

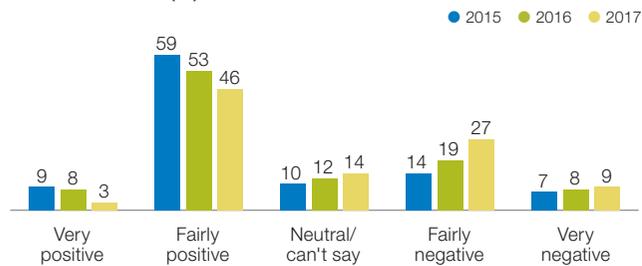
Regional NDFS results at a glance – WestVic Dairy

Summary

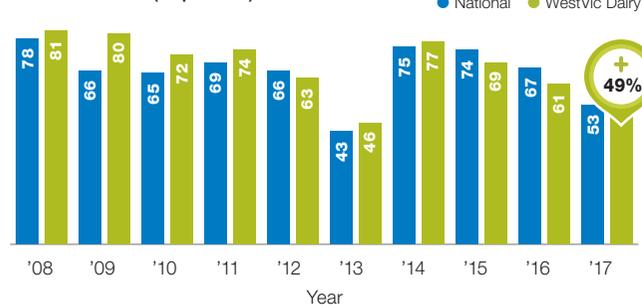
- Positivity in the industry's future decreased significantly over the past 12 months, continuing the downwards trend since 2014.
- Compared to the past two financial years, a significantly lower proportion of respondents made a profit in 2015–16 and a slightly lower proportion expect to do so in 2016–17.
- Debt has been extended, refinanced or deferred on half of respondent farms in the last 12 months.
- Capital investment is expected to occur on less than half of respondent farms in 2016–17.
- Despite falling confidence levels, almost two thirds of farms expect production will increase by 2019–20.

Sentiment

Current sentiment (%)



Sentiment trend (% positive)



Positive drivers

- Demand for dairy (14%)
- Improved management (14%)
- Farm gate price ok (11%)

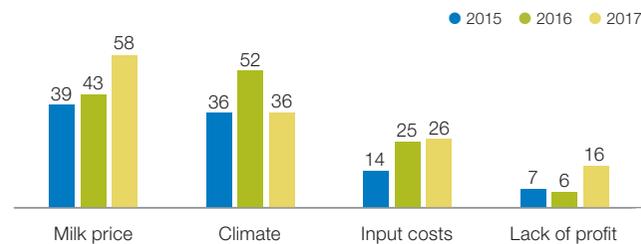
Negative drivers

- Farm gate price low (25%)
- Poorly run milk co. (14%)
- Cost of production (8%)

Profitability and investment

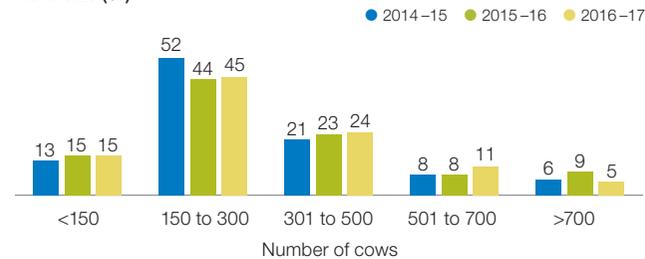
- 58%** Made profit 2015–16
- 52%** Expect profit 2016–17
- 14%** Profit higher than 5 year average
- 17%** Profit about same
- 68%** Profit lower than 5 year average
- 39%** Invested on farm 2015–16
- 39%** Intend to invest 2016–17
- 12%** Invest in machinery
- 12%** Invest in dairy plant
- 8%** Invest in shedding

Challenges next 6 months

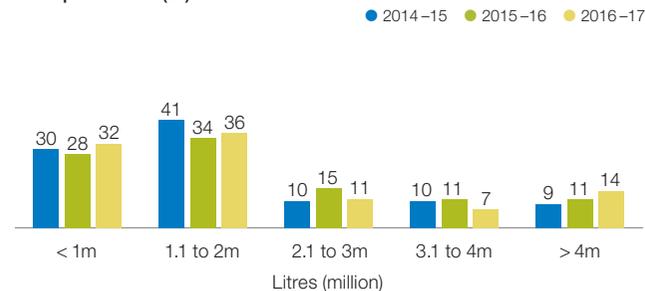


Current herd size and production

Herd size (%)

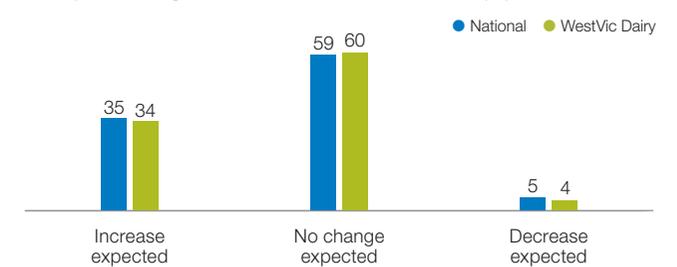


Herd production (%)

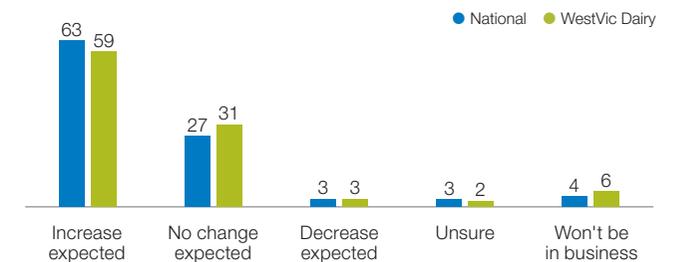


Forecast herd size and production

Anticipated change in herd size 2017–18 vs 2016–17 (%)

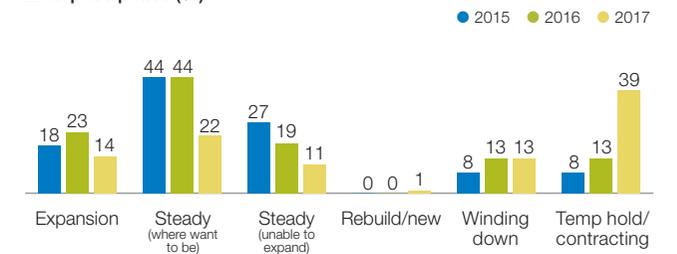


Anticipated change in production 2019–20 vs 2016–17 (%)



Regional profile

Enterprise phase (%)



The 'average' WestVic Dairy farmer



- 71%** No change/intention to change company supplied
- 61%** Feeds moderate to high level of concentrates
- 63%** Has a water security/management plan
- 84%** Has **not** used DairyBase
- 68%** Sees future opportunities for the industry
- 1.5t** Average grain fed per cow per year (tonnes)
- 54%** Has a written annual farm budget