

News

Providing practical support to professional producers

FEED YOUR COWS FOR LESS

Feed efficiency plays a large part in reducing bought-in feed costs. Reducing your feed costs isn't all about beating up your feed rep to get a better deal every time you see them. Kingshay Dairy Manager figures show that there are further efficiencies to be found by herds with the highest feed costs, particularly lower yielding herds aiming for higher yields than they are achieving. The article on Page 3 illustrates feed efficiency improvements are starting to be seen with significantly higher milk from forage figures in June/July than last year. This winter will be more challenging than ever as low milk prices look set to continue into next year.

Herds yielding 7,000 to 8,000 litres showed feed costs ranged from 5.6ppl to 9.5ppl - a difference of 41%. That difference is worth over £29,000 per 100 cows. Average concentrate prices only varied by £12 per tonne, but purchased feed use (all feed at 86% DM) varied from 1,942 to 3,141kg per cow. How does your feed use compare? When targeting feed efficiency the most cost effective responses come when:

- Higher quality feeds are fed – grazed grass, conserved forages and concentrates.
- Concentrates are fed in small amounts through the day, rather than all at milking.
- Cows are in early lactation – high calving intervals can reduce feed efficiency if more feed is fed to stale cows to maintain yields in later lactation.
- The cows have the genetic ability to produce more milk.
- Herd health is good. High mastitis cases or other health factors lead to milk production losses and contribute to herds lying on the bottom of the Milk Map green band.

Annual Purchased Feed Costs by Milk Yield Band (Year Ending July 2015)	Herds with lowest feed costs (Lowest 25%)	Herds with highest feed costs (Highest 25%)	Difference between highest & lowest herds
Less than 6,000 litres	4.0 ppl	8.8 ppl	4.8 ppl (55%)
6 to 7,000 litres	4.8 ppl	9.3 ppl	4.5 ppl (48%)
7 to 8,000 litres	5.6 ppl	9.5 ppl	3.9 ppl (41%)
8 to 9,000 litres	6.3 ppl	10.1 ppl	3.8 ppl (38%)
9 to 10,000 litres	7.1 ppl	10.6 ppl	3.5 ppl (33%)
More than 10,000 litres	7.5 ppl	10.9 ppl	3.4 ppl (31%)

Source: Kingshay Dairy Manager

Challenge your nutritionist to reduce bought-in feed costs and find the most cost effective diet for your herd. With low milk prices, there is a danger of chasing extra litres that won't pay for themselves. Ask yourself 'what is my marginal feed rate response?' and 'what will that marginal price be?', particularly if you are on an A & B milk price contract. Where significant cuts in purchased feed use are planned that will reduce yields and total herd milk output, budgets should be done to show the impact on the whole business. Be aware of allowing yields to drop too far without taking costs out of your system.

It is essential to know your exact costs and closely monitor performance through the winter.

Call Kingshay for an independent assessment on 01458 851555 or email ask.us@kingshay.co.uk with your details.



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The Milk Price Crisis –
The Bigger Picture
Coming Soon...
Congratulations

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RECENT MAILINGS

Twice a month, Kingshay's farmer, consultant and vet members receive Farming Notes and a monthly checklist and have access to previous ones in the members' area of the website at www.kingshay.com. Here are some highlights from those produced in recent months:

Calf Weaning - How do you successfully feed high volumes of milk to your young calves without causing growth checks and compromising their immunity at weaning?

Green Manures & Other Crops to Improve Soil Health - Studies have shown that some crops, particularly green manures, could be a viable way to cut nitrogen input costs, build soil health and fertility, increase yields for future crops, all while contributing to the new BPS 'Greening' requirements.

Grass Mixture Selection - Are the varieties in your grass ley maximising production from your system?

Johne's Disease - Johne's is an increasingly prevalent and costly disease in UK dairy and beef herds, with the high number of tested false negatives leading to many underestimating how many of their cows are affected.

As part of a
silage quality trial
we are offering

FREE SILAGE ANALYSIS

Exclusively for members only

The first 100 samples of each grass, wholecrop and maize silage will qualify for this offer

Call

01458 851 555
to order your sample packs



20 YEARS OF SERVICE

Congratulations to our MD, Duncan Forbes who this month celebrated 20 years at Kingshay. In acknowledgement of his anniversary, we are sending him up, up and away in a hot air balloon ride over Somerset and on a photography course with the highly acclaimed Chris Gomersall. Many thanks for all your hard work, here's to the next 20 years!



STARLINGS UNDER CONTROL?

As autumn rapidly approaches, we must remind ourselves that between November and March, dairy farms are going to be inundated with migrant starlings attracted by exposed feed, water sources and open feed stores. The only option available to farmers is to make every effort to mitigate against the problem early, preferably before the migration period begins, as once feed sites are established, starlings will make regular and frequent visits to the same farm for the duration of the season.

Kingshay undertook DairyCo funded trial work in 2011-2013 to recommend the most effective control approaches, including:

The best and most cost effective control methods were shown to be:

Total exclusion i.e. using <28mm hole netting, mesh, fitted roller blinds and doors or ventilated wall cladding and covering outside feed troughs, clamps and open feed stores. This is not as expensive as you might think.

Changing the cows' feeding time from morning to afternoon, after the starlings have left the farm to roost.

Disturbance from farm labour, such as shooting to scare, rockets and gas guns, particularly early in the morning to prevent starlings from landing on farm.

Flying a bird of prey (Harris Hawk or Sparrowhawk) or using a falconry service.

With an infestation costing over £1 per cow per day, it is critical that this problem is tackled effectively. Timely actions and a little investment will pay dividends over the winter and ensure the starlings find your neighbours instead!

For more information, you can find the report at www.kingshay.com/shop/dairyco-starling-report-2013/



MILK FROM FORAGE BACK ON TRACK

The 2015 grazing period (so far) for herds using Kingshay Dairy Manager costings shows massive improvements in Milk from Forage, with figures around 20% higher in June/July compared to last year. This rise indicates an efficient use of grazed forages to help reduce reliance on purchased feed and lower costs of production. Milk yields in those months have also improved on last year, highlighting a good year to make the most of grass, particularly later in the season, with milk from forage figures similar to 2011. The flooding seen in summer 2012 and

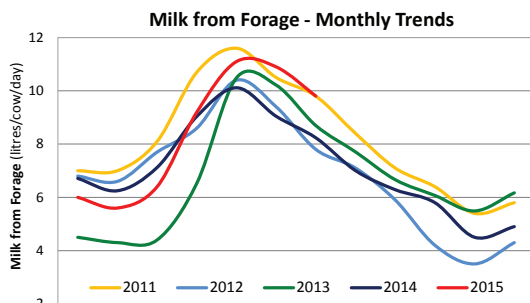
Monthly Results	May-15	Jun-15	Jul-15
Milk Yield (l/cow/day)	26.8	26.4	25.6
Change on last year	1%	3%	2%
Milk from Forage (l/cow/day)	11.0	10.8	9.8
Change on last year	9%	20%	19%
Milk Price (ppl)	24.4	24.3	24.5
Concentrate Use (kg/cow/day)	7.1	7.0	7.1
MOPF (£/cow)	£132	£124	£119

the cold start to the grazing season in 2013 corresponds with lower milk from forage figures (see graph below) during those periods.

Last year saw a peak in milk from forage in spring/early summer, but not as high as other years, even with typical grazing conditions for most farms. Low milk prices this year have undeniably concentrated the mind to make the most of farm resources and improve efficiency.

Kingshay's *Late Season Grazing Management* Farming Note offers tips on how to maintain these milk from forage levels by using buffer feeding and adopting a flexible grazing strategy.

For July 2015 monthly & rolling averages go to www.kingshay.com/dairy-costings/latest-results/



BACK ON HOME TURF

Thank you to everyone who came to see us at the Livestock Event and the Dairy Day and entered our competition in association with Farmacy and Healthy Hooves. If you missed it, **The Dairy Show at the Bath and West Showground on October the 7th** is fast approaching. Make sure you come and pick up your Kingshay mug!

LEAVE NO CALF BEHIND

When it comes to calf rearing, protocols are useful for ensuring that high standards are met and management is uniform, but it is important to still allow flexibility to respond to individual needs, as not all calves will perform identically.

The right weigh forward

In a recent Kingshay

trial, Holstein heifer birthweights ranged widely from 34-54kg. This emphasises that if farms are working under the assumption that all calves are 40kg and are choosing to limit feed a flat rate of 2 litres of milk twice daily, i.e. 10% of bodyweight, there may be some calves being significantly underfed and others overfed. Regular weighing can allow individual requirements to be better met, progress to be more closely monitored and sub-clinical disease challenge to be detected earlier.

Concentrate on intakes

Don't assume that all calves are ready for weaning when they hit the target age. Individual concentrate intake must also be factored in, as those not eating enough at weaning will have

TRY BEFORE YOU BUY

Bed shopping is not something you tend to do on an impulse. Bed showrooms are trawled, mattresses leapt on and opinions sought out. Here at Kingshay, we believe that this process is just as important when buying for your cows and this is why we set up our Cubicle, Mats & Mattresses Demonstration Unit. Over the years, there have been several new products installed (and removed!), giving us a unique insight into which are worth buying and which will stand the test of time. We have also had countless groups of farmers, vets and consultants through the doors wanting to compare and judge for themselves before making that big investment.

We have just published our updated 'Mats & Mattresses Tried & Tested Report'. With a score for each of the desirable properties one might want in a cow bed, this report carefully scrutinises each of the products to see how well they have coped during their time in this commercial dairy unit. This report is available to members only.

Due to herd expansion, the Demonstration Unit is being expanded this autumn with several new products on the market. Give us a call in the new year to request a tour.



underdeveloped rumens and may suffer health issues and growth checks. Calves should be consuming 1.5kg/day of concentrates for at least three consecutive days before weaning.

Blanket treatment

Plentiful amounts of bedding should be provided to allow calves to nest deeply and create their own microclimate. Calf jackets can also be a quick and easy additional way of mitigating against cold stress, particularly on smaller, weaker and more vulnerable calves.

The newly published *Calf Jacket Tried & Tested Report* is available to Kingshay members at www.kingshay.com



The new AHDB leadership team was announced last week, which is to include Tom Hind as Chief Strategy Officer. With an impressive CV, including roles as Agriculture Director for Tesco and Chief Dairy Adviser for the NFU, Tom is well placed to offer us his perspective on the current milk price crisis.

What are the main causes of the current milk price crisis?

The factors are clear for anyone to see - a collapse in global dairy prices, production exceeding profitable demand and exchange rates becoming more unfavourable in the UK. Added to this is the 'Arla' factor whereby moving to a common co-op price arguably increases the exposure of more British dairy farmers to EU market volatility.

So how much are retailers to blame for the situation?

Retailers are the industry's largest customers and play a significant part in its fortunes, but they aren't the only players. I completely understand the concern of dairy farmers who see their end product being 'devalued', but to suggest that discounting by retailers has led UK prices to fall is misleading and doesn't help dairy farmers understand the big picture.

If so much of our milk is sold fresh as liquid milk, why do global markets have such a big bearing on the domestic price?

We are still far too fixated as an industry on liquid milk. Whilst there

is a premium to secure milk for the liquid market, we have to remember the other 50% of production, which gets processed into traded products like cheese, butter, milk powder etc. When there's more milk being produced than there is profitable demand for these products, then prices will fall.

Consumers say they'd pay more for milk. Why don't retailers charge more?

Like it or not, liquid milk is a commoditised, homogenous product that many customers buy on price and convenience. It's also a regular purchase for the vast majority of households. If you can't compete on these terms there's a risk as a business you'll lose customers.

Are retailer aligned contracts sustainable?

The models may evolve but the fundamental relationships will remain. Having direct relationships with dairy farmers fulfils three key objectives: security of supply, sustainability and quality of production and protection of brand reputation. Those retailers that have been the target of public pressure this summer have had to respond to uphold the reputation of their brand in the eyes of their customers.

What about 'cost of production' models specifically?

It's impossible to speculate. CoP models have looked wildly out of line with market prices in the last 12 months and are seen by some as discouraging farmers from becoming more efficient. But they are transparent, predictable and allow retailers to communicate a clear and simple message to consumers.

Could we see similar arrangements in cheese and other dairy products?

The arrangements are more complex because we're dealing with less

homogenous products and it's less easy to see the security of supply argument given that cheese and butter, in particular, are tradable commodities. Nevertheless, if an aligned supply chain in cheese can deliver customers a better quality, more efficiently produced end product, it should make sense to develop an aligned supply chain.

What's the future for farmer-retailer relationships?

The most enlightened retailers will want to build deeper, stronger relationships with farmers giving producers greater certainty and confidence, but clearly not all will benefit and retailers will expect a return on their investment. How this translates will ultimately come down to customer and societal pressure as well as brand values. The critical issues in dairy will be around demonstrating high standards of welfare, tackling the issues around bull calves and addressing environmental sustainability challenges, like emissions from dairy farming.

Could a milk futures markets help dairy farmers deal with volatility?

There may be some confusion between futures and forward pricing. Futures could help with long-term price discovery but their development needs willing traders - currently the market is very thin. Forward pricing exists to an extent already in some retail contracts. To become more widespread requires customers (processors or end-users) to be prepared to take on more risk in underwriting a price commitment to farmers. The industry needs to demonstrate how this can bring benefits to everyone in the supply chain. There are benefits for all parts of the chain in greater stability but to achieve this requires those same players to be willing to miss out on the peaks as well as the troughs of volatility.

COMING SOON...

Our 2015 Forage Costings Report helping you to choose the most appropriate forages for your cropping system.

CONGRATULATIONS

Congratulations to Mark Verity from Clitheroe who was the lucky winner of our iPad prize draw, after completing the 'Cows In or Out?' survey!

