

Irish Grassland Association Dairy Conference 2015

“Managing the last three months of the last quota year and milk price volatility”

Matt Ryan **“Do the basics brilliantly”** (Agri-consultant)

Objective

To minimise super-levy bill while not compromising animal health or long term cow performance!



Options to reduce milk sales

- ▶ Lease quota; feed milk to calves/yearling; buy calves; rear calves for neighbour; sell off February calvers; 16:8 hour milking interval; “store March milk”
- ▶ Once-a-day milking (OAD) instead of twice-a-day (TAD)
- ▶ Feed low meal levels
- ▶ Lease out cows

O.A.D. - A MUST for all

Financial margins over feed and penalty costs from OAD compares with TAD milking with different feed strategies (base milk price of 25 c/L)

	Silage (%)	Meal (kg)	Grazed Grass	Margin per Cow per day (€)	
Farm 1: 15 L/day @ 3.15% Protein & 3.95% Fat				TAD	OAD
Feed a	20	3	**	-1.59	-1.15
Feed b	0	2	**	-1.35	-0.94
Feed c	0	1	**	-1.21	-0.79
Farm 2: 15 L/day @ 3.45% Protein & 4.59% Fat					
Feed a	20	3	**	-1.36	-0.96
Feed b	0	2	**	-1.11	-0.75
Feed c	0	1	**	-0.96	-0.60

** remainder of diet is grass

Issues you must know before switching to OAD

- ▶ Jersey ×'s more suited than Holstein Friesian
- ▶ Good udder confirmation
- ▶ Good record on mastitis/SCC
- ▶ Milking machine working to highest standard
 - ▶ Adequate reserve, milk line, milk pump + cooling
 - ▶ Minimum liner slip + stable vacuum
- ▶ Very good roadways



After changing to OAD be aware of

- ▶ Do OAD from Day 1
- ▶ Check all teats with CMT for mastitis
- ▶ Inspect cows twice a day
- ▶ During milking, you must:
 - ✓ have a good routine
 - ✓ pre-strip all teats
 - ✓ ensure thorough milk-out
 - ✓ 15-20 mls teat dip
 - ✓ check milk filter
 - ✓ withholding time for antibiotics

Feed Less Meal

- ▶ Less meal feeding leads to less milk
- ▶ Yield reduced by 232 L when meal reduced from 5 kg to 3 kg
- ▶ With all grass - 0-2 kg meal
- ▶ Every 1% reduction in ration protein content, reduces milk yield by 0.2 kg per day
- ▶ To provide more grass end 1st rotation 12-14 days early
 - ▶ May require meal feeding in April

Lease out Cows

- ▶ Will save you €4.2 to €5.60/cow/day super levy
- ▶ Will save you approximately €1.50 in feed costs
- ▶ You save - €3.00/cow/day plus no milking + grass + feed available
- ▶ Make it - 'WIN-WIN' situation
- ▶ Lessee : 15 L @ 25 c will make €2.25 over feed costs
- ▶ COW OWNER PAYS.....€??

Managing milk price volatility

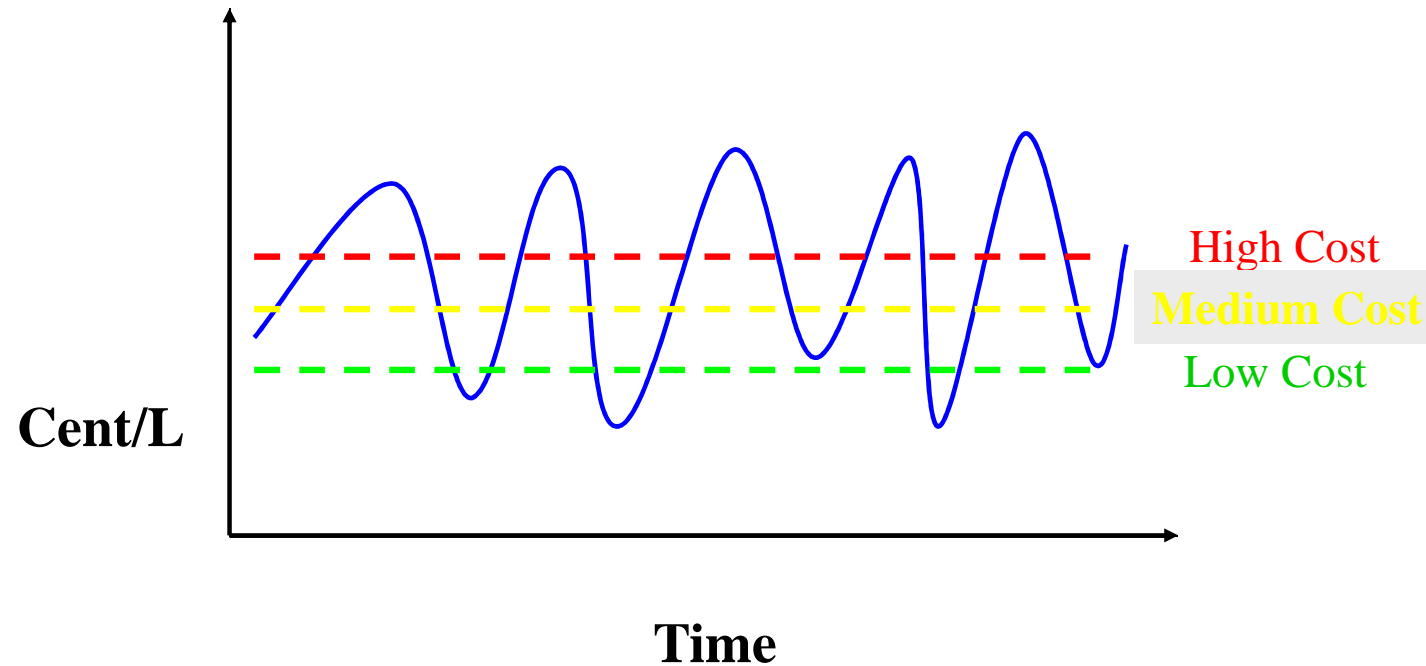
- ▶ *“Be brilliant at the basics”*
- ▶ Manage costs.....



“Be brilliant at the basics”

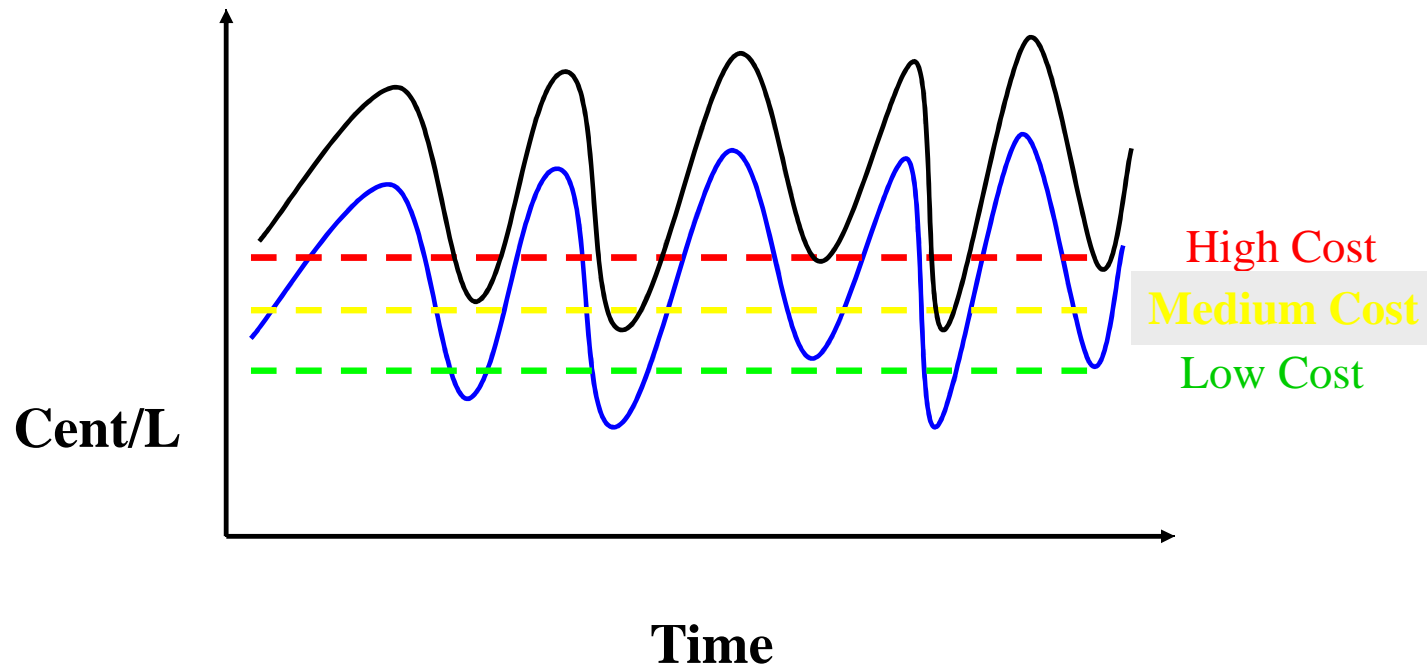
	Achieved	Target	Effect on 70 cow farmer
6 week calving rate	70%	90%	+€12,964
Grass utilised (T DM/ha)	9	11	+€12,880
Conc. kg/cow	700	400	+€ 5,880
% Fat	3.9	3.95	+€ 403
% Protein	3.3	3.35	+€ 739
Milk yield Apr-Sept. (L/cow)	3456	3683	+€ 1,745

Milk Price Volatility: The Effect!



- ▶ High cost: Competitiveness problem
- ▶ Medium cost: Needs to manage price risk
- ▶ Low cost: Can ride out the volatility

Milk Price Volatility: The Solutions?



Message:

- ▶ Manage your costs down
- ▶ Get all your quality milk bonuses
- ▶ Breed %Fat and Protein into herd - manage to achieve it

Costs are an Attitude! - How?

- ▶ Losses manage themselves; profits come from key decisions made in January
- ▶ Know your costs
- ▶ Do a Cost Control Plan now for 2015
- ▶ Meal target at 2.5 cow/ha: 0.07 kg/L
- ▶ Fertiliser: all urea would save €40/ac over CAN
- ▶ Breeding.....
- ▶ Contractor.....
- ▶ Milk recording?
- ▶ Reseeding....
- ▶ Capital investments?
- ▶ Hired labour; 140-150 livestock units/man



Summary

- ▶ Do OAD, feed less meal and end 1st rotation late March to minimise super-levy
- ▶ The future is about “*doing the basics brilliantly*” and operating a simple low cost-system
- ▶ But act early

Questions & Observations?

Thank you

