

The Dairy Group **MCi Report**

27th May 2015

Dairy margins fall by 27% in March 2015

“The latest MCi results show that the key performance indicator of MOPF (margin over purchased feed) has reduced by 27% in March 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 MOPF reduced from £182 per cow in March 2014 to £132 per cow in March 2015, which was a fall of £50 per cow, equivalent to 27%. A similar magnitude of reduction over a full year would be equivalent to £134,000 for our average herd of 224 cows. Looking more closely at the March 2015 results, the milk price was down by 7.5 pence per litre (22%) to 26.1 pence per litre, with the purchased feed cost down by just 0.5 pence per litre to 8.0 pence per litre. 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. Like any average we see a huge range in margin, with a key factor being the variation in milk price from 18 p/litre to 34 p/litre, which has major implications for how dairy businesses respond to their individual circumstances and cope with the volatile market.”

	<u>MONTHLY RESULTS</u>		<u>12 MONTHS ROLLING RESULTS</u>	
	MAR 2015	MAR 2014	MAR 2015	MAR 2014
Daily milk yield per cow (litres)	26.4	26.5	-	-
Daily milk yield from forage per cow (litres)	5.9	6.2	1850	1921
Cows in herd	224	205	221	197
Milk yield per cow (litres)	716	729	8195	8057
Milk price per litre	26.1	33.6	30.1	32.2
Butterfat (%)	4.08	4.05	4.02	4.03
Protein (%)	3.28	3.27	3.30	3.27
Concentrates cost per tonne (£)	216	237	225	243
Concentrates use per litre (kg)	0.36	0.34	0.34	0.34
Purchased feed costs per cow (£)	57	62	671	694
Purchased feed costs per litre (pence)	8.0	8.5	8.2	8.6
Margin over purchased feed per cow (£)	132	182	1803	1901
Margin over purchased feed per litre (pence)	18.2	24.9	22.0	23.6

Monthly average results for March 2015

The average milk price was down 7.5 pence per litre on last year to 26.1 pence per litre. The average butterfat of 4.08% was 3 points higher than last year. Milk protein of 3.28% was up 1 point on a year ago. Daily milk yield per cow was down by 0.1 litre per cow on last year to 26.4 litres per cow. Milk from forage was down by 0.3 litres per cow to 5.9 litres per cow. The average feed rate for the month was up 0.02 kg per litre on a year ago at 0.36 kg per litre, with the average purchased feed cost £21 per tonne lower than last year at £216 per tonne. The monthly Margin Over Purchased Feed was £132 per cow, which was £50 per cow (27%) lower than a year ago. The margin per litre was 18.2 pence, which was 6.7 pence per litre lower than a year ago.

12 Month Rolling average results to March 2015

The rolling average yield has increased by 138 litres per cow compared with the previous year to 8195 litres per cow. The average feed rate was the same at 0.34 kg per litre, with the average milk price down by 2.1 pence per litre to 30.1 pence. The rolling Margin Over Purchased Feed (MOPF) was £98 per cow lower than a year ago at £1803 per cow. The rolling average MOPF per litre was 22.0 pence per litre, which was 1.6 pence per litre lower than a year ago.

- Ends -

For further information please contact:

Ian Powell, Director, *The Dairy Group* (01823 444488)

e-mail: ian.powell@thedairygroup.co.uk

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