

News

December 2016

WHERE'S THE MILK MARKET GOING IN 2017?

Following a painful period of low milk prices, the outlook for 2017 is a lot more positive. The big question is, how long will the recovery last?

As with other commodities, the dairy market fluctuates with supply and demand. With no milk supply controls other than price, 30ppl will encourage some to increase output. If output increases and production gets too high, the price will start to fall. Recovery can be expected to last until supply exceeds demand.

There is now a two tier contract system,

with producers either supermarket aligned or non-aligned. Those aligned have been insulated from low prices but are less likely to receive the highest prices as the market recovers. Their cost of production related contract has reduced exposure to extreme market volatility and enabled planning forward with more confidence.

As we go to press, two leading cheese producers have confirmed a supplier price of 30ppl for February, which will exceed the price of leading supermarket buyers and may well see further narrowing of the gap between the highest and lowest 10% of prices

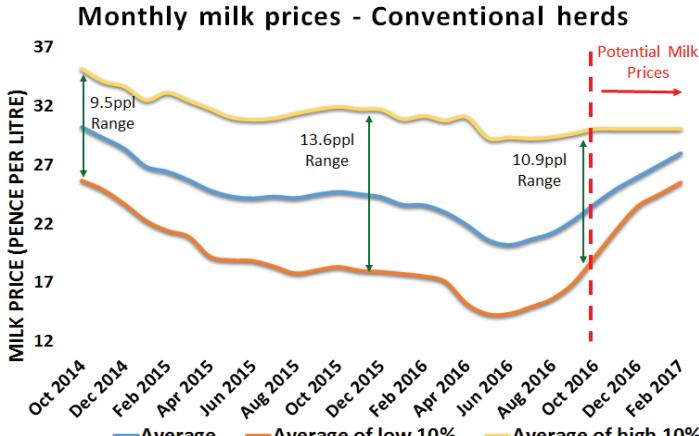
received (see graph, left). Those receiving the price should view it as an opportunity to build resilience, through reducing borrowings and opportunity to invest in increased efficiency.

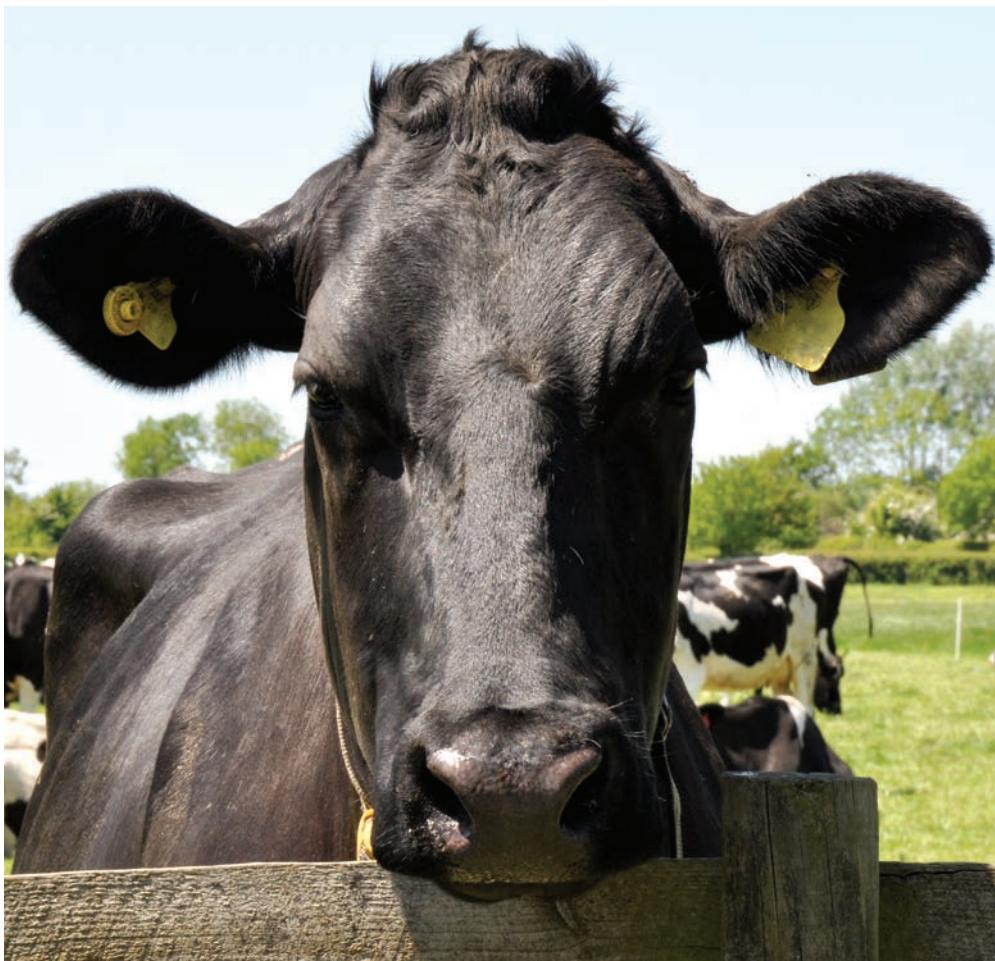
There is a challenge for other buyers with milk going into a diverse range

of products to deliver more, through continued investment and development of branded products which attract a premium now and when supply increases.

A milk price recovery is needed by many, but so too is continued forecasting of production to facilitate accurate budgeting. Non-aligned producers will be largely limited to controlling their own costs and efficiency, especially as widespread options for forward milk price contracts are not yet available.

Call us for details of how we can use our milk prediction program to accurately forecast your production and prepare a full farm budget for you using our recently developed AgriBudget software.





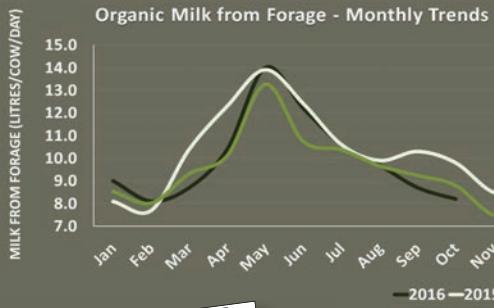
ORGANIC UPDATE

For organic herds using Kingshay Dairy Manager, rolling milk prices have stayed fairly buoyant, averaging 37.1ppl (year ending Oct 16), compared to 22.6ppl for conventional milk prices.

Organic milk from forage figures were similar to last year at 3,045 litres per

cow, however, the spring and autumn grazing periods showed lower milk from forage levels, despite a slightly higher peak in May.

The organic top 25%, ranked by milk from forage, achieved 3,860 litres/cow and the bottom 25% reached 2,011 litres/cow. The difference of 2.72ppl in feed costs between top and bottom 25%, works out as £27,705 for a 150 cow herd, yielding 6,800 litres per cow.



For further organic comparisons, contact Felicity Gale in the Dairy Manager team on 01458 851555.

FEELING THE PRESSURE?

Studies in the US have shown that you can have a big airy calf building, but pen walls, or other such objects, may actually be preventing fresh air movement at calf level and leading to stale microclimates and higher levels of airbourne pathogens. Positive pressure tubes have been around for years, but work carried out by the Dairyland Initiative at the University of Wisconsin-Madison means that they can now be designed bespoke to ensure that fresh air is delivered uniformly along the tube and to the penned calves, without creating a draught.

Kingshay Technical Specialist Laura Smith has been trained in designing these positive pressure tubes. Call 01458 851555 for more information.

WORKING TOGETHER

Kingshay are pleased to be supplying grass seed mixtures and dairy costings to Anglia Farmers.

If you are in a buying group, give us a call to discuss how Kingshay can help.

**working
together**



Kingshay are introducing grass seed mixtures for arable, beef and sheep leys, to add to our existing range of grazing, silage and organic mixtures. More details to follow in the spring.



Genomics

Genomic evaluation is a relatively new tool for breeding improvement but one that sits firmly in the future of dairy farming. Use of genomic testing for dairy bulls and dairy heifers have different management applications, would they be beneficial on your farm?

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:



FORAGE COSTINGS REPORT

The 2017 edition of the Kingshay Forage Costings Report provides a detailed insight into the costs of producing forage. The cost of forage has fallen since last year, largely due to the fall in the price of fertiliser and contractor costs, but conversely, feed prices have risen this autumn, increasing the value of protein and energy.

Available from www.kingshay.com

Kingshay Members can download a free copy



AgriBudget

Associate consultant David Owen has been using Kingshay's AgriBudget program for numerous clients over the past year, so we called to see how he's found it.

"I have used AgriBudget on a range of different dairy, beef and sheep farms. Data is entered on an enterprise-by-enterprise basis, in a logical manner that is simple to use, from a consultant's point of view, making the program suitable for both farming and non-farming enterprises."

Following up a budget is something we always recommend and the budget to actual monitoring is exceptionally straightforward, while the program offers a comprehensive range of professionally formatted reports.

I highly recommend the software and the support after purchase."

To find out more about how Agribudget can help you, call us on 01458 851555.



GRAZING GROUP NEWS

The farmers in Kingshay's 'Tor Grazers' discussion group averaged a 1.24ppl drop in feed costs this year, equating to a saving of £21,511 for the group average, while maintaining a similar yield to last year.

If you're interested in joining a grazing discussion group in your area this spring, so that you too can learn how to make better use of your grazing, contact John Bennett on 01458 851555.



COWS LIE ABOUT MAKING MILK

Cows produce more milk when they are lying down due an estimated 25% increase in blood flow to the mammary gland. Various research puts the increased milk yield at between 1 and 2 litres for every extra hour lying down.

However, this is a simplified view, as research results from the DASIE project, an Innovate UK funded collaboration between ICE Robotics, Kingshay, Harper Adams and Muller, has shown that lying times are heavily influenced by stage of lactation.

Freshly calved cows stand up longer than later on in their lactation, with the lowest lying times shown to be around 30 days after calving. The reasons for this are unclear but it is likely that increased feeding time to satisfy early lactation energy requirements, alongside adjustments to early lactation metabolic changes, are heavily influencing this. This shows the need to optimise management of early lactation cows for at least the first 5 weeks of lactation by ensuring they get given priority for feed and feed-space, spend the minimum amount of time waiting to be milked and ensuring that lying comfort and opportunity is maximised.

More data from the DASIE project will become available to Kingshay members over the coming months.



TOP OF THE CROPS

The 2017 Maize Variety Report is now out! With an eye-watering difference in value achieved of £181 per acre on the intermediate sites and £196 on the marginal site, it is worth using your report to pick the right variety for your farm.

Alternatively, see the variety selector on our web site at www.kingshay.com



GOT A TECHNICAL QUESTION?

E-mail our dedicated technical team at ask.us@kingshay.co.uk

Managing Price Volatility

Milk price volatility is here to stay, but prudent financial planning can go some way to mitigating the short term effects of price change and will build flexibility into maintaining and developing a business.

Farm Security

In recent months, there have been numerous high-profile farm thefts in the press, including several cases of livestock rustling. Rural theft costs an estimated £42.5m in the UK during 2015 – what can you do to avoid being another statistic?

ENCOURAGE YOUR FRIENDS & NEIGHBOURS TO JOIN - THE MORE MEMBERS WE HAVE, THE MORE INDEPENDENT WORK WE CAN DO FOR YOU.

GET TO KNOW A FELLOW KINGSHAY MEMBER



Claire Howlett farms in partnership with her brother Daniel at Wicton farm, Herefordshire, where they average 8000L from their 120 organic Holstein Friesian cows. The cows are paddock grazed from late February until late November, with a target 9-week autumn calving block. Wicton farm is very interested in knowledge transfer and regularly hosts young students

on dairy work experience placements where they can learn about organic dairy farming.

Claire and Daniel decided to join Kingshay in July 2015. Claire said that "after researching different options, becoming a member of Kingshay seemed the best and most flexible choice. One of the many reasons is the wide knowledge that exists within the Kingshay team that can be drawn upon as many times as needed. We find access to this impartial and practical advice most useful and in addition, we are slowly building up a reserve of articles, studies and information that we receive on a monthly basis.

"As an OMSCo milk producer, 2017 is looking very positive for Wicton Farm.

We firmly believe less is better and we will continue to focus on attention to basic detail. Our organic cows have simple tastes - they naturally expect the best in everything!"

Make sure that you send your membership feedback survey to us and let us know how we can help you get more from your membership!



Claire Howlett with her brother Daniel (left) and their farm in Herefordshire (above)



REFLECTIONS OF A CONSULTANT

Kingshay consultant John Bennett talks about what he is seeing out on farm with his clients at the moment.

"Business and budgets are the hot topics at the moment. There is a definite air of positivity amongst clients as we start to see a steady improvement in milk price. With the majority of budgets working to a 20ppl milk price, there is growing confidence that income actuals will outperform budgets by the end of the financial year. This optimism is opening up discussions around reviewing contracts, as options to move milk buyers are presenting themselves. It is also creating the opportunity for a review of business direction, as

the prospect of an income surplus later in 2017 could open up new opportunities."

"I use the Kingshay milk forecasting tool with clients because it consistently delivers accurate predictions. We use these to meet milk buyer requirements and as the foundation for full farm budgets for which I use Kingshay's excellent Agri Budget software."

Could you benefit from an independent pair of eyes to help you assess and review your business?

Call the office to discuss our One-to-One consultancy options.

01458 851555



DON'T MISS OUT

Have you got your 2017 Year Planner?
Do you need more copies?
Give us a ring and we will post them to you.

01458 851555

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