Dairy Farm Monitor Project
2021-22 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 1,030 dairy farm businesses in South West Victoria produced 1.91 billion litres of milk in 2021-22, accounting for 35 per cent of Victorian milk production output and 22 per cent of Australia's milk production.

# Physical farm characteristics

More cows were milked at similar production per cow leading to an increase in average total milk production. Greater quantities of supplements were fed as lower quantities of homegrown feed were harvested.

## Farm performance

## In 2021-22, nearly all participants (24 of the 25) recorded a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2020-21 | 2021-22 |
| Average earnings before interest and tax dollars per kilogram of milk solids sold | $2.04 | $1.71 |
| Average earnings before interest and tax | $449,000 | $376,000 |
| Average net farm income | $355,000 | $87,000 |
| Average return on total assets | 5.5% | 3.9% |
| Average return on equity | 9.1% | 5.5% |

# Farm profitability has been influenced by

Eleven per cent increase in average milk price to $7.39/kg MS

Thirteen per cent increase in herd and shed costs to $0.65/kg MS

Forty per cent increase in total feed costs to $3.47/kg MS

Eight per cent increase in overhead costs to $2.90/kg MS

Fourteen per cent decrease in homegrown pasture and conserved feed due to adverse (wet) seasonable conditions

 A 0.7 t DM/cow increase in average supplements fed (total 4.4 t DM/cow)

 Highest total costs (variable and overhead) in 16 years of DFMP

# Future expectations 2022-23

Two thirds of farmers expect business returns to improve.

Concerns as reported by farm businesses; input costs (18 per cent), milk price (17 per cent), and succession planning (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)

If you would like to receive this publication in an accessible format, telephone 136 186 or email fmp.victoria@agriculture.vic.gov.au

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