Challenges facing the dairy industry in the next decade

LABOUR

56% of dairy farmers hired overseas labour in the last five years 
(2016 RABDF survey)

63% employed EU labour due to insufficient UK staff availability
(2016 RABDF survey)

only

4% of UK adults would consider all aspects of working on dairy farms acceptable

CONSUMER OPINION

6%
of 14- to 16-year-olds thought dairy cows produced eggs
(British Nutrition survey)

One sixth

of five- to seven-year-olds suggested bacon was the produce of cows, sheep or chickens
(British Nutrition survey)

MILK PRICE

Average GB farmgate milk price

WEATHER

Two thirds

of farmers have noticed an increase in extreme weather 
(2015 NFU survey)

more than

50%
of farm businesses have been affected by severe weather, mostly flooding or very wet conditions 
(2015 NFU survey)

Dairy Farm

of 2027

RELIANCE ON FARM SUBSIDIES

Andermans Friesian Farm (pence per litre)

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
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<tr>
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<td>(result)</td>
<td>(result)</td>
<td>(estimate)</td>
<td>(forecast)</td>
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<tr>
<td>Milk</td>
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<td>23.2</td>
<td>27.9</td>
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<tr>
<td>Culls and calves</td>
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<td>2.6</td>
<td>2.8</td>
<td>2.8</td>
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<td>Output</td>
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<td>Rent and finance</td>
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<td>Cost of production</td>
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<td>Margin from production</td>
<td>-1.2</td>
<td>-0.3</td>
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<td>2.7</td>
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<td>BPS (SPS)</td>
<td>1.6</td>
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<td>1.8</td>
<td>1.7</td>
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<td>Business surplus</td>
<td>0.4</td>
<td>1.5</td>
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<td>4.4</td>
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</table>

During poor milk price, the average dairy farm would not make a profit without subsidies

FEED MARKETS

Monthly soyameal (Hi Pro) ex-store East Coast prices

Monthly UK average ex-farm feed wheat and barley prices

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