

Dairy Farm Monitor Project

2023-24 Gippsland performance



Dairying in Gippsland



Approximately **1,022 dairy** farm businesses in Gippsland produced **1.91 billion litres** of milk in 2023-24 accounting for **36%** of Victoria's milk production output and **22.8%** of Australia's milk production.

Physical farm characteristics

Stable



Average herd size

339 cows

5% ↑



Milk solids sold

506 kg MS/cow

4% pt ↑



Homegrown feed

64% of metabolisable energy consumed

In 2023-24 farm profitability has been influenced by:



3% ↓ in average milk price to **\$9.34/kg MS**

9% ↓ in total feed costs to **\$3.81/kg MS**

3% ↑ in overhead costs to **\$2.93/kg MS**.



10% increase in homegrown feed (pasture plus conserved) to 7.7 tDM/ha directly grazed and 1.5 tDM/ha conserved

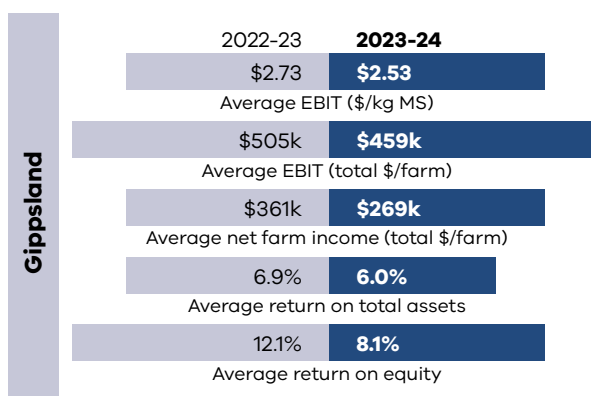


0.1 tDM/cow increase in average supplements fed. Increased homegrown fodder replaced purchased fodder sources

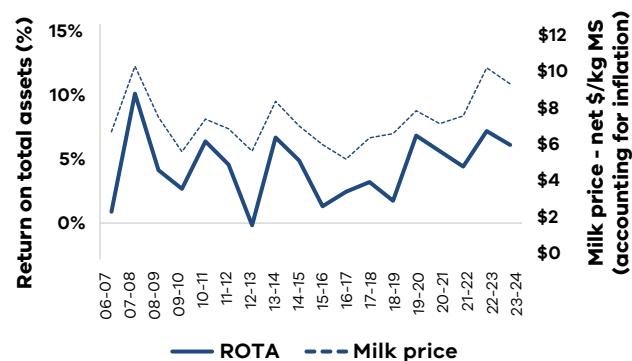


Increased interest and lease costs, driven by larger borrowings and rising interest rates, put additional pressure on farm finances

In 2023-24, 23 of the 25 Gippsland participants (92%) had a positive return on total assets



Return on total assets and milk price



Concerns as reported by farm businesses:



Input costs

19%



Milk price

18%



Pasture/
fodder

16%



Climate/
seasonal
conditions

15%

Future expectations 2024-25



Three-quarters of farmers expect business returns to decline