Dairy Farm Monitor Project
2019-20 South West 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 South West Victoria, 25 farms are analysed.

# Dairying in South West Victoria

Approximately 1,150 farms in South West Victoria produce 2.01 billion litres of milk per year, accounting for 36% of Victorian milk output and 23% of national milk output.

# Physical farm characteristics

On average, participant farms in the South West maintained herd size but increased per cow milk production.

Average herd size remained stable at 369 cows in 2019-20 compared with the previous year.

Milk solids sold increased 5 per cent to 516 kg MS/cow in 2019-20 compared with the previous year.

Homegrown feed production remained stable at 68 per cent of metabolizable energy consumed

## Farm performance

## In 2019-20, all 25 South West participants had a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2018-19 | 2019-20 |
| Average earning before interest and tax | $150,000 | $382,000 |
| Average net farm income | $27,000 | $273,000 |
| Average return on total assets | 1.9% | 5.8% |
| Average return on equity | -0.8% | 9.6% |

**Farm profitability has been influenced by**

16 per cent increase in average milk price to $7.16/kg MS.

92 per cent of long-term average rainfall received supported good pasture and crop growth.

8 per cent decrease in feed costs as farms fed less silage an built their feed inventory despite an increase in fertilizer costs.

Farmers attended to deferred repairs and maintenance and reduced debt from improved cash flow.

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 $0.71/kg MS in 2018-19 to $1.83/kg MS in 2019-20.

## Future expectations

32 per cent of farmers expect business returns to improve; 48 per cent believe they will remain stable.

Concerns as reported by farmers; milk price (18 per cent), input costs (18 per cent), pasture/fodder (15 per cent) and climate/seasonal conditions (15 per cent).

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

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