

The Dairy Group

MCi Report

31st January 2013

Dairy performance plummets

“The latest MCi results for October 2012 show a substantial fall in dairy cow performance with all the efficiency measures down compared to the previous year” says Ian Powell, Director of The Dairy Group. He goes on to say “the daily milk yield was down 2 litres per cow to 22.9 litres per cow per day, a fall of 8%, with the litres produced per cow in herd down 9.7%. The concentrate cost per litre has increased by 1.5 pence per litre (19%) to 9.5 pence per litre, due to a 9% increase in the feed rate to 0.37 kg per litre and a 12% increase in the feed cost to £244 per tonne. The critical margin over purchased fell in October by £21 per cow (15%) to £118 per cow compared with a year ago. The impact of the poor 2012 season has been a progressive effect, with dairy performance deteriorating month on month, but in October the impact of the wet weather, poorer quality forage and the higher feed cost hit cow performance in a big way. Our MCi results are always two months behind due to the time for data to be received and analysed, but from our experience the results are likely to continue to fall in November and December and it is only in January that we are starting to see better results at farm level. Whilst our MCi results reflect an important part of the dairy business they only deal with the purchased feed element of dairy costs, which typically make up 30% of all dairy costs. The other 70% of costs of around 22 pence per litre are heavily influenced by the volume of milk sales, with a 5% fall in milk output increasing costs by 1.15 pence per litre. Our whole farm accounts analysis is updated once per year based on specialist dairy farms, with the cost of production for the year ending 2011/12 at 31.5 pence per litre, with our forecast for 2012/13 currently at 32.6 pence per litre. The results we are seeing has serious implications at farm level with high costs in 2012/13 continuing in to 2013/14. Forage stocks are very tight; with many farms having to ‘ration’ the better quality forage to the milking cows and feed poorer quality forage, which would normally have been destined for dry stock. Many farms will run out of forage during March which will place enormous reliance on spring grazing. There is an urgent need for dairy farmers to plan ahead how they are going to meet their forage requirements in 2013.”

	<u>MONTHLY RESULTS</u>		<u>12 MONTH ROLLING RESULTS</u>	
	Oct 2012	Oct 2011	Oct 2012	Oct 2011
Daily milk yield per cow (litres)	22.9	24.9	25.3	25.9
Daily milk yield from forage per cow (litres)	4.4	5.7	2030	2260
Cows in herd	201	203	196	200
Annual milk yield per cow (litres)	597	661	7880	8115
Milk price per litre (litre)	29.2	29.0	28.3	26.6
Butterfat (%)	4.23	4.13	4.11	4.09
Protein (%)	3.34	3.33	3.27	3.29
Concentrates cost per tonne (£)	244	217	223	212
Concentrates use per cow (kg)	220	229	2589	2597
Concentrates use per litre (kg)	0.37	0.34	0.33	0.32
Purchased feed costs per cow (£)	57	53	609	579
Purchased feed costs per litre (pence)	9.5	8.0	7.7	7.1
Margin over purchased feed per cow (£)	118	139	1626	1584
Margin over purchased feed per litre (pence)	19.7	21.1	20.6	19.5

Monthly average results for October 2012

The average milk price was up 0.2 pence per litre on last year to 29.2 pence per litre. The average butterfat of 4.23% was 10 points higher than last year. Milk protein of 3.34% was up 0.01% on a year ago. Daily milk yield per cow was down by 2 litres per cow on last year to 22.9 litres per cow. Milk from forage was down by 1.3 litres per cow to 4.4 litres per cow. The average feed rate for the month was up 0.03 kg per litre on a year ago at 0.37 kg per litre, with the average purchased feed cost £27 per tonne higher than last year at £244 per tonne. The monthly Margin Over Purchased Feed was £118 per cow, which was £21 per cow lower than a year ago. The margin per litre was 19.7 pence, which was 1.4 pence per litre lower than a year ago.

[12 Month Rolling average results to October 2012](#)

The rolling average yield has decreased by 235 litres per cow compared with the previous year to 7880 litres per cow. The average feed rate has increased by 0.01 kg per litre to 0.33 kg per litre, with the average milk price up by 1.7 pence per litre to 28.3 pence. The rolling Margin Over Purchased Feed (MOPF) was £42 per cow higher than a year ago at £1626 per cow. The rolling average MOPF per litre was 20.6 pence per litre, which was 1.1 pence per litre higher 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