

# Dairy Start Ups

## Abigail Ryan

Teagasc, Animal & Grassland Research and Innovation Centre, Moorepark, Fermoy, Co. Cork

### Summary

- Since the abolition of milk quotas in 2015 a number of dairy conversions have taken place. In one co-op region up to 10% of suppliers are now new entrants to dairying. Dairy Start Up farmers have converted their owned or leased farms to a dairy farm.
- The reason why people are converting to dairying is because they want to ensure the family farm is sustainable into the future.
- The question many Dairy Start Up dairy farmers ask is what type of stock would you buy? Firstly, it's much easier to buy excellent quality stock in 2019 compared to ten years ago as nationally the herd has improved genetically (EBI 90+/cow) and cows are much healthier.
- Borrowings should be kept minimal and enough should be borrowed initially; don't depend on funding everything through cash flow, take on manageable debt you and the business can manage.
- Create a budget then get prices, many prices will overrun so have a contingency or rethink where the investment can be made to get best return.
- The 'big bang' approach is much better than slow expansion for two main reasons (1) easier to manage the farm if it's stocked higher (2) banks will give a larger amount day one rather than going back looking for a second amount.
- Grass measurement and soil fertility management is an area many dairy conversions struggle with.

### Introduction

A number of new dairy conversions have attended third level education and worked off farm in an unrelated career before converting. There is a high level of knowledge adoption within this group of farmers.

### Dairy Start Up course

Teagasc are running annual short Dairy Start Up courses for people thinking of converting their farms. It's a four day course based in Moorepark and a new dairy Start Up farm and in the local Teagasc region. The participants then attend the Greenfield Academy each month for 12 months learning the basics on grassland management. Click on <https://www.teagasc.ie/animals/dairy/dairy-expansion-service/dairy-start-up-course/> to register for the course.

### Lessons learned by recent dairy conversions

Select an excellent mentor to get the right advice. Travel to a high performing dairy farm that you can bench mark against. Working on a good dairy farm for a period is crucial. Dairy conversions will require a lot of time commitment and everyone in the family needs to be aware of this. Some are now joining really good dairy discussion groups a year before they start. Cost of set up on these farms was €2,500/cow (excl. stock). Second hand parlours were installed on some farms. Parlour decision was based on budgetary availability. Always, think of future expansion when designing the parlour and bulk-tank. Most of these farmers have sheds and slurry storage that can house the stock. The main investment is where the highest return is and that is from stock, grazing infrastructure, milking parlour and a bulk-tank.

## Challenges

One of the biggest challenges on the Dairy Start Up farms was sourcing the right type of stock. The Dairy Start Up farmers wanted a cow that was robust, healthy, and fertile. A high number of the Greenfield Academy participants choose to buy in-calf crossbred heifers.

On average, the first lactation animal will only produce 70–80% of the milk production of the mature cow (320 kg milk solids).

**Table 1. Criteria when purchasing young breeding stock**

	Friesian	Cross-Bred
EBI (in calf heifers/calves)	≥170	≥170
Fertility sub-index (€)	100	65
Milk solids (% B. fat/% protein)	+0.15/0.10	+0.20/0.15
Maintenance sub-index (€)	20	20
Health sub-index (€)	Positive	Positive

By selecting breeding stock using criteria in Table 1, will result in very high quality stock purchased (top 10%). Understanding the EBI report is crucial, hiring an independent person that understands the EBI is important. The local vet will be very helpful in the herd health decisions (check TB status). Nationally, **herd health** is good with BVD almost eradicated. The national Johne's programme is available which is highly recommended. Ask what management procedures the source herd has in place on Johne's management, particularly at calving.

**Animal behaviour** is also a key factor when deciding whether to buy cows or heifers. It's a little easier to train heifers in a herringbone parlour by letting the heifers through the parlour about two weeks before calving.

**Project planning** the conversion can be challenging due to planning permission, ESB, grant application, and banking delays.

## Conclusions

The abolition of milk quotas created a sustainable future for all the Dairy Start Up's farmers, which gave them the option to become a viable full time dairy farmer. In some cases partners were able to give up their full time employment to focus on their young family.

In order for the business to be successful the main areas to focus on are investing in the right stock, grassland infrastructure, develop the farm yard so that it can be labour efficient and phase the development depending on budgets.