

CHAIRMANS REPORT

Dear Supplier/Shareholders,

The **dry seasonal conditions** have made for a challenging start to the new dairy season. With **limited pasture growth, tightening water availability, and increased pressure on fodder**, many of you have been working through an incredibly demanding period on farm.

We're grateful that **recent rainfall has started to make its way across the region**, offering some much-needed relief. We hope that it has reached your farm and is already encouraging **pasture growth**, and a little light at the end of what has been a difficult stretch.

Despite the environmental pressures, your ongoing commitment to high-quality milk production and efficient farm management continues to highlight the low risk of seasonal dairy farming reflect the strength and resilience of the SWDL community.

Milk Price Update

We can now confirm the finalised milk price for the 2024/25 season is \$8.30/kgMS. This result reflects our ability to remain steady in a volatile market while maintaining our low-cost cooperative model.

Looking forward, the **opening milk price for the 2025/26 season is set at \$9.40/kgMS** – a strong and competitive position given the current market dynamics and aggressive bidding across the sector.

Hay – Expressions of Interest

As part of our proactive seasonal planning, **Russell Moyle is seeking Expressions of Interest (EOI) for hay supply**. If you're looking to replenish your hay reserves, we encourage you to get in touch with Russell directly regarding a **bulk-buy opportunity at a discounted rate**.

Access to reliable, affordable feed will remain a priority as we navigate the ongoing dry conditions.

Welcome to New Suppliers

We are pleased to welcome the following new suppliers to the SWDL family this season:

- **Robert & Theresa Mackenzie**
- **Peter & Lynette Worboys**
- **Lyndon & Janette Rogerson**
- **Neil & Alex McLean**

It's fantastic to have you on board, and we look forward to working together in a way that upholds the cooperative values of fairness, transparency, and community support. Report continued page 3...

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ProviCo Update from Ben Anderson

I recently attended a Market Insights Forum which was hosted by the Australian Dairy Products Federation (ADPF) and included presentations from Steve Spencer, EverAg on global markets, Michael Harvey, Rabobank on domestic markets and Brian Gannon, Gannon Agribusiness on farm. Analytics are an opinion at a point in time but are useful in constructing a view on the status and direction of the dairy markets and industry. I have followed Steve and Michael in particular for many years and feel they have a very good understanding of our industry.

A theme across each of the speakers was 'uncertainty' which is not a new concept in agriculture! Below are some of the key takeouts from each speaker:

Steve Spencer, EverAg on global markets

- Mixed outlook for Oceania commodity prices
- Increasing global supplies
- Cheese market presents greatest risks with vulnerability to increased competition
 - Watch tariff and US economic/policy developments affecting US cheese, and
- Butterfat markets face some mixed influences.

Michael Harvey, Rabobank on domestic markets

- Australia's economy remains reasonably resilient, supported by tight labour market and moderating inflationary pressures
- The squeeze on household income squeeze appears to have bottomed out, though many households still face a challenging path ahead
- Local food inflation has largely normalised
- Consumer dynamics continue to point to trading down and sluggish discretionary spending.

Brian Gannon, Gannon Agribusiness, on farm:

- Conditions have deteriorated in most areas over the last six months
- Feed reserves and cattle condition has deteriorated
- Good spring rains are needed very widely
- Grass growth is poor
- Cashflow pressures showing
- Finance costs are moving in the right direction
- Grain & fertiliser not cheap but readily available
- Confidence is ok at best but season needs to head in the right direction
- Outlook for the season carefully balanced, widespread rain needed in the next two months in the key dairy areas.

Announcements

SWDL Babies

We would like to
Congratulate
Joe & Courtney
on the arrival of
Hunter

Upcoming discussion group

The flyer will be sent out
soon

ProviCo Rural Rebate

The rebate is still
available monthly to any
suppliers who have
invoices, please send
them through to Rachel
by the 15th of the month.

Hay Purchasing

If anyone wishes to be
part of our hay bulk
purchasing, please
contact Russell on
0438 562 592

Farm Diaries

We are currently
finalising the diaries for
next year. If you have any
feedback on the A4 farm
diaries, please let Rachel
know by the end of
August.

Chairmans Report Continued

Connection & Community

In the middle of a **stressful calving season and challenging drought conditions**, creating space to step away from the daily grind is more important than ever.

Last month, around 10 of us shared a relaxed evening at the **Terang Wheatsheaf Hotel** – a simple night of good food, good company, and honest conversation. These moments of connection are invaluable, reminding us that we are not alone in the challenges we face.

We're also proud to have supported a table of SWDL women attending the **Ladies' Luncheon on August 14th**. We hope it offered the chance to laugh, unwind, and celebrate the incredible contribution of women across our farms and families.

Thank you again for your ongoing support of SWDL. Your dedication on farm – through calving, feed shortages, dry days, and everything in between – continues to be the heart of our cooperative.

Please don't hesitate to reach out with questions or suggestions as we head further into the season.

Warm regards,
Brad Couch

SWDL milk intake

May

578,413 Litres
26,375 kg BF
20,274 kg Protein

June

1,522,961 Litres
70,234 kg BF
51,495 kg Protein

July

2,698,322 Litres
111,826 kg BF
89,980 kg Protein

ProviCo/SWDL power initiative

A big thank you to everyone for their patience while we waited for a response from Utilizer that would benefit our suppliers.

We had a total of 20 responses across the SWDL and ProviCo supplier bases, with a total volume of just over 2 million KWh. As a total group, the volume of energy has not generated sufficient interest for the energy retailers to offer a bulk deal. However, Utilizer believe that they can negotiate savings for each supplier on an individual basis which would enable you to get the best deal for your farm.

The offer is not contingent on a minimum number of farmers agreeing to participate and there is no fixed commitment to accept an offer once you commence the evaluation.

Utilizer are engaged by ProviCo to provide guidance on the energy market and negotiate gas and electricity prices. Ben Anderson has explained that within ProviCo they do not have an 'energy expert' and rely heavily on Utilizer to bring a skill to business that provides confidence in the decisions that are being made around energy which are now in excess of \$9m per year.

Suppliers who are interested in taking advantage of this brokerage offer, are asked to complete the form on the below link

[Energy Savings Review form](#)

Once this form is completed, utilizer will approach retailers for the best option, and if a better deal is available, a 10-minute phone call will finalise the process. If you have any questions, or you need any help with the form, please do not hesitate to give Rachel a call.

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Fair and Equal for all farmers