



Development farm walk

Financial planning during on-going farm development

Thursday, 29th September, 11am

John Dowd, Kilconly, Tuam, Co. Galway

Topics for discussion include:

Establishing goals based on current performance

Improving soil fertility to maximise grass growth

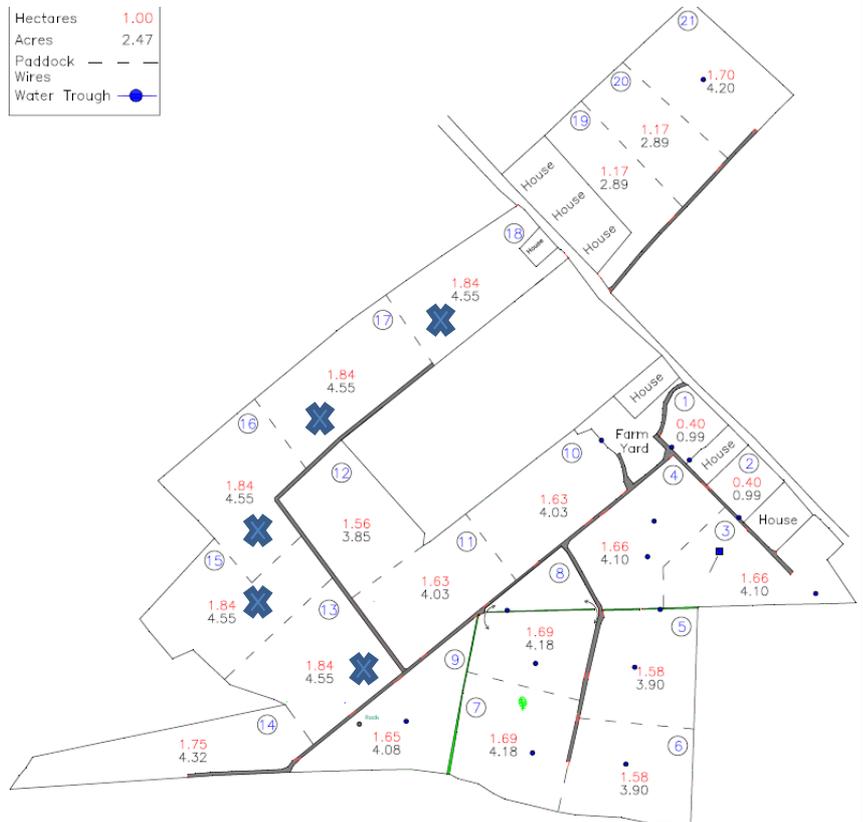
Achieving optimum heifer weights

Importance of financial planning for farm development



John Dowd

Over the last number of years John's dairy herd has increased from 70 cows in 2011 to 96 cows this year. Next year John hopes to build on this expansion and milk over 100 cows. He recently purchased land (10ha – marked X on the map) beside the milking platform which will cater for the increased herd size.



In 2015 cows produced 517 kg of milk solids (MS) (6,670L, 3.51% protein, 4.01% fat, 1200 kg MS/total farm ha) with total (fixed and variable) costs coming in at 21.4c/L. In recent years there have been more cows on the milking platform resulting in increased supplementation due to deficits in grass supply. In 2015, meal feeding accounted for 25% of total costs. This year the milking platform stocking rate (MPSR) has reduced to 3.0 LU/ha. With the reduced stocking rate this year a target has been set to reduce meal by 100kg/head – a potential saving of €2500.

With current total grass growth at 12-12.5 tonnes/ha John aims to increase the MPSR to 3.3 (105cows) while maintaining similar costs. There is potential to grow even more grass on the farm as currently soil fertility is poor on the farm; most of soils are low in pH and index 1 or 2 for P and K. Rectifying this issue has the potential to grow an additional 1.5t DM/ha.

Due to increased stock numbers John is short of cubicle space and plans to build accommodation for approximately 70 cows. A business plan has been developed that incorporates the recently bought land, additional cows and the additional facilities. The plan has projected that cash flow will be tight this year and next year and will ease in 2018.

Goals

1. Improve soil fertility; get the grazing platform into index 4 for P and K.
2. New slatted shed for cows.
3. Start contract heifer rearing to cut down workload and get more help in spring time.
4. Reduce the amount of meal fed to cows by growing more grass.

Farm Summary

Land and Stock - 2016

Land farmed (ha)	61	Cow numbers	95
Milking platform (ha)	32	Heifers 0-1	33
Overall stocking rate	2.1	Heifers 1-2	25
Milking platform SR	3.0		

Costs 2015 cent/litre

	John Dowd	Top 25% p.monitor		John Dowd	Top 25% p.monitor
Feed	5.99	3.47	Machinery	0.79	1.05
Fertiliser	2.00	2.44	Car/ESB/Phone	1.01	1.06
Vet	0.94	1.03	Depreciation	2.08	1.68
Ai	0.38	0.52	Hired Labour	1.05	0.84
Contractor	1.73	1.43	Leases	1.86	0.73
Other variable costs	1.69	1.74	Other fixed costs	1.88	2.08
Total Variable costs	12.73	10.64	Total fixed costs	8.67	7.31

Milk production - 2015

	John Dowd	Top 25% p.monitor		John Dowd	Top 25% p.monitor
Yield (L sold/cow)	6581	5832	Milk solids sold/cow	510kg	470kg
Protein %	3.51	4.21	Meal fed/cow	~1.2tonne	~800kg
Fat %	4.01	3.61	Grass used (tDM/ha)	10.6	11.4

Breeding - 2016

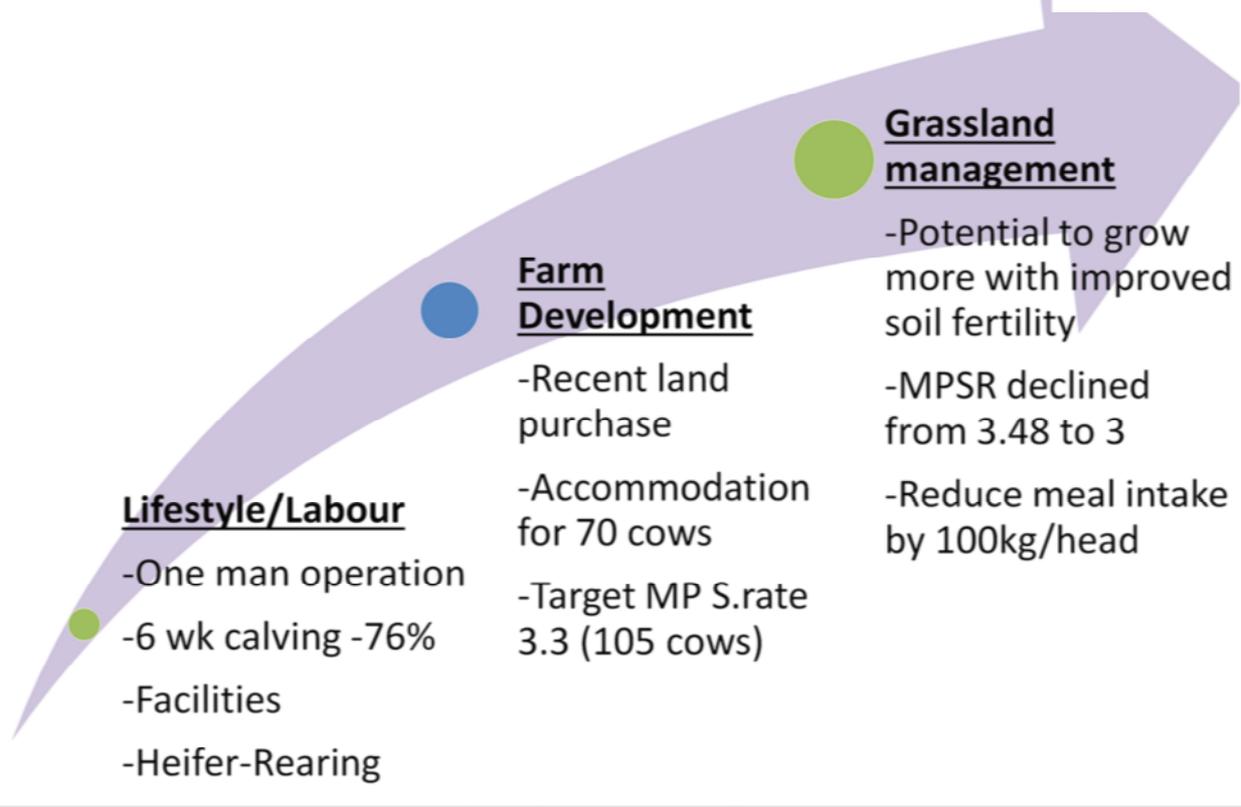
6 week calving rate	76	EBI	€151
Calving start date	29 th Jan	Milk SI	€66
Calving season	12 weeks	Fertility SI	€62
21 day sub. rate	72%	Avg. Heifer (0-1) wt	218kg
Empty rate-cows	15%	Avg. daily gain	0.8kg

Grassland management - 2016

AFC (kgDM/ha)	850	Meal (kg/cow)	3
Cover/cow (kgDM/cow)	287	Grass grown YTD	10.8 tonne/ha
Pre-grazing yield (kgDM/ha)	1050	Start closing	5 th Oct
Demand (kgDM/day)	45	60% closed	1 st Nov
Growth (kgDM/day)	55	Housing date	20 th Nov

Top 25% p.monitor = top 25% of farms ranked by net profit per hectare based on profit monitors completed in 2015

Moving Forward – Farm Goals



Heifer Management



Underweight heifers - **Less Milk** and **Underweight** for first 3 lactations

Oct to Mar
ADG 0.7kg/day



9 months
Oct
220kg
40% of LW



Mar to Feb
ADG 0.6kg/day



15 months
Mar
330kg
60% of LW



24 months
Feb - calving
550kg
90% of LW

FIX IT NOW!

- Separate Light/ Young calves
- Extra Meal 1 – 2 Kg
- TLC for winter
- Get out EARLY in Spring

Contract Heifer Rearing

- Guide cost €1-1.20 per day
- Free up Land, Time, Sheds
- Disease, operator
- Clear contract is important
- Can be win-win

Soil Fertility



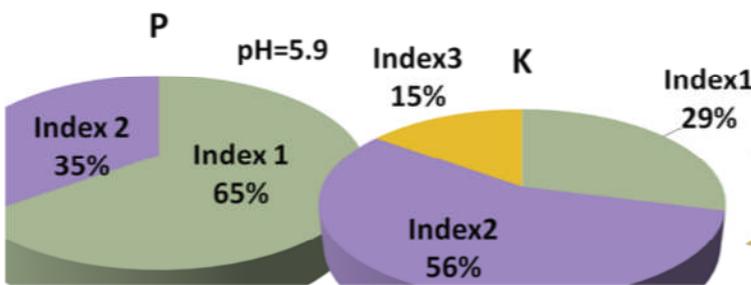
Poor Soil nutrition – Loss of >1.5t grass /ha/year = €300/ha



Build-up	Index 2	Index 1
	P – K advice	
Units/acre	8 – 24	16 - 48

! Cost per unit of energy

- Grass 7c/ufi
- Meal 27c/ufi



Why Lime???

- Optimum pH – 6.3
- More grass – 1t/ha
- More available N ~ 80kg
- More available P and K

Farm Finances and Development



Year	2015	2016	2017	2018
Total costs c/L -Fixed and Variable	21.4	20.66	18.78	17.8
Net profit c/L p.payments, drawings and tax	11.36	3.59	10.28	14.0

Securing Finances

