Dairy Farm Monitor Project
2018/19 - 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 2018 to 30 June 2019

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
- Below average rainfall
- Record January temperatures

Average earnings before interest and tax | Average net farm income | Average return on assets
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2017/18 | $24,316 | 1.4%
2018/19 | $33,372 | 2.7%

80% of farmers expect improvement or no change of profits while 20% expect deterioration

Farm profitability (EBIT) — was influenced by

- 15% increase to $0.38/kg MS
- 6% increase to $7.74/kg MS
- 34% increase to $567/t DM

Expectations 2019/20

- Average earnings before interest and tax
- Average net farm income
- Average return on assets

Eight year trend - shows increase in milk income, downturn in return on assets in the South but an increase in the North.

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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (November 2019). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of the Department of Primary Industries or the user’s independent advisor.
In Northern NSW, 17 farms were analysed

**Pasture utilisation** was 8.8 t DM/ha

**Higher milk price** 8.07 kg/MS 58.6 cents/L

**Higher cost of production**
EBIT (operating profit) up $0.43 kg/MS 3.1 cents/L

**Pasture utilisation**
Home grown feed 64%
Imported feed 36%

**88% of farmers** expect an increase in the milk price

**47% of farmers** expect to increase milk production

**Expectations for 2019/20**

In Southern NSW, 15 farms were analysed

**Average herd size** 424 cows

**Usable area** 390 ha

**Milk production** 546 kg MS/cow 7589 L/cow

**Labour efficiency** 72 cows/FTE

**Pasture utilisation** was 7.2 t DM/ha

**Home grown feed** 56%
**Imported feed** 44%

**Higher milk price** $7.37 kg/MS 54.9 cents/L

**Higher cost of production**
EBIT (operating profit) down $0.31 kg/MS 2.0 cents/L

**Labour efficiency** was influenced by

**86% of farmers** expect an increase in the milk price

**21% of farmers** expect to increase milk production

%