Dairy Farm Monitor Project
2019-20 Gippsland Victoria Overview

The Dairy Farm Monitor Project provides industry and government with timely, farm level data for developing targeted strategy and decision making.

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

In Gippsland, 25 farms are analysed.

# Dairying in Gippsland

Approximately 1,200 dairy farms in Gippsland produce 1.91 billion litres of milk per year, accounting for 21 per cent of Australia’s milk production and 34 per cent of Victoria’s milk production output.

# Physical farm characteristics

On average, farms in Gippsland maintained the same average herd size but increased per cow milk production from increased homegrown feed availability, with a significant increase in conserved forage.

Average herd size remained stable at 310 cows in 2019-20 compared with the previous year.

Milk solids sold increased 4 per cent to 486 kilogram of milk solids (kg MS)/cow in 2019-20 compared with the previous year.

Homegrown feed production increased to 68 per cent of metabolisable energy consumed.

## Farm performance

## In 2019-20, all 25 Gippsland participants farms (100 per cent) had a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2018-19 | 2019-20 |
| Average earning before interest and tax | $82,000 | $337,000 |
| Average net farm income | -$15,000 | $238,000 |
| Average return on total assets | 1.7% | 6.6% |
| Average return on equity | -2.3% | 12.4% |

**Farm profitability has been influenced by**

16 per cent increase in average milk price to $6.95/kg MS.

994 millimeters of annual average rainfall provided 109 per cent of long-term average annual rainfall.

Feed inventory increased twofold to $0.22/kg MS.

100 per cent allocation of high reliability water shares was received in the Macalister Irrigation District after a lower opening of 75 per cent including drought reserve.

Return on total assets and milk price in 2019-20 were among the highest reported in the 14-years of the project.

Average earnings before interest and tax increased from $0.51/kg MS in 2018-19 to $2.07/kg MS in 2019-20.

## Future expectations

Only 28 per cent of farmers expect business returns to improve; 28 per cent expect them to remain stable.

Concerns as reported by farmers; input costs (17 per cent), climate/seasonal conditions (17 per cent), milk price (15 per cent) and water (15 per cent).

Further information: [www.agriculture.vic.gov.au/dairyfarmmonitor](http://www.agriculture.vic.gov.au/dairyfarmmonitor)

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