

Macalister Demonstration Farm

Projects on the farm are funded by Genetics Australia with support provided by GippsDairy

Macalister Demonstration Farm Update 378 (Week ending June 6th, 2014)

What's been going on at the MDF?

The latest step-up and back pay from Murray Goulburn will deliver around \$16,500 in back pay and take the farm to \$6.52/kg MS for the full year. This is certainly good news, with the likelihood of a final stepup according to the latest circular, taking the full year payment to a record high. The current full year price is some \$0.30/kgMS below the 'weighted average price' despite the MDF producing higher than the Gippsland average milk solids. This is due to the Traditional pricing system the farm is on and the timing of milk flow for the farm. Interestingly given the stable milk flow through this autumn due to the favourable seasonal conditions, feed and grazing management the FMI % is sitting just over 42%. Had the farm adopted the FMI payment system, the full year milk price would be sitting at \$6.69/kg. However this I believe would be a higher risk strategy had it not gone the right way this autumn. It is always a gamble on the season, the input levels and the value of the marginal production when a farm is close to an FMI "band". I have had a farm this week that is so close to a band of FMI that the *additional* milk required to receive the next payment level is worth \$3.40/litre! A crazy situation to manage. At this stage on the MDF, I think it is safer to stay with the Traditional pricing system and accept the lower price as a result.

Production issues:

Production continues to hold as the herd approaches dry off date. There are 18 dry cows and 140 cows due to be dried off on 18th June. There are 242 cows and total production has held at around 15 litres/1.32kgMS or a total farm production of 320kgMS/day

Silage continues to be fed with 15 days remaining, and now one bale of oaten hay to bulk them up a bit and provide some additional fibre. The vetch price increased and with oaten hay at \$240/t, this was chosen as the best option.

The herd is on 2ha/24 hours, slightly more than last week, with a good wedge in front due to the resows coming back into the round and pasture growth remaining good. There was 25mm of rain in the last week.

Some of the dry cow hay has been purchased at \$170/t and around half the herd will be sent on agistment.

Spraying of broadleaf weeds (particularly chickweed in the resow paddocks!) is almost complete and there has been a noticeable thickening of the ryegrass in many of the paddocks.

And a look at production, inputs and margins:

<u>Production</u>			
Cow numbers			242 in herd and vat
Litres and solids/cow/day			15/1.32kgMS
Fat & Protein %			4. 77%/3.99%
BMCC			260,000
<u>Grazing and Feeding (kg dry matter per cow)</u>			
Concentrates (Pellets/Grain/Additive) kg DM @	42.1	c/kg DM	5.4
Oaten hay kgDM@	28.2	c/kgDM	1.7
Silage kgDM@	15	c/kgDM	2.0
Pasture (kg DM) /cow/day			5.25
Pasture demand (kgDM/ha/day)			17.5
Area in rotation (ha)			73
Rotation length milkers (days)			37
Grazing Area (ha per 24 hours)			2
<u>Daily Income over Supplementary Feed Costs (IOSFC)</u>			
Milk Price (\$/kg milk solids) and (cents/litre)			\$7.15/63c
**Income/cow			\$9.45
Supplementary Feed Cost/cow			\$2.98
IOSFC/cow			\$6.47
IOSFC/milking ha			\$21.45
Net litres/cow			10.3
Irrigated pasture cost \$/cow/day	14	c/kg DM	No irrigation
Net margin after supplements and irrigated pasture \$/cow/day			\$6.47

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