Dairy Farm Monitor Project
2020-21 Victoria Overview

The Dairy Farm Monitor Project surveys 80 Victorian dairy farms across the state to provide 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.

**Dairying in Victoria**

There are approximately 3,080 dairy farms in Victoria that produce 5.65 billion litres or 64 per cent of Australia’s national milk production in 2020-21.

# Dairy Farm Monitor Project farm locations 2020-21

Participant farms are spread across the three Victorian dairying regions of northern Victoria, south west Victoria and Gippsland.

The southern regions (south west Victoria and Gippsland) mostly received above average rainfall in 2020-21, with average rainfall received in some parts. Northern Victoria experienced average rainfall during 2020-21.

## Farm performance

## In 2020-21, profit\* was achieved on nearly all farm businesses (75 of the 80 participants)

|  |  |  |
| --- | --- | --- |
|  | 2019-20 | 2020-21 |
| Average earnings before interest and tax | $346,000 | $422,000 |
| Average net farm income | $243,000 | $330,000 |
| Average return on total assets | 5.4% | 5.7% |
| Average return on equity | 8.3% | 8.2% |

\* Profit as measured by earnings before interest and tax

**Farm profitability has been influenced by**

Five per cent decrease in average statewide milk price to $6.76/kg MS.

Annual rainfall across the state was 105 per cent of the long-term average, with generally good conditions across most regions.

Fourteen per cent decrease in feed prices, mostly due to lower purchased feed fed on average, at lower prices.

Concentrates decreased by 13 per cent to $1.48/kg MS.

Fodder purchases decreased by 45 per cent to $0.32/kg MS.

Irrigation costs increased by five per cent to $0.38/kg MS.

Average Victorian profits were the highest since 2013-14. Increased cashflows from improved operating conditions allowed farm businesses to spend money when required; helping to capitalise on the good seasonal conditions and attend to delayed repairs.

|  |  |
| --- | --- |
| **Region** | **Average earnings before interest and tax per kilogram of milk solids**  |
| Statewide | $1.86 |
| North | $1.76 |
| South West | $2.04 |
| Gippsland | $1.78 |

**Concerns as reported by farm businesses:**

Input costs (17 per cent), climate/seasonal conditions (17 per cent), pasture/fodder (15 per cent) and labour (14 per cent).

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

If you would like to receive this publication in an accessible format, telephone 1300 502 656 or email fmp.victoria@agriculture.vic.gov.au

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