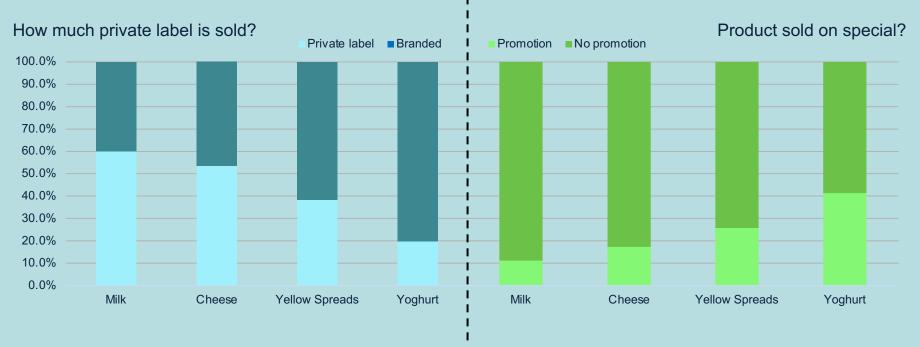


## 24% of households

opting to purchase private label products

## 35% of households

buying whatever is on promotion

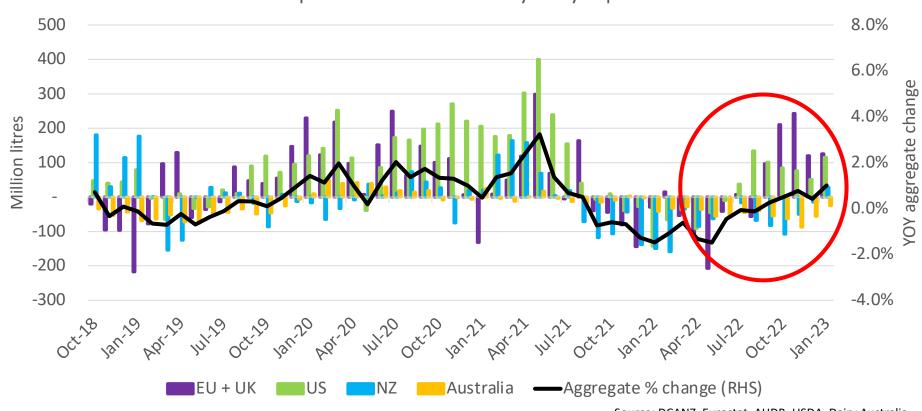


NielsenIQ Homescan based on a continuous panel of 10,000 households; excludes non-private dwellings & businesses, non-permanently occupied households & out-of-home/impulse purchasing. DAIRY AUSTRALIA calculation based in part on data reported by NielsenIQ through its Homescan Service for the dairy category for the 52-week period ending 26/03/2023, for the total Australia market, according to the NielsenIQ standard product hierarchy. Copyright © 2023, Nielsen Consumer LLC

#### SIGNS OF GLOBAL MILK SUPPLY GROWTH

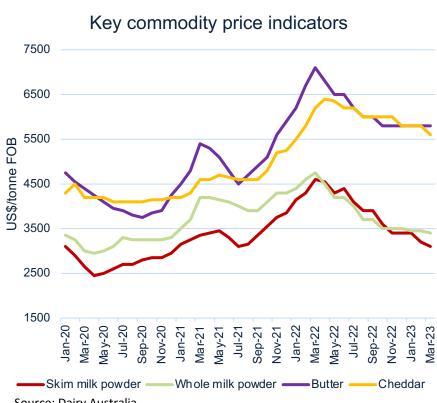


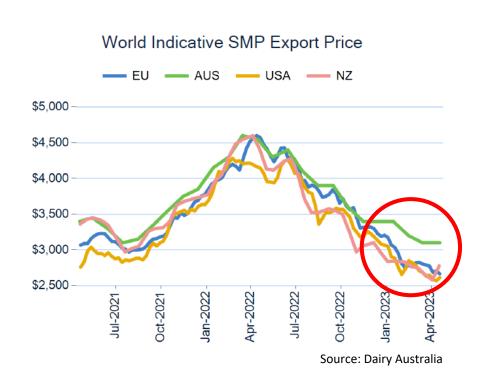




#### **GLOBAL EXPORT VALUES FALLING**







Source: Dairy Australia



#### **THANK YOU**



#### Australian dairy industry In Focus report

Published annually, the In Focus report is the go-to source for everything Australian dairy industry related. Containing independent data and information across the supply chain, the report covers historical trends and the latest in: Australian milk production, manufactured products, domestic sales and consumption, global positioning, imports and exports.



Scan or click the QR code to access the report and subscribe.

#### Situation and Outlook

Published quarterly, the Situation and Outlook has the latest on international and domestic market trends, statistics and facts, providing expert analysis and unbiased insights.

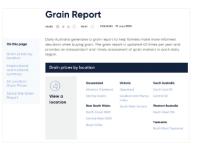
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A monthly report that provides updates on key farm inputs such as the climate and seasonal outlook, water availability, temporary water for irrigation, hay and grain, fertiliser and cull cows.



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#### Hay and grain reports

Released weekly, the hay and grain reports outline indicative prices for several varieties in each of the 12 dairving regions across Australia. Commentary includes what factors are influencing prices on a national and regional level.

Scan or dick the QR code to access the report and subscribe.



Grain report



#### Byproducts report

Published monthly, the byproducts report captures the feed byproducts market across various dairying regions, focusing on Victoria and southern New South Wales.

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#### International market briefs

The international market briefs outline export conditions and access into Australia's key dairy export markets. They are concise factsheets covering the latest developments and market conditions in these important overseas markets.

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