

# Dairy Farm Monitor Project

## 2020-21 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** were analysed.

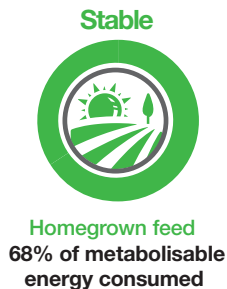
### Dairying in South West Victoria



Approximately **1,070** dairy farm businesses in South West Victoria produced **1.97 billion litres** of milk in 2020-21, accounting for **35%** of Victorian milk production output and **22%** of Australia's milk production.

### Physical farm characteristics

Over half the participants (**16 farms**) increased their per cow milk production from milking more cows and increased feed intake.



In 2020-21, almost all, 24 of the 25 participants in the South West, had a positive return on total assets

2019-20	2020-21
\$382k	\$449k
Average earnings before interest & tax	
\$273k	\$355k
Average net farm income	
5.8%	5.5%
Average return on total assets	
9.6%	9.1%
Average return on equity	

Farm profitability was influenced by



**7% decrease in average milk price to \$6.68/kg MS**



**878mm of rainfall received**  
**110%** of long-term average rainfall supported good pasture and crop growth and many farms harvested more homegrown feed.

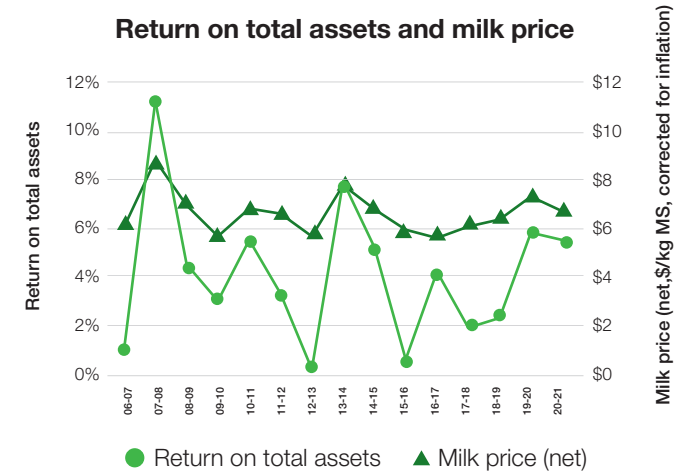


**40% ↑** in livestock trading profit, largely from cattle sales into buoyant domestic and export markets.



**16% ↓** in total feed costs from lower input prices and reduced spending on pasture improvements and cropping.

### Return on total assets and milk price



Average EBIT increased from \$1.83/kg MS in 2019-20 to \$2.04/kg MS in 2020-21

### Future expectations 2021-22



**Three-quarters** of farmers expect business returns to improve.

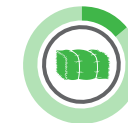
Concerns as reported by farm businesses:



Input costs



Milk price



Succession Planning



Climate/seasonal conditions