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Dairyfarmers remain hopeful for milk price negotiation and step-ups



By [Kiara Stacey](#)
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Mount Torrens dairyfarmers Rodney Herrmann and Ben Wilhelm were remaining hopeful for upcoming negotiations on their milk price. Picture by Quinton McCallum.

Dairyfarmers across the state have fears for the future of the industry after the lowered opening milk prices announced by processors yesterday.

Locally Bestons Global Food opened at the lowest in the state at \$7.80-\$8.10 per kilogram of milk solids, while Lactalis offered \$9.50/kg MS and La Casa Del Formaggio opened at \$8.21 to \$9.98/kg MS.

The South Australian Dairyfarmers Association acknowledged not all local processors had adopted a price cut, but were concerned and disappointed processors had chosen significant cuts for 2024-25.

"The cost of production for farmers, including feed, labour, and equipment, has been rising steadily and has been budgeted by many as

in excess of \$8/kg for the coming year," they said.

"Maintaining a fair farmgate price ensures that farmers can continue to produce high-quality milk without jeopardizing their livelihoods."

Meningie Holstein dairyfarmer Brad Fischer said it was only earlier days yet with the announcements of the opening milk prices yesterday.

"If we don't sign with anyone, companies think they don't have enough milk so they up their price," he said.

"Sign with everyone, companies think they have enough milk but (if we) pull the pin on them on D day, the companies panic and lift their price.

"We have a month of this circus to play out yet."

Mount Schank dairyfarmer Will Seidel said they produced five million litres annually and supplied UDC who announced a \$8.10/kg MS price.

"It is going to be challenging with rising costs," he said.

"We will have to reassess our business model.

"The days of relying on brought in feed are behind us now, we have to be self sufficient."

He said there "had to be some serious step-ups for the longevity of the industry".

"We can't go back to the prices pre 2018-2019 drought because the exodus was huge and at the moment if the rising costs are still there, it's heading that way," he said.

But Mount Torrens dairyfarmer Rodney Herrmann said he and his sharefarmer Ben Wilhelm milk up to 150 Holsteins and produced 1.25 million litres last year.

"We supply a fair part to Tweedvale Dairy at Lobethal and then some to Udder Delights as well," he said.

"We are all per litre and we're around 75c/L and some of it is less freight of course.

"It equates to a good price per milk solids."

He said they were on a 12-month contract which meant they were facing one-on-one negotiations with their processors this month.

"The opening milk prices would be pretty tough," he said.

"We're finding it extremely tough at the moment with buying in a lot of hay and the cost of grain and fertiliser is about the same.

"We're putting a seed in the ground in the hope it'll grow into something good, so all round costs are probably one of the toughest years we've had in 20 years.

"It's not as though we can irrigate, it's all dryland here.

Mr Herrmann said the prices would really test them especially with EPA inspections on the horizon.

"Hopefully because we supply the little boutique companies, they will sort of be more giving there and hopefully honour the price they had last year," he said.

"It would be nice to get a little bit extra but we haven't negotiated that one.

"But if we drop back in price, it would really make it very difficult because it would be like going back a step and in this toughest season that we've had."

He said if farmers were locked into a two or three year contract they would be in a great position.

"But if you're not, it's pretty tough for some of those people," he said.

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