



Production Inputs Monitor

March 2024

Climate and seasonal outlook

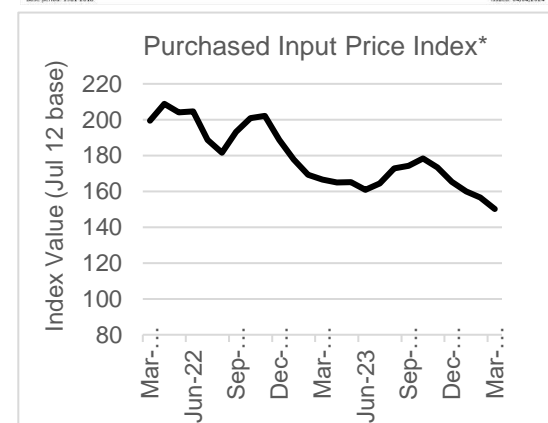
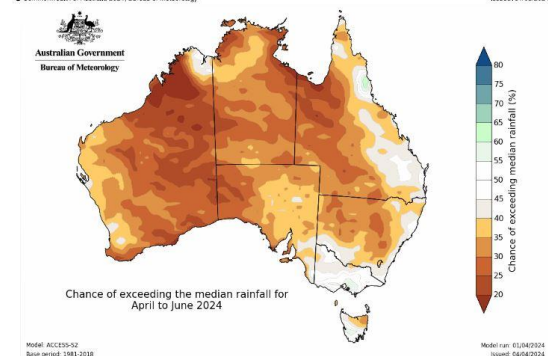
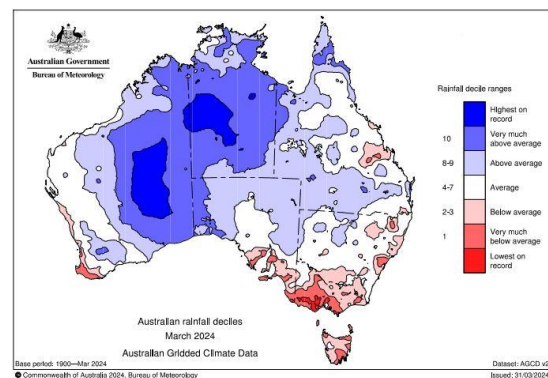
For much of southern Australia, and especially Victoria, March was dry, with below average rainfall and warmer than average temperatures. As such, soil moisture in these areas continues to fall, and water storage levels are now below last year. This contrasts starkly to parts of Western Australia (WA) (except in the southwest corner) and northern Australia, that have recorded above average rainfall in line with cyclonic and monsoonal activity in recent weeks.

For April to June, below median rainfall is expected for most of the country, however, for some parts of the east coast, Tasmania, and southern WA, there is a roughly equal chance of both below and above median rainfall. Overall, there is a reduced chance of unusually dry conditions for most of the country. El Niño continues to weaken and the return to a neutral El Niño-Southern Oscillation (ENSO) is on track for the end of autumn.

Inputs wrap

Global indicative fertiliser prices softened in March, as slow demand, and smaller than expected purchases from India weighed on the urea market especially. Coupled with expectations that Chinese urea export restrictions will be loosening as soon as early May, and a typically slow period for global demand generally, downward pressure on prices is becoming increasingly apparent. In March, the indicative urea price fell 6%, while diammonium phosphate (DAP), and muriate of potash (MOP) values rose 5% and 4% respectively.

Parts of southern WA, western Victoria, and South Australia, continued to battle through dry conditions in March, bringing about increased demand for supplementary fodder in these areas. In response, fodder prices have held steady or risen in recent weeks. Upward price pressure has also been a feature for local grain markets, with increased demand out of northern feedlots being a key driver. Despite this, international demand remains subdued and according to Australian Crop Forecasters (ACF), production forecasts for the 2024/25 wheat and barley crops are suggesting increased yields from last season.



PIPI inputs price change	Cereal hay (\$/t)	Protein hay (\$/t)	Cereal grain (\$/t)	Protein conc. (\$/t)	Fertiliser (\$/t)	Fuel (c/L)
Mar-24	285	370	317	508	503	185
Mar-23	↓17%	↓21%	↓18%	↓8%	↑7%	↑3%
Mar-18	↓19%	↓31%	↓14%	↑7%	↑44%	↑36%

Water availability and prices

Dry conditions, warm temperatures and increased irrigation demand in some areas contributed to water levels in all monitored storages across Victoria falling in March. Levels in lake Glenmaggie showed the largest decline, falling to 57 per cent of capacity, while Hume Dam levels dropped to 65 per cent of capacity. Seasonal determinations remain unchanged in all systems, except for the Murray system, with access to low reliability water shares now at 100 per cent. Driving this increase was greater-than-expected flows into key storages, which met demand and allowed for further improvements.

Despite the drier conditions and increased demand for water in March across Victoria, temporary water prices continued to soften. Across Northern Victoria, average prices fell 21 per cent to \$24/ML. The volume of water traded across the region held steady when compared to last year but increased 28 per cent from February. In the Murray Irrigation system, prices fell 19 per cent from February, while the volume traded jumped sharply over the same period, up 102%.

For more information on the latest New South Wales general security water allocation statement, please visit: https://www.industry.nsw.gov.au/__data/assets/pdf_file/0003/569109/WAS-statewide-regulated-rivers-20230701.pdf

Irrigation allocations (2023/24 at 15th March)

Victoria	HRWS	Change (HRWS)	LRWS
Murray	100%	-	100%
Broken	100%	-	100%
Goulburn	100%	-	77%
Campaspe	100%	-	100%
Loddon	100%	-	77%
Bullarook Creek	100%	-	100%
MID	100%	-	5%
NSW – Murray Irrigation Ltd	Allocation		Change
Class C-General Security	110%	-	-

Further details www.g-mwater.com.au, www.srw.com.au, or <https://www.murrayirrigation.com.au/>.

Temporary water trades	Mar-24	Feb-24	Jan-24	Dec-23	Mar-23	% Change LY
Northern Victoria <i>Source: Victorian Water Register</i>						
1A Greater Goulburn	\$25	\$30	\$55	\$100	\$15	+67%
6 Hume to Barmah	\$16	\$30	\$45	\$65	\$10	+60%
7 Barmah to Nyah	\$26	\$32	\$60	\$120	\$16	+63%
Volume traded (ML)	170,219	160,545	133,308	149,020	167,318	+2%
Average price (\$/ML)	\$24	\$31	\$58	\$109	\$15	+66%
Murray Irrigation System <i>Source: Murray Irrigation Ltd</i>						
Volume traded (ML)	62,207	30,744	21,770	26,952	40,073	+55%
Average price (\$/ML)	\$13	\$16	\$25	\$36	\$5	+170%

Contact: Isabel Dando Phone: 03 9694 3876 Email: Isabel.Dando@dairyaustralia.com.au

Disclaimer

The content of this publication is provided for general information only and has not been prepared to address your specific circumstances. We do not guarantee the completeness, accuracy, or timeliness of the information.

Acknowledgement

Dairy Australia acknowledges the funding from levy payers and contribution by Commonwealth Government.

© Dairy Australia Limited 2024. All rights reserved.

	Mar-24	Monthly % change
Cereal hay		
Northern Australia (\$/tonne)	290	-5%
Southern Australia (\$/tonne)	285	-1%
Western Australia (\$/tonne)	324	+1%
Wheat		
Northern Australia (\$/tonne)	345	+2%
Southern Australia (\$/tonne)	317	-5%
Western Australia (\$/tonne)	364	-10%
Futures prices (ASX)		
Wheat (av. \$/t Jan-24 east coast)	347	+2%
Barley (av. \$/t Jan-24 east coast)	313	+1%
Fertiliser		
DAP (A\$/tonne)	942	+5%
Urea (A\$/tonne)	503	-6%
MOP (A\$/tonne)	458	+4%
Relative soil moisture (percentile rank averaged between reference river regions listed).		
Northern Australia (Clarence River, Logan Albert Rivers)	58	-31%
Southern Australia (Goulburn River, Murray Riverina)	29	-63%
Western Australia (Busselton Coast, Albany Coast)	20	+300%
Cull Cows		
Sales volume (head)	4,109	+2%
Average price (c/kg lwt)	171	-16%
	YTD 2023/24	% change
Sales volume (head)	36,157	-15%
Average price (c/kg lwt)	176	-36%

Feb-24	Jan-24	Dec-23
Source: AFIA		
307	314	313
288	303	306
322	328	327
Source: Profarmer		
339	356	376
333	345	362
402	401	396
Source: ASX		
339	376	385
310	314	320
Source: World Bank (global indicative prices converted from US\$/tonne to A\$/tonne)		
894	896	848
538	504	533
443	445	469
Source: The Bureau of Meteorology (BOM)		
84	93	63
78	99	65
5	30	1
Source: NLRs (saleyards within Vic, NSW, QLD, SA, WA)		
4,044	3,274	3,802
202	202	175
YTD 2022/23	YTD 2021/22	YTD 2020/21
42,586	49,915	42,042
276	291	242

To access more information on the Hay and Grain report click here

Hay report ▶

Grain report ▶

Contact: Isabel Dando Phone: 03 9694 3876 Email: Isabel.Dando@dairyaustralia.com.au

Disclaimer

The content of this publication is provided for general information only and has not been prepared to address your specific circumstances. We do not guarantee the completeness, accuracy, or timeliness of the information.

Acknowledgement

Dairy Australia acknowledges the funding from levy payers and contribution by Commonwealth Government.

© Dairy Australia Limited 2024. All rights reserved.