

Better Use of Grazing is the Key to Lower Costs

P&L AgriConsulting have just collected their largest sample of data from across its client database, focussing on costs of production through Cheshire, Shropshire, Staffordshire and bordering farms.

Contrary to some popular beliefs, we found that there was very little correlation between individual cow yields and cost of production. However we did find a strong trend suggesting that increasing yield per forage hectare significantly reduced cost of production per litre. As a guide, the survey showed that with every increase of approximately 300 litres per forage hectare, the overall production cost was reduced by about one pence per litre.

This is irrespective of total yield. The top 25% of business's, with the lowest cost of production, ranged from yields of 4,700 to 9,200 litres per cow. Why? These top 25% producers put a very high value on grazing grass, and see it as an essential tool in reducing cost of production. The majority of these top 25% measured their grass using a plate metre, or this was done regularly by their P&L Consultant – the benefit is that grazing was planned, and there was clear focus on both production and cost while allowing the cows to be fed for maximum profit.

Measuring and assessing grass volume and quality allows forward planning and reduces uncertainty caused by factors outside your control (like the weather). Another key factor for the best producers was good field access - vital when utilising grass to its maximum potential. The result is that with the correct infrastructure in place you can increase grazing days which in turn leads to the highest yield at the lowest cost of production and better profit.

The clear message from these results is that every system should take advantage of the benefits of grazing grass as it will lower the cost of production – done correctly it will not reduce the yield.

The survey looked at all costs and irrespective of the milk price, it is vital that the cost of production on farm is looked at and assessed individually. All businesses must surely use benchmarking techniques to highlight both strengths and weaknesses. How else will you know just how well, or badly, you are doing?

More detailed data is due to be released soon, with a focus on how practically farmers can reduce their cost of production.

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