

Animals in Extensive Production Systems

VETS30031 / VETS90123



Challenges for the dairy industry – climatic and economic



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Low farm-gate milk price and drought forces an end to 100 years of dairying

ABC Southern Qld / By Nathan Morris, Arlie Felton-Taylor

Posted Mon 10 Sep 2018 at 6:18am



100 years of dairying comes to an end (ABC Southern Queensland: Nathan Morris)



Economic issues

- Low milk prices, driven by supermarket competition (culminating in One \$ milk)

'Major victory' for dairy farmers as Coles and Aldi ditch \$1 milk

By [Jenny Noyes](#)

March 19, 2019 – 8.55pm



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In a major win for the dairy industry, both Coles and Aldi supermarkets have announced they will ditch \$1-a-litre milk and increase the price by 10 per cent, following in the steps of Woolworths, [which did so last month](#).

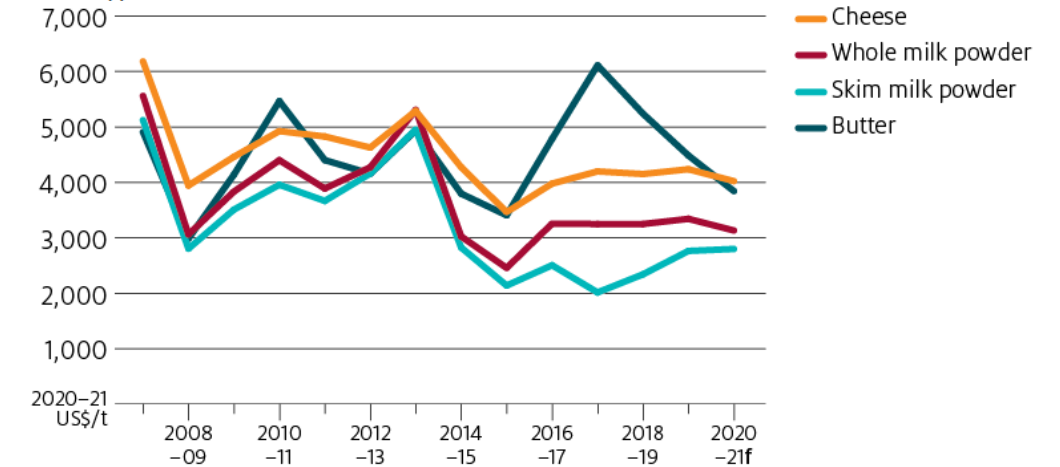
All three supermarkets have now pledged to pass on the price increase to farmers in full, bringing to an end the price war that has outraged farmers since Coles first introduced \$1-a-litre milk in 2011.



Economic issues

- Overall, world dairy prices don't change much
- Australia's share in the global dairy market fell from 16 per cent in the 1990s to 6 per cent in 2018-19

World dairy prices, 2007-08 to 2020-21

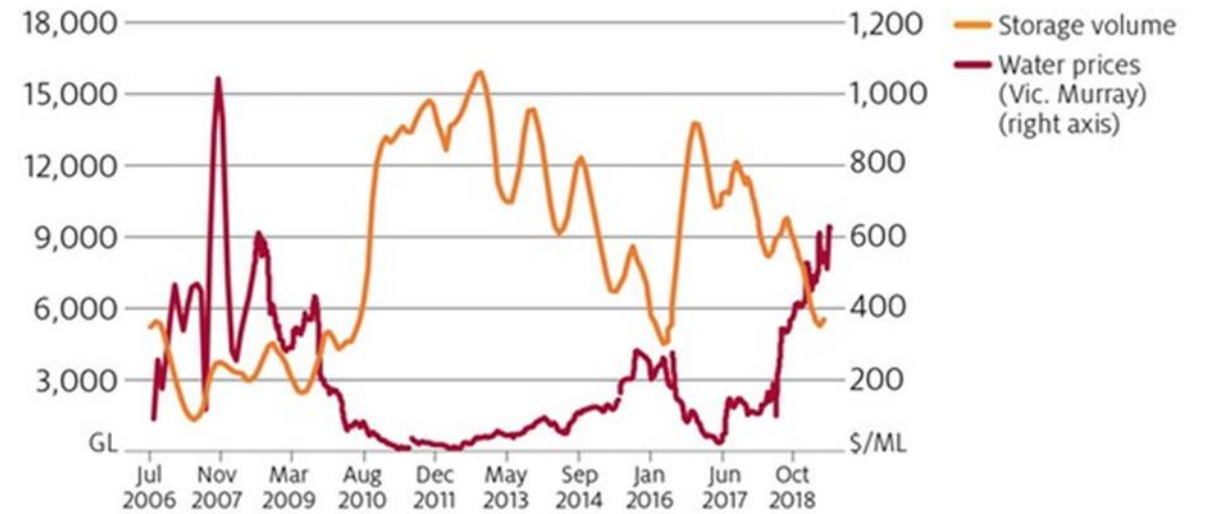


f ABARES forecast.
Sources: ABARES; Dairy Australia



Economic issues

- Increasing costs of water in irrigated regions (see climate)



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Climatic issues

- Drought
 - Need to buy feed and water
 - Increasing costs of water
- Flooding events
- Fires



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Climatic issues

- Our climate is changing:
 - Short term increase in variability of climatic conditions
 - Long term increase in temperatures
 - Impacts on cows - heat stress
 - Impacts on water supplies – increased cost of water, decreased availability
 - Impacts on pasture growth – longer, drier summers; warmer winters with fewer frosts





Sustainability

What do you think a sustainable dairy industry needs to consider?



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AEPS – DAIRY WEEK 2

