

# *The Dairy Group*

## *MCi Report*

**1<sup>st</sup> October 2015**

**Dairy margins fall by £79,000 in 12 months**

“The latest MCi results show that the key performance indicator of MOPF (margin over purchased feed) has reduced by £79,000 in the 12 months to July 2015” says Ian Powell, Director of The Dairy Group. He goes on to say “the table of results show that for our average costed herd the 12 month rolling MOPF reduced from £1,986 per cow in July 2014 to £1,646 in July 2015, which was a fall of £340 per cow, equivalent to £79,000 for our average herd of 233 cows. Looking more closely at the July 2015 results, the milk price was down by 7 pence per litre (22%) to 24.7 pence per litre, with the purchased feed cost down by 0.8 pence per litre to 6.5 pence per litre, giving a MOPF of 18.4 pence per litre, which was 25% lower than July 2014. Margin over purchased feed (MOPF) is a very good barometer of dairy herd profitability as it tracks two key benchmarks of milk price and purchased feed cost. Milk revenue makes up 90% of the dairy enterprise revenue and purchased feed cost around 25% of total costs. We are approaching the start of the more expensive winter period and there is an opportunity for dairy farmers to review and plan winter feeding, starting with an assessment of forage stocks and forage quality. Winter diets should aim to fully utilise home grown feed and to balance rations for energy and protein at the least cost to achieve optimum performance with good rumen function. We see a wide range in the cost of purchased concentrates and for many farms there is an opportunity to reduce the purchased feed cost per litre to partially offset some of the milk price fall. However, it seems inevitable that dairy margins will continue to fall over the coming months as the higher margin months from last year are replaced with lower monthly margins this year.”

	<u>MONTHLY RESULTS</u>		<u>12 MONTHS ROLLING</u>	
	JULY 2015	JULY 2014	JULY 2015	JULY 2014
Daily milk yield per cow (litres)	<b>26.7</b>	25.3	<b>26.3</b>	25.6
Daily milk yield from forage per cow (litres)	<b>8.7</b>	7.7	<b>1986</b>	2056
Cows in herd	<b>222</b>	200	<b>233</b>	195
Annual milk yield per cow (litres)	<b>682</b>	660	<b>8190</b>	8070
Milk price per litre (litre)	<b>24.7</b>	31.7	<b>27.7</b>	32.9
Butterfat (%)	<b>3.93</b>	3.86	<b>4.03</b>	4.03
Protein (%)	<b>3.26</b>	3.23	<b>3.31</b>	3.29
Concentrates cost per tonne (£)	<b>205</b>	231	<b>216</b>	240
Concentrates use per cow (kg)	<b>209</b>	202	<b>2789</b>	2666
Concentrates use per litre (kg)	<b>0.30</b>	0.30	<b>0.34</b>	0.33
Purchased feed costs per cow (£)	<b>44</b>	48	<b>631</b>	671
Purchased feed costs per litre (pence)	<b>6.5</b>	7.3	<b>7.7</b>	8.3
Margin over purchased feed per cow (£)	<b>126</b>	161	<b>1646</b>	1986
Margin over purchased feed per litre (pence)	<b>18.4</b>	24.6	<b>20.1</b>	24.7
Margin over all feed (£/cow)	<b>107</b>	144	<b>1403</b>	1750

### [Monthly average results for July 2015](#)

The average milk price was down 7.0 pence per litre (22%) on last year to 24.7 pence per litre. The average butterfat of 3.93% was 0.07% higher than last year. Milk protein of 3.26% was up 0.03% on a year ago. Daily milk yield per cow was up 1.4 litres to 26.7 litres per cow. Milk from forage was up by 1 litre per cow to 8.7 litres per cow. The average feed rate for the month was the same as a year ago at 0.30 kg per litre, with the average purchased feed cost down £26 per tonne on last year at £205 per tonne. The monthly Margin Over Purchased Feed was £126 per cow, which was £35 per cow lower than a year ago. The margin per litre was 18.4 pence per litre, which was 6.2 pence per litre (25%) lower than a year ago.

## [12 Month Rolling average results to July 2015](#)

The rolling average yield has increased by 120 litres per cow (1.4%) compared with the previous year to 8,190 litres per cow. The average feed rate has increased by 0.01 to 0.34 kg per litre, with the average milk price down by 5.2 pence per litre (16%) to 27.7 pence. The rolling Margin Over Purchased Feed (MOPF) was £340 per cow lower than a year ago at £1,646 per cow. The rolling average MOPF per litre was 20.1 pence per litre, which was 4.6 pence per litre lower than a year ago.

**- Ends -**

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### **Notes to editors:**

- This is a press release announcing the MCI results.
- MCI is the *The Dairy Group* dairy management system that incorporates setting targets for a herd combined with monthly monitoring, quota management & dairy costings.
- [www.dairy-mci.com](http://www.dairy-mci.com)
- [www.thedairygroup.co.uk](http://www.thedairygroup.co.uk)