

Macalister Demonstration Farm

Macalister Demonstration Farm Update 444 (Week ending March 10, 2017)

What's been going on at the MDF?

Half yearly results are now complete and show a pleasing picture given the challenges of this season, with a surplus as at December 31 2016 in the order of \$70,000.

Income is up significantly compared to budget due to a number of factors. Milk income is higher due to the change in policy that Murray Goulburn made in October regarding the removal of the 'Milk Supply Support Package (MSSP)' for the remainder of the season, along with the price increases paid in October and November, and the price increase announced for payment in July 2017. The resulting increase in milk income has been further augmented by slightly higher production. In addition, there has been income from stock sales that were not budgeted for.

Cost reduction has been achieved across a number of areas. Fertiliser is well down on budget, attributable to a lower and more strategic use of urea at a lower price. Rearing/growing replacements is significantly lower due to calves being moved to agistment at weaning at a good weight. Grass has been sufficient on the agistment property, with little supplementary feed required. Mating and herd health has been reduced through a deliberate decision to reduce expenditure on AI per straw, and more herd health tasks being addressed using farm labour, therefore reducing the amount of veterinary involvement in the system. Savings in labour costs have been achieved primarily through close attention to efficient use of labour. This is a particularly significant achievement, and saving, as 100% of labour on the MDF is paid labour. Repairs and maintenance are somewhat lower due to preventative actions being put in place, and only addressing R & M matters that are essential.

All in all, this is an excellent first half of the season for the MDF, however it should be noted that cash flow on many farms remains tight.

MACALISTER DEMONSTRATION FARM	Farm Location: Maffra		
Description: The MDF is located at Maffra in Gippsland Victoria in the Macalister Irrigation District. The farm has a milking area of 73 ha and is fully irrigated.	Two weeks ago	10/03/2017	
<u>Production</u>			
Cow numbers (herd and vat)	294 herd and 290 vat	294 herd and 288 vat	
Cow production/day	20.5	19.5	litres
Fat %	4.48	4.13	%
Protein %	3.73	3.88	%
Kg milk solids/cow /day	1.68	1.57	kgMS
BMCC	185,000	226,000	
<u>Grazing and Feeding</u>			
Concentrates	5.4	5.4	kgDM/day
Cost of concentrate (wheat)	\$0.27	\$0.27	c/kg DM
Additive (mineral)	0.18c	0.18c	c/cow
Cost of hay	0	0	c/kgDM
Silage	0	0	kgDM/day
Cost of silage			c/kgDM

Pasture demand	11.6	10.8	kg DM/cow/day
Pasture demand (kgDM/ha/day)	51	49	kg DM/ha/day
Area in rotation (ha)	67	65	ha
Rotation length milkers (days)	24	24	days
Grazing Area (ha per 24 hours)	2.75	2.75	ha
<u>Daily Income over Supplementary Feed Costs (IOSFC)</u>			
Milk Price (on current tests)	\$4.73	\$4.90	\$/kg milk solids
Milk Price	38.8	39.3	c/litre
**Income/cow	\$7.95	\$7.69	\$/cow/day
Supplementary Feed Cost/cow	\$1.64	\$1.64	\$/cow/day
IOSFC/cow	\$6.31	\$6.05	\$/cow/day
IOSFC/milking ha	\$27.31	\$26.81	\$/ha/day
Net litres/cow	16.3	15.3	Litres/day
Irrigated pasture cost	1.62	1.51	\$/cow/day
Irrigated pasture cost	14	14	c/kg DM
Net margin after supplements and irrigated pasture	\$4.69	\$4.54	\$/cow/day