Dairy Farm Monitor Project
2019-20 Northern 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 Northern Victoria, 30 farms are analysed.

# Dairying in Northern Victoria

Northern Victoria produced 1.69 billion litres of milk in 2019-20, a further improvement from 2018-19.

Approximately 1,100 dairy farms in the region account for 30 per cent of Victoria’s milk production output and 19 per cent of Australia’s milk production.

# Physical farm characteristics

On average, farms in the North increased average herd size and milk production per cow. There was a significant increase in purchased feed to manage difficult seasonal conditions and high water prices for the first half of 2019-20.

Average herd size increased 5 per cent to 418 cows in 2019-20 compared with the previous year.

Milk solids sold increased 8 per cent to 566 kilogram of milk solids (kg MS)/cow in 2019-20 compared with the previous year.

Homegrown feed production decreased to 50 per cent of metabolisable energy consumed.

## Farm performance

## In 2019-20, 27 of the 30 farms (90 per cent) recorded a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2018-19 | 2019-20 |
| Average earning before interest and tax | $24,000 | $323,000 |
| Average net farm income | -$85,000 | $221,000 |
| Average return on total assets | -1.7% | 4.1% |
| Average return on equity | -7.4% | 3.7% |

**Farm profitability has been influenced by**

16 per cent increase in average milk price to $7.31/kg MS.

Final allocation between 66 per cent and 80 per cent for northern Victoria irrigation systems and high water prices.

A challenging start to the season led to a significant 47 per cent increase in quantity of purchased feed fed per milker on the milking area.

Fodder purchase cost increased by 57 per cent to $1.23 per kilogram of milk solids (kg MS) with a 7 per cent decrease in concentrate costs to $1.67/kg MS.

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 -$0.45/kg MS in 2018-19 to $1.22/kg MS in 2019-20.

## Future expectations

Around 63 per cent expect business returns to improve, and a further 17 per cent expect business returns to stabilise.

Concerns as reported by farmers; input costs (18 per cent), climate/seasonal conditions (18 per cent) and water (16 per cent).

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

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