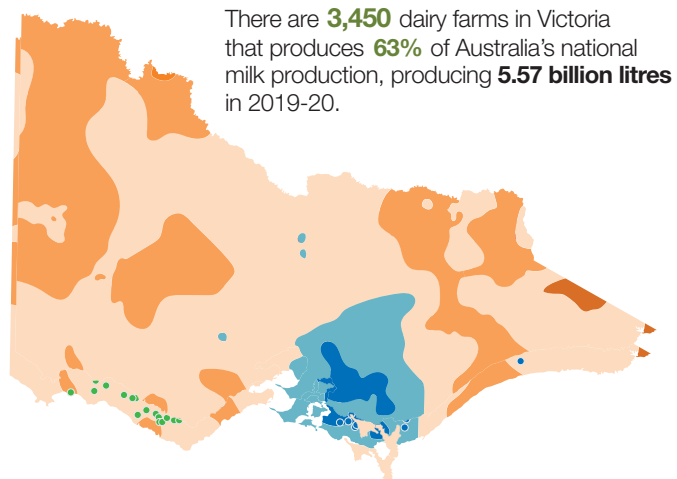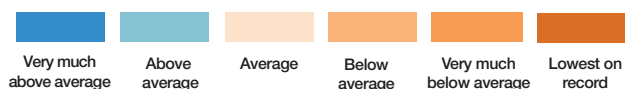# Dairy Farm Monitor Project
2019-20 Victoria Overview

- The Dairy Farm Monitor Project surveys farms across the state to provide industry and government with timely, farm level data for **targeted strategy** and **decision making**.

- Encourages the application of whole farm analysis principles on Victorian farm businesses.

There are **3,450** dairy farms in Victoria that produces **63%** of Australia's national milk production, producing **5.57 billion litres** in 2019-20.

Dairy Farm Monitor Project farm locations 2019-20

- North
- South West
- Gippsland

Rainfall Decile Ranges

| Very much above average | Above average | Average | Below average | Very much below average | Lowest on record |

In 2019-20, profit* was achieved on almost all farms (77 of the 80 farms)

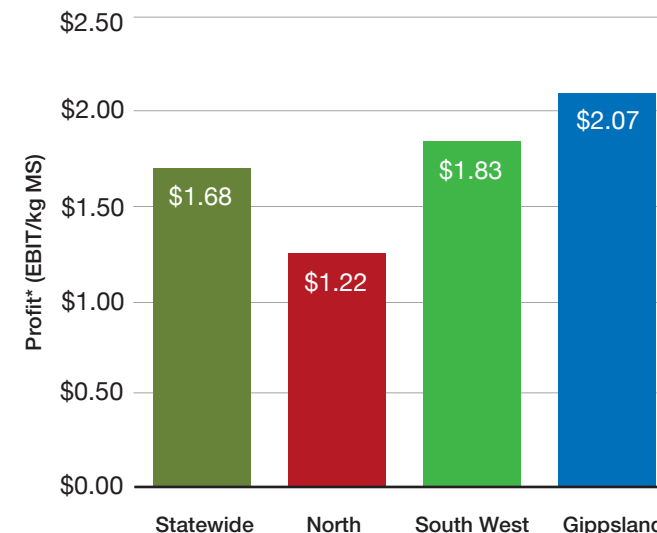| 2018-19	2019-20	
$85k	$346k	Average earnings before interest & tax
$-24k	$243k	Average net farm income
0.7%	5.4%	Average return on total assets
-3.5%	8.3%	Average return on equity

Farm profitability has been influenced by

17% increase in average statewide milk price to **$7.15/kg MS**

- Conditions were generally very dry for the first half of 2019-20 followed by excellent growing conditions in the second half of the financial year.

- Feed and water inventories increased, and farms also increased their use of imported supplements due to the dry first half of the year

↓6%	↑33%	↓26%
Concentrates $1.70/kg MS	Fodder $0.57/kg MS	Irrigation $0.23/kg MS

Farmers adapted to their local seasonal and business conditions in 2019-20 leading to different profits shown across the regions

Profit* (EBIT/kg MS)

Statewide	North	South West	Gippsland
$1.68	$1.22	$1.83	$2.07

*Profit as measured by earnings before interest and tax per kilogram of milk solids

Concerns as reported by farmers

| Input costs | Climate/seasonal conditions | Milk price |

Dairy Australia

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