

Macalister Demonstration Farm

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

Macalister Demonstration Farm Update 381 (Week ending July 18th, 2014)

What's been going on at the MDF?

The 2013/14 budget has been completed for actual income received and expenses outlaid, and overall, despite the excellent milk price and very good season, it has to be said that the financials for the farm have been disappointing. I have indicated in this article at various stages throughout the season that production has been well below expectation, and inputs have been higher than desired. This has led to an overall cash deficit for the season just gone, and so it is time to explain the overall situation, and the steps that are being put in place for this season so that it doesn't happen again!

In summary, the key points of the 13/14 season were as follows:

Total production for the season of 127,924kgMS, or 457kgMS/cow, well below budget and was the main reason for the poor financials. Why? A spread out calving pattern meant many cows did not complete a 300 day lactation within the financial year. Also the body condition of the milkers at calving was lower than ideal, at around 4.75, and pre-calving pasture cover was well lower than ideal at around 1800kgDM/ha, largely due to all the dry cows having to be run at home and hay difficult to source. The performance of the first calving heifers has also been disappointing and will be the subject of review over the coming season.

Milk price paid: \$6.53/kgMS under the Murray Goulburn Traditional payment system.

Farm Working Expenses (herd, shed, feed, overheads and paid labour) of \$6.76/kgMS, an incredibly high figure, and still high at \$5.37/kg MS when labour costs are removed. This needs to reduce by around \$2.00/kgMS and will be a focus over the coming season. What areas will be focussed on? Reducing the amount of purchased fodder, reducing the cost of concentrates through returning to own-crushed grain later in lactation, reducing the cost of AI and reducing the cost of power for the dairy (\$90/cow!) through switching power companies. There will also be much less spent on repairs and maintenance, as there was a large injection of funds (\$82,000) spent on repairs and maintenance, to get the farm into a condition conducive to being safe, manageable and attractive for staff to operate on.

Pasture consumed was 11.1tDM/ha or 2.9tDM/cow, well down on previous years' figures and well below what is achievable on this farm. This reduced pasture consumption is attributed to poor irrigation under the sub-surface drip irrigation area and bike-shift irrigation areas that were in a bad state of repair following the irrigation season the year before, the break-down in the fixed spray pump for around one month in March and poor performance of the tree-lined paddocks along Boggy Creek Rd. The aim for the new season is to return pasture consumption to around 13tDM/ha and will be a major focus of the year ahead.

On the positive side, labour and staffing has been excellent, with Becky performing a great role picking up the pieces of a disastrous January-August 2013, and assisted with minimal additional labour. Most understand that taking on a new farm is always a challenge, especially when faced with taking on a herd soon as calving had started, with barely enough pasture, milk fever galore, and many areas of the farm in a poor condition. Much has been done by Becky, Tahlia, Craig the maintenance contractor, Mark, Brad and the rest of the Board, in trying to get things back on track. Let's hope that 2014/15 can show better farm physical, financial and 'emotional' performance!

A summary of the key budget figures for 14/15 will be presented over the next report or two.

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