Commodity milk price index (CMPI$^1$)

April 2019 Dairy Bulletin

Index. July 2008 = 100

- CMPI increased to 115 between in February 2019, up 11% from the previous month, reflecting strong growth in WMP and butter prices.
- It is estimated to have fallen by 2% between February and April 2019.
- CMPI is forecast to drop to 108 in June 2019, before rising in late 2019 and early 2020.

February 2019 export prices

- SMP: ↑ 5% from Jan 19, ↑ 8% from Feb 18
- WMP: ↑ 9% from Jan 19, ↑ 26% from Feb 18
- Butter: ↑ 12% from Jan 19, ↓ 19% from Feb 18
- Cheese: n/c from Jan 19, ↑ 4% from Feb 18

Australian export volumes fell 7% (January 2019 to February 2019)
EU prices (31 March– 14 April): SMP -1.2%, WMP -0.1%, butter -0.7%, cheddar -0.7%.
USA prices (31 March– 14 April): SMP +2.8%, WMP n/c, butter -0.3%, cheddar -2.1%.

Future prices

- Deloitte Access Economics forecasts 2019 global dairy prices to improve from late 2019 following a correction in the coming months. Australian export demand – including for dairy products – is expected to improve from the start of 2020 due to expanding global economic activity, although conditions are anticipated to worsen in 2019 slightly before they improve.
- ABARES forecasts for 2019-20 average prices (relative to 2018-19): SMP +5%, WMP -1%, butter -11%, cheese -5%.
- USDA forecasts higher cheese prices for 2019 (relative to 2018), but lower SMP and butter prices.
- Dairy Australia has a neutral outlook for global demand and supply, but has indicated that there is potential for farmgate prices to continue to increase.
- Rabobank forecasts an annual average farmgate price of $5.65/kgMS for southern Australia in 2018-19. This is slightly below the 2017-18 average price of $5.70/kgMS.
- 2018-19 season prices – Fonterra $6.05/kgMS, Saputo $6.05/kgMS, Bega Cheese $5.99/kgMS, ADFC $5.60-$6.00/kgMS, Burra Foods $5.85-$5.90/kgMS, Lion $5.82-$6.10, Parmalat $6.50/kgMS, Bulla Dairy Foods $6.05/kgMS. ACM $6.50 /kgMs (2019-2020 season)

1. Other acronyms are defined on page 4.
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Subtropical
- Milk production in February 2019 was 15% lower than the corresponding month last year.
- March rainfall was 24% below the 10-year March average. There is a 35-50% chance of exceeding median May-July rainfall across most of the region.
- Feed prices were unchanged between February 2019 and March 2019, but were 34% higher than the March 2018 average.
- Drought impacting feed prices in North Queensland despite strong local rainfall – Read more

New South Wales
- Milk production in February 2019 was 5% lower than the corresponding month last year.
- March rainfall was 32% below the 10-year March average. There is a 40-50% chance of exceeding median May-July rainfall across most of the region.
- Feed prices were unchanged between February 2019 and March 2019, but were 51% above the March 2018 average.
- Clean energy future presents a challenge and opportunity for Bega dairy farmers – Read more

Murray
- Milk production in February 2019 was 29% lower than the corresponding month last year.
- March rainfall was 81% below the 10-year March average. There is a 40-50% chance of exceeding median May-July rainfall across most of the region.
- Feed fell 4% between February 2019 and March 2019, but were 85% higher than the March 2018 average.
- Water prices in March 2019 are 343% higher in Northern VIC and 275% higher in Murray Irrigation System, relative to the March 2018 average.

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**Gippsland**
- Milk production in February 2019 was 14% lower than the corresponding month last year.
- March rainfall was 31% lower than the 10-year March average. There is a 45-50% chance of exceeding median May-July rainfall across most of the region.
- Feed prices rose 1% between February 2019 and March 2019, and were 56% above the March 2018 average.
- Automated dairy in Gippsland opens doors to visitors - [Read more](#)

**Western Victoria**
- Milk production in February 2019 was 7% lower than the corresponding month last year.
- March rainfall was 31% lower than the 10-year March average. There is a 45-50% chance of exceeding median May-July rainfall across most of the region.
- Feed prices rose by 1% between February 2019 and March 2019, and were 61% above the March 2018 average.
- Camperdown Dairy Extends NZ Yoghurt Deal - [Read more](#)

**Tasmania**
- Milk production in February 2019 was unchanged from the corresponding month last year.
- March rainfall was 50% lower than the 10-year March average. There is a 40-55% chance of exceeding median May-July rainfall across most of the region.
- Feed prices fell 5% between February 2019 and March 2019, but were 12% above the March 2018 average.

**South Australia**
- Milk production in February 2019 was 4% lower than the corresponding month last year.
- March rainfall was 55% below the 10-year March average. There is a 35-50% chance of exceeding median May-July rainfall across most of the region.
- Feed prices fell 3% between February 2019 and March 2019, but were 69% above March 2018 prices.
- Drought reduces retail milk supply - [Read more](#)

**Western Australia**
- Milk production in February 2019 was 6% lower than the corresponding month last year.
- March rainfall was 22% above the 10-year March average. There is a 30-45% chance of exceeding median May-July rainfall across most of the region.
- Feed prices rose 1% between February 2019 and March 2019, and were 40% above the March 2018 average.
- WA's Dellendale creamery wins best cheese at Australian Grand Dairy Awards – [Read more](#)
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full name</th>
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<tbody>
<tr>
<td>$/kgMS</td>
<td>Dollars per kilogram milk solids</td>
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<tr>
<td>ABARES</td>
<td>Australian Bureau of Agricultural and Resource Economics and Sciences</td>
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<td>ACM</td>
<td>Australian Consolidated Milk</td>
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<td>ADFC</td>
<td>Australian Dairy Farmers Corporation</td>
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<tr>
<td>CMPI</td>
<td>Commodity Milk Price Index</td>
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<td>EU MMO</td>
<td>European Union Milk Market Observatory</td>
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<tr>
<td>n/c</td>
<td>No change</td>
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<tr>
<td>SMP</td>
<td>Skim milk powder</td>
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<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
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<tr>
<td>WMP</td>
<td>Whole milk powder</td>
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For information on the methods and used to calculate the numbers presented in the Dairy Bulletin visit [www.agriculture.gov.au/milkpriceindex](http://www.agriculture.gov.au/milkpriceindex)