Dairy Australia

NSW GOVERNMENT

Dairy Farm Monitor Project

New South Wales Annual Report 2024-25

Delivering for Dairy

Acknowledgements

Participants

To continuing and returning participants and those new to the project, thank you for your participation, including all your efforts in supplying data for the 2024-25 Dairy Farm Monitor Project.

Project participants were selected based on a distribution of farm size, feeding system, herd size and geographical location within each region and results should not be viewed as a representation of the entire New South Wales dairy farm population.

Report

The report was prepared by Sheena Carter, Development Officer (Farm Business Management) in conjunction with Dairy Australia.

Contributors/data collectors

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NSW Department of Primary Industries & Regional Development staff: Zita Ritchie and Sheena Carter.

These people collected farm data and provided feedback and validation to ensure the accuracy and integrity of the information.

The diligent work of Dairy Australia's consultant analyst Fiona Smith, who conducted data checking, validation and analysis is much appreciated.

Industry partners

The Dairy Farm Monitor Project is a collaboration between NSW DPIRD and Dairy Australia. Now in its fourteenth year, the project provides industry and government with farm-level data to inform targeted strategy and decision making.

Appendix tables

The appendices at the end of this report provide detailed metrics on the physical and financial performance and efficiency for individual participants.

Further information

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Executive summary

In 2024-25 the average NSW Dairy Farm Monitor profitability increased slightly on the previous year, whilst being the second highest in the 14 years of the project (accounting for inflation). Profitability remained above the long-term average ($1.55/kgMS) for the fifth year in a row with an average Earnings Before Interest and Tax (EBIT) of $2.14/kgMS.

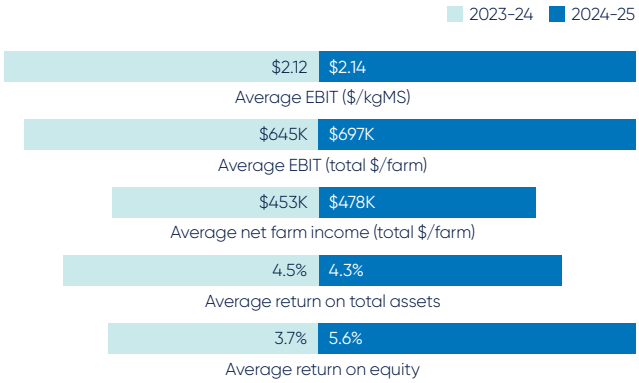
Gross farm income was relatively stable ($12.56/kgMS), influenced by a lower average milk price ($11.55/kgMS) which was buffered by higher average livestock trading profits.

Seasonal conditions varied across the year and regions, impacting management and performance. Drier conditions were experienced in southern inland regions and flooding and prolonged wet conditions experienced along the northern coastal strip and some southern coastal regions.

When accounting for inflation, variable costs decreased on a dollars per kilogram milk solids basis largely driven by lower purchased feed and agistment costs ($/kgMS). Overhead costs also decreased on average across the state when accounting for inflation.

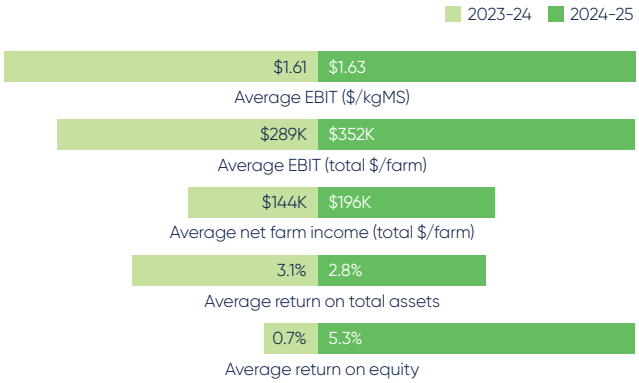
Feed reserves were drawn down on in the North, with good inventory on hand in the South by the end of the year.

New South Wales



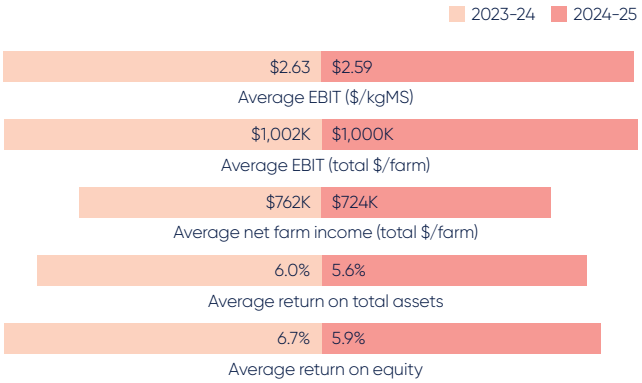
Seasonal conditions proved challenging this year with dry conditions dominating in southern inland regions and extreme flooding and prolonged wet conditions occurring in the north in the second half of the year due to ex Tropical Cyclone Alfred and then the East Coast Severe Weather event. Access to irrigation water assisted farms in the south in managing the drier conditions. The flooding and wet conditions had significant impacts on affected farms with loss of pasture/crops and animal health and production impacts. While gross farm income was the third highest in 14 years of NSW DFMP it was slightly lower than the previous year for the state ($/kgMS), however there are regional nuances related to milk price and livestock trading profits as discussed below. Interest and lease costs have stabilised relative to the large increases seen in previous years on a $/kgMS basis.

The North



The North farm participants received a similar average milk price to the previous year (the third highest average milk price in 14 years in real terms), and livestock trading profits remained strong, resulting in the second highest gross farm income. Overhead costs increased driven by higher cash costs (paid labour, repairs and maintenance and 'other' overheads) and while the non-cash cost of imputed labour decreased, depreciation increased. Variable costs declined slightly with stable herd costs, higher shed costs and lower total feed costs. Lower total feed costs were influenced by higher homegrown feed costs and a draw down on feed inventory which were outweighed by lower purchased feed and agistment costs. The resulting impact being a one per cent increase in profitability remaining above the long-term average and being the fourth highest seen in the last 14 years (accounting for inflation).

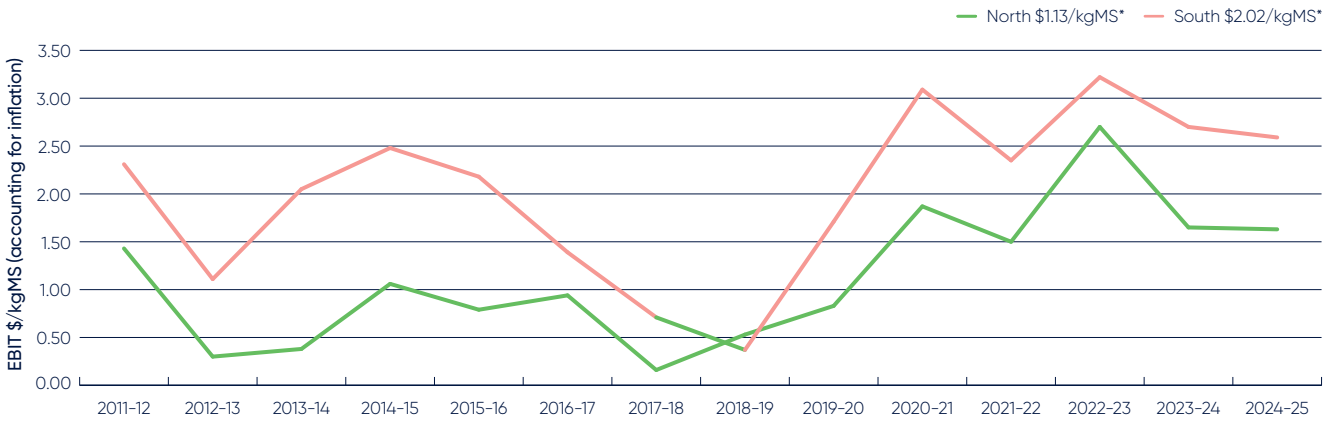
The South



Gross farm income declined three per cent this year as a result of a lower average milk price (down five per cent) and lower other farm income, with the overall impact softened by a four per cent higher livestock trading profit. Efficient use of resources and cost control saw a decrease in operating costs (variable and overhead) and on average, farmers were able to increase the value of feed and water inventory across the year. Lower operating costs and higher livestock trading were insufficient to counter the lower milk price, resulting in a two per cent decline in farm profitability (average EBIT per kilogram of milk solids). This was the fourth highest profit in the 14 years of the project (accounting for inflation) and remains above the long-term average.

How does 2024-25 compare?

Historical Profitability



*Long term average value

Profitability (dollars per kg milk solids) in 2024-25 was above the long-term average for both the North and South regions.

Strong profit results per farm (average EBIT $697,468) across the state, were above the 14-year long term average of $366,394.

Milk price

Milk price decreased three per cent (nominal) on average from 2023-24. Milk income declined from 94% to approximately 92% of gross farm income with livestock trading and other farm income increasing in proportion.

New South Wales ↓ 3%
to $11.55/kgMS

The North → 0%
stable at $12.38/kgMS

The South ↓ 5%
to $10.82/kgMS

Expectations for profit in 2025-26

Return expectations for the 2025-26 period have been influenced by geographical region. Thirty-six per cent of North farms are expecting declining returns compared to only six per cent in the South. Fifty per cent of participants in the North and South are anticipating returns to improve with the outlook in the South very positive overall as 94% anticipate improving or stable returns. Given the drier conditions in the south and flooding/prolonged wet in the north, the issue of most concern to farmers in the short and medium term is that of climate/seasonal conditions.

Greenhouse gas emissions

The average net greenhouse gas emissions for NSW dairy farm monitor participants were 4,649 tonnes of carbon dioxide equivalents per farm in 2024-25. This was an increase on the previous year, likely due to an increase in emission sources associated with higher average milk solids production. Emissions intensity increased slightly on the previous year but has remained relatively stable at 0.92 t CO_2-e/t FPCM.

Part One: State overview

State-wide, average profitability in New South Wales was relatively stable ($2.14/kgMS), being above the 14-year long term average of $1.55/kgMS (adjusted for inflation), It increased marginally on the previous year in nominal terms, by $0.02/kgMS. Profitability of the project participants increased by one per cent in the North cohort of farms and decreased by two per cent in the South group.

While gross farm income remained relatively stable, milk income contributed a lower percentage relative to other farm income with an increase in livestock trading profit across the state. On average, herd costs declined and shed costs increased with total feed costs declining on a $/kgMS basis, as a result of lower purchased feed and agistment costs offsetting higher homegrown feed costs and a draw down on feed inventory. While there was a similar quantity of purchased feed fed to the previous year, the average purchase price per tonne of dry matter was lower than the previous year in both the North and South. Total overhead costs (cash and non-cash) increased slightly which was influenced by an increase in cash overhead costs and a slight decrease in non-cash overheads.

The 2024-25 year was one of contrasts and extremes for seasonal conditions across the state as highlighted by the rainfall decile map on this page.

Southern inland regions were predominantly dry with these conditions expanding as the year progressed. Water storages and pricing supported the use of irrigation enabling irrigators to manage conditions and grow feed. By year end most South farms had been able to build the value of feed and water inventory.

The North farms had a relatively good start to the first half of the year however flooding and prolonged wet conditions during summer, and autumn had severe impacts on many farms in the Far North Coast, Mid Coast and Lower Hunter regions. All North farms in the project received well above their average rainfall for the year influenced by ex-T.C. Alfred (March) and the East Coast Severe Weather Event (May). The timing of these events occurred at a crucial point in the year, impacting access to paddocks with pasture and cropping management activities unable to be completed and in many instances resulting in additional costs due to having to resow and reapply fertiliser (where possible). Many farms lost stored feed and fodder as a result of the flooding and farm infrastructure was also impacted with significant erosion to riparian zones, paddocks, laneways, equipment and buildings.

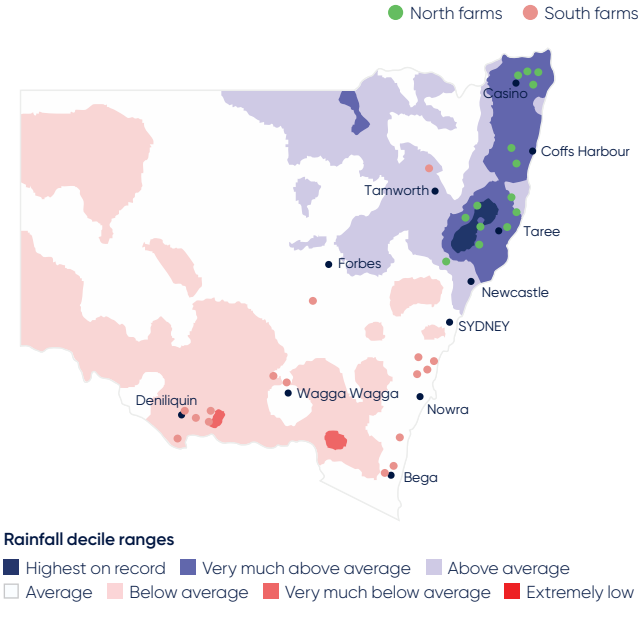
Interest and lease costs remained stable relative to the previous year on a dollars per kilogram milk solids basis.

The average herd size of the farms in the project increased in both regions as did per cow milk production. Despite the varying and challenging seasonal conditions, milk production per cow has been influenced by the ability to offer high quality feed supplements supported by strong milk prices. The proportion of homegrown feed as a percentage of metabolisable energy consumed increased this year however homegrown feed costs on a $/kgMS basis increased largely driven by higher homegrown feed costs in the north, in part due to costs incurred in resowing pastures due to the wet conditions. Labour efficiency improved in terms of cows and milk solids produced per full time labour equivalent (FTE); however, this was driven by efficiencies in the South.

Dairying in New South Wales

There were approximately **443** dairy farm businesses in NSW that produced **1,071.3 million litres** or **12%** of Australia's national milk production in 2024-25.

Dairy Farm Monitor Project farm locations and rainfall in 2024-25



In 2024-25 farm profitability for the state has been influenced by:

↓3%
decrease in average milk price to **$11.55/kgMS**

↓8%
in herd costs to **$0.47/kgMS**

↑6%
in shed costs to **$0.36/kgMS**

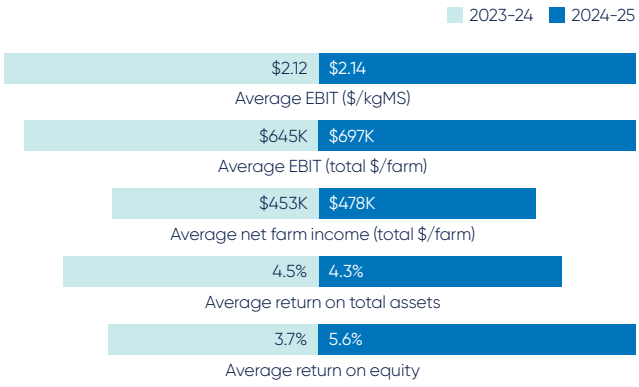
↓2%
in total feed costs to **$5.41/kgMS**

↑2%
in overhead costs to **$4.19/kgMS**

Profitability

The state-wide average total profit per farm (earnings before interest and tax, EBIT) was the second highest on record, accounting for inflation. Profitability ($/kgMS) was mixed across the state however both the North and South recorded their fourth highest average profit, (adjusted for inflation) with a one per cent decrease in the North compared to a four per cent decrease in the South.

In 2024-25, 97% of all NSW participants had a positive profit (29 out of 30).



Physical parameters and seasonal conditions

Seasonal conditions varied greatly across the state. Winter conditions started generally drier with relatively good rainfall in the north through spring however extreme weather events resulted in unprecedented flooding and/or prolonged wet conditions during autumn affecting more than half of all dairy businesses in the north. Southern inland farms were on the drier side, however farms with irrigation access were able to support pasture/crop production.

Utilisation of homegrown feed on the milking platform (grazed and conserved) stabilised relative to the previous year however this was largely driven by improvements in the South, with wet conditions limiting paddock access and impacting many of the North farms.

NSW pasture based dairy production

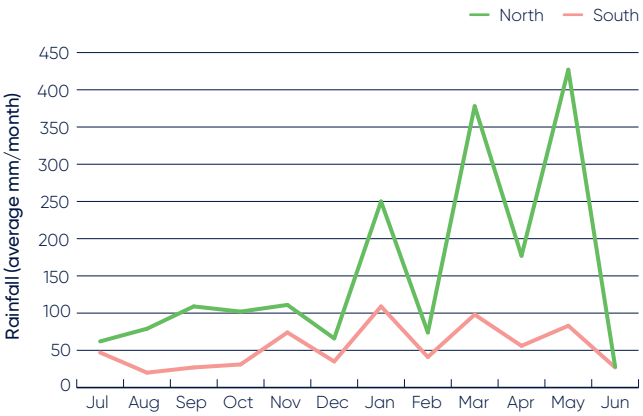
Dairying in NSW is predominantly pasture based. In the north, it is spread along the coastal and hinterland regions and in irrigated inland river valleys. Farms in the north are generally characterised as having moderate to high rainfall, limited irrigation, and a kikuyu/annual ryegrass pasture base with some use of summer forage crops. In the south farms are located along the coast and inland river systems. They are generally characterised by lower rainfall, mainly irrigated perennial and annual pastures, greater use of forage crops, larger herds and bigger farms.

Whilst this grouping reflects general similarities among farm systems and influences on milk pricing across NSW, there is a wide range of farm characteristics within each group and there is a trend towards increasing intensification across farm systems in response to the impact of extreme variation in climatic conditions.

Rainfall

Seasonal conditions were mixed across the year, influencing the physical and financial performance in each of the regions. The preceding conditions as well as the conditions prevalent in a particular month influence feed availability and conditions to harvest pastures and crops as well as their timely renovation or sowing.

Figure 1 Monthly rainfall 2024-25



The year commenced with generally drier conditions across the State (Figure 1). Spring and summer rainfall events were experienced in the north which eased conditions, however this situation deteriorated rapidly with the impact of ex Tropical Cyclone Alfred in March, followed by the East Coast Severe Weather Event in May which generated unprecedented levels of flooding in the mid coast region and prolonged wet conditions for several months across the northern coastal areas, resulting in the loss of pastures, stored feed, livestock, on-farm infrastructure and impacting cow health and farmer wellbeing. All DFMP farms in the North experienced above average rainfall for the year.

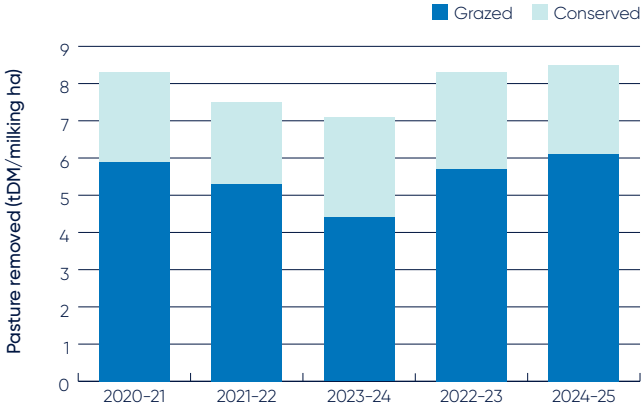
In the southern inland region, the conditions were predominantly hot and dry with most areas in the drought affected category as reported by the NSW Combined Drought Indicator (NSW-CDI) by the end of the financial year. However, homegrown feed production was generally supported by good access to irrigation water. The central inland region received more favourable conditions throughout the year than their southern counterparts, however by June 2025 the drier conditions were expanding into this region. The southern coastal areas experienced varied conditions, generally favourable, from Sydney south, however there were drier conditions experienced in the far south coast as the year progressed. All farms in the South group experienced lower than average annual rainfall, except one inland central farm.

The rainfall deciles map on page 6 illustrates the wide range of variability across the State within the year and the contrast between the northern and southern regions.

Feed consumption and harvest

This year saw a small but continued improvement in the trend of the amount of pasture removed through grazing and fodder conservation. The small increase of 0.2tDM/milking ha was achieved with more directly grazed pasture (+0.4 tDM/milking ha) and slightly less conserved pasture relative to the previous year (-0.2tDM/milking ha). Regional differences discussed later in the report show that the south had the greatest impact on this result, increasing total tDM removed by 2.2tDM/milking ha. While the North had a slight increase in the amount of directly grazed pasture, there was less conserved pasture with the net impact being 0.3tDM/milking ha less relative to the previous year (Figure 2).

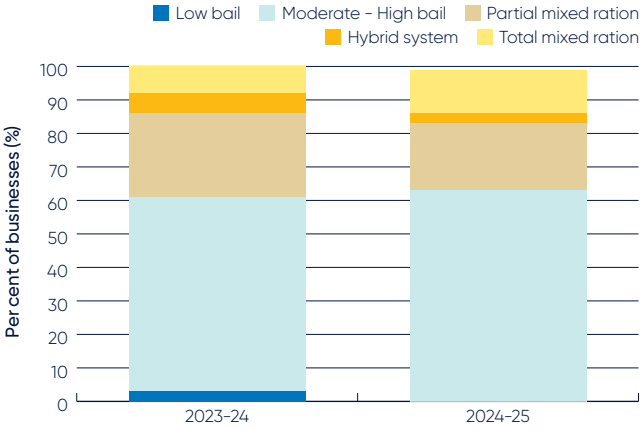
Figure 2 Estimated tonnes of homegrown feed removed



Feeding system

Moderate to high bail feeding systems were the most common feeding system in 2024-25 (Figure 3). All feeding systems except low bail were represented in this year's group of farms. There is an increasing trend in NSW to farmers investigating and transitioning towards more intensive feeding systems as illustrated in the graph. All the total mixed ration (TMR) farms were located in the South group.

Figure 3 Type of feeding systems



Information on feeding systems was first collected in 2020-21 and the purpose is to capture any changes in dairy feeding systems in NSW over time. The type of feeding system employed reflects a longer-term decision made by the business operator to manage a certain type of feeding system, rather than a short term one to manage adverse seasonal conditions in a given year, (e.g. wet soils management).

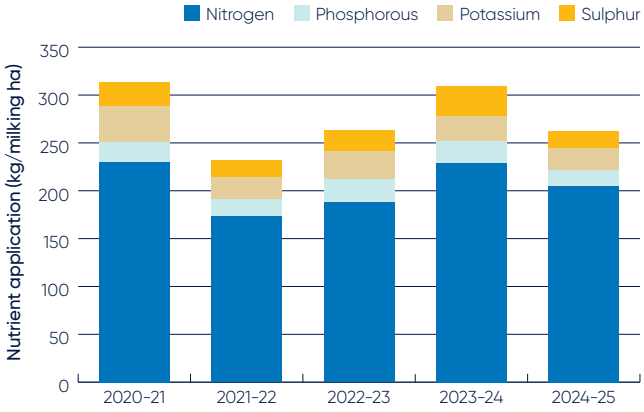
Fertiliser application

Total nutrient application on the milking area decreased on the 2023-24 year, which was primarily driven by lower levels of nutrients applied in the south, likely reflective of the drier conditions. The level of nutrient applied on some individual farms may seem comparatively high. This is often a result of wet conditions where farmers have made a strategic decision to rejuvenate pasture and re-establish homegrown pasture as quickly and effectively as possible.

In comparison to the previous year, Figure 4 shows that in 2024-25:

- Nitrogen applied was 205kg/ha, a 10% decrease
- Phosphorous applied was 16kg/ha, a 27% decrease
- Potassium applied was 23kg/ha, a 15% decrease
- Sulphur applied was 18kg/ha, a 42% decrease

Figure 4 Nutrient application

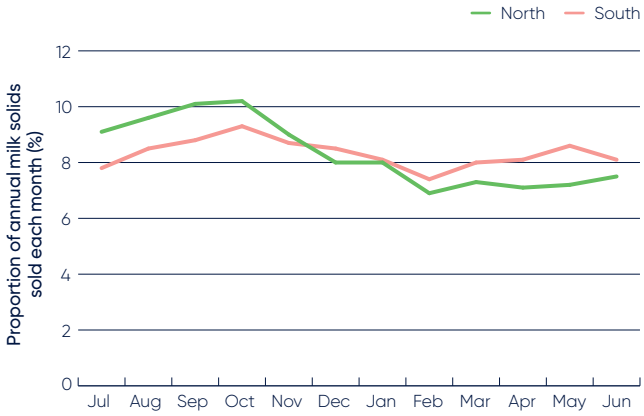


Milk solids sold

Monthly distribution of milk sold across the two regions in NSW reflects a flatter milk supply requirement required by processors for the liquid milk market (Figure 5). Production across the two regions is very similar across the year, however the differential between the two regions increased during the spring period, likely reflective of incentives for new milk production, and strong milk prices supporting marginal milk production in the North group. April to June saw a flatter milk supply curve in the North group this year as a result of an uncharacteristically lower calving rate in the period from July to September (see Figure 6) relative to previous years which was largely due to a change in the participating farms in the group (see comments for 'Calving Pattern' that follows) and also the added impact of the extremely wet conditions.

Milk production per cow increased an average of five per cent relative to the previous year, while milk production per hectare decreased marginally (one per cent).

Figure 5 Monthly distribution of milk sold



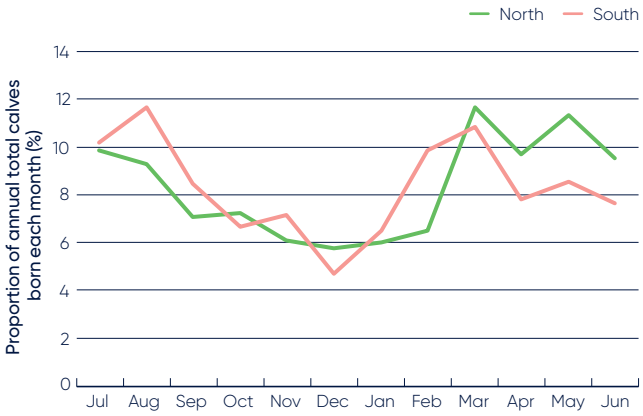
Calving pattern

Calving pattern for each region is shown in Figure 6. It reflects that most herds in NSW calve year-round, with slightly more calving occurring during the Spring and Autumn periods (related to feed availability). There is slightly less calving in the hotter summer period, which is becoming a strategic and conscious decision on some farms.

Calving pattern determines milk production, reflecting that NSW has a flatter milk supply curve relative to more southern dairying regions of Australia.

This year saw the South group follow a very similar calving pattern to previous years, however in the North there was no high peak calving in September as per the previous years. This is largely due to a change in participating farms, with the four farms that were unable to participate this year all coincidentally having had a high peak in September calvings in the 2023-24 year.

Figure 6 Monthly distribution of calving



Whole farm analysis

Earnings Before Interest and Tax (EBIT) was positive on 29 out of the 30 participating farms (97 per cent).

Average milk price (nominal) amongst participant farms decreased by 3% and was the second highest on record in 14 years of NSW DFMP, at $11.55/kgMS. The higher livestock trading profit and 'other farm income' was not enough to offset the lower average milk price, resulting in a marginally lower (-0.3%) gross farm income.

State-wide, variable costs decreased by 2 per cent primarily due to lower feed costs (purchased feed and agistment), with overhead costs higher by 2 per cent, however there is considerable variation between the regions in these changes.

Finance costs (interest and lease) while still historically high, stabilised on a dollars per kilogram milk solids basis relative to the 2023-24 year.

Physical parameters

Number of milkers (hd)	2023-24	2024-25
State	436	482
North	308	334
South	563	612

WUE (t DM/100mm/ha)	2023-24	2024-25
State	0.6	0.6
North	0.5	0.3
South	0.7	0.8

Usable area (ha)	2023-24	2024-25
State	382	423
North	284	320
South	479	513

Milking cows per usable ha	2023-24	2024-25
State	1.3	1.3
North	1.3	1.2
South	1.4	1.3

Milk solids sold (kgMS/cow)	2023-24	2024-25
State	529	557
North	475	484
South	583	622

Milk solids sold (kgMS/usable ha)	2023-24	2024-25
State	710	702
North	636	576
South	784	812

Homegrown feed as % of ME consumed	2023-24	2024-25
State	51	55
North	54	58
South	49	51

Labour efficiency (cows/FTE)	2023-24	2024-25
State	74	75
North	68	65
South	81	83

Labour efficiency (kgMS/FTE)	2023-24	2024-25
State	39,247	41,740
North	31,334	30,977
South	47,160	51,158

Financial parameters

Income $/kgMS	2023-24	2024-25
Milk income (net)		
State	11.88	11.55
North	12.37	12.38
South	11.39	10.82
Livestock trading profit and other income		
State	0.72	1.01
North	0.72	1.11
South	0.72	0.92
Gross farm income		
State	12.60	12.56
North	13.09	13.49
South	12.10	11.74

Costs $/kgMS	2023-24	2024-25
Variable Costs		
State	6.38	6.24
North	6.90	6.86
South	5.86	5.69
Overhead costs		
State	4.10	4.19
North	4.58	5.01
South	3.62	3.47
Earnings before interest and tax		
State	2.12	2.14
North	1.61	1.63
South	2.63	2.59

Earnings before interest and tax

In 2024-25 average total farm profitability (measured by earnings before interest and tax, EBIT) increased eight per cent supported mainly by lower average variable costs. While livestock trading profit and 'other farm income' were 40% higher than the previous year, the increase wasn't enough to offset the slightly lower milk price. A two per cent decrease in variable costs was largely driven by lower herd costs and lower total feed costs on a $/kgMS basis. Total feed costs decreased two per cent. Homegrown feed costs increased 11% to $1.81/kgMS which was largely influenced by conditions on some farms in the North group where the timing of flooding and wet conditions saw costs incurred for autumn sowing but losses in pastures resulted in higher costs on a $/kgMS basis. Purchased feed costs decreased on a dollars per tonne of dry matter basis however there was slightly (11%) more total purchased feed fed compared to the previous year which is dependent on location and time of year and/or a shift towards a more intensive farm feeding system. Feed and water inventory change also offset some of the increase in homegrown feed costs as the value of the inventory increased across the year. This resulted in a slightly negative feed and water inventory change, although it was not as great as the previous year indicating a lower value of stored feed at the end of the year, mainly influenced by conditions on many of the North farms. On average, shed costs continued to increase, a result of inflationary costs of dairy supplies and electricity (however there are some farms that have been able to reduce shed power costs with solar systems).

EBIT varies greatly between farms and between regions with average EBIT in the North being $1.63/kgMS (an increase of $0.02/kgMS from 2023-24) and $2.59/kgMS in the South group (down from $2.63/kgMS). Within the North there is a wider range in performance. The less profitable farms were generally heavily impacted by the flooding and/or prolonged wet conditions. The range in performance is also quite large in the south with less profitable farms finding the drier conditions somewhat challenging to manage with the resources available to them (Figure 7).

Return on total assets

A positive return on total assets (ROTA) was recorded for 29 of the 30 participants (Figure 8). In 2024-25 average ROTA declined from 4.5% to 4.3%. This slight decrease in ROTA was mostly driven by an increase in the value of owned assets as businesses have invested back into the business or purchased additional land.

Return on equity

A wide range in return on equity (ROE) performance was observed across the regions, with 23 of the 30 participants achieving a positive ROE. Average ROE was 5.6% in 2024-25 up from 3.7% in 2023-24.

There were seven farms that had a negative EBIT for the year, one as a result of a negative EBIT (plus the impact of finance costs) and the additional farms due to finance costs (interest and lease costs) being more than the profit (EBIT) generated for the year.

Total finance costs increased on average due to borrowings to assist in on farm investment and land purchases.

Business structure and debt servicing will impact return on equity and in the NSW DFMP dataset there are a number of farms that operate with significant amounts of leased assets that can impact ROE.

While average liabilities increased, the value of assets owned also increased, resulting in average equity remaining at 75%.

Figure 7 Distribution of farms by EBIT

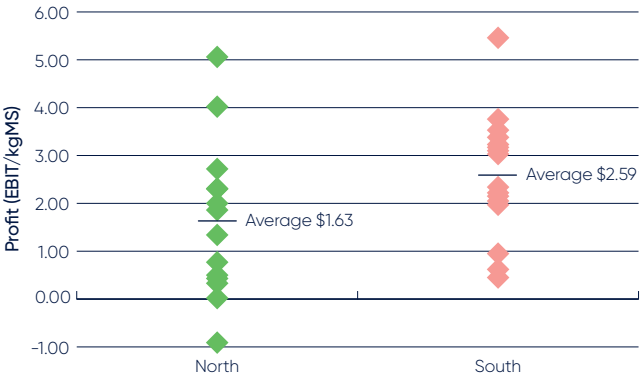


Figure 8 Distribution of farms by ROTA

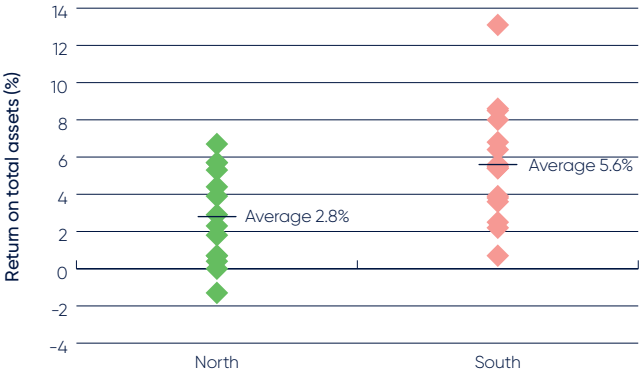
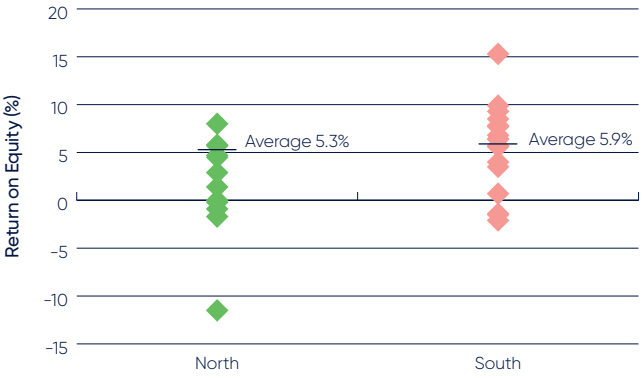


Figure 9 Distribution of farms by ROE



Part Two: The North

Performance

Dairying in the North

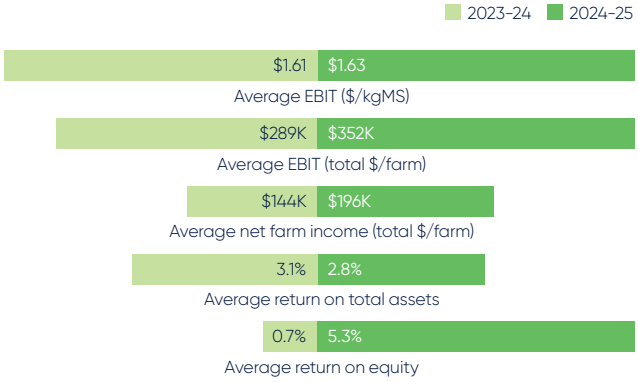
There were 14 participating farms in the North dataset, down from 18 the year before. Seasonal conditions in the 2024-25 year were varied in the North. The first half of the financial year experienced relatively good conditions, however the second half of the financial year deteriorated rapidly with significant wet weather events (ex Tropical Cyclone Alfred and the East Coast Severe Weather Event) resulting in unprecedented flood levels particularly in the Mid-Coast region and severe and prolonged wet conditions across the coastal strip. All farms in the North group received above average rainfall over the course of the year. The timing of these events (into autumn) had significant impacts on many dairy businesses with flooded and waterlogged paddocks resulting in loss of recently sown pastures, stored feed reserves, livestock, farm infrastructure and severe erosion along waterways as well as impacting cow health and farmer wellbeing. Recovery from this event was exceptionally slow in many cases with the inability to resow or apply fertiliser due to the prolonged wet/waterlogging and cooler autumn/winter temperatures delaying pasture responses on some farms.

Physical farm characteristics

The average herd size of the North dataset increased slightly to 334 cows and milk produced per cow increased marginally from 475kgMS/cow to 484kgMS/cow. Despite the extreme weather conditions, homegrown feed consumed as a proportion of the herd's total metabolisable energy requirements increased.

Average herd size	Milk solids sold	Homegrown feed
↑ 8%	↑ 2%	↑ 7% points
334 cows	484kgMS/cow	58% of metabolisable energy consumed

In 2024-25, 13 of the 14 participants recorded a positive return on total assets.



Farm profitability was influenced by

→0%

a stable milk price at **$12.38/kgMS** ($0.01/kgMS increase)

↑9%

in herd and shed costs to **$1.07/kgMS**

↓2%

in total feed costs to **$5.79/kgMS**

↑9%

in total overhead costs to **$5.01/kgMS**

↓4%

decrease in total homegrown feed utilised (tDM/milking ha) due to variable seasonal conditions.

→0%

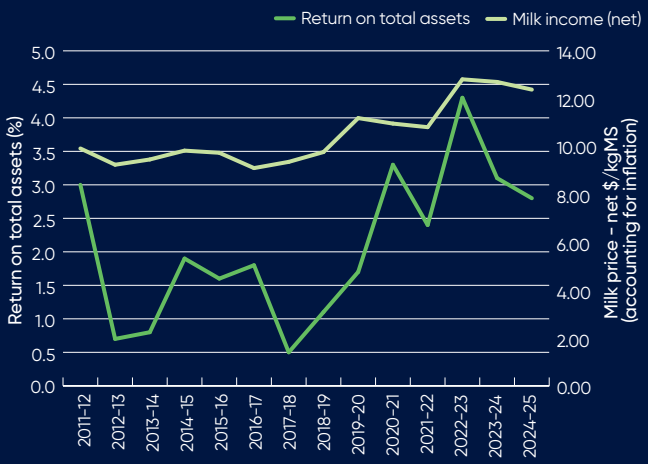
no change in the tonnes of dry matter average supplements* fed on the milking area (total 3.7 tDM/cow) however concentrates fed continued to increase, up by 0.2tDM/cow/milking ha.

Second highest total costs

(variable and overhead) in 14 years of NSW DFMP.

** Supplements fed on milking area and includes all feeds that are not directly grazed feed (purchased feeds and homegrown concentrate, silage or hay).*

Return on total assets and milk price

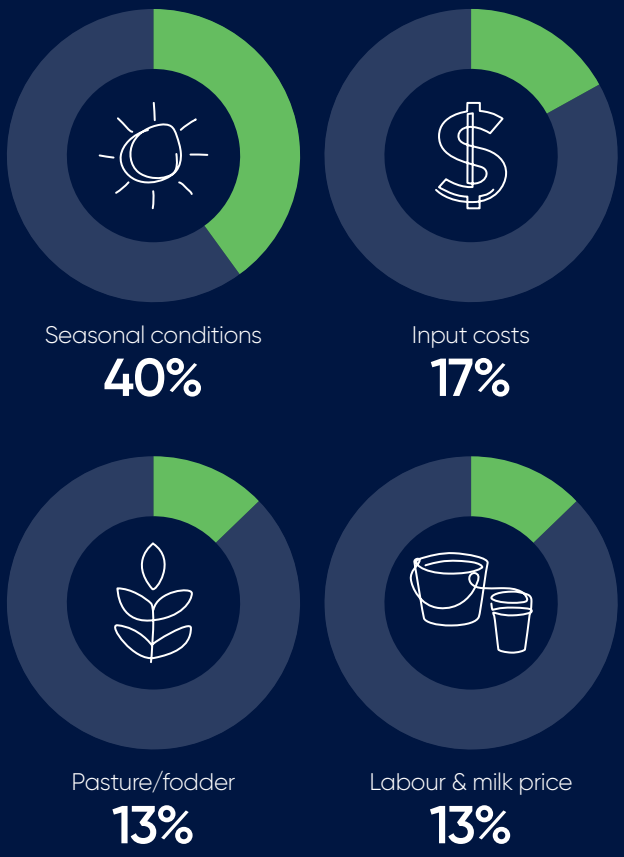


Future expectations 2025-26

Of the participant farms in the North, 64% expect returns to remain stable or improve.

The remaining farmers are expecting declining returns.

Concerns as reported by farm businesses



Whole farm analysis

Accounting for inflation, the North received its third highest profit per kilogram milk solids in the 14 years of DFMP.

With the stable milk income, gross farm income (nominal) increased from the previous year due to higher average livestock trading profits and other farm income.

Homegrown feed production on the milking platform decreased with the impact of wet seasonal conditions and this also increased the cost of homegrown feed on a $/kgMS basis.

Lower variable costs supported farm profitability, particularly feed costs (purchased feed and agistment) and herd costs. On average, overhead costs increased with all cash overhead costs increasing. Imputed labour (non-cash cost) decreased, however depreciation (non-cash cost) increased with additional plant and equipment purchases.

Gross farm income

A higher average gross farm income (nominal) was recorded in 2024-25. When accounting for inflation, it is the second highest for the North over the 14 years of the DFMP. Milk income contributed to 92% of gross farm income, down from 94% the previous year.

Variable costs

Variable costs decreased by $0.04/kgMS, with variation between different cost categories. Herd costs were stable however shed costs increased 23% due to higher power and dairy supplies costs.

Total feed costs decreased by $0.13/kgMS. This was impacted by lower purchased feed and agistment costs with the average cost of purchased feeds (concentrates, hay, silage and 'other' feeds) decreasing on a $/tDM basis. On a $/kgMS basis the cost of purchased feed and agistment decreased 16% (down by $0.72/kgMS). This was enough to offset homegrown feed costs which increased by $0.36/kgMS, as a result of higher fertiliser, hay and silage and pasture and cropping costs on a $/kgMS basis. These increased homegrown feed costs could have been due to seasonal conditions impacting areas such as pasture and cropping costs where increased resowing was required or in some instances it will have been a business choice to focus more on homegrown feed given the fodder market supply became constrained and prices rose sharply by year end.

On average, total fertiliser costs per farm increased significantly this year due to higher costs on a $/tonne basis and more fertiliser purchased overall. On average the cost of fertiliser increased on a $/kgMS basis by 32% to $0.87/kgMS.

Feed inventory was reduced over the course of the year adding to total feed costs at a value of $0.09/kgMS.

Overhead costs

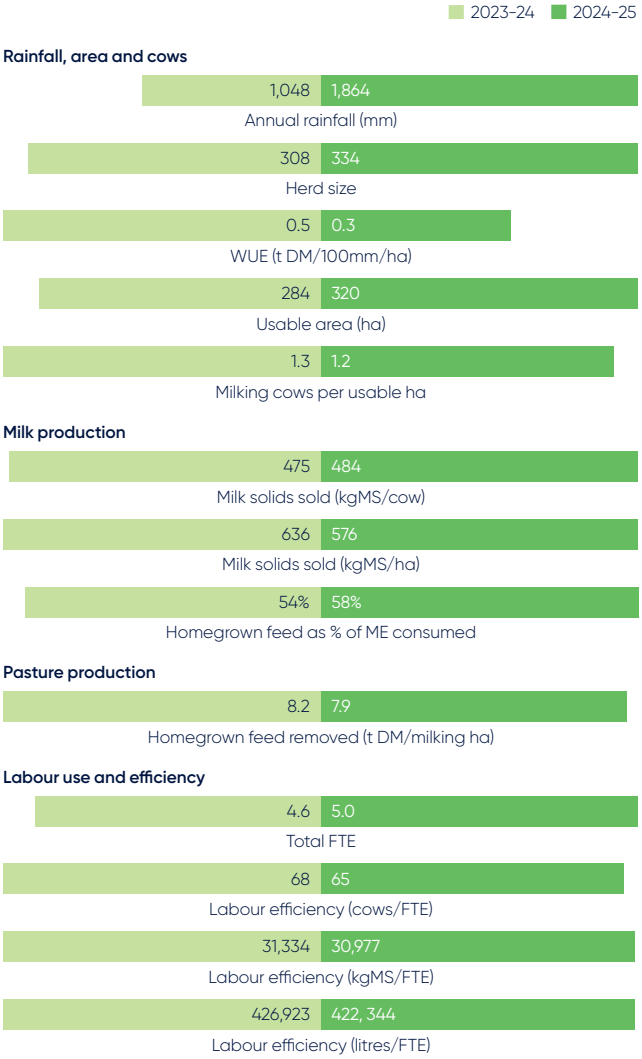
Total overhead costs increased nine per cent in the North to $5.01/kgMS. There was variation within overhead costs however, with cash overheads increasing by 18% and non-cash overheads decreasing by two per cent.

Paid labour increased this year on a $/kgMS basis driven by slightly higher hourly rates and a reduction in labour efficiency (less kgMS produced per full time labour equivalent). The use of overseas labour due to difficulties in attracting and retaining local labour also appears to be more common. There was also an increase in the number of average paid labour units this year.

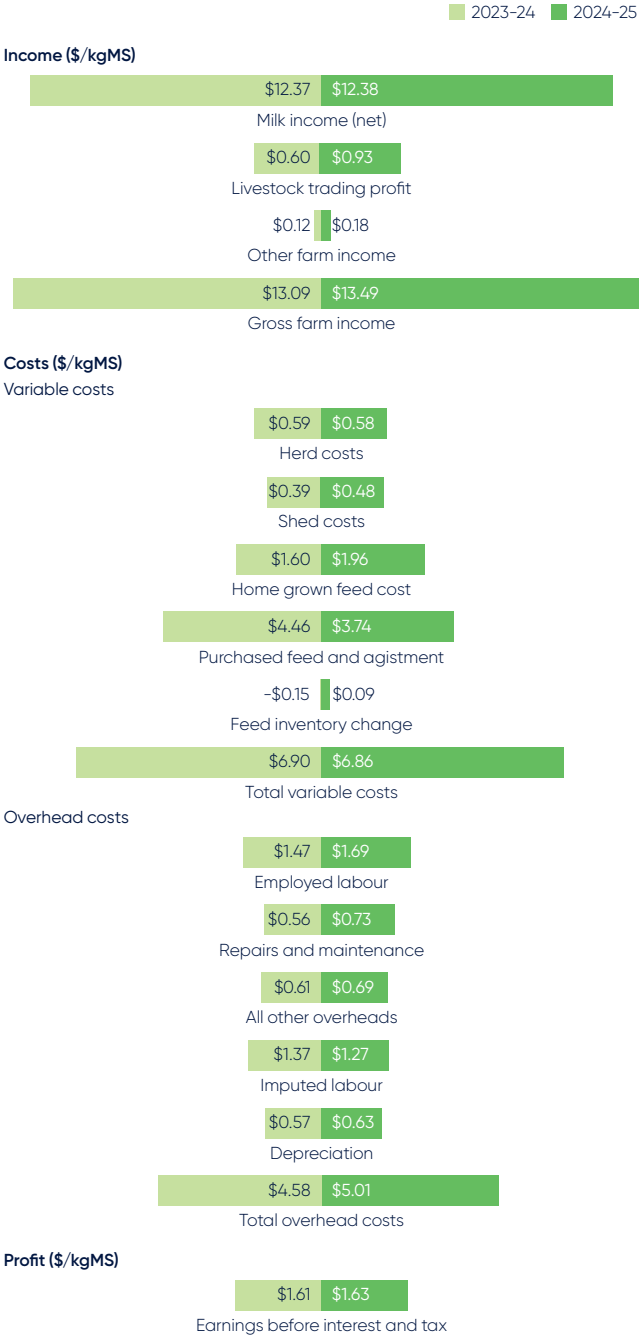
Repairs and maintenance costs increased on a $/kgMS basis impacted by numerous things including less grants that are typically netted off associated costs such as R&M and a significant increase in the amount of plant and equipment that requires ongoing maintenance. The increase in value of plant and equipment and significant buildings has also translated to higher depreciation costs this year which increased 11% to $0.63/kgMS. Other overheads increased by 15% on the previous year.

The cost of imputed labour decreased (due to marginally less full-time imputed labour equivalents than the previous year) on a $/kgMS basis by seven per cent. This was not enough to offset the increase in paid labour, resulting in a four per cent increase to total labour costs on a $/kgMS basis.

Physical parameters



Financial parameters



Earnings before interest and tax

In 2024-25, 13 of the 14 participants in the North had a positive EBIT (Figure 10). Average EBIT per farm (total dollars) was the second highest in the 14-years of the DFMP, accounting for inflation. Average EBIT ($/kgMS) was lower than the previous year and the third highest on record, accounting for inflation.

Return on total assets and equity

Average ROTA decreased to 2.8% in 2024-25 from 3.1% in 2023-24. Total EBIT was higher than the previous year therefore the decrease in ROTA was due to an increase to the value of the assets, including leased land, driven by investment back into farm businesses including upgrades, plant and equipment purchases and higher land values.

Average ROE in 2024-25 increased relative to the previous year to 5.3%. Five farms had a negative ROE. This was either a result of having a negative EBIT or due to finance costs (interest and lease costs) being higher than the EBIT generated.

Equity levels increased to 78% compared to 76% in 2023-24 with higher average asset values offsetting the marginal increase in average liabilities.

With the cost of financing lower than the returns from accessing additional assets (e.g. land, dairy upgrades, and major infrastructure), five of the 14 participants recorded higher ROE than ROTA (Figure 11). These farmers have been able to grow their business.

Figure 10 Average EBIT per kgMS – North

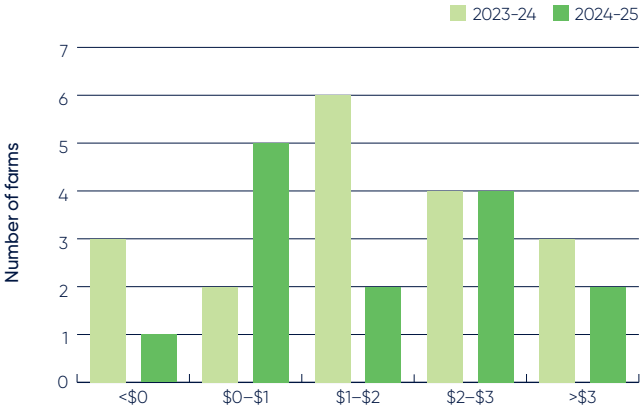
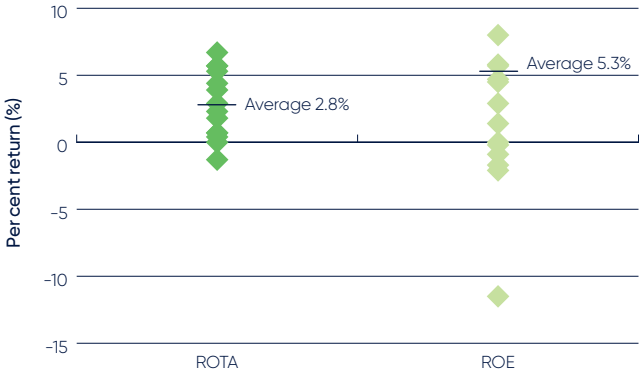


Figure 11 2024-25 average returns – North*



* *One farm operates with the majority of its assets as leased assets and with a strong EBIT had a very high ROE. Dot point is not reported on this graph due to scaling*

Feed consumption and fertiliser

Feed consumption and pasture harvested

Direct grazing on the milking area (on average) increased by around 0.1 t DM/milking ha. The amount of pasture conserved declined by 0.4 tDM/milking ha, consequently the total tonnes of dry matter harvested on the milking area decreased by 0.3 tDM/ha (Figure 12).

The North experienced a challenging year in most areas. While the first half of the year saw relatively good seasonal conditions for pasture and crop growth, this deteriorated rapidly for farmers located in the Far North Coast, Mid Coast and Lower Hunter regions with the development of ex Tropical Cyclone Alfred in March and then the East Coast Severe Weather Event which brought significant flooding and prolonged wet conditions to many farms. The timing of these events (autumn) resulted in many farms losing recently sown pastures, lost opportunities for fodder conservation and restricted paddock access. On average this resulted in lower total pasture removal from the milking platform relative to the previous year.

As a proportion of the diet, homegrown feed (grazed and conserved pasture) accounted for 58% of the metabolisable energy consumed, higher than the previous year's average of 54%. This increase is likely due to a number of farms drawing down on stored homegrown feed reserves (hay and silage) over the course of the year.

Feeding system

This year ten farms (71%) in the North employed a moderate to high bail feeding system with four farms (29%) operating a partial mixed ration (PMR) system. There were no low bail farms this year due to a strategic feeding adjustment on the relevant farm (Figure 13).

Fertiliser

The total amount of fertiliser applied on the milking area (Figure 14) declined slightly relative to the previous year likely as a result of less fodder conservation and opportunities to access paddocks. Nitrogen application was slightly higher possibly influenced by a relatively good season in the first half of the year and several farms reapplying nitrogen after the wet conditions to stimulate pasture growth.

Please note Figure 14 only relates to fertiliser usage on the milking area, and does not account for fertiliser applied to the support area. The tonnes of fertiliser applied per usable hectare in this financial year increased relative to the amount applied in the previous year.

Figure 12 Average homegrown feed removed – North

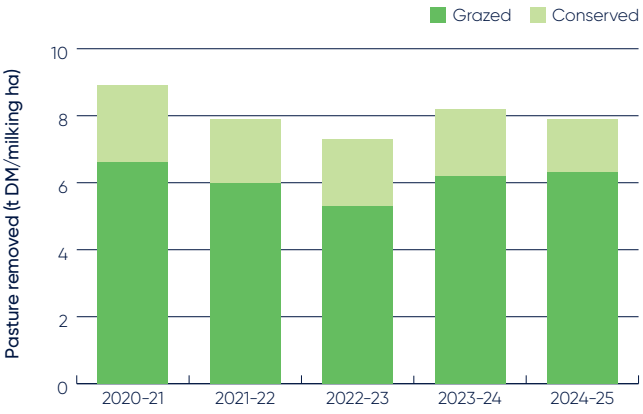


Figure 13 Feeding system types – North

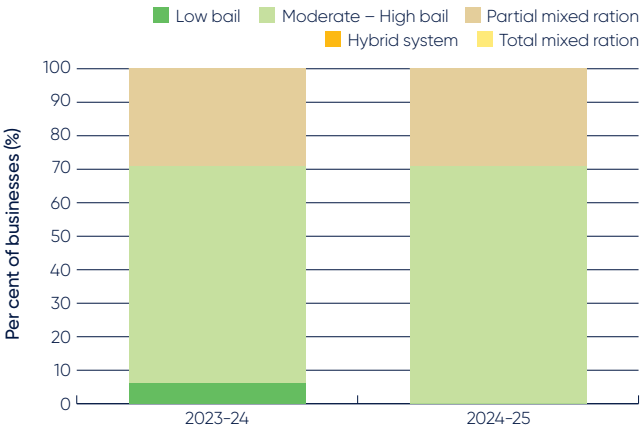
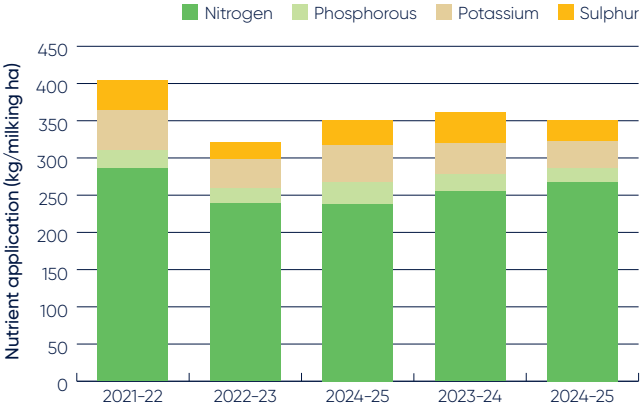


Figure 14 Average nutrient application – North



Part Three: The South

Performance

Dairying in the South

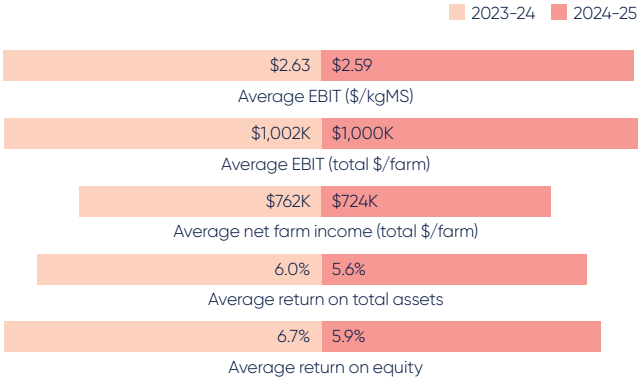
There were 16 participating farms in the South dataset, with two farms opting out from the year before. Conditions were varied within and between regions in the inland and coastal areas. Central inland areas experienced relatively good conditions. The Murray and Riverina varied depending on farm location, but trended towards expanding drier conditions as the year progressed and the coastal farms started the year drier but conditions generally improved as the year progressed. Access to irrigation water and reasonable water pricing generally enabled irrigators to secure homegrown feed production.

Physical farm characteristics

The average herd size in the dataset increased to 612 cows and milk produced per cow increased slightly going from 583 to 622kgMS/cow. On average homegrown feed contributed slightly more to the milker diet on an energetics basis (MJME/kgDM).

Average herd size	Milk solids sold	Homegrown feed
↑ 9%	↑ 7%	↑ 4% points
612 cows	622kgMS/cow	51% of metabolisable energy consumed

In 2024-25, 100% (16 farms) recorded a positive return on total assets.



In 2024-25 farm profitability has been influenced by:

↓5%
in average milk price to **$10.82/kgMS**

↓15%
in herd and shed costs to **$0.61/kgMS**

↓1%
in total feed costs to **$5.07/kgMS**

↓4%
in overhead costs to **$3.47/kgMS**

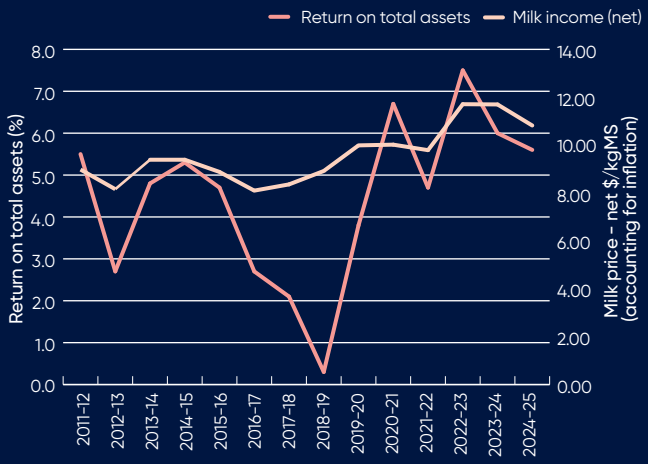
↑31%
increase in total homegrown feed (tDM/milking ha) due to generally moderate seasonal conditions and availability of irrigation water to manage dry conditions.

↑7%
increase in average supplements* fed on the milking area (total 6.1 tDM/cow) with an increase in the proportion of concentrates fed to 3.1tDM/cow, up by 0.2tDM/cow.

Fifth highest total costs
(variable and overhead) in 14 years of DFMP

** Supplements fed on milking area and includes all feeds that are not directly grazed feed (purchased feeds and homegrown concentrate, silage or hay).*

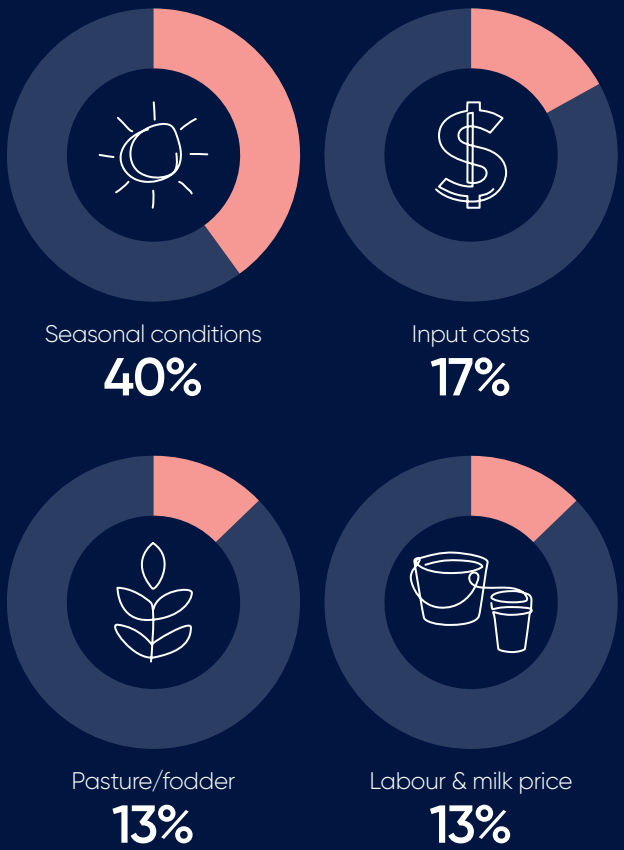
Return on total assets and milk price



Future expectations 2025-26

94% of farmers expect business returns to improve or remain stable with 6% expecting a decline in returns.

Concerns as reported by farm businesses:



Whole farm analysis

Gross farm income declined by 3% in the South due to a lower milk price and other farm income which was unable to be offset by the increase in livestock trading profit relative to the 2023-24 year.

Homegrown feed costs remained the same while purchased feed and agistment costs decreased on a $/kgMS basis, resulting in slightly lower total feed costs relative to the previous year.

The lower total costs (variable and overhead) were not enough to counter the reduction in gross farm income resulting in farm profitability for the year declining by 2% to $2.59/kgMS.

Gross farm income

A lower gross farm income was recorded in 2024-25 year which was the third highest on record in the 14-year history of DFMP ($/kgMS), accounting for inflation. The decline was primarily due to reduced milk income and 'other farm income' (feed, water and other income derived from the assets owned by the business). A 41% increase in livestock trading profit was unable to constrain the other decreases in gross farm income.

Variable costs

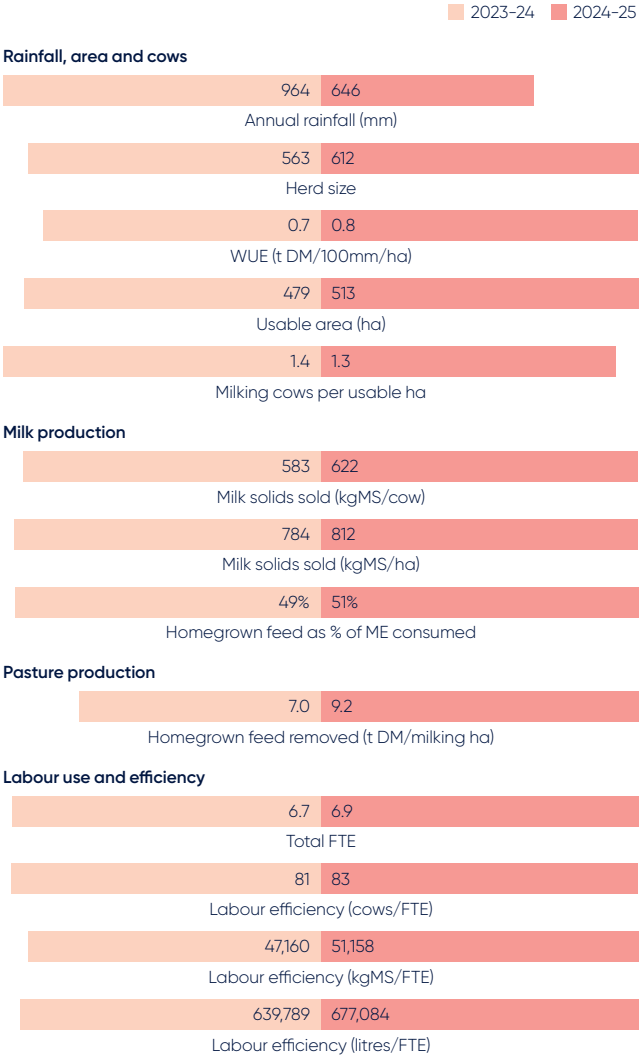
Total feed costs declined marginally with homegrown feed costs remaining stable on a $/kgMS basis and purchased feed and agistment costs falling three per cent. Cost control for herd and shed costs also supported the three per cent reduction in total variable costs in 2024-25 to $5.69/kgMS. On average, there was an additional 0.2 tDM/head purchased feed fed per cow (concentrates, hay, silage and 'other feed'), however the average per unit price of the purchased feeds decreased by five per cent reducing the average cost per kgMS.

The amount of fertiliser applied decreased relative to the previous year, however the cost per tonne increased. As a result of this, fertiliser price remained stable on a $/kgMS basis. There was more irrigation water used this year which resulted in higher irrigation costs on a $/kgMS basis and pasture and cropping costs also increased. Fuel & oil and hay and silage making costs declined on a $/kgMS basis.

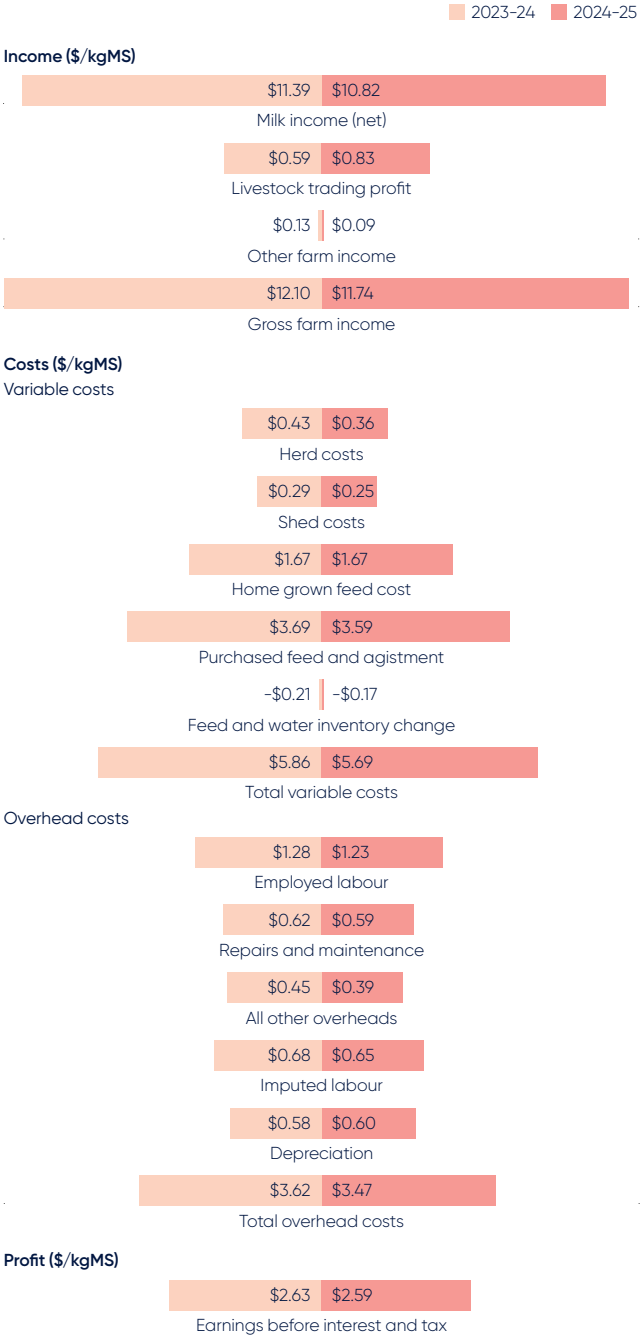
Fodder conservation and use was mixed in the South in 2024-25. Seven of the sixteen farms used their fodder reserves over the course of the year, while nine farms were able to build reserves over the same period.

Herd costs decreased this year as did shed costs with the lower shed costs a result of lower dairy supplies costs on a $/kgMS basis and shed power costs remaining the same. Energy efficient technology (mostly solar) has been adopted on some farms to mitigate increasing grid energy costs.

Physical parameters



Financial parameters



Overhead costs

Total labour costs declined four per cent due to lower paid and imputed labour costs (on a $/kgMS basis). The number of imputed labour units remained the same and therefore total cost will have remained the same. Paid labour units increased by 0.2 FTE and the average hourly rate paid increased, relative to the previous year. Consequently, it has been the eight per cent increase in labour efficiency (more kgMS produced per labour unit) that has enabled the lower total labour costs on a $/kgMS basis.

While the total expenditure (dollars) on repairs and maintenance costs increased, the additional milk solids production resulted in a five per cent reduction in costs on a $/kgMS basis. Conversely, the total non-cash cost of depreciation increased but the increased milk solids production was not enough to reduce the cost on a $/kgMS basis, and it increased by three per cent. These increases are in part due to plant and equipment purchases and on farm developments as more of these businesses intensify their feeding systems.

Earnings before interest and tax

In 2024-25, average EBIT (per farm) was the third highest in the 14 years of NSW DFMP (accounting for inflation), with all of the 16 businesses generating a profit.

The relatively strong farm performance for the South is illustrated in Figure 15. Twelve of the 16 farms were highly profitable, with an EBIT greater than $2.00/kgMS.

Return on total assets and equity

The slightly lower EBIT performance drove the lower ROTA with the total asset value (owned and leased), remaining stable in 2024-25. Within owned and leased assets there was a reduction in the value of leased assets but an increase in current assets and non-current assets. Farmers are continuing to invest back into the business with upgrades and/or furthering their intensification developments.

This year saw a marginal increase in equity percentage to 74% from 73% in 2023-24. There was an increase in the total dollar value of farm equity, due to an increase in the value of current and non-current assets, as mentioned above which outweighed the increase in liabilities.

The cost of financing was lower than the returns from accessing the additional assets (e.g., land), for eight of the 16 participants thus they recorded higher ROE than ROTA (Figure 16). These farmers have been able to grow their business. There were two farms with finance costs that were greater than the EBIT generated, resulting in a negative net farm income and therefore a negative ROE.

Figure 15 Average EBIT per kgMS – South

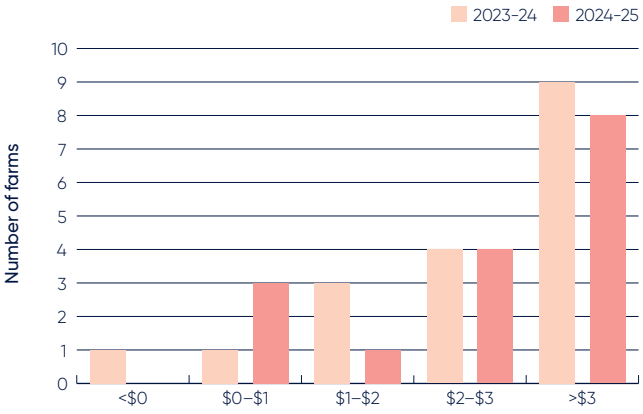
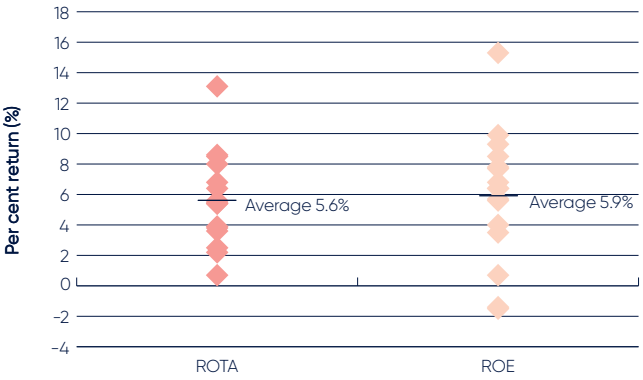


Figure 16 Average returns – South



Feed consumption and fertiliser

Feed consumption and pasture harvested

Farms in the South show a wide range of feeding systems. In 2024-25, directly grazed pasture was not the main source of metabolisable energy on all farms in this region with thirty-one per cent of farms operating a more intensive feeding system, being hybrid or total mixed ration (TMR) systems. Only seven farms had 50% or more of their energy sourced from directly grazed pasture.

Direct grazing on the milking area, on average increased by 1.6 tDM/ha and the amount of pasture conserved increased by 0.6 tDM/milking ha. Consequently, the total tonnes of dry matter harvested from the milking area increased by 2.2 tDM/ha (Figure 17). This is likely the result of generally favourable conditions in parts of the South (including the inland central and coastal areas) and the availability and effective use of irrigation water to grow homegrown feed.

As a proportion of the diet, homegrown feed (grazed and conserved) accounted for 51% of the metabolisable energy consumed, compared to 49% in the previous year.

Feeding system

While the dominant feeding system is still moderate to high bail (9 farms) of surveyed farms, there is an observable trend towards more intensive feeding systems in the south. The other seven farms are a mix of PMR (13%), hybrid (6%) and TMR (25%) feeding systems (Figure 18). The majority of these more intensive feeding systems are in the inland regions of the south where intensification is seen as an option to reduce both climatic volatility as well as water pricing challenges.

Fertiliser

The amount of fertiliser applied per milking hectare (Figure 19) decreased by 10% on the previous year. This was driven by decreases in nitrogen, phosphorus, potassium and sulphur. Figure 19 only shows usage on the milking area. It is worth noting that usage on the total usable area (which includes support area) increased relative to the previous year. This is of relevance due to the number of TMR farms where no fertiliser is recorded as used on milking area (the housing infrastructure) but fertiliser is used for fodder production on the support area.

Figure 17 Average homegrown feed removed – South

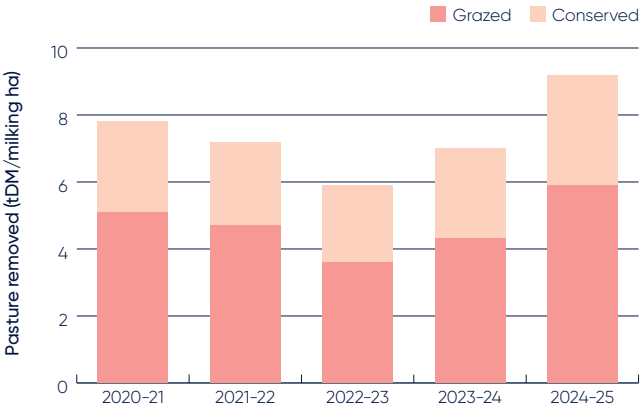


Figure 18 Feeding system types – South

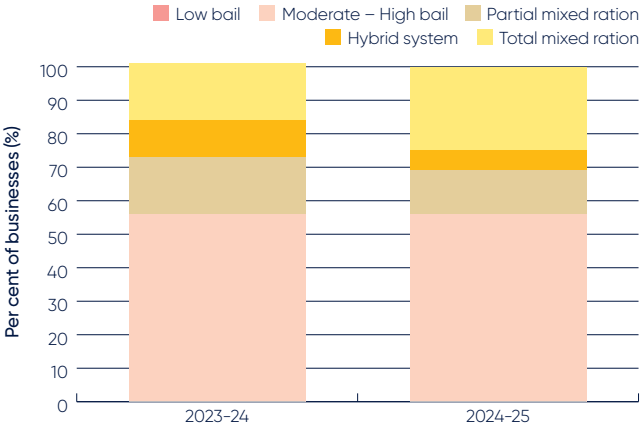
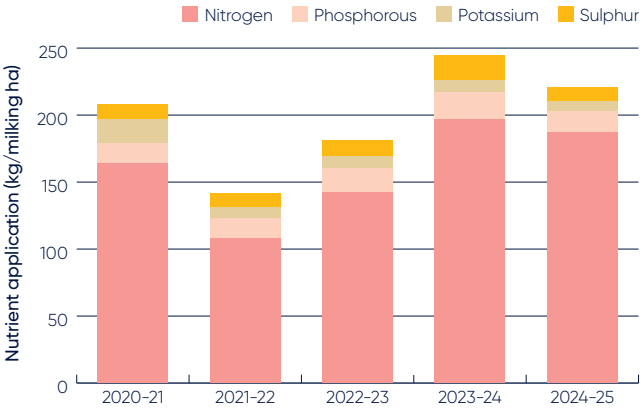


Figure 19 Average nutrient application – South



Part Four: Business confidence

Participant farmers in the south were generally more confident in their outlook for farm business returns in the coming 12 months than those in the North (2025-26).

There were no businesses expecting decreases in milk price. The majority of farmers in both regions expect price to remain stable and more south businesses expect an increase in milk price.

The majority of farmers expect to increase milk production or for production levels to remain stable, however several farms in the North group are expecting to decrease production.

In 2025-26 costs were expected to remain stable across most categories except water and labour, which were anticipated to be more likely to increase.

Expectations for business profit 2025-26

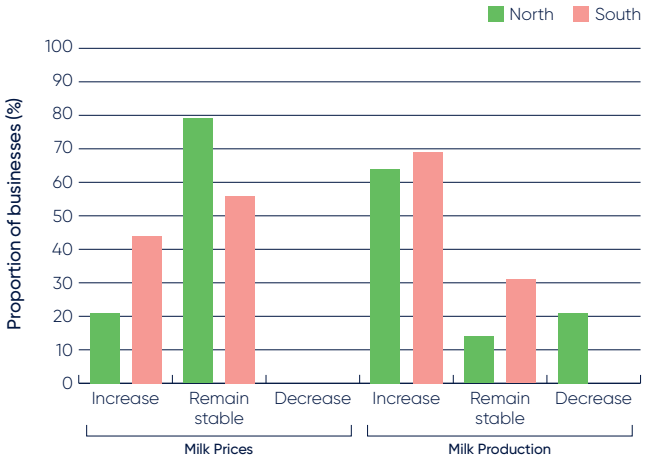
The participant survey considers different aspects of farming, from climate outlook to expectations about market conditions for dairy products. While expectations for business profit in the coming year were generally positive, there were slight regional differences (Figure 20). There is a notable shift in expectations this year compared to the previous year, with 36% of farms in the North expecting returns to decline, compared to only six per cent in the South. This is likely to be reflective of the significant impact the flooding and wet conditions had on farms in the north in the second half of the financial year. Farms in both regions were equally optimistic about improving profits, likely to be reflective of businesses on multi-year contracts and stronger pricing in the south than the previous year.

Figure 20 Expected change to farm business profit in 2025-26

Price and production expectations - milk

Participants were confident in their outlook for milk price for the year, with no businesses anticipating decreases mainly due to the timing of milk price announcements (1 June), with farmers having more informed choices on their milk factory at the time of the DFMP survey (August 2025). There are several businesses in the North group anticipating a decline in milk production for 2025-26, with the majority anticipating an increase in production or production levels remaining stable (Figure 21). The predicted increase in milk production is possibly as a result of strong milk prices and incentives from milk companies for farmers to increase production while the decrease in expected production in the North group is likely reflective of the aforementioned flooding and wet conditions.

Figure 21 Producer expectations of milk prices and production in 2025-26



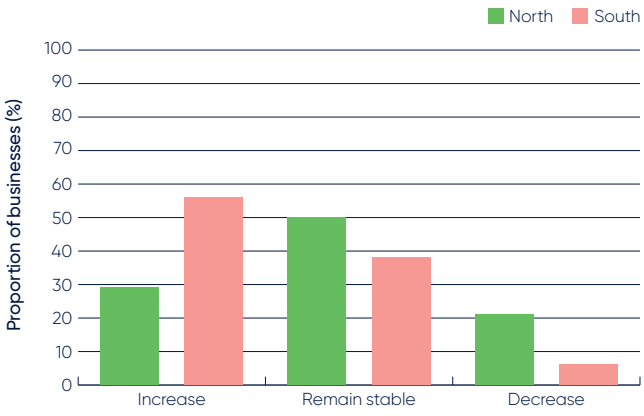
Production expectations – fodder

The season experienced at the time of the survey, the medium to long term forecasts for the year ahead and farm location will influence farmer expectations about fodder production.

The expectations for increased fodder production in 2025-26 were more positive in the South group which is the reverse of the previous year when they were less optimistic in their outlook. Farmers in the North group are anticipating fodder production to remain stable or decrease, most likely reflective of the carry over effect of the prolonged wet conditions experienced in the second half of the 2024-25 year. There is one farm in the South expecting a decline in fodder production for the year for reasons that are unclear given farm location. (Figure 22).

Despite farmer intentions, the ability for farmers to reach their goals of increasing fodder production is highly seasonal dependent.

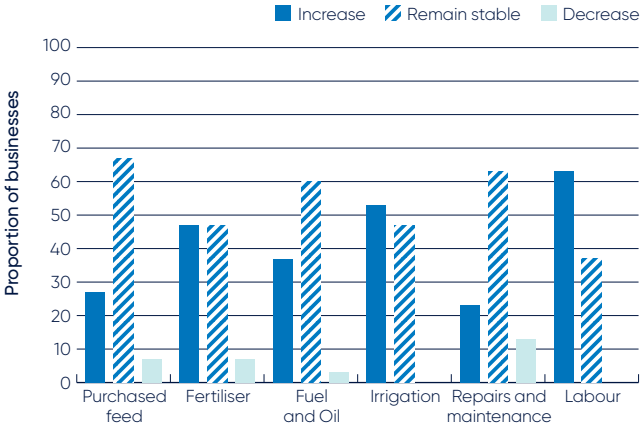
Figure 22 Producer expectations of fodder production in 2025-26



Cost expectations

The cost categories that were expected to be the most likely to increase in 2025-26 were labour and irrigation. No farmers were expecting a decrease in these two costs (Figure 23). Generally, farmers are expecting costs related to fertiliser, fuel and oil and repairs and maintenance to remain stable. While purchased feed costs are mainly expected to remain stable there are a lower percentage of farmers anticipating a decline in purchased feed costs this year (seven per cent versus 33% the previous year). Most irrigated farms expect to see irrigation costs increase or remain stable in 2025-26, reflective of seasonal conditions at the time of the survey in various locations particularly in the South region.

Figure 23 Producer expectations of costs for the dairy industry in 2025-26



Comments from participants

Seasonal conditions and climate were common concerns amongst the participants, also quantified in the following section of this report. These comments were numerous in the North group with farmers looking to recover from the recent flood impacts but many also highlighting how medium to long term forecast conditions are influencing their planning and considerations into the future. For farmers in the South group, there were also comments about weather conditions and the impact it will have on water prices and availability in the short and medium term.

There is confidence in milk prices moving forward however concerns about feed costs and availability were mixed, depending on the farm and their resources.

Labour costs, availability and skill level continue to be referenced. A common theme for North farms was transitioning the farm to a sharefarmer arrangement as the current operators look towards retirement and/or succession planning.

Given successive challenging years many farms are looking to consolidate their business and debt levels with some mentioning phasing out of dairy altogether in the coming years.

Several businesses in the North articulated the desire to investigate intensification of their current feeding system from installing feedpads to moving to a housed system, either in the short or medium to long term. The reasons were multifactorial - a way of managing challenging seasonal conditions to a means by which the business could be expanded. This isn't necessarily viewed as the complete solution to challenging conditions and business growth as there were comments about weighing up the cost of investment against debt levels that would be incurred.

Issues of importance to dairy businesses

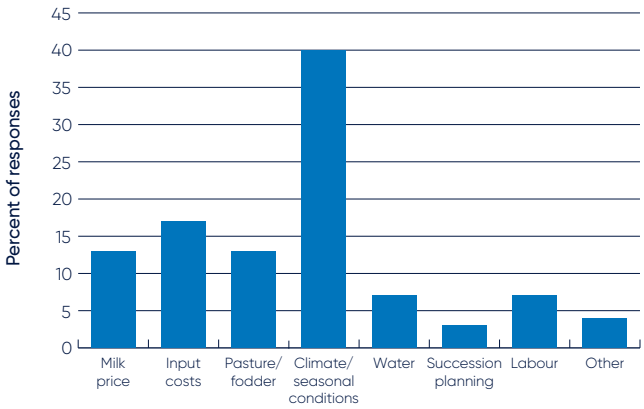
Participants are asked to rank issues based on the level of importance to their business. The results are shown in Figure 24 for the short-term issues and Figure 25 for medium term issues.

Short term issues – Next 12 months

In yet another year that saw some very challenging seasonal conditions across the state, it is unsurprising that climate/seasonal conditions were raised as the most important issue for respondents. Interestingly this issue was ranked number one by more farms in the South group than the North group, likely being reflective of the impact that dry conditions have on water availability and pricing.

Input costs were ranked as the second most important issue (17% of respondents), reflective of the increases experienced in recent years to items such as dairy consumables and fodder production costs, purchased feeds, electricity, fuel and oil and labour. Pasture/fodder and milk price were ranked equally (13%) as the third most important issue for respondents this time.

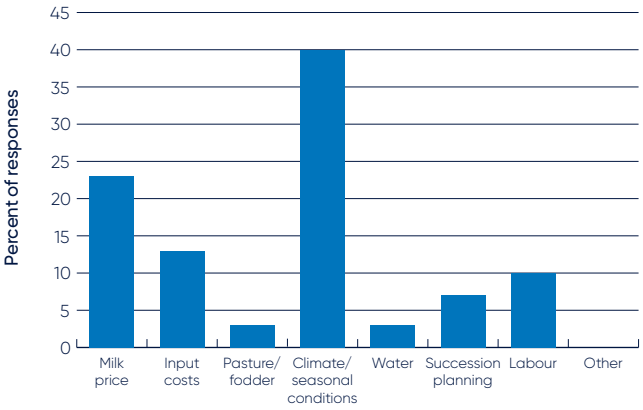
Figure 24 Major issues for individual businesses – 12-month outlook



Medium to long term issues – Next five years

The ranking order for concerns over the medium term (five years) has changed since last year. Milk price has been superseded by climate/seasonal conditions as the most important issue (40% of respondents), which is reflective of the challenging conditions experienced this year and in previous years – volatile conditions are becoming more frequent and, as reflected in farmer comments, becoming a focal point of short and medium term planning.

Figure 25 Major issues for individual businesses – five-year outlook



Part Five: 2024-25 Greenhouse gas emissions

The average farm carbon footprint for New South Wales DFMP participants was 4,649 tonnes of carbon dioxide equivalents (t CO_2-e) in 2024-25.

Emissions intensity was 0.92 t CO_2-e/t FPCM and remains relatively stable.

Notes on GHG emission estimates

The greenhouse gas (GHG) emissions data presented in this project provides valuable insight for those calculating GHG emissions while also informing options for emission reduction.

Greenhouse gas emission estimates are calculated using the Australian Dairy Carbon Calculator V5.1 embedded within DairyBase. Data from all years was analysed using the same accounting framework.

Tracking an individual dairy farm's GHG emissions over time provides reliable, farm-specific data for developing strategies to reduce their carbon footprint. These estimates reflect the range of DFMP participant farm profiles and should not be taken as representative of the dairy industry (this year's DFMP farms represent ~7% of NSW dairy licences).

Total emissions

In 2024-25, the average farm carbon footprint (net GHG emissions) for NSW DFMP participants was estimated to be 4,649 t CO_2-e/farm. The increase in net farm emissions this year was likely due to an increase across emissions sources associated with higher average MS production (Figure 26).

An increase in total fertiliser use compared to 2023-24, also contributed to higher nitrous oxide emissions (other nitrous oxide sources being gas produced from wastes – dung/urine and effluent ponds). There was an increase in enteric methane related to livestock and higher average milking cow numbers this year. Pre-farm emissions increased (fertiliser manufacture, production of purchased fodder, grain and concentrates) and carbon dioxide emissions from fossil fuel consumption on farm (electricity, petrochemicals and/or fuel from contractors) also increased. Over time, as we reflect farm-specific manure practices, this too can influence emissions, especially waste methane.

Carbon capture and storage from trees is accounted for in average net emissions. The lower average tree carbon sequestration figure (Table 1) can be largely attributed to one farm that had a high level of sequestration from trees opting not to participate this year. Also, unless there are new plantings or land acquisitions with tree plantations, the amount of carbon sequestered on a farm will decrease as the trees increase in age once beyond 15-20 years, gradually lowering the quantity of sequestered carbon.

Table 1 Estimated average GHG emissions and intensity between 2020-21 and 2024-25 (CO_2 equivalent)

Emission source	Units	2020-21	2021-22	2022-23*	2023-24	2024-25
Sample size		**41**	**36**	**36**	**36**	**30**
Methane	t CO_2-e/farm	2,057	2,121	2,405	2,771	3,376
Pre-farm	t CO_2-e/farm	366	340	409	456	506
Nitrous oxide	t CO_2-e/farm	390	372	452	488	561
Carbon dioxide	t CO_2-e/farm	292	251	306	345	410
Tree carbon	t CO_2-e/farm	N/A	-15	-213	-220	-203
Net GHG emissions	t CO_2-e/farm	3,105	3,069	3,358	3,840	4,649
Emissions intensity	t CO_2-e/FPCM (milk)	0.94	0.95	0.87	0.90	0.92
Emissions intensity	t CO_2-e/t MS (milk)	13.3	13.4	12.3	12.6	12.9
Emissions intensity	t CO_2-e/kg lwt (meat)	4.6	4.9	5.3	5.1	4.9

* From 2022-23 greater detail was collected about manure management at the dairy and feeding areas, fuel usage by contractors and trees, meaning historical data may not be comparable.

Emissions intensity

The emissions intensity allocated to milk production (once meat production is considered), increased on the previous year (0.92 t CO_2-e/t FPCM) and has fluctuated slightly over the years but has decreased since 2020-21 (Figure 27). Emissions intensity is calculated by dividing total emissions by the amount of fat and protein corrected milk (FPCM); standardised to 4.0% fat and 3.3% protein.

Emissions intensity allocated to meat production declined relative to the previous year as farmers sold more livestock which helps to lower meat emissions intensity (kgCO_2-e/kg LWT). There are a number of farms that have a significant livestock trading component to their businesses in the dataset and there were some strategic livestock sales as a result of challenging seasonal conditions.

Figure 26 Estimated average net farm GHG emissions and milk solid production between 2020-21 and 2024-25 (CO_2 equivalent)

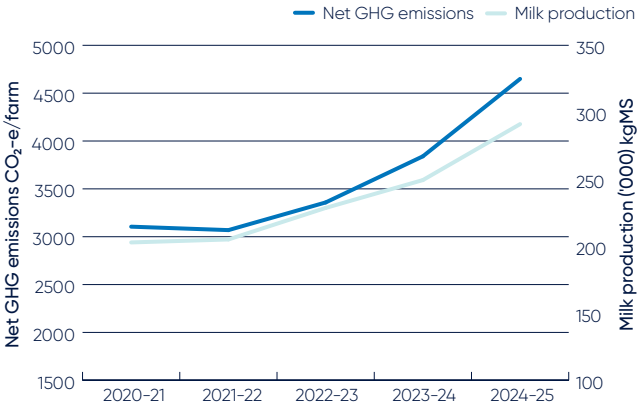
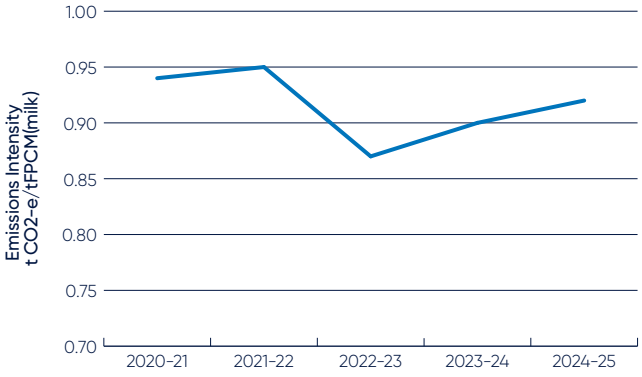


Figure 27 Estimated average emissions intensity between 2020-21 and 2024-25 (CO_2 equivalent)



Part Six: How does 2024–25 compare?

Despite conditions being extremely varied across the dairying regions in NSW participant farms in the project were generally able to manage their production and operating costs in a manner that resulted in continued strong profits.

The relatively strong profit results for the NSW DFMP farms (average $697,468 per farm), were well above the 14-year long term average of $366,394 (adjusted for inflation).

While the average total EBIT was higher (relative to the previous year) the increase in the average value of total assets managed resulted in a slightly lower ROTA for the state, averaging 4.3% across all 30 farms.

The North

Farm profit (EBIT) in the North in 2024-25 was the second highest seen (accounting for inflation) since the start of the DFMP in 2011-12 (Figure 32). Average EBIT was $351,855 in 2024-25, compared to the long-term average of $194,744. Net farm income was $196,161 in 2024-25, compared to the long-term average of $78,822. Once interest and lease costs were deducted from EBIT, six farms had a negative net farm income as the EBIT generated was not sufficient to cover these costs.

Average ROTA was 2.8% in 2024-25, decreasing from 3.1% the previous year (Figure 33), which is the fifth highest in the last 14 years. The average ROE in the North increased to 5.3% in 2024-25 from 0.7% in the previous year. Business structure also impacts ROE, which is seen with businesses that have a high proportion of leased assets. The North results are impacted with a farm operating with a large proportion of assets as leased assets.

The coming twelve months will see flow on impacts for coastal farms that were severely affected by the flooding and prolonged wet conditions in this region during autumn. Herd performance, feed reserves and milk production levels will be a focus for those rebuilding.

Figure 28 Farm profitability between 2011-12 and 2024-25 – the North

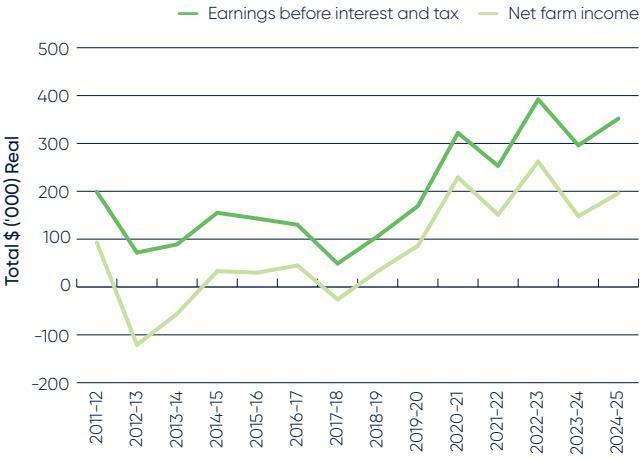
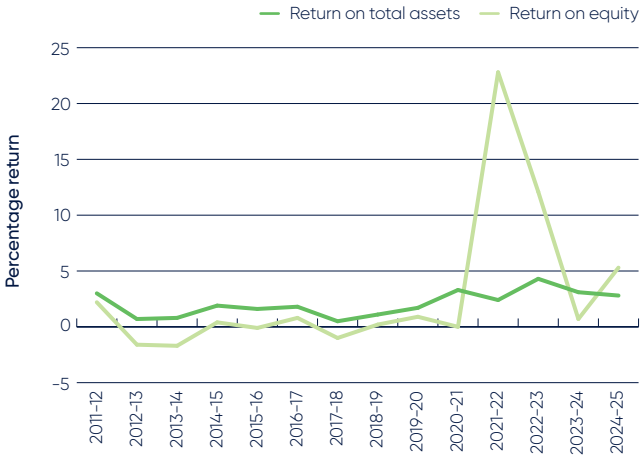


Figure 29 Whole farm performance between 2011-12 and 2024-25 – the North



The South

Farm profit (EBIT) in the South in 2024-25 was the third highest (accounting for inflation) since the start of the DFMP in 2011-12 (Figure 34). Average EBIT was $999,880 in 2024-25, compared to the long-term average of $542,716. Net farm income was $723,818 in 2024-25, compared to the long-term average of $375,777.

Average ROTA was 5.6% in 2024-25, decreasing from 6.0% the previous year (Figure 35). This still sits above the long-term average of 4.5%. The average ROE in the South decreased to 5.9% in 2024-25 from 6.7% in 2023-24, compared to the long-term average of 5.1%.

In the coming twelve months, given the expansion of dry conditions throughout regions of the south towards the end of the financial year and into the 2025 spring period, farms may face challenges with milk and homegrown feed production and will need to monitor feed and water prices in the absence of effective rainfall.

Figure 30 Farm profitability between 2011-12 and 2024-25 – the South

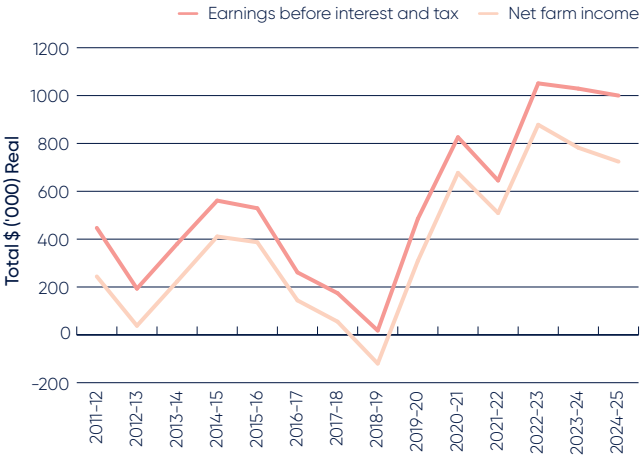
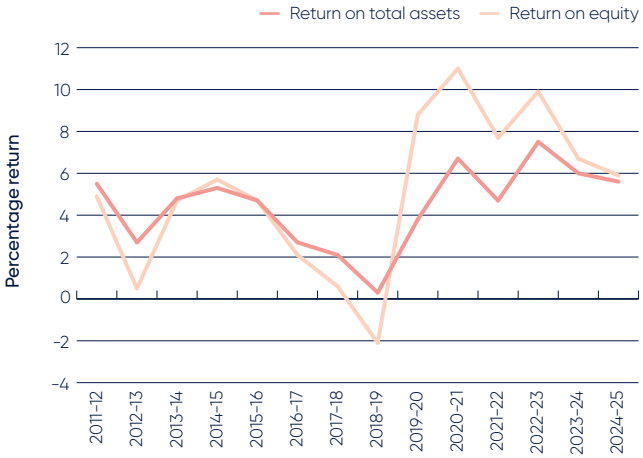


Figure 31 Whole farm performance between 2011-12 and 2024-25 – the South



Appendices

Appendix A: Statewide summary tables

Table A1 Main financial indicators

	Milk income (net)	All other income	Gross farm income	Total variable costs	Total overhead costs	Cost structure (variable costs/total costs)	Earnings Before Interest & Tax	Return on total assets (excl. capital apprec.)	Interest & lease charges	Debt servicing ratio	Net farm income	Return on equity
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	%	$/kgMS	%	$/kgMS	% of income	$/kgMS	%
Average	11.55	1.01	12.56	6.24	4.19	60	2.14	4.3	0.91	7	1.23	5.6
Top 25%	11.05	0.94	11.99	5.33	3.20	63	3.46	8.0	0.96	8	2.50	15.0

Table A2 Physical information

	Total usable area	Milking area	Total water use efficiency	Number of milking cows	Milking cows per usable area	Milk sold	Milk sold	Fat	Protein
	ha	ha	tDM/100mm/ha	hd	hd/ha	kgMS/cow	kgMS/ha	%	%
Average	423	143	0.6	482	1.3	557	702	4.1	3.3
Top 25%	916	288	0.9	979	1.1	607	697	4.1	3.4

	Estimated grazed pasture**	Estimated conserved feed**	Home grown feed as % of ME consumed	Nitrogen application**	Phosphorous application**	Potassium application**	Sulphur application**	Labour efficiency	Labour efficiency
	t DM/ha	t DM/ha	% of ME	kg/ha	kg/ha	kg/ha	kg/ha	hd/FTE	kgMS/FTE
Average	6.1	2.4	55	215	16	23	18	75	41,740
Top 25%	3.8	1.6	60	133	9	6	11	96	57,664

**on milking area

Table A3 Purchased feed

	Purchased feed per milker	Concentrate price	Silage price	Hay price	Other feed price	Average purchased feed price	Percent of total energy imported
	t DM/hd	$/t DM	$/t DM	$/t DM	$/t DM	$/t DM	% of ME
Average	3.9	547	390	482	326	518	45
Top 25%	3.8	493	342	347	243	448	40

Calculation of average price of silage, hay and other feed excludes zero values.

Table A4 Variable costs

	AI and herd test	Animal health	Calf rearing	Shed power	Dairy supplies	Total herd and shed costs	Fertiliser	Irrigation	Hay and silage making
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
Average	0.16	0.22	0.08	0.19	0.17	0.83	0.67	0.17	0.29
Top 25%	0.16	0.21	0.04	0.16	0.12	0.69	0.60	0.33	0.43

	Fuel and oil	Pasture improvement/ cropping	Other feed costs	Fodder purchases	Grain/ concentrates/ other	Agistment costs	Feed and water inventory change	Total feed costs	Total variable costs
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
Average	0.19	0.48	0.03	0.62	2.95	0.06	-0.05	5.41	6.24
Top 25%	0.20	0.53	0.03	0.30	2.49	0.06	-0.31	4.64	5.33

Table A5 Overhead costs

	Rates	Farm Insurance	Motor Vehicle Expenses	Repairs and maintenance	Other overheads	Employed labour	Total cash overheads	Depreciation	Imputed owner/ operator & family labour	Total overheads
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
Average	0.07	0.18	0.06	0.66	0.22	1.44	2.63	0.62	0.94	4.19
Top 25%	0.03	0.12	0.05	0.63	0.16	1.40	2.39	0.50	0.31	3.20

Table A6 Capital structure

Farm assets				
	Land value	Land value	Permanent water value	Permanent water value
	$/ha	$/cow	$/ha	$/cow
Average	20,541	17,239	2,507	2,120
Top 25%	11,861	11,678	3,914	3,536

Other farm assets (per usable hectare)				
Plant and equipment	Livestock	Hay and grain	Other assets	Total assets
$/ha	$/ha	$/ha	$/ha	$/ha
2,970	4,113	755	707	30,832
2,220	3,758	1,060	203	22,651

Liabilities		
Liabilities per usable hectare	Liabilities per milking cow	Liabilities per kgMS
$/ha	$/cow	$/kgMS
7,268	6,391	11.44
6,688	6,767	11.15

Equity	
Equity per usable hectare	Average equity
$/ha	%
23,806	75
15,963	70

Calculation of average values of land, water asset and equity excludes zero values

Table A7 Historical data – average farm income, costs and profit per kilogram of milk solids

	Income				Variable costs							
	Milk income (net)		Gross farm income		Herd costs		Shed costs		Feed costs		Total variable costs	
Year	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)
2011-12	6.88	9.57	7.76	10.79	0.33	0.46	0.27	0.37	3.02	4.20	3.62	5.03
2012-13	6.43	8.70	7.20	9.74	0.33	0.44	0.28	0.38	3.18	4.30	3.79	5.13
2013-14	7.15	9.44	8.00	10.56	0.31	0.40	0.30	0.39	3.46	4.56	4.06	5.36
2014-15	7.46	9.62	8.44	10.89	0.32	0.42	0.29	0.38	3.55	4.58	4.16	5.37
2015-16	7.34	9.35	8.23	10.48	0.35	0.44	0.27	0.34	3.33	4.24	3.94	5.02
2016-17	6.89	8.61	7.94	9.92	0.38	0.47	0.26	0.33	3.27	4.09	3.91	4.89
2017-18	7.27	8.93	8.00	9.82	0.36	0.45	0.28	0.35	3.89	4.78	4.53	5.56
2018-19	7.74	9.37	8.68	10.51	0.31	0.38	0.31	0.37	4.49	5.44	5.11	6.19
2019-20	8.88	10.61	9.85	11.77	0.37	0.44	0.28	0.33	4.79	5.73	5.44	6.50
2020-21	8.94	10.53	10.12	11.92	0.42	0.49	0.29	0.34	3.92	4.62	4.63	5.45
2021-22	9.13	10.30	10.48	11.82	0.47	0.53	0.30	0.34	4.24	4.78	5.01	5.65
2022-23	11.43	12.23	12.66	13.55	0.50	0.54	0.31	0.33	5.03	5.38	5.85	6.26
2023-24	11.88	12.20	12.60	12.94	0.51	0.52	0.34	0.35	5.53	5.68	6.38	6.55
2024-25	11.55	11.55	12.56	12.56	0.47	0.47	0.36	0.36	5.41	5.41	6.24	6.24
Average		**10.07**		**11.23**		**0.46**		**0.35**		**4.84**		**5.66**

Note: 'Real' dollar values are the nominal values converted to 2024-25 dollar equivalents by the consumer price index (CPI) to allow for inflation. From 2016-17 Gross farm income does not include feed inventory changes and changes to the value of carry-over water. These are included in feed costs.

Table A7 (continued)

	Overhead costs						Profit							
	Cash overhead costs		Non-cash overhead costs		Total overhead costs		Earnings before interest and tax		Interest and lease charges		Net farm income			
Year	Nominal ($/kg MS)	Real ($/kg MS)	Nominal ($/kg MS)	Real ($/kg MS)	Nominal ($/kg MS)	Real ($/kg MS)	Nominal ($/kg MS)	Real ($/kg MS)	Nominal ($/kg MS)	Real ($/kg MS)	Nominal ($/kg MS)	Real ($/kg MS)	Return on total assets (%)	Return on equity (%)
2011-12	1.56	2.17	1.24	1.72	2.80	3.89	1.34	1.86	0.59	0.81	0.75	1.04	4.3	3.6
2012-13	1.71	2.31	1.19	1.61	2.90	3.92	0.51	0.69	0.62	0.84	-0.10	-0.14	1.7	-0.5
2013-14	1.80	2.38	1.25	1.65	3.05	4.03	0.88	1.16	0.62	0.82	0.26	0.34	2.6	1.3
2014-15	1.71	2.21	1.25	1.61	2.96	3.82	1.32	1.70	0.60	0.77	0.72	0.93	3.5	2.8
2015-16	1.75	2.23	1.41	1.80	3.16	4.02	1.12	1.43	0.54	0.69	0.58	0.74	3.0	2.1
2016-17	1.80	2.25	1.31	1.64	3.11	3.89	0.92	1.15	0.51	0.64	0.41	0.51	2.2	1.4
2017-18	1.70	2.09	1.44	1.77	3.14	3.85	0.33	0.41	0.51	0.63	-0.18	-0.22	1.2	-0.3
2018-19	1.88	2.27	1.32	1.59	3.19	3.87	0.38	0.45	0.54	0.65	-0.16	-0.20	0.7	-0.8
2019-20	1.98	2.37	1.37	1.64	3.35	4.01	1.05	1.26	0.59	0.71	0.46	0.55	2.7	4.7
2020-21	2.05	2.41	1.37	1.61	3.43	4.04	2.07	2.44	0.57	0.67	1.50	1.77	4.9	7.0
2021-22	2.28	2.57	1.48	1.67	3.76	4.24	1.71	1.93	0.57	0.64	1.14	1.29	3.5	15.3
2022-23	2.39	2.56	1.65	1.77	4.04	4.32	2.78	2.97	0.73	0.78	2.05	2.19	6.0	11.0
2023-24	2.50	2.57	1.60	1.64	4.10	4.21	2.12	2.18	0.90	0.92	1.22	1.25	4.5	3.7
2024-25	2.63	2.63	1.56	1.56	4.19	4.19	2.14	2.14	0.91	0.91	1.23	1.23	4.3	5.6
Average		**2.36**		**1.66**		**4.02**		**1.55**		**0.75**		**0.81**	**3.2**	**4.1**

Table A8 Historical data – average farm physical information

	Total usable area	Milking area	Total water use efficiency	Number of milking cows	Milking cows per useable area	Milk sold	Milk sold	Estimated grazed pasture*	Estimated conserved feed*	Home grown feed as % of ME consumed	Concentrate price	
Year	ha	ha	t DM/ 100mm/ ha	hd	hd/ ha	kgMS/ cow	kgMS/ ha	t DM/ ha	t DM/ ha	% of ME	Nominal ($/t DM)	Real ($/t DM)
2011-12	300	133	0.49	375	1.4	478	663	6.4	1.3	59	304	423
2012-13	329	140	0.55	349	1.2	492	608	6.9	1.3	60	323	437
2013-14	301	119	0.60	309	1.1	504	569	6.0	1.1	60	412	544
2014-15	287	128	0.51	338	1.2	506	602	6.5	1.8	61	413	533
2015-16	287	126	0.55	351	1.3	504	618	6.2	2.1	61	392	499
2016-17	263	120	0.56	326	1.3	498	646	6.9	1.6	60	357	446
2017-18	251	118	0.67	337	1.4	488	683	6.0	1.6	57	423	519
2018-19	342	144	0.74	373	1.3	491	610	6.3	1.8	62	567	687
2019-20	365	143	0.57	384	1.2	512	625	5.4	1.8	52	555	663
2020-21	365	135	0.46	371	1.3	522	649	5.9	2.4	58	456	537
2021-22	381	139	0.43	375	1.3	518	644	5.3	2.4	57	454	512
2022-23	382	139	0.52	415	1.3	511	661	4.4	2.7	52	520	556
2023-24	382	132	0.57	436	1.3	529	710	5.7	2.6	51	593	609
2024-25	423	143	0.58	482	1.3	557	702	6.1	2.4	55	547	547
Average	**333**	**133**	**0.56**	**373**	**1.3**	**508**	**642**	**6.0**	**1.9**	**58**		**537**

*Estimated grazed pasture and conserved feed is calculated per hectare of milking area.

Appendix B: North summary tables

Table B1 Main financial indicators

Farm number	Milk income (net)	All other income	Gross farm income	Total variable costs	Total overhead costs	Cost structure (variable costs /total costs)	Earnings Before Interest & Tax	Return on assets (excl. capital apprec.)	Interest & lease charges	Debt servicing ratio	Net farm income	Return on equity
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	%	$/kgMS	%	$/kgMS	% of income	$/kgMS	%
NN0002	11.44	2.01	13.45	6.06	5.39	53	2.00	2.9	0.06	0	1.94	2.9
NN0005	12.61	0.59	13.19	5.63	4.84	54	2.72	5.7	-	0	2.72	5.7
NN0023	11.21	0.57	11.78	5.33	6.11	47	0.33	0.4	0.45	4	-0.12	-0.2
NN0024	12.45	2.30	14.74	7.86	5.02	61	1.86	3.9	0.32	2	1.54	4.5
NN0027	13.18	1.28	14.46	7.32	4.84	60	2.30	5.3	0.50	3	1.80	5.8
NN0030	12.68	-0.56	12.12	7.19	5.84	55	-0.91	-1.3	2.07	17	-2.98	-11.5
NN0031	11.63	0.99	12.62	6.74	5.12	57	0.77	1.8	0.38	3	0.38	1.4
NN0032	13.61	1.47	15.08	6.80	4.26	62	4.02	6.7	1.35	9	2.67	8.0
NN0036	12.15	1.21	13.36	8.05	3.96	67	1.34	2.3	1.35	10	-0.01	0.0
NN0037	13.33	1.00	14.33	6.56	5.46	55	2.31	4.4	0.73	5	1.57	4.7
NN0040	12.27	2.25	14.52	8.06	5.95	58	0.50	0.7	1.36	9	-0.85	-1.7
NN0042	11.92	0.69	12.60	7.28	4.89	60	0.43	0.7	0.81	6	-0.38	-0.9
NN0043	12.94	0.84	13.78	5.35	3.37	61	5.06	5.7	1.50	11	3.56	56.9
NN0045	11.88	0.96	12.84	7.76	5.06	61	0.02	0.0	1.90	15	-1.88	-2.1
Average	**12.38**	**1.11**	**13.49**	**6.86**	**5.01**	**58**	**1.63**	**2.8**	**0.91**	**7**	**0.71**	**5.3**

Table B2 Physical information

Farm number	Total usable area	Milking area	Total water use efficiency	Number of milking cows	Milking cows per usable area	Milk sold	Milk sold	Fat	Protein
	ha	ha	tDM/100mm/ha	hd	hd/ha	kgMS/cow	kgMS/ha	%	%
NN0002	108	50	0.2	86	0.80	514	410	3.9	3.2
NN0005	242	100	0.4	322	1.33	535	711	4.1	3.3
NN0023	85	36	0.5	100	1.18	489	576	4.0	3.2
NN0024	271	120	0.3	257	0.95	582	552	3.9	3.1
NN0027	240	93	0.3	406	1.69	513	869	4.1	3.3
NN0030	178	60	0.3	207	1.16	497	578	4.0	3.3
NN0031	284	178	0.3	422	1.49	446	664	4.8	3.6
NN0032	1,448	450	0.3	995	0.69	506	348	3.7	3.2
NN0036	250	55	0.2	311	1.24	457	569	4.1	3.3
NN0037	280	92	0.2	336	1.20	479	574	3.9	3.2
NN0040	239	102	0.3	339	1.42	420	596	4.1	3.3
NN0042	125	73	0.7	300	2.40	373	896	4.2	3.3
NN0043	400	320	0.6	405	1.01	408	413	4.3	3.4
NN0045	335	75	0.1	183	0.55	557	304	4.1	3.3
Average	**320**	**129**	**0.3**	**334**	**1.2**	**484**	**576**	**4.1**	**3.3**

Table B2 (continued)

Farm number	Estimated grazed pasture**	Estimated conserved feed**	Home grown feed as % of ME consumed	Nitrogen application**	Phosphorous application**	Potassium application**	Sulphur application**	Labour efficiency	Labour efficiency
	t DM/ha	t DM/ha	% of ME	kg/ha	kg/ha	kg/ha	kg/ha	hd/FTE	kgMS/FTE
NN0002	4.6	1.9	61%	234	14	79	36	49	25,136
NN0005	8.7	1.5	63%	277	12	23	20	57	30,717
NN0023	10.2	1.0	70%	242	15	15	11	49	23,788
NN0024	3.7	2.5	53%	295	29	28	53	61	35,566
NN0027	8.2	1.1	48%	390	38	7	39	71	36,362
NN0030	1.6	1.7	38%	244	17	11	4	46	22,745
NN0031	6.4	3.1	72%	404	25	99	25	56	24,814
NN0032	3.9	0.4	62%	201	4	46	36	79	40,155
NN0036	7.6	5.4	57%	275	-	8	2	79	35,940
NN0037	7.4	0.2	45%	344	26	74	14	51	24,573
NN0040	7.4	0.0	54%	189	8	39	82	81	34,084
NN0042	7.3	3.3	61%	318	12	72	39	101	37,523
NN0043	5.9	0.0	76%	133	6	5	10	92	37,533
NN0045	4.9	0.7	54%	203	51	10	8	44	24,737
Average	**6.3**	**1.6**	**58%**	**268**	**18**	**37**	**27**	**65**	**30,977**

**On milking area
Calculation of the average for grazed feed excludes zero values

Table B3 Purchased feed

Farm number	Purchased feed per milker	Concentrate price	Silage price	Hay price	Other feed price	Average purchased feed price	Percent of total energy imported
	t DM/hd	$/t DM	$/t DM	$/t DM	$/t DM	$/t DM	% of ME
NN0002	3.0	699	-	-	-	699	39
NN0005	2.6	494	567	622	517	515	37
NN0023	2.5	538	-	674	-	570	30
NN0024	4.6	567	-	460	-	549	47
NN0027	4.1	627	-	578	256	587	52
NN0030	4.4	434	-	-	-	434	62
NN0031	1.8	737	-	417	-	736	28
NN0032	3.7	490	400	487	-	488	38
NN0036	3.1	659	398	747	190	647	43
NN0037	4.0	583	611	480	-	546	55
NN0040	3.2	589	504	624	358	516	46
NN0042	2.7	528	-	-	418	513	39
NN0043	1.7	505	476	436	-	496	24
NN0045	4.5	618	556	659	-	625	46
Average	**3.3**	**576**	**502**	**562**	**348**	**566**	**42**

Calculation of average price of silage, hay and other feed excludes zero values

Table B4 Variable costs

Farm number	AI and herd test	Animal health	Calf rearing	Shed power	Dairy supplies	Total herd and shed costs	Fertiliser	Irrigation	Hay and silage making
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
NN0002	0.10	0.23	-	0.25	0.22	0.81	0.86	0.09	0.08
NN0005	0.16	0.25	0.03	0.17	0.15	0.76	1.13	0.05	0.33
NN0023	0.17	0.16	-	0.09	0.35	0.77	0.67	0.19	0.11
NN0024	0.27	0.33	0.02	0.17	0.19	0.98	1.00	0.02	0.45
NN0027	0.07	0.24	0.05	0.13	0.12	0.62	0.78	0.11	0.12
NN0030	0.06	0.27	0.13	0.17	0.40	1.03	0.50	-	0.35
NN0031	0.32	0.20	0.10	0.21	0.23	1.05	1.62	0.02	0.15
NN0032	0.19	0.45	0.03	0.11	0.36	1.15	1.12	0.01	0.18
NN0036	0.20	0.39	0.37	0.13	0.34	1.43	0.65	0.12	0.30
NN0037	0.28	0.28	0.09	0.24	0.09	0.98	0.70	0.01	0.06
NN0040	0.12	0.45	0.14	0.46	0.27	1.46	0.82	0.05	0.26
NN0042	0.10	0.30	0.02	0.55	0.57	1.53	0.81	0.08	0.60
NN0043	0.23	0.21	0.03	0.33	0.14	0.94	0.76	0.28	-
NN0045	0.28	0.25	0.58	0.22	0.12	1.44	0.75	-	0.18
Average	**0.18**	**0.29**	**0.11**	**0.23**	**0.25**	**1.07**	**0.87**	**0.07**	**0.23**

Farm number	Fuel and oil	Pasture improvement/ cropping	Other feed costs	Fodder purchases	Grain/ concentrates/ other	Agistment costs	Feed and water inventory change	Total feed costs	Total variable costs
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
NN0002	0.12	0.21	-	-	4.07	-	-0.18	5.25	6.06
NN0005	0.17	0.60	-	0.61	2.19	-	-0.20	4.87	5.63
NN0023	0.27	0.42	-	0.87	2.27	-	-0.23	4.56	5.33
NN0024	0.24	0.79	-	0.60	3.62	-	0.15	6.87	7.86
NN0027	0.27	0.52	-	0.36	4.30	-	0.25	6.70	7.32
NN0030	0.26	0.65	0.36	-	3.55	-	0.49	6.16	7.19
NN0031	0.31	0.65	-	0.00	3.10	-	-0.17	5.68	6.74
NN0032	0.27	0.83	-	0.60	3.02	-	-0.38	5.65	6.80
NN0036	0.17	0.52	0.04	1.09	3.16	-	0.55	6.62	8.05
NN0037	0.16	0.30	-	1.43	2.57	-	0.35	5.58	6.56
NN0040	0.38	0.64	-	0.50	3.82	0.11	0.02	6.61	8.06
NN0042	0.19	0.48	-	-	3.54	-	0.06	5.76	7.28
NN0043	0.05	1.20	-	0.32	1.69	-	0.12	4.41	5.35
NN0045	0.14	0.24	0.03	1.91	2.65	-	0.41	6.32	7.76
Average	**0.21**	**0.58**	**0.03**	**0.59**	**3.11**	**0.01**	**0.09**	**5.79**	**6.86**

Table B5 Overhead costs

Farm number	Rates	Farm Insurance	Motor Vehicle Expenses	Repairs and maintenance	Other overheads	Employed labour	Total cash overheads	Depreciation	Imputed owner/ operator & family labour	Total overheads
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
NN0002	0.12	0.39	0.09	0.48	0.28	1.39	2.75	0.68	1.95	5.39
NN0005	0.08	0.15	0.08	0.57	0.19	2.36	3.43	0.65	0.76	4.84
NN0023	0.14	0.32	0.03	1.07	0.46	0.21	2.22	0.46	3.44	6.11
NN0024	0.07	0.27	0.04	0.88	0.33	2.26	3.84	0.61	0.58	5.02
NN0027	0.07	0.19	0.18	0.78	0.41	1.48	3.11	0.96	0.78	4.84
NN0030	0.11	0.15	0.06	0.46	0.19	1.98	2.96	1.22	1.66	5.84
NN0031	0.07	0.14	0.05	0.62	0.38	2.85	4.12	0.58	0.43	5.12
NN0032	0.11	0.14	0.06	0.98	0.22	1.92	3.44	0.45	0.37	4.26
NN0036	0.08	0.21	0.03	0.62	0.12	0.85	1.90	0.51	1.55	3.96
NN0037	0.07	0.15	0.04	0.56	0.30	2.95	4.05	0.39	1.02	5.46
NN0040	0.19	0.25	0.18	1.34	0.38	1.71	4.06	1.01	0.89	5.95
NN0042	0.05	0.30	0.16	1.26	0.21	0.44	2.41	0.55	1.92	4.89
NN0043	-	0.12	0.03	0.41	0.30	1.58	2.44	0.19	0.74	3.37
NN0045	0.11	0.27	0.14	0.22	0.38	1.72	2.82	0.58	1.66	5.06
Average	**0.09**	**0.22**	**0.08**	**0.73**	**0.30**	**1.69**	**3.11**	**0.63**	**1.27**	**5.01**

Table B6 Capital structure

Farm assets				
	Land value	Land value	Permanent water value	Permanent water value
	$/ha	$/cow	$/ha	$/cow
Average	21,731	19,309	1,097	911

Other farm assets (per usable hectare)				
Plant and equipment	Livestock	Hay and grain	Other assets	Total assets
$/ha	$/ha	$/ha	$/ha	$/ha
3,088	4,026	482	842	31,248

Liabilities			
	Liabilities per usable hectare	Liabilities per milking cow	Liabilities per kgMS
	$/ha	$/cow	$/kgMS
Average	7,077	6,343	12.08

Equity	
Equity per usable hectare	Average equity
$/ha	%
24,171	76

Calculation of average values of land,water asset and equity excludes zero values

Table B7 Historical data – average farm income, costs and profit per kilogram of milk solids

	Income				Variable costs							
	Milk income (net)		Gross farm income		Herd costs		Shed costs		Feed costs		Total variable costs	
Year	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)
2011-12	7.13	9.91	8.04	11.18	0.35	0.48	0.29	0.41	3.17	4.41	3.81	5.30
2012-13	6.83	9.24	7.46	10.09	0.33	0.45	0.32	0.44	3.34	4.52	4.00	5.41
2013-14	7.17	9.46	8.01	10.57	0.30	0.39	0.37	0.49	3.68	4.86	4.35	5.74
2014-15	7.62	9.83	8.61	11.11	0.35	0.45	0.36	0.46	3.78	4.87	4.48	5.78
2015-16	7.65	9.74	8.46	10.77	0.34	0.44	0.31	0.40	3.61	4.59	4.26	5.43
2016-17	7.28	9.10	8.25	10.31	0.35	0.44	0.31	0.39	3.46	4.32	4.12	5.15
2017-18	7.62	9.36	8.39	10.30	0.38	0.47	0.33	0.40	4.09	5.02	4.79	5.88
2018-19	8.07	9.77	9.16	11.09	0.33	0.39	0.35	0.43	4.45	5.39	5.13	6.21
2019-20	9.37	11.19	10.35	12.37	0.43	0.51	0.32	0.38	4.91	5.86	5.65	6.76
2020-21	9.31	10.96	10.63	12.52	0.50	0.59	0.33	0.39	4.33	5.10	5.15	6.06
2021-22	9.58	10.81	11.06	12.48	0.57	0.64	0.36	0.40	4.54	5.12	5.46	6.16
2022-23	11.97	12.81	13.32	14.25	0.57	0.61	0.34	0.36	5.30	5.67	6.21	6.65
2023-24	12.37	12.70	13.09	13.44	0.59	0.61	0.39	0.40	5.92	6.08	6.90	7.09
2024-25	12.38	12.38	13.49	13.49	0.58	0.58	0.48	0.48	5.79	5.79	6.86	6.86
Average		**10.52**		**11.71**		**0.50**		**0.42**		**5.12**		**6.03**

	Overhead costs						Profit							
	Cash overhead costs		Non-cash overhead costs		Total overhead costs		Earnings before interest and tax		Interest and lease charges		Net farm income			
Year	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Return on total assets (%)	Return on equity (%)
2011-12	1.76	2.45	1.44	2.00	3.20	4.45	1.03	1.43	0.45	0.62	0.58	0.81	3.0	2.2
2012-13	2.01	2.72	1.26	1.70	3.25	4.40	0.22	0.30	0.58	0.78	-0.36	-0.49	0.7	-1.6
2013-14	2.02	2.67	1.34	1.77	3.36	4.43	0.29	0.38	0.64	0.84	-0.34	-0.45	0.8	-1.7
2014-15	1.87	2.41	1.45	1.87	3.31	4.27	0.82	1.06	0.63	0.82	0.19	0.25	1.9	0.4
2015-16	1.96	2.50	1.62	2.06	3.58	4.56	0.62	0.79	0.53	0.68	0.09	0.11	1.6	-0.1
2016-17	1.92	2.40	1.46	1.82	3.38	4.22	0.75	0.94	0.52	0.65	0.23	0.29	1.8	0.8
2017-18	1.86	2.28	1.61	1.98	3.46	4.25	0.13	0.16	0.46	0.57	-0.33	-0.41	0.5	-1.0
2018-19	2.16	2.62	1.43	1.73	3.59	4.35	0.43	0.53	0.47	0.57	-0.04	-0.05	1.1	0.2
2019-20	2.18	2.60	1.82	2.18	4.00	4.78	0.69	0.83	0.50	0.60	0.19	0.23	1.7	0.9
2020-21	2.24	2.64	1.64	1.93	3.90	4.59	1.59	1.87	0.53	0.62	1.06	1.25	3.3	0.0
2021-22	2.52	2.85	1.75	1.97	4.27	4.82	1.33	1.50	0.55	0.62	0.78	0.88	2.4	22.8
2022-23	2.55	2.73	2.04	2.18	4.58	4.90	2.52	2.70	0.78	0.83	1.75	1.87	4.3	12.1
2023-24	2.64	2.71	1.94	1.99	4.58	4.70	1.61	1.65	0.91	0.93	0.70	0.72	3.1	0.7
2024-25	3.11	3.11	1.90	1.90	5.01	5.01	1.63	1.63	0.91	0.91	0.71	0.71	2.8	5.3
Average		**2.62**		**1.94**		**4.55**		**1.13**		**0.72**		**0.41**	**2.1**	**2.9**

Note: 'Real' dollar values are the nominal values converted to 2024-25 dollar equivalents by the consumer price index (CPI) to allow for inflation. From 2016-17 Gross farm income does not include feed inventory changes and changes to the value of carry-over water. These are included in feed costs.

Table B8 Historical data – average farm physical information

	Total usable area	Milking area	Total water use efficiency	Number of milking cows	Milking cows per useable area	Milk sold	Milk sold	Estimated grazed pasture*	Estimated conserved feed*	Home grown feed as % of ME consumed	Concentrate price	
Year	ha	ha	t DM/ 100mm/ ha	hd	hd/ ha	kgMS/ cow	kgMS/ ha	t DM/ ha	t DM/ ha	% of ME	Nominal ($/t DM)	Real ($/t DM)
2011-12	250	109	0.45	300	1.3	461	598	5.90	1.8	61	307	427
2012-13	335	130	0.49	361	1.3	460	615	7.4	1.4	64	335	453
2013-14	231	102	0.59	272	1.2	471	590	5.8	1.2	62	444	586
2014-15	215	95	0.48	259	1.3	477	606	6.4	1.8	63	434	560
2015-16	210	95	0.53	289	1.4	463	636	5.9	2.3	60	401	511
2016-17	188	88	0.49	259	1.4	477	680	7.2	1.5	62	376	470
2017-18	188	94	0.60	288	1.5	459	698	7.1	1.6	57	442	543
2018-19	299	108	0.68	328	1.3	443	580	7.2	2.0	66	581	703
2019-20	314	106	0.50	309	1.2	472	579	6.0	2.3	56	586	700
2020-21	321	117	0.37	309	1.2	474	596	6.6	2.3	63	497	585
2021-22	365	118	0.31	312	1.2	461	559	5.3	1.9	60	464	523
2022-23	291	121	0.50	298	1.3	456	609	5.3	2.0	53	545	583
2023-24	284	114	0.49	308	1.3	475	636	6.2	2.0	54	639	656
2024-25	320	129	0.33	334	1.2	484	576	6.3	1.6	58	576	576
Average	**272**	**109**	**0.49**	**302**	**1.3**	**467**	**611**	**6.3**	**1.8**	**60**		**563**

*Estimated grazed pasture and conserved feed is calculated per hectare of milking area.

Appendix C: South summary tables

Table C1 Main financial indicators

Farm number	Milk income (net)	All other income	Gross farm income	Total variable costs	Total overhead costs	Cost structure (variable costs /total costs)	Earnings Before Interest & Tax	Return on assets (excl. capital apprec.)	Interest & lease charges	Debt servicing ratio	Net farm income	Return on equity
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	%	$/kgMS	%	$/kgMS	% of income	$/kgMS	%
SN0002	12.10	2.27	14.37	5.98	4.64	56	3.76	5.4	0.97	7	2.79	7.7
SN0006	11.70	1.97	13.67	5.50	5.01	52	3.17	5.5	1.33	10	1.83	6.4
SN0009	11.06	0.69	11.75	7.78	3.52	69	0.45	0.7	1.14	10	-0.69	-1.5
SN0012	11.74	0.55	12.28	4.82	4.09	54	3.38	8.6	1.12	9	2.26	9.3
SN0014	8.93	1.01	9.93	6.44	2.87	69	0.62	2.2	0.46	5	0.17	0.7
SN0021	8.55	0.73	9.28	4.30	3.02	59	1.97	6.8	-	0	1.97	6.8
SN0023	11.42	0.92	12.34	6.54	3.65	64	2.15	3.8	0.60	5	1.55	3.5
SN0024	12.18	0.40	12.58	6.17	2.89	68	3.53	5.4	1.72	14	1.80	6.4
SN0028	10.38	0.66	11.04	5.45	2.35	70	3.23	13.1	0.17	2	3.06	15.3
SN0031	13.31	0.82	14.13	5.34	3.33	62	5.46	8.0	1.58	11	3.88	8.5
SN0033	9.60	0.17	9.76	5.59	3.22	63	0.95	2.5	1.15	12	-0.20	-1.4
SN0036	9.59	0.91	10.50	4.65	3.80	55	2.05	5.6	0.34	3	1.71	5.6
SN0037	12.66	0.42	13.08	6.37	3.62	64	3.10	3.6	1.48	11	1.62	4.0
SN0038	12.09	0.71	12.81	5.55	4.23	57	3.03	3.9	0.55	4	2.48	7.8
SN0041	9.11	1.30	10.40	5.65	2.42	70	2.34	6.4	1.28	12	1.05	5.7
SN0042	8.76	1.17	9.94	4.93	2.79	64	2.22	8.5	0.69	7	1.53	9.9
Average	**10.82**	**0.92**	**11.74**	**5.69**	**3.47**	**62**	**2.59**	**5.6**	**0.91**	**8**	**1.68**	**5.9**

Table C2 Physical information

Farm number	Total usable area	Milking area	Total water use efficiency	Number of milking cows	Milking cows per usable area	Milk sold	Milk sold	Fat	Protein
	ha	ha	tDM/100mm/ha	hd	hd/ha	kgMS/cow	kgMS/ha	%	%
SN0002	319	95	0.3	404	1.3	660	836	4.2	3.5
SN0006	325	65	0.5	250	0.8	569	438	3.9	3.2
SN0009	229	1	0.7	335	1.5	687	1,006	4.2	3.4
SN0012	367	101	1.0	400	1.1	579	631	3.6	3.3
SN0014	392	80	1.2	430	1.1	721	791	4.6	3.5
SN0021	1,726	679	0.8	2,040	1.2	524	619	4.8	3.8
SN0023	163	90	0.8	170	1.0	602	626	3.9	3.3
SN0024	430	167	0.3	370	0.9	578	498	4.0	3.4
SN0028	748	748	1.2	1,250	1.7	738	1,234	4.4	3.5
SN0031	708	1	0.8	650	0.9	648	595	3.9	3.2
SN0033	391	174	0.7	433	1.1	565	626	4.1	3.4
SN0036	190	130	0.8	422	2.2	539	1,197	4.0	3.3
SN0037	177	93	0.4	296	1.7	479	801	3.6	3.2
SN0038	111	66	0.7	250	2.3	605	1,363	3.9	3.2
SN0041	1,130	1	0.8	882	0.8	629	491	4.5	3.6
SN0042	803	1	1.6	1,213	1.5	822	1,241	4.0	3.4
Average	**513**	**156**	**0.8**	**612**	**1.3**	**622**	**812**	**4.1**	**3.4**

Farm number	Estimated grazed pasture**	Estimated conserved feed**	Home grown feed as % of ME consumed	Nitrogen application**	Phosphorous application**	Potassium application**	Sulphur application**	Labour efficiency	Labour efficiency
	t DM/ha	t DM/ha	% of ME	kg/ha	kg/ha	kg/ha	kg/ha	hd/FTE	kgMS/FTE
SN0002	7.1	0.9	33	84	9	84	2	50	32,748
SN0006	10.4	5.0	67	224	20	62	1	58	32,775
SN0009	-	-	21	-	-	-	-	64	43,721
SN0012	5.3	1.1	45	64	23	-	2	62	36,094
SN0014	1.9	15.9	76	299	24	-	5	85	61,653
SN0021	2.7	-	84	516	26	-	2	164	85,841
SN0023	3.6	3.8	57	245	49	-	61	69	41,282
SN0024	5.3	0.5	42	245	-	-	-	100	57,744
SN0028	1.4	6.4	45	153	13	1	40	93	68,589
SN0031	-	-	51	-	-	-	-	93	60,424
SN0033	8.3	-	64	199	6	-	0	92	51,974
SN0036	7.2	5.9	51	118	21	21	6	74	39,711
SN0037	6.7	-	38	180	15	10	14	81	38,577
SN0038	10.7	-	36	376	25	-	22	57	34,723
SN0041	-	-	58	-	-	-	-	108	67,671
SN0042	-	-	57	-	-	-	-	79	65,003
Average	**5.9**	**3.3**	**51**	**187**	**16**	**7**	**11**	**83**	**51,158**

**On milking area
Calculation of the average for grazed feed excludes zero values

Table C3 Purchased feed

Farm number	Purchased feed per milker	Concentrate price	Silage price	Hay price	Other feed price	Average purchased feed price	Percent of total energy imported
	t DM/hd	$/t DM	$/t DM	$/t DM	$/t DM	$/t DM	% of ME
SN0002	6.5	453	-	497	-	462	67
SN0006	3.1	505	-	383	-	483	33
SN0009	9.3	558	232	361	465	451	79
SN0012	3.9	469	206	237	-	410	55
SN0014	3.5	575	-	294	-	565	24
SN0021	1.4	415	281	-	-	388	16
SN0023	3.9	597	-	447	-	543	43
SN0024	4.6	584	334	447	-	513	58
SN0028	5.8	540	347	230	192	429	55
SN0031	4.4	534	-	-	-	534	49
SN0033	2.9	624	-	484	-	600	36
SN0036	2.9	457	-	491	-	462	49
SN0037	4.5	562	264	500	-	477	62
SN0038	4.1	475	288	538	-	472	64
SN0041	4.2	484	-	-	258	407	42
SN0042	5.3	503	-	-	281	433	43
Average	**4.4**	**521**	**279**	**409**	**299**	**477**	**49**

Calculation of average price of silage, hay and other feed excludes zero values

Table C4 Variable costs

Farm number	AI and herd test	Animal health	Calf rearing	Shed power	Dairy supplies	Total herd and shed costs	Fertiliser	Irrigation	Hay and silage making
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
SN0002	0.07	0.14	0.25	0.13	0.09	0.68	0.26	-	0.17
SN0006	0.15	0.24	0.01	0.24	0.13	0.76	0.82	0.23	0.36
SN0009	0.21	0.19	0.04	0.14	0.14	0.72	0.13	0.15	0.11
SN0012	0.25	0.19	0.01	0.15	0.00	0.60	0.17	0.08	0.28
SN0014	0.21	0.12	0.06	0.12	0.10	0.62	0.82	0.50	0.67
SN0021	0.08	0.07	0.01	0.14	0.08	0.38	0.91	0.95	0.32
SN0023	0.22	0.09	-	0.21	0.18	0.69	0.90	0.20	0.42
SN0024	0.15	0.19	0.18	0.09	0.12	0.73	0.46	-	0.04
SN0028	0.10	0.15	0.05	0.10	0.08	0.48	0.41	0.32	0.60
SN0031	0.17	0.19	0.02	0.13	0.13	0.63	0.49	0.09	1.01
SN0033	0.04	0.13	0.02	0.18	0.06	0.43	0.44	0.29	0.08
SN0036	0.12	0.21	0.01	0.10	0.05	0.49	0.31	0.27	0.33
SN0037	0.09	0.15	0.03	0.18	0.16	0.61	0.44	-	0.08
SN0038	0.07	0.23	0.06	0.25	0.10	0.72	0.54	-	0.13
SN0041	0.12	0.21	0.15	0.15	0.08	0.71	0.44	0.50	0.46
SN0042	0.15	0.17	0.04	0.14	0.12	0.62	0.54	0.39	0.57
Average	**0.14**	**0.17**	**0.06**	**0.15**	**0.10**	**0.62**	**0.51**	**0.25**	**0.35**

Table C4 (continued)

Farm number	Fuel and oil	Pasture improvement/ cropping	Other feed costs	Fodder purchases	Grain/ concentrates/ other	Agistment costs	Feed and water inventory change	Total feed costs	Total variable costs
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
SN0002	0.19	0.16	-	1.18	4.12	0.04	-0.83	5.29	5.98
SN0006	0.18	0.24	-	0.39	2.35	-	0.17	4.73	5.50
SN0009	0.16	0.33	-	1.80	3.92	-	0.46	7.07	7.78
SN0012	0.22	0.27	0.24	0.31	2.16	0.40	0.07	4.22	4.82
SN0014	0.19	0.61	-	0.05	2.76	0.04	0.35	5.82	6.44
SN0021	0.18	0.37	-	0.19	1.11	-	-0.13	3.92	4.30
SN0023	0.10	0.50	-	1.12	2.67	0.38	-0.45	5.85	6.54
SN0024	0.07	0.59	0.14	1.22	3.19	-	-0.27	5.44	6.17
SN0028	0.14	0.33	-	0.96	2.74	-	-0.43	4.97	5.45
SN0031	0.25	0.27	0.01	-	3.69	-	-1.08	4.71	5.34
SN0033	0.17	0.62	-	0.42	2.60	-	0.52	5.16	5.59
SN0036	0.12	0.29	0.04	0.40	2.20	0.31	-0.12	4.16	4.65
SN0037	0.13	0.37	0.13	1.45	3.33	-	-0.18	5.76	6.37
SN0038	0.21	0.39	-	0.69	2.63	0.47	-0.23	4.83	5.55
SN0041	0.26	0.62	-	-	2.70	0.11	-0.14	4.94	5.65
SN0042	0.20	0.31	-	-	2.79	-	-0.50	4.30	4.93
Average	**0.17**	**0.39**	**0.04**	**0.64**	**2.81**	**0.11**	**-0.17**	**5.07**	**5.69**

Table C5 Overhead costs

Farm number	Rates	Farm Insurance	Motor Vehicle Expenses	Repairs and maintenance	Other overheads	Employed labour	Total cash overheads	Depreciation	Imputed owner/ operator & family labour	Total overheads
	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS	$/kgMS
SN0002	0.11	0.17	0.02	0.36	0.20	0.59	1.46	1.14	2.04	4.64
SN0006	0.04	0.29	0.13	0.72	0.26	2.10	3.54	0.74	0.73	5.01
SN0009	0.03	0.17	0.02	0.53	0.09	1.53	2.37	0.80	0.35	3.52
SN0012	0.03	0.18	0.13	0.47	0.26	1.87	2.94	0.60	0.54	4.09
SN0014	0.03	0.09	0.01	0.54	0.22	1.13	2.02	0.41	0.44	2.87
SN0021	0.03	0.10	0.02	1.06	0.09	0.93	2.23	0.58	0.21	3.02
SN0023	0.07	0.18	0.14	0.58	0.09	0.76	1.82	0.48	1.36	3.65
SN0024	0.06	0.19	0.01	0.58	0.13	0.87	1.85	0.61	0.44	2.89
SN0028	0.01	0.07	0.01	0.56	0.09	1.23	1.98	0.37	-	2.35
SN0031	0.03	0.13	0.04	0.55	0.14	1.56	2.46	0.75	0.13	3.33
SN0033	0.04	0.20	0.01	0.61	0.12	0.99	1.97	0.53	0.72	3.22
SN0036	0.07	0.08	0.03	0.76	0.15	1.21	2.30	0.55	0.95	3.80
SN0037	0.06	0.10	0.04	0.45	0.24	1.19	2.08	0.34	1.19	3.62
SN0038	0.08	0.13	0.07	0.70	0.20	1.55	2.73	0.67	0.82	4.23
SN0041	0.04	0.12	0.01	0.46	0.06	0.81	1.49	0.60	0.32	2.42
SN0042	0.01	0.07	0.07	0.58	0.11	1.29	2.14	0.47	0.17	2.79
Average	**0.05**	**0.14**	**0.05**	**0.59**	**0.15**	**1.23**	**2.21**	**0.60**	**0.65**	**3.47**

Table C6 Capital structure

Farm assets				
	Land value	Land value	Permanent water value	Permanent water value
	$/ha	$/cow	$/ha	$/cow
Average	18,758	14,135	2,741	2,344

Other farm assets (per usable hectare)				
Plant and equipment	Livestock	Hay and grain	Other assets	Total assets
$/ha	$/ha	$/ha	$/ha	$/ha
2,792	4,244	1,163	386	30,207

Liabilities		
Liabilities per usable hectare	Liabilities per milking cow	Liabilities per kgMS
$/ha	$/cow	$/kgMS
6,949	5,930	6.35

Equity	
Equity per usable hectare	Average equity
$/ha	%
23,258	75

Calculation of average values of land, water asset and equity excludes zero values

Table C7 Historical data – average farm income, costs and profit per kilogram of milk solids

	Income				Variable costs							
	Milk income (net)		Gross farm income		Herd costs		Shed costs		Feed costs		Total variable costs	
Year	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)
2011–12	6.64	9.23	7.48	10.40	0.31	0.44	0.25	0.34	2.86	3.98	3.42	4.76
2012–13	6.03	8.16	6.95	9.40	0.32	0.44	0.24	0.32	3.01	4.07	3.57	4.83
2013–14	7.12	9.40	7.98	10.53	0.32	0.42	0.21	0.28	3.20	4.22	3.73	4.92
2014–15	7.28	9.39	8.25	10.64	0.30	0.38	0.21	0.28	3.28	4.23	3.79	4.89
2015–16	6.97	8.88	7.94	10.11	0.35	0.45	0.21	0.27	3.01	3.83	3.57	4.55
2016–17	6.48	8.10	7.62	9.52	0.40	0.50	0.22	0.27	3.07	3.84	3.68	4.60
2017–18	6.81	8.36	7.49	9.20	0.34	0.42	0.23	0.28	3.63	4.46	4.20	5.16
2018–19	7.37	8.92	8.14	9.86	0.30	0.36	0.26	0.31	4.54	5.49	5.10	6.17
2019–20	8.36	10.00	9.32	11.14	0.31	0.37	0.24	0.28	4.67	5.58	5.22	6.23
2020–21	8.51	10.02	9.53	11.22	0.33	0.39	0.24	0.28	3.46	4.07	4.03	4.75
2021–22	8.68	9.79	9.90	11.16	0.37	0.42	0.24	0.27	3.95	4.46	4.56	5.14
2022–23	10.94	11.71	12.08	12.93	0.44	0.47	0.28	0.30	4.80	5.14	5.52	5.91
2023–24	11.39	11.70	12.10	12.43	0.43	0.44	0.29	0.30	5.14	5.28	5.86	6.02
2024–25	10.82	10.82	11.74	11.74	0.36	0.42	0.25	0.25	5.07	5.07	5.69	5.69
Average		**9.61**		**10.73**		**0.42**		**0.29**		**4.55**		**5.26**

	Overhead costs						Profit							
	Cash overhead costs		Non-cash overhead costs		Total overhead costs		Earnings before interest and tax		Interest and lease charges		Net farm income			
Year	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Nominal ($/kgMS)	Real ($/kgMS)	Return on total assets (%)	Return on equity (%)
2011–12	1.35	1.88	1.05	1.46	2.40	3.34	1.66	2.31	0.73	1.01	0.93	1.30	5.5	4.9
2012–13	1.44	1.95	1.12	1.52	2.56	3.46	0.82	1.11	0.66	0.89	0.16	0.22	2.7	0.5
2013–14	1.54	2.03	1.16	1.53	2.70	3.56	1.55	2.05	0.61	0.81	0.94	1.24	4.8	4.7
2014–15	1.52	1.96	1.02	1.32	2.54	3.28	1.92	2.48	0.56	0.72	1.36	1.76	5.3	5.7
2015–16	1.49	1.90	1.17	1.49	2.66	3.39	1.71	2.18	0.55	0.70	1.16	1.48	4.7	4.7
2016–17	1.67	2.09	1.16	1.45	2.83	3.54	1.11	1.39	0.51	0.64	0.60	0.75	2.7	2.1
2017–18	1.49	1.83	1.22	1.50	2.71	3.33	0.58	0.71	0.58	0.72	0.00	-0.00	2.1	0.6
2018–19	1.55	1.88	1.19	1.44	2.74	3.32	0.31	0.37	0.61	0.74	-0.30	-0.37	0.3	-2.1
2019–20	1.78	2.12	0.89	1.07	2.67	3.19	1.43	1.71	0.68	0.82	0.74	0.89	3.8	8.8
2020–21	1.84	2.17	1.05	1.24	2.88	3.39	2.62	3.09	0.61	0.72	2.01	2.37	6.7	11.0
2021–22	2.04	2.30	1.22	1.38	3.26	3.68	2.08	2.35	0.59	0.67	1.49	1.68	4.7	7.7
2022–23	2.24	2.40	1.30	1.39	3.54	3.79	3.01	3.22	0.68	0.73	2.32	2.48	7.5	9.9
2023–24	2.36	2.42	1.25	1.28	3.62	3.72	2.63	2.70	0.89	0.91	1.74	1.79	6.0	6.7
2024–25	2.21	2.21	1.25	1.25	3.47	3.47	2.59	2.59	0.91	0.91	1.68	1.68	5.6	5.9
Average		**2.08**		**1.38**		**3.46**		**2.02**		**0.78**		**1.23**	**4.5**	**5.1**

Note: 'Real' dollar values are the nominal values converted to 2023-24 dollar equivalents by the consumer price index (CPI) to allow for inflation. From 2016-17 Gross farm income does not include feed inventory changes and changes to the value of carry-over water. These are included in feed costs.

Table C8 Historical data – average farm physical information

	Total usable area	Milking area	Total water use efficiency	Number of milking cows	Milking cows per useable area	Milk sold	Milk sold	Estimated grazed pasture*	Estimated conserved feed*	Home grown feed as % of ME consumed	Concentrate price	
Year	ha	ha	t DM/ 100mm/ ha	hd	hd/ ha	kgMS/ cow	kgMS/ ha	t DM/ ha	t DM/ ha	% of ME	Nominal ($/t DM)	Real ($/t DM)
2011-12	351	156	0.5	450	1.5	495	728	6.8	0.9	57	301	419
2012-13	323	151	0.6	337	1.1	523	601	6.5	1.2	55	311	421
2013-14	381	139	0.6	350	1.0	541	546	6.2	1.0	57	377	498
2014-15	372	165	0.6	430	1.1	540	597	6.7	1.8	58	389	502
2015-16	379	164	0.6	425	1.1	552	597	6.5	1.9	62	382	486
2016-17	343	153	0.6	396	1.2	520	611	6.5	1.7	58	336	420
2017-18	333	149	0.8	401	1.3	526	665	5.6	1.6	55	398	489
2018-19	390	184	0.8	424	1.2	546	643	5.3	1.6	58	552	668
2019-20	419	181	0.7	463	1.2	555	673	4.8	1.3	47	522	623
2020-21	416	156	0.6	442	1.3	578	710	5.1	2.7	53	408	480
2021-22	398	160	0.6	437	1.3	575	731	4.7	2.5	54	443	500
2022-23	464	155	0.5	520	1.3	561	708	3.6	2.3	51	497	532
2023-24	479	150	0.7	563	1.4	583	784	4.3	2.7	49	547	562
2024-25	513	156	0.8	612	1.3	622	812	5.9	3.3	51	521	521
Average	**397**	**158**	**0.6**	**447**	**1.2**	**551**	**672**	**5.6**	**1.9**	**55**	**427**	**509**

*Estimated grazed pasture and conserved feed is calculated per hectare of milking area.

Appendix D: Glossary of terms, abbreviations and standard values

Glossary of terms

All other farm income	Income to the farm from all sources except milk. Includes livestock trading profit, dividends, interest payments received, and rent from farm houses.
Allocation	Water that is actually available to use or trade in any given year, including new allocations and carryover. Previously known as temporary water. Full allocation means irrigators receive 100% of their HRWS.
Allocation trade	The transfer of a volume of allocation water between a seller and buyer. Water is traded within a current irrigation season. Previously this was known as trading of temporary water entitlement and some irrigators still use this term.
Appreciation	An increase in the value of an asset in the market, often only applicable to land value.
Asset	Anything managed by the farm, whether it is owned or not. Assets include owned land and buildings, leased land, plant and machinery, fixtures and fittings, trading stock, farm investments (i.e. Farm Management Deposits), debtors, and cash.
Cash overheads	All fixed costs that have a cash cost to the business. Includes all overhead costs except imputed labour costs and depreciation.
Cost structure	Variable costs as a percentage of total costs, where total costs equal variable costs plus overhead costs.
Concentrates	Refers to feeds with a concentrated source of energy such as grains, pellets and other grain mixes.
Debt servicing ratio	Interest and lease costs as a percentage of gross farm income.
Depreciation	Decrease in value over time of capital asset, usually as a result of using the asset. Depreciation is a non-cash cost of the business but reduces the book value of the asset and is therefore a cost.
Earnings before interest and tax (EBIT)	Gross income minus total variable and total overhead costs.
Employed labour cost	Cash cost of any paid employee, including on-costs such as superannuation and Workcover.
Equity	Total assets minus total liabilities. Equal to the total value of capital invested in the farm business by the owner/operator(s).
Equity per cent	Total equity as a percentage of the total assets owned. The proportion of the total assets owned by the business.
Feed costs	Cost of fertiliser, irrigation (including effluent), hay and silage making, fuel and oil, pasture improvement, fodder purchases, grain/ concentrates, agistment and lease costs associated with any of the above costs, and feed inventory change.
Feed inventory change	An estimate of the feed on hand at the start and end of the financial year to capture feed used in the production of milk and livestock.
Finance costs	See interest and lease costs.
Full time equivalent (FTE)	Standardised labour unit. Equal to 2,400 hours a year. Calculated as 48 hours a week for 50 weeks a year.
Grazed pasture	Calculated using the back-calculation approach. Grazed pasture is calculated as the difference between total metabolisable energy required by livestock over the year and amount of metabolisable energy available from other sources (hay, silage, grain, and concentrates). Total metabolisable energy required by livestock is a factor of age, weight, growth rate, pregnancy, and lactation requirements, walking distance to shed, terrain and number of animals. Total metabolisable energy available is the sum of metabolisable energy from all feed sources except pasture, calculated as (weight (kg) x dry matter content (DM per cent) x metabolisable energy (MJ/ kg DM)).
Gross farm income	Farm income including milk sales, livestock trading and other income such as income from grants and rebates.
Gross margin	Gross farm income minus total variable costs.
Herd costs	Cost of artificial insemination (AI) and herd tests, animal health and calf rearing.
Imputed	An estimated amount introduced into economic management analysis to allow reasonable comparisons between years and between other businesses.
Imputed labour cost	An allocated allowance for the cost of owner/operator, family, and sharefarmer time in the business.
Interest and lease costs	Total interest plus total lease costs paid.
Labour cost	Cost of the labour resource on farm. Includes both imputed and employed labour costs.
Labour efficiency	FTEs per cow and per kgMS. Measures productivity of the total labour resources in the business.
Liability	Money owed to someone else, e.g., family or a financial institute such as a bank.
Livestock trading profit	An estimate of the annual contribution to gross farm income by accounting for the changes in the number and value of livestock during the year. It is calculated as the trading income from sales minus purchases, plus changes in the value and number of livestock on hand at the start and end of the year, and accounting for births and deaths.
Milk income	Income from the sale of milk. This is net of compulsory levies and charges.
Milking area	The area of land grazed by milking cows to produce milk.

Net farm income	Earnings before interest and tax (EBIT) minus interest and lease costs. The amount of profit available for capital investment, loan principal repayments and tax.
Nominal terms	Dollar values or interest rates that include an inflation component.
Number of milkers	Total number of cows milked for at least three months.
Other income	Income to the farm from other farm owned assets and farm business related external sources. Includes milk factory dividends, interest payments received, and rent from farm cottages.
Overhead costs	All fixed costs incurred by the farm business that do not vary with the level of production. These include cash overhead costs such as employed labour and noncash costs such as imputed owner-operator labour, family labour and depreciation of plant and equipment. It excludes interest, lease costs, capital expenditure, principal repayments, drawings, and tax.
Real terms	Dollar values or interest rates that have no inflation component.
Return on equity (ROE)	Net farm income divided by the value of total equity.
Return on total assets (ROTA)	Earnings before interest and tax divided by the value of total assets under management, including owned and leased land.
Shed costs	Cost of shed power and dairy supplies such as filter socks, rubberware, vacuum pump oil etc.
Top 25%	Regional or State average for the Top 25% of participant farms ranked by return on total assets; can also be referred to as the top group, top performers within a region or the state.
Total income	See gross farm income.
Total usable area	Total hectares managed minus the area of land which is of little or no value for livestock production e.g., house and shed area.
Total water use efficiency	Homegrown feed consumed or harvested per 100mm water 'applied' (rainfall and irrigation) to the usable hectares on the farm.
Variable costs	All costs that vary with the size of production in the enterprise e.g., herd, shed and feed costs (including feed and water inventory change).
Water inventory change	An estimate of the values irrigation water on hand at the start and end of the financial year to capture water used in the production of pasture and crops.

Feeding Systems:	
Low bail	Low bail is defined by the one-tonne annual cap of grain or concentrates fed in the dairy bail – i.e. cows are fed up to one tonne of grain and concentrate in the dairy at milking time throughout lactation and livestock graze pasture all year round.
Moderate - High bail	The level of grain or concentrate fed in the bail is more significant than one tonne per annum, and livestock graze pasture all year round.
Partial mixed ration	In the partial mixed ration (PMR) system, livestock animals graze on pasture for most of the year, if not all of the year, while being fed a PMR on a feed pad.
Hybrid system	Hybrid systems are classified as grazing pasture for fewer than nine months of the year while feeding a partial mixed ration on a feed pad with grain or concentrates.
Total mixed ration	A total mixed ration or TMR is classified by zero-grazing, where cows are contained and fed a TMR throughout the year.

List of abbreviations

AI	Artificial insemination
CH_4	Methane
CO_2	Carbon dioxide
CO_2-e	Carbon dioxide equivalent
CoP	Cost of production
DFMP	Dairy Farm Monitor Project
DM	Dry matter of feed stuffs
EBIT	Earnings before interest and tax
FPCM	Fat and protein corrected milk
FTE	Full time equivalent
ha	Hectare(s)
hd	Head
HRWS	High Reliability Water Shares
kg	Kilograms
LRWS	Low Reliability Water Shares.
ME	Metabolisable energy (MJ/kg DM)
MJ	Megajoules of energy
ML	Megalitres
mm	Millimetres. 1mm is equivalent to 4 points or 1/25th of an inch of rainfall
MS	Milk solids (protein and fat)
N_2O	Nitrous oxide
NSW DPIRD	NSW Department of Primary Industries and Regional Development
Q1	First quartile, i.e., the value of which one quarter, or 25 per cent, of data in that range is less than the average
Q3	Third quartile, i.e., the value of which one quarter, or 25 per cent, of data in that range is greater than the average
ROTA	Return on total assets
ROE	Return on equity
t	Tonne = 1,000kg

Standard values

Pasture consumption

The pasture consumption calculation assumes 11 ME for homegrown feed.

Livestock values

The standard vales used to estimate the inventory values of livestock were determined by breed and liveweight. Example values for Friesians were:

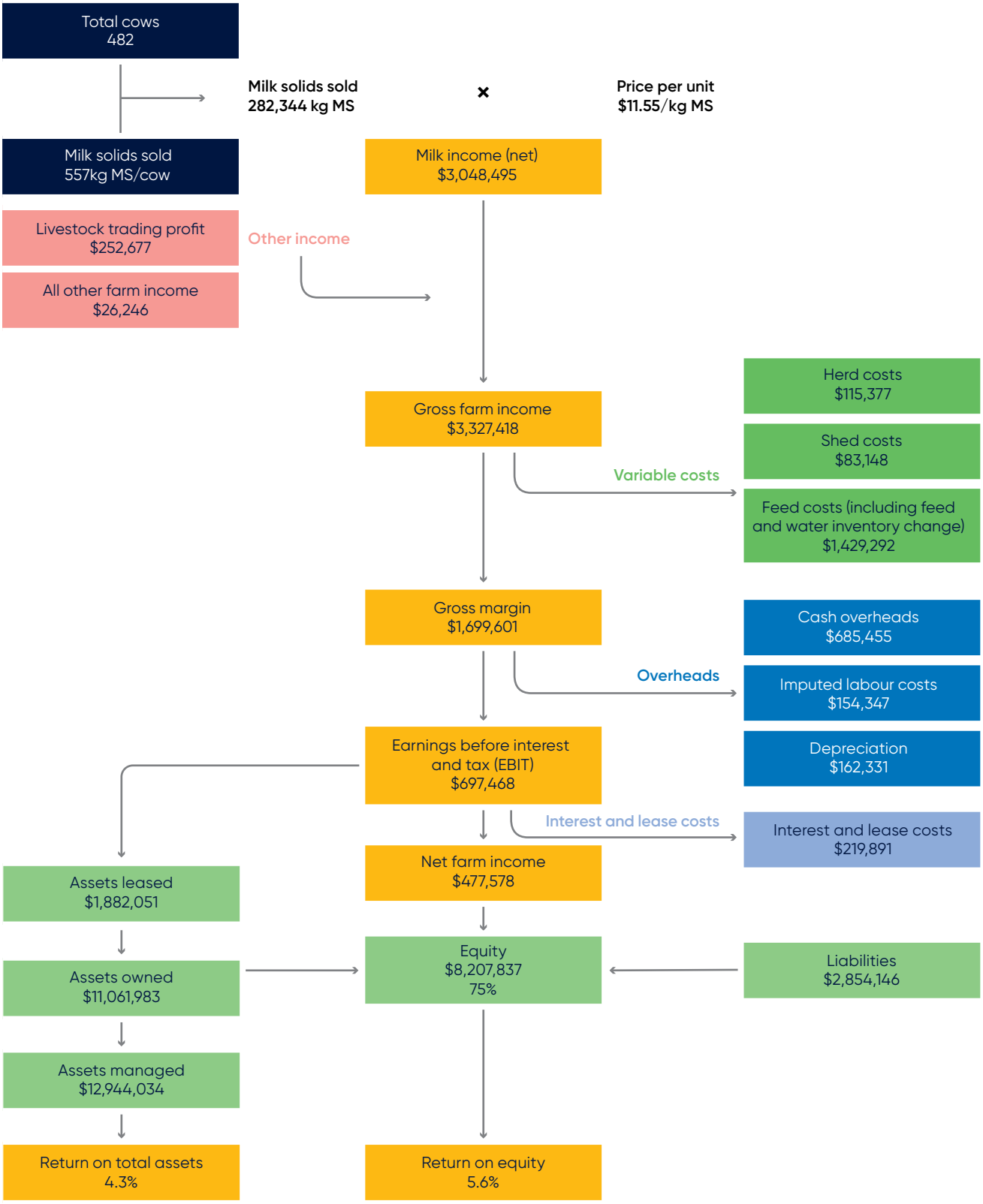
Category	Opening value ($/hd)	Closing value ($/hd)
Mature cows (550kg)	$2,200	$2,200
2-year-old heifers	$1,650	$2,200
1-year old heifers	$825	$1,650
24-25 calves		$825
Mature bulls	$3,300	$3,300

Imputed owner/operator and family labour

In 2024-25, the imputed owner/operator and family labour rate was $36/hr based on a full time equivalent (FTE) working 48 hours/week for 50 weeks of the year.

Dairy Farm Monitor Project Map: State average data 2024-25

All Farms 30



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