



Production Inputs Monitor

February 2024

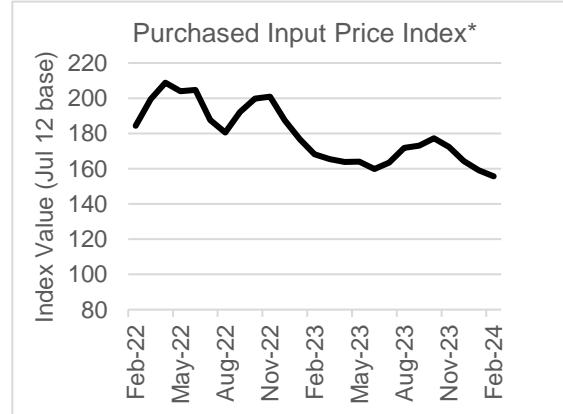
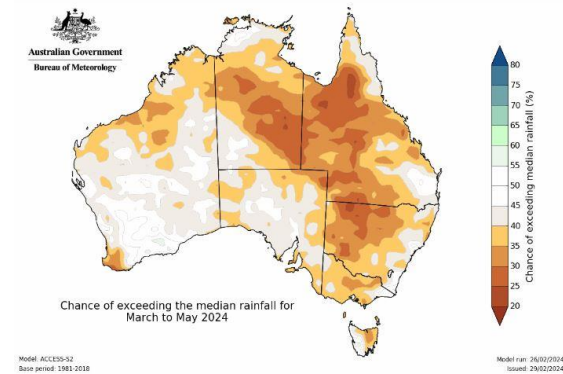
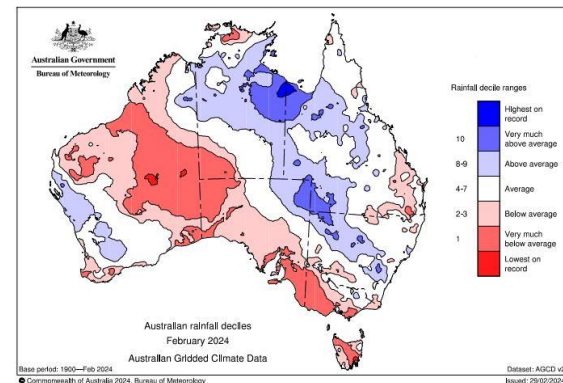
Climate and seasonal outlook

Summer was wetter than usual for many areas, contributing to this summer’s rainfall being the third highest on record during an El Niño event. Above average rainfall over eastern Australia contrasted with large parts of Western Australia (WA), Tasmania and central Australia, which remain much drier than average. Low rainfall over the month of February, however, has started to dry out some parts of eastern Australia. As such, water storage levels around the country currently range between 40 to 80 per cent capacity. Additionally, many of these areas also experienced widespread heatwaves and an elevated bushfire risk.

The current El Niño event is nearing its end and neutral conditions are expected over autumn. The chance of below median rainfall for many parts of Australia through from March to May is around 60 – 75 per cent. Less rain than is usual is expected for much of southern Australia, alongside above average temperatures. Additionally, streamflows are forecast to remain normal to high for most areas.

Inputs wrap

Drier conditions have taken hold again across some dairying regions, however, strong pasture growth over early summer is expected to support many farming businesses through this change. Many have been able to reduce their reliance on purchased feed, harnessing opportunities to produce homegrown feed and conserve fodder for short and medium-term requirements. This reduced demand has seen prices dip or remain steady over the last two months. Looking ahead to autumn and winter, demand is starting to increase from farmers, particularly in southwest Victoria and South Australia, looking to secure high-quality feed for the cooler months. For grain prices, there are little signs of upside even over the longer-term, with surplus global supply and quiet international demand likely to continue weighing on global and domestic prices.



PIPI inputs price change	Cereal hay (\$/t)	Protein hay (\$/t)	Cereal grain (\$/t)	Protein conc. (\$/t)	Fertiliser (\$/t)	Fuel (c/L)
Feb-24	288	368	333	518	538	189
Feb-23	↓13%	↓22%	↓14%	↓6%	↑4%	↑4%
Feb-18	↓18%	↓29%	↓17%	↑9%	↑53%	↑44%

Water availability and prices

Water levels in all monitored storages fell from last month, on account of warmer temperatures and a return to drier conditions for parts of Victoria. Hume Dam, Waranga Basin and Lake Glenmaggie showed the largest declines, falling 10, 14 and 16 per cent respectively. Hume Dam is at its lowest capacity (74 per cent) since June 2021. Seasonal determinations increased in the Murray, Goulburn, and Loddon systems this month, with the benefits of rainfall in early January still being realised. This rainfall has helped to meet demand, bringing higher than expected flows into and minimising releases across the Murray and Goulburn systems.

Temporary water prices fell for a fourth consecutive month across both Northern Victoria and the Murray Irrigation system, falling another 47 and 35 per cent from January respectively. While prices are currently well above last year, they do remain historically low across both regions. As such, and with the return of drier conditions and warmer temperatures in some areas, from last month, the volume of water traded jumped 24 per cent across Northern Victoria and 41 per cent in the Murray Irrigation system.

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 February)

Victoria	HRWS	Change (HRWS)	LRWS
Murray	100%	-	85%
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 <http://www.murrayirrigation.com.au/>.

Temporary water trades	Feb-24	Jan-24	Dec-23	Nov-23	Feb-23	% Change LY
Northern Victoria <i>Source: Victorian Water Register</i>						
1A Greater Goulburn	\$30	\$55	\$100	\$140	\$18	+67%
6 Hume to Barmah	\$30	\$45	\$65	\$110	\$14	+114%
7 Barmah to Nyah	\$32	\$60	\$120	\$151	\$18	+78%
Volume traded (ML)	160,545	133,308	149,020	273,414	211,629	-24%
Average price (\$/ML)	\$31	\$58	\$109	\$146	\$18	+74%
Murray Irrigation System <i>Source: Murray Irrigation Ltd</i>						
Volume traded (ML)	30,744	21,770	26,952	17,282	13,288	+131%
Average price (\$/ML)	\$16	\$25	\$36	\$56	\$7	+139%

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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.

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	Feb-24	Monthly % change
Cereal hay		
Northern Australia (\$/tonne)	307	-2%
Southern Australia (\$/tonne)	288	-5%
Western Australia (\$/tonne)	322	-2%
Wheat		
Northern Australia (\$/tonne)	339	-5%
Southern Australia (\$/tonne)	333	-4%
Western Australia (\$/tonne)	402	0%
Futures prices (ASX)		
Wheat (av. \$/t Jan-24 east coast)	339	-10%
Barley (av. \$/t Jan-24 east coast)	310	-1%
Fertiliser		
DAP (A\$/tonne)	894	-0.3%
Urea (A\$/tonne)	538	+7%
MOP (A\$/tonne)	443	-0.5%
Relative soil moisture (percentile rank averaged between reference river regions listed).		
Northern Australia (Clarence River, Logan Albert Rivers)	84	-10%
Southern Australia (Goulburn River, Murray Riverina)	78	-21%
Western Australia (Busselton Coast, Albany Coast)	5	-83%
Cull Cows		
Sales volume (head)	4,044	+24%
Average price (c/kg lwt)	202	0%
	YTD 2023/24	% change
Sales volume (head)	32,048	-13%
Average price (c/kg lwt)	177	-38%

Jan-23	Dec-23	Nov-23
Source: AFIA		
314	313	313
303	306	294
328	327	306
Source: Profarmer		
356	376	411
345	362	381
401	396	389
Source: ASX		
376	385	396
314	320	330
Source: World Bank (global indicative prices converted from US\$/tonne to A\$/tonne)		
896	848	825
504	533	594
445	469	511
Source: The Bureau of Meteorology (BOM)		
93	63	34
99	65	29
30	1	0.5
Source: NLRs (saleyards within Vic, NSW, QLD, SA, WA)		
3,274	3,802	2,847
202	175	143
YTD 2022/23	YTD 2021/22	YTD 2020/21
36,992	44,005	36,530
285	295	242

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

Hay report ▶

Grain report ▶

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