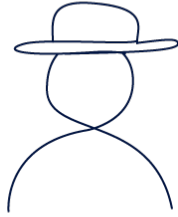


DAIRY SITUATION AND OUTLOOK

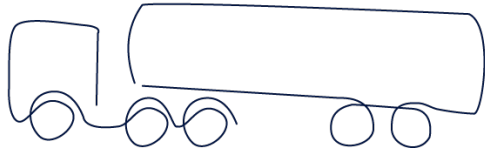
Eliza Redfern – Industry Analyst

May 2023

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)

84%

*Positive about their
own businesses*

+2%

67%

*Positive about the
industry's future*

-1%

90%

*Made an operating
profit 2021/22*

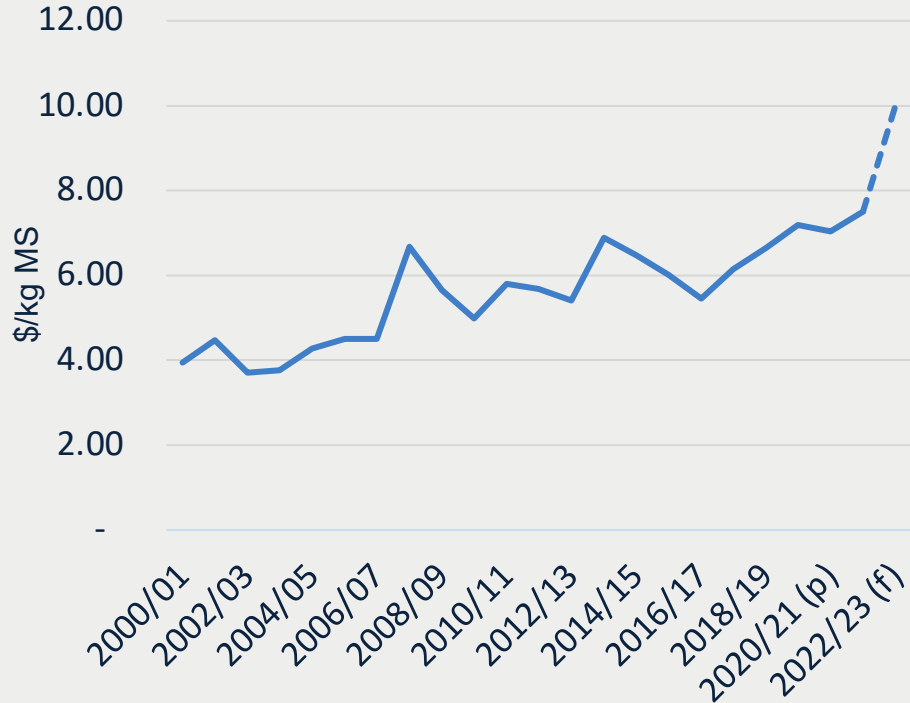
88% *made an operating profit
in 2020/21*

86%

*Anticipating profit
in 2022/23*

HISTORICALLY HIGH MILK PRICES

Indicative national milk price



90%

*Made an operating
profit 2021/22*

86%

*Anticipating profit
in 2022/23*

88% *made an operating profit
in 2020/21*

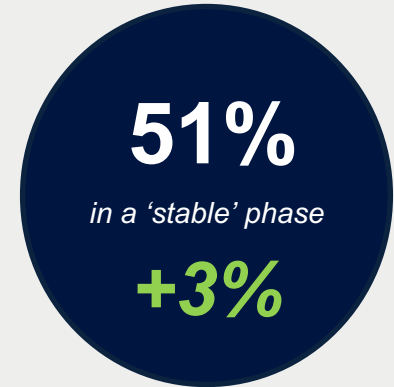
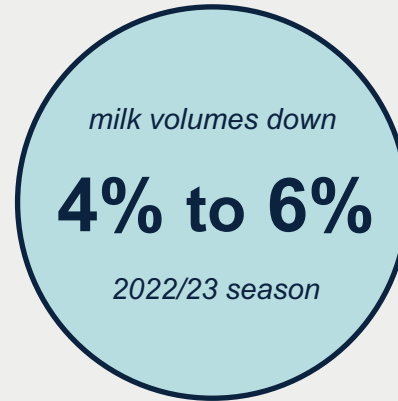
MILK POOL CONTRACTING

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 regions:

Gippsland	-8.4%	-8.2%
Northern	-9.9%	-7.6%
Western	-2.3%	-5.8%

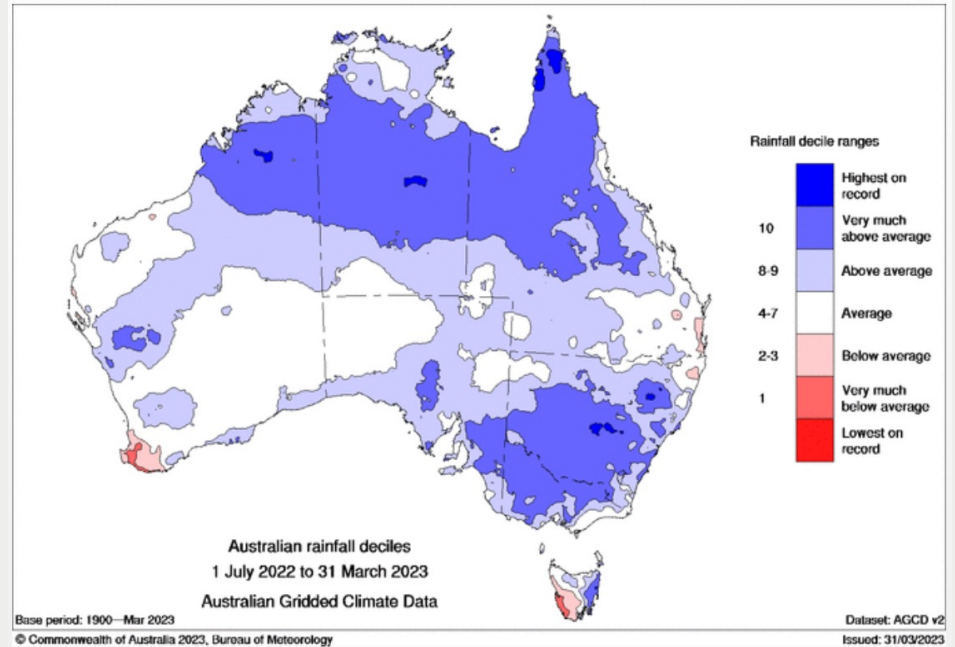
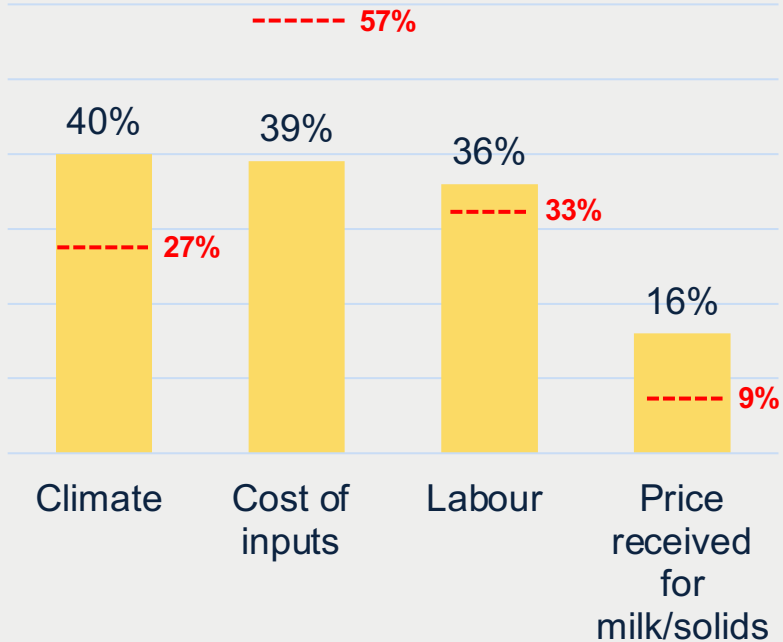


- Competition for resources
- Worker shortage
- Wet weather conditions

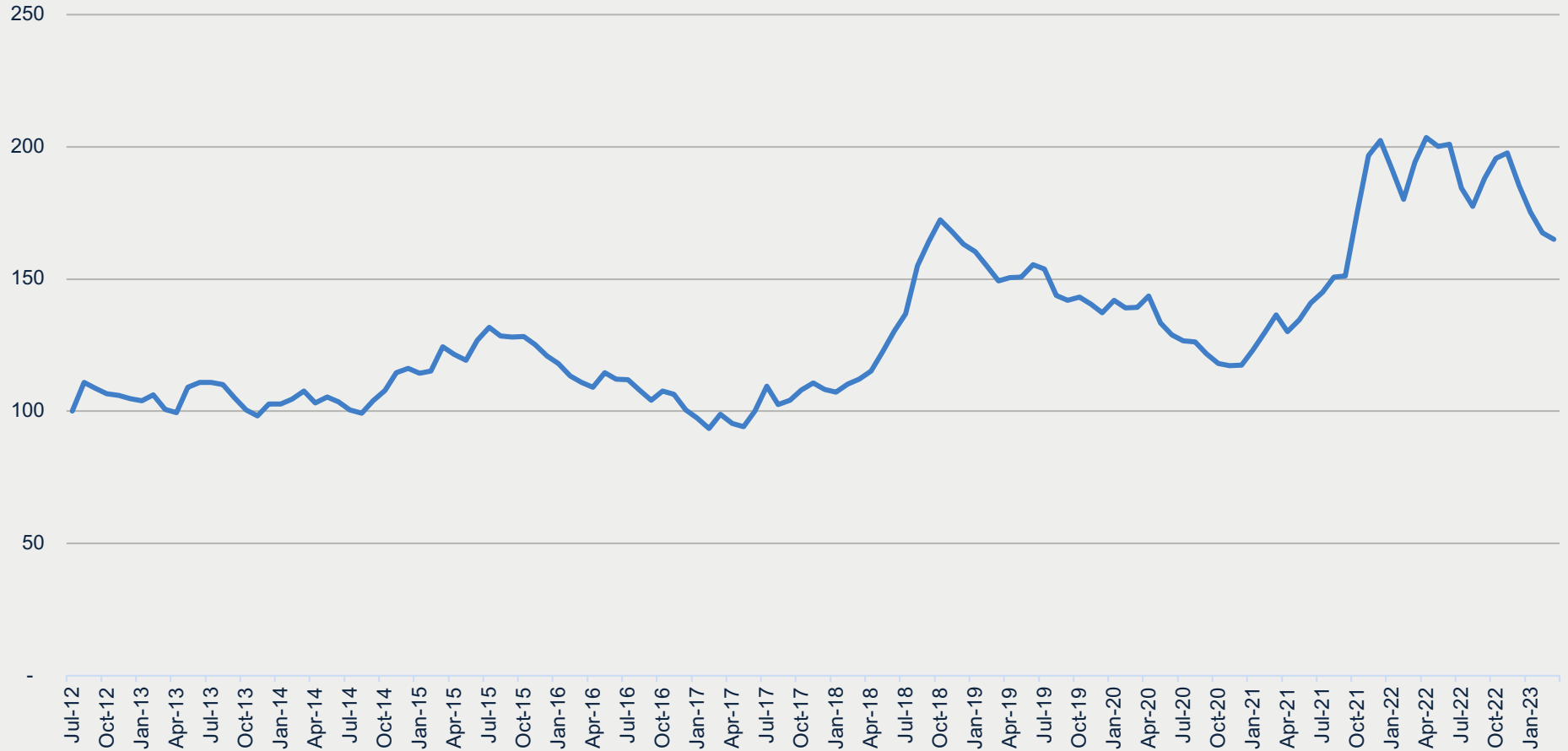
CLIMATE: A MAJOR CONCERN

Top anticipated challenges next 6 months

-- 2022 NDFS

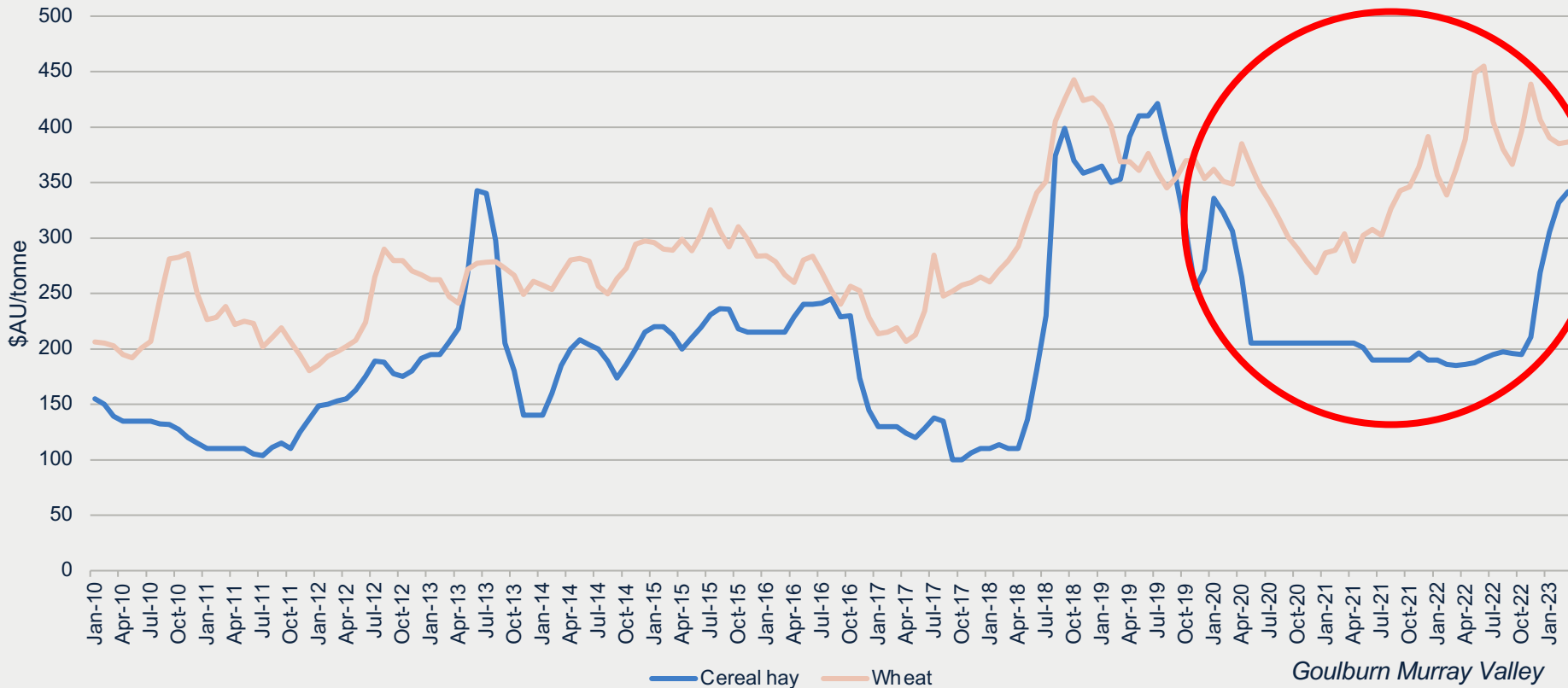


DA'S PURCHASED INPUTS PRICE INDEX (PIPI)



FODDER JOINING IN

Indicative feed prices



Goulburn Murray Valley

SUPPLY PRESSURES FLOWING UP THE CHAIN



-2.2%

volume sold



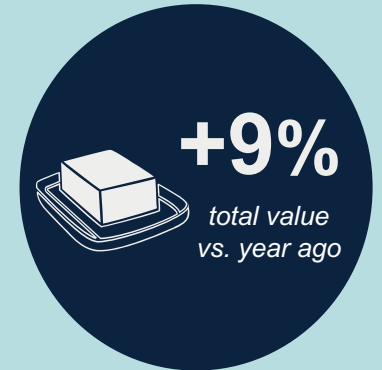
-1.8%

volume sold



+1.8%

volume sold



-3.9%

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

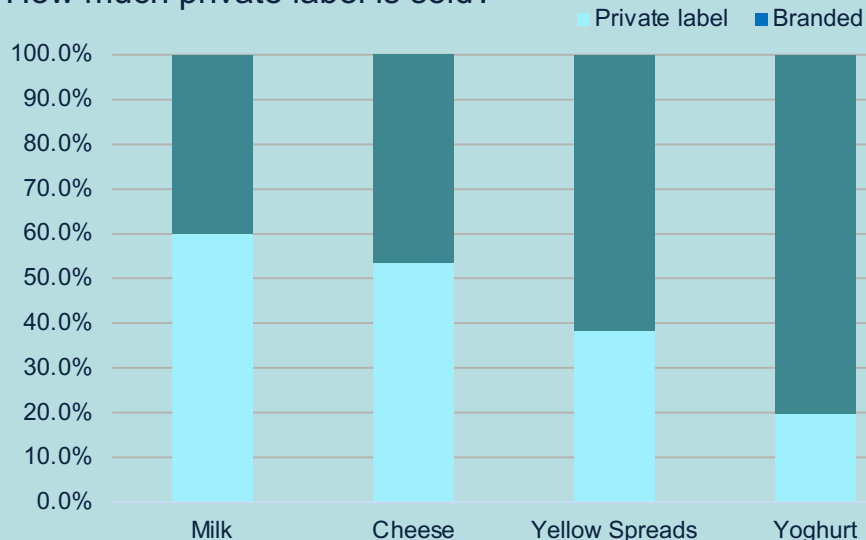
24% of households

opting to purchase private label products

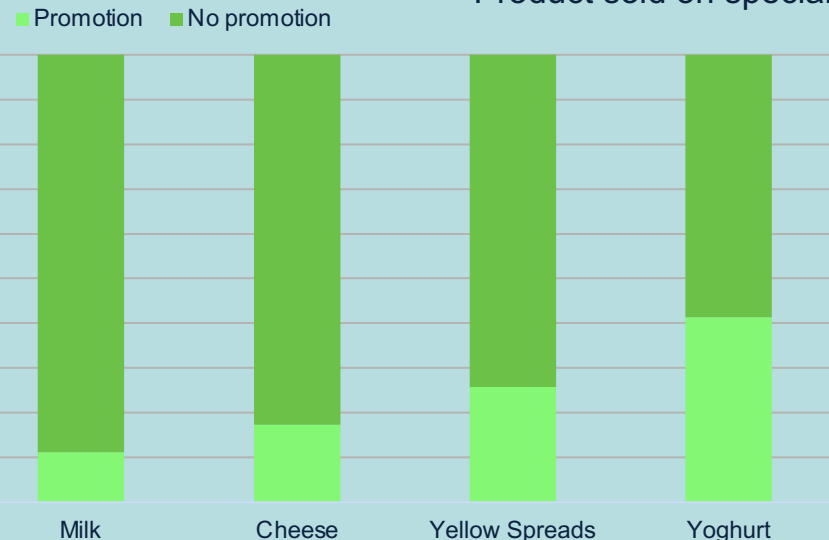
35% of households

buying whatever is on promotion

How much private label is sold?

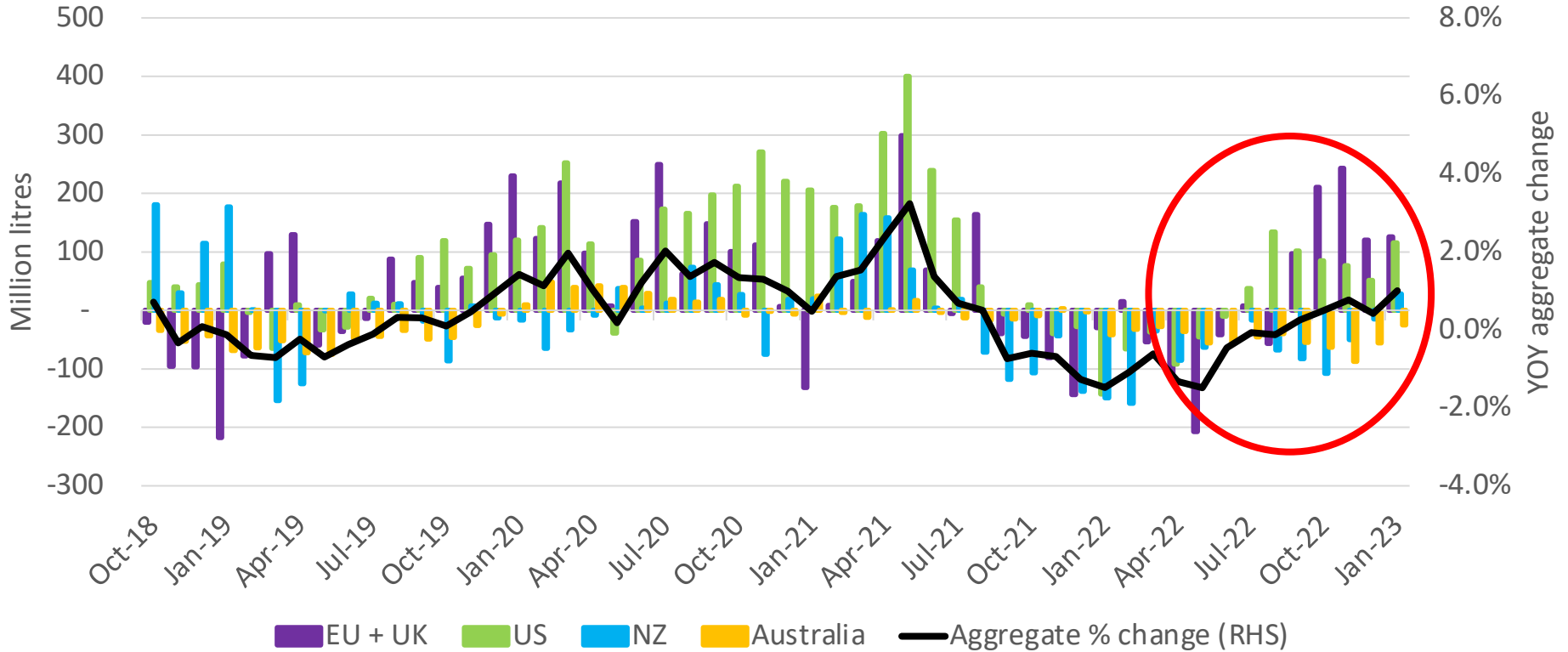


Product sold on special?



SIGNS OF GLOBAL MILK SUPPLY GROWTH

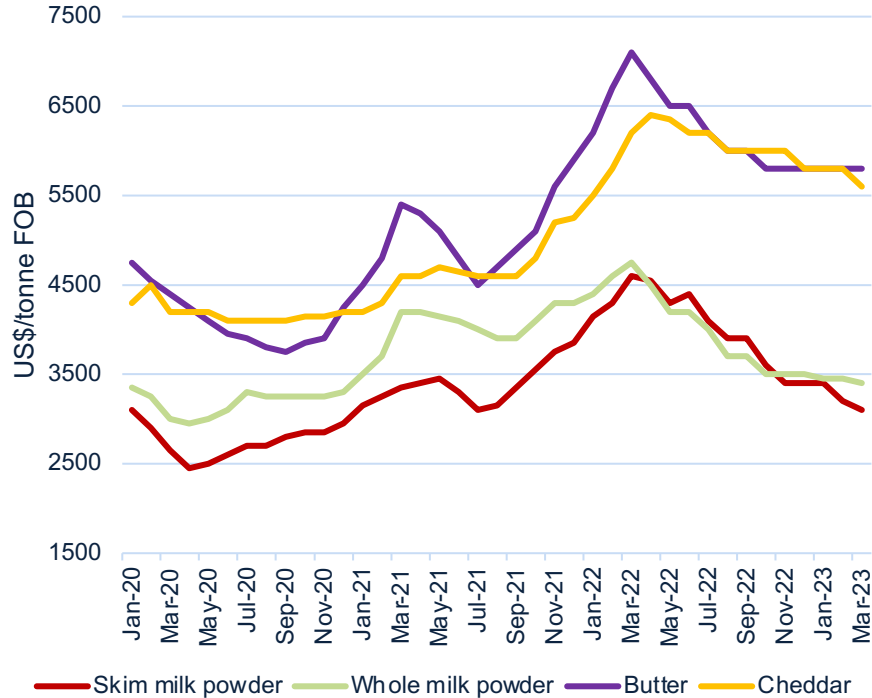
Milk production trends for key dairy exporters



Source: DCANZ, Eurostat, AHDB, USDA, Dairy Australia

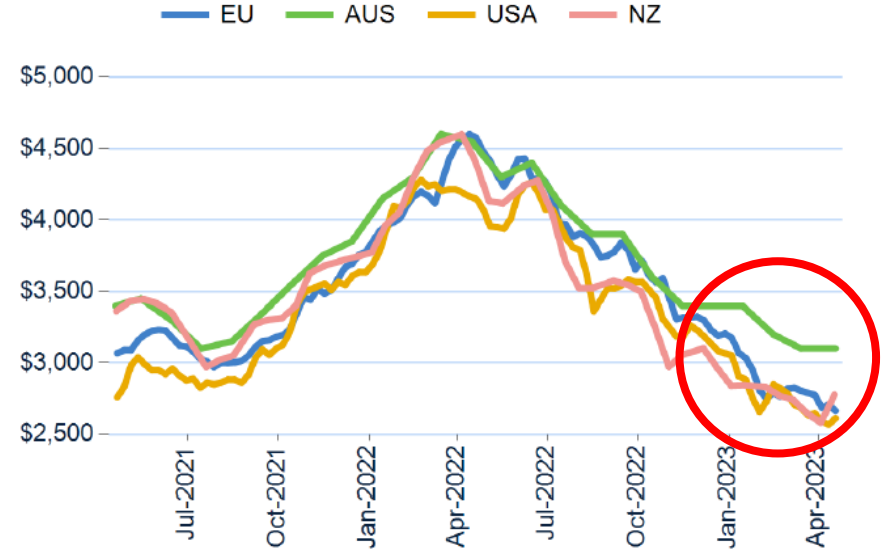
GLOBAL EXPORT VALUES FALLING

Key commodity price indicators



Source: Dairy Australia

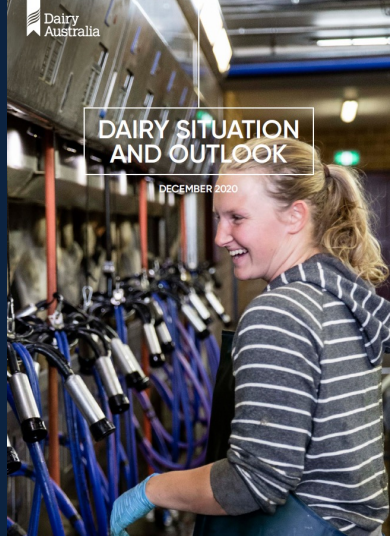
World Indicative SMP Export Price



Source: Dairy Australia

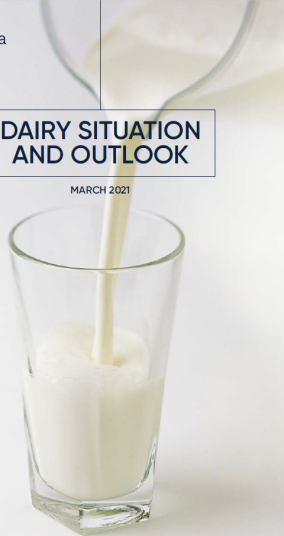
DAIRY SITUATION AND OUTLOOK

DECEMBER 2020



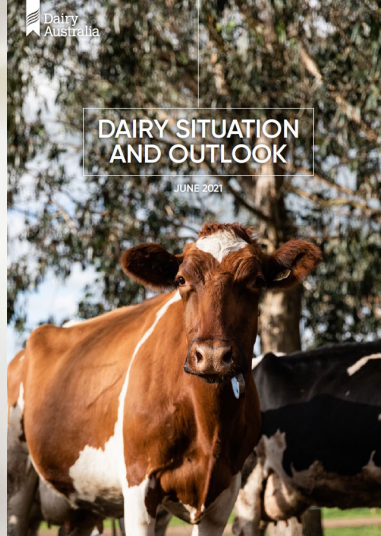
DAIRY SITUATION AND OUTLOOK

MARCH 2021



DAIRY SITUATION AND OUTLOOK

JUNE 2021



DAIRY SITUATION AND OUTLOOK

SEPTEMBER 2021



DAIRY SITUATION AND OUTLOOK

DECEMBER 2021



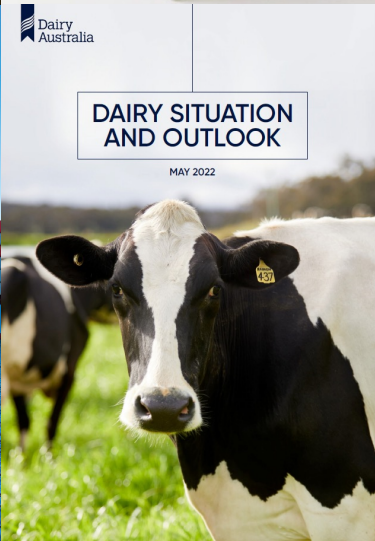
DAIRY SITUATION AND OUTLOOK

MARCH 2022



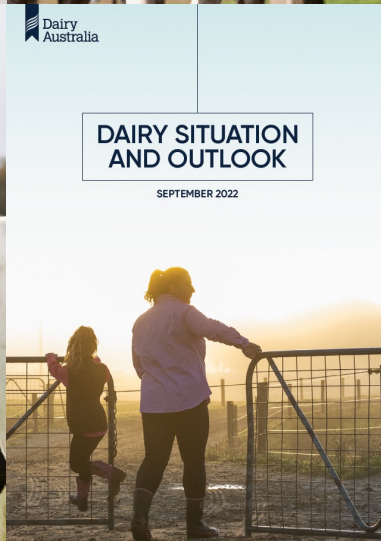
DAIRY SITUATION AND OUTLOOK

MAY 2022



DAIRY SITUATION AND OUTLOOK

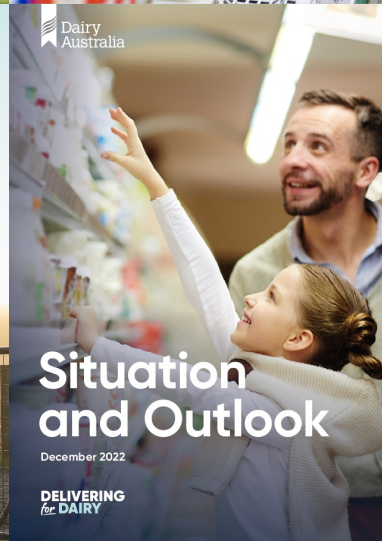
SEPTEMBER 2022



Situation and Outlook

December 2022

DELIVERING for DAIRY



Situation and Outlook

March 2023

DELIVERING for DAIRY



