

The Dairy Group

MCI Report

28th March 2013

Monthly margin falls by 16%

“The latest MCI results for December 2012 show a 16% fall in the monthly margin over purchased feed” says Ian Powell, Director of The Dairy Group. He goes on to say “the margin has reduced by £23 per cow to £125 per cow due to a combination of factors, with daily milk yield down 7% to 23.7 litres per cow, feed price up by 7% to £235 per tonne and feed cost per litre up by 22% to 10 pence per litre. The milk price was just 0.4 pence per litre above the previous year, which resulted in the margin over purchased feed reducing by 1.2 pence per litre to 19.8 pence per litre. The 12 month rolling results show that the herd margin over purchased feed has reduced by £46 per cow, equivalent to £8,900 for the average herd of 193 cows. There is also a large ‘hidden’ cost which does not appear on dairy costings, which is the decline in forage stocks, which will only become apparent when year end accounts are reported later in the year. The poor winter performance combined with the cold late spring is bound to impact on spring cow performance and it is hard to see any improvement in herd margins before May 2013 at the earliest.”

	<u>MONTHLY RESULTS</u>		<u>12 MONTHS ROLLING RESULTS</u>	
	DEC 2012	DEC 2011	DEC 2012	DEC 2011
Daily milk yield per cow (litres)	23.7	25.6	-	-
Daily milk yield from forage per cow (litres)	4.3	5.4	1958	2245
Cows in herd	200	196	193	191
Milk yield per cow (litres)	629	692	7770	8148
Milk price per litre	29.8	29.4	28.3	27.2
Butterfat (%)	4.22	4.21	4.11	4.08
Protein (%)	3.31	3.33	3.26	3.28
Concentrates cost per tonne (£)	235	219	229	215
Concentrates use per litre (kg)	0.37	0.36	0.33	0.32
Purchased feed costs per cow (£)	63	57	623	592
Purchased feed costs per litre (pence)	10.0	8.2	8.0	7.3
Margin over purchased feed per cow (£)	125	148	1580	1626
Margin over purchased feed per litre (pence)	19.8	21.0	20.3	20.0

Monthly average results for December 2012

The average milk price was up 0.4 pence per litre on last year to 29.8 pence per litre. The average butterfat of 4.22% was 1 point higher than last year. Milk protein of 3.31% was down 0.02% on a year ago. Daily milk yield per cow was down by 1.9 litres per cow on last year to 23.7 litres per cow. Milk from forage was down by 1.1 litres per cow to 4.3 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 £16 per tonne higher than last year at £235 per tonne. The monthly Margin Over Purchased Feed was £125 per cow, which was £23 per cow lower than a year ago. The margin per litre was 19.8 pence, which was 1.2 pence per litre lower than a year ago.

12 Month Rolling average results to December 2012

The rolling average yield has decreased by 378 litres per cow compared with the previous year to 7770 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 1.1 pence per litre to 28.3 pence. The rolling Margin Over Purchased Feed (MOPF) was £46 per cow lower than a year ago at £1580 per cow. The rolling average MOPF per litre was 20.3 pence per litre, which was 0.3 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.
- www.dairy-mci.com
- www.thedairygroup.co.uk