1) Before deregulation (2000) milk farm price was about ½ retail price + any farm milk price increase was justified by an independent survey of increased farm production costs. All sectors of the dairy industry could then make a profit, + their share of the final price reflected their risk. Victorian dairy farmers (the majority in Australia) voted for deregulation in the expectation of getting a bigger share of the whole milk market, and so more money. Instead, dairy farmers in N.S.W (+QLD) were paid at lower levels, closer to Victorian export based prices. Current milk farm prices are 1/3 to ¼ current retail prices (except for $1/litre "milk".
2) The actual price/litre we are receiving at present ranges from 41c to 44c depending on quality + month of the year, this is about the price we received in 1990. Costs are certainly NOT at 1990 levels, especially electricity.
3) The low milk price makes it difficult to farm correctly- not enough profit to afford fertilizers + not enough to replace worn out machinery. Hence, we can't maximise feed growth + we spend too much on repairs.
4) Low milk prices make it very difficult for young farmers to enter the industry- hard to get a loan, + even harder to pay it off. Were both in our seventies + would like to lease our farm to our son, but low milk prices mean there is not enough income to support both families.
5) Constant financial worry leads to much depression + anxiety in dairy farmers- very common. We struggle with debts + are not able to build up a reserve.
6) No company should be able to drop any price retrospectively (it should be made illegal under all circumstances). The company we used to supply (lion through dairy farmer's milk supply co-operative) dropped their uncontracted price to ¼ of the price paid before 1st July 2015 (when new contracts were due) but did not announce this new price for another 2 months. We (and many other farmers) produced milk for this time, only to be paid well below the cost of production for 50% of it. We would not have done this if we knew the actual price the company would pay. It caused very significant losses to the farmers. The company gained by receiving cheap milk for 2 months when it had previously had to pay more while milk was in short supply in winter.
7) It is virtually impossible to change to other milk processors in N.S.W, we've tried. No one wants new suppliers.
8) No milk processor wants to pay more to farmers than any other. Despite running at a profit, Parmalat recently dropped its farm milk price because of this.
9) The $1/litre "milk" campaign made consumers believe milk should be cheap milk prices should not be dictated by the supermarkets (Woolworths, Coles + Aldi). Should milk diluted with whey ("permeate") still be called "milk"? even worse, should dilute almonds, soy or rice be called "milk"?
10) So-called "home" brand named milk + other dairy products should not be allowed. Woolworths does have a very small number of farmer supplies. Coles, to my knowledge, has none. The sae milk should not be discounted, at farmer's expense, just so Coles, Woolworths + others get more customers into their stores.
11) The present low price for milk is less than that of bottled water. It does not reflect its nutritional value.
12) At present, milk travels many miles (interstate) instead of paying the farmer to produce it locally, because local production costs are higher in some areas e.g. S.E Queensland. Milk travels from Victoria to N.S.W (+ the reverse), N.S.W to Southern Queensland, S.A to W.A. etc. These transport costs could be converted to farm milk payments if only local production was used for whole milk.

13) Milk produced in N.S.W + QLD does not supply the dairy export markets, but the price does not reflect its true value on the local whole milk market.
Dairy farmers just want to receive a fair price, fleeting their production costs, so we can maintain a healthy dairy industry in Australia, producing top quality products.