

## Macalister Demonstration Farm

### Macalister Demonstration Farm Update 469 (Week ending 23<sup>rd</sup> March, 2018)

What's been going on at the MDF?

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.	Last fortnight	24/3/18	
<u>Production</u>			
Cow numbers (herd and vat)	310 cows	305	
Cow production/day	18.9	18	litres
Fat %	4.1	4.2	%
Protein %	3.77	3.8	%
Kg milk solids/cow /day	1.49	1.44	kgMS
BMCC	240,000	280,000	
<u>Grazing and Feeding</u>			
Concentrates	6.3	6.8	kgDM/day
Cost of concentrate (wheat)	\$0.308	\$0.308	c/kg DM
Additive (Performer ME-125 with virginiamycin momensin plus Calciprill and high Zinc)	32	32	c/cow
Cost of hay	0	0	c/kgDM
Silage	0	0	kgDM/day
Cost of silage per kg DM	\$0.22	\$0.22	c/kgDM
Pasture demand (milkers)	9.0	8.8	kg DM/cow/day
Pasture demand (kgDM/ha/day) (all stock on farm)	38.2	38	kg DM/ha/day
Area in rotation (ha)	68	68	ha
Rotation length (days)	30	35	days
Grazing Area (ha per 24 hours)	2.25	1.9	ha
<u>Daily Income over Supplementary Feed Costs (IOSFC)</u>			
Milk Price (on current tests)	\$5.52	\$5.53	\$/kg milk solids
Milk Price	44	44.3	c/litre
**Income/cow	\$8.22	\$7.96	\$/cow/day
Supplementary Feed Cost/cow	\$2.28	\$2.41	\$/cow/day
IOSFC/cow	\$5.94	\$5.55	\$/cow/day
IOSFC/milking ha	\$25.20	\$23.19	\$/ha/day
Net litres/cow	13.5	12.5	Litres/day
Irrigated pasture cost	\$1.08	\$1.06	\$/cow/day
Irrigated pasture cost per kg	\$0.12	\$0.12	c/kg DM
Net margin after supplements and irrigated pasture	\$4.86	\$4.49	\$/cow/day

I thought it was timely to provide a bit of “general overview” to how I see things in the industry currently, rather than being specific to the MDF. There are almost two worlds within Gippsland right now. The irrigators and the drylanders. The irrigators are flat out getting enough water on to keep up with the high demand for watering, but with enough water on hand for most, it is a workload/work demand issue. The end of allocation for some will be approaching in the next month, but of course the end of the season is less than 8 weeks away, so things are starting to close in. The drylanders are hanging out for an autumn break, and have been operating with little to no grass in the diet for around 4 weeks now. Diets consisting of silage and concentrates are now typical of most dryland farms, and milk production is on that slow steady decline, held up only by a very consistent diet with little to no daily variation. The end of silage stocks for many is around 2-4 weeks away, some a bit longer, and so the stress levels are starting to rise with the absence of any significant rain.

The cash position of the “two worlds” is as variable as Gippsland itself. Some, particularly those who opted for up-front or month by month cash incentives from the processors they changed to, are in a far better cash position than those who have remained loyal on the hope/promise that the top-up will come. This is offering hope to those when the transaction happens, that the cash position will dramatically improve, but it doesn’t help right now. With up to \$1.00/kgMS difference on March milk prices between two major processors when cash incentives are included, it makes a BIG difference on 300 cows producing 1.5kgMS/day- up to \$450/day more for doing the SAME JOB! This is a highly inequitable position but a reality that many industry people and service providers need to accept and appreciate. Things are tough out there for many. On a 300-cow farm, there may be \$3000/week more cash in the system for a farm that changed milk processors!

When we go back to comparing our “two worlds” and look at the daily Income Over Supplementary Feed Costs (IOSFC) per cow per day, the MDF is running at \$5.55/cow/day, or \$4.49/cow/day when the cost of irrigated grass is deducted. Compare to dryland operators in South Gippsland at the moment, where the diet consists of 6kg concentrates at \$357/t average and 8kgDM silage, with maybe a bit of vetch hay, and the IOSFC is around \$4.24/cow/day. On a per hectare basis, there is a significant difference, with average stocking rates for this group at 2.2cows/ha versus 4.2/ha for the MDF, but when the cost of irrigated pasture (water charges, NPKS, diesel, R&M for channels and delva etc, resowing costs etc on an annual basis) is deducted from the margin on the MDF, the net results per cow are nearly the same. Worth ruminating over!

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