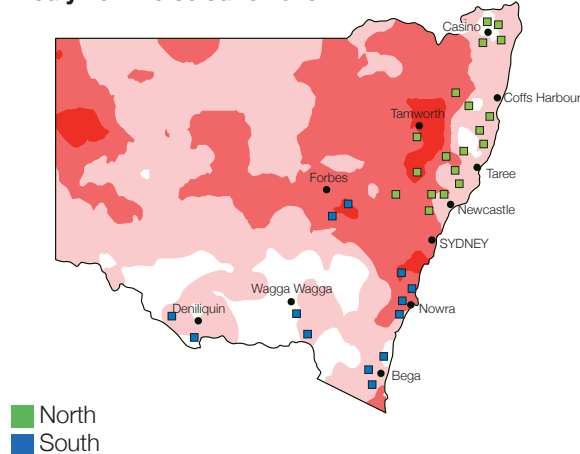


Dairy Farm Monitor Project

2017/18 - New South Wales Overview

- The NSW Dairy Farm Monitor Project surveys farms across the state to provide industry and government with timely, farm level data for targeted strategy and decision making.
- The relevant economic and production benchmarks also enable informed decision making for farm businesses.

DFM Farm Locations and Rainfall 1 July 2017 to 30 June 2018



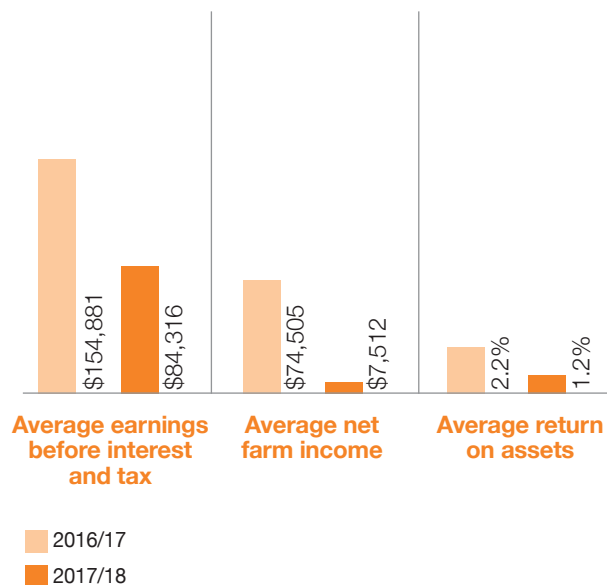
Rainfall decile ranges

- Highest on record
- Very much above average
- Above average
- Average
- Below average
- Very much below average
- Extremely low

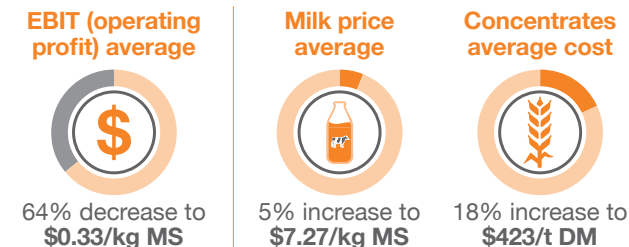
Seasonal conditions

- 100% of NSW in drought by June 2018
- Dry spring then average summer rainfall
- Autumn and winter very dry across all regions

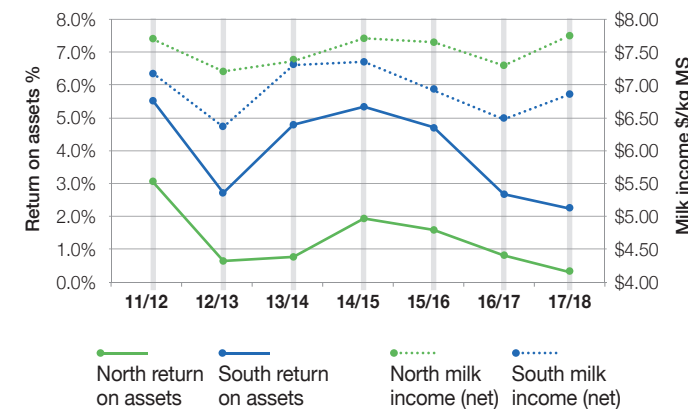
2017/18 saw profits lower than the previous year, the lowest in 7 years of the project.



Farm profitability (EBIT)—was influenced by



Seven year trend - shows small increase in milk income but downturn in return on assets for the two regions.



Expectations 2018/19



65% of farmers expect no change or a deterioration of profits while 35% expect improvement

Major concerns as reported by farmers

Seasonal conditions



Input costs



Milk price



Acknowledgements - Dairy Farm Monitor Project is provided with funding and support from the NSW Government and Dairy Australia. This project is delivered primarily through partnerships between the NSW Department of Primary Industries and Dairy Australia.

Further information - Refer to the Dairy Farm Monitor Project NSW Annual Report 2017/18 for further information - www.dairyaustralia.com.au/Business-and-financials/Dairy-Farm-Monitor-Project.aspx

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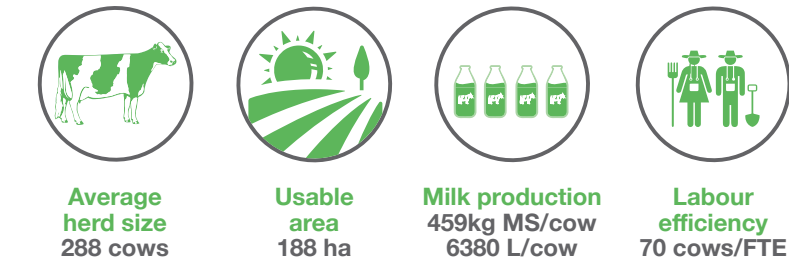
Department of Primary Industries

Dairy Farm Monitor Project

2017/18 - NSW Region Overview

North

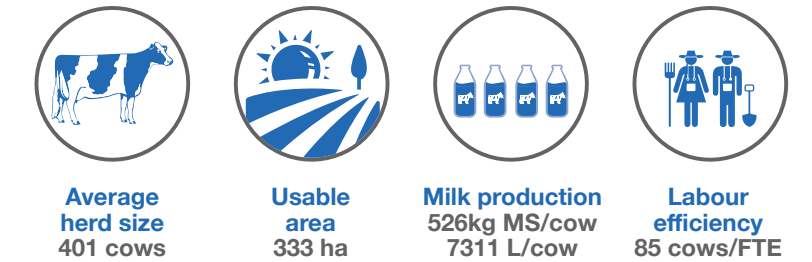
In Northern NSW, 18 farms were analysed



Physical farm characteristics

South

In Southern NSW, 14 farms were analysed



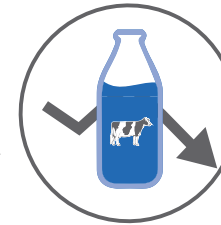
Farm profitability was influenced by

Higher milk price
7.62 kg/MS
56.5 cents/L



EBIT (operating profit)
down 82%
\$0.13 kg/MS
1.1 cents/L

Higher milk price
\$6.81 kg/MS
50.6 cents/L



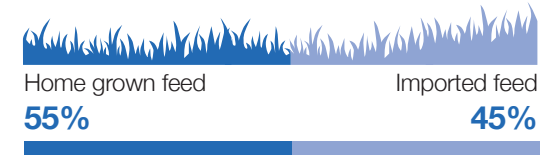
EBIT (operating profit)
down 47%
\$0.58 kg/MS
4.2 cents/L



Pasture utilisation was
8.2 t DM/ha



Pasture utilisation was
7.2 t DM/ha



Expectations for 2018/19



53% of farmers
expect an increase in the
milk price



47% of farmers
expect to increase milk
production



53% of farmers
expect an increase or no
change in the milk price



28% of farmers
expect to increase milk
production