Dairy Farm Monitor Project
2022-23 Northern Victoria performance

Dairying in Northern Victoria
Approximately 805 dairy farm businesses in Northern Victoria produced 1.48 billion litres of milk in 2022-23, accounting for 29% of Victoria’s milk production output and 18% of Australia’s milk production.

Physical farm characteristics
- Average herd size: 436 cows
- Milk solids sold: 542 kg MS/cow
- Homegrown feed: 54% of metabolisable energy consumed

In 2022-23 28 out of 30 participants recorded a positive return on total assets

<table>
<thead>
<tr>
<th>Northern Victoria</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average EBIT ($/kg MS)</td>
<td>$1.72</td>
<td>$2.87</td>
</tr>
<tr>
<td>Average EBIT (total $/farm)</td>
<td>$384k</td>
<td>$617k</td>
</tr>
<tr>
<td>Average net farm income (total $/farm)</td>
<td>$295k</td>
<td>$487k</td>
</tr>
<tr>
<td>Average return on total assets</td>
<td>6.3%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Average return on equity</td>
<td>2021-22</td>
<td>2022-23</td>
</tr>
<tr>
<td>Average EBIT ($/kg MS)</td>
<td>$1.71</td>
<td>$3.24</td>
</tr>
<tr>
<td>Average EBIT (total $/farm)</td>
<td>$287k</td>
<td>$576k</td>
</tr>
<tr>
<td>Average net farm income (total $/farm)</td>
<td>3.9%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Average return on total assets</td>
<td>5.5%</td>
<td>9.9%</td>
</tr>
</tbody>
</table>
| Average return on equity

Future expectations 2023-24
Nine-in-ten are optimistic their business returns will improve and 10% expect business returns to remain stable.

In 2022-23 farm profitability was influenced by:
- 31% ↑ in average milk price to $9.84/kg MS
- 6% ↑ in herd and shed costs to $0.66/kg MS
- 31% ↑ in total feed costs to $4.70/kg MS
- 15% ↑ in overhead costs to $2.93/kg MS.
- 9% decrease in homegrown feed (pasture grazed plus conserved) due to wet conditions and flood impacts
- 0.3 t DM/cow decrease in average supplements fed (total 5.4 t DM/cow)
- 3rd highest total costs (variable and overhead) in 17 years of DFM

Concerns as reported by farm businesses
- Climate: 20%
- Input Costs: 18%
- Pasture/fodder: 17%

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