

# DAIRY

July 2023

## Top five tips July 2023

Edited by

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- **Finish AI and pull the bull:** stick to your planned breeding end date. Late calvers are much less profitable than early calved cows and are more likely not to go in calf in the following breeding season. It is easy to leave the bull in, but that decision will potentially cost you money next year.
- **Complete a fodder budget:** after the dry spell through June, some farms were forced to introduce fodder to maintain grass covers as growth rates dropped. Knowing where you stand regarding fodder for the coming winter can give you peace of mind in knowing you will have enough, but more importantly, if your fodder budget shows a potential deficit it gives you time to correct this.
- **Grass quality:** as grass growth recovers, continue to target pre-grazing yields of 1,300-1,400kg DM/ha. This will maximise the yield of milk off grazed grass and allow you to reduce meal inputs as grass becomes more available. Economic responses to meal feeding will be lower with mid-lactation cows being fed high-quality grass.
- **Walk your farm weekly:** over the last few weeks, farms have been running at lower covers due to dry weather. This has resulted in a flat wedge, i.e., all paddocks with similar covers, and also may have caused poor grass quality in some areas. Walk the farm regularly to keep grass quality and cover on target.
- **Prepare roadways for autumn:** autumn is a high-risk time for lameness. Prepare by examining and repairing road surfaces in high traffic areas, and on parts of the farm not grazed since spring. Clear grass verges to allow surface water to flow to the field, cut back overhanging branches, and remove debris from surfaces, bends and paddock access points. Re-surface damaged areas too. A day's fixing can make a big difference to herd hoof health later in the year.

## Cash flow management

Volatility in both dairy farm revenues and input costs over the last 12-18 months has been unprecedented, and has brought major challenges for farm management. For an average scale dairy farm for example, revenue for July milk alone will be around €9,000-€10,000 down on 2022, or back to 2021 levels. However, input costs remain significantly higher than in 2021, which will squeeze monthly cash balances on farm for the remainder of the year. As we begin to move past peak milk and peak workload, it is important to set out a finance/cash flow plan. Some important steps are:

- cash budget: complete a simple cash flow to cover from July until next April, considering likely farm income versus expenses and other financial commitments such as drawings, tax, and bank repayments – it will give a good indicator of the likely cash position until next spring and will allow you to make better decisions this autumn – speak to your Teagasc advisor for help;
- taxation: initial reports from farm accountants point to some very high income tax bills for 2022; sole trader farms may be most impacted – have you established your tax liability yet? If not, do so ASAP;
- feed reserves: direct and indirect feed expenses make up over 50% of cash costs on dairy farms – addressing issues here can have the biggest impact on total costs, so set aside adequate cash to fill feed deficits or plan to offload some stock earlier this autumn;
- labour costs: most dairy farms spend too little on labour – paying good wages to good quality employees in order to have a work-life balance is money well spent;
- capital expenditure: some farms have built up a healthy cash reserve and may try to fund all capital expenditure from cash, but consider the implications for cash availability into next spring – would a longer-term finance option be more manageable? Do the sums before work commences; and,
- machinery and repairs: the cash cost of small-scale repairs/maintenance jobs, and spending on additional machinery, can often be underestimated. Look at the full cash cost before commencing. Spend well on farm safety measures.



*Feed expenses make up over 50% of cash costs on dairy farms.*

## Relief milking – more than just holiday cover

We have surveyed quite a number of dairy farmers this spring to gauge labour structures on farm. While many dairy farmers employ someone to complete a number of milkings each week, our initial results show that many others have no 'set time off' in the normal week, and possibly only take a week's holidays in summer and some time in winter. Difficulty in securing relief milking is one of the main

reasons given – a high proportion of farmers complete two milkings per day even on their 'days off'. On the other hand, when prospective employees were surveyed, one of the main issues they faced is lack of regular work.

If this sounds familiar to you, it is worth considering this month how you can improve your situation regarding relief milking cover. The first step is to begin to look at milking cover not just as a cost per hour or per milking, but as an investment in your own time. **Table 1** outlines examples of how time can be freed up from a number of relief milkings, e.g., for around €8-10,000 of tax-deductible spending on wages, you can free up about seven to eight days a month.



*Look at milking cover not just as a cost per hour or per milking, but as an investment in your own time.*

You can use this time to take regular time off or to get development tasks done on the farm, depending on the circumstances. The key point though is that getting some milkings done creates more time than just the time spent milking; for example, if evening milking is covered then it frees up the entire day and not just the two hours spent milking. Another key benefit of regular milking cover is that you have someone who knows your farm and parlour. In the event that you are sick, etc., there are people who you can call upon at short notice. Finally, farmers with regular help in place find that students, neighbouring farmers and neighbours can work well for part-time work on dairy farms, but you must be proactive in seeking help.

**Table 1: Example of time saved by money invested in relief milking for average scale herd.**

Relief labour budget*	€5-6k	€10-12K	€15-18K	€20-24K
Approximate number of milkings	100	200	300	400
Percentage of milkings per year	15	30	45	62
Hours saved	250	500	750	1,000
Milking per 46 weeks	2.2	4.3	6.5	8.7
Time freed up to take time off or do other work	One day/week	2.2 days/week	Three days/week	4.5 days/week

\*For illustration only: table does not represent recommended rates of expenditure or pay – these are subject to individual farm circumstances.

## HEALTH & SAFETY

### Farm Safety Week 2023

July is the most dangerous month of the year on farms so extra vigilance is needed. A lot of hazardous work takes place, particularly with machinery, while safety for children needs special attention.

Farm Safety Week takes place commencing Monday July 17 with the following programme:

- Monday July 17 – launch of Farm Safety Week by a famous person;
- Tuesday July 18 – quad safety – new quad safety regulations;
- Wednesday July 19 – livestock handling – talks at marts and social media video on livestock safety;
- Thursday July 20 – long-term health – collaboration with the Irish Heart Foundation; and,
- Friday July 21 – farm safety heroes – nominate a farm safety hero to the Irish Farmers' Association (IFA).

Farm Safety Week is a collaborative campaign, initiated by the Farm Safety Partnership in the UK and led in Ireland by the IFA Farm Family and Social Affairs Committee. Make farm safety your priority during Farm Safety Week and every week.



Teagasc Director Frank O'Mara with Alice Doyle (Irish Farmers' Association).