Dairy Farm Monitor Project
2021-22 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 1,085 dairy farm businesses in Gippsland produced 1.92 billion litres of milk in 2021-22 accounting for 35 per cent of Victoria’s milk production output and 23 per cent of Australia's milk production.

# Physical farm characteristics

On average, herd size increased and per farm milk production increased, despite milk production decreasing per cow as participants were challenged to manage adverse seasonal conditions (predominantly in south and west Gippsland). Wet conditions resulted in decreased homegrown grazed pasture and poorer quality conserved feed, resulting in lower profitability in 2021-22. Irrigation water use in the Macalister Irrigation District was significantly lower (59 per cent) than the previous year due to adequate rainfall.

# Farm performance

### In 2021-22, 21 of the 25 Gippsland participants (84 per cent) had a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2020-21 | 2021-22 |
| Average earnings before interest and tax dollars per kilogram of milk solids sold | $1.78 | $1.43 |
| Average earnings before interest and tax | $300,000 | $273,000 |
| Average net farm income | $220,000 | $188,000 |
| Average return on total assets | 5.4% | 4.2% |
| Average return on equity | 8.0% | 6.2% |

# Farm profitability was influenced by

Nine per cent increase in average milk price to $7.15/kg MS.

Twenty per cent increase in herd costs to $0.40/kg MS

Two per cent increase in shed costs to $0.24/kg MS

Twenty-six per cent in total feed costs to $3.34/kg MS

Sixteen per cent increase in overhead costs to $2.59/kg MS

Ten per cent decrease in homegrown pasture while homegrown conserved feed was around the same.

 A 0.3 t DM/cow increase in average supplements fed (total 3.1 t DM/cow)

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

# Future expectations 2021-22

Of the farmers who responded, 80 per cent of farmers expect business returns to improve or remain stable

Concerns as reported by farm businesses; input costs (20 per cent), milk price (16 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)

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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