#### Dairy Farm Monitor Project

#### 2022-23 Gippsland Performance

#### Dairying in Gippsland

****Approximately **1,027** dairy farm businesses in Gippsland produced **1.82 billion litres** of milk in 2022-23 accounting for **35%** of Victoria’s milk production output and **22%** of Australia's milk production.

#### Physical farm characteristics

South and west Gippsland had an increase in average herd size and milk production per cow. The Macalister Irrigation District (MID) observed an increase in milking herd size but decreased milk production per cow and per hectare. This was matched with a decline in the quantity of directly grazed pasture, with a minor increase in conserved feed in the MID, although there was good irrigation water availability. Labour efficiency dropped across farms in the region.

|  |  |  |
| --- | --- | --- |
| **7%** | **2%** | **4%** |
| Icon coloured  dark blue showing a milking cow. | Icon coloured dark blue showing a milk bottle with two overlapping squares on the label representing milk production | Icon coloured dark blue showing two overlapping plant stems. |
| **Average herd size** | **Milk solids sold** | **Homegrown feed** |
| **344 cows** | **481 kg MS/cow** | **60% of metabolisable energy consumed** |

#### In 2022-23, 24 of the 25 Gippsland participants (96%) had a positive return on total assets

Graph showing Gippsland participants comparative average data between 2021-22 and 2022-23. This data is available in the Historical Appendix tables. 

#### In 2022-23 farm profitability has been influenced by:

**Icon coloured dark blue showing a milk bottle with an upwards arrow on the label. 35%** increase in average milk price to **$9.63/kg MS**

**11%** in herd and shed costs to **$0.71/kg MS**

**25%** in total feed costs to **$4.19/kg MS**

**9%** in overhead costs to **$2.83/kg MS.**

  
4% decrease in homegrown feed (pasture plus conserved) due to wet conditions

0.2 t DM/cow increase in average supplements fed (increased to 3.0 t DM/cow) at higher unit prices

Highest total ($/kg MS) costs (variable and overhead) in 17 years. Largest contributors were elevated grain and fodder prices.

#### Return on total assets and milk price

#### Future expectations 2023-24

|  |  |
| --- | --- |
| Icon coloured dark blue showing a milk bottle with a dollar sign on it | **Three quarters** of farmers expect business returns to stabilise |

#### Concerns as reported by farm businesses:

|  |  |  |  |
| --- | --- | --- | --- |
| Icon coloured dark blue showing a person. | Icon coloured dark blue showing a milk bottle with a dollar sign on the front. | Icon coloured dark blue showing a sun | Icon coloured dark blue showing a hay bale |
| **18%** | **18%** | **16%** | **16%** |