Balancing dairy production and profits in northern Australia

QDAS

Queensland Dairy Accounting Scheme - 2025

Dairy Australia

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QDAS Financial and production trends – 2025

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Introduction

This report contains physical and financial data from 56 farms and includes data from the South Queensland (incorporating the Southeast-coastal and Darling Downs regions), Central Queensland and North Queensland dairy regions (Figure 1).

Milk production in Queensland decreased from 282 million litres in 2023-24 to 275 million litres (3.3% of the national milk supply) in 2024-25 (Table 1). Milk supply decreased in all states of Australia except for NSW in the 2024-25 period. Figure 2 shows Queensland's monthly milk production for 2023-24 and 2024-25.

Figure 2 shows the decrease in milk production in November and the following months of 2024-25 compared to 2023-24. This was caused by very hot and humid conditions and extreme rainfall events during this time, affecting southeast Queensland dairy farms. Many dairy farms in this area received 2 to 3 times their average monthly rainfall in November, December and March.

A thorough analysis of Queensland dairy businesses can be undertaken by reviewing performance using four business traits – liquidity, profitability, solvency and efficiency. These traits cover both the financial and physical aspects of the business.

Section 1 of this report presents a summary of the key findings. Three business traits – profitability, solvency and efficiency were used to measure farm performance. The results for these traits are presented using 15 key performance indicators.

Section 2 displays the distribution of the Queensland Dairy Accounting Scheme (QDAS) data for cow numbers, land area, labour, production, income, costs and profitability.

Section 3 details the characteristics of the most profitable farms in QDAS. Production per cow, the effect of herd size and milk from home grown feed are examined.

Section 4 details the amounts fed to milking cows in each of the regional production systems.

Regional production system statistics are summarised in Section 5 and are then examined individually in Sections 6 to 9.

Appendices contain summary reports for all QDAS farms, the top 25% farms and each regional production system. The appendices also contain a list of definitions for the business traits and key performance indicators used in QDAS.

Figure 1. The location of dairy farms in Queensland

Table 1. Annual milk production for Queensland (2021-22 to 2024-25)

Year	Annual production
2021-22	299 ML
2022-23	279 ML
2023-24	282 ML
2024-25	275 ML

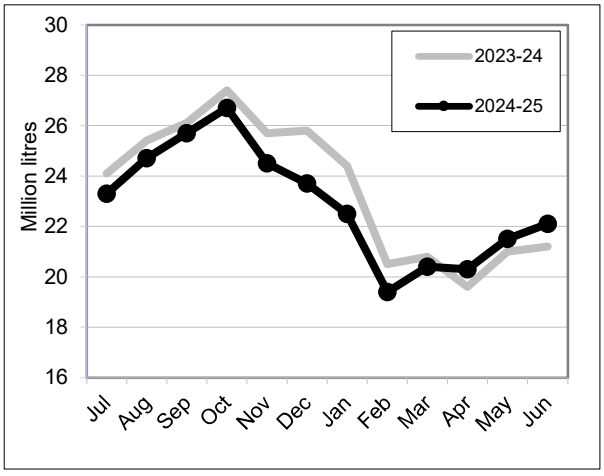


Figure 2. Queensland monthly milk production (2023-24 and 2024-25)

Objectives

The objectives of this publication are to:

- Provide QDAS participants with a summary of physical and financial data from each regional production system. This, together with their own farm reports, will give dairy businesses information that will enable them to make more informed business decisions.
- Act as a resource guide for local advisers, consultants and other industry service personnel who wish to encourage positive change.
- Provide background material for industry participants negotiating with banks, governments, suppliers or other agents.

About QDAS

QDAS was established in 1976 to improve the understanding of business principles among advisors and dairy farmers by providing farm management accounting and analysis. Originally the basis of the analysis was an examination of the annual variable costs. The data was used to answer questions such as, "Is the production of an extra unit of milk profitable?" QDAS has evolved to now examine the business traits of profitability, solvency and efficiency but still maintains a similar aim to help dairy farmers make informed decisions based on business information.

Officers of the Department of Primary Industries Queensland supervise the collection and processing of data between August and November each year.

Farmer participation in QDAS is voluntary and free. Results and trends need to be interpreted carefully as the average of QDAS farms have larger herds and produce more milk per farm than the Queensland average. There is still a broad range of herd sizes represented from 80 cows to over 1000 cows.

QDAS data is used by DairyBase, Dairy Australia's web-based farm comparative analysis tool, as their verified farm data for Queensland. Using DairyBase, farmers can calculate their financial performance and compare this to averages for Queensland (QDAS data) or verified data from other states. For more information go to: www.dairybase.com.au.

Acknowledgements

The authors wish to thank all cooperating farmers who supplied data and provided valuable feedback in discussion groups held during late 2025.

The authors also acknowledge the support and efforts of Howard Smith for his assistance with data collection.

QDAS is a project of the Department of Primary Industries Queensland (DPI) and is co-funded by DPI and Dairy Australia.

Contents

Tables

Figures

1. 2024-25 Key findings

Fifteen Key Performance Indicators (KPI) are used to highlight the results for profitability, solvency and efficiency. Table 2 shows these results for 2024-25 and the preceding three years. Further to this is the calculation of these KPI for the top 25% of farms. These top farms have been identified as the farms with the highest Earnings Before Interest & Tax (EBIT) measured in dollars per cow.

EBIT highlights the amount of profit retained after paying all expenses except finance costs and taxes. These expenses include the non-cash items of depreciation and an allowance for the manager's time and skill (called imputed labour). Cattle trading profit and inventory adjustments are also included.

Table 2 has been presented to show the general industry trend. Participation in QDAS is voluntary and as such there is a variation in farm scale of production. If using this data to compare with an individual farm situation, consideration needs to be given to the individual's position in the business lifecycle, personal goals, farming system and asset base.

Table 2. Financial and performance ratios for QDAS farms (2021-22 to 2024-25)

Business traits and indicators [1]	**Top 25%**	**QDAS average**	**Past QDAS averages**		
Profitability	**2024-25**	**2024-25**	**2023-24**	**2022-23**	**2021-22**
Return on assets managed (%)	6.4	3.0	3.6	4.2	4.0
Return on equity (%)	8.6	2.6	3.6	4.4	4.4
EBIT margin (%)	27.7	13.7	14.5	16.3	16.4
EBIT ($/cow)	2,080	835	895	983	861
Solvency					
Equity (%)	86%	79	84	82	78
Debt to equity ratio	0.16	0.26	0.20	0.22	0.28
Efficiency – Capital/Finance					
Asset turnover ratio	0.32	0.30	0.31	0.32	0.30
Total liabilities per cow ($)	3,188	4,184	3,210	3,502	3,846
Interest paid/cow ($)	186	258	170	167	125
Efficiency – Productivity					
Feed related costs (c/L)	40.1	45.9	46.0	46.0	36.0
Margin over feed related costs (c/L)	54.3	47.9	46.5	42.6	36.6
Margin over feed related costs ($/cow)	3,949	2,894	2,883	2,646	2,287
Farm operating cash surplus (c/L)	35.6	24.5	25.4	23.8	23.2
Efficiency – Physical					
Production per cow (L)	7,271	6,042	6,202	6,205	6,254
Litres per labour unit					
- On farms <1.5 m L	388,517	357,814	365,185	379,992	371,426
- On farms >1.5 m L	517,822	409,558	430,383	420,727	446,724

[1] The definition of each indicator and how it is calculated can be found in Appendix 10.10

Profitability

Other than a very hot, wet and humid summer in southeast Queensland, reasonable seasonal conditions for much of the year, lower grain prices and a stable milk price have contributed to the fourth consecutive year were the average EBIT per cow of QDAS farms was above $800.

The average EBIT was $835 per cow in 2024-25, down from $895 per cow in 2023-24. Return on assets managed also decreased from 3.6% in 2023-24 to 3.0% in 2024-25 (Table 2).

Much of this decrease in profitability was due to increased repairs and maintenance costs, and increased labour costs. The extra labour cost was due in part to existing labour being allocated extra hours to deal with the consequences of the wet weather.

The wet conditions also caused some crop losses near the coast due to the inability to harvest the crops. Some silage crops that were harvested were often of poor quality.

Further contributing to the decrease in EBIT are feed inventories, which increased in 2023-24 but have decreased in 2024-25.

Milk income increased by 1.3 c/L to be 93.8 c/L in 2024-25. Cattle trading profit also increased by 0.6 c/L. These changes contributed to gross farm income increasing by 2.2 c/L.

Feed related costs have held steady for the third consecutive year, being 45.9 c/L. The increases in labour costs and repairs and maintenance has resulted in total operating costs increasing by 2.7 c/L. The net effect is that EBIT reduced by 0.6 c/L to be 13.8 c/L or $835 per cow in 2024-25.

Detailed profit and cash flow reports can be found in Section 10 Appendices.

Production per cow

Table 2 shows that milk production per cow has decreased from 6,202 litres to be 6,042 litres in 2024-25. Section 5 examines Queensland's production systems and shows that grazing farms in the south achieved an average of 5,757 litres per cow while Total Mixed Ration (TMR) farms achieve 7,567 litres per cow.

The top 25% farms (sorted by EBIT per cow) achieved a production per cow of 7,271 litres in 2024-25, 1,229 litres higher than the QDAS average.

Production and prices

The average production of the QDAS farms was 1,809,691 litres in 2024-25, which is significantly higher than the 2023-24 result of 1,646,343 litres. This production increase is due to the increase in the number of farms in the QDAS sample, several of which are larger farms. For the 44 farms that contributed to the 2023-24 and 2024-25 sample, their average production only increased by 2,064 litres. Figure 3 shows the changes in milk production on these 44 continuing farms.

While the average milk production on all QDAS farms was 1,809,691 litres, the production of the top 25% farms (sorted by EBIT per cow) was 2,193,708 litres. This is the result of average production per cow being 1,229 litres higher, whereas the number of cows is only 2 higher.

QDAS average milk income increased by 1.3 c/L to 93.8 c/L. Figure 4 shows the changes in milk income per litre between 2023-24 and 2024-25 for individual QDAS farms. The largest increases and decreases in Figure 4 are primarily due to processor incentive payments for new milk being received or ceasing in 2024-25.

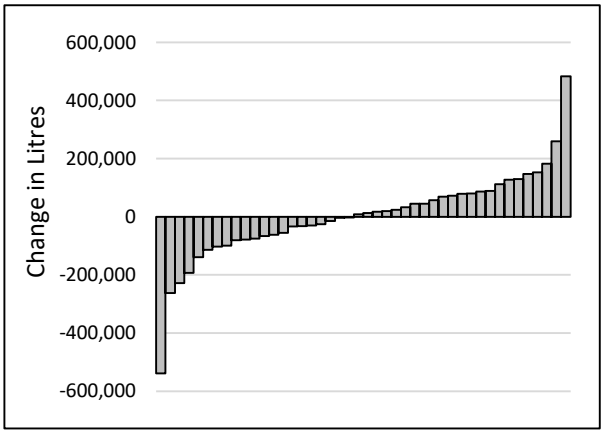


Figure 3. Change in milk production on individual farms between 2023-24 and 2024-25.

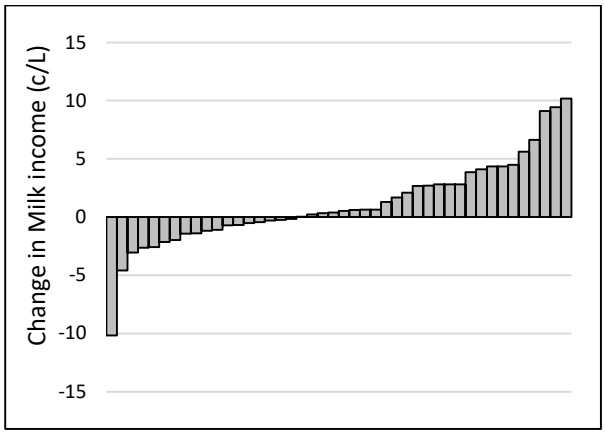


Figure 4. Change in milk income (c/L) on individual farms between 2023-24 and 2024-25.

Production costs

Table 2 shows that feed related costs remained consistent, decreasing by 0.1 c/L to be 45.9 c/L in 2024-25. Lower prices for grain, protein meal and hay resulted lower expenditure on these commodities, but this was offset by increased expenditure on minerals. There were small changes in individual items within home grown feed costs but the total remained unchanged at 11.0 c/l.

The feed related costs of the top 25% of farms (sorted by EBIT per cow) were 40.1 c/L, 5.8 c/L less than the average of all farms. However, feed related costs were $2,913 per cow in the top 25% of farms, compared to $2,770 on the average QDAS farm. Therefore, the top 25% group were able to generate higher profits through higher milk production per cow which resulted in their margin over feed related costs being 6.4 c/L higher. The top 25% of farms also had lower total variable costs, 7.0 c/L less than the average. These reduced costs of production and higher margin over feed related costs resulted in an operating cash surplus of 35.6 c/L for the top 25% of farms compared to 24.5 c/L for the average.

Table 3 shows the prices of major farm inputs. These prices are sourced in southern Queensland and vary depending on contractual arrangements.

Table 4 shows the cash income and cash costs of production for QDAS farms for 2024-25. Full details of QDAS average cash income and cash costs can be found in Appendix 10.1.

Table 3. Indicative prices per tonne of major farm inputs (June 2022 to June 2025)

Farm input	June 2022	June 2023	June 2024	June 2025
Concentrates				
Sorghum	$360	$410	$355	$355
Barley	$425	$425	$405	$330
Wheat	$440	$420	$405	$340
Soybean meal	$1025	$1035	$860	$730
Canola meal	$670	$690	$585	$575
14% dairy pellet	$620	$635	$600	$630
Fertiliser				
Urea	$1200	$940	$800	$930
Diesel				
Bowser price	$2.31	$2.08	$1.88	$1.85

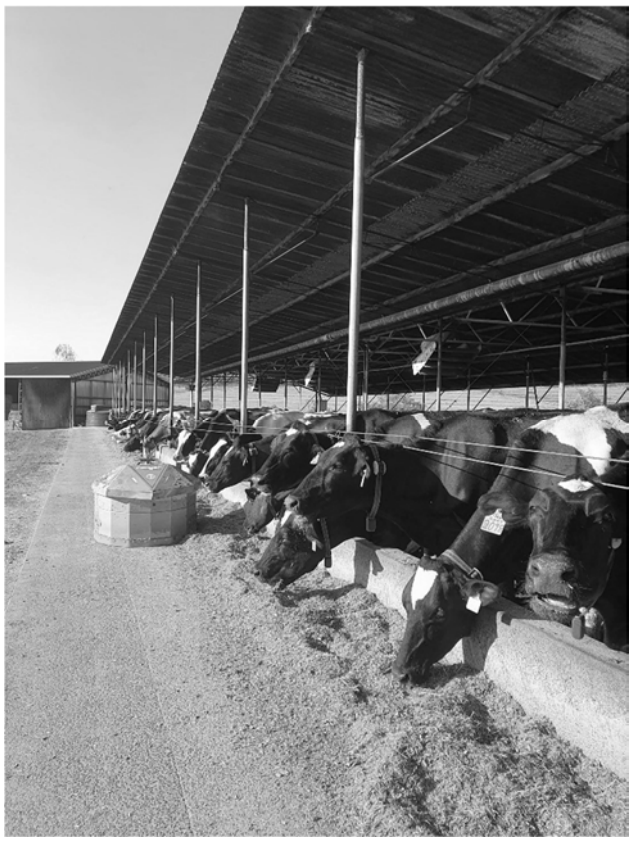


Table 4. Cash analysis of the costs of production (2024-25)

Farm income and costs	c/L
Farm income	
Milk income (net)	93.8
Other farm income	6.7
Total farm income	**100.5**
Production costs	
Purchased feed	34.9
Home grown feed	11.0
Total feed related costs	45.9
Herd costs	4.3
Shed costs	2.7
Employed labour	13.2
Repairs & maintenance	5.4
Other overheads	4.5
Farm working expenses	**76.0**
Farm operating cash surplus	**24.5**
Interest, principal, lease	11.6
Capital purchases (unfinanced)	5.5
Net cash flow before tax & drawings	**7.4**

Labour

Average employed labour costs for all QDAS farms was $239,505 for 3.1 paid labour units. This equates to 13.2 c/L, which is 2.5 c/L higher than in 2023-24. As farms milk more cows there are opportunities to utilise labour more effectively. Table 5 shows that farms producing less than 0.75 ML (126 cows) do so at 315,666 litres per labour unit, whereas farms producing more than 2.0 ML (541 cows) do so at 418,601 litres per labour unit.

Table 5 also shows the increase in labour used, both paid and unpaid (owner/operator), as production increases. It is not surprising that the greater than 2.0 ML group has the largest use of paid labour at 8.5 full time equivalents (FTE).

Repairs and other overheads

The QDAS average repairs and maintenance costs are $97,704 (5.4 c/L). Table 5 shows that repairs and maintenance are 7.0 c/L for the farms that produce less than 0.75 ML and 5.7 c/L for the farms that produce more than 2.0 ML of milk.

The QDAS average for other overhead costs is $81,258 (4.5 c/L). While total overhead costs increase as production increases, the costs get proportionately lower per litre. Table 5 shows other overhead costs falling from 6.4 c/L to 4.0 c/L as production increases. Other overhead costs include rates, insurance, registration, office expenses, accounting, phone and internet.

Table 5. Analysis of overhead costs (2024-2025)

Overhead costs	<0.75 ML	0.75 – 1.25 ML	1.25 – 2.0 ML	>2.0 ML
Milk production (L)	662,899	1,060,515	1,542,148	3,559,414
Cows (milkers + dry)	126	209	263	541
Overheads				
Repairs & Maintenance ($)	46,308	54,576	64,506	203,034
Repairs & Maintenance (c/L)	7.0	5.1	4.2	5.7
Other overheads ($)	42,702	54,871	71,733	141,599
Other overheads (c/L)	6.4	5.2	4.7	4.0
Labour				
Unpaid labour (FTE)	1.2	1.6	1.4	1.8
Paid labour (FTE)	0.9	1.4	2.5	6.7
Paid labour cost ($)	71,218	97,491	169,562	551,183
Litres per labour unit	315,666	356,904	395,422	418,601

2. The distribution of QDAS cooperating farms

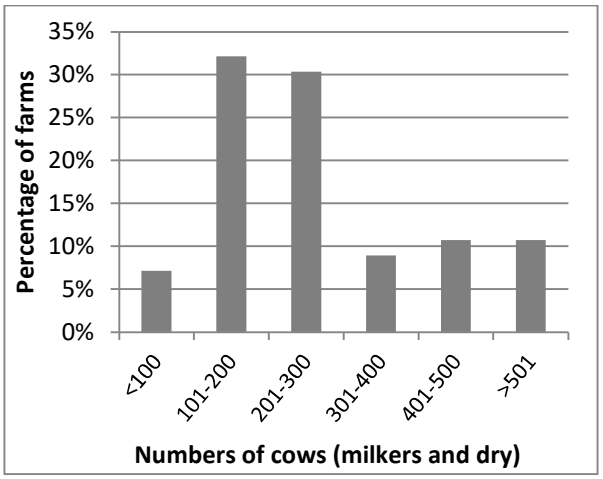


Figure 5. The distribution of QDAS farms by cow numbers

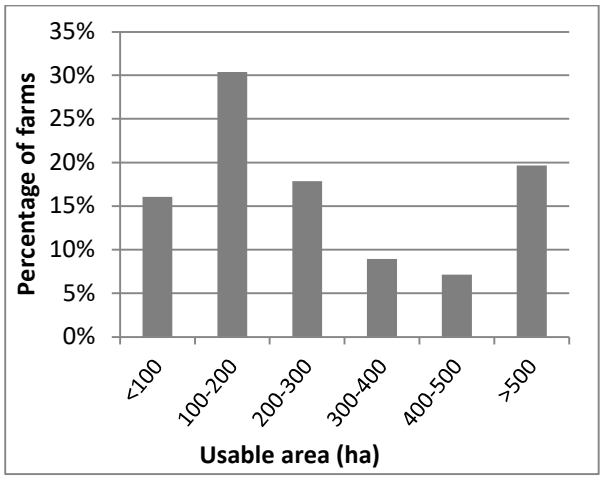


Figure 8. The distribution of QDAS farms by usable area

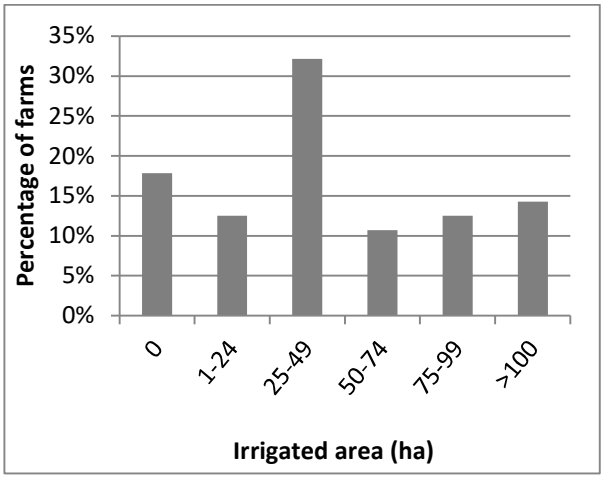


Figure 6. The distribution of QDAS farms by irrigated area

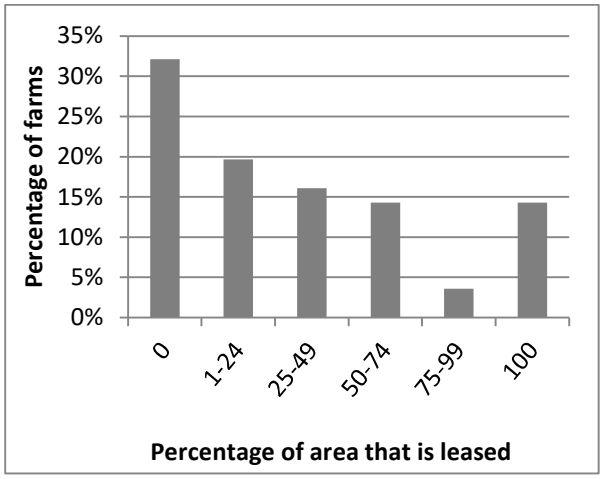


Figure 9. The distribution of QDAS farms by the percentage of total area that is leased

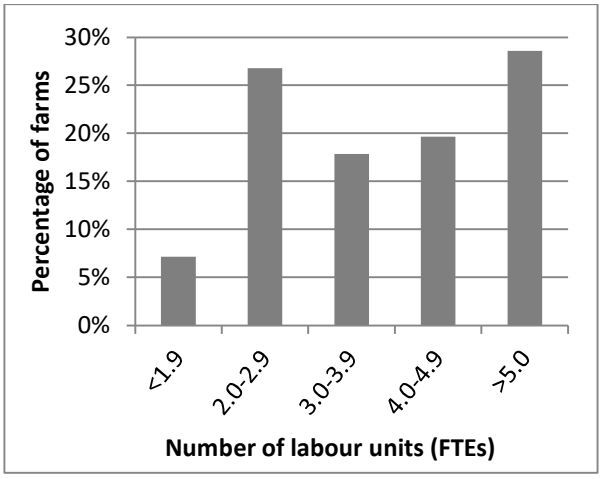


Figure 7. The distribution of QDAS farms by number of labour units

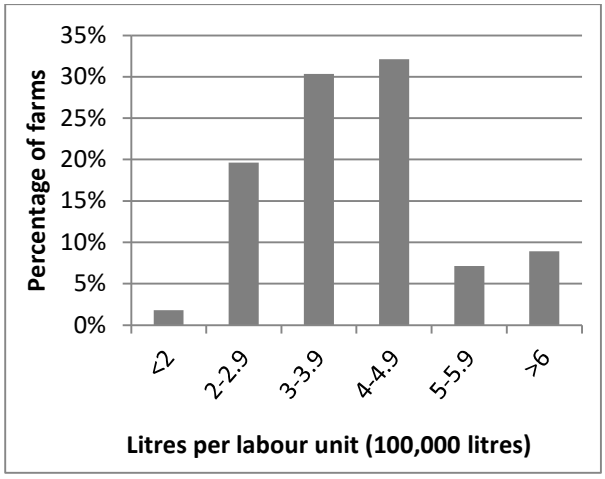


Figure 10. The distribution of QDAS farms by litres per labour unit

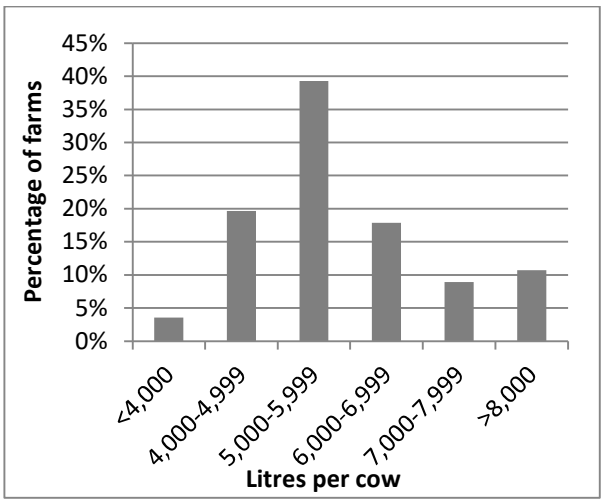


Figure 11. The distribution of QDAS farms by production per cow

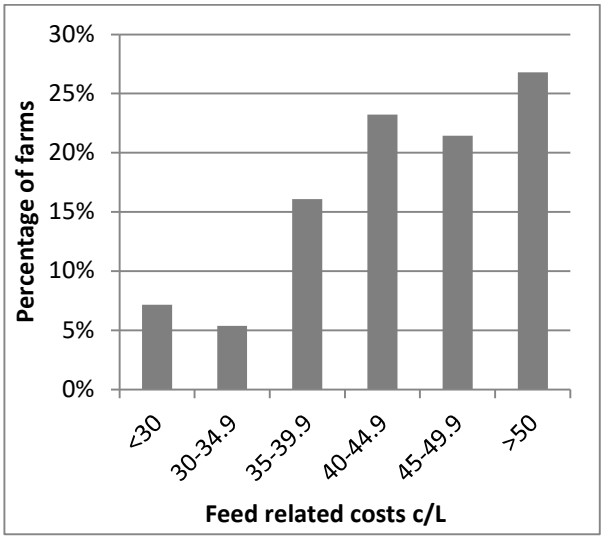


Figure 12. The distribution of QDAS farms by feed related costs

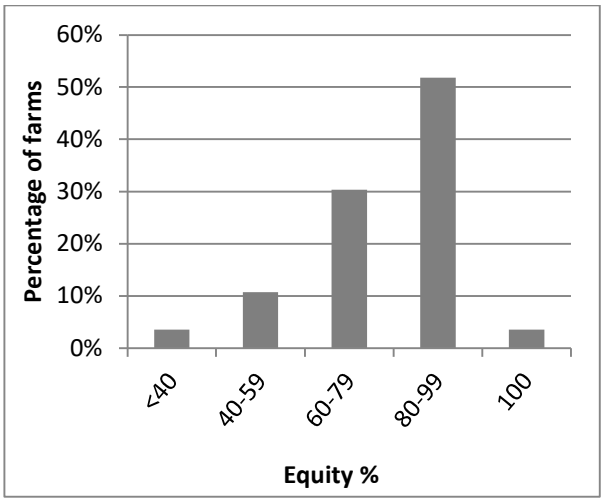


Figure 13. The distribution of QDAS farms by equity percentage

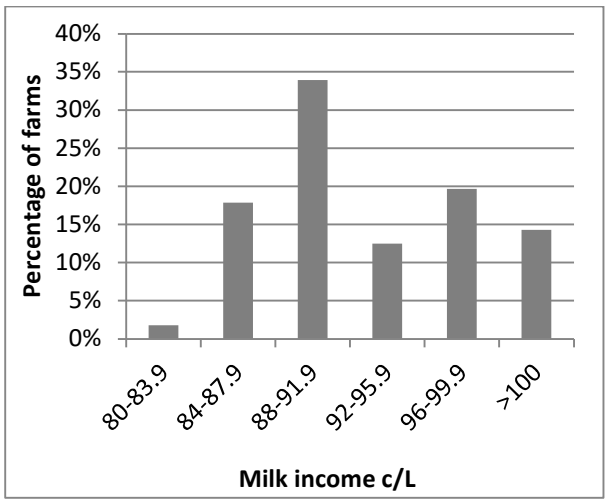


Figure 14. The distribution of QDAS farms by average milk income

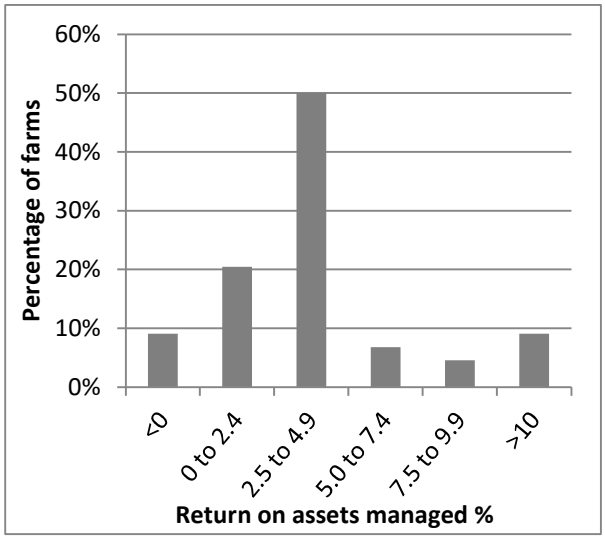


Figure 15. The distribution of QDAS farms by return on assets managed

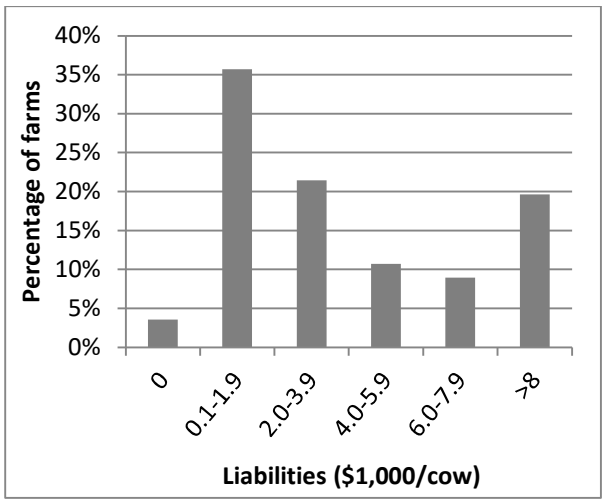


Figure 16. The distribution of QDAS farms by liabilities per cow

3. Factors affecting profitability

To investigate the factors affecting profitability, the QDAS results of the top 25% group (sorted by EBIT per cow) are compared with the results of the remaining 75% of farms (Table 6).

The higher EBIT per cow achieved by the top 25% group is directly linked to the following profit drivers:

- Higher production per cow. The top 25% group produced 1,643 litres per cow more than the remaining 75% group.
- Selling more litres of milk. The top 25% group sold 512,023 more litres of milk than the remaining 75% group. This is driven by production per cow.
- Better labour efficiency. The top 25% group produces 115,702 litres more milk per labour unit than the other group.
- Higher margin over feed related costs. The top 25% group had MOFRC 9.2 c/L higher than the other group.
- Lower farm working expenses. The top 25% group had farm working expenses 15.4 c/L lower than the other group.

Table 6. KPI for top 25% and the remaining 75% of farms (2024-25)

Profitability factors	Top 25%	Remaining 75%
Physical traits		
Cows (milkers + dry)	302	299
Farm production (L)	2,193,708	1,681,685
Efficiency - Physical		
Production per cow (L)	7,271	5,628
Milk from home grown feed (L/day)	11.3	8.0
Cows per labour unit	66	65
Litres per labour unit	480,625	364,923
Profit Analysis		
EBIT ($/cow)	2,080	452
Cash Analysis		
Milk income (c/L)	94.4	93.5
Livestock sales (c/L)	4.9	5.0
Feed related costs (c/L)	40.1	48.4
Farm working expenses (c/L)	65.3	80.7
Margin over FRC (c/L)	54.3	45.1

Production per cow

QDAS reports highlight that farms with higher production per cow mostly have higher profitability. Table 7 shows that EBIT per cow is significantly higher in the > 7,000 litres group. This reflects the top 25% group discussed in the previous section produced 1,643 litres more per cow than the remaining 75% group.

The margin over feed related costs per litre is the highest in the 6,000 to 7,000 litres group at 50.3 c/L and lowest in the <5,000 litres group at 45.7 c/L. However, margin over feed related costs per cow is highest in the >7,000 litres group at $3,910 and was lowest at $2,023 in the <5,000 litre group.

Table 7. KPI for four production groups (L per cow) in Queensland (2024-25)

Farm production	<5,000	5,000 - 6,000	6,000 - 7,000	>7,000
Farm milk production (L)	1,302,206	1,349,967	2,558,072	2,862,107
Cows (milkers + dry)	296	249	402	365
Production per cow (L)	4,403	5,427	6,363	7,836
Milk income (c/L)	91.0	91.2	99.1	93.2
Margin over FRC (c/L)	45.7	47.2	50.3	48.0
Margin over FRC ($/cow)	2,023	2,574	3,189	3,910
EBIT ($/cow)	40	662	848	1,741

Herd size

An important profit driver is the scale of operation. Increasing the scale of a farm's operation can lead to efficiencies in overheads and the use of labour. Table 8 shows the effect that increasing herd size has on profitability indicators.

In previous years QDAS reports have shown a steady increase in EBIT per cow as the herd size increases. This trend continued in 2024-25 with the >350 cow group having the highest EBIT per cow at $1,051 and the <150 cow group the lowest EBIT at $528 per cow.

For many years in QDAS, margin over feed related costs per cow increased as herd size increases. However, over the past few years this has not always been the case. This margin over feed related costs per cow is lowest in the 250-350 cow group at $2,514/cow and highest at $3,138/cow in the largest herds.

The farms with more than 350 cows (milkers and dry) had the highest production per cow at 6,466 litres. The farms with <150 cows having the second highest production per cow at 5,962 litres.

Therefore, the increase in EBIT with increasing herd size is driven by a combination of production per cow, margin over feed related costs and efficiencies in overheads and operating costs gained with scale.

Table 8. KPI for four herd size groups (number of milking and dry cows) in Queensland (2024-25)

Profitability indicators	< 150	150 - 250	250 - 350	> 350
Farm milk production (L)	700,767	1,106,304	1,488,491	3,592,395
Cows (milkers + dry)	118	195	269	556
Production per cow (L)	5,962	5,664	5,525	6,466
Margin over feed related costs ($/cow)	2,728	2,779	2,514	3,138
Cows per labour unit	58	67	70	64
Return on assets managed (%)	0.9	3.1	2.9	4.2
EBIT ($/cow)	528	820	719	1,051

4. Feed analysis

Feed related costs require significant attention by dairy farmers, especially in a subtropical environment. In 2024-25 feed related costs represented 49% of milk income on the QDAS average farm. On south Queensland total mixed ration (TMR) farms it represents 51% of milk income. This is a large decrease from 2019-20 where feed related costs represented 74% of milk income on south Queensland TMR farms.

QDAS allows farmers to investigate their feeding system and compare their feed inputs and milk responses with other farmers from the same regional production system. Table 9 shows the average amount of various feeds offered to milking cows over the 2024-25 year. This information is displayed as pie charts in Appendix 10.9.

Milk responses are allocated to each concentrate and conserved forage fed to milking cows to determine the milk produced from these feed sources. The remaining milk produced is then assumed to be as a result of grazing and the kilograms of dry matter (DM) required to be grazed to produce this milk is calculated.

The calculations of intake (kg DM/cow/day) and milk production (L/cow/day) in Table 9 assume a 300 day lactation.

Grain used on-farm is predominately wheat, barley and maize. Custom made pellets are utilised on farms with no grain milling equipment.

Protein is fed mainly as canola meal and soybean meal on partial mixed ration (PMR) and TMR farms. Whole cottonseed is a popular protein supplement on north Queensland farms when it is available at a reasonable price.

Molasses is a significant feed in north Queensland.

Other concentrates include brewer's grain, bread, dough, flour and several other by-products.

Good quality silages include maize, cereals, legumes and ryegrass. Medium quality silages include forage sorghum and tropical grasses.

Good quality hays are predominately lucerne and cereals. Medium quality hays are mainly forage sorghum, millet and tropical grasses. Straw is also an important fibre source on some farms.

Table 9. Amounts fed to milking cows in each of the regional production systems (2024-25)

Feed type	South Qld Grazing	South Qld PMR	South Qld TMR	North Qld All	All Qld
Grazing (kg DM/cow/day)	11.1	4.6	0.2	8.3	5.6
Grain and pellets (kg DM/cow/day)	6.4	5.5	6.7	5.3	5.8
Protein (kg DM/cow/day)	0.5	2.1	3.8	1.1	2.0
Molasses (kg DM/cow/day)	0.0	0.0	0.2	0.8	0.3
Other concentrates (kg DM/cow/day)	0.0	1.5	2.3	0.0	1.0
Silage good quality (kg DM/cow/day)	0.3	3.9	3.2	1.6	2.6
Silage medium quality (kg DM/cow/day)	0.1	1.0	5.0	0.0	1.5
Hay good quality (kg DM/cow/day)	0.3	0.5	0.4	0.0	0.3
Hay medium quality & straw (kg DM/cow/day)	0.3	0.5	0.3	0.1	0.4
Total intake (kg DM/cow/day)	19.0	19.7	21.9	17.2	19.5
Production (L/cow/day)	19.2	20.0	25.2	16.3	20.1
Forage to concentrate ratio	64:36	54:46	41:59	59:41	53:47

5. Production system analysis

QDAS data collection concentrates on gaining a "snap-shot" into different production systems in the regions. The three systems are:

Grazing (GRA) – Milk production principally from grazing, with grain and concentrates fed in the dairy. Less than 15% of dry matter intake is from hay or silage.

Partial Mixed Ration (PMR) – Milk production from a combination of grazing, grain, concentrates, hay and silage. More than 15% of dry matter intake is from hay or silage and at least 10% of dry matter intake is from grazing.

Total Mixed Ration (TMR) – Milk production principally from a silage based mixed ration fed on a pad. Less than 10% of dry matter intake is from grazing.

Table 10 shows the distribution of the participating QDAS farms among the regional production systems.

Table 10. The number of farms collected in each regional production system (2024-25)

Region	GRA	PMR	TMR	Total
North Queensland	8	4	0	12
Central Queensland	0	1	0	1
South Queensland	13	21	9	43
Total	21	26	9	56

Table 11 presents a summary of the KPI for each regional production system. There are several points of interest.

- Milk income varies from 88.4c/L in north Queensland to 95.9 c/L on south Queensland PMR farms.
- Production per cow increases as the feeding system intensifies. South Queensland grazing farms averaged 5,757 L/cow, PMR farms averaged 6,010 L/cow and TMR farms averaged 7,567 L/cow.
- South Queensland TMR farms achieved the highest EBIT of $1,364/cow. The EBIT of South Queensland grazing farms increased by $356/cow to be $1,215/cow. The average EBIT in north Queensland farms was $428/cow.

This data should not be interpreted as a definitive guide for changing a farming system. It should be noted that even if a regional production system is shown here to be more profitable, the skills, infrastructure and resources required on alternative systems are quite different. Farmers contemplating a change should seek help with the phasing and sizing of that change.

Table 11. KPI for farming systems (2024-25)

KPI	South Qld Grazing	South Qld PMR	South Qld TMR	North Qld All farms
Cows (milkers + dry)	207	288	410	329
Farm production (L)	1,190,807	1,731,955	3,104,792	1,614,240
Production per cow (L)	5,757	6,010	7,567	4,904
Milk income (c/L)	94.3	95.9	94.2	88.4
Feed related costs (c/L)	41.0	47.1	47.6	44.2
Total variable costs (c/L)	48.1	54.3	53.5	52.4
Margin over feed related costs (c/L)	53.3	48.7	46.6	44.2
EBIT ($/cow)	1,215	649	1,364	428
Return on assets managed (%)	3.6	2.7	4.7	1.5

6. South Queensland - Grazing

South Queensland grazing farms in the QDAS sample are found around Gympie, Sunshine Coast, Brisbane Valley and Darling Downs. These grazing farms either have high and reliable rainfall or significant areas of reliable irrigation. Permanent summer pastures are mainly kikuyu, panics and setaria, with irrigation areas planted to ryegrass, clover and lucerne. Kikuyu pastures are also oversown to winter forages with grazing crops of forage sorghum and oats also grown. Grain and pellets are readily available as supplements, fed at milking time.

The farms in this group have invested $20,125 per cow in their operation, of which 74% is in the land value. Equity levels are high, averaging at 88%, and a return on assets managed of 3.6% was achieved.

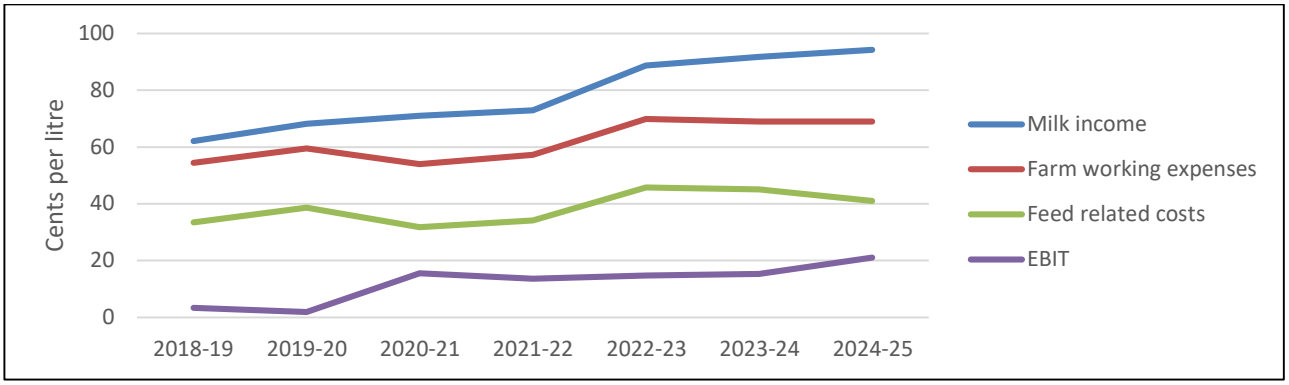
Figure 17 shows the data trends for south Queensland grazing farms between 2018-19 and 2024-25. There are several points of interest:

- Milk income has increased by 52% from 62.1 c/L in 2018-19 to 94.3 c/L in 2024-25.
- Feed related costs have increased by 23% from 33.5 c/L in 2018-19 to 41.0 c/L in 2024-25.
- Farm working expenses have increased by 27% from 54.4 c/L in 2018-19 to 68.9 c/L in 2024-25.
- EBIT has increased from 3.4 c/L in 2018-19 to 21.1 c/L in 2024-25 but was as low as 2.0 c/L in 2019-20.

Table 12. Statistics for South Queensland grazing farms – 13 farms (2024-25)

Resources	
Cows (milkers + dry)	207
Heifers >1 year old	81
Heifers <1 year old	56
Total dairy herd	347
Milking cow area (ha)	82
Usable area (ha)	229
Labour units	2.8
Assets and Liabilities	
Land, buildings, irrigation ($)	3,066,200
Livestock ($)	491,729
Machinery ($)	281,494
Other ($)	323,303
TOTAL ($)	4,162,726
Liabilities ($)	487,256
Equity (%)	88
Investment per cow ($)	20,125
Debt per cow ($)	2,356
Productivity	
Milk production (L)	1,190,807
Production per cow (L)	5,757
Financial	
Milk income (c/L)	94.3
Feed related costs (c/L)	41.0
Total variable costs (c/L)	48.1
Margin over feed related costs (c/L)	53.3
EBIT ($/cow)	1,215
Return on assets managed (%)	3.6

Figure 17. Trends for South Queensland grazing farms (2018-19 to 2024-25)



7. South Queensland - PMR

South Queensland PMR farms in the QDAS sample are found around Gympie, Sunshine Coast, Beaudesert, Moreton, Brisbane Valley and Darling Downs. They have the ability to grow similar forages to the prior group, but supplement their milkers with silage made from maize, sorghum, lucerne and/or ryegrass.

These farms have a higher investment in stock and plant. This production system usually results in higher production per cow than that of grazing farms.

The farms in this group have invested $19,181 per cow in their operation with 71% tied to the land. Equity levels are high, averaging at 81% and a return on assets managed of 2.7% was achieved.

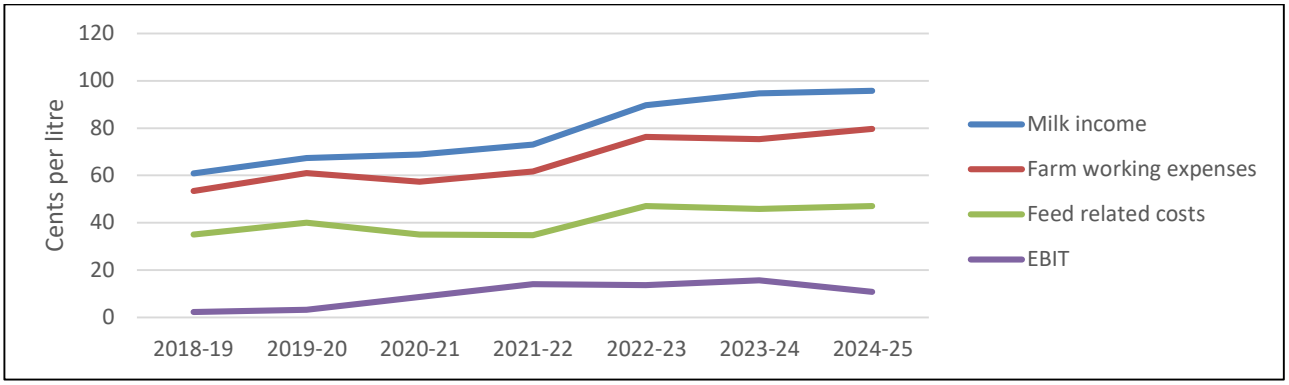
Figure 18 shows the data trends for south Queensland PMR farms between 2018-19 and 2024-25. There are several points of interest:

- Milk income has increased by 57% from 60.9 c/L in 2018-19 to 95.9 c/L in 2024-25.
- Feed related costs have increased by 35% from 35.0 c/L in 2018-19 to 47.1 c/L in 2024-25.
- Farm working expenses have increased by 49% from 53.5 c/L in 2018-19 to 79.7 c/L in 2024-25.
- EBIT has increased from 2.3 c/L in 2018-19 to 10.8 c/L in 2024-25.

Table 13. Statistics for South Queensland PMR farms – 21 farms (2024-25)

Resources	
Cows (milkers + dry)	288
Heifers >1 year old	121
Heifers <1 year old	85
Total dairy herd	500
Milking cow area (ha)	107
Usable area (ha)	238
Labour units	4.8
Assets and Liabilities	
Land & buildings ($)	3,920,897
Livestock ($)	717,730
Machinery ($)	590,356
Other ($)	298,829
TOTAL ($)	5,527,813
Liabilities ($)	1,053,864
Equity (%)	81
Investment per cow ($)	19,181
Debt per cow ($)	3,657
Productivity	
Milk production (L)	1,731,955
Production per cow (L)	6,010
Financial	
Milk income (c/L)	95.9
Feed related costs (c/L)	47.1
Total variable costs (c/L)	54.3
Margin over feed related costs (c/L)	48.7
EBIT ($/cow)	649
Return on assets managed (%)	2.7

Figure 18. Trends for South Queensland PMR farms (2018-19 to 2024-25)



8. South Queensland - TMR

South Queensland TMR farms in the QDAS sample are found in the Moreton, Darling Downs and South Burnett and are mostly dryland farms with large cropping areas. Most farmers concentrate on growing large volumes of summer forages for silage. Winter crops are opportunistic in years when sub-soil moisture is available.

These farms have commodity sheds. Grain, by-products and protein meals are purchased in bulk and forward contracting is common. They are ideally situated in proximity to the grain growing areas of Queensland which reduces freight costs.

They have invested $25,014 per cow in their operation with 66% tied to the land. With the large investment in infrastructure that is required, they have a high debt per cow of $5,221 and equity of 79%. A return on assets managed of 4.7% was achieved.

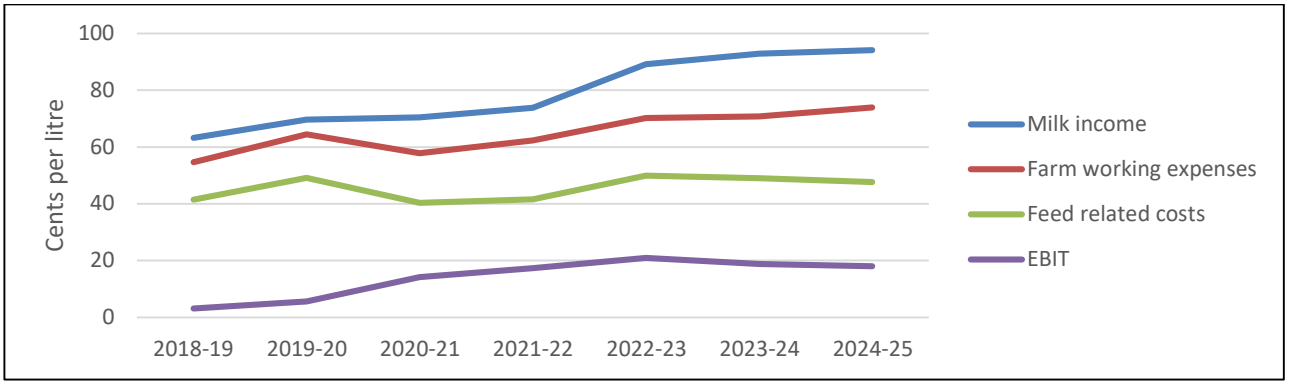
Figure 19 shows the data trends for south Queensland TMR between 2018-19 and 2024-25. There are several points of interest:

- Milk income has increased by 49% from 63.3 c/L in 2018-19 to 94.2c/L in 2024-25.
- Feed related costs have increased by 15% from 41.5 c/L in 2018-19 to 47.6 c/L in 2024-25.
- Farm working expenses have increased by 35% from 54.7 c/L in 2018-19 to 74.0 c/L in 2024-25.
- EBIT has increased from 3.3 c/L in 2018-19 to 18.0 c/L in 2024-25.

Table 14. Statistics for South Queensland TMR farms – 9 farms (2024-25)

Resources	
Cows (milkers + dry)	410
Heifers >1 year old	190
Heifers <1 year old	193
Total dairy herd	804
Milking cow area (ha)	3
Usable area (ha)	595
Labour units	6.5
Assets and Liabilities	
Land & buildings ($)	6,739,310
Livestock ($)	1,335,197
Machinery ($)	1,352,794
Other ($)	836,855
TOTAL ($)	10,264,156
Liabilities ($)	2,142,461
Equity (%)	79
Investment per cow ($)	25,014
Debt per cow ($)	5,221
Productivity	
Milk production (L)	3,104,792
Production per cow (L)	7,567
Financial	
Milk income (c/L)	94.2
Feed related costs (c/L)	47.6
Total variable costs (c/L)	53.5
Margin over feed related costs (c/L)	46.6
EBIT ($/cow)	1,364
Return on assets managed (%)	4.7

Figure 19. Trends for South Queensland TMR farms (2018-19 to 2024-25)



9. North Queensland – Grazing and PMR

These farms are located in tropical North Queensland around the areas of Malanda, Millaa Millaa and Ravenshoe.

Grazing with grain, pellets or molasses fed in the dairy is the predominant production system in the tropics. This means the upper limit for daily grain intake is 6-8 kg. Some farms feed silage, hay and whole cottonseed to fill feed gaps.

The farms in this group have invested $17,752 per cow in their operation, of which 74% is in the land value. Equity levels varied across the sample, with the average being 70%, and a return on assets managed of 1.5% was recorded.

Figure 20 shows the data trends for north Queensland farms between 2018-19 and 2024-25.

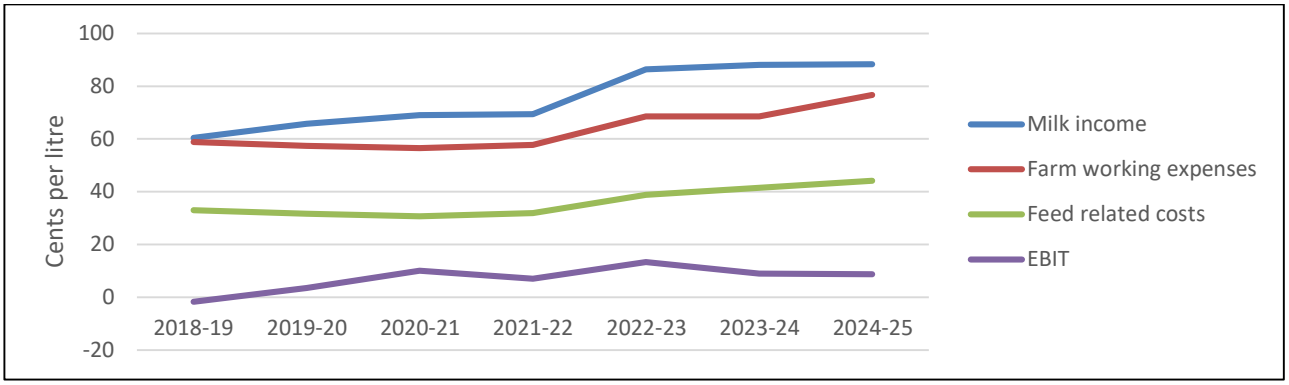
There are several points of interest:

- Milk income has increased by 46% from 60.5 c/L in 2018-19 to 88.4 c/L in 2024-25.
- Feed related costs have increased by 34% from of 33.0 c/L in 2018-19 to 44.2 c/L in 2024-25.
- Farm working expenses have increased by 30% from 58.8 c/L in 2018-19 to 76.7 c/L in 2024-25.
- EBIT has increased from -1.7 c/L in 2018-19 to 8.7 c/L in 2024-25.

Table 15. Statistics for North Queensland grazing and PMR farms – 12 farms (2024-25)

Resources	
Cows (milkers + dry)	329
Heifers >1 year old	97
Heifers <1 year old	111
Total dairy herd	544
Milking cow area (ha)	124
Usable area (ha)	277
Labour units	4.8
Assets and Liabilities	
Land & buildings ($)	4,296,766
Livestock ($)	820,091
Machinery ($)	435,105
Other ($)	291,464
TOTAL ($)	5,843,426
Liabilities ($)	1,759,533
Equity (%)	70
Investment per cow ($)	17,752
Debt per cow ($)	5,345
Productivity	
Milk production (L)	1,614,240
Production per cow (L)	4,904
Financial	
Milk income (c/L)	88.4
Feed related costs (c/L)	44.2
Total variable costs (c/L)	52.4
Margin over feed related costs (c/L)	44.2
EBIT ($/cow)	428
Return on assets managed (%)	1.5

Figure 20. Trends for North Queensland farms (2018-19 to 2024-25)



10. Appendices

10.1 Group cash flow – All 56 QDAS farms (2024-25)

Group cash flow

All Farms

2024/2025

Farm Cash Income	c/L	$/cow	$/kg MS		Total $ Earned
Milk Income (net)	**93.8**	**5,664.3**	**12.52**		**1,696,672**
Livestock sales less purchases (dairy)	5.0	301.6	0.67		90,348
Feed sales	0.1	9.0	0.02		2,690
Other farm cash income	1.6	97.9	0.22		29,311
Total Farm Cash Income	**100.5**	**6,072.8**	**13.42**		**1,819,021**
Farm Cash Costs	**c/L**	**$/cow**	**$/kg MS**	**% Milk receipts**	**Total $ Spent**
Purchased grain, concentrates	28.4	1,715.6	3.79	30.3	513,873
Purchased fodder, silage, hay	3.7	226.0	0.50	4.0	67,693
Other purchased feed	2.7	164.6	0.36	2.9	49,296
Total Purchased Feed	**34.9**	**2,106.1**	**4.65**	**37.2**	**630,862**
Fertiliser	3.5	213.6	0.47	3.8	63,984
Fuel & oil	2.0	121.5	0.27	2.1	36,398
Pasture & crop costs	2.2	133.8	0.30	2.4	40,080
Irrigation costs	1.1	64.1	0.14	1.1	19,205
Hay and silage making costs	1.6	96.2	0.21	1.7	28,815
Agistment	0.4	21.3	0.05	0.4	6,377
Other feed costs	0.2	14.0	0.03	0.2	4,198
Feed Related Costs	**45.9**	**2,770.7**	6.12	**48.9**	**829,918**
Margin Over Feed Related Costs	**47.9**	**2,893.7**	**6.40**	**51.1**	**866,754**
Animal health	2.5	152.0	0.34	2.7	45,525
Herd improvement	0.9	57.0	0.13	1.0	17,081
Calf rearing	0.9	53.4	0.12	0.9	15,991
Herd Costs	**4.3**	**262.4**	**0.58**	**4.6**	**78,596**
Dairy shed - power	1.5	89.3	0.20	1.6	26,736
Dairy shed - supplies	1.2	75.0	0.17	1.3	22,468
Shed Costs	**2.7**	**164.3**	**0.36**	**2.9**	**49,204**
Total Variable Costs	**52.9**	**3,197.3**	**7.07**	**56.4**	**957,718**
Employed labour costs	13.2	799.6	1.77	14.1	239,505
Repairs & maintenance	5.4	326.2	0.72	5.8	97,704
Other overhead costs	4.5	271.3	0.60	4.8	81,258
Total Cash Overhead Costs	**23.1**	**1,397.1**	**3.09**	**24.7**	**418,467**
Total Farm Working Expenses	**76.0**	**4,594.4**	**10.15**	**81.1**	**1,376,185**
Farm Operating Cash Surplus	**24.5**	**1,478.4**	**3.27**	**26.1**	**442,836**
Interest costs	4.3	257.6	0.57	4.5	77,152
Loan principal repayments	4.6	278.0	0.61	4.9	83,256
Land lease costs	2.7	164.4	0.36	2.9	49,233
Other capital purchases (unfinanced)	5.5	332.7	0.74	5.9	99,656
Net Cashflow Before Tax & Drawings	**7.4**	**445.8**	**0.99**	**7.9**	**133,539**

Labour inputs		**Stock**		**Production**		
Paid labour	3.1	Cows (milking and dry)	300	Total litres sold		1,809,691
Unpaid labour	1.5	Total herd	576	Litres / cow		6,042
Total labour units	4.6	**Areas**		Butterfat (kg)	4.09%	74,079
Litres / Labour unit	393,640	Useable area (ha)	304	Protein (kg)	3.40%	61,457
Cows / labour unit	65	Irrigation area (ha)	52	Milk solids / cow (kg)		452

Farms in this report:	56

10.2 Group cash flow – Top 25% of farms (2024-25)

Group cash flow

Top 25%

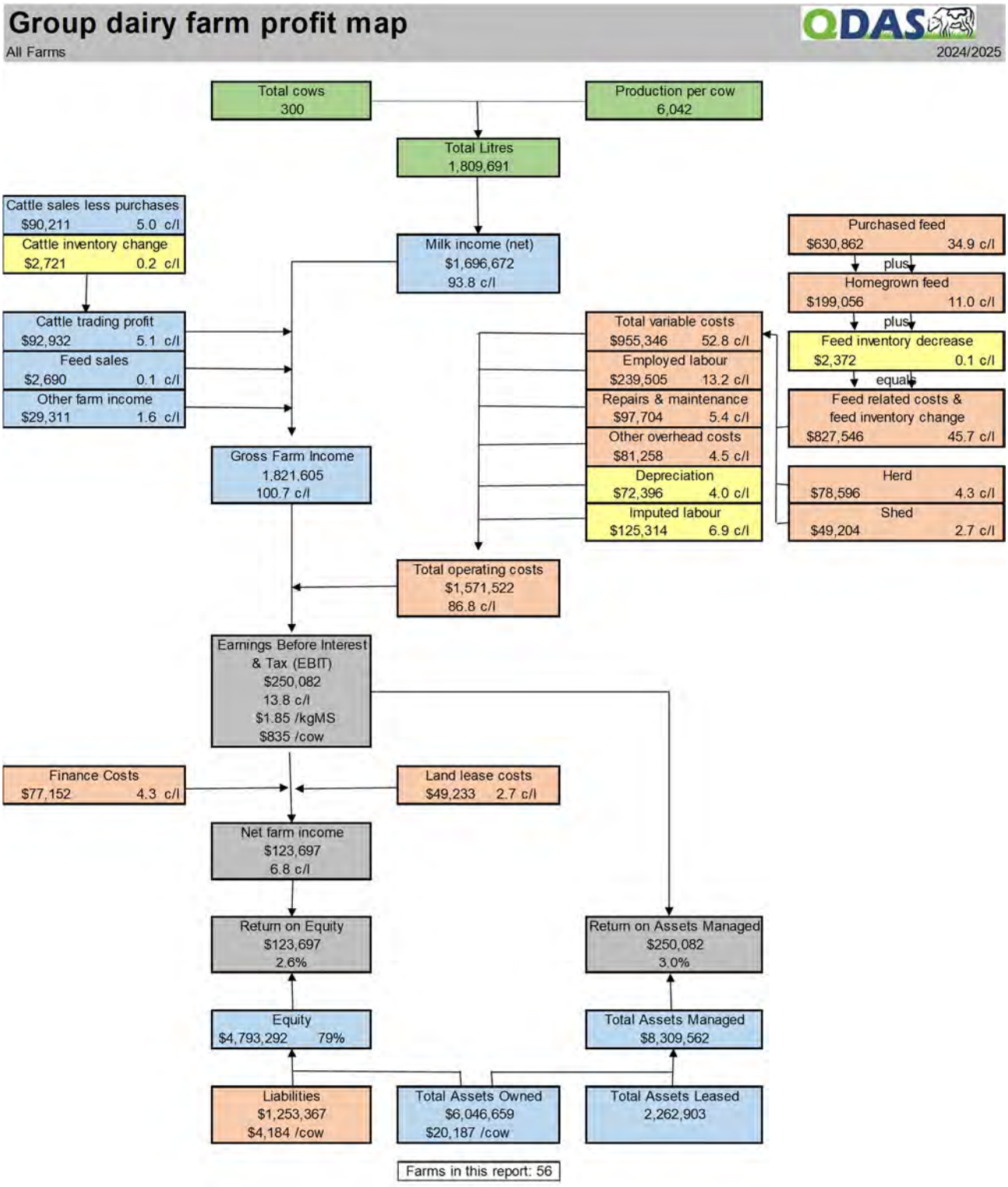
2024/2025

Farm Cash Income	c/L	$/cow	$/kg MS		Total $ Earned
Milk Income (net)	**94.4**	**6,862.1**	**12.80**		**2,070,394**
Livestock sales less purchases (dairy)	4.9	355.6	0.66		107,300
Feed sales	0.0	0.8	0.00		247
Other farm cash income	1.6	116.6	0.22		35,182
Total Farm Cash Income	**100.9**	**7,335.2**	**13.68**		**2,213,123**
Farm Cash Costs	**c/L**	**$/cow**	**$/kg MS**	**% Milk receipts**	**Total $ Spent**
Purchased grain, concentrates	24.2	1,759.5	3.28	25.6	530,876
Purchased fodder, silage, hay	3.8	272.7	0.51	4.0	82,288
Other purchased feed	3.6	263.3	0.49	3.8	79,450
Total Purchased Feed	**31.6**	**2,295.6**	**4.28**	**33.5**	**692,615**
Fertiliser	3.0	219.0	0.41	3.2	66,079
Fuel & oil	1.6	113.4	0.21	1.7	34,216
Pasture & crop costs	1.8	127.7	0.24	1.9	38,524
Irrigation costs	0.7	49.3	0.09	0.7	14,879
Hay and silage making costs	1.1	79.9	0.15	1.2	24,105
Agistment	0.3	19.9	0.04	0.3	6,006
Other feed costs	0.1	8.8	0.02	0.1	2,648
Feed Related Costs	**40.1**	**2,913.6**	5.43	**42.5**	**879,072**
Margin Over Feed Related Costs	**54.3**	**3,948.5**	**7.37**	**57.5**	**1,191,322**
Animal health	2.2	158.5	0.30	2.3	47,825
Herd improvement	0.6	42.0	0.08	0.6	12,686
Calf rearing	0.7	53.5	0.10	0.8	16,127
Herd Costs	**3.5**	**254.0**	**0.47**	**3.7**	**76,638**
Dairy shed - power	1.2	84.6	0.16	1.2	25,531
Dairy shed - supplies	1.2	83.7	0.16	1.2	25,261
Shed Costs	**2.3**	**168.3**	**0.31**	**2.5**	**50,792**
Total Variable Costs	**45.9**	**3,335.9**	**6.22**	**48.6**	**1,006,503**
Employed labour costs	10.7	780.6	1.46	11.4	235,528
Repairs & maintenance	4.6	334.6	0.62	4.9	100,943
Other overhead costs	4.1	294.8	0.55	4.3	88,933
Total Cash Overhead Costs	**19.4**	**1,410.0**	**2.63**	**20.5**	**425,404**
Total Farm Working Expenses	**65.3**	**4,745.9**	**8.85**	**69.2**	**1,431,906**
Farm Operating Cash Surplus	**35.6**	**2,589.3**	**4.83**	**37.7**	**781,217**
Interest costs	2.6	185.8	0.35	2.7	56,049
Loan principal repayments	4.8	352.4	0.66	5.1	106,324
Land lease costs	2.4	170.9	0.32	2.5	51,563
Other capital purchases (unfinanced)	10.2	744.9	1.39	10.9	224,746
Net Cashflow Before Tax & Drawings	**15.6**	**1,135.3**	**2.12**	**16.5**	**342,535**

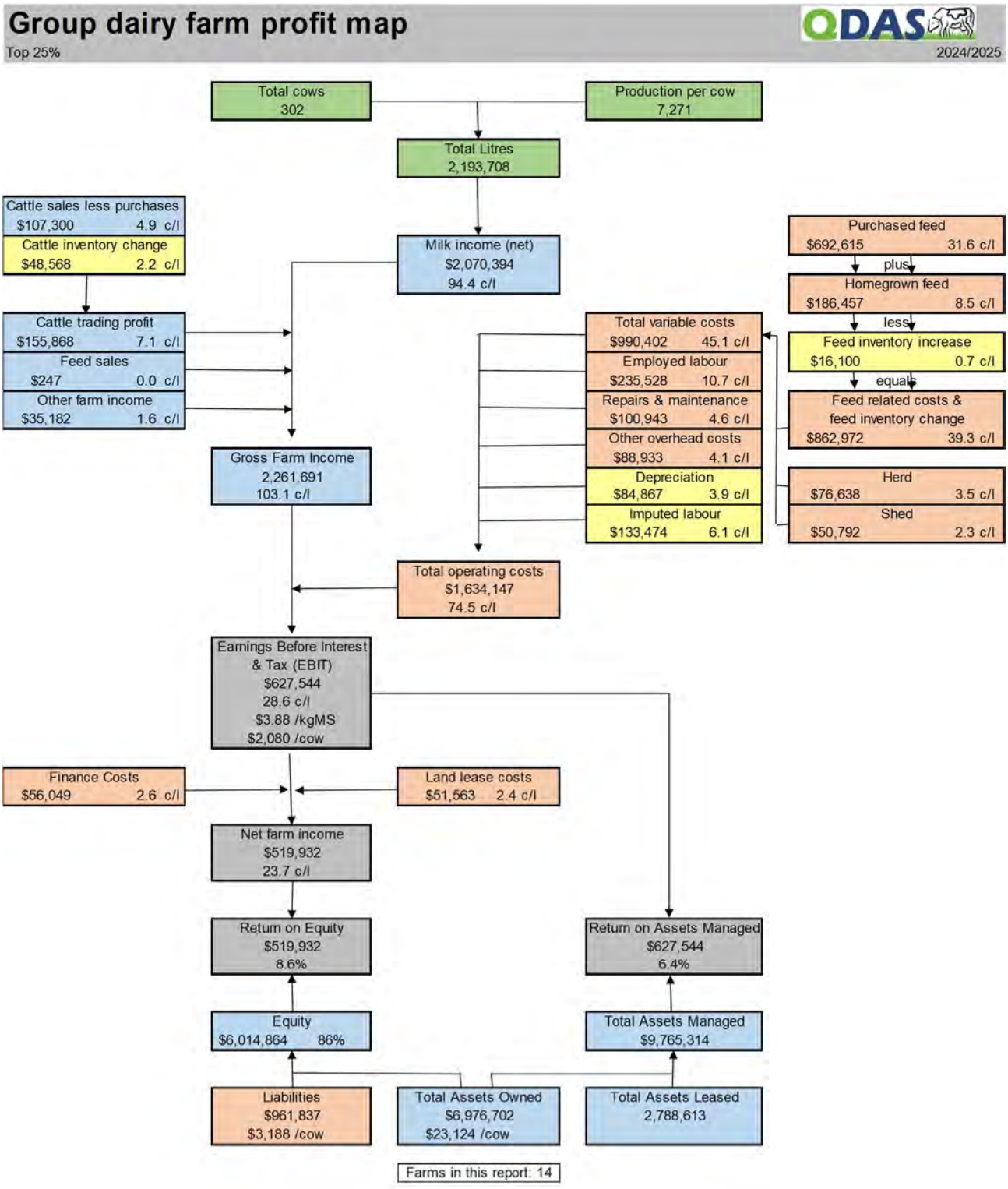
Labour inputs		**Stock**		**Production**		
Paid labour	2.9	Cows (milking and dry)	302	Total litres sold		2,193,708
Unpaid labour	1.6	Total herd	622	Litres / cow		7,271
Total labour units	4.6	**Areas**		Butterfat (kg)	3.99%	87,624
Litres / Labour unit	480,625	Useable area (ha)	425	Protein (kg)	3.38%	74,128
Cows / labour unit	66	Irrigation area (ha)	37	Milk solids / cow (kg)		536

Farms in this report:	14

10.3 Group dairy farm profit map – All 56 QDAS farms (2024-25)



10.4 Group dairy farm profit map – Top 25% of farms (2024-25)



10.5 Group cash flow – South Queensland Grazing (2024-25)

Group cash flow

South Queensland Grazing — 2024/2025

Farm Cash Income	c/L	$/cow	$/kg MS		Total $ Earned
Milk Income (net)	**94.3**	**5,429.3**	**12.56**		**1,123,020**
Livestock sales less purchases (dairy)	5.9	338.0	0.78		69,918
Feed sales	0.0	1.3	0.00		266
Other farm cash income	1.0	55.9	0.13		11,565
Total Farm Cash Income	**101.2**	**5,824.5**	**13.47**		**1,204,768**
Farm Cash Costs	**c/L**	**$/cow**	**$/kg MS**	**% Milk receipts**	**Total $ Spent**
Purchased grain, concentrates	25.0	1,438.7	3.33	26.5	297,596
Purchased fodder, silage, hay	2.1	120.4	0.28	2.2	24,900
Other purchased feed	2.9	165.4	0.38	3.0	34,205
Total Purchased Feed	**30.0**	**1,724.5**	**3.99**	**31.8**	**356,701**
Fertiliser	4.9	279.2	0.65	5.1	57,758
Fuel & oil	1.4	80.7	0.19	1.5	16,682
Pasture & crop costs	2.3	132.5	0.31	2.4	27,406
Irrigation costs	1.3	77.2	0.18	1.4	15,966
Hay and silage making costs	0.5	27.6	0.06	0.5	5,699
Agistment	0.3	19.8	0.05	0.4	4,103
Other feed costs	0.4	21.8	0.05	0.4	4,507
Feed Related Costs	**41.0**	**2,363.2**	5.47	**43.5**	**488,821**
Margin Over Feed Related Costs	**53.3**	**3,066.0**	**7.09**	**56.5**	**634,199**
Animal health	2.5	144.6	0.33	2.7	29,908
Herd improvement	1.2	67.2	0.16	1.2	13,910
Calf rearing	0.4	25.2	0.06	0.5	5,218
Herd Costs	**4.1**	**237.1**	**0.55**	**4.4**	**49,036**
Dairy shed - power	1.4	78.2	0.18	1.4	16,182
Dairy shed - supplies	1.6	89.6	0.21	1.6	18,525
Shed Costs	**2.9**	**167.8**	**0.39**	**3.1**	**34,707**
Total Variable Costs	**48.1**	**2,768.1**	**6.40**	**51.0**	**572,564**
Employed labour costs	10.2	589.6	1.36	10.9	121,965
Repairs & maintenance	5.3	304.4	0.70	5.6	62,960
Other overhead costs	5.3	307.2	0.71	5.7	63,553
Total Cash Overhead Costs	**20.9**	**1,201.3**	**2.78**	**22.1**	**248,478**
Total Farm Working Expenses	**68.9**	**3,969.3**	**9.18**	**73.1**	**821,041**
Farm Operating Cash Surplus	**32.2**	**1,855.1**	**4.29**	**34.2**	**383,727**
Interest costs	3.1	179.7	0.42	3.3	37,168
Loan principal repayments	7.5	429.2	0.99	7.9	88,768
Land lease costs	3.3	187.8	0.43	3.5	38,845
Other capital purchases (unfinanced)	5.3	305.0	0.71	5.6	63,091
Net Cashflow Before Tax & Drawings	**13.1**	**753.5**	**1.74**	**13.9**	**155,855**

Labour inputs		**Stock**		**Production**		
Paid labour	1.5	Cows (milking and dry)	207	Total litres sold		1,190,807
Unpaid labour	1.3	Total herd	380	Litres / cow		5,757
Total labour units	2.8	**Areas**		Butterfat (kg)	4.09%	48,732
Litres / Labour unit	425,288	Useable area (ha)	229	Protein (kg)	3.42%	40,712
Cows / labour unit	74	Irrigation area (ha)	45	Milk solids / cow (kg)		432

Farms in this report:	13

10.6 Group cash flow – South Queensland PMR (2024-25)

Group cash flow

South Queensland PMR

QDAS

2024/2025

Farm Cash Income	c/L	$/cow	$/kg MS		Total $ Earned
Milk Income (net)	**95.9**	**5,761.1**	**12.46**		**1,660,290**
Livestock sales less purchases (dairy)	3.7	220.2	0.48		63,471
Feed sales	0.4	24.3	0.05		7,009
Other farm cash income	0.5	29.5	0.06		8,497
Total Farm Cash Income	**100.4**	**6,035.1**	**13.05**		**1,739,267**
Farm Cash Costs	**c/L**	**$/cow**	**$/kg MS**	**% Milk receipts**	**Total $ Spent**
Purchased grain, concentrates	27.1	1,630.5	3.53	28.3	469,882
Purchased fodder, silage, hay	3.3	200.8	0.43	3.5	57,871
Other purchased feed	2.8	171.3	0.37	3.0	49,360
Total Purchased Feed	**33.3**	**2,002.5**	**4.33**	**34.8**	**577,113**
Fertiliser	3.6	215.8	0.47	3.7	62,197
Fuel & oil	2.5	148.2	0.32	2.6	42,712
Pasture & crop costs	3.2	190.0	0.41	3.3	54,752
Irrigation costs	1.3	79.3	0.17	1.4	22,855
Hay and silage making costs	2.6	154.8	0.33	2.7	44,617
Agistment	0.3	19.6	0.04	0.3	5,644
Other feed costs	0.4	23.2	0.05	0.4	6,695
Feed Related Costs	**47.1**	**2,833.5**	6.13	**49.2**	**816,586**
Margin Over Feed Related Costs	**48.7**	**2,927.6**	**6.33**	**50.8**	**843,704**
Animal health	2.8	171.1	0.37	3.0	49,302
Herd improvement	0.9	55.9	0.12	1.0	16,115
Calf rearing	0.8	45.9	0.10	0.8	13,237
Herd Costs	**4.5**	**272.9**	**0.59**	**4.7**	**78,654**
Dairy shed - power	1.3	79.0	0.17	1.4	22,776
Dairy shed - supplies	1.3	80.4	0.17	1.4	23,184
Shed Costs	**2.7**	**159.5**	**0.34**	**2.8**	**45,960**
Total Variable Costs	**54.3**	**3,265.9**	**7.06**	**56.7**	**941,201**
Employed labour costs	15.1	907.8	1.96	15.8	261,624
Repairs & maintenance	6.1	368.6	0.80	6.4	106,213
Other overhead costs	4.1	249.2	0.54	4.3	71,807
Total Cash Overhead Costs	**25.4**	**1,525.5**	**3.30**	**26.5**	**439,644**
Total Farm Working Expenses	**79.7**	**4,791.4**	**10.36**	**83.2**	**1,380,844**
Farm Operating Cash Surplus	**20.7**	**1,243.7**	**2.69**	**21.6**	**358,423**
Interest costs	3.1	186.5	0.40	3.2	53,738
Loan principal repayments	5.1	304.6	0.66	5.3	87,784
Land lease costs	2.8	165.7	0.36	2.9	47,750
Other capital purchases (unfinanced)	3.5	207.4	0.45	3.6	59,776
Net Cashflow Before Tax & Drawings	**6.3**	**379.5**	**0.82**	**6.6**	**109,375**

Labour inputs		**Stock**		**Production**		
Paid labour	3.4	Cows (milking and dry)	288	Total litres sold		1,731,955
Unpaid labour	1.4	Total herd	543	Litres / cow		6,010
Total labour units	4.8	**Areas**		Butterfat (kg)	4.22%	73,174
Litres / Labour unit	361,541	Useable area (ha)	238	Protein (kg)	3.47%	60,059
Cows / labour unit	60	Irrigation area (ha)	66	Milk solids / cow (kg)		462

Farms in this report:	21

10.7 Group cash flow – South Queensland TMR (2024-25)

Group cash flow

South Queensland TMR

2024/2025

Farm Cash Income	c/L	$/cow	$/kg MS		Total $ Earned
Milk Income (net)	**94.2**	**7,128.8**	**12.77**		**2,925,165**
Livestock sales less purchases (dairy)	6.5	492.8	0.88		202,213
Feed sales	0.0	0.0	0.00		0
Other farm cash income	1.7	131.8	0.24		54,102
Total Farm Cash Income	**102.5**	**7,753.4**	**13.89**		**3,181,479**
Farm Cash Costs	**c/L**	**$/cow**	**$/kg MS**	**% Milk receipts**	**Total $ Spent**
Purchased grain, concentrates	28.9	2,189.8	3.92	30.7	898,563
Purchased fodder, silage, hay	6.3	475.9	0.85	6.7	195,295
Other purchased feed	3.8	287.2	0.51	4.0	117,855
Total Purchased Feed	**39.0**	**2,953.0**	**5.29**	**41.4**	**1,211,713**
Fertiliser	2.0	152.9	0.27	2.1	62,728
Fuel & oil	2.4	182.1	0.33	2.6	74,740
Pasture & crop costs	1.5	112.0	0.20	1.6	45,939
Irrigation costs	0.6	48.0	0.09	0.7	19,689
Hay and silage making costs	1.8	133.7	0.24	1.9	54,875
Agistment	0.2	16.4	0.03	0.2	6,748
Other feed costs	0.1	6.0	0.01	0.1	2,479
Feed Related Costs	**47.6**	**3,604.2**	6.46	**50.6**	**1,478,911**
Margin Over Feed Related Costs	**46.6**	**3,524.6**	**6.32**	**49.4**	**1,446,254**
Animal health	2.0	151.1	0.27	2.1	61,997
Herd improvement	0.5	39.1	0.07	0.5	16,037
Calf rearing	0.9	71.3	0.13	1.0	29,249
Herd Costs	**3.5**	**261.5**	**0.47**	**3.7**	**107,283**
Dairy shed - power	1.5	111.4	0.20	1.6	45,692
Dairy shed - supplies	1.0	74.7	0.13	1.0	30,632
Shed Costs	**2.5**	**186.0**	**0.33**	**2.6**	**76,324**
Total Variable Costs	**53.5**	**4,051.6**	**7.26**	**56.8**	**1,662,517**
Employed labour costs	11.5	871.7	1.56	12.2	357,691
Repairs & maintenance	5.0	377.8	0.68	5.3	155,043
Other overhead costs	4.0	300.4	0.54	4.2	123,276
Total Cash Overhead Costs	**20.5**	**1,550.0**	**2.78**	**21.7**	**636,010**
Total Farm Working Expenses	**74.0**	**5,601.6**	**10.04**	**78.6**	**2,298,528**
Farm Operating Cash Surplus	**28.4**	**2,151.8**	**3.86**	**30.2**	**882,952**
Interest costs	4.5	342.7	0.61	4.8	140,633
Loan principal repayments	3.5	265.5	0.48	3.7	108,928
Land lease costs	1.0	76.9	0.14	1.1	31,553
Other capital purchases (unfinanced)	11.3	853.0	1.53	12.0	350,017
Net Cashflow Before Tax & Drawings	**8.1**	**613.7**	**1.10**	**8.6**	**251,820**

Labour inputs		Stock		Production		
Paid labour	4.4	Cows (milking and dry)	410	Total litres sold		3,104,792
Unpaid labour	2.1	Total herd	904	Litres / cow		7,567
Total labour units	6.5	**Areas**		Butterfat (kg)	3.99%	123,726
Litres / Labour unit	478,888	Useable area (ha)	595	Protein (kg)	3.39%	105,293
Cows / labour unit	63	Irrigation area (ha)	49	Milk solids / cow (kg)		558

Farms in this report:	9

10.8 Group cash flow – North Queensland all farms (2024-25)

Group cash flow

North Queensland All Farms — 2024/2025

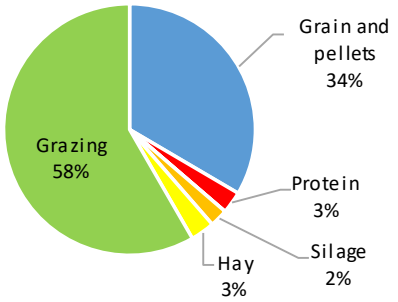
Farm Cash Income	c/L	$/cow	$/kg MS		Total $ Earned
Milk Income (net)	**88.4**	**4,334.8**	**12.20**		**1,426,874**
Livestock sales less purchases (dairy)	4.2	206.4	0.58		67,938
Feed sales	0.0	0.0	0.00		0
Other farm cash income	3.1	149.9	0.42		49,344
Total Farm Cash Income	**95.7**	**4,691.1**	**13.20**		**1,544,157**
Farm Cash Costs	**c/L**	**$/cow**	**$/kg MS**	**% Milk receipts**	**Total $ Spent**
Purchased grain, concentrates	32.8	1,609.1	4.53	37.1	529,671
Purchased fodder, silage, hay	2.5	123.2	0.35	2.8	40,568
Other purchased feed	0.7	31.9	0.09	0.7	10,500
Total Purchased Feed	**36.0**	**1,764.3**	**4.97**	**40.7**	**580,739**
Fertiliser	4.3	209.0	0.59	4.8	68,780
Fuel & oil	0.9	42.1	0.12	1.0	13,865
Pasture & crop costs	1.4	67.7	0.19	1.6	22,292
Irrigation costs	0.8	37.8	0.11	0.9	12,452
Hay and silage making costs	0.2	9.7	0.03	0.2	3,188
Agistment	0.6	31.5	0.09	0.7	10,375
Other feed costs	0.1	3.4	0.01	0.1	1,133
Feed Related Costs	**44.2**	**2,165.5**	6.10	**50.0**	**712,825**
Margin Over Feed Related Costs	**44.2**	**2,169.3**	**6.11**	**50.0**	**714,049**
Animal health	2.6	128.4	0.36	3.0	42,258
Herd improvement	1.3	62.9	0.18	1.5	20,696
Calf rearing	1.1	55.7	0.16	1.3	18,322
Herd Costs	**5.0**	**246.9**	**0.69**	**5.7**	**81,276**
Dairy shed - power	1.9	94.3	0.27	2.2	31,055
Dairy shed - supplies	1.2	60.7	0.17	1.4	19,971
Shed Costs	**3.2**	**155.0**	**0.44**	**3.6**	**51,026**
Total Variable Costs	**52.4**	**2,567.5**	**7.23**	**59.2**	**845,127**
Employed labour costs	14.8	726.6	2.05	16.8	239,174
Repairs & maintenance	4.4	213.8	0.60	4.9	70,360
Other overhead costs	5.2	254.2	0.72	5.9	83,684
Total Cash Overhead Costs	**24.4**	**1,194.6**	**3.36**	**27.6**	**393,218**
Total Farm Working Expenses	**76.7**	**3,762.1**	**10.59**	**86.8**	**1,238,345**
Farm Operating Cash Surplus	**18.9**	**929.0**	**2.61**	**21.4**	**305,812**
Interest costs	7.1	347.5	0.98	8.0	114,395
Loan principal repayments	2.5	123.3	0.35	2.8	40,574
Land lease costs	4.8	236.2	0.66	5.4	77,760
Other capital purchases (unfinanced)	1.8	89.9	0.25	2.1	29,592
Net Cashflow Before Tax & Drawings	**2.7**	**132.1**	**0.37**	**3.0**	**43,492**

Labour inputs		Stock		Production		
Paid labour	3.3	Cows (milking and dry)	329	Total litres sold		1,614,240
Unpaid labour	1.5	Total herd	581	Litres / cow		4,904
Total labour units	4.8	**Areas**		Butterfat (kg)	4.01%	64,721
Litres / Labour unit	339,245	Useable area (ha)	277	Protein (kg)	3.24%	52,232
Cows / labour unit	69	Irrigation area (ha)	36	Milk solids / cow (kg)		355

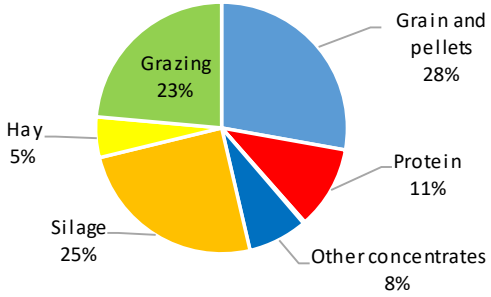
Farms in this report:	12

10.9 Average milker diets (kg DM/cow/day) for regional production systems (2024-25)

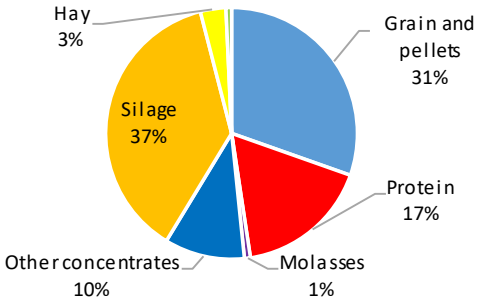
South Queensland Grazing	
Average milker diet	**kg/cow/day**
Grain and pellets	6.4
Protein	0.5
Molasses	0.0
Other concentrates	0.0
Silage	0.4
Hay	0.6
Grazing	11.1
TOTAL	**19.0**



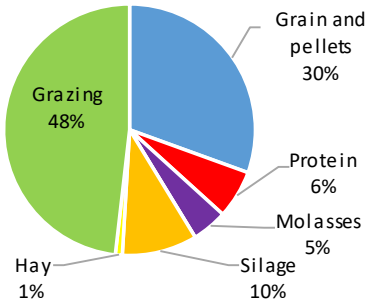
South Queensland PMR	
Average milker diet	**kg/cow/day**
Grain and pellets	5.5
Protein	2.1
Molasses	0.0
Other concentrates	1.5
Silage	4.9
Hay	1.0
Grazing	4.6
TOTAL	**19.7**



South Queensland TMR	
Average milker diet	**kg/cow/day**
Grain and pellets	6.7
Protein	3.8
Molasses	0.2
Other concentrates	2.3
Silage	8.2
Hay	0.7
Grazing	0.2
TOTAL	**21.9**



North Queensland All Farms	
Average milker diet	**kg/cow/day**
Grain and pellets	5.3
Protein	1.1
Molasses	0.8
Other concentrates	0.0
Silage	1.7
Hay	0.2
Grazing	8.3
TOTAL	**17.2**



10.10 Business traits, key performance indicators and definitions

Key performance indicators (KPI) are used in QDAS to monitor farm performance. Table 16 shows these indicators grouped under the three key business trait headings:

- Solvency
- Profitability
- Efficiency

A further business trait, liquidity, is essential to measuring a business' ability to meet short term debts. QDAS does not report on this business trait as it concentrates reporting into the longer-term business traits.

Why use KPI

Put simply, a KPI is a calculation used for measurement, comparison and evaluation. Their use eliminates many simple dollar value comparisons, which can often be misleading and confusing. They can also be used to identify problems and opportunities.

Table 16. Key performance indicators used in QDAS

Profitability
- Return on assets managed – %
- Return on equity – %
- EBIT – $/cow
- EBIT margin – %

Solvency
- Equity %
- Debt to equity ratio

Efficiency - Capital
- Asset turnover ratio
- Total liabilities per cow – $/cow
- Interest per cow – $/cow

Efficiency - Production
- Feed related cost – c/L
- Margin over feed related costs – $/cow
- Total variable cost – c/L
- Gross margin milk – $/cow

Efficiency – Physical
- Litres of milk from home grown feed
- Production per cow – Litres
- Litres per labour unit

Profitability KPI used in QDAS

Profitability ratios measure the ability of the business manager to generate a satisfactory profit. These ratios are typically a good indicator of management's overall effectiveness in producing milk from the land and stock.

Return on assets managed

This measures the profit generating capacity of the total assets managed by the business. It measures the farm's effectiveness in using the available total assets (owned, financed and leased).

Calculation

(EBIT / Total assets managed) * 100

Return on equity

This KPI measures the return on the owner's investment in the business. Interest costs, land lease and rent are deducted from EBIT to make the calculation. It takes the investor's point of view and can be a good way to encourage further investment in a business; it also allows a comparison to be made with the returns available from external investments.

Calculation

(Net farm income / Equity) * 100

EBIT per cow

Earnings Before Interest and Tax (EBIT) is a calculation that highlights the amount of profit retained after all expenses are paid except debt servicing and taxation payments. It is a measure of the effectiveness of operations to generate and retain profits. Depreciation and a management allowance are included as expenses in this profit KPI.

Calculation

EBIT / Number of cows

EBIT margin

Similar to the above calculation but is expressed as a percentage of farm income.

Calculation

(EBIT / Total gross farm income) * 100

Solvency KPI used in QDAS

Solvency ratios indicate how the business is financed, e.g. by owner's equity or by external debt. Lenders of long-term funds and equity investors have an interest in solvency ratios. They can highlight:

- Possible problems for the business in meeting its long-term obligations.
- Show how much of the business' capital is provided by lenders versus owners.
- The asset liability statement will indicate to the lenders the potential risks in the recovery of their money.
- The potential amount of long-term funds that a business can borrow.

This KPI is often referred to as the 'sleep at night' factor – how comfortable do you feel with the current debt level?

Equity %

Lenders see an increased risk associated with borrowing as this percentage figure falls below a predetermined or agreed figure. To assess the risk potential it is important to look at both the debt and the business cash flow.

Calculation

((Assets – Liabilities) / Assets) *100

Debt to equity ratio

This is another way of expressing equity.

Calculation

Liabilities / (Assets – Liabilities)

Efficiency KPI used in QDAS

When examining a business these KPIs are often the starting point in an analysis; however, it is recommended that the emphasis should be on the first three business traits. Efficiency ratios show how well business resources are being used to achieve other KPI.

Efficiency - Capital

Asset turnover ratio (ATO)

This measures the amount of revenue generated per dollar of assets invested. It is a measure of the manager's effectiveness to generate revenues (capital efficiency). The calculation does not include any costs.

Calculation

Total gross farm income / Assets

Total liabilities per cow

A high value could indicate potential difficulties with both liquidity and solvency.

Calculation

Liabilities / Number of cows

Interest per cow

The total amount of dollars being paid in interest per cow is used to highlight one risk aspect for the business. Generally farms in a rapid development phase will have a higher figure than well established businesses.

Calculation

Total interest payments / Number of cows

Efficiency - Production

Feed related cost per litre

Feed related costs are variable cash costs and includes purchased as well as all home-grown feed input costs.

Calculation

Total of all feed related costs / Milk sold

Margin over feed related costs

Only the milk income is used in this calculation, which avoids the fluctuations that occur in annual cattle sales.

Calculation

(Milk income – Feed related costs) / Number of cows

(Milk income – Feed related costs) / Milk sold

Total variable cost per litre

In QDAS total variable costs are compiled under three headings – feed related, herd and shed costs.

Calculation

(Feed related + shed + herd costs) / Milk sold

Efficiency - Physical

Litres of milk from home grown feed

Home grown feed includes grazed pasture, home produced hay, grain and silage. QDAS uses milk conversion factors to calculate the milk from all feed sources including concentrates.

Calculation

The milk from home grown feed is expressed as litres per cow per day

Production per cow

In QDAS the milking cow numbers used in all calculations includes milkers plus dry cows. This implies each cow has a calf annually.

Calculation

Milk sold / Number of cows

Litres per labour unit

The inference is made that as margins have reduced, technology should be used to gain efficiency. The number of cows milked per labour unit will impact on profitability.

Calculation

Milk sold / Number of labour units (paid + unpaid)

General comments

Many of these KPI are representative of KPI that are used in most business reporting. A great number of additional KPI can be calculated from the vast amount of data collated in QDAS if and when required.

Other measures are important when examining an individual plan especially liquidity traits e.g. cash surpluses. Environmental KPI and other sustainability considerations are also important.

The change in net worth is also an important indicator for every farm owner and should be calculated regularly.