Dairy Farm Monitor Project
2019-20 Victoria Overview

The Dairy Farm Monitor Project surveys farms across the state to provide 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.

There are 3,450 dairy farms in Victoria that produces 63 per cent of Australia’s national milk production, producing 5.57 billion litres in 2019-20.

# Dairy Farm Monitor Project farm locations 2019-20

Participant farms are spread across the three Victorian dairying regions of northern Victoria, south west Victoria and Gippsland.

Most of the state received average to below average rainfall during 2019-20, except for south and west Gippsland which received above average to very much above average for the 12 months.

## Farm performance

## In 2019-20, profit\* was achieved on almost all farms (77 of the 80 farms)

|  |  |  |
| --- | --- | --- |
|  | 2018-19 | 2019-20 |
| Average earnings before interest and tax | $85,000 | $346,000 |
| Average net farm income | -$24,000 | $243,000 |
| Average return on total assets | 0.7% | 5.4% |
| Average return on equity | -3.5% | 8.3% |

\* Profit as measured by earnings before interest and tax

**Farm profitability has been influenced by**

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

Conditions were generally very dry for the first half of 2019-20 followed by excellent growing conditions in the second half of the financial year.

Feed and water inventories increased, and farms also increased their use of imported supplements due to the dry first half of the year.

Concentrates decreased by 6 per cent to $1.70/kg MS.

Fodder purchases increased by 33 per cent to $0.57/kg MS.

Irrigation costs decreased by 26 per cent to $0.23/kg MS.

**Farmers adapted to their local seasonal and business conditions in 2019-20 leading to different profits shown across the regions.**

|  |  |
| --- | --- |
| Region | Average earnings before interest and tax per kilogram of milk solids  |
| Statewide | $1.68 |
| North | $1.22 |
| South West | $1.83 |
| Gippsland | $2.07 |

**Concerns as reported by farmers**

18 per cent of respondents noted input costs was a major concern in the coming 12 months, followed by 17 per cent for climate/seasonal conditions and 15 per cent for milk price.

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, such as large print or audio, telephone 138 186 or email fmp.victoria@agriculture.vic.gov.au

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