



## **SADA concerned over opening milk prices for 2024-25**

Tuesday, 4 June 2024

The South Australian Dairyfarmers Association has today expressed concern at the possible impacts of the FY2024 milk prices released by all major milk processors yesterday,

While we acknowledge that not all local processors have adopted a price cuts SADA are concerned and disappointed that processors have chosen significant cuts for 2024-25.

The cost of production for farmers, including feed, labour, and equipment, has been rising steadily and has been budgeted by many as in excess of \$8/kg for the coming year. Maintaining a fair farmgate price ensures that farmers can continue to produce high-quality milk without jeopardizing their livelihoods.

"We're just starting to recover and whilst export processes are finding it tough and imports are being arguably dumped into Australia, we still need a sustainable profitable milk price," Robert Brokenshire said.

"We're calling on processes to reassess their opening prices over the next couple of weeks realising that they don't have a business either if milk production is not available to them."

"2024 has commenced as a more challenging year for dairy farmers. As with all in the sector, the impact of inflation on input prices has made the business environment more challenging. In many instances, this has been exacerbated by challenges in maintaining and developing our workforce. In recent weeks, the extended dry autumn has placed additional stress on dairy businesses across the

State as the lack of rain and resultant poor growth of pastures has led to a greater reliance on conserved fodder together with an increase in feed costs."

SADA recognises that we should focus on fostering a collaborative approach. By working together, farmers and processors can develop innovative solutions to enhance efficiency, reduce costs, and improve product value.

The Dairy Industry Code mandates that all medium to large dairy processing companies disclose their prices and contracts for the coming financial year by 1 June each year. This requirement ensures transparency and allows stakeholders to review and compare pricing structures. The ACCC oversees compliance with this code. As 1 June fell on a weekend this year, announcements were required on 3 June 2024.

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