Dairying in Gippsland

Approximately 1,330 farms in Gippsland produce 2.03 billion litres of milk per year, accounting for 23% of Australia’s milk production and 34% of Victoria’s.

Physical farm characteristics

- On average, farms in Gippsland increased stocking rate by 6% and milk production per cow reduced by 3%.
- Despite challenging operating conditions, 21 out of 25 farms (84%) had a positive EBIT.
- 746 mm of rainfall received = 85% of long term average. Rainfall ranged between 475 mm and 1,070 mm.
- 100% allocation of high reliability water shares was received in the Macalister Irrigation District.
- Farm profitability was influenced by:
  - 19% increase in milk price to $5.74/kg MS
  - 746 mm of rainfall received = 85% of long term average. Rainfall ranged between 475 mm and 1,070 mm.
  - 100% allocation of high reliability water shares was received in the Macalister Irrigation District.
  - Milk price, seasonal conditions, availability of feed and other factors affected return on total assets.
  - Return on total assets and milk price

Future expectations for 2018-19

- Only 62% of farmers expect business returns to improve.
- Concerns as reported by farmers:

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