

PASTURE SUMMIT 2018 - ANSWERS TO QUESTIONS POSTED ON SLI.DO APP Day 1 – Panel Discussion – Various Speakers	Event / Session
<p>Question: How do we move to lower cost system when a lot of capital is already spent Any ideas for us?</p> <p>Answer: I'm sorry to provide an Irish solution....but don't overspend on capital.</p>	<p>North Island - Panel Question Answer provided by Brendan Horan, Moorepark, Teagasc</p>
<p>Question: Why grow more grass when most farmers struggle to maximise the utilisation of what we already grow?</p> <p>Answer: I agree with this there is no point in growing more grass which presumably costs more money if you don't utilise it – If I wasn't clear, it's not about growing more grass it's about harvesting (utilising) more grass first and foremost an outcome of this will be growing more grass.</p>	<p>North Island - Panel Question Answer provided by Robert Ferris, Dairy Farmer</p>
<p>Question: For young farmers wanting to save money to be able to eventually buy a farm, what would you advise, sharemilking, 50/50, contract milking, farm managing etc.?</p> <p>Answer: Whatever grows your equity and knowledge the quickest. Managing under the right person will be your quickest way to grow knowledge (cows and grass). A bigger operation will grow your people skills. Once you understand how all this interlinks with the financials , contract milking will put you in charge of your own business. From here you'll have all the skills you need to start your pathway into farm ownership whether equity partnership or on your own accord.</p>	<p>North Island - Panel Question Answer provided by Robert Ferris, Dairy Farmer</p>

Question: I can buy barley for 30c/kg. I get 100g MS from it. So it's profitable until milk price is less than \$3.

Answer: A milksolids response of 100 g is very high and would only occur if Barley was being fed during a true feed deficit, i.e. cows eating down below 1300 -1400 kg DM before you added in the supplement.

It is better to budget on an average response of 80 g/kg DM, which is the average response to feeding supplements from the last 12 years of DairyBase and is consistent with research studies (70 – 80g MS/kg DM).

When calculating the break-even milk price, you need to consider the DM % and the true cost of feeding the supplement, not just what you pay for it to be delivered.

If barley costs you 30c/kg wet weight delivered, then this equates to 33c/kg DM offered (30c/kg wet weight ÷ 90% DM = 33c/kg DM)

Analyses from the last 12 years of DairyBase, in conjunction with international data sets from UK and Ireland indicate that for every \$1 spent on purchasing supplementary feed, the total cost to the business is \$1.50.

So 1 kg DM barley delivered for 33c/kg actually costs the business 50c/kg DM fed (33 x 1.5 = 50)

So, if you budget on an average response of 80 g MS and a cost to the business of 50c/kg DM, then it is only profitable to feed this barley when the milk price is more than \$6.25.

The DairyNZ Supplement Price Calculator allows you to compare different feeds fed in different scenarios to determine what profit margin you may get from these.

<https://www.dairynz.co.nz/feed/supplements/supplement-price-calculator/>

South Island - Session D
Answer provided by Jane Kay,
DairyNZ

Question: What research has been done around OAD and the effects/benefits to pasture based systems and overall profitability?

Answer:

In terms of a 'short' answer, OAD effect on production depends on a number of things, e.g. level of production, breed, BW etc. The decrease can range from 0% up to -17% for high producing cows. There are clearly reproductive benefits as well as of course the decreased milking time and increased flexibility of being able to milk at any time. Whether this is more/less profitable depends very much on farm specific factors but mainly hinges on expected level of production loss and ability to save costs. E.g. a farm doing 300 kg MS/cow with a $\leq 5\%$ change in production doesn't have to reduce costs by much to make it work. A farm doing ≥ 400 kg MS/cow is going to have to work a lot harder with a $\geq 15\%$ change in production – equally this kind of herd may have a greater ability to strip out cost (e.g. if putting in a lot of feed) but may also not (e.g. irrigation or debt servicing costs in Canterbury – unless it means they can sell a house they no longer need to reduce debt). Main opportunity for cost saving is labour but this varies from farm to farm. Another big opportunity for the South Island, which people don't always think of is the potential to reduce wintering costs, e.g. if they are drying off at a greater condition score then less feed required over the winter – the key here is to be paying on a \$/kg DM basis not a \$/head/week – otherwise you aren't going to save anything!

For more information refer to the website:

www.dairynz.co.nz/full-season-OAD

and the following research papers:

<https://www.pasturesummit.co.nz/wp-content/uploads/2019/04/Paul-Edwards-OAD-Paper-Dec-2018.pdf>

<https://www.pasturesummit.co.nz/wp-content/uploads/2019/04/Paul-Edwards-OAD-Paper-Feb-2018.pdf>

**South Island – Panel Question
Answer provided by Paul
Edwards, DairyNZ**