

Dairy Farm Monitor Project

2019-20 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** are analysed.

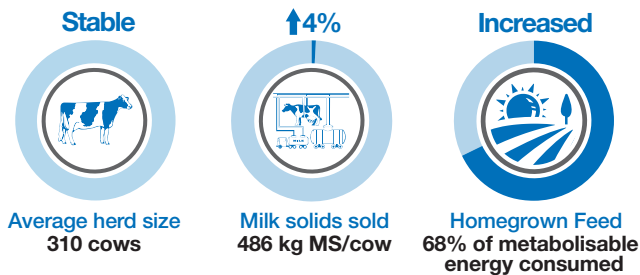
Dairying in Gippsland



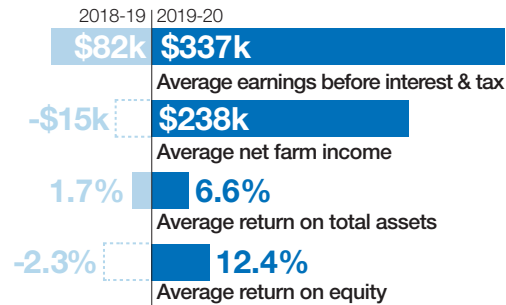
Approximately **1,200** farms in Gippsland produce **1.91 billion litres** of milk per year, accounting for **21%** of Australia's milk production and **34%** of Victoria's milk production output.

Physical farm characteristics

On average, farms in Gippsland maintained the same average herd size but increased per cow milk production from increased homegrown feed availability, with a significant increase in conserved forage.



In 2019-20, all 25 Gippsland participant farms (100%) had a positive return on total assets



Farm profitability was influenced by



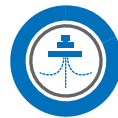
16% increase in milk price to \$6.95/kg MS



994mm of annual rainfall provided **109%** of long-term average annual rainfall

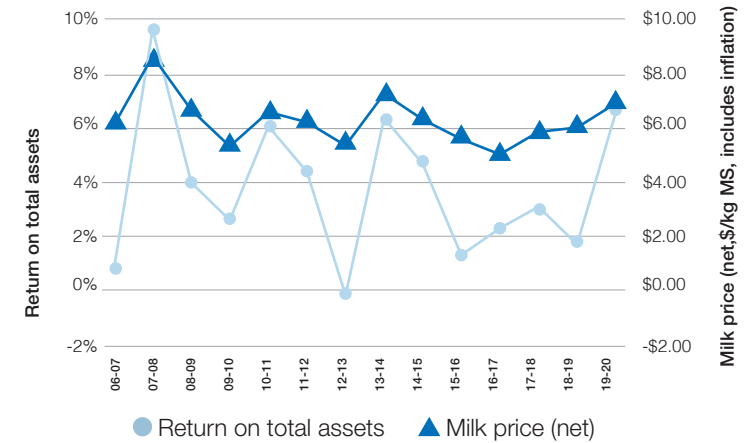


Feed inventory increased twofold to **\$0.22/kg MS**



100% allocation of high reliability water shares was received in the Macalister Irrigation District after a lower opening of **75%** including drought reserve

Return on total assets and milk price



Average EBIT increased from \$0.51/kg MS last year to \$2.07/kg MS in 2019-20

Future expectations 2020-21



Only **28%** of farmers expect business returns to **improve**; **28%** expect them to remain stable.

Concerns as reported by farmers



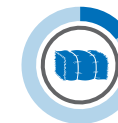
Input costs



Climate/seasonal conditions



Milk price



Pasture/fodder