


Farm

Industry


Farmgate milk price

KEY POINTS

In Australia, there is no legislative control over the price milk processing companies pay farmers for their milk.

Since deregulation in 2000/2001 all prices within the industry are set by market forces.

Farmgate milk price is the price farmers receive from processors for the milk they produce. Read state by state information about the typical factory paid prices.

Farmgate milk price

Australian farmgate milk prices are based on the milkfat and protein content of the milk produced on farm, with different prices for each component. Unlike many countries around the world, the Government has no legislative control over the price milk processing companies pay farmers for milk. Since deregulation in 2000–01 all prices within the industry are set by market forces. Farmgate milk prices will vary between processors. Individual company returns are affected by various factors including market and product mix, marketing strategies, utilisation and efficiencies in factory processing capacity, and exchange rate hedging policies. Competition for milk among processors will also influence farmgate milk prices from season to season.

Typical factory paid prices

		2014/15	2015/16	2016/17	2017/18	2018/19
NSW	cents/litre	52.8	51.0	49.0	50.5	54.7
	\$/kg milk solids	7.31	7.06	6.81	6.99	7.67
VIC	cents/litre	47.1	42.8	38.0	44.2	48.2
	\$/kg milk solids	6.24	5.68	5.04	5.87	6.40
QLD	cents/litre	57.4	58.5	60.0	57.7	61.0
	\$/kg milk solids	7.84	7.99	8.22	7.84	8.31
	cents/litre	49.1	42.5	37.1	42.9	47.2

SA

	\$/kg milk solids	6.53	6.03	5.19	6.06	6.62
WA	cents/litre	49.0	52.3	50.6	49.9	50.2
	\$/kg milk solids	7.17	7.32	7.06	6.97	7.05
TAS	cents/litre	49.6	43.7	39.0	47.0	50.3
	\$/kg milk solids	6.33	5.61	4.97	6.01	6.37
	cents/litre	48.5	44.9	40.9	46.0	49.7
AUST	\$/kg milk solids	6.49	6.01	5.46	6.14	6.64

Source: Dairy manufacturers

Global Dairy Trade Events - average Australian dollar pricing

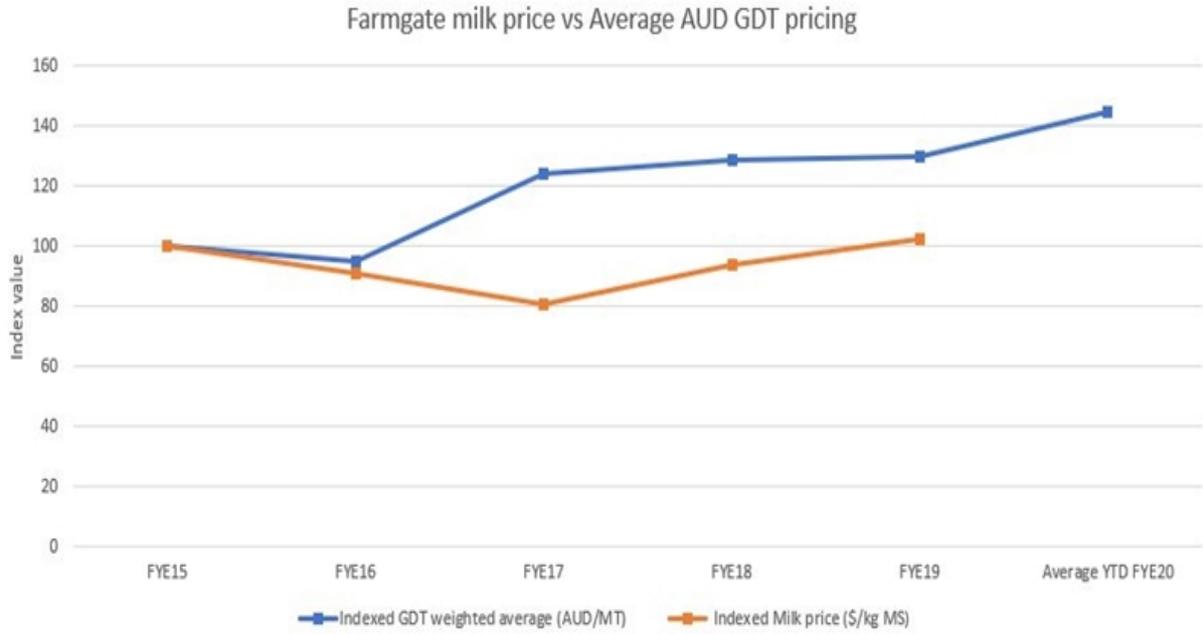
Global Dairy Trade [\[https://www.globaldairytrade.info/\]](https://www.globaldairytrade.info/) (GDT) Events are dairy ingredient auctions held twice each month. GDT Events have been in operation since 2008, offering a range of dairy ingredients from suppliers around the world, to more than 600 registered bidders from around the world.

The average value of product traded on the platform is greater than the value of annual Australian dairy exports. While pricing on the dairy trading platform may not be the actual prices Australian dairy processors receive for their product, GDT Events is acknowledged as providing credible market based reference prices for globally traded dairy ingredients.

GDT Events - average annual AUD equivalent pricing

Year	AUD/Tonne
FYE15	3,364
FYE16	3,194
FYE17	4,183
FYE18	4,333
FYE19	4,375
Average YTD FYE20	4,876

Source: Global Dairy Trade



Related resources:





<http://www.dairyaustralia.com.au/industry/prices/farmgate-milk-price>

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