

The Dairy Group M*Ci* Report **PRESS RELEASE 1st May 2011**

Improved technical performance helps to offset the increased cost of feed

“The latest M*Ci* results show how improved technical performance is helping to offset the 15% increase in the cost of purchased feed” says Ian Powell, Director of The Dairy Group. He goes on to say “the average price of purchased feed increased by 15% in January 2011 from £178 per tonne in January 2010 to £204 per tonne in January 2011. However, despite the increase in the price of purchased feed the margin over purchased feed per cow has increased by £13 per cow to £125 per cow. The average milk price has increased by 1.4 pence per litre, which adds £10 per cow to the monthly margin, but this was completely wiped out by the increase in feed cost. Our average herd has seen their herd margin increase due to improved technical efficiency, with an increase in daily milk yield of 1 litre per cow and a reduction in the feed rate of 0.04 kg per litre to 0.34 kg per litre. The total herd margin has also increased from the increase in herd size, up by 9% to 193 cows in January 2011. The 12 month rolling results also show some impressive increases, with milk yield up by 5% to 7989 litres per cow and milk from forage up by 16% to 2026 litres per cow. This also means that the 12 month rolling margin over purchased feed was up by 8% to £1456 per cow. Whilst this is all good news, the majority of this improved performance will be swallowed up by the 40% increase in the cost of fertiliser and by the 17% increase in the cost of diesel. Dairy farmers need a clear strategy of how to increase their herd margin. M*Ci* provides an effective on line forecasting tool, which enables the farmer to plan for the year ahead by providing all the efficiency measures needed to drive the business forward.”

	<u>MONTHLY RESULTS</u>		<u>12 MONTHS ROLLING RESULTS</u>	
	JAN 2011	JAN 2010	JAN 2011	JAN 2010
Daily milk yield per cow (litres)	25.8	24.8	-	-
Daily milk yield from forage per cow (litres)	6.2	4.2	2026	1751
Cows in herd	193	177	192	174
Milk yield per cow (litres)	686	654	7989	7621
Milk price per litre	25.5	24.1	24.6	24.1
Butterfat (%)	4.16	4.24	4.06	4.06
Protein (%)	3.31	3.32	3.29	3.28
Concentrates cost per tonne (£)	204	178	184	182
Concentrates use per litre (kg)	0.34	0.38	0.33	0.34
Purchased feed costs per cow (£)	51	47	511	496
Purchased feed costs per litre (pence)	7.4	7.1	6.4	6.5
Margin over purchased feed per cow (£)	125	112	1456	1351
Margin over purchased feed per litre (pence)	18.1	16.9	18.2	17.6

Monthly average results for January 2011

The average milk price was up 1.4 pence per litre on last year to 25.5 pence per litre. The average butterfat of 4.16% was down 0.08% on a year ago. Milk protein of 3.31% was down 0.01% on a year ago. Daily milk yield per cow was up by 1.0 litre per cow on last year to 25.8 litres per cow. Milk from forage was up by 2.0 litres per cow to 6.2 litres per cow. The average feed rate for the month was down 0.04 kg per litre on a year ago at 0.34 kg per litre, with the average purchased feed cost up on last year by £26 per tonne to £204 per tonne. The monthly Margin Over Purchased Feed was £125 per cow, which was £13 per cow higher than a year ago. The margin per litre was 18.1 pence per litre, which was 1.2 pence per litre higher than a year ago.

12 Month Rolling average results to January 2011

The rolling average yield has increased by 368 litres per cow compared with the previous year to 7989 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 up by 0.5 pence per litre to 24.6 pence. The rolling Margin Over Purchased Feed (MOPF) was £105 per cow higher than a year ago at £1456 per cow. The rolling average MOPF per litre was 18.2 pence per litre, which was 0.6 pence per litre higher 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, unit costs, direct sourcing of inputs & decision support.
- **www.dairy-mci.com**
- **www.thedairygroup.co.uk**