

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)

RELIANCE ON FARM SUBSIDIES

Andersons Friesian Farm (pence per litre)

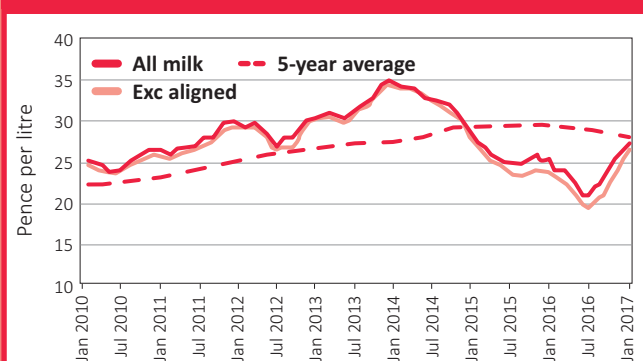
	2015-16 (result)	2016-17 (result)	2017-18 (estimate)	2018-19 (forecast)
Milk	22.7	23.2	27.9	27.1
Culls and calves	2.6	2.6	2.8	2.8
Output	25.3	25.8	30.7	29.9
Variable costs	12.0	11.5	11.9	12.0
Overheads	9.8	9.6	9.8	10.1
Drawings	2.9	3.0	3.1	3.1
Rent and finance	1.8	2.0	2.0	1.9
Cost of production	26.5	26.1	26.9	27.2
Margin from production	-1.2	-0.3	3.8	2.7
BPS (SPS)	1.6	1.8	1.8	1.7
Business surplus	0.4	1.5	5.6	4.4

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

MILK PRICE

SOURCE: DEFRA, RESAS, DAERA, AHDB DAIRY

Average GB farmgate milk price



WEATHER



Two thirds

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

25%

of farmers observed an increase in storms, gales or high winds (2015 NFU survey)

more than **50%**

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

FEED MARKETS

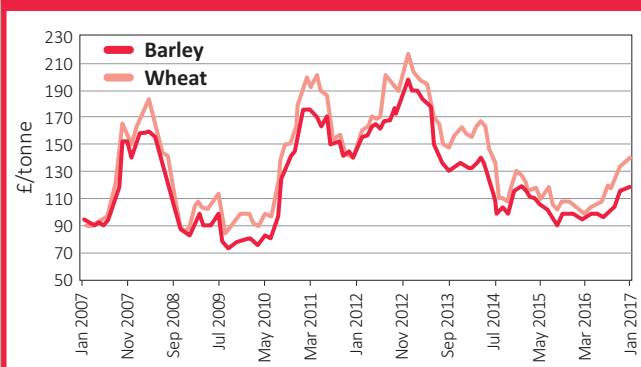
SOURCE: AHDB

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



SOURCE: AHDB CORN RETURNS

Monthly UK average ex-farm feed wheat and barley prices



Dairy Farm of 2027

SPONSORED BY

