

Dairy Farm Monitor Project

2023-24 South West Victoria performance



Dairying in South West Victoria



Approximately **936** dairy farm businesses in South West Victoria produced **1.85 billion litres** of milk in 2023-24, accounting for **34.8%** of Victorian milk production output and **22%** of Australia's milk production.

In 2023-24 farm profitability has been influenced by:



2% ↓ in average milk price to **\$9.59/kg MS**

3% ↑ in total feed costs to **\$4.24/kg MS**

2% ↑ in overhead costs to **\$3.12/kg MS**

Physical farm characteristics

6% ↑



Average herd size
406 cows

Stable



Milk solids sold
528 kg MS/cow

1% pt ↑



Homegrown feed
65% of metabolisable energy consumed



59% of long-term average rainfall. Some months recorded the lowest rainfall on record



0.6 t DM/cow increase in average supplements fed (total 4.3 t DM/cow)



31% decrease in livestock trading profit contributed to lower farm incomes

In 2023-24, nearly all participants (24 of the 25) recorded a positive return on total assets

	2022-23	2023-24
Average EBIT (\$/kg MS)	\$3.24	\$2.40
Average EBIT (total \$/farm)	\$726k	\$557k
Average net farm income (total \$/farm)	\$576k	\$377k
Average return on total assets	6.7%	4.6%
Average return on equity	9.9%	5.6%

Return on total assets and milk price



Future expectations 2024-25



Four-in-five farmers expect business returns to decline

Concerns as reported by farm businesses:



Input costs
19%



Climate
18%



Pasture/fodder
17%