

Having adequate high quality dairy replacements is a key requirement to achieving this target. Monitor farms increased their AI dairy straw usage from 1.57 straws/cow in 2008 to 1.70 straws/cow in 2009. The replacement rate of 26% included the additional heifers required to allow for expansion to 82 cows.

Table 3: Monitor Farm Herd Breeding and Fertility Performance.

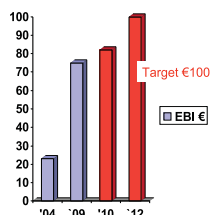
Table 3	2008	2009
Herd EBI €	70	75
Fertility Sub-index €	36	40
6 week calving rate %	67	66
Replacement rate %	26	26
Dairy AI Straws/Cow	1.57	1.70

Lessons Learned from Monitor Farms in 2009:

- On-off grazing was practised on a number of the monitor farms during particularly difficult grazing conditions and worked well.
- Dairy farms require a reserve of high quality feed. High quality bales made from surplus grass will help to provide this reserve.
- You can't have enough access points and roadways particularly on the heavier soil farms.
- Grass measurement gives you confidence and helps make better decisions.
- Having enough high quality AI bred dairy replacements is a key requirement to improving profitability on dairy farms.
- Sharing of experience within groups assisted in overcoming major challenges.

Breeding Outcome 2009

- Herd EBI = €75
- Milk sub-index = €31
- Fertility sub-index = €40
- Repl. Rate = 26%
- Days in milk = 276
- 6 week calving = 66%
- Median calving = 21 days
- Calving interval = 381 days



Advisory

KERRY AGRIBUSINESS Mission Statement

We will empower our client farmers with:

- The most up-to-date technical advice.
 - The financial expertise to set and achieve financial goals.
- The joint programme will:
- Promote profitable and environmentally sustainable farming.
 - Enhance the quality of life of all participants.

Joint Programme Activities:

The joint programme "Focus on Profit" generates and communicates information and skills for adoption by milk suppliers by implementing:

- A monitor farm programme comprising 26 monitor/support farms.
- A discussion group programme with 35 discussion groups in 2009.
- A grass budgeting programme with farmers meeting regularly to discuss issues relating to grass measurement and budgeting.

All suppliers are invited to participate in a range of meetings/farm walks throughout the year.

Kerry Agribusiness and Teagasc wish to thank all the programme participants for their cooperation and goodwill throughout the year. In particular, those farmers that held farm walks and discussion group meetings on their farms and supplied very valuable information on their farming system for the benefit of all suppliers.



April 2010



FOCUS ON PROFIT

Kerry Agribusiness/ Teagasc

MONITOR FARM FINANCIAL AND PRODUCTION OUTCOME

2009





Kerry Agribusiness /Teagasc “Focus on Profit” 2009 – Monitor Farm Financial and Production Outcome

The Joint Kerry Agribusiness/Teagasc Programme “Focus on Profit” has concentrated on improving the technical and financial performance of both monitor and supplier farms. Consistent with the Mission Statement the programme aims to increase farm profit by focusing on cost effective improvements in herd productivity and the achievement of optimum stocking rates.

The data in Table 1 shows the financial outcome (cent/litre) for 2009 compared to 2008 on 24 monitor farms together with the range in performance under the different headings.

Table 1	2008 c/litre	2009 c/litre	2009 c/litre (Range)
Gross Output	34.36	23.59	16.70 - 27.30
Total Variable Costs	11.11	10.62	7.85 - 15.75
Total Fixed Costs	8.62	8.14	4.95 - 12.18
Total Costs	19.73	18.76	14.20 - 25.32
Dairy Income**	14.62	4.84	-2.26 to 10.13
Milk produced per farm litres	411,734	402,344	-9390 litres

* Dairy income excludes direct payments and cost of own labour

Gross Output

- Gross output includes the value of milk, calves, cow sales less the cost of replacements/cow purchases, plus transfers to other enterprises
- In 2009 Gross Output was down by 10.8 c/litre to 23.59 c/litre.

Costs

- Total costs (excluding own labour) were 18.76 c/litre, a reduction of approx 1c/litre on the 2008 levels.
- Total costs/cow were €922 compared to €1,036 in 2008.
- Despite concentrate feed usage increasing from 766 kgs/cow in 2008 to 806kgs/cow in 2009, overall concentrate cost/farm was €2000 less due to the reduction in concentrate prices.

Dairy Income

- Income declined to 4.8 c/litre down from 14.62c/litre in 2008.
- Income/hectare (ha) on the milking block was €563/ha compared to €1755/ha in 2008.
- The Dairy enterprise returned a income of €19473 from an average herd size of 82 cows (this excludes direct payments and the cost of own labour).

Physical Performance on the Monitor Farms is shown in Table 2.

Table 2	SPRING CALVING HERDS		
	2008	2009	Diff
Cow Number	78	82	+4
Milk Yield (kg Milk Solids/Cow)	394	367	-27
Milk Yield/Cow (litres)	5252	4919	-333
Milk Protein %	3.43	3.36	-0.07
Milk Butterfat %	3.86	3.88	+0.02
Milk Solids (kg/ha milking block)	894	870	-24
Stocking Rate (cows/ha milking block)	2.27	2.37	+0.10
Grass utilised by cows (tonnes DM/ha)	8.90	8.80	-0.10

Herd Size

Herd size increased by four cows to an average of 82 cows/farm in 2009.

Milk Sales

Milk yield decreased by 333litres/cow or 27kgs milk solids per cow. This was due to the very difficult grazing conditions experienced on farms throughout the 2009 milk production year. The extremely poor growth in May (see grass growth graph) combined with limited forage feed reserves had a serious impact on the herd energy intake. This was reflected in milk protein levels of 3.36% compared to 3.43% in 2008, despite the input of over 800kgs of concentrate/cow on the monitor farms.

of maximising the production of milk from their holding by rearing replacement stock and securing winter feed on land outside the milking block. Stocking rate on the milking block increased from 2.27cows/ha to 2.37 cows/ha in 2009. Milking block stocking rate varies from 2.3 to 3 cows/ha depending on the nature of the soil and the level of perennial ryegrass in the sward.

Grass Utilisation

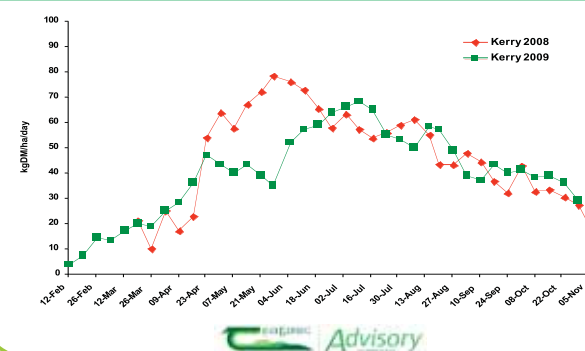
Despite the difficult climatic conditions in 2009 grass utilised was estimated at 8.8 tonnes dry matter per hectare on monitor farms. This compares favourably with the 7 tonnes of grass dry matter used on dairy farms nationally. However, a more realistic target for the group is 10t/ha utilised with lower concentrate feed input. In 2009 five monitor farms utilised more than 12 tonnes of grass dry matter/hectare.

Breeding and Fertility

Monitor farms have a breeding programme that aims to make progress in the key areas of herd fertility and milk solids production. The data in table 3 shows that herd EBI increased by €5 between 2008 and 2009

with the fertility sub-index now accounting for €40 of the herd EBI. One of the main breeding objectives is to achieve a 6 week calving rate of over 80%.

Kerry Grass Growth Rates



Milking Block

The area of land around the milking parlour (milking block) is one of the key limitations to increased production on dairy farms. Monitor farms are actively looking at ways