Dairy Farm Monitor Project
2020-21 Northern 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 Northern Victoria, 30 farms are analysed.

# Dairying in Northern Victoria

Approximately 915 dairy farm businesses in Northern Victoria produced 1.67 billion litres of milk in 2020-21, accounting for 30 per cent of Victoria’s milk production output and 19 per cent of Australia’s milk production.

# Physical farm characteristics

On average, farm businesses in the North increased stocking rate and milk production per cow was stable while there was a decrease in purchased feed owing to favourable seasonal conditions and lower water prices.

Average stocking rate increased by eight per cent to 1.7 cows per hectare in 2020-21 compared to the previous year.

Milk solids sold remained stable at 572 kilogram of milk solids (kg MS) per cow in 2020-21 compared to the previous year.

Homegrown feed as a percentage of metabolisable energy consumed increased to 55 per cent in 2020-21 compared to the previous year.

## Farm performance

## In 2020-21, 29 of the 30 farms (97 per cent) recorded a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2019-20 | 2020-21 |
| Average earnings before interest and tax | $330,000 | $500,000 |
| Average net farm income | $221,000 | $401,000 |
| Average return on total assets | 4.1% | 6.0% |
| Average return on equity | 3.7% | 7.5% |

**Farm profitability has been influenced by**

Four per cent decrease in average milk price to $7.02/kg MS.

435 millimetres of rainfall received; 91 per cent of long-term average rainfall received. 100 per cent high reliability water shares in all irrigation systems by the end of the year.

Sixteen per cent decrease in feed costs ($3.34/kg MS) mainly driven by a 27 per cent decrease in purchased feed and agistment.

Seventy-three per cent increase in water and fodder reserves as part of risk management strategies for high input costs in the future.

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 increased from $1.22/kg MS in 2019-20 to $1.76/kg MS in 2020-21.

## Future expectations 2021-22

Surveyed farmers in the North were optimistic, with 87 per cent expecting their business returns to improve, and the balance to remain stable.

Concerns as reported by farm businesses; climate/seasonal conditions (19 per cent), input costs (17 per cent), labour (15 per cent) and pasture/fodder (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 1300 502 656 or email fmp.victoria@agriculture.vic.gov.au

**Dairy Farm Monitor Project is provided with funding and support from the Victorian Government and Dairy Australia.**