Dairy Farm Monitor Project   
2020-21 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 1,100 dairy farm businesses in Gippsland produced 2.00 billion litres of milk in 2020-21, accounting for 36 per cent of Victoria’s milk production output and 23 per cent of Australia’s milk production.

# Physical farm characteristics

On average, farm businesses in Gippsland maintained herd size and milk production, per cow and per hectare. Wet conditions, particularly in south and west Gippsland, contributed to the lower homegrown feed production and economic performance.

Average herd size remained stable at 308 cows in 2020-21 compared with the previous year.

Milk solids sold remained stable at 485 kilogram of milk solids (kg MS)/cow in 2020-21 compared with the previous year.

Homegrown feed production decreased to 66 per cent of metabolisable energy consumed in 2020-21.

## Farm performance

## In 2020-21, 22 of the 25 Gippsland participants (88 per cent) had a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2019-20 | 2020-21 |
| Average earnings before interest and tax | $337,000 | $300,000 |
| Average net farm income | $238,000 | $220,000 |
| Average return on total assets | 6.6% | 5.4% |
| Average return on equity | 12.4% | 8.0% |

**Farm profitability was influenced by**

Six per cent decrease in average milk price to $6.54/kg MS.

936 millimeters (mm) of rainfall or 106 per cent of long-term average; ranging between 684 mm and 1,180 mm.

100 per cent of high reliability water share and low reliability water share in the Macalister Irrigation District, with spill entitlement.

Six per cent decrease in feed costs due to lower feed prices, greater fodder reserves on-hand, and less purchased irrigation water used.

Return on total assets and milk price in 2020-21 were among the highest reported in the 15-years of the project.

Average earnings before interest and tax decreased from $2.07/kg MS in 2019-20 to $1.78/kg MS in 2020-21.

## Future expectations 2021-22

Of those who commented, 66 per cent expect business returns to increase and about 33 per cent expect them to stabilise.

Concerns as reported by farm businesses; milk price (18 per cent), pasture/fodder (17 per cent), input costs (16 per cent) and climate/seasonal conditions (14 per cent).

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

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