

Dairy Farm Monitor Project 2020-21 Gippsland 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 Gippsland, **25 farms** were analysed.

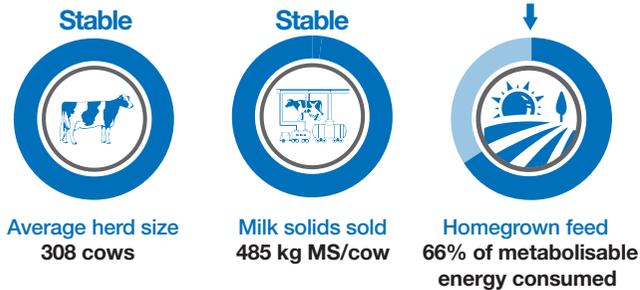
Dairying in Gippsland



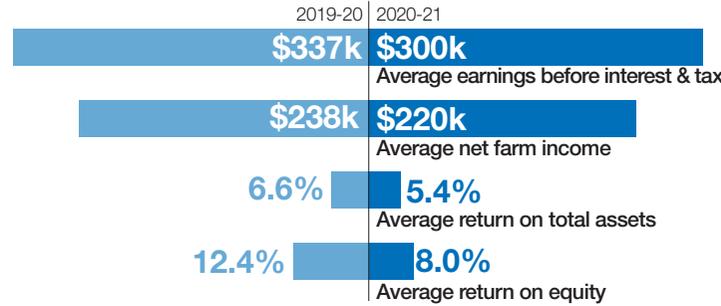
Approximately **1,100** dairy farm businesses in Gippsland produced **2.00 billion litres** of milk in 2020-21, accounting for **36%** of Victoria's milk production output and **23%** of Australia's milk production.

Physical farm characteristics

On average, farm businesses in Gippsland maintained herd size and milk production, per cow and per hectare. Wet conditions, particularly in south and west Gippsland, contributed to the lower homegrown feed production and economic performance.



In 2020-21, 22 of the 25 Gippsland participants (88%) had a positive return on total assets



Farm profitability was influenced by



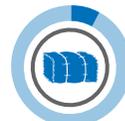
6% decrease in average milk price to \$6.54/kg MS



936 mm of rainfall received = 106% of long term average; ranging between **684 mm** and **1,180 mm**.

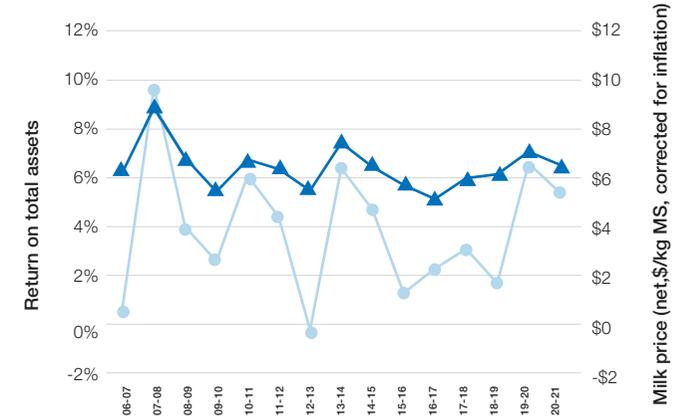


100% HRWS and LRWS in the Macalister Irrigation District, with spill entitlement.



6%↓ feed costs due to lower feed prices, greater fodder reserves on-hand, and less purchased irrigation water used.

Return on total assets and milk price



● Return on total assets ▲ Milk price (net)

Average EBIT decreased from \$2.07/kg MS in 2019-20 to \$1.78/kg MS in 2020-21.

Future expectations 2021-22



Of those farmers who commented, **66%** expect business returns to increase and about **33%** expect them to stabilise.

Concerns as reported by farm businesses:



Milk price



Pasture/fodder



Input costs



Climate/
seasonal
conditions