Dairy Farm Monitor Project
2020-21 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 1,070 dairy farm businesses in South West Victoria produced 1.97 billion litres of milk in 2020-21, accounting for 35 per cent of Victorian milk production output and 22 per cent of Australia’s milk production.

**Physical farm characteristics**

Over half the participants (16 farms) increased their per cow milk production from milking more cows and increased feed intake.

Average herd size remained stable at 373 cows in 2020-21 compared with the previous year.

Milk solids sold increased two per cent to 526 kg MS/cow in 2020-21 compared with the previous year.

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

## Farm performance

## In 2019-20, almost all, 24 of the 25 participants in the South West, had a positive return on total assets

|  |  |  |
| --- | --- | --- |
|  | 2019-20 | 2020-21 |
| Average earnings before interest and tax | $382,000 | $449,000 |
| Average net farm income | $273,000 | $355,000 |
| Average return on total assets | 5.8% | 5.5% |
| Average return on equity | 9.6% | 9.1% |

**Farm profitability has been influenced by**

Seven per cent decrease in average milk price to $6.68/kg MS.

878 millimeters of rainfall received

110 per cent of long-term average rainfall supported good pasture and crop growth and many farms harvested more homegrown feed.

Forty per cent increase in livestock trading profit, largely from cattle sales into buoyant domestic and export markets.

Sixteen per cent decrease in total feed costs from lower input prices and reduced spending on pasture improvements and cropping.

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 $1.83/kg MS in 2019-20 to $2.04/kg MS in 2020-21.

## Future expectations 2020-21

Three quarters of farmers expect business returns to improve.

Concerns as reported by farm businesses; input costs (17 per cent), milk price (15 per cent), succession planning (15 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 1300 502 656 or email fmp.victoria@agriculture.vic.gov.au

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