

Issue 23 March 2018

# Milk Manager NEWS



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3

4

5

6

7

8



### Contents

Milk	Market	Undate	
IVIIIX	Maiket	Opuate	
Globs	al and do	mastic situation	

### **Straights Update** Cereals and protein prices going forward

<b>Considerations for Multi-</b>
Cut Silage Systems

		-,-		
The	benefits	and	tips for	success

### **Best Practice for Cryptosporidium Prevention in Calves**

Minimising infection and disease spread

### Planning for a Successful **Rotational Grazing System** Managing grass more efficiently

### **Rebuilding Silage Stocks** Restoring soil health and

improving grass yields

### **Know your Cost of Production**

Where to spend and where to save

### **Dates for your Diary**

What's on?

### This month's editor: Lorna MacPherson







### **Market Update**

### **UK Wholesale Dairy Commodity Market**

- Fonterra's latest on-line GDT auction (6<sup>th</sup> March) resulted in a 0.6% decrease in the weighted average price across all products, reaching US \$3,593/t, a similar trend to the previous auction on 20<sup>th</sup> February where prices dropped on average 0.5%. The biggest movers were skim milk powder (SMP, +5.5% to \$2,051/t) and butter milk powder (-4.3% to \$1,959/t). Butter showed only marginal movement of -1.0% to \$5,280/t.
- In the UK, with the exception of SMP, butter, cream and mild cheddar all showed an increase in the average price for February, compared to the average price last month. Despite good production in the EU, increasing demand for fats lifted prices significantly. Cream and butter prices were on the up at the start of the month, with a spike mid-month, due to buyers looking to secure product for over the Easter period. Firming of prices has encouraged buyers to acquire future stocks, increasing buying pressure and intensity in the market.

Commodity	Feb 2018 £/T	Jan 2018 £/T	% Difference Monthly	Feb 2017 £/T	% Diff 2018- 2017
Bulk Cream	1,850	1,550	19	1,540	20
Butter	4,300	3,660	17	3,450	25
SMP	1,130	1,160	-3	1,700	-34
Mild Cheddar	2,925	2,850	3	2,950	-1

Source: AHDB Dairy - based on trade agreed from 1<sup>st</sup> to 27<sup>th</sup> February 2018. Note these are average prices indicating prices traded across the whole of the past month.

- The average rise of £300/t for cream means that the estimated income from cream to a liquid processor is up by 1.75ppl for February, to 10.76ppl. This is 1.66ppl higher compared to its value 12 months ago.
- Cheese markets have been fairly quiet, with supply and demand fairly well balanced. The upward trend in price was due to increasing demand from retailers and greater call for British products.
- SMP showed a slightly negative price movement this month due to high volumes of product available and the EU Commission selling stocks out of intervention. Recently,

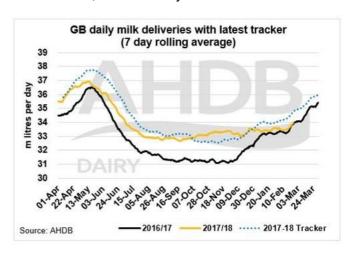
- 4,337t out of the 380,000t have been sold out of intervention stocks for the rock bottom price of €1,100/t (£976/t).
- Both AMPE and MCVE rose on the back of wholesale prices of butter, cream and mild cheddar rising. AMPE increased 2.0ppl to 26.9ppl and MCVE increased by 1.2ppl to 31.3ppl as mild cheddar rose by £75/t on average.

	Feb 2018	Jan 2018	12 months previously	Net Amount less 2ppl Haulage – FEB 18
AMPE	26.9ppl	24.0ppl	28.3ppl	24.9ppl
MCVE	31.3ppl	30.1ppl	32.3ppl	29.3ppl

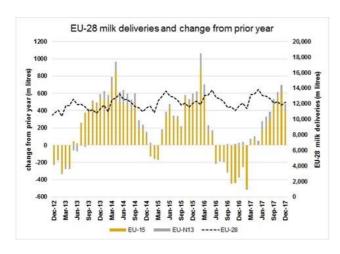
Source: AHDB Dairy

#### **UK Milk Deliveries and Global Production**

 For the week ending 24th February, UK milk deliveries increased on the previous week by 1.3% to a daily average of 33.99m litres. Compared to the same week last year, deliveries are up 0.3%, which is roughly an extra 100,000 litres/day.



 Looking at the following graph, the increase in milk production from the EU-28 throughout 2017 is evident, with December deliveries 4.4% up on December 2016. Over the last year, growth in milk production has been seen in many of the major milk producing EU countries, including France, Germany, UK, Ireland, Poland, Spain, Italy and Belgium.



Source: AHDB Dairy

### **Monthly Price Movements for March 2018**

Lactalis is the only non-aligned contract with no change in milk price this month in Scotland.

Commodity Produced	Company Contract	Price Change	Standard Litre Price Mar 2018
Liquid &	Arla	-2.08ppl	26.08ppl
Cheese	Farmers	liquid,	liquid,
	UK	-2.16ppl	27.11ppl
		manufacture	manufacture
Liquid &	Arla	-1.2ppl liquid,	25.8ppl liquid,
Cheese	Direct	-1.24ppl	26.89ppl
		manufacture	manufacture
Liquid &	First Milk	-1.25ppl	26.84ppl
Brokered	Mainland		
Milk	Scotland		
Cheese	Fresh	No change	29.0ppl liquid,
	Milk		30.03ppl
	Company		manufacture
	(Lactalis)		
Liquid &	Grahams	-1.0ppl	28.25ppl
Manufacture			
Liquid &	Müller	-1.0ppl	28.00 ppl
Manufacture	Direct		
Liquid &	Müller	No change	28.87ppl
Manufacture	(Co-op)		
Liquid &	Müller	No change	29.52ppl
Manufacture	(Tesco)		
Liquid,	Yew Tree	-1ppl	28.0ppl
Powder &	Dairies		Standard A
Brokered			litre price

• Arla is leading the way with further milk price cuts this month with the biggest price drop of all the Scottish milk buyers. Since December, the total drop in milk price has been 5.19ppl. Arla blames the cuts not just on the drop in fat products but also the drop in value of protein. Large stocks in the EU are blamed for protein prices being at a historical low and recovery prospects are currently bleak. Although cheese prices are on the up, they are still less than

where they were 12 months ago. A further 1.5ppl cut has been announced for Arla direct contracts from 1<sup>st</sup> April, taking the standard liquid litre price to 24.3ppl. This could well be the lowest April farm gate milk price in the UK.

- Muller have already announced (28<sup>th</sup> February) a further 1.5ppl reduction in milk price for April, which takes its standard liquid litre down to 26.5ppl. For the North East of Scotland Muller suppliers that pay the 1.75ppl haulage charge, this brings their price down to 24.75ppl. Muller blame the milk price drop on global wholesale and butter values declining in the last 6 months and higher levels of farm production.
- Yew Tree Dairies is cutting its April liquid contract 'A' litre milk price by a further 1.5ppl, bringing it down to 26.5ppl. This is their 3<sup>rd</sup> consecutive monthly reduction, with a drop of 3.5ppl so far this year.
- According to Chris Walkland (Market Analyst), farm-gate milk prices should be fairly stable around 27ppl during the spring flush period but to budget for 25-26ppl. Prices will be slightly higher for farmers selling their milk for cheese, with a shortage of British cheese helping keep the price up. He suggests that the recent milk price cuts are down to changes in butter wholesale prices and in the short-term are not expected to fall much more.
- It was recently revealed by the House of Lords Committee that there are 8000t of skim milk powder held in public stores within the UK. This amount could fill 32 Olympic sized swimming pools and there is no plan or agreement in place for selling these stores once the UK leaves the EU.
- The Beast from the East caused havoc with milk collections in early March, with only Arla announcing its financial support, by paying farmers who had to dispose of milk which was not able to be collected. This payment did not apply however if farm tracks and farm access areas were the reasons that collections could not be made. Despite the challenging snowy conditions, Muller announced that 96% of their collections took place.

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### **Straights Update**

Straights prices for delivery in artic loads as of early March are as follows (varies depending on location):

£/T for 29t loads delivery +	Mar 18	Apr 18	May 18	Nov 18
£7/t haulage to central belt			Oct 18	Apr 19
Proteins				
Hipro Soya	358	357	May 354 Jul-Oct 351	347
Rapeseed Meal	229	229	May-Jul 229 Aug-Sep 216	
Wheat Distillers Pellets	POA	POA	220	-
Starch				
Wheat	155	157	May-Jul 159 Aug-Oct 153	157
Barley	139	140	May-Jul 142 Aug-Oct 135	137
Maize	177	178	182	182
Fibre				
Sugar Beet Pulp	197	197	201	-
Soya Hulls	182	181	176	-

Source: Straights Direct and Cefetra on 9<sup>th</sup> March. Barley and wheat prices are based on delivery to central belt (for North-East, deduct £5/t for wheat), courtesy of Julian Bell, Senior Rural Business Consultant, SAC Consulting. Prices do not include seller's margin.

### **Global News**

- Soybean prices have continued to rise on the back of on-going concerns about the dry weather in Argentina. Lack of rain has damaged the crop and JP Morgan analysts recently suggested that \$3.1 billion has been lost from the value of the country's crop. Argentina's oilseed rapeseed crop has also been seriously affected with the crop predicted to be no more than 44mT, down from the expected 54mT.
- Dryness in the main wheat growing areas in the US is significantly affecting the wheat crop, which has deteriorated well below last years ratings. There is little snow cover to protect against the cold snap expected to arrive in the southern plains and the funds are taking shortterm cover on the back of a potentially lower output from the 2018 harvest, bolstering prices. However, there are record global wheat stocks

and so major crop losses will be required for the market to maintain its strength.

### **UK and Scottish News**

- In the UK barley has gained a lot of feed demand this year as it had been cheap relative to wheat, but barley prices have now risen, reducing the discount to wheat in parts of England. This may curtail feed use there, though the recent cold snap may override this effect. In Scotland feed barley demand remains strong with no apparent surplus for export. The prolonged snow and cold weather are only likely to increase feed demand in the next couple of months. From harvest the EU and world barley supply is expected to increase and barley prices will likely fall back to a more normal price discount to wheat. In Scotland the price discount for barley is likely to grow significantly from harvest given the increased area of spring barley expected, boosting barley supply (weather permitting). At the same time a 10% fall in Scottish wheat sowings is expected, which along with strong distilling demand should keep wheat supply tight.
- EU ethanol margins remain tight given that ethanol prices remain close to their recent lows of 450 euro/m³, so this suggests that the Vivergo ethanol plant in NE England may continue to stay shut for a longer period. This means less distillers grains but more wheat available in the UK.
- Recent cold weather means that oilseed rape crops could be in line for rapid growth once temperatures warm up and day length extends. The concern here is that the potential yield from lower branches could be greatly reduced if the main raceme shoots away. Well timed PGR applications can help check the stem extension and allow side shoots to develop more evenly for more consistent flowering.
- To some extent, rapeseed prices are being influenced by the strengthening soyabean market. However in Europe, falling demand and record import volumes are keeping prices at bay. Currency continues to be the main influencer in the UK, with Sterling falling at the end of February, resulting in farm-gate prices dropping to around £300/t ex farm.

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# **Considerations for Multi-Cut Silage Systems**

As a dairy farmer, ask yourself the following questions:

- Do you want to improve silage quality?
- Do you want to produce more milk from forage?
- Do you want to reduce concentrate feed costs?
- Do you want to grow more grass on your farm from the same number of acres?

If the answer is "yes" to any or all of the above, then a multi-cut silage system could be the answer. Making more frequent cuts of silage is gaining in popularity in the UK, with the key objective being to produce silage of higher feed value and of a more consistent quality over a number of cuts. Forage quality is often the limiting factor to productivity on many farms.

Multi-cut silage systems aim to take 4 to 5 cuts of silage with approximately 5 week intervals between cuts, depending on weather, location and growth season. Dealing with lighter cuts of silage means that special attention should be paid to certain areas of the silage making process.

# Second cut silage being harvested in May 2017 at Crichton Royal Farm at 6.25t/acre



Planning ahead is vital to multi-cut system success. Bear in mind that yield of grass over the season will likely be higher than a lower cut system, so make sure you have sufficient clamp capacity or the ability to bale extra grass. Ensure equipment is in good working order in the spring and speak to your contractor about your plans and target cutting dates.

Target heavy slurry applications from at least 10 weeks from cutting and apply immediately after fields are cleared between cuts. Any bagged fertiliser applied should be calculated on the basis of N usage rate of 2 units/acre/day between cuts.

When cutting grass, leave a higher residual than normal (6.5cm), to allow rapid regrowth. The wilting period needs careful management, considering a lighter cut of grass will require less wilting time, with the aim of cutting and clamping material in the same day. Aim to cut once the dew has lifted in the morning and ted the grass within 3 hours of it being cut. This will maximise wilting in the first 6 hours, which will be aided by the midday sun. After 6 hours, the pores on the grass leaf close, slowing down the wilting rate. A conditioner on the mower will help speed up the wilting process. Target a dry matter of around 30% (28-32% ideal).

How you store your various cuts in the clamp can affect cow performance throughout the year. With the best will in the world, later cuts of grass will not be as good as earlier cuts, due to the natural growth of the grass, with reducing day length increasing the NDF proportion in the plant. Therefore, forage quality to the herd will remain more consistent if the cuts are layered in the pit as opposed to being in a wedge. This is important to consider if 2 or more cuts are to be stored in the same clamp.

Given the softer, less fibrous nature of the grass, consolidation will be better and therefore a longer chop length can be used, which will be more beneficial for rumen function. However, careful attention should still be paid to compacting in shallow layers and sufficient time spent rolling the pit.

When it comes to feeding, more fibre sources may be required to balance the leafier grass and provide sufficient NDF. Inclusion of a wholecrop cereal will provide more effective fibre for good rumination and help maintain butterfats. Other fibrous sources such as soya hulls and sugar beet pulp may be beneficial at higher levels than normal. These lush silages tend to be more acidic and so substituting some starch for fibre sources will help maintain rumen pH at a safe level.

Lastly, consider using an additive if you don't already do so. Multi-cut silages tend to have

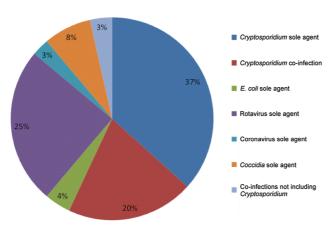
higher protein levels which can lead to a less efficient fermentation. An additive will aid better preservation of nutrients and reduce dry matter losses in the clamp. In future, consider your choice of grass varieties. Select high yielding varieties with early spring growth and high nutritional value. Many breeders and seed suppliers are now promoting specific varieties suited to multi-cut silage systems.

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# **Best Practice for Cryptosporidium Prevention in Calves**

Cryptosporidiosis is one of the most common causes of scour in calves, caused by the protozoal organism *Cryptosporidium parvum* (see diagram below). Antibiotics are not effective against this bug and there are no effective vaccines either, making it very difficult to prevent and eliminate from a herd. Therefore treatment of clinical cases must focus on managing the symptoms with fluid therapy and good management, sanitisation and cleanliness to reduce the severity and control the spread of infection.

# Pathogens causing diarrhoea in young calves (less than 1 month of age)



Source: Thomson et al 2017

The following are critical control points to minimise severity of infection and further spread of the disease:

 Calving pens must be clean and dry and once calved, separate the calf from the cow as quickly as possible. Adult cattle can shed millions of oocytes (eggs) but show no

- symptoms of infection, making *C. parvum* very difficult to eliminate completely from a herd.
- Colostrum management is of the utmost importance: feed 10% of body weight within the first 6 hours and ensure quality is above the target antibody content 50g/L (measure with colostrometer or Brix refractometer). While colostrum cannot prevent *C. parvum* infections, it can reduce other diseases (e.g. rotavirus or coronavirus) which can make the degree of scour worse.
- Ensure all feeding equipment is properly sanitised between calves.
- Calf hutches or pens should be cleaned and disinfected with an appropriate anti-protozoan disinfectant between calves. Standard farm disinfectants will not be effective against *C.* parvum. Effective disinfectants are 3% hydrogen peroxide, 2-3% Keno™ Cox,10% Ox-Virin and 2-4% Neopredisan.
- Identify calves with scour quickly. Remove them and house away from healthy calves and treat with electrolytes 2 to 3 times a day.
- Feed sick calves last, seeing as the infection can be easily spread with feeding equipment or on footwear.
- Never mix newborn calves with calves older than 3 to 4 days.
- Keep the calf house as dry as possible with good ventilation. Oocytes can survive for months in cool damp conditions but will die in dry conditions.

Symptoms can be seen in calves as young as 5 days old and up to 35 days but tends to be most common in the second week of life. The protozoa destroy the lining of the small intestine, affecting the ability to absorb water and nutrients across the gut wall. Once a calf is infected, scour will follow in around 4 days time and can last up to 2 weeks. Normally oocytes are shed for around 4 days after the initial infection. However shedding can take place up to 10 days, giving plenty of time for further contamination of the environment and rapid spread to healthy calves. As well as scour, symptoms are ill-thrift and poor weight gain. Faeces may contain mucous, blood, undigested milk or bile.

Cryptosporidium infections can often be mild and self-limiting. However, when it occurs in combination with other infections such as rotavirus and coronavirus, emaciation and death can follow, especially during periods of cold weather and if the

amount of milk fed to calves is reduced when they are scouring.

The only product licenced for prevention of scour caused by *C. parvum* is Halocur. All newborn calves should be treated with Halocur within 24 to 48 hours of birth if *C. parvum* is present in the herd, and continue treatment for the first seven days, which will reduce the severity of scour and shedding of oocytes. Discuss treatment and dosage rates with your vet.

Treatment costs can be just a small part of the cost of an outbreak, with reduced lifetime performance contributing significantly. Infected calves are more susceptible to other infections and heifers can be up to 10% lighter at 24 months compared to uninfected calves. The reduction in liveweight gain can delay age at breeding, with heifers calving down later and producing less milk in their first lactation.

Reference: Thomson et al, 2017. Bovine cryptosporidiosis: impact, host-parasite interaction and control strategies. *Veterinary Research* **48**:42

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# Planning a Successful Rotational Grazing System



Utilising grass well is a great way to lower costs and increase profit in any livestock farm. With lighter soils early turnout will be based on having enough grass in front of the herd. However, on heavier farms turnout will be dictated by soil condition. By this point grass growth is likely to be high and controlling this will be difficult unless good rotational grazing skills are adopted. Grass can quickly go to seed and quality will decline. It is

not too late to start a rotational grazing strategy this year.

- Plan a paddock system. 100 cows will eat 1ha
  of grass per day. Sub-divide fields based on
  this. Back fences are vital if you want this
  system to work. Each paddock must also have
  adequate access to water. Electric fencing is
  cheap and can help to grow a great deal more
  grass by allowing it to rest. Milking cows should
  be given a fresh allocation of grass at least
  every 24 hours and youngstock every 3 days.
- Invest in tracks. When ground turns softer this will make it far easier to get cows to and from grass, lengthening the grazing season. Having a good surface is important for hoof health. Astroturf is ideal if some can be sourced.
- 3. Turn cows out early. Accept a small amount of poaching early on in the spring. This will recover. Unless cows are out early a wedge of grass covers cannot be reached. Getting this right at the start will help for the rest of the season. Aim to have cows out when covers are lower than desired (2200kg DM/ha). The aim is to graze the last paddock at 3000kg DM/ha.
- 4. Measure grass. Investing in a plate meter and walking the farm at least once per week will allow management decisions to be made on each paddock i.e. to graze or cut for silage. This can take time, however it will be time well spent. Cows should be turned in at grass covers between 2800 and 3000kg DM/ha, and leave when it is at 1500kg DM/ha. It is important this residual is met, if not the next grazing will be of lower quality and more will be refused.
- 5. Cut/top each paddock at least once. When growth is high, grass that cows have left can quickly go to seed. There are 3 options when this starts to occur. Firstly, top a field once the cows have grazed it. A disc mower is best, leaving a better finish and stronger regrowth. This should be done as soon as the cows exit the paddock so as not to compromise regrowth. Secondly, a cut of silage can be taken. This is only suitable when there are strong grass covers on other fields to allow this grass to be taken out of the rotation. Take the silage off before covers reach 3500kg DM/ha any more than this and regrowth will be compromised.

- Lastly, pre-mowing can take place. This involves cutting the grass into swaths and allowing the cows to eat it. Cows may take a few days to learn to eat the grass in the swath. It often works best when the fence is moved 4 times per day to encourage the cows to finish one section before they get offered the next. Some farms work very well pre-mowing all year.
- 6. Reduce feeding. Cows will be more selective if high levels of concentrates are fed along with grass. Cows need to be driven to graze hard for a paddock system to work and supplementary feeding will reduce this. Consider running a follower group of far off dry cows or late lactation cows to tidy up paddocks to allow early cows to have a buffer ration.

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### **Rebuilding Forage Stocks**

Since July 2017, farmers across the country have been subject to many months of wet weather. This had a massive impact on the quantity of silage that was made last year and also increased the winter housing period by several weeks. The recent cold snap helped to dry the ground up, but has scorched what grass was there and for some, an early spring seems unlikely. SAC Consulting have facilitated a series of Resilience Planning meetings for the Farm Advisory Service over recent weeks, one of the topics covered was how to rebuild forage stocks over 2018. Below are some of the key messages from the meetings:

- Soils will be fragile grab a spade and dig a hole to check for compaction. The soil should be crumbly rather than blocky in texture. If there is a problem, plan remedial work for better weather.
- Prevent compaction by reducing weight (e.g. minimise load, remove weights, light machines) and reducing ground pressure (e.g. wider tyres on tractor and tanker, low inflation pressure, dual wheels, tracked vehicles, specialised low ground pressure machines) from field operations.
- The amount of rain we have had could have led to leaching of soil nutrients and a subsequent drop in pH. At pH 5.5, only 77% of nitrogen is available to the crop and this increases to 89% at a pH of 6. Test your soils to check pH status and make sure you are getting the best out of your fertiliser.

- If you identify a problem, this could be a year to opt for prilled lime which can be spread with lighter machinery to fragile soils.
- Spread slurry following SEPA guidelines and where possible use an umbilical system rather than tankers to reduce compaction issues.
- Silage yields can be increased by up to 20% by applying slurry with a band spreader or trailing shoe (AFBI trial).
- Get slurry on aftermaths as soon as possible. Spreading slurry 9 days after 1<sup>st</sup> cut can increase 2<sup>nd</sup> cut yields by over 5% when applied with a trailing shoe or 20% when applied with a splash plate compared with applications made 3 weeks after 1<sup>st</sup> cut (AFBI trial).
- Consider using urea (46% N) fertiliser rather than AN for your first spring application. It is less prone to leaching and is more effective in cold, wet conditions. Don't use in high temperatures, switch back to AN for later season applications.
- Making more silage Option 1: increase fertiliser?

	Total Units of Fertiliser			Source: FMH
	N	Р	K	Silage yield
Normal 2 cut system	144	52	88	12.5t/acre
Increase Fertiliser	176	72	120	15.5t/acre

### Considerations:

- Not only an increase in nitrogen, need to increase potash to bulk up crops.
- Fertiliser cost increases from £6.70/t to £7/t, but 24% more silage grown.
- Making more silage Option 2: take a 3<sup>rd</sup> cut?

	Total Units of			Source:
	Fertiliser			FMH
	N P K		Silage yield	
2 cut system	176	72	120	15.5t/acre
3 cut system	240	92	160	17.5t/acre

#### Considerations:

 Cost £7.50/t in extra fertiliser plus contractors charges for 13% more silage grown.

- But, you will lose aftermath grazing and will you be able to cut in September 2018???
- Consider your grazing system. Not only would a move to rotational or paddock grazing increase grass yield per ha, it would also free up more acres for silage (as shown in the table below).

	ANNUAL YIELD TONS DM/Ha	UTILISATION	USABLE YIELD TONS DM/Ha	% INCREASE	Grazing Acres IMPACT
SET STOCK	8.5	50%	4.3	0%	100
ROTATIONAL	10.2	65%	6.6	53%	65
PADDOCK	10.2	80%	8.2	91%	52

Source: SAC Consulting

Spreading slurry has been a major issue this winter. Make plans to ensure that you are going into the winter with stores empty. Recommended spreading rate for slurry is 30m³/ha per application (PEPFAA maximum recommended rate is 50m³/ha). Make best use on silage ground and where possible, try using injection or trailing shoe on grazing fields.

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# Know your Cost of Production

With milk prices on the slide again and estimates of 25-27ppl looking likely this spring, for many this will be below their cost of production (COP). Knowing your COP and where to identify potential savings is a must, as well as striving to make COP as low as possible when milk prices are in decline. Benchmarking your COP against other similar businesses will help to focus in on areas where potential savings can be made, as well as where to invest for the future.

The Farm Consultancy Group based in Staffordshire have benchmarked their farms over the last 5 years and identified that the top 25% of farms showed an increased margin of 2.43ppl. This increase was not based on any one particular factor but a number of areas where savings and investments could be made and are discussed below:

#### Areas to save:

- Bought in feed (accounted for 14.6% of total cost for the top 25%). The top 25% of farms had a 0.56ppl saving on bought-in feeds compared to the average. Being the highest input cost, this is a key area to focus on. There relationship be а strong between improvements in forage quality, better grazing management (grass at the right stage for grazing) and efficient feed utilisation on the more profitable farms with less bought-in feeds. Regardless of the type of system, milk from forage is an important indicator of profit.
- Labour (14.6% of total cost). The top 25% of farms had a 0.35ppl lower labour cost compared to the average. Ensuring a good working environment and the facilities and machinery to get routine tasks done efficiently should be made a priority, along with highly trained staff. It is important to weigh up the costs of bringing in contractors for key operations such as silage making and hoof-trimming.
- Overheads (6.5% of total cost). The biggest variations seen were in water, insurance and administration costs, with a 0.22ppl saving for the top 25%.

#### Areas to spend:

- Replacement heifers. The top 25% invested more in bought-in feed for youngstock (+0.22ppl). Maximising growth in early life will help achieve high conception rates to first service, helping achieve the economic optimum of calving at 24 months and quicker return on investment in heifer rearing.
- Crop costs. Investments in fertiliser, reseeding of grass and silage making will improve milk from forage/grazed grass and reduce concentrate use per litre, a key benchmark of efficiency.
- Depreciation. Based on a 5 year lifespan for machinery and 10 years for building investments, the top 25% of farms had a depreciation cost of 1.69ppl. This lower spend will be attributed to business investments at an appropriate level.

Lastly, income to the business was 1.35ppl higher for the top 25% and this was obtained from stock sales (0.85ppl), as opposed to milk price (0.5ppl). Significant contributions can be made from being able to sell surplus breeding heifers and improving the quality of cull cows and calf value.

A simpler way of benchmarking your herd without doing a COP analysis is to focus on feed efficiency in terms of milk from forage and concentrate use. Compare your herd against the annual average figures from herds costed with Kingshay as shown below:

### Key benchmark figures from Kingshay for Scottish Holstein-Friesian herds (2017)

Parameter	Value
Yield per cow	8507 litres
Milk from forage	1581 litres
% yield from forage	19%
Purchased feed use/litre of milk	0.36kg
Purchased feed cost/litre	8.27ppl

If your herd production is lower than the average, it makes sense that your milk from forage should be higher and your purchased feed use and cost per litre should be lower. If this is not the case, then review your diet and feeding system with a nutritionist. Generally feed use should not be above 0.4kg/litre. If nutrition is correct, yields up to 10,000 litres can be achieved on no more than 0.33kg/litre, without compromising on milk quality.

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### **Dates for your Diary**

 13<sup>th</sup> March - North East Organic Discussion Group Meeting. SRUC Boardroom, Craibstone Estate, Aberdeen AB21 9YA. Time 13.00-16.40. For more information contact SAC

- Consulting Elgin office on 01343 548787 or email aileen.buchanan@sac.co.uk
- 13<sup>th</sup> March Soil Management in Grassland Systems. Nairn Community & Arts Centre, King Street, Nairn, IV12 4BQ. Time 10.30-15.00. Booking through the Farm Advisory Service Website.
- 27<sup>th</sup> March Campbeltown Dairy Discussion Group - Succession. Ardshiel Hotel, Kilkerran Road, Campbeltown, Argyll, PA28 6JL. Time 19:30-21:30pm. Event organiser: John Forster t: 0300 323 0161.
- 4<sup>th</sup> April Borderway Monthly Dairy Sale Day.
   Borderway Mart, Montgomery Way, Rosehill Industrial Estate, Carlisle, CA1 2RS.
- 4<sup>th</sup> April Are you Being Served? Best Western Moffat House Hotel, High St, Moffat, Dumfries-shire, DG10 9HL. Time 11:00-14:30. To book a place, please contact The KE Events Hub on 01904 771216 or email ke.events@ahdb.org.uk.
- 11<sup>th</sup> April Border and Lakeland Holstein Club Bull Sale. Borderway Mart, Montgomery Way, Rosehill Industrial Estate, Carlisle, CA1 2RS.
- 16<sup>th</sup> 18<sup>th</sup> April **DIY AI Course**. Glenapp Estate, Ballantrae, Girvan, KA26 0NY. Event Organiser Embryonics Ltd t: 01606 854411 or email: embryonics@embryonicsltd.co.uk.
- 18<sup>th</sup> April Pedigree Holstein Cattle Show and Sale. Borderway Mart, Montgomery Way, Rosehill Industrial Estate, Carlisle, CA1 2RS.

For any further enquiries regarding the information in this newsletter please contact:



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