Dairy Farm Monitor Project
2019-20 South West Victoria Overview

The Dairy Farm Monitor Project provides industry and government with timely, farm level data for 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 1,150 farms in South West Victoria produce 2.01 billion litres of milk per year, accounting for 36% of Victorian milk output and 29% of national milk output.

Physical farm characteristics

On average, participant farms in the South West maintained herd size but increased per cow milk production.

<table>
<thead>
<tr>
<th>Average herd size</th>
<th>Homegrown feed</th>
<th>Milk solids sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>369 cows</td>
<td>68%</td>
<td>516 kg MS/cow</td>
</tr>
</tbody>
</table>

Farm profitability was influenced by

- 16% increase in milk price to $7.16/kg MS
- 92% of long term average rainfall received supported good pasture and crop growth
- 8% decrease in feed costs as farms fed less silage and built their feed inventory despite an increase in fertiliser costs
- Farmers attended to delayed repairs and maintenance and reduced debt from improved cash flow

In 2019-20, all 25 South West participants had a positive return on total assets

<table>
<thead>
<tr>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150k</td>
<td>$382k</td>
</tr>
<tr>
<td>$27k</td>
<td>$273k</td>
</tr>
<tr>
<td>1.9%</td>
<td>5.8%</td>
</tr>
<tr>
<td>- 0.8%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

Average EBIT increased from $0.71/kg MS in 2018-19 to $1.83/kg MS in 2019-20

Future expectations 2020-21

- 32% of farmers expect business returns to improve; 48% believe they will remain stable
- 16% increase in milk price to $7.16/kg MS
- 92% of long term average rainfall received supported good pasture and crop growth
- 8% decrease in feed costs as farms fed less silage and built their feed inventory despite an increase in fertiliser costs
- Farmers attended to delayed repairs and maintenance and reduced debt from improved cash flow

Concerns as reported by farmers

- Milk price
- Input costs
- Pasture/fodder
- Climate/seasonal conditions

If you would like to receive this publication in an accessible format, such as large print or audio, telephone 136 186 or email fmp.victoria@agriculture.vic.gov.au