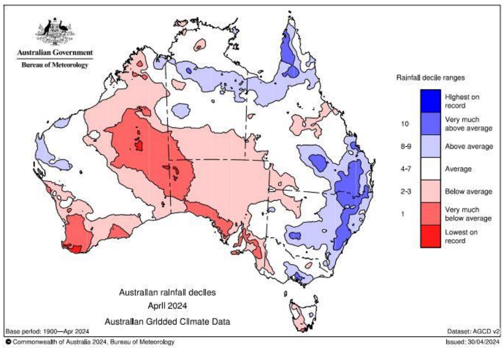
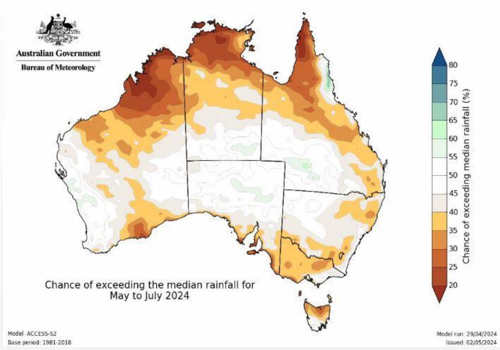
Production Inputs Monitor

April 2024

Climate and seasonal outlook



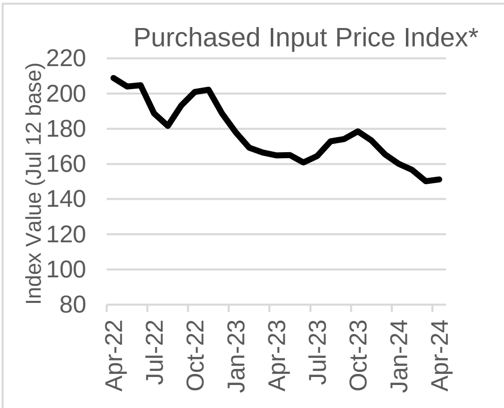


Rainfall in April varied significantly across the country. Much of northern and eastern Australia, and some parts of Victoria saw above average rainfall, while dry conditions persisted across South Australia (SA) and south-western Western Australia (WA). Soil moisture patterns are following rainfall, with above average soil moisture levels across large parts of eastern Australia contrasting againt drier than usual soils across southern WA, SA, south-west Victoria and Tasmania. Additionally, April was warmer than usual along most coastlines, with the far-west and far-east having their warmest April on record.

For the long-term outlook, below average rainfall is likely for much of the country throughout May. However, this shifts significantly for June, with some areas having an increased chance of above average rainfall. For most of the country, there is neither strong wet nor dry signals over this time, with typical rainfall ranges likely the best guide. Temperatures are expected to remain above average through winter, with El Niño coming to an end, and the El Niño-Southern Oscillation (ENSO) likely to remain neutral through the coming months.

Inputs wrap

Global indicative urea prices have moved back closer to longer-term averages. Heading into an already typically slow demand period, prices are likely to remain under pressure. Close to normal production levels across Europe, and an increasingly likely return of Chinese nitrogen-based fertiliser exports (as soon as May) are both producing little upside to prices, especially over the short-medium term.



Additionally, weaker-than-expected purchased volumes out of India remains a key storyline to urea price movement, while pressure from the looming return of Chinese phosphate exports is beginning to spill over to phosphate values. Indicative diammonium phosphate (DAP) values are currently 4 per cent above the five-year average, while urea and muriate of potash (MOP) values are down, 22 per cent and 6 per cent respectively.

DELIVERING *for* DAIRY

** The PIPI is created using data collected from the Dairy Farm Monitor Project (DFMP) alongside our monthly reporting and reflects the cost movement of the following grouped inputs: fodder, feed concentrates, fertiliser, and fuel.*

PIPI inputs price change	Cereal hay ($/t)	Protein hay ($/t)	Cereal grain ($/t)	Protein conc. ($/t)	Fertiliser ($/t)	Fuel (c/L)
Apr-24	292	375	331	491	492	186
Apr-23	↓15%	↓20%	↓13%	↓11%	↑5%	↑6%
Apr-19	↓19%	↓31%	↓10%	↑7%	↑44%	↑36%

Water availability and prices

Water levels in all monitored storages across Victoria fell in April, with the largest drops recorded in the Waranga Basin and Lake Glenmaggie levels, down 18 per cent and 16 per cent respectively. Levels across the state now range between 35 per cent below (Hume Dam) and 1 per cent above (Lake Eppalock) last year, at 59 per cent and 92 per cent of capacity respectively. Seasonal determinations in all systems were unchanged with the final announcement for the 2023/24 season. Minimal rainfall meant the flows were close to estimates. Any further rainfall/resource improvements will therefore support water availability in 2024/25.

Temporary water prices continued their fall across Northern Victoria in April (down 15 per cent from March), while edging up slightly in the Murray Irrigation system (up 11 per cent). Additionally, the volume of water traded fell significantly across both regions over the same period, with notable rainfall events being a likely cause. Even though prices are above last year, they remain 89 per cent and 78 per cent below the five-year average across Northern Victoria and the Murray Irrigation system respectively.

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 2nd April)

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%	-	50%
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	Apr-24	Mar-24	Feb-24	Jan-24	Apr-23	% Change LY
Northern Victoria		*Source: Victorian Water Register*				
1A Greater Goulburn	$20	$25	$30	$55	$15	+33%
6 Hume to Barmah	$15	$16	$30	$45	$11	+36%
7 Barmah to Nyah	$22	$26	$32	$60	$15	+47%
Volume traded (ML)	127,581	170,219	160,545	133,308	69,196	+84%
Average price ($/ML)	$21	$24	$31	$58	$14	+43%
Murray Irrigation System		*Source: Murray Irrigation Ltd*				
Volume traded (ML)	28,650	62,207	30,744	21,770	10,016	+186%
Average price ($/ML)	$14	$13	$16	$25	$4	+255%

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

	Apr-24	Monthly % change	Mar-24	Feb-24	Jan-24
Cereal hay			Source: AFIA		
Northern Australia ($/tonne)	288	-1%	290	307	314
Southern Australia ($/tonne)	292	+2%	285	288	303
Western Australia ($/tonne)	330	+2%	324	322	328
Wheat			Source: Profarmer		
Northern Australia ($/tonne)	346	0%	345	339	356
Southern Australia ($/tonne)	331	+4%	317	333	345
Western Australia ($/tonne)	371	+2%	364	402	401
Futures prices (ASX)			Source: ASX		
Wheat (av. $/t Jan-24 east coast)	352	+1%	347	339	376
Barley (av. $/t Jan-24 east coast)	318	+2%	313	310	314
Fertiliser			Source: World Bank (global indicative prices converted from US$/tonne to A$/tonne)		
DAP (A$/tonne)	837	-11%	942	894	896
Urea (A$/tonne)	492	-2%	503	538	504
MOP (A$/tonne)	469	+2%	458	443	445
Relative soil moisture (percentile rank averaged between reference river regions listed).			Source: The Bureau of Meteorology (BOM)		
Northern Australia (Clarence River, Logan Albert Rivers)	84	+45%	58	84	93
Southern Australia (Goulburn River, Murray Riverina)	47	+62%	29	78	99
Western Australia (Busselton Coast, Albany Coast)	5	-75%	20	5	30
Cull Cows			Source: NLRS (saleyards within Vic, NSW, QLD, SA, WA)		
Sales volume (head)	4,672	+14%	4,109	4,044	3,274
Average price (c/kg lwt)	175	+3%	171	202	202
	YTD 2023/24	% change	YTD 2022/23	YTD 2021/22	YTD 2020/21
Sales volume (head)	40,829	-35%	46,999	56,799	49,136
Average price (c/kg lwt)	176	-13%	272	287	241

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

Hay report

Grain report

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