The Dairy Farm Monitor Project surveys farms across the state to provide 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 2019-20, profit* was achieved on almost all farms (77 of the 80 farms)

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average EBIT/kg MS</td>
<td>$85k</td>
<td>$346k</td>
</tr>
<tr>
<td>Average net farm income</td>
<td>$243k</td>
<td>$243k</td>
</tr>
<tr>
<td>Average return on total assets</td>
<td>0.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Average return on equity</td>
<td>-3.5%</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

Farm profitability has been influenced by

- 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.

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

Profit* (EBIT/kg MS)

- Statewide: $1.68
- North: $1.22
- South West: $1.83
- Gippsland: $2.07

*Profit as measured by earnings before interest and tax per kilogram of milk solids

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

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