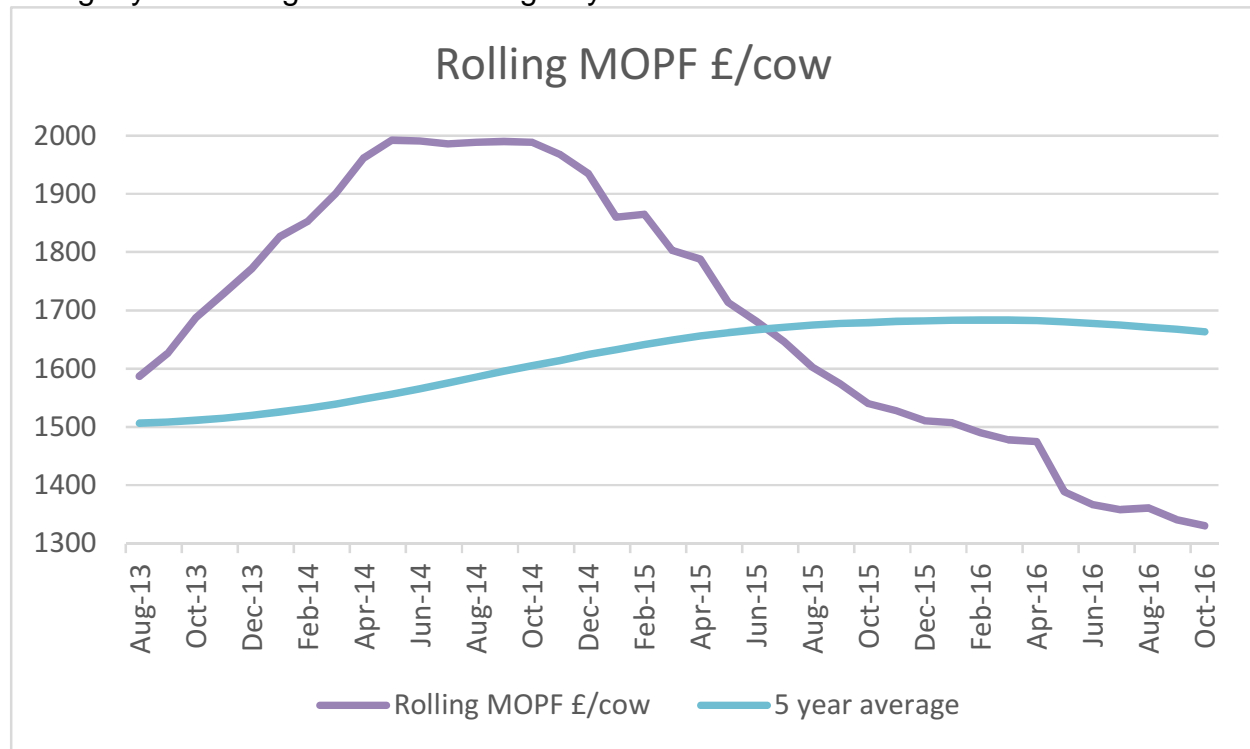


The Dairy Group MCI Report

22nd January 2017

Milk price increasing, but dairy margins slow to recover

“The latest reported average UK milk price in November 2016 was 25.6 pence per litre, but as the graph below shows the decline in dairy herd margins has fallen well below the rolling 5 year average and has a long way to recover back to the norm.”



He goes on to say “Margin over purchased feed provides a simple but effective way of describing the relative performance of dairy businesses as it includes the key determinates of dairy profit, being milk yield, milk price, purchased feed use and price. Our latest MCI results show that the 12 month rolling margin over purchased feed has fallen to £1330 per cow, which is £333 per cow below the 5 year rolling average of £1663 per cow, equivalent to £74,000 per annum for our average herd of 222 cows.”

	<u>MONTHLY RESULTS</u>		<u>12 MONTH ROLLING RESULTS</u>	
	Oct 2016	Oct 2015	Oct 2016	Oct 2015
Daily milk yield per cow (litres)	24.5	25.4	25.8	26.0
Daily milk yield from forage per cow (litres)	6.0	6.8	2847	2527
Cows in herd	225	221	222	217
Annual milk yield per cow (litres)	643	673	8131	8202
Milk price per litre (litre)	23.5	24.2	22.7	25.9
Butterfat (%)	4.17	4.14	4.12	4.05
Protein (%)	3.37	3.40	3.29	3.33
Concentrates cost per tonne (£)	195	199	190	208
Concentrates use per cow (kg)	229	226	2602	2658
Concentrates use per litre (kg)	0.35	0.33	0.32	0.32
Purchased feed costs per cow (£)	46	47	527	591
Purchased feed costs per litre (pence)	7.1	7.0	6.5	7.2
Margin over purchased feed per cow (£)	106	117	1330	1540
Margin over purchased feed per litre (pence)	16.4	17.3	16.3	18.8

Monthly average results for October 2016

The average milk price was down 0.7 pence per litre on last year to 23.5 pence per litre. The average butterfat of 4.17% was 0.03% higher than last year. Milk protein of 3.37% was down 0.03% on a year ago. Daily milk yield per cow was down by 0.9 litres per cow on last year to 24.5 litres per cow. Milk from forage was down by 0.8 litres per cow to 6.0 litres per cow. The average feed rate for the month was up 0.02 kg per litre on a year ago at 0.35 kg per litre, with the average purchased feed cost £4 per tonne lower than last year at £195 per tonne. The monthly Margin Over Purchased Feed was £106 per cow, which was £11 per cow lower than a year ago. The margin per litre was 16.4 pence, which was 0.9 pence per litre lower than a year ago.

[12 Month Rolling average results to October 2016](#)

The rolling average yield has decreased by 71 litres per cow compared with the previous year to 8,131 litres per cow. The average feed rate has remained the same at 0.32 kg per litre, with the average milk price down by 3.2 pence per litre to 22.7 pence. The rolling Margin Over Purchased Feed (MOPF) was £210 per cow lower than a year ago at £1330 per cow. The rolling average MOPF per litre was 16.3 pence per litre, which was 2.5 pence per litre lower than a year ago.

- Ends -

[For further information please contact:](#)

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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
- www.thedairygroup.co.uk

