Dairy Farm Monitor Project
2020-21 Victoria Overview

- The Dairy Farm Monitor Project surveys 80 Victorian dairy farms 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.

Dairying in Victoria

There are approximately 3,080 dairy farm businesses in Victoria that produce 5.65 billion litres or 64% of Australia’s national milk production in 2020-21.

Dairy Farm Monitor Project farm locations 2020-21
- North
- South West
- Gippsland

Rainfall Decile Ranges
- Very much above average
- Above average
- Average
- Below average
- Very much below average
- Lowest on record

In 2020-21, profit* was achieved on nearly all farm businesses (75 of the 80 participants)

<table>
<thead>
<tr>
<th>Statistical Measure</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average earnings before interest &amp; tax</td>
<td>$346k</td>
<td>$422k</td>
</tr>
<tr>
<td>Average net farm income</td>
<td>$243k</td>
<td>$330k</td>
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<tr>
<td>Average return on total assets</td>
<td>5.4%</td>
<td>5.7%</td>
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<tr>
<td>Average return on equity</td>
<td>8.3%</td>
<td>8.2%</td>
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</tbody>
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Farm profitability has been influenced by

- 5% decrease in average statewide milk price to $6.76/kg MS
- Annual rainfall across the state was 105% of the long-term average, with generally good conditions across most regions.
- 14% decrease in feed prices, mostly due to lower purchased feed fed on average, at lower prices.

Average Victorian profits were the highest since 2013-14. Increased cashflows from improved operating conditions allowed farm businesses to spend money when required; helping to capitalise on the good seasonal conditions and attend to delayed repairs.

Concerns as reported by farm businesses:

- Input costs
- Climate/seasonal conditions
- Milk price
- Labour

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