Latest news and views from **June 2016**

The Dairy Group

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Reducing costs by 9.5 ppl

Ian Powell, Managing Director

On some farms there is still enormous potential to reduce costs and whilst lower costs are no substitute for a sustainable milk price it does allow some businesses to focus on the areas that are within their control and could make all the difference to whether a business stays in milk production.

Just over a year ago a strategic review of a client farm identified very high variable costs of 18.7ppl including a purchased feed cost of 11.9ppl. Total overhead costs were also very high, mainly due to high power and machinery costs. Over the 12 months to March 2016 the variable costs have been reduced by 5.3ppl and the overhead costs by 4.2ppl, giving a total reduction of 9.5ppl in total costs. This reduction was achieved through a clear focus on cost cutting without reducing total milk sales which actually increased by 3% over the 12 month period. The table below shows the change in the herd performance over the 12 months to March 2016:

12 month rolling to	Mar-15	Mar-16	Change
Cows	251	260	9
Yield	9263	9336	73
Milk price ppl	28.9	24.2	-4.7
Fat %	4.05	4.3	0.25
Protein %	3.24	3.29	0.05
Milk from forage litres	114	2622	2508
Concs kg/litre	0.46	0.36	-0.1
Conc £/tonne	220	192	-28
Purchased feed cost ppl	10.1	7.1	-3.0
MOPF £/cow	1748	1573	-175

The dairy purchased feed cost a year ago was too high at 10.1ppl, with far too much reliance on purchased concentrates rather than forage. By switching to independent rather than supplier linked nutrition advice, the average purchased feed cost is now down to £176/t with the diet utilising caustic wheat and the parlour concentrates bought through our Wessex feed buying group. There has been an impressive increase in feed efficiency through better utilisation of forage although further improvements can still be made.

A simple paddock system was established 12 months ago to improve management and utilisation of grazed grass, with weekly grass measurement and management using Agrinet. This spring there has been a small investment in a shedding gate to facilitate grazing the whole herd as one group but separating the higher yielding cows at afternoon milking to be

EDITORIAL

Welcome to the June edition of our newsletter.

This newsletter begins with an article looking at how one client has significantly reduced their cost of production, mainly through reduced purchased feed costs. There are also two nutrition articles included, one that looks at grazing challenges, water and forward feed planning and the other on transition cow management. The fourth article about a new service called "Breeding Manager" is written by Kevin Lane who has recently joined The Dairy Group as specialist breeding consultant.

Finally the reader is reminded that the deadline for Countryside Stewardship applications for 1/1/17 is looming and that silage aftermath regrowth is ideal for sampling for sulphur deficiency.

If you would like to discuss any of the topics featured in this newsletter further, please speak to your consultant or ring the office on 01823 444488.
Christine Pedersen

If you would like to receive this newsletter by email in future please email: newsletter@thedairygroup.co.uk

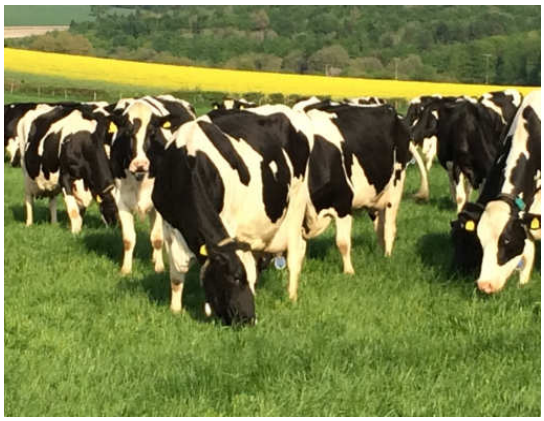
buffer fed. Other areas of cost saving include switching from contract AI to DIY AI and switching to urea as the main source of nitrogen fertiliser. The single largest item of cost saving has been in total purchased feed, which in 12 months reduced by 4.6ppl, with a 0.2ppl saving in forage costs, 0.3ppl saving in vet & med, 0.3ppl saving in AI and a 2.9ppl saving in labour, power & machinery; with labour & contractors reduced by 1ppl, machinery depreciation down 0.8ppl and electricity down 0.2ppl. When we looked at total costs a high proportion was associated with housing and feeding cows, so by increasing milk from forage we have also been able to reduce overhead costs. We are continuously looking for further areas of cost saving without reducing farm output and other costs currently under review include heifer rearing, water and farm insurance. The key first step in this process was to look at the existing business, to benchmark the costs against the top 25% and then to look at how costs could be reduced. We now have a forward budget with the actual results compared to budget each month which allows us to make informed decisions. The investment in independent consultancy has resulted in a substantial increase in profit and a reduction in the operating costs of the business.

Ian has a qualification in dairy lean management and is responsible for our dairy cost database and MCi and works with clients across southern England. He can be contacted on 07831 617952.

Nutrition Challenges

David Donaldson, National Dairy Nutrition Specialist

Grazing - this has definitely turned out to be a challenging year for managing grazing - are you making the most of what you have got?



- Measuring grass growth rates with a plate meter is essential if grazing management and utilisation of grass is to be improved
- Analyse fresh grass to give an indication of quality, particularly dry matter, energy and protein to fine tune rations - you may be able to reduce the protein content of concentrate to 16% or less.
- Overfeeding buffer will limit grazing; cows need to go to grass hungry to maximise grazing intakes but high yielding cows and those not yet in calf may need to be handled differently.
- Some poaching may be unavoidable but steps should be taken to minimise poaching. Growth in the next grazing may be reduced by 20 to 40% when paddocks or fields have been poached once. On/off grazing (short periods on field of 3 to 4 hours) and multiple entrances/exits can help mitigate damage.

Water - water is a key nutrient and cows need a lot of it! A simple rule is around 3 to 4 litres of water for every litre of milk, so a 40 litre cow will need 120 – 160 litres per day, some of which comes from the diet. An allowance of 10 – 15 cm of water trough space per cow is recommended. This can often be an issue at grass and appropriate siting of troughs and flow rate can be limiting on some farms. Water quality is also very important as cows have a better sense of smell than humans and palatability can be an issue so try to keep troughs clean.

When was the last time you had your water analysed? Most people analyse silages and feeds regularly but very few test the water. If you are aware of issues test more often but test at least once per year (applies to both mains and borehole supplies). Iron levels in water can be an obvious problem and farmers typically know if they are in high Iron areas. Iron can tie up important trace minerals including copper and zinc. Manganese is one of the least toxic trace minerals, but is very unpalatable and can form a black slime in water troughs which requires more regular cleaning. Both sulphate and chloride levels can be an issue, particularly in dry cow rations where they can affect DCAD levels if not allowed for. Finally, test the water for microbes, high levels can lead to loose manure and serious rumen issues.

Winter feed planning - it is a good time to plan winter feeding for cows and youngstock:

1. Appraise existing silage stocks – will you have enough silage? If not, taking a crop of cereals for wholecrop silage may be a cost effective option.
2. Sample and analyse the silage in advance to give you a better handle of nutrient levels and plan how to balance them. Also check mineral levels, this is particularly important for any forages fed to dry cows.
3. Forward prices for straights are extremely volatile, plan your winter rations in advance to take advantage of favourable deals.

David has 30 years of ruminant nutrition experience and can be contacted on 07471 890888.

Transition Cow Management

Sally Tuer, Senior Consultant

The transition period (from 4 weeks before to 4 weeks after calving) is a critical determinant of both productivity and profitability in dairy herds. Research indicates that approximately 75% of all production diseases occur within the first month after calving and up to 50% of dairy cows suffer from metabolic and/or infectious diseases in the transition period. This has major economic implications due to higher vet bills, involuntary culling of cows, calf mortality, lower milk output and milk solids and extended calving to rebreeding.

Trial work has repeatedly shown that cows calving outside the target body condition score range of 2.5 – 3.0 are more susceptible to metabolic disorders, particularly ketosis and milk fever and are more likely to have fertility problems. Achieving the target body condition score at calving means regular body condition scoring during lactation to monitor condition; the dry period is not the time to change body condition score so the target body condition score at drying off is 2.5 – 3.0 which should be maintained during the dry period.

At 15 - 21 days pre calving cows are moved to a pre-calving group where the aim is to feed a diet that prepares her for the high demands of lactation and avoids milk fever. The partial DCAB diet is a popular approach where potassium and sodium intake are minimised and acidic blood conditions are created by adding magnesium chloride to the water and/or diet. This promotes calcium mobilisation from the bones to help prevent milk fever.

Achieving high dry matter intakes (up to 15kg/day) and presenting palatable diets formulated to meet increasing pre-calving nutrient requirements is also the aim at this time. Over conditioned cows (> BCS 3.0) are more prone to metabolic disorders as they have reduced dry matter intakes in the pre-calving period and mobilise excess fat which causes issues such as ketosis. Whilst the greatest focus on dry cow management has been in providing suitable nutrition, recent research has shown other very important factors are often overlooked. Stress caused by insufficient feed space (60 - 80 cm per cow recommended), group changes and cow comfort issues contribute to postpartum disease risk. Consider if the number of group changes can be reduced; a single dry cow group may be preferable to reduce the challenge. Certainly avoid re grouping just before feed delivery time as this is the peak feeding time when subordinate cows are most at risk

Lameness is now being closely linked to transition cow management. Claw horn lesions mainly occur 12 – 15 weeks post calving and with 8 – 15 weeks between cause and effect the problem starts in transition. Focus on cow comfort to encourage long lying time; cows standing with front feet only in a cubicle are most at risk. Hormones naturally released to aid calving weaken soft tissue in the foot and with immune levels suppressed pre and post calving, risk of infection is increased.

Potentially the transition period can be a disastrous experience for cows; take a good look at what you are doing with your transition cows, some small changes may save significant sums of money,

Sally is a senior dairy business consultant working in the south west and can be contacted on 07768 701135

Breeding Manager

Kevin Lane, Breeding Consultant

A comprehensive Breeding Manager package is now available through The Dairy Group. The service is run by Kevin Lane who has been offering independent advice for 25 years and now brings the benefits of unbiased bull selection to The Dairy Groups' clients.

The service is totally flexible to individual farm needs but broadly follows a tried and tested plan. This starts with a farm visit to discuss your long-term breeding requirements during which Kevin looks at the cows and youngstock with you to identify any possible weaknesses in the herd that need addressing and discusses your management system to help identify the most suitable type of cow for your farm. He will also collect some information about your production goals, milk buyer's contract, semen usage and fertility levels.

Once a team of bulls has been selected and approved using Kevin's comprehensive database (which includes every one of the 1,600 or so bulls currently available in the UK), your herd will be mated using a completely independent mating programme. This is now in its 20th year of use, the longest running in the country, and is fully updated with all new bulls as well as having over 18,000 past UK sires in the database to check parentage for inbreeding.

With the increasing promotion and use of genomic bulls, inbreeding levels are rising and using an independent mating programme is the best way to avoid future production losses from inbreeding. The mating programme will give you one, two or three choices per mating and can include in-calf and maiden heifers. The breeding report will detail a review of your herd, semen to purchase, a cow production index and genotypic linear ranking (for NMR recorded herds), a summary of the reasons for using the selected bulls, their PTA's for production and type and a list of all the major semen suppliers. Finally you will receive 'Barn Sheets' listing all cows with their mating choices.

Irrespective of herd size, breed or management system, the Breeding Manager is able to offer a confidential and unbiased service tailor-made for your herd. The best value for money sires to perform a given job will always be recommended, often saving hundreds of pounds over 'fashionable' bulls. Finally, the 'independent' aspect of the business is very important. Only by being totally impartial can The Dairy Group offer a service where there are no 'favourite' bulls and each herd situation is assessed on its merits.

Kevin has joined The Dairy Group as a specialist breeding consultant and can be contacted on 07770 923344

News in Brief.....

Countryside Stewardship and Water Capital grants – If your ELS agreement has or will come to an end in 2016 or you would like to look at other income streams with possible grants for investments, Countryside Stewardship Mid-Tier and water capital grants could suit your business. There are many options for protecting biodiversity and water which can fit into your current farming practices. You can design the Mid-Tier application to suit you, the priorities for your area and put as much or as little of your farm into your agreement as you choose. As well as land options, if you are in a water priority area there are capital grants available that can either be added to your 5 year Mid-Tier application or as a 2 year standalone agreement (other grants are also available). As this is a competitive process, meeting the priorities for your area are essential.

All applications start on 1st January; the deadline for applications to start 1st January 2017, is **30th September 2016** so you are advised to discuss this with your consultant now to capitalise on this opportunity.

Fresh Grass Testing for Sulphur Deficiency - 80% of UK grasslands are at risk of sulphur deficiency due to declining atmospheric sulphur emissions from industry. Sulphur is an essential macro nutrient used within the plant for protein and enzyme production, vital for converting nitrogen into plant dry matter. As grass grows, sulphur and nitrogen are used together, therefore a sulphur deficiency will reduce the efficiency of use of nitrogen fertiliser and grass yields.

Sulphur deficiency in a grass crop can be seen as yellow/pale leaves (similar to nitrogen deficiency) but the best way to check whether your grassland is sulphur deficient is to take a fresh grass sample (there is no reliable soil test for sulphur) and have the sample analysed for N:S ratio. Silage aftermath regrowth is ideal for sampling but sample grass that has not had any recent applications of manure or fertiliser. Your consultant will be able to arrange the analysis and provide sampling instructions.

The analysis is cheap (£39 + VAT per sample) and trials have shown 10 - 15% increase in silage yield where sulphur deficiency has been identified and rectified with appropriate artificial sulphur applications (manures contain sulphur but mostly in a form that is unavailable to plants during the growing season). Avoid over applying sulphur as it can lock up copper and selenium which are important trace elements.

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