

## Dairy 2010 Situation and Outlook

Fact Sheet:

### A snapshot of the Gippsland dairy industry

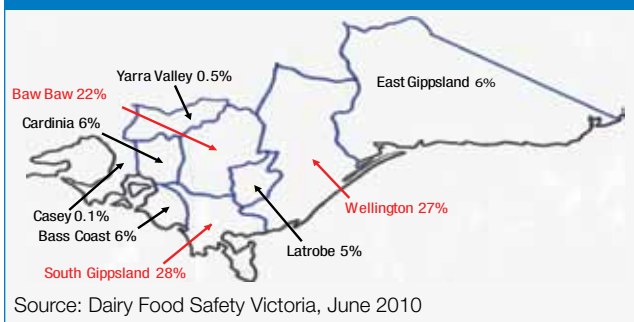
Each year, Dairy Australia surveys 1,000 dairy farmers nationally, as part of Situation and Outlook. From this, 190 farmers from Gippsland were interviewed. This factsheet outlines the results from the 2010 survey.

#### Gippsland dairy region

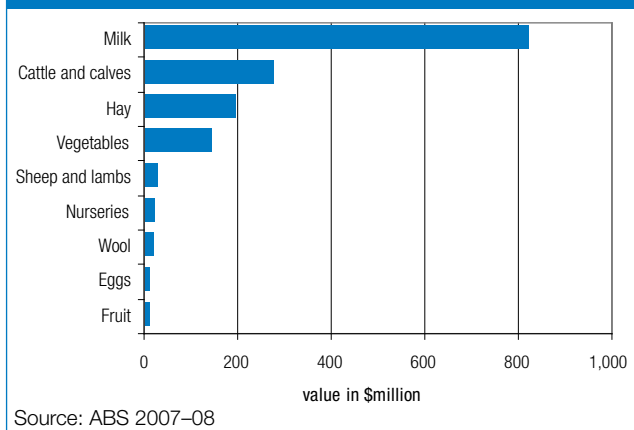
In 2009/10, the Gippsland dairy industry:

- produced 1.99 billion litres of milk, which was 22 per cent of national milk output and had an estimated farmgate value of \$658 million.
- was the biggest agricultural contributor to the Gippsland economy, and was one of the largest dairying areas in Australia.
- directly employed around 6,800 people in farming and processing.
- grew 70 per cent of the energy needed for milk production from ryegrass pastures.
- had 30 per cent of farms on irrigation systems, 23 per cent of farms in low rainfall areas and 47 per cent of farms in high rainfall areas.
- supplied 16 dairy factories with milk. Large dairy processors include Murray Goulburn Co-operative, Fonterra, Burra Foods, Longwarry Food Park, National Foods and Parmalat. Other speciality businesses produce a wide range of high quality cheeses and other value added dairy products.

#### Where are Gippsland's 1699 farms?



#### Value of agricultural production in Gippsland





### Individual dairy farms

The 190 Gippsland farmers surveyed provided figures to give averages of:

- a herd size of 265 cows and a milking area of 130 hectares per holding.
- farm milk solids production (fat and protein) of 115,365 kg per herd.
- milk production of 1,541,300 litres per herd and 5,673 litres per cow (weighted average).
- grain use of 1.4 tonnes per cow compared to 1.33 tonnes in the previous year.

Additional results from the survey showed that:

- 63 per cent of farmers undertook some capital investment, mainly in machinery, dairy plant and fencing.
- 94 per cent of land set up for irrigation was actually watered, compared with 84 per cent in 2008/09.
- 95 per cent of farmers purchased grain as required, compared with 85 per cent in 2008/09. 6 per cent forward contracted for later delivery, and 8 per cent bought grain and stored it on farm.
- 24 per cent of herds had a period where they did not graze pasture, which was significantly down from 38 per cent in 2008/09.
- 14 per cent of the Gippsland herd was culled and 2 per cent was sold.
- 74 per cent of farmers were 'fairly to very' positive about their local industry, compared with a national average of 64 per cent.
- milk price was nominated as the main challenge currently being faced by 59 per cent of respondents
  - 41 per cent of respondents believe the main challenge in future will be milk price
  - 14 per cent believe it will be the effects of a changing climate.

### Milk production outlook, 2010/11

It is anticipated that (i) milk production will increase by nearly 1 per cent, (ii) the number of cows milked will increase by 2.7 per cent and (iii) two-thirds of farms plan to increase production, while 5 per cent expect to reduce production.

In three years, 50 per cent of farms expect to be producing more milk, 39 per cent of farmers will have production near current levels and 7 per cent do not expect to be in business.

#### GippsDairy and Dairy Australia:

- aim to build a sustainable and internationally competitive dairy industry for the benefit of farmers.
- deliver the best possible dairy research, development, extension and industry services across the supply chain.
- are funded by a combination of farmer levy, Government and leveraged funds.

GippsDairy is one example of Your Levy at Work.

For information about local levy investments, visit [www.gippsdairy.com.au](http://www.gippsdairy.com.au) or call on 03 5624 3900.

For information about national levy investments, visit [www.dairyaustralia.com.au](http://www.dairyaustralia.com.au)

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