

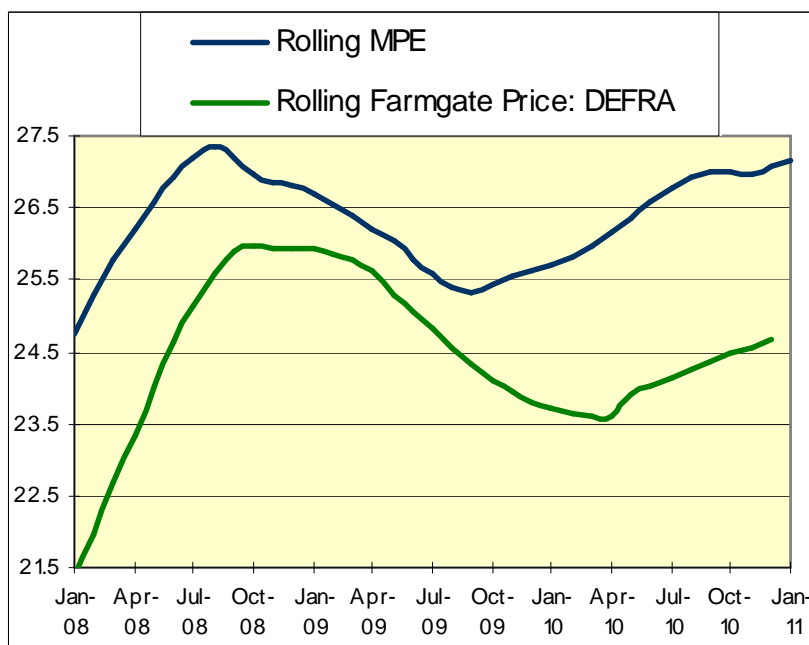
The Dairy Group MCI Report

PRESS RELEASE

28th February 2011

Dairy feed costs average £198 per tonne

“The latest MCI results show that the average price of purchased feed increased to £198 per tonne in November 2010, which was 13% higher than the previous year”, says Ian Powell, Director of The Dairy Group. He goes on to say “Whilst the average monthly milk price was 26.2 pence per litre, the 12 month rolling milk price was still only 24.3 pence per litre. Our dairy cost analysis which was used in the NFU cost of milk production report shows a total cost to March 2010 of 28.2 pence per litre, with the forecast to March 2011 of 29.4 pence per litre, with purchased feed making up 27% of total costs. Whilst we are seeing milk price increasing by one to two pence per litre this spring, this still only gives a milk price of around 26 pence per litre for most non aligned milk contracts. Our latest MPE (market price equivalent) report shows that the average market price in February 2011 was 28.5 pence per litre, which should deliver an average farmer price of 27 pence per litre.”



	<u>MONTHLY RESULTS</u>		<u>12 MONTHS ROLLING RESULTS</u>	
	NOV 2010	NOV 2009	NOV 2010	NOV 2009
Daily milk yield per cow (litres)	24.6	24.4	-	-
Daily milk yield from forage per cow (litres)	4.7	3.7	1935	1666
Cows in herd	184	186	180	184
Milk yield per cow (litres)	632	622	7911	7770
Milk price per litre	26.2	24.9	24.3	24.7
Butterfat (%)	4.25	4.16	4.07	4.05
Protein (%)	3.39	3.36	3.29	3.28
Concentrates cost per tonne (£)	198	175	178	184
Concentrates use per litre (kg)	0.37	0.39	0.33	0.34
Purchased feed costs per cow (£)	49	46	495	520
Purchased feed costs per litre (pence)	7.8	7.4	6.3	6.7
Margin over purchased feed per cow (£)	117	110	1436	1407
Margin over purchased feed per litre (pence)	18.4	17.6	18.1	18.1

Monthly average results for November 2010

The average milk price was up 1.3 pence per litre on last year to 26.2 pence per litre. The average butterfat of 4.25% was up 0.09% on a year ago. Milk protein of 3.39% was up 0.03% on a year ago. Daily milk yield per cow was up by 0.2 litres per cow on last year to 24.6 litres per cow. Milk from forage was up by 1.0 litres per cow to 4.7 litres per cow. The average feed rate for the month was down 0.02 kg per litre on a year ago at 0.37 kg per litre, with the average purchased feed cost up on last year by £23 per tonne to £198 per tonne. The monthly Margin Over Purchased Feed was £117 per cow, which was £7 per cow higher than a year ago. The margin per litre was 18.4 pence per litre, which was 0.8 pence per litre higher than a year ago.

12 Month Rolling average results to November 2010

The rolling average yield has increased by 141 litres per cow compared with the previous year to 7911 litres per cow. The average feed rate has decreased by 0.01 kg per litre from a year ago to 0.33 kg per litre, with an average milk price down by 0.4 pence per litre to 24.3 pence. The rolling Margin Over Purchased Feed (MOPF) was £29 per cow higher than a year ago at £1436 per cow. The rolling average MOPF per litre was 18.1 pence per litre, which was the same as 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, unit costs, direct sourcing of inputs & decision support.
- **www.dairy-mci.com**
- **www.thedairygroup.co.uk**