

# Macalister Demonstration Farm

PO Box 87, MAFFRA, VIC 3860

Ph. (03) 5141 1712

Email: [mdf@wideband.net.au](mailto:mdf@wideband.net.au) Web: <http://mdf.mistro.ag/>

## NEWSLETTER 58

Monday November 7<sup>th</sup> 2011



*Extension projects at the MDF are funded by Dairy Australia, Sustainability Victoria and Department of Agriculture, Fisheries and Forestry, with support from GippsDairy.*

### Focus Farm Field Day

Wayne & Dana Saunders - Nordens Lane, Maffra

11.00am – 2.00pm Thursday November 17<sup>th</sup> 2011

**All dairy farmers and people interested in the dairy industry are welcome to attend - Come for a cuppa at 10.30am**

This field day is an opportunity to see how a low input farm has managed the challenges of the last two years. There is a strong focus on understanding operating costs, maximising home-grown feed consumption, and reducing fixed costs. This is achieved by close monitoring of finances, production and family issues. This day will explore:

- The farm journey – where were we and where are we now? Discussion with Wayne & Dana;
- Farm performance over the two years (production and financial);
- The management challenge over the two years;
- Energy use at the dairy – reduce the impact of the carbon tax
- Focus on farm walk

**NOTE: Lunch, tea and coffee provided.**

The Focus Farm Project is an initiative of GippsDairy and is funded by the Geoffrey Gardiner Foundation, Dairy Australia and GippsDairy. For more information call Neil Baker on 0488 175 366, or John Gallienne 0407 863 493

## JOHN WHITE WINS THE RF (BOB) PITMAN AWARD

Tinamba West dairy farmer John White received the 2011 R.F. (Bob) Pitman Award at a gala dinner that followed the MDF Annual General Meeting. The presentation was made on behalf of the MDF Board by the Minister for Agriculture and Food Security Peter Walsh to a surprised recipient.

John was acknowledged as one of the quiet achievers in the dairy industry in Victoria. He began his career in 1963 when he spent twelve months dairying in New Zealand before returning to the family farm. He quickly became involved in industry affairs, as well as becoming an excellent dairy farmer.

In 1966 he was elected to the Maffra Herd Test Association Board and then in 1972 was elected to the Maffra Herd improvement Co-op both as a director and chairman. In 1979 John was awarded a Nuffield farming scholarship and travelled to the United Kingdom and Europe where he studied effluent management. His chosen topic was in advance of its time and is an indication of John's forward thinking.

In 1981 he was elected as a director of Murray Goulburn Dairy Co-op and held this very responsible position until he retired in 1997. In 1988 he was appointed to the Board of Dairy Technical Services - a large company involved in food quality testing over a range of areas, including providing laboratory facilities to service the herd improvement industry. He only retired from this position in 2010. In 2009 he was elected as chairman of the Macalister Irrigation Council Inc. To better equip himself for these board positions, John undertook a Diploma of Company Directors course and now holds this qualification to the benefit of the industry.



Minister for Agriculture and Food Security, Peter Walsh, member for Gippsland East, Tim Bull, winner John White and MDF Chairman, Mark Humphris make the presentation of the RF (Bob) Pitman Award

As well as undertaking this range of off-farm activities, John has been a very successful and innovative dairy farmer. He and his wife Natalie have seen this farm grow from around 200 cows to a farm milking 830 cows. The farm is one of those farms that can be held up as an example of an excellent dairy farm and as a farm of which our industry can be proud. In his acceptance speech John paid tribute to his family and, in particular, to his wife Natalie for her support through a busy life. "I also feel humbled to have my name on this trophy alongside the previous winners who have made such a significant contribution to our industry", he said. He encouraged all present to become involved in dairying because it is a great industry that can provide a wonderful life.

## Yellow Rag Bit

Gippsland Rural Financial Counselling Service (GRFCS) & Bree Walshe, Dairy Advisor, DPI Maffra

### Time for Cautious Optimism

The dairy industry has a quiet air of confidence at the moment and many farmers appear to be actively engaged in assessing their farm business and making plans for the future. However, for some there is an underlying ripple of concern that is niggling like a grass seed in their sock. "What is coming around the corner and how big is it?"

Let us cast our minds back over some of the events of the last five years.

2006	2007	2008	2009	2010	2011
<ul style="list-style-type: none"> <li>Drought - EC (Exceptional Circumstances) continues in East Gippsland and the dry land farming areas of Wellington Shire</li> </ul>	<ul style="list-style-type: none"> <li>Fires continue in Central &amp; East Gippsland</li> </ul>	<ul style="list-style-type: none"> <li>Drought - EC continues in East, South and West Gippsland shires</li> </ul>	<ul style="list-style-type: none"> <li>Fires again in Gippsland with much farmland affected</li> </ul>	<ul style="list-style-type: none"> <li>Drought – East Gippsland &amp; dry land farms in Wellington Shire have EC continued</li> </ul>	<ul style="list-style-type: none"> <li>Drought – EC finishes in East Gippsland and Wellington Shire; all areas of Gippsland out of EC for the first time in nine years</li> </ul>
<ul style="list-style-type: none"> <li>Drought - Macalister Irrigation District and Latrobe Shire are granted EC</li> </ul>	<ul style="list-style-type: none"> <li>Floods cause major damage in Wellington and East Gippsland shires</li> </ul>	<ul style="list-style-type: none"> <li>Drought - EC removed from Macalister Irrigation District &amp; Latrobe shire</li> </ul>	<ul style="list-style-type: none"> <li>Drought - (Feb) Macalister Irrigation &amp; Latrobe Shire has prima facie EC declared</li> </ul>	<ul style="list-style-type: none"> <li>Seasonal conditions improve in most areas of Gippsland</li> </ul>	<ul style="list-style-type: none"> <li>Floods through many areas of Gippsland</li> </ul>
<ul style="list-style-type: none"> <li>Fires hit Central &amp; East Gippsland</li> </ul>	<ul style="list-style-type: none"> <li>Drought - EC continues in East Gippsland, Wellington and Latrobe shires</li> </ul>	<ul style="list-style-type: none"> <li>(June) Milk prices surge upwards</li> </ul>	<ul style="list-style-type: none"> <li>Drought - (April) South &amp; West Gippsland have EC removed</li> </ul>	<ul style="list-style-type: none"> <li>Milk, cattle, sheep and wool prices all moving upwards and holding</li> </ul>	<ul style="list-style-type: none"> <li>Milk price 10/11 \$5.55/kg MS, we know what the opening price was for the 11/12 season, but closing?</li> </ul>
<ul style="list-style-type: none"> <li>Milk price 05/06 \$4.95/kg MS (average)</li> </ul>	<ul style="list-style-type: none"> <li>Drought - South &amp; West Gippsland are granted EC</li> </ul>	<ul style="list-style-type: none"> <li>(Dec) Milk prices plunge without warning due to global events</li> </ul>	<ul style="list-style-type: none"> <li>Drought - (Aug) Macalister Irrigation District &amp; Latrobe Shire have prima facie EC removed</li> </ul>	<ul style="list-style-type: none"> <li>Milk price 09/10 \$4.41/kg MS (average)</li> </ul>	<ul style="list-style-type: none"> <li>Grain price \$323/tonne (average)</li> </ul>
<ul style="list-style-type: none"> <li>Grain price \$260/tonne (average)</li> </ul>	<ul style="list-style-type: none"> <li>Milk price 06/07 \$4.75/kg MS (average)</li> </ul>	<ul style="list-style-type: none"> <li>Milk price 07/08 \$6.90/kg MS (average)</li> </ul>	<ul style="list-style-type: none"> <li>Milk price 08/09 \$5.15/kg MS (average)</li> </ul>	<ul style="list-style-type: none"> <li>Grain price \$273/tonne (average)</li> </ul>	<ul style="list-style-type: none"> <li>Water allocation 100% HRWS, we have been given the opening allocation for the 11/12 season</li> </ul>
<ul style="list-style-type: none"> <li>Seasonal water allocation 117%</li> </ul>	<ul style="list-style-type: none"> <li>Grain price \$351/tonne (average)</li> </ul>	<ul style="list-style-type: none"> <li>Grain price \$485/tonne (average)</li> </ul>	<ul style="list-style-type: none"> <li>Grain price \$400/tonne (average)</li> </ul>	<ul style="list-style-type: none"> <li>Water allocation 100% HRWS and 45% LRWS</li> </ul>	<ul style="list-style-type: none"> <li>Commodity prices good</li> </ul>
	<ul style="list-style-type: none"> <li>Seasonal water allocation 62%</li> </ul>	<ul style="list-style-type: none"> <li>Seasonal water allocation 123%</li> </ul>	<ul style="list-style-type: none"> <li>Water allocation 100% HRWS and 10% LRWS</li> </ul>		<ul style="list-style-type: none"> <li>Seasonal conditions good</li> </ul>

These events are the grass seeds of concern in a season that looks promising on all fronts. What it demonstrates is that you have no control over climatic or world events that have significant impact on farm profit. So let's look at what you can control-

1. **Your decisions.** Farmers have made many adjustments over the last five years to their methods and management in areas such as pasture, feed, water and calving. Now is the time to look back on those decisions and assess how they turned out? Did they work out as you expected? Did they increase your profitability or provide you with some form of protection for future volatility? What did you do well and what still needs some work? Be honest with yourself, if you are going to start a new project do you have the cash to finish it without relying on future step ups, cattle prices remaining high or on other volatile income sources.
2. **Assess your business.** Take time to evaluate your business profitability after all expenses and debt payments are met. How are you, your partner and employees holding up? How does the farm look and operate?
3. **Professional assistance.** Get a clear picture of how the business is operating from a different perspective. Listen and think about any advice given. Is it applicable for your situation, do you understand what you have to do and why it will be advantageous? Again, consider your decisions, don't go out and spend money for short term gain that will give you long term financial pain.
4. **Plan for the next event.** Whilst you can't predict with any certainty what and when the next shakeup will be, you can bet that it will happen. Investigate schemes and services that may be available through Government and industry organisations designed to assist primary producers. Start planning now to minimise the damage.

Staying informed, understanding your business structure and how your decisions affect this is like ridding your socks of niggling grass seeds.

For further information or to discuss your options please contact your trusted consultant, bank manager and/or accountant, your local rural financial counsellor (5147 0855) or a member of the Dairy Services Branch at DPI Maffra on 5147 0800.

Whilst care has been taken to get figures and information correct, they are averages and you may have received a lower or higher milk price and grain price. Therefore, this articles intent is to be thought provoking, not 100 percent factual for your situation or business.

## Macalister Demonstration Farm Profitability Project

The MDF reports each week in the Gippsland Times and on AusdairyL. The weekly report contains information on the current production and margins, but also discusses other happenings that may be of interest. In case you missed the newspaper reports here are some bits and pieces of those weekly.

### Oct 7, 2011

The grass is not growing as fast as expected, one reason being the cool weather. The rain meant cows were grazing slightly wet paddocks, and their feet muddying the grass. They were less inclined to graze it well, so along with less grass available, grass per cow has fallen. This is causing the diet to be a bit low in fibre, the cows manure to be sloppy, and the fat test low. Even though we know that there is a high likelihood of causing even less grass available next time, in an effort to hold the grass per cow up for now, we have shortened the grazing rotation more than we would normally.

### Oct 14, 2011

The leaf appearance rate is 12 days. If you had required three leaves re-grown at grazing in a paddock last week that paddock would have been rested for 36 days. This does not mean the current leaf is taking 12 days to appear; you would expect it to be a bit quicker, maybe 11 days, because it is now warmer than the previous 36 days. If you have a reasonably high stocking rate and you are not using much nitrogen fertiliser you will be needing the grazing rotation length to deliver its maximum possible quantity of grass. A grazing rest time last week of less than 36 days would not have delivered the maximum.

In early lactation, our aim is to get the cow's milk production to a higher level, to get the MS per cow well above 2.2 kg MS. Production is a little behind last year but this year's start of calving was 10 days later so it's reasonable to expect the milk production to peak later.

The quantity of food eaten is important. Hay, silage and PKE are on offer, even to the point of risking leaving too much grass in the paddock. The latter is currently no different than other times.

The balance of food eaten is important, particularly considering many cows are fairly recently calved and the diet needs to move for the pre-calving to the post-calving diet. The oaten hay helps increase dietary fibre. To get even better quality fibre into the diet, some recently made silage is now on offer. It is very good silage, leafy, with a great smell. The cows strongly prefer it over the hay.

All this supplementary feed costs more than grazed grass so the current feed margin may be reduced. However, the long term benefit of a high producing, more efficient cow is very important to achieving a high feed margin throughout the whole lactation. The current Tracker analysis of local farms is showing that the cows being fed to achieve a high peak have generally higher current feed margins anyway.

**Oct 28, 2011**

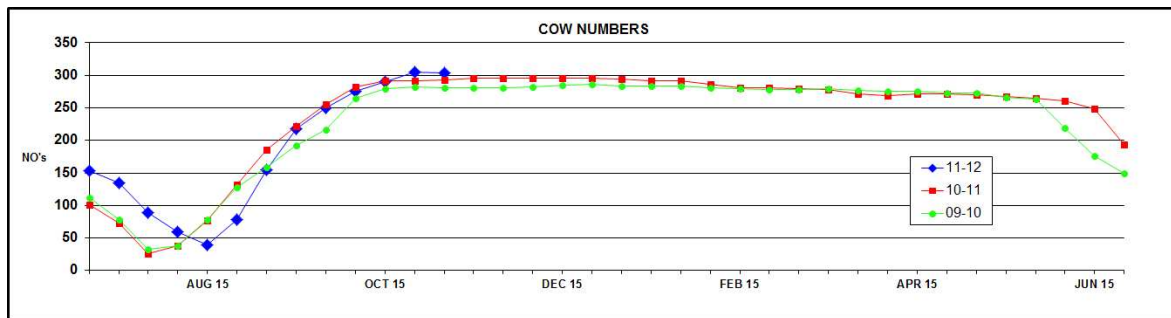
The Bulk Milk Cell Count has risen from 62,000 to 92,000. This time last year the BMCC was 97,000. The BMCC average for the ten days ending 20<sup>th</sup> October was 81,000, a milk factory ranking of 10<sup>th</sup> out of 382 farms.

Our milk company recently announced a milk price step-up. The milk price used in this report has been assuming similar step-ups to last year. However, our milk company also recently stated that this season's final milk price it is now more likely be at the lower end of the previously indicated range. With that information, this report will now lower the anticipated milk price by \$0.22 per kg MS (-4.5%).

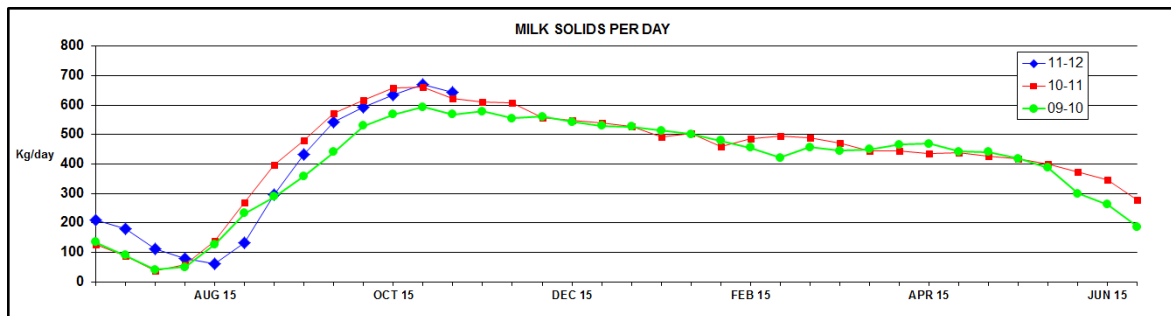
**Nov 4, 2011**

Prior to the rain period, nearly all the fresh cows had settled into the milking ration, grass intakes were lifting, they had reached 2.3 milk solids on one day, but then the wet paddocks and wet muddy grass set them back. Paddocks with spinner cuts, and even the areas closest to spinner cuts, seem to clear the surface water and then dry quicker. Smooth areas clear water faster, whereas the rougher, slightly pugged patches do not.

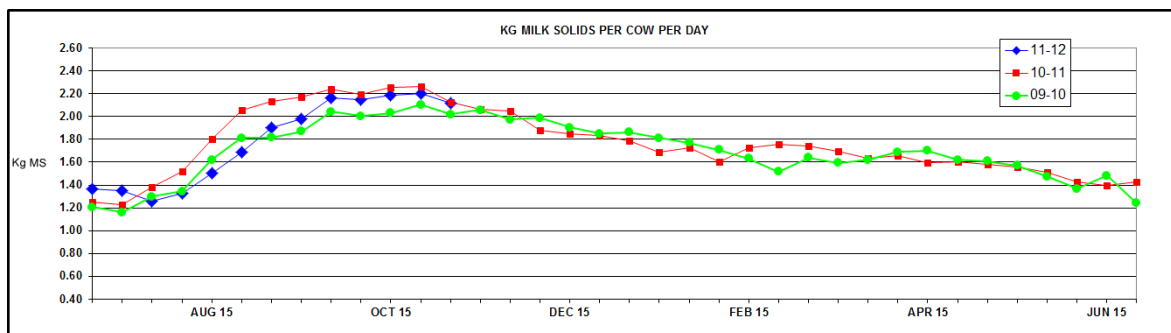
**Performance graphs**



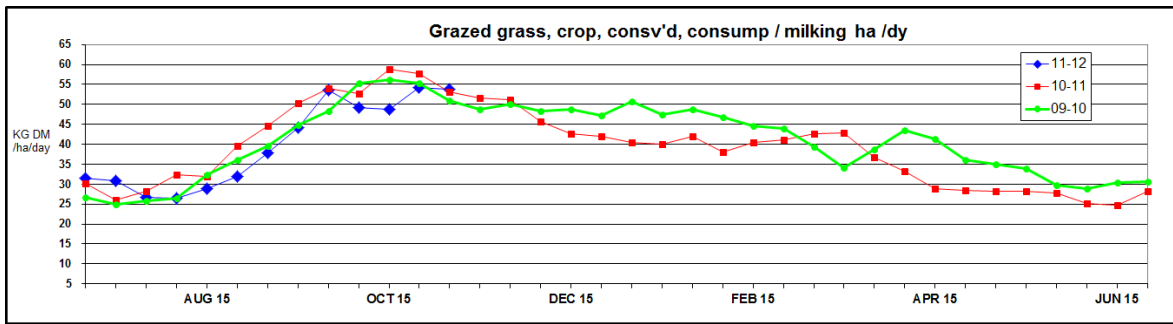
The start of calving was ten days later this season so cow numbers were behind for a while but the tighter calving pattern has caught them up more quickly and currently the farm is milking slightly more cows than last year.



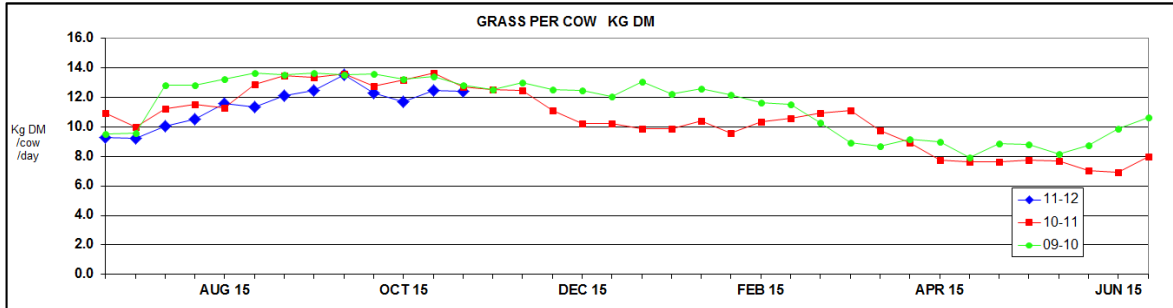
The total milk production has followed a similar pattern to the cow numbers.



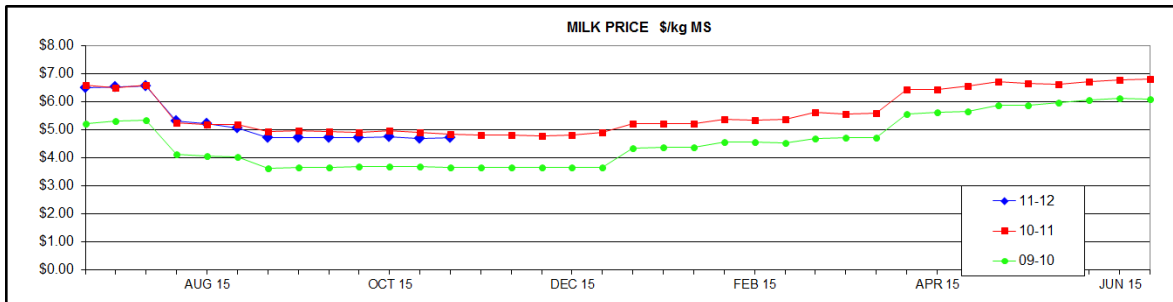
Milk per cow has peaked at not quite the same level as last year.



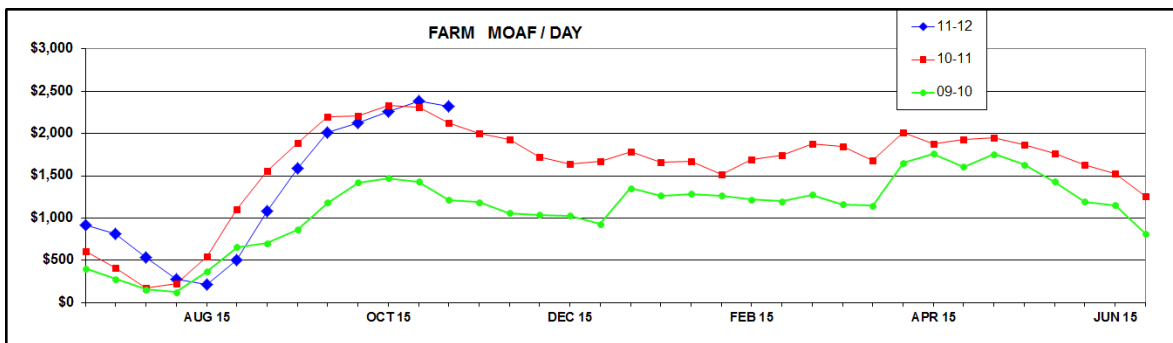
Grass consumption per hectare has been lower than last year. There was a dip in October but it has now reached the same as last year.



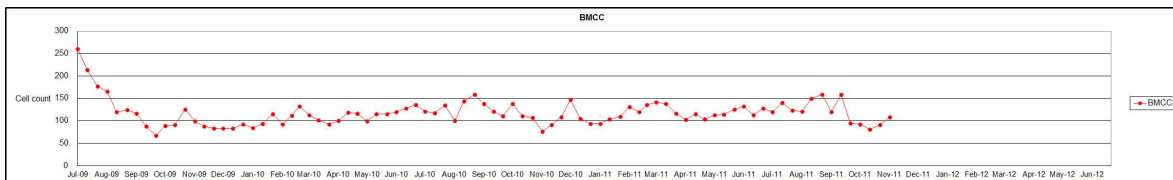
So grass per cow has generally been lower than last year.



The milk price used in MDF reports is an anticipated price; this price is now a little lower than last year.



In late winter the feed margin was high. It dipped when milker numbers were lower but is now higher than last year.



Cell count is being held down.

## FAREWELL AND WELCOME TO MDF BOARD MEMBERS

In farewelling retiring Board member Andrea Killeen at the recent MDF Annual General Meeting, Chairman Mark Humphris acknowledged her contribution in two stints as a Director from 1999 – 2003 and then in 2010 – 2011, with one term as Deputy Chair, and as Co-op Secretary from 2007 – 2010. He described her as an excellent board member who had an inquiring mind and who put her position for the betterment of Board decision making. Since beginning with the MDF she has taken up roles with both the GippsDairy and Southern Rural Water Boards and demonstrates again the important role the MDF plays in developing our industry leaders.

The Chairman also welcomed new Board member, Rachael Finch. Rachael and her husband Hayden are owner/operators of a 380 cow farm at Denison after arriving from New Zealand in 2008. In 2008 before leaving they won the New Zealand Workplace Health and Safety 'Best Initiative by a Small Business' Award and in 2006 they were finalists in the Canterbury/North Otago Sharemilker of the Year Competition. Rachael also works as a book keeper at Phillipsons in Sale so she brings both skills and experience to the MDF Board.

**SENDER:**



Macalister Demonstration Farm  
PO Box 87 **MAFFRA** VIC 3860

POSTAGE  
PAID  
AUSTRALIA

### MACALISTER DEMONSTRATION FARM ANNUAL FIELD DAY

A SNAPSHOT OF MDF PROJECTS OVER THE LAST YEAR

**One for the Diary**

- Profitability high input dairy farming
- Sub-surface drip irrigation – Final project findings
- Carbon emissions reduction plan – protecting the farm business from the carbon tax
- Protecting native vegetation on a high production dairy farm

**Macalister Demonstration Farm, Boggy Creek Rd, Riverslea**

**Tuesday 6<sup>th</sup> December, 2011 at 10.30m**

BBQ lunch provided. Further information: Neil Baker on 0488 175 366 or [neilbaker@aapt.net.au](mailto:neilbaker@aapt.net.au)