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Briefing Note

Agricultural Commodities

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Introduction

This Briefing Note is a summary of Australian Department of Agriculture, Fisheries and Forestry (ABARES) "Agricultural Commodities" September quarter report. It provides an overview of those sections relevant to irrigated agriculture.

This Briefing Note does not seek to independently verify the data contained within it. All data presented is reproduced from the ABARES publication. This Briefing Note does not in any way constitute advice, it is provided solely as a service.

The full ABARES September quarter report is available from the link;

http://adl.brs.gov.au/data/warehouse/agcomd9abcc004/agcomd9abcc004201303/AgCommodities2013.No1_Ver1.0.0.pdf

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Global Economic Outlook

- World economic growth is assumed to improve modestly in 2013 to 3.5 per cent, after weakening to an estimated 3.2 per cent in 2012. Over the medium term to 2018, world economic growth is assumed to average around 4 per cent a year.
- Emerging economies, particularly in Asia, are expected to remain the main drivers of world economic activity, while the public sector debt issue in Western Europe and large budget deficits in the United States are likely to constrain economic growth.
- Considerable risk remains in the world economic outlook, with highlight indebted governments needing to address unsustainable fiscal positions and implement consolidation measures in coming years.

Australia's Economic Outlook

- GDP

Real GDP rose at a year-on-year rate of 3.1 % in the September quarter 2012, following growth of 3.8 % in the June quarter. Economic growth in Australia is assumed to average 2.8% in 2013-14, following growth of 3% in 2012-13.

- Inflation

Inflationary pressures in Australia remain modest. The consumer price index rose year-on-year by 2.2% in the December quarter 2012, compared with an increase of 2% in the September quarter. Inflationary pressures in Australia are expected to remain modest, with the inflation rate assumed to average 2.5% a year over the outlook period.

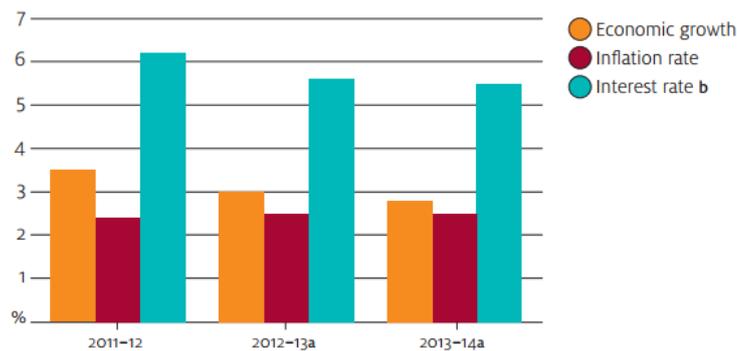
- Exchange Rate

The Australian dollar remained strong in the second half of 2012 averaging around US104 cents. In the short term, the Australian dollar is expected to remain strong.

- Interest Rates

The Cash Rate in Australia is currently at 3.00%.

Australian economic indicators



a ABARES assumption. b Large business weighted average variable rate on credit outstanding.

Australian agricultural export figures

The total volume of farm production is forecast to increase by around 3.6% in 2013-14, following a forecast decline of 5.8% in 2012-13. The increase reflects a forecast rise in both crop and livestock production. Over the medium term, farm production is projected to rise gradually. By 2017-18 the index of farm production is projected to be 8.2% higher than the level forecast for 2012-13.

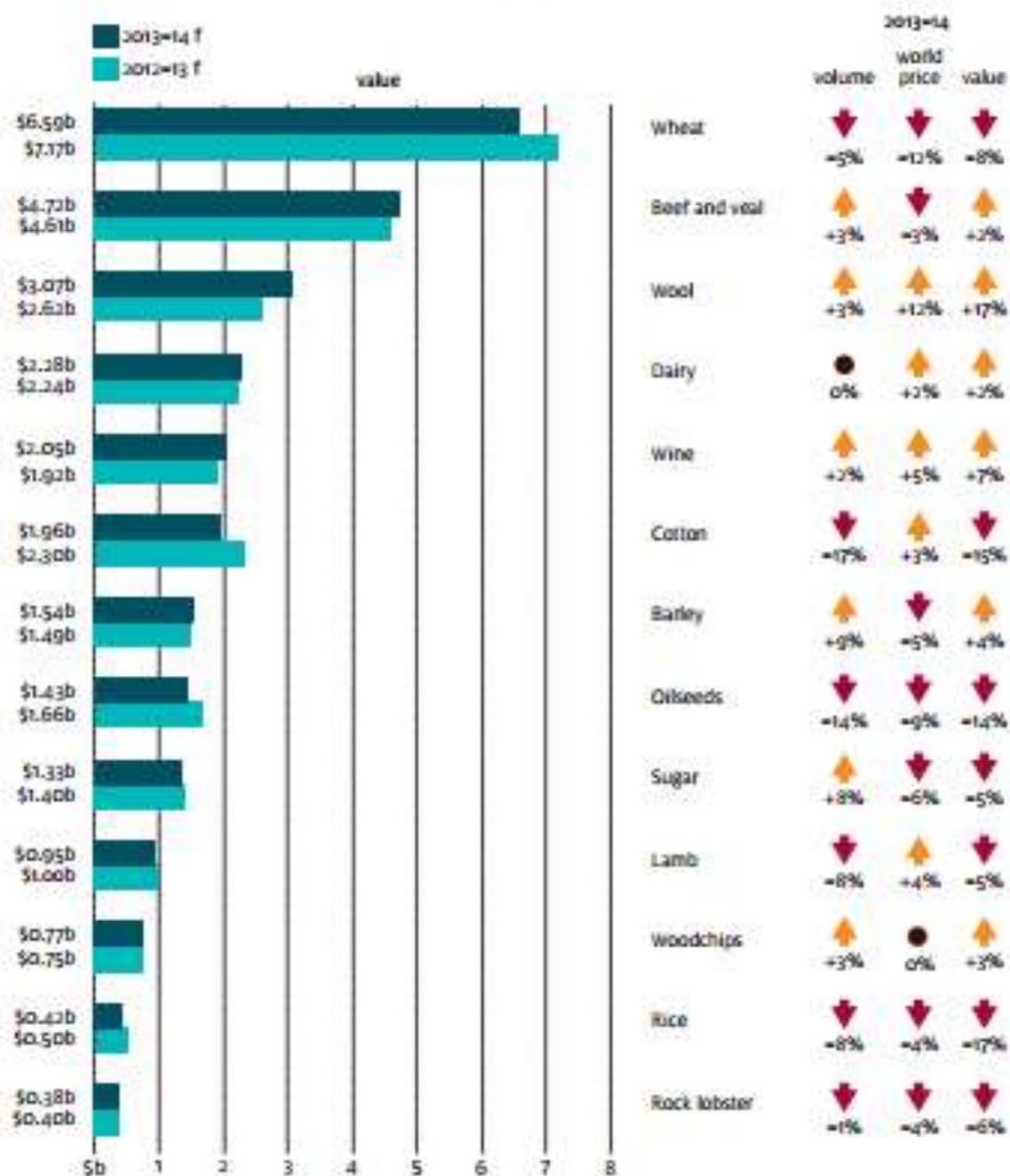
The index of unit returns for Australian farm exports, in aggregate, is forecast to remain largely unchanged in 2013-14 after declining by 2.1 per cent in 2012-13. Higher world prices for cotton, beef, wool and dairy products are expected to be largely offset by lower world prices for wheat, rice, soybeans and sugar.

Earnings from farm exports are forecast to be around \$35.6 billion in 2013-14, marginally lower than the forecast \$35.9 billion in 2012-13. Farm commodities for which export earnings are forecast to be higher in 2013-14 include barley (4%), wine (7%), beef and veal (2%) and wool (17%).

Export earnings for crops are forecast to be around \$20.4 billion in 2013-14, compared with \$21.5 billion in 2012-13. Over the medium-term, the value of Australian farm exports is projected to be \$33.7 billion in 2017-18 (in 2012-13 dollars), marginally higher than the average of \$33.1 billion (also in 2012-13 dollars) in the five years to 2011-12.

Major Australian agricultural, fisheries and forestry commodity exports

Wheat, cotton, sugar, rice and oilseeds are world indicator prices in US\$. All other commodities are export unit returns or domestic prices in A\$. For export value, annual forecasts are the sum of quarterly forecasts. As a result, annual export values do not necessarily reflect variations in export volumes, world prices and exchange rates.



f ABARES forecast.

Grains

Global Outlook

Wheat

The world indicator price (US hard red winter, fod Golf) is forecast to fall by 12% in 2013-14 to US\$320 a tonne, reflecting a strong increase in world wheat production and an increase in world stocks. Despite this forecast decline, the wheat indicator price is expected to remain above the average of US\$292 a tonne over the five years to 2011-12.

World wheat production is forecast to increase by 5% in 2013-14 to almost 690 million tonnes, largely driven by forecast higher yields in the Black Sea region and the European Union. Additionally, producers are estimated to have increased the area planted to wheat in response to favourable prices at the time of planting.

World wheat consumption is forecast to increase marginally in 2013-14 to 686 million tonnes, largely driven by increased human consumption. Consumption of feed wheat is forecast to rise marginally to 133 million tonnes in 2013-14 in response to forecast lower world prices, but remain below the record use of 146 million tonnes in 2011-12.

Outlook for wheat

	unit	2010-11	2011-12 s	2012-13 f	2013-14 f	2014-15 z	2015-16 z	2016-17 z	2017-18 z
World									
Area	million ha	218	221	220	224	226	227	228	228
Yield	t/ha	2.99	3.15	2.99	3.08	3.14	3.16	3.19	3.20
Production	Mt	652	696	656	688	710	715	725	730
Consumption	Mt	659	693	678	686	703	712	720	726
Closing stocks	Mt	198	196	174	176	183	186	191	195
Trade	Mt	126	145	130	138	139	141	144	148
Stocks-to-use ratio	%	30.0	28.3	25.6	25.6	26.0	26.1	26.5	26.8
Price a									
- nominal	US\$/t	317	299	362	320	285	280	283	287
- real b	US\$/t	332	305	362	314	274	264	262	260
Australia									
Area	'000 ha	13 502	13 963	13 323	13 830	13 550	13 580	13 600	13 600
Yield	t/ha	2.03	2.14	1.66	1.80	1.82	1.84	1.86	1.88
Production	kt	27 410	29 923	22 077	24 900	24 650	25 000	25 300	25 600
Export volume c	kt	18 431	23 026	21 850	20 759	18 706	18 374	18 687	18 937
Export value c									
- nominal	A\$m	5 516	6 378	7 170	6 591	5 558	5 301	5 378	5 439
- real d	A\$m	5 781	6 534	7 170	6 431	5 290	4 922	4 873	4 807
APW 10 net pool return									
- nominal	A\$/t	346	260	345	295	262	265	271	275
- real d	A\$/t	363	267	345	288	250	247	246	243

a US no. 2, hard red winter wheat fob Gulf, July-June. b In 2012-13 US dollars. c July-June years. d In 2012-13 Australian dollars. f ABARES forecast. s ABARES estimate. z ABARES projection.

Sources: ABARES; Australian Bureau of Statistics

Coarse Grains

The world coarse grains indicator price (US corn, fob Gulf) is forecast to decrease by 11% to US \$281 a tonne in 2013-14. This price fall reflects higher coarse grains production as producers respond to higher prices in 2012-13.

World coarse grains production is forecast to rise by 9% in 2013-14 to 1.2 billion tonnes with world corn and barley production forecast to increase.

World consumption of coarse grains is forecast to increase by 5% in 2013-14 to 1.2 billion tonnes. World feed consumption of coarse grains is forecast to increase by 5% in 2013-14 to 708 million tonnes, supported by falling grains prices and rising livestock production. Feed, seed and industrial use of coarse grains is forecast to increase by 6% in 2013-14 to around 502 million tonnes, led by a recovery in US ethanol production.

Oilseeds

The world oilseeds indicator price (soybeans, cif Rotterdam) is forecast to fall by 9% in 2013-14 to US\$50 a tonne. This forecast decline reflects an increase in world soybean supplies, risen by forecast record production in Latin America and a recovery in production in the United States.

World oilseed production is forecast to increase by 3% in 2013-14 to 478 million tonnes, driven by a forecast rise in production of canola, soybeans and sunflower seeds.

World oilseed consumption is forecast to increase by 3% in 2013-14 to 474 million tonnes. This increase is driven by a rise in oilseed crush, reflecting increased demand for vegetable oils and protein meals.

Canola

The world canola indicator price (cif Hamburg) is forecast to decline by 4% in 2013-14 to US\$605 a tonne, driven by increased supplies available for export as a result of higher canola production in Canada.

World canola production is forecast to increase by 5% in 2013-14 to 62 million tonnes, reflecting record production in Canada.

Outlook for coarse grains

	unit	2010-11	2011-12 s	2012-13 f	2013-14 f	2014-15 z	2015-16 z	2016-17 z	2017-18 z
World									
Area	million ha	304	312	318	319	319	319	320	321
Yield	t/ha	3.61	3.71	3.54	3.84	3.90	3.96	4.02	4.07
Production	Mt	1 098	1 156	1 125	1 223	1 244	1 264	1 287	1 308
corn	Mt	832	884	849	944	963	983	1 003	1 023
barley	Mt	123	134	130	138	140	142	145	146
Consumption	Mt	1 130	1 155	1 148	1 211	1 231	1 257	1 280	1 301
corn	Mt	850	879	872	932	951	976	997	1 019
barley	Mt	134	136	132	137	139	141	143	144
Closing stocks	Mt	165	167	143	155	169	176	183	190
Trade	Mt	125	142	116	136	145	147	157	164
Stocks-to-use ratio	%	14.66	14.43	12.46	12.84	13.69	14.00	14.31	14.58
Corn price a									
– nominal	US\$/t	254	281	315	281	270	265	266	270
– real b	US\$/t	266	286	315	276	259	250	246	245
Barley price c									
– nominal	US\$/t	265	270	307	271	263	258	258	259
– real b	US\$/t	278	275	307	266	253	243	238	235
Australia									
Area									
barley	'000 ha	3 681	3 774	3 875	3 983	4 056	4 134	4 215	4 291
oats	'000 ha	826	726	683	668	676	674	669	656
triticale	'000 ha	187	330	276	285	279	274	271	268
grain sorghum	'000 ha	633	657	577	622	647	653	660	666
maize	'000 ha	62	77	80	66	70	74	76	77
total	'000 ha	5 389	5 564	5 491	5 624	5 728	5 809	5 891	5 959
Production									
barley	kt	7 995	8 349	7 062	7 822	8 035	8 263	8 500	8 728
oats	kt	1 128	1 274	1 049	1 190	1 211	1 213	1 210	1 192
triticale	kt	355	580	437	530	520	514	510	506
grain sorghum	kt	1 935	2 223	1 707	2 142	2 270	2 336	2 403	2 465
maize	kt	357	422	452	386	414	438	453	458
total	kt	11 769	12 848	10 707	12 071	12 450	12 763	13 077	13 349
Domestic use c	kt	5 292	5 239	4 849	5 457	5 535	5 688	5 863	5 891
Export volume	kt	5 317	7 911	6 218	6 486	6 816	7 017	7 182	7 413
Export value									
– nominal	A\$/m	1 483	2 245	1 838	1 866	1 893	1 923	1 941	2 013
– real d	A\$/m	1 555	2 300	1 838	1 821	1 802	1 786	1 758	1 779
Price – nominal									
feed barley g	A\$/t	217	197	248	239	229	229	231	232
malting barley h	A\$/t	257	201	257	251	246	245	247	249
grain sorghum i	A\$/t	213	201	251	229	225	227	229	234
Price – real e									
feed barley g	A\$/t	228	202	248	233	218	212	209	205
malting barley h	A\$/t	269	206	257	245	234	227	224	220
grain sorghum i	A\$/t	223	206	251	224	214	210	208	207

a US corn, fob Gulf, July–June. b In 2012–13 US dollars. c France barley, fob Rouen, July–June. d Includes changes to stocks. e In 2012–13 Australian dollars. f ABARES forecast. g Feed 1, delivered Geelong. h Malt 1, delivered Geelong. i Gross unit value of production. s ABARES estimate. z ABARES projection.

Sources: ABARES; Australian Bureau of Statistics; United States Department of Agriculture

Outlook for oilseeds

	unit	2010-11	2011-12 s	2012-13 f	2013-14 f	2014-15 z	2015-16 z	2016-17 z	2017-18 z
World									
Oilseeds									
Production	Mt	457	438	462	478	495	509	519	528
Consumption	Mt	443	455	460	474	492	507	517	527
Closing stocks	Mt	83	65	67	72	75	77	79	80
Indicator price a	US\$/t	524	533	605	550	540	535	537	545
- real b	US\$/t	549	542	605	540	520	505	497	494
Protein meals									
Production	Mt	252	258	262	272	282	290	296	301
Consumption	Mt	246	257	261	272	281	289	295	301
Closing stocks	Mt	10	10	10	10	11	11	12	12
Indicator price c	US\$/t	414	411	543	510	501	497	494	504
- real b	US\$/t	434	419	543	500	482	468	457	457
Vegetables oils									
Production	Mt	148	152	155	161	168	175	182	186
Consumption	Mt	144	150	156	161	168	174	180	184
Closing stocks	Mt	14	17	16	17	17	17	19	21
Indicator price d	US\$/t	1 214	1 255	1 205	1 182	1 176	1 166	1 167	1 195
- real b	US\$/t	1 272	1 278	1 205	1 160	1 131	1 100	1 079	1 083
Australia									
Total production	kt	3 734	4 988	4 606	4 421	4 481	4 488	4 487	4 650
Winter	kt	2 374	3 137	3 102	2 958	3 051	3 146	3 244	3 345
Summer	kt	1 360	1 851	1 503	1 463	1 431	1 342	1 243	1 305
Canola									
Area	'000 ha	2 078	1 807	2 400	2 136	2 185	2 234	2 285	2 337
Production	kt	2 359	3 124	3 089	2 945	3 037	3 132	3 230	3 331
Export volume e	kt	1 471	2 323	2 519	2 234	2 294	2 363	2 430	2 499
Export value e									
- nominal	\$m	866	1 344	1 443	1 252	1 262	1 283	1 306	1 353
- real g	\$m	908	1 376	1 443	1 222	1 201	1 191	1 183	1 195
Price h	A\$/t	539	521	545	529	518	509	504	506
- real g	A\$/t	565	533	545	516	493	473	457	447
Sunflowers									
Area	'000 ha	37	40	28	37	38	38	39	39
Production	kt	43	47	34	45	46	47	48	49
Exports e	kt	1	1	1	2	2	3	3	3
Price h	A\$/t	550	528	516	512	503	498	494	497
- real g	A\$/t	576	540	516	500	479	463	448	435

a Soybean, cif Rotterdam, July-June basis. b In 2012-13 US dollars. c Soybean meal, cif Rotterdam, 45 per cent protein. d Soybean oil, Dutch, FOB ex-mill. e July-June. f ABARES forecast. g In 2012-13 Australian dollars. h Delivered Melbourne, July-June. s ABARES estimate. z ABARES projection.

Sources: ABARES; Australian Bureau of Statistics; United States Department of Agriculture

Australian Outlook

Australian wheat production is forecast to increase by 13% to around 25 million tonnes in 2013-14. This forecast increase reflects partly improved yields following the generally dry conditions in the 2012-13 growing period, particularly in Western Australia. Additionally, the area planted to wheat is forecast to increase by 4% to 13.8 million hectares in response to expected favourable prices.

Australian wheat exports are forecast to decline by 5% in 2013-14 around 21 million tonnes. Despite the forecast increase in production, a reduction in stock drawdowns, which are supporting export volumes in 2012-13, are expected to offset the effect of higher production. The value of exports is forecast to fall by 8% to \$6.6 billion, reflecting forecast lower world prices.

In Australia, the total area planted to coarse grains is forecast to rise by 2% in 2013-14 to 5.6 million hectares, with producers forecast to respond to favourable coarse

grains prices. Combined with the recovery in yields, total coarse grains production is forecast to rise by 13% to 12.1 million tonnes.

The area sown to barley is forecast to rise by 3% in 2013-14 to 4 million hectares. Production is forecast to rise by 11% to 7.8 million tonnes, reflecting the increase in area and a recovery in yields. The area planted to grain sorghum is forecast to rise by 8% in 2013-14 to 622 000 hectares, largely reflecting an assumed return to favourable seasonal conditions compared with the hot and dry conditions which prevented plantings in 2012-13.

Exports of coarse grains are forecast to increase by 4% in 2013-14 to 6.5 million tonnes. The value of coarse grains trade is expected to increase by 2% to 1.9 billion, of which barley exports are forecast to fall by 2% to \$1.5 billion.

The area planted to canola is forecast to decline by 11% in 2013-14 to 2.1 million hectares, following a record planted area in the previous season. Low soil moisture profiles in hot states and favourable prices for competing grains are making canola planting less attractive to producers. Assuming average yields, Australian canola production is forecast to decline by 5% in 2013-14 to 2.9 million tonnes. The value of exports is forecast to decline by 13% to \$1.25 billion in 2013-14, reflecting an 11% decline in export volume to just over 2.2 million tonnes.

Cotton

Global Outlook

The world indicator price for cotton (Cotlock 'A' index) is forecast to average US85 cents a pound in 2012-13, which is 15% lower than in 2011-12. This forecast price decline reflects record world closing stocks of cotton as world production exceeds consumption for the third year in a row.

World cotton production is forecast to decrease to 26 million tonnes in 2012-13 down around 4% from the record harvest of 2011-12. Cotton production is forecast to be lower in all major producing countries, except China and the United States. The forecast cotton production increase for the United States is based on an assumption of improved seasonal conditions following an extended period of drought in some cotton producing regions in recent seasons.

World mill consumption of raw cotton is forecast to increase to 23.1 million tonnes in 2012-13, a modest 3% recovery from 2011-12, which was the lowest level in eight years. The key factors contributing to the growth are a more favourable cotton polyester price ratio and growth in apparel consumption, particularly in India, Pakistan, Turkey and Bangladesh.

Australian Outlook

Australian cotton production is forecast to be 945 000 tonnes in 2012-13, down 21% from last season's record, but still the second largest harvest on record. The area planted to cotton is estimated to be 442 000 hectares and drying plantings of 23 000 hectares. Above average yields are forecast for irrigated plantings, because of a combination of good supplies of irrigation water in most regions and hot dry weather. However, lack of rain has adversely affected yields of dryland cotton.

The average storage level of public irrigation dams serving the Australian cotton-growing regions, at 11 February 2013, was 68% of capacity. This is higher than the average of around 40% for the same time of year over the past 20 years. Assuming normal seasonal runoff between now and the next planting time in September 2013, the level of stored irrigation water should enable another large Australian cotton crop in 2013-14.

Australia cotton production is forecast to be 905 000 tonnes in 2013-14, only 4% lower than in 2012-13.

Returns to Australian cotton growers at the gin-gate are forecast to decrease by 20% in 2012-13 to \$450 a bale of lint (including the value of cottonseed and net of ginning costs). Forward cash prices for lint on offer to Australian cotton growers at 13 February 2013 were around \$420 a bale for delivery of 2012-13 crop, \$405 a bale for 2013-14 crop and \$400 a bale for 2014-15 crop. In 2013-14 the return to Australian cotton growers is forecast to average around \$453 a bale, largely unchanged from 2012-13, reflecting some forward selling of cotton at higher prices than currently on offer.

Australian cotton exports are forecast to increase to a record 1.1 million tonnes in 2012-13, 11% higher than in 2011-12. This forecast reflects the record 2011-12 harvest and the

forecast of another large harvest in 2012-13. This forecast, if realised, would place Australia as the second largest cotton exporting country, behind the United States. However, Australian cotton exports are forecast to decrease by 17% in 2013-14 to 924 000 tonnes, based on forecast lower Australian cotton production.

Outlook for cotton

	unit	2010–11	2011–12 s	2012–13 f	2013–14 f	2014–15 z	2015–16 z	2016–17 z	2017–18 z
World a									
Production	Mt	25.3	27.0	25.9	23.5	25.0	25.2	25.5	25.8
Consumption	Mt	24.9	22.4	23.1	24.9	25.5	26.0	26.4	26.9
Exports	Mt	7.7	9.9	8.5	7.5	7.9	8.0	8.1	8.2
Closing stocks	Mt	10.6	15.0	17.9	16.4	16.0	15.2	14.3	13.2
Stocks-to-use ratio	%	42.7	66.9	77.4	65.9	62.8	58.7	54.3	49.2
Cotlook 'A' index									
– nominal	USc/lb	164	100	85	88	88	91	93	94
– real b	USc/lb	172	102	85	86	84	86	86	85
Australia c									
Area harvested	'000 ha	590	600	442	434	414	376	336	348
Lint production	kt	898	1 198	945	905	879	813	740	780
Value of production									
– nominal d	A\$m	2 024	2 889	1 876	1 855	1 820	1 743	1 629	1 753
– real e	A\$m	2 121	2 960	1 876	1 810	1 732	1 619	1 476	1 549
Export volume									
Export value	kt	505	994	1 106	924	888	847	776	742
Export value									
– nominal	A\$m	1 367	2 736	2 296	1 957	1 891	1 855	1 745	1 681
– real e	A\$m	1 433	2 803	2 296	1 909	1 800	1 723	1 581	1 486
Export unit value									
– nominal	Ac/kg	271	275	207	212	213	219	225	227
– real e	Ac/kg	284	282	207	207	203	203	204	200

a August–July years. b In 2012–13 US dollars. c July–June years. d Includes cottonseed value. e In 2012–13 Australian dollars.

f ABARES forecast. s ABARES estimate. z ABARES projection.

Sources: ABARES; Australian Bureau of Statistics; United States Department of Agriculture

Dairy

Global Outlook

In 2013-14 world dairy product prices are forecast to rise, driven by increased demand in the developing countries of Asia and the Middle East and North Africa and limited growth in supplies from key exporting countries. World prices for most dairy products are forecast to average slightly lower in 2012-13, compared with the averages in 2011-12.

World prices for whole milk powder and skim milk powder are forecast to increase by 4.5 % and 3% in 2013-14 to US\$3500 a tonne and US\$3450 a tonne, respectively. World price for butter and cheese are forecast to increase by around 2% to US\$3430 a tonne and US\$4250 a tonne, respectively.

Global milk production is projected to rise over the medium term as producers in the main producing and exporting regions increase output in response to relatively favourable farmgate prices. At the same time, milk production in the emerging economies of China, Brazil and India is forecast to rise, driven by expected strong domestic demand for dairy products and application of improved dairy production technologies.

Important demand for dairy products in the developing countries of Asia, the Middle East and North Africa is expected to remain relatively firm in 2013-14 as economic growth in these regions strengthens. However, continuing relatively weak economic activity in the European Union is expected to moderate growth in European dairy demand in 2013-14.

Despite a forecast slowing in the growth of global milk production in 2012-13, an assumed economic slowdown in the EU and weaker demand growth in Asia is expected to result in world dairy process averaging lower in 2012-13.

The world price of butter is forecast to fall by 14% to an average of US \$3350 a tonne in 2012-13. For both skim milk powder and whole milk powder, world prices are forecast to decline by around 4% and average around US \$3100 a tonne and US \$3280 a tonne, respectively. The world price of cheese in 2012-13 is forecast to fall by around 3% to an average of US\$ 4150 a tonne.

Australian Outlook

The Australian farmgate price for milk is forecast to increase by 2% in 2013-14 to average 39.4 cents a litre, reflecting the effect of higher world dairy product prices. The relatively strong Australian dollar is expected to place downward pressure on returns to Australian dairy exporters.

Australian farmgate prices for milk are projected to fall slightly over the outlook period to reach 36 cents a litre (in 2012-13 dollars) in 2017-18, reflecting lower world dairy prices toward the end of the projection period.

Australian milk production is forecast to increase by 1.3% to 9.62 billion litres in 2013-14 following forecast relatively unchanged production in 2013-14 reflects further expansion in the dairy herds in Victoria, southern NSW and Tasmania.

The total value of Australian dairy exports is forecast to decline by 2% in 2012-13 to \$2.2 billion, primarily reflecting the effect of forecast lower average dairy product prices on world markets. In 2013-14, export earnings from dairy are forecast to rise by close to 2% to around \$2.3 billion.

Over the medium term earnings from dairy exports are projected to remain around \$2.2 billion (in 2012-13 dollars) a year, before easing gradually toward the end of the projection period.

Outlook for dairy

	unit	2010-11	2011-12 s	2012-13 f	2013-14 f	2014-15 z	2015-16 z	2016-17 z	2017-18 z
World									
Indicative price									
Butter									
- nominal	US\$/t	4 683	3 883	3 370	3 430	3 400	3 350	3 300	3 250
- real a	US\$/t	4 907	3 953	3 370	3 366	3 271	3 160	3 052	2 946
Skim milk powder									
- nominal	US\$/t	3 392	3 233	3 350	3 450	3 550	3 550	3 500	3 450
- real a	US\$/t	3 554	3 291	3 350	3 386	3 415	3 349	3 237	3 128
Cheese									
- nominal	US\$/t	4 221	4 258	4 150	4 250	4 340	4 320	4 300	4 270
- real a	US\$/t	4 423	4 335	4 150	4 171	4 176	4 075	3 976	3 871
Australia									
Cow numbers b	'000	1 589	1 630	1 645	1 649	1 652	1 652	1 650	1 647
Yield per cow	L	5 727	5 816	5 775	5 834	5 884	5 932	5 970	6 011
Production									
Total milk	ML	9 101	9 480	9 500	9 620	9 720	9 800	9 850	9 900
- Market sales	ML	2 316	2 389	2 435	2 466	2 511	2 552	2 600	2 653
- Manufacturing	ML	6 785	7 092	7 065	7 154	7 209	7 248	7 250	7 247
Butter c	kt	122	120	122	119	118	116	113	111
Cheese	kt	339	340	355	363	368	375	379	379
Skim milk powder	kt	222	230	235	231	230	226	221	216
Wholemilk powder	kt	151	140	130	131	132	134	135	136
Farmgate milk price d									
- nominal	A\$/L	43.2	42.1	38.6	39.4	39.7	40.4	40.8	40.7
- real e	A\$/L	45.3	43.1	38.6	38.5	37.8	37.6	37.0	36.0
Export volume									
Butter c	kt	56	49	53	48	48	44	41	38
Cheese	kt	163	161	168	176	175	179	177	174
Skim milk powder	kt	155	141	146	145	145	141	136	130
Wholemilk powder	kt	108	102	93	93	94	95	96	96
Export value									
- nominal	A\$m	2 345	2 292	2 237	2 277	2 332	2 397	2 388	2 352
- real e	A\$m	2 458	2 348	2 237	2 221	2 220	2 226	2 163	2 078

a In 2012-13 US dollars. b At 30 June. c Includes the butter equivalent of butteroil, butter concentrate, ghee and dry butterfat. d Includes freight from farm gate to processor in some states. e In 2012-13 Australian dollars. f ABARES forecast. s ABARES estimate. z ABARES projection.

Sources: ABARES; Australian Bureau of Statistics; Dairy Australia