Commodity milk price index (CMPI\(^1\))

- CMPI rose 1% to 108 between September and October 2018
- Estimated to have declined 4% in the two months since October 2018
- Forecast is to be around 3% lower by December 2019

September export prices

- SMP: ↑ 6% from Sep 18, ↑ 7% from Oct 17
- WMP: ↓ 6% from Sep 18, ↑ 2% from Oct 17
- Butter: ↓ 2% from Sep 18, ↓ 6% from Oct 17
- Cheese: 0% from Sep 18, ↑ 11% from Oct 17

Australian export volumes up 17% (September to October 2018), and down 1% year on year.

EU prices (26 Nov–9 Dec) – SMP +2.0%, WMP +0.2%, butter -3.5%, cheddar +0.1%.

USA prices (26 Nov–9 Dec) – SMP +1.5%, WMP -1.9%, butter -3.1%, cheddar -0.8%.

Future prices

- Deloitte Access Economics forecasts a modest decline in prices in 2019 for Australia’s rural exports. This leads to the 12-month forecast for the CMPI to decrease modestly.
- ABARES forecasts for 2018-19 prices: SMP +2%, WMP -7%, butter -18%, cheese -4%.
- USDA forecasts higher cheese, whey & SMP prices for 2019, and lower butter prices.
- Dairy Australia has neutral outlooks for global supply and demand.
- Rabobank 2018-19 annual average southern Australia farmgate price $5.90/kgMS.
- 2018-19 season prices – Fonterra $5.98-$6.20/kgMS, Saputo $5.95/kgMS, Bega Cheese $5.85/kgMS, ADFC $5.60-$6.00/kgMS, Burra Foods $5.60-$5.90/kgMS, Lion $5.82, ACM $6.00/kgMS, Parmalat $6.10/kgMS, Bulla Dairy Foods $5.80-$6.20/kgMS.

1. Other acronyms are defined on page 4.

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Subtropical
Milk production in October was 10% lower than the corresponding period last year.
November rainfall was 51% below the 10-year November average. There is a 30-45% chance of exceeding median January-March rainfall.
Feed prices fell 4% between October 2018 and November 2018, but were 42% higher than the average last year.
Average profit per Queensland dairy cow almost halves in 2017-18 – Read more

New South Wales
Milk production in October was 5% lower than the corresponding period last year.
November rainfall was 4% above the 10-year November average. There is a 35-50% chance of exceeding median January-March rainfall.
Feed prices fell 8% between October 2018 and November 2018 and were 65% above the November 2017 average.

Murray
Milk production in October was 18% lower than the corresponding period last year.
November rainfall was 9% below the 10-year November average. There is a 35-45% chance of exceeding median January-March rainfall.
Feed prices fell 1% between September 2018 and October 2018, but were 114% higher year on year.
Water prices in November 2018 are 230% higher in Northern VIC and 234% higher in Murray Irrigation System, relative to the corresponding period last year.
Western Australia
Milk production in October 2018 was 1% lower than the corresponding period last year.
November rainfall was 59% below the 10-year November average. There is a 20-35% chance of exceeding median January-March rainfall.
Feed prices increased 11% between November 2018 and October 2018 and were 47% higher than last year.
Lion Dairy and Drinks raise farmgate milk prices for 29 producers – Read more

South Australia
Milk production in October 2018 was 1% higher than the corresponding period last year.
November rainfall was 62% above the 10-year November average. There is a 40-50% chance of exceeding median January-March rainfall.
Monthly feed prices fell 7% in November 2018, but were 99% above that in November 2017.
ABARES projects a sharp fall in average farm cash incomes for SA producers – Read more

Tasmania
Milk production in October 2018 was 5% higher than the corresponding period last year.
November rainfall was 41% above the 10-year November average. There is a 40-50% chance of exceeding median January-March rainfall.
November feed prices averaged 3% above that in October 2017 and 47% November 2017.
Australian Consolidated Milk unlocks the benefits of organic milk – Read more

Western Victoria
Milk production in October was 2% lower than the corresponding period last year.
November rainfall was 15% below the 10-year November average. There is a 35-45% chance of exceeding median January-March rainfall.
Feed prices fell 2% in November 2018, but remain 80% above the average last year.
New organic dairy processing plant in Geelong to export $95M of dairy products – Read more

Gippsland
Milk production in October 2018 was 5% lower than the corresponding period last year.
November rainfall was 43% below the 10-year November average. There is a 30-45% chance of exceeding median January-March rainfall.
Feed prices fell 6% in November 2018, but remain 90% above the average last year.
Producer sentiment in east Victoria weighs heavily on state – 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>European Union Milk Market Observatory</td>
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<tr>
<td>n/c</td>
<td>No change</td>
</tr>
<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)