

The Dairy Group MCI Report

Press release

26th September 2012

Summer weather impacts on cow performance

“We all know that 2012 was the worst summer for 100 years and it will be some months before we can quantify just how big an impact this will have on dairy businesses” says Ian Powell, Director of The Dairy Group. He goes on to say “the latest MCI results for June 2012 show the impact of the weather at the start of the summer season, with milk yield down by 2% and milk from forage down by 13%. We also saw a significant drop in milk protein down by 15% on the previous year to 3.19%, indicating that cows were short of energy, which is likely to impact on July milk production and on cow fertility. The lower milk from forage resulted in a 10% increase in the concentrate feed rate per litre, increasing to 0.30 kg per litre. The purchased feed cost per litre increased by 0.5 pence to 6.8 pence per litre and the margin over purchased feed per cow reduced to £130 per cow. We know that UK milk production fell by around 4% in July and August, so the impact on dairy performance is likely to get progressively worse as the performance figures become available. The longer term impact will not really be known for some time as we have yet to see the impact of the reduced forage quality and quantity on milk production. The recent milk price increase by the major milk buyers is welcome, which will help to mitigate the impact of the poorer weather and the higher costs, mainly associated with feed. Our June MCI results show that the feed price per tonne was very close to last year at £220 per tonne, but we know that the higher price of the key energy and protein feeds has yet to show in our MCI results, with soya up 50% in price since June and dairy concentrates increasing by around 25% from early October. Despite the milk price increases this winter will remain extremely challenging for dairy farmers.”

| | <u>MONTHLY RESULTS</u> | | <u>12 MONTHS ROLLING RESULTS</u> | |
|---|------------------------|-----------|----------------------------------|-----------|
| | JUNE 2012 | JUNE 2011 | JUNE 2012 | JUNE 2011 |
| Daily milk yield per cow (litres) | 26.2 | 26.8 | - | - |
| Daily milk yield from forage per cow (litres) | 8.7 | 10.0 | 2169 | 2194 |
| Cows in herd | 199 | 200 | 197 | 198 |
| Milk yield per cow (litres) | 666 | 682 | 8101 | 8122 |
| Milk price per litre (litre) | 26.3 | 26.2 | 28.2 | 25.6 |
| Butterfat (%) | 3.96 | 3.96 | 4.10 | 4.06 |
| Protein (%) | 3.19 | 3.24 | 3.28 | 3.29 |
| Concentrates cost per tonne (£) | 220 | 219 | 220 | 199 |
| Concentrates use per cow (kg) | 200 | 190 | 2639 | 2626 |
| Concentrates use per litre (kg) | 0.30 | 0.27 | 0.32 | 0.32 |
| Purchased feed costs per cow (£) | 46 | 43 | 608 | 548 |
| Purchased feed costs per litre (pence) | 6.8 | 6.3 | 7.5 | 6.7 |
| Margin over purchased feed per cow (£) | 130 | 136 | 1681 | 1536 |
| Margin over purchased feed per litre (pence) | 19.6 | 20.0 | 20.8 | 18.9 |
| Margin over all feed (£/cow) | 113 | 118 | 1437 | 1296 |

[Monthly average results for June 2012](#)

The average milk price was up 0.1 pence per litre on last year to 26.3 pence per litre. The average butterfat of 3.96% was the same as a year ago. Milk protein of 3.19% was down 0.05% on a year ago. Daily milk yield per cow was down by 0.6 litres per cow on last year to 26.2 litres per cow. Milk from forage was down by 1.3 litres per cow to 8.7 litres per cow. The average feed rate for the month was up 0.03 kg per litre on a year ago at 0.30 kg per litre, with the average purchased feed cost up on last year by £1 per tonne to £220 per tonne. The monthly Margin Over Purchased Feed

was £130 per cow, which was £6 per cow lower than a year ago. The margin per litre was 19.6 pence per litre, which was 0.4 pence per litre lower than a year ago.

12 Month Rolling average results to June 2012

The rolling average yield has decreased by 21 litres per cow compared with the previous year to 8101 litres per cow. The average feed rate has remained the same at 0.32 kg per litre, with an average milk price up by 2.6 pence per litre to 28.2 pence. The rolling Margin Over Purchased Feed (MOPF) was £145 per cow higher than a year ago at £1681 per cow. The rolling average MOPF per litre was 20.8 pence per litre, which was 1.9 pence per litre higher 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