

Macalister Demonstration Farm

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NEWSLETTER 80

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Do you own a SMART PHONE?? Use the QR code on the right hand side to provide you with instant access to our website. Simply scan the QR Code with your phone and the link to the MDF website will be automatically fed into the browser of your SMART PHONE. An easy way to stay in touch with Macalister Demonstration Farm.

Yellow Rag Bit

Maria Rose Dairy Advisor, DEPI Maffra

Recovering from a very tough season

In my first yellow rag article of the new milking season, I'd like to begin by acknowledging that the last season (2012/13) was very tough indeed for the majority of MID dairy farmers. So if you think you were alone, you most certainly weren't; many of you have suffered this year, particularly when looking at your profit made. The drier irrigation season, a poor autumn break and lower than normal fodder reserves was a common and unwelcome trifecta. Now that this last season is actually behind you, let's look at how best to get through this next one.

A reasonable opening milk solids price of around 25 percent up on last season is certainly a good start in the winners' stakes. However, two key elements must be appropriately implemented around knowing the opening price, to help maintain a strong and confident financial management approach throughout this next season.

1. Know where you are actually starting from in terms of cash flow. Reflect on last season financially to determine whether you will be starting from a positive or negative cash flow position. Remember to also include any outstanding creditors in this assessment.
2. Know your incoming milk price as exactly as you can. Get a milk income summary from your milk supplier based on your current milk supply curve, so that you can predict as accurately as you can what actual milk income will be coming in on a monthly basis for the whole of this next season. Your monthly cash flow in your financial budget will be more accurate as a result.

Dairy factory field officers, agricultural consultants, accountants, bank managers and rural financial counsellors are all great sources for helping you work out these two elements that are vital to getting through this milking season with improved confidence and reduced stress.

In closing, I'd like to share with you key trends that emerged from a discussion last week that focused on the results of a small group of MID dairy farmers involved in individual Taking Stock Sessions (funded by Dairy Australia/GippsDairy) in order to reflect on the 2012/13 financial year. My aim is to demonstrate to you, the potential usefulness of reflecting on last season, to know where you are actually starting from at the beginning of this next season;

- *Most businesses for last season will have a taxable loss, but most will still increase (slightly) in net worth – however remember that net worth does not pay bills.*
- *Most of the group had to dip into reserves or go back to the bank for funds.*
- *Some did considerable capital repairs.*
- *Body condition is down ¼ - ½ score or more, so it is not only equity that has been ‘mined’.*
- *The drier season, a poor autumn break – fodder reserves were low at the start of the milking season.*
- *All participants made comments as to the difficult water trading conditions, despite the availability of water.*
- *Low milk price, high input prices and the taxing physical nature of the year were commonly raised.*
- *A lot of “bought-in” fodder was typical, affecting the performance and financial results negatively.*

For further information: Contact Maria Rose on 5147 0843 or maria.rose@depi.vic.gov.au

Macalister Demonstration Farm report as at July 5th , 2013

The Macalister Demonstration Farm (MDF) is currently milking 188 cows with a total grazing area of 73 hectares, and an effective stocking rate of 2.6 cows per hectare. There are 12 cows out of the vat with mastitis. The dries and R2 heifers are being run on the milking area and are taking up some 13ha, although this will increase as dry cow numbers lift over the next few weeks.

The daily allocation is one 40th of the grazing area or around 1.5ha/24 hours but this will decrease as milker numbers reduce, with the aim of having this back to around 1ha/24 hours in the next week or two. The cows are still on a night sacrifice system with a daily grazing on grass but this was relaxed over the wet spell. Damage was minimised during the wet, but the increase in allocation over this time has meant pasture cover has dropped as a result.

The PKE blend was increased by 2kg as fed to 4kg/cow/day to aim to increase body condition on the milkers, and this appears to have been successful with body condition appearing to have increased over the last three weeks by around ¼ condition score to 4.75. This is still lighter than desired levels.

Milk production per cow is still holding quite well despite the conditions and the end of lactation approaching. Production is still at 1.33 kg MS/cow/day or 17.5 litres/cow/day. Milk components are a bit intriguing at a 3.52% fat and 4.06% protein (this was 3.78% and 4.08% for the last 10-day period). The fat % continues to decline and could be a result of the diminishing grass in the diet and the increase in body condition. There does not appear to be any sign of acidosis in the herd, (there is adequate fibre) with manure good but the inverted components indicate that something may be out of balance.

BMCC has reduced after a spike following the wet weather and is now at 150-200,000.

Daily pasture consumption from the grazing area is around 313 kg DM/ ha/day with the pasture consumption per cow at 2-3 kg DM per cow per day. The oversown paddocks were grazed this past week and they contained excellent cover. The drilling strategy boosted available cover at reasonable cost per ha, and the paddocks were not out of the grazing rotation.

Supplementary feed includes: 6kg/cow 12MJ pellets with Rumensin, at \$355/ tonne, 4 kg of PKE blend at \$286 per tonne, 1.5 bales lucerne hay or 3.5kgDM/cow/day. The lucerne will reduce to one bale per 24 hours with the lower cow numbers. A load of oaten hay for the springers has been secured but has not yet arrived.

The milk price is \$6.10/kg milk solids. The new announced milk price for the farm at opening price plus the pre-paid stepup and the second stepup equates to \$5.45/kg MS for the year. The full year 2012/13 price for the farm was \$4.66/kg MS.

Gross milk income per cow per day is \$7.96/cow/day. Supplementary feed cost /cow/day (fodder and concentrates) is at \$4.70 per cow per day, leaving an Income Over Supplementary Feed Cost (IOSFC)/cow of \$3.26 or 6.6 net litres per cow or \$613/day for the farm.

The rising 2 year olds (30 of them) have returned from agistment and are running with the dry cows. The dry cow plan is as follows: Almond Hulls (3.6kg DM), minimal grain (2.7kg DM) and a small allocation of pasture (0.5ha/24 hours) although this may be a block every few days to avoid damage. The MDF may seek some dry cow fibre or straw to 'bulk' up the diet for dry cows and try and hold pasture cover.

Matt Harms, ONFARM Consulting, 0408 311 118 or mattharms7@bigpond.com

Rural Finance Natural Disaster Recovery Assistance available to dairy farmers who suffered in the Early June 2012 Floods

Clean-up and Restoration Grant of up to \$10,000 is available to Primary Producers who have suffered direct physical damage as a result of the flood events which occurred in Early June 2012. Relevant properties need to be in the designated shires of East Gippsland, Latrobe, South Gippsland and Wellington with the following postcodes;

3825, 3840, 3844, 3847, 3850, 3851, 3854, 3857, 3858, 3859, 3860, 3862, 3864, 3865, 3869, 3870, 3874, 3875, 3878, 3882, 3885, 3886, 3888, 3889, 3890, 3893, 3869, 3898, 3902, 3903, 3909, 3951, 3953, 3954, 3956, 3958, 3959, 3960, 3962, 3966, 3967, 3971

This one off grant can assist with a range of measures including;

- Clean-up costs including hire of equipment, materials & external labour (internal labour cannot be supported)
- Removal and disposal of debris and damaged goods and materials
- Restoration of business activity
- Payment for tradespersons to conduct safety inspections
- Repairs of buildings (other than housing)
- Fencing not covered by any other assistance
- Health maintenance for livestock
- Purchase of fodder (not covered by other assistance)
- Reconditioning/repairing essential plant and equipment
- Hire/lease costs for equipment essential to the immediate resumption of farming
- Replacement of lost equipment.

Please note that loss of income is not an item that can be supported.

Full details & the relevant application form are available on the Rural Finance website - www.ruralfinance.com.au

Applications close on 31 December 2013

For information about eligibility, assistance with obtaining and filling out the application form correctly, contact Jenny Mason from the Gippsland Rural Financial Counselling Services on;

Landline: 5147 087

Mobile: 0400 182 140

Email: jmasonrfc@bigpond.com



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