

Issue 54

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# Milk Manager NEWS



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## Market Update

### UK Wholesale Dairy Commodity Market

- Fonterra's latest on-line GDT auction (2<sup>nd</sup> May) resulted in a 2.5% increase in the weighted average price across all products, reaching US \$3,506/t. This follows a 3.2% increase at the previous auction on the 18<sup>th</sup> April. Prior to that, the last four auctions all returned negative results. At the most recent auction, whole milk powder (WMP) and cheddar were the biggest movers, with WMP up 5% to \$3,230/t and cheddar up 4.5% to \$4,561/t. Only anhydrous milk fat returned a negative price movement (-2.4%) from the previous auction. Full results are available at <https://www.globaldairytrade.info/en/product-results/>
- Domestic prices for dairy commodities fell over the last reporting period with prices back on average between 3-9% for butter, cream, skim milk powder (SMP) and mild cheddar. As the spring flush approaches, buyers are holding off, awaiting lower prices, and sellers are unwilling to discount price much further due to current high manufacturing costs, so trade has been fairly quiet. So far, the cold, wet spring has delayed grass growth and so there could be a delay to the timing of peak production.

Commodity	Apr 2023 £/t	Mar 2023 £/t	% Difference Monthly	Apr 2022 £/t	% Diff 2023-2022
Bulk Cream	£1,518	£1,610	-6	£2,612	-42
Butter	£3,920	£4,060	-3	£5,890	-33
SMP	£2,020	£2,230	-9	£3,430	-41
Mild Cheddar	£3,550	£3,670	-3	£4,520	-21

Source: AHDB Dairy - based on trade agreed from 23<sup>rd</sup> Mar - 24<sup>th</sup> Apr 2023. Note prices for butter, SMP and mild cheddar are indicative of values achieved over the reporting period for spot trade (excludes contracted prices and forward sales).

Bulk cream price is a weighted average price based on agreed spot trade and volumes traded.

- Markets for butter and cream have been relatively quiet over the last few weeks, with domestic demand for cream diminishing, despite strong demand on the continent back in March. The drop in butter price has been relatively small (-£140/t) and issues with availability (due to cold storage availability) in March may have curbed production, which has perhaps prevented the price from falling further.

- SMP showed the biggest percentage price drop on the back of plentiful stocks and global demand remaining weak. With the spring flush approaching there are no concerns over product availability.
- Consumer demand is also affecting mild cheddar prices, with retail price inflation reducing customer spending on dairy products, and more consumers moving away from branded products to cheaper supermarket own-label products.
- The market indicators AMPE and MCVE continue to fall for April, with AMPE dropping 2.74ppl to 31.81ppl and MCVE by 1.79ppl to 37.56ppl. AMPE (Actual Milk price Equivalent) indicates the value of milk used for butter and SMP production is now considerably below the current liquid standard litre prices from the main processors, whereas the MCVE (Milk for Cheese Value Equivalent) price reflects the value of milk used for mild cheddar and whey powder/butter and is much closer to current prices dairy farmers are receiving with a manufacturing contract.

	Apr 2023	Mar 2023	12 months previously	Net amount less 2.4ppl average haulage – Apr 2023
AMPE	31.81ppl	34.55ppl	56.32ppl	29.41ppl
MCVE	37.56ppl	39.35ppl	51.98ppl	35.16ppl

Source: AHDB Dairy

- The Milk Market Value (MMV) of milk fell a further 1.92ppl to 36.41ppl from March to April. As farm-gate prices tend to mirror MMV prices in 3 months time, milk prices could be set to fall further this summer.
- Defra put the UK average farm-gate milk price at 45.98ppl for March 2023, down 2.32ppl (4.8%) from February and 23% higher than March 2022. The UK volume for March was 1,320 million litres, 15% higher than February and 0.8% more than March 2022.
- For the week ending 5<sup>th</sup> May, cream was trading around £1.45-£1.48/kg ex works, with the export market returning £1.50/kg. Prices on the continent were slightly higher, with the EU cream price at £1.55-£1.60/kg ex. The price for spot milk was 20-21ppl to sell but 25-28ppl delivered to buy.

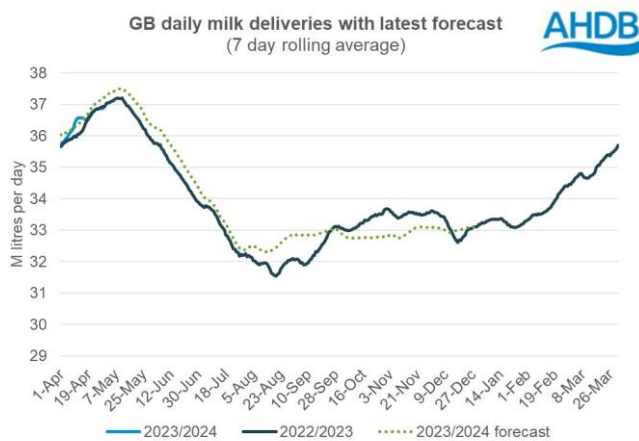
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## Monthly Price Movements for May 2023

Commodity Produced	Company Contract	Price Change from Apr 2023	Standard Litre Price May 2023
Liquid & Cheese	<b>Arla Farmers UK</b>	-2.54ppl liquid -2.65ppl manufacture	35.54ppl liquid 36.99ppl manufacture
Cheese, Liquid & Brokered Milk	<b>First Milk</b>	-3.4ppl	39.29ppl manufacture
Cheese	<b>Fresh Milk Company (Lactalis)</b>	-2.2ppl liquid -2.28ppl manufacture	37.30ppl liquid 38.31ppl manufacture
Liquid & Manufacture	<b>Grahams</b>	No change	38.0ppl
Liquid & Manufacture	<b>Müller Direct</b>	-2.5ppl	39.75ppl (includes 1ppl direct premium & -0.25ppl Scottish haulage charge)
Liquid & Manufacture	<b>Müller (Co-op)</b>	-0.82ppl	42.15ppl
Liquid & Manufacture	<b>Müller (Tesco)</b>	+1.01ppl	43.51ppl
Liquid, Powder & Brokered	<b>Yew Tree Dairies</b>	-3ppl	39ppl Standard A litre price

## GB Milk Deliveries and Global Production

- For the week ending 29<sup>th</sup> April, deliveries were up 0.4% on the previous week with a daily average of 36.91 million litres/day. Deliveries are now 0.1% behind the same week in 2022, equating to 20,000 litres/day less.



- Global milk production has also been increasing. Data for milk deliveries from the key seven producing regions show that February production was up 0.8% (to 816.6 million litres/day), equivalent to an extra 6.2 million litres/day compared to February 2022. Increases in production for February came from the UK (+2.1%), EU-27 (+0.9%), US (+0.8%) and New Zealand (+2.3%). Both Argentina and Australia showed production declines, with Australia back 5.3% due to wet weather and flooding in December affecting Victoria and New South Wales, with production in these states being the lowest in 10 years.

## Other News

- A number of processors have already announced further price cuts for June:
  - Yew Tree - 1ppl cut bringing their liquid standard liquid down to 38ppl.
  - Lactalis - 1.5ppl cut bringing their liquid standard litre down to 35.8ppl and 1.56ppl cut to their manufacturing standard litre to 37.25ppl.
  - First Milk - 1.4ppl cut, bringing their manufacturing standard litre down to 37.89ppl.
- Sainsburys producers are seeing their cost of production decline, with a further 0.77ppl cut from June, following a 0.99ppl cut in May. This takes their milk price down to 42.14ppl for a Müller supplier. Compared with May, the cost tracker put feed, fuel and fertiliser for June back 0.71ppl to 18.55ppl (feed 15.61ppl, fuel 1.21ppl and fertiliser 1.72ppl). This drop was mainly due to protein and cereal prices falling over the previous month. Looking forward, the forecast for July and August is for the cost of production to drop further by 0.7ppl and 0.5ppl respectively.
- Tesco are holding their current price of 43.51ppl for June and July with their next price move potentially from 1<sup>st</sup> August.
- The current rapid decline in milk price coupled with the strong beef price will not incentivise farmers to try and increase milk output, and any unfavourable weather events will likely reduce output further. Looking forward to the second half of 2023, the probability of falling feed prices post-harvest and lower fertiliser and energy prices, means that next winter will be more



encouraging for milk production than this summer. The futures market is currently indicating that milk prices will likely settle down around the mid-thirties within the next two months.

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## Straights Update

### Global News

- Global wheat prices continue their decline with the main driver being the volume of Russian wheat exports and favourable weather conditions being reported across wider Northern Hemisphere crops (the US winter wheat crop is reported as showing improvement, up 2 points at 28% good to excellent). In April, Russian wheat exports were approximately 5mT, with their season total so far being just over 37mT. It is thought that the end of season total by 30<sup>th</sup> June will be over 44 mT. All this is weighing on prices longer term with domestic futures following global price movements down of late. For the w/e 5<sup>th</sup> May, London wheat futures for old crop were nearly half the peak price seen in May 2022.
- It is not yet known whether the Ukraine Black Sea export agreement will be extended from the 18<sup>th</sup> May. With Russia blaming the recent Kremlin drone attack on Ukraine, the outlook for extension is not looking promising. The most recent news that Russia is now blockading vessels inbound for loading Ukrainian grain could spike the markets over the coming days.
- As of 26<sup>th</sup> April, grain exports from Ukraine have dropped by 9% year-on-year to 41.6mT. Wheat and barley exports were down 22% (to 14.4mT) and 57% (to 2.5mT) respectively, while maize exports were up 15% (to 24.4mT). Their grain harvest is estimated at 44mT this year, which is 9mT less than in 2022 and nearly half of their record grain harvest of 86mT in 2021, according to an Ag Ministry official.
- The 2022/23 soyabean production estimate for Brazil is 157.7mT - a record crop for the country. Their exports continue to saturate the oilseed markets, with April exports reported at 14.34mT (2.87mT higher than April 2022), resulting in falling soyabean meal prices. As of the end of April, their harvest was 94% complete.

### UK and Scottish News

- As we head further into the growing season with increasingly warmer days and nights, crops are accelerating through the growth stages and we are gaining a clearer picture of this year's crops yield potential. AHDB's most recent GB crop development report puts winter cereal crops current potential ahead of that perceived. The winter wheat crop was rated 88% good/excellent condition up to the w/e 25<sup>th</sup> April, above the 84% reported this time last year. However, recent wet weather means that Septoria and other diseases of cereals could be more prevalent, especially in areas where fungicide applications were late. Winter barley crops have also rated well, with 90% in good/excellent condition (up from 84% this time last year).
- Spring plantings have been delayed across all regions of Great Britain, with unsettled weather conditions throughout March and April. It is estimated that plantings have been delay by one month on average.
- Oilseed rape ratings have not fared quite so well as cereals, with 66% of the winter crop in good/excellent condition, down from 70% last year for the w/e 25<sup>th</sup> April. The main problem has been from cabbage stem flea beetle and some pigeon damage in certain regions. In the worst affected areas, these crops have been replaced with spring beans, barley or oats.
- Domestically we are seeing more home-grown grain still on farm and held in stock by merchants, co-ops and ports compared to last year; in the case of barley, 22% more. The reduction in compound animal feed manufacture over the last nine months remains 6% lower compared to 2021/22 levels and will invariably have a part to play here. Trade reports another slow week for feed barley markets, with consumers seemingly well covered for old crop and uninterested in engaging on new crops just yet. Likewise, farmer selling is reported as slow for both crop seasons. Export interest has also been lacking as the UK struggles to compete against other EU origins, particularly for the harvest position.
- European oat markets have seen a slight rise in buying activity of the past few weeks. Spain has been the main buyer following concerns over

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the effect of dry weather on the coming harvest. Sales from the UK and Baltics have filled the Spanish buying demand but here in the UK milling and feed markets remain hard to find for both old and new crop positions as feed oats look expensive compared to other feed grains.

- Ex farm prices for cereals and proteins are as follows:

Time period	Feed barley	Wheat	Beans	Oilseed rape
	£/t	£/t	£/t	£/t
May '23	177	188	240	370
July '23	179	191	245	370
New crop '23	170	190	230	370
Nov '23	174	198	240	380

Source: Gleadall, United oilseeds, Bloomberg

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## Making Smart Culling Decisions

Given the fall in milk prices since the start of the year and input costs still relatively high, it is really important to ensure that every cow in the herd is paying her way and that any culling decisions are based on sound financial information.

With current high cull cow prices, it may be that culling is more profitable than trying to treat a problem cow. Assuming that the replacement animal is more productive than the one she is replacing, if the cost to rear dairy heifers or to buy in replacement heifers is less than the cull cow price, then it should be more profitable to increase your replacement/culling rate.

Being able to put a financial value on every cow can help with deciding whether a cow should be considered for culling. As a crude measure, a cow's net value can be calculated from the following:

**Cow value = (milk price x milk per lactation) – (cost of feed for the year, including both lactating and dry period feed).**

If the value is negative, the cow is costing more in feed than she is earning the business; time to cull

her. Alternatively, calculating the amount of milk a cow needs to produce each day to cover her feed costs can also provide a benchmark to assess current performance against feeding/keeping cost.

**Daily litres of milk needed to cover feed cost = (current daily cost of feed/milk price)**

For example, a M+30 litres TMR ration with the following feeds and prices/T costs £4.16/cow/day.

Feed	Cost/T (£)	kgs/cow/day
Grass silage (30% dry matter, 11ME and 13% crude protein)	40	44
Draff	40	8
Bruised barley	195	3.5
Hipro soya	500	1.2
Rapeseed meal	355	0.8
Sugar beet pulp	365	1
Dairy mineral	1000	0.15
<b>Cost/cow/day</b>	<b>£4.16</b>	<b>Dry matter intake = 21kg</b>

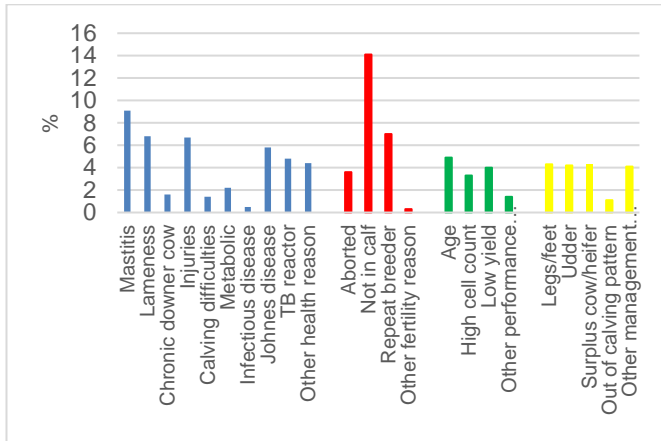
Therefore, at a milk price of 38ppl, the break-even daily litres needed to cover the feed cost is £4.16/0.38 = 10.9 litres, excluding the cost of putting her through the parlour. If a cow's production is below this benchmark of 10.9 litres, she is not covering her feed costs and a decision can be made whether to cull her or dry her off early.

Obviously, reproductive status will influence culling decisions. While feed costs can make up nearly 70% of variable costs, additional costs of keeping a cow, including health and fixed costs, should also be taken into account and equated to the extra milk required to cover those additional costs.

Aside from health issues, poor fertility is one of the biggest reasons for culling according to Kingshay (see following graph). Therefore, identifying cows not to breed from should be done in early lactation so as not to incur the costs associated with breeding animals that are not likely to get in calf. This includes cows with any abnormalities of the reproductive tract, those that are still empty after multiple services (or had multiple services in the previous lactation) or are chronic high cell count cows. These cows should be milked until the value of their milk yield drops below the feeding/keeping

cost of that animal, at which point they should be culled.

## Reasons for cows leaving the herd



Source: Kingshay Dairy Costings Focus Report 2022

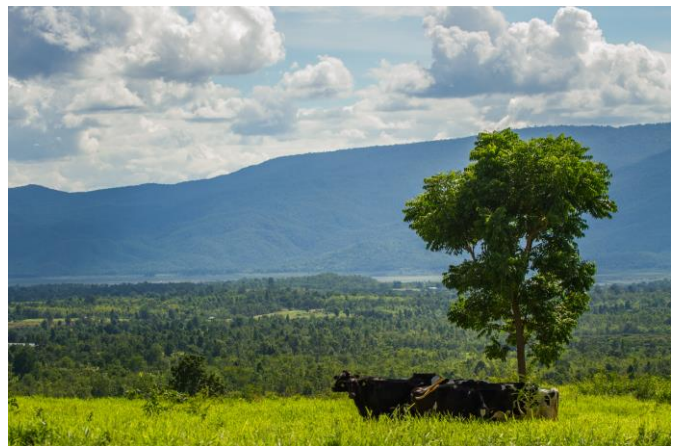
Other factors to take into account include:

- **Availability of replacements.** This will depend on whether they are home-bred or purchased and use of sexed semen. If there are insufficient heifers available, culling may not be the best strategy. In theory, heifers should be of higher genetic merit than your cows so it is worth remembering a cull cow will be replaced with a genetically superior animal.
- **Where does she rank in the herd?** Some software packages allow you to rank your cows, taking into account many factors, not just milk yield. When the opportunity for voluntary culling arises, this helps identify the least profitable cows to cull and treatment decisions i.e., you are more likely to treat a cow with mastitis if she is ranked 5<sup>th</sup> in the herd as opposed to a cow ranked in the bottom 10% of the herd.
- **Health records.** Good health records are valuable for basing culling decisions on.
- **Time management.** Is she adding to hidden costs e.g., additional time spent administering health treatments or extending milking times for relatively small amounts of milk?
- **Work to your target herd size.** Herd size is controlled by culling and your target should take into consideration limiting factors such as labour, feed space, housing space and land availability/forage production potential.

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## Get In On The Green

For a number of years now we have seen land prices driven to historic highs, pushed by incentives around tree planting and as a consequence, productive farms have been lost to the industry and new entrants have seen their opportunities to enter the sector shrink. You might therefore conclude that tree planting is a problem and that you want no part of it, but that is not the message you should take from this article. Instead, it should prompt the questions, "How can I normalise trees in the farmed landscape?" and "What is in it for me and my herd?"



For starters, Scottish Government have set targets for increased tree planting across the country and that target has only been going up in recent years, partly to tackle the issue of climate change and partly to create habitats and connectivity across the farmed landscape. This matters for the dairy sector, for one, while carbon footprints within the dairy sector tend to be lower per kg of output, emissions also tend to be high in comparison to beef and sheep units. Secondly, as Scottish Government pivot away from low carbon footprints to low emissions, it is in your benefit to soak up as much carbon as you can. For each hectare of land planted, a farm could expect to offset their emissions to the tune of 10,890kg CO<sub>2</sub>e per hectare (agrecalc, 2023) or 4kg per metre for those with hedges.

But move over climate change, because we also have a biodiversity crisis we are being asked to handle too, and in that regard, small scale tree planting can be an effective way of achieving high nature value for minimal cost, operating or otherwise. In December 2022 the Scottish Government published the first draft of their biodiversity strategy for 2045, outlining some fairly



radical moves to link basic farm support to nature outcomes. I would encourage everyone to have even a brief look over it if you can as the direction of travel is clear, even if the fine details are not. Broadleaf is by and large the way to go for those looking to achieve a positive nature outcome. However, open grazed wood pasture offers tremendous opportunity for pollinators, farmland birds, small mammals and in the riparian environment, amphibians, and in the nature context is generally preferable to commercial conifer woodland.

I mentioned riparian habitats earlier and I have spoken about the importance of the water environment and its links with the dairy sector before, but here is where trees really come into their own. As climate change happens and as summers in particular get hotter, water becomes scarcer and the average temperature of Scotland's rivers increase. This can be a disaster for the water environment, with salmon and other fish species stressed and dying as a consequence of a few degrees increase. The water environment is also normally a good location for small scale tree planting as these areas tend to be less viable to improve, their layout can be fragmented and by providing tree cover and shade, you could help keep rivers hospitable.

But what about your cows? Well, in the same way trees provide shade and shelter for fish, they also do the same for larger grazing animals and we've all seen white cows with some bad sunburn. At the same time, provision of shelter can help cattle maintain more body condition and could be the difference between in and overwintering young cattle.

Dairy farms are also among the highest emitters of ammonia in the UK. Ammonia is emitted from dung and urine and ultimately breaks down into nitrous oxide, a highly toxic greenhouse gas. Trees have been identified as an effective mechanism for capturing ammonia relatively close to source and preventing it from entering the atmosphere or nearby watercourses. The last round of funding under the Sustainable Agriculture Capital Grant Scheme (SACGS) focused exclusively on supporting precision application of slurry, and planting some trees in conjunction with using a dribble bar or injector could be a way of compounding the benefits from multiple mitigation methods for maximum impact.

Lastly, "regenerative agriculture" is a term being thrown around a lot right now. For some it is a legitimate way for dairy farming to address concerns over sustainability and for others it might just be a tick box exercise, but there is no doubt that some of the principles of regenerative agriculture absolutely have a place on most, if not all farms. Concepts around keeping a living root, promoting the removal of carbon from the air deep into the soil and laying down valuable organic matter are all great ideas, whether you are genuinely enthusiastic or not.

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## Cows Off-Colour? Know the Signs!

Farm staff should be trained how to spot the early signs of health issues in dairy cows, be that metabolic disorders or disease. Many farms have rumination monitors which have been proven to detect health issues such as ketosis or metritis up to two days before clinical signs are seen. Newly calved cows should ruminate for a minimum 450 minutes per day by one-week post-calving. Obviously, a drop in milk yield is an indicator of poor health, but not all farm staff milk the cows or regularly see individual cow milk yield data. Therefore being familiar with the visual signs of cows being off-colour is vital to prevent illness from deteriorating before productivity is significantly impacted.

A healthy cow will be alert and responsive to stimuli, whereas a depressed cow will be less aware of their surroundings, and not as responsive to what is going on around them. The key areas of the animal to examine are:

### Eyes

Healthy eyes are bright and alert with no sign of discharge. The eye should sit right up against the bottom eyelid, but if it is sucked inside the orbit the cow may be dehydrated and will likely benefit from fluid replacement. However, in very thin animals, sunken eyes may also be due to loss of fat tissue behind the eye. If the eye is red or has discharge, respiratory disease may be the cause.

### Ears

Observe the position of the ears and how warm they feel. Sick animals will have droopy ears and are often cold as well. Cold ears are common with

cases of milk fever due to poor circulation. If the cow has a fever (high temperature), the ears may feel hot.

## Nose

Abnormal nasal discharge will be either white, yellow, green or bloody. Also, sick cows don't tend to clean their noses and so their muzzle will have nasal discharge and feed stuck to it. If the nostrils are dry, it may indicate a fever.

## Mouth

A cow not chewing the cud (or with a reduced cudging rate - less than 55 cud chews before swallowing) may be experiencing acidosis. A cow with ketosis may have a smell of acetone (pear drops) on their breath. Teeth grinding (which will be audible) is a sign of pain.

## Rumen fill

This is an indicator of feed intake over the last 2-6 hours. Ideally cows in the milking herd should have a rumen fill score of 3 although a score 2 is typical in freshly calved cows in their 1<sup>st</sup> week of lactation but any cow with a score 1 should be examined. Rumen fill can be assessed by looking at the area underneath the short ribs and between the last rib and the pelvis on the left-hand side of the cow: [Rumen fill score card | AHDB](#)

## Manure

Manure that is very loose, foul smelling or contains blood can indicate a disease issue, and if acidosis is occurring, the manure will also be very loose and may contain mucin casts or bubbles. If undigested forage particles greater than 0.5 inch long or undigested feed are present, the rumen is not functioning properly. In cases of ketosis the faeces will be very firm.

## Udder

Look and feel for anomalies e.g., swelling, heat, reddening, hardness or asymmetry which would suggest mastitis. Udder oedema, which is more typically seen in heifers, may be painful and in extreme cases can damage the suspensory ligaments. Udder fill can indicate how well the cow has been eating and if the udder is not full, it could be due to either illness or a metabolic disease. However, fullness of the udder will obviously vary with time from last milking.

## Vaginal discharge

Some uterine discharge is normal for up to a fortnight post-calving and any discharge should be clear and colourless. However, if the discharge is foul-smelling, cloudy or bloody, the cow should be examined and treated as necessary. A watery, reddish-brown discharge is typical of metritis and may be accompanied by a fever and other signs of systemic illness. Endometritis or "whites" does not cause systemic illness but still impacts on fertility so early detection and prompt treatment is still important.

## Respiration rate

A normal respiration rate is around 30 breaths/minute, although it can vary between 26-50 breaths/minute. Cows normally breathe through their nose, except when experiencing heat stress conditions where they will breathe through their mouth in an attempt to cool off. Over 100 breaths/minute can be seen in extreme heat stress situations. Fever, pneumonia and pain can elevate respiration rates.

While many technologies exist on dairy farms to monitor health and production, good stockmanship skills are also vital to detect sick animals for observation and prompt treatment.

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## Farm Business Survey Results

Every year the Scottish Government publishes the Farm Business Survey results which gives the latest economic picture of Scottish farming. The latest results are based on data from over 400 farms up to the end of May 2022. While these are now one year out of date, and do not take into account the period of sustained high input costs and rising farm-gate prices in 2022/23, these figures are important as they form the basis of economic evidence that Scottish Government uses for decision making on Agricultural policy. More detail can be found at: <https://www.gov.scot/publications/scottish-farm-business-income-annual-estimates-2021-2022/>

The key statistics for all farming businesses are:

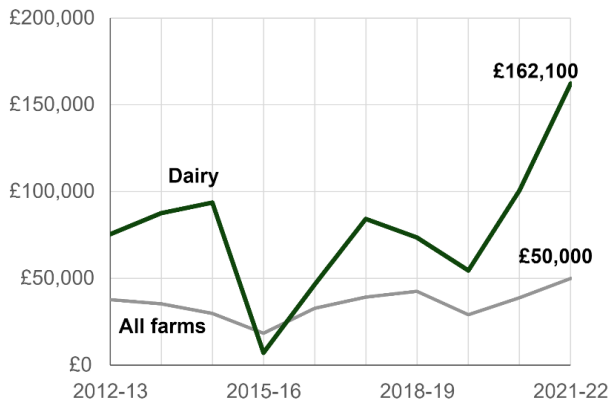
- Average farm business income (FBI - a measure of net profit after costs) is up to £50k from £39k in 2021.



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- Scottish farming is profitable on an average basis for the first time in 10 years without subsidy (+£5,100 without support payments).
- These positive profitability results are driven by increases in income for dairy and cereal farms.
- The average income for commercial dairy farms was £162.1k, the highest income for 10 years.

## Farm business income for dairy farms over the last 10 years



Source: Farm Business Survey 2021-22, Scottish Government

There were 44 dairy farms surveyed in these latest figures, with an average herd size of 256 dairy cows and an average milk yield per cow of 7,795 litres. The average milk price paid was 32.6ppl, which was higher than the previous year, contributing to the much higher income, even with a reduction in average yield. Output from milk and milk products was £73,500 higher (+13%) than the previous year. Output from cattle on dairy farms also increased by £27,800 (+37%).

For the top 25% of dairy farms (based on FBI as a % of output), their variable costs were 34% of their total farm output. Forage and concentrate costs accounted for 68% and veterinary medicine costs 6.4% of variable costs. On a pence per litre basis, total feed costs were 10.1ppl and veterinary medicine costs were 0.94ppl.

In terms of fixed costs, these accounted for 35.8% of total farm output, with paid labour and power and machinery accounting for 7.7% (3.3ppl) and 11.0% (4.8ppl) of total output respectively. These percentages are well below the recommended target of 15-18% of gross output for both labour and power and machinery.

Key statistics for the average, bottom 25% and top 25% of dairy farms surveyed are shown in the following table:

Measure	Bottom 25%	Average	Top 25%
No. dairy farms	11	44	11
Av. size of farm (ha)	100	194	247
No. dairy cows	189	256	342
No. other cattle	168	252	256
Output yield/cow (litres)	7867	7795	7549
Revenue value (ppl)	32.31	32.60	34.58
No. unpaid workers (FTE*)	1.9	2.3	2.7

\*FTE=full time equivalent of 1900 hours.

The Farm Business Survey is already recruiting farms to report on the 2022/23 year. Participating farms will receive a Farm Business Report detailing their management accounts, Whole Farm Benchmarks, allowing you to track your farm's financial performance and a Whole Farm Carbon Audit. If you are interested in taking part, please contact: [sascha.grierson@sac.co.uk](mailto:sascha.grierson@sac.co.uk)

[lorna.macpherson@sac.co.uk](mailto:lorna.macpherson@sac.co.uk); 07760 990901

## Specialist Advice Plans

With the changing situation of declining milk price and still relatively high input costs, now is a great time to take stock of the financial health of your business to ensure you are prepared and can take action as required. The latest monthly Kingshay Dairy Manager results show that while milk price was 34% higher than the same month last year (February), feed costs were 31% higher and purchased feed costs had risen to almost 14ppl (it is worth noting that the results for Scottish farms only was 16ppl for all purchased feed).

The Farm Advisory Service offers funding of up to £1000 to prepare specialist advice plans (maximum two plans per business per year) on a variety of topics, which allows you to spend time with an accredited advisor focusing on your business,

# Milk Manager NEWS

establishing the current financial position, and making a plan for the next 12 months to ensure you remain resilient.

The three main areas which would be of interest to dairy businesses are:

- **Farm Business Efficiency** - take an in-depth look at your cost of production, concentrate feed use, milk from forage, heifer rearing targets, health KPI's (lameness, mastitis cases, rumen health etc) and fertility. These are all drivers of production which have an impact on profitability and cashflow.
- **Resilience Planning** - an opportunity to assess the overall resilience of the business to deal with change. Taking a wider look at infrastructure, labour, financial security, opportunities and threats facing the business.
- **Soil & Nutrient Management** - there has been a huge increase in the number of farmers soil sampling as a result of the Preparing for Sustainable Farming (PSF) funding which is available [Preparing for Sustainable Farming full guidance \(ruralpayments.org\)](https://www.ruralpayments.org). To help you make the most of the information, this specialist advice plan can allow you to undertake a full health assessment of your soils and create a nutrient budget taking into account the nutrients available in your slurry. Bringing together all this information will ensure that you are using the most appropriate fertiliser to compliment slurry, are targeting the fields most in need with lime, and improving soil health which will increase grass growth potential.

For more information and to sign up please visit [Specialist Advice | Helping farmers in Scotland | Farm Advisory Service \(fas.scot\)](#)

[alison.clark@sac.co.uk](mailto:alison.clark@sac.co.uk); 01776 702649

## Dates for Your Diary

- 15<sup>th</sup> - 17<sup>th</sup> May - **DIY Artificial Insemination Course, Cumbria**. For more information contact event organiser Embryonics on 01606 854411 or email: [courses@embryonicsltd.co.uk](mailto:courses@embryonicsltd.co.uk)
- 25<sup>th</sup> May - **Safe Use of Veterinary Medicines**. On-line course. For more information contact event organiser Embryonics on 01606 854411 or email: [courses@embryonicsltd.co.uk](mailto:courses@embryonicsltd.co.uk)
- 30<sup>th</sup> May - 1<sup>st</sup> June - **DIY Artificial Insemination Course, Aberdeen**. For more information contact event organiser Embryonics on 01606 854411 or email: [courses@embryonicsltd.co.uk](mailto:courses@embryonicsltd.co.uk)
- 6<sup>th</sup> June - **Scotland's Beef Event 2023**. Dalswinton Estate, Dumfries, DG2 0XZ.
- 22<sup>nd</sup> - 25<sup>th</sup> June. **Royal Highland Show**, Ingliston, Edinburgh.
- 29<sup>th</sup> June - **Safe Use of Veterinary Medicines**. On-line course. For more information contact event organiser Embryonics on 01606 854411 or email: [courses@embryonicsltd.co.uk](mailto:courses@embryonicsltd.co.uk)

For any further enquiries regarding the information in this newsletter please contact:



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