



# MilkLines

## Please turn off the tap ...

Perhaps we have been fortunate over the last five years that winter and early spring has been warm and relatively dry. Right now, we would record "Winter 22" as a shocker, i.e. consistently wet and cold for most.

Fortunately, some of that bad weather was while cows were off the farm. However, the farm is still very wet and pasture damage is occurring. What is not helping is that we have people managing dairy farms (or 2IC) who have not experienced these conditions as the decision maker. A lot of experience and the right attitude is needed to navigate this challenge.

We all know that battling constant wet conditions is hard on the pasture, tough on the cows and drains enthusiasm in the farm team. The solution towards managing this while finding the balance, is different as every farm and farming situation will be different.

Our experience suggests the following approach.

1. Look after the people (including yourself) first. If the team is not in a fit state to work and make decisions, everything else will suffer.
2. Minimise pasture damage as a priority. The cows will buffer day to day changes in routine and feeding levels – but pasture plants stomped below ground level during the first round will not be there when you desperately need grass growth mid-spring.
3. Be firm with the first few cows calved, stick to the rotation plan right from the start and it will be much easier in mid-September when things are usually at their tightest point.

It is so easy in wet conditions to think you are being kind by putting the cow first and just letting more pasture be grazed. This gesture will ultimately become a much bigger problem in September.

Explore all your management options. For those with lower stocking rates and less supplements it will be about minimizing damage, use the feed you have sparingly,

### INSIDE MILKLINES

- Interest Rates.
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#### Global Dairy Trade

**At \$3,544 US/T for whole milk powder we calculate the spot market price to be \$9.12/kgMS.**

This is not necessarily cause for concern as we are currently following a very similar sales pattern to last season where milk prices bottomed out in August.

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take cows off the pasture before damage is done, back fence, stay out in front with nitrogen use (where you can get on paddocks). If its feasible then some Gibberellic acid applied later in August might cost effectively fill a gap.

Higher stocked farms with the option to feed supplements still need to ensure they are doing the above first. No sense throwing expensive feed into a situation where you haven't first looked to minimize pasture damage and maximise re-growth. With this in mind, all supplements have their place – but smart farming is about using the right feed for the right job.

One of the most valuable feeds right now is in fact hay/straw. This provides rumen bulk for dry/springers and modest quantities helps colostrum and milking cows. The higher fibre content requires more rumination and when compared to an empty rumen this feed generates heat. Cows warm with a full rumen are less inclined to wander or search for feed and hence do less damage.

Looking after people is hard. Especially if you are short staffed. Consider things like once daily milking (weekends?), rotating the early starts, team breakfast, heat & eat meals supplied to younger team members, pep-talks for those that haven't been through days on end of wet weather gear – suggestions about how to make sure you are stepping into dry gear each morning. Small gestures can go a long way when you need every hand on deck.

## Interest Rate Hikes – Beware!

For those watching the Official Cash Rate (OCR) rise since October it has gone from the low of 0.25% to the current 2.50%. Couple with that the Reserve Bank dialogue is clear. We are in for more rate rises. As much as a further 1.50% to 4.00% by early 2023. Add your 2.75% of customer margin on and that October floating rate of 3.00% is now at 5.25% and another 1.50% would take it to 6.75%.

“A lot of % numbers but think we should quantify the OCR rise, and what that has and will mean for client”

The Reserve Bank appears to have limited means to control inflation other than the interest rate lever being used.

If you were refreshing the 22/23 financial budget, you might consider using 6% for any floating funds and see where that points debt servicing requirements.

If we look at our average lower North Island farm producing 165,000 kgMS and \$3.5m of debt, \$21/kgMS. If this is all floating, then at 3.5% that debt was costing \$122,500 per annum to service, 74 cents/kgMS.

At 6% that will be \$210,000 per annum, or \$1.27/kgMS. An increase of 53 cents/kgMS. Each 0.5% increment changes debt servicing by \$17,500.

Clearly care is needed to anticipate the impact of changing interest rates. While interest paid is tax deductible, so the view could be that you exchange tax for interest but there is cashflow implication (especially if you are not briefing your accountant) and for those without good operating profits, this interest rate shift could raise the question of business viability.

Our view at BakerAg. Don't take interest rate increases lightly.

## The Good Feed Wedge

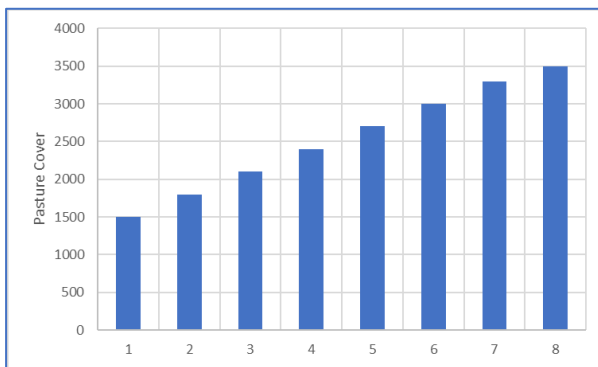
It is fair to say this article and associated recommendations would be a lot easier to implement if we had a warm dry spring. We don't! But this doesn't take away from the basic fundamentals of knowing how to manage your feed wedge.

A good place to start is to appreciate that knowing your average pasture cover does not tell you everything you need to know.

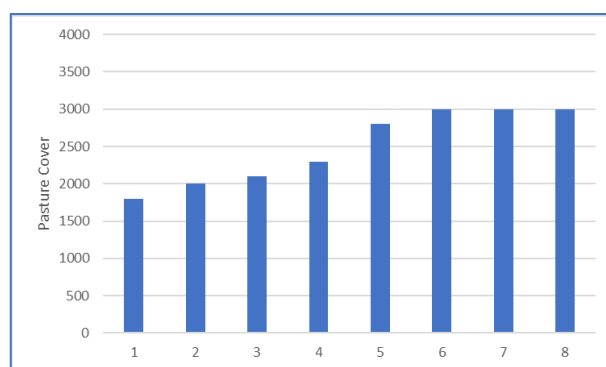
In the follow feed wedge report the two farms have the same average cover (2500 kgDM/HA).

Which feed wedge would you prefer?

Farm A



Farm B



Farm A has a higher pre-grazing pasture cover, 3500 and is delivering a 1500 residual. The wedge has similar incremental increases in cover as you shift from one paddock to the next.

Farm B has three paddocks at 3,000 but the remaining paddocks step down with half the farm below 2200 cover.

What are the implications?

Farm A has possibly got into this position by consistent management. Going forwards maintaining good feed allocation aligned to pasture growth should see steady and consistent feed allocation. Half the farm is 2500 or more so this means more than half the farm will be growing well (three leaf principle).

Farm B has less pre-grazing pasture cover. Not necessarily a problem, but if there is any relaxing of pasture allocation discipline it will risk speeding up and falling onto lower pre-grazing pasture covers sooner. With half the farm at much lower covers there is a risk that the re-growth rates are compromised – growing less grass presents a problem when the cows arrive at the paddocks with the “step-down” in the feed wedge. Further risking the herd to be sped up in order to maintain the pasture allocation.

There could also be the hint lax grazing in Farm B with a residual of 1800!

These two farms could deliver identical results but the difference will be about the discipline with pasture allocation.

Preference would be to have Farm A feed wedge because it offers consistency and the prospect of better pasture growth.

## Best Practise Nitrogen – First Round Applications

We all know the New Zealand dairy industry is working hard to reduce nitrogen use. Part of this is about making sure each kilogram of nitrogen works as effectively as it possibly can at growing grass.

Care is needed in this approach that policy changes on N use remain prudent. Nitrogen (even at current prices) should be one of the cheapest forms of supplement. Using nitrogen in the first rotation for spring calving farms is a great way of putting grass into the second round where it will earn 95 cents per kgDM! (1 kg N grows 10kg grass = 1 kgMS at \$9.50 divide by 10 kgDM = 95 cents value from each kg pasture DM)

Here are a few thoughts around using nitrogen in August and September.

- Apply your nitrogen regardless of rate in a timely manner. If you apply nitrogen 3 days before grazing and no later than 4 days after grazing your nitrogen is working up to 10 more days than if you get one week behind in your applications – or worse. The paddock with N applied 3 days in front if grazed again in 30 days time, then the nitrogen is working in the system for 33 days. The paddock where nitrogen is applied 7 days after grazing, and the cows return 30 days after grazing – the nitrogen has only been working for 23 days.
  - 10 days extra response, say + 10 kgDM/Ha/day = +100 kgDM/HA in pre-grazing pasture cover compared to the farm one week behind in its applications. That's huge.
- Another way of thinking about the reward for good timing with your nitrogen is that you will actually need less nitrogen to grow the same amount of grass.
- Urea is the cheapest source of nitrogen – don't use fertilisers with phosphate or potassium at this time because you will either not apply enough nitrogen or if you apply a higher rate you are possible wasting the other nutrients.
- Sulphur if limiting has the potential to increase the nitrogen response, when applied at the same time. When did you last apply sulphur and in what form? If you risk a sulphur deficiency after wet conditions then an "amm-sulph" product is a good idea. But do your homework on application rates. 75 kg/Ha of urea gives 35 kg of N but 75 kg of ammonium sulphate gives 16 kg of nitrogen. The latter will grow a lot less grass despite having sulphur.
- Nitrogen is expensive BUT no nitrogen is also expensive. So, if it's too wet for ground spreading don't rule out aerial application. Do your sums first naturally.
- Trial work has shown that applying both gibberellic acid (ProGibb) and nitrogen at the same time will give an additive result. Both products will work for you, so it can be one way of having a single application cost but more grass grown.
- Take care not to get caught with fast round speeds. In the 80's a lot of trial work was done on nitrogen responses. Interestingly they found that 27-30 days in spring typically gave a much better result compared to short grazing intervals, both in the amount of grass grown and the efficiency. We shouldn't be surprised by this result. It takes time for nitrogen to get from the prill, through the soil and into the plant. Then we know for the plant to grow its best it needs three leaves – you will not get the best result if you apply nitrogen a week late then go on a 20 day round ... allowing only 13 days for the nitrogen to respond 😞.

## Lessons Learned from Dairy System Monitoring (DSM)

The 2021-22 season was challenging climatically for most of our 40 odd DSM participants; there were floods and extended dry spells followed by a good autumn with the exception of Southland. As always we learnt a lot and here is where we can share a little bit of this with Milklines readers.

Comparison to the previous season;

- Milk production per hectare down 68 kg MS or 5%.
- Pasture eaten per hectare down 1.3 TDM or 9.8%. The average farm grew 14.6 tDM/HA.
- To produce the amount of milk with less pasture required an additional 0.7 TDM / ha of supplement, an increase of 15%.
- Farm operating costs significantly increased over the course of the season. Note this includes adjustments for wages of management, owned runoffs and depreciation.
  - Operating expenditure per ha increased from \$6,636 to \$7,738
  - Per kg MS increased from \$4.94 to \$6.03
- Profitability increased from \$4,386 to \$5,127 / ha. This is a strong result but not higher than the 2013-14 season when the milk price was \$8.40 / kg MS and the most profitable season was back in 2007-08 when the milk price was \$7.59 / kg MS.
- Return on capital was calculated at 8.9% which reflects a strong return.
- The top 5 farms recorded a profit of \$8,533 per ha. These farms are very efficient at converting feed into milk with a high stocking rate. They have a high level of milk production at 2,016 kg MS / ha and 524 kg MS / cow. These farms managed to control their costs relative to their level of milk production at \$5.97 / kg MS.
- The bottom 5 farms recorded a profit of \$2,842 / ha. These farms struggled to get their cows performing and milk production was below average at 928 kg MS / ha and 367 kg MS / cow. Their cost of production was \$6.86 / kg MS, these farms run the risk of being financially unsustainable unless they can either control their costs or produce more milk.
- Farm Operating costs increased in the following areas compared to the previous season;
  - Animal health & breeding actual \$200 / cow, up 31% on last season
  - Feed related costs actual \$2.08 / kg MS up 34% on last season
  - Fertiliser & nitrogen actual \$0.58 / kg MS up 26% on last season
  - R&M, Vehicles, Overheads up 14 – 15% on last season
- Wage and salaries were flat at \$1.08 / kg MS and indicates that some farms were understaffed last season bearing in mind individual wage rates have increased.
- The main influencing drivers of operating profit or EBIT / ha apart from milk price were;
  - Milking days per ha  $R^2$  0.849
  - Milksolids per ha  $R^2$  0.781
- Average greenhouse gas emissions were calculated at 11.6 T CO<sub>2</sub> equivalents per ha (range of 8 – 20.6 T CO<sub>2</sub>e / ha) and 9.2 kg CO<sub>2</sub>e per kg MS produced (range of 7.5 – 11.1).

A breakeven analysis was calculated on the average DSM farm assuming a debt level of \$20 / kg MS, interest rate of 6% and a 25 year loan payback. **The average DSM farm requires a milk price of \$7.63 to break even with the assumed parameters.**

## Foot & Mouth Disease (FMD)

There is a heightened sense of concern regarding Foot & Mouth Disease (FMD) given appearance of the disease in Indonesia, including Bali.

The risk of FMD coming into the country might not be high, but it is increased given the human and freight traffic through Indonesia. If we thought M.bovis caused havoc in rural New Zealand, this would be nothing compared to FMD. The economic cost to NZ from FMD would be massive and the government response would understandably be very invasive.

Border security is understandably heightened, and everyone must do their part to protect our livelihood and economy.

1. Anyone having visited Indonesia (tourist) or coming from Indonesia (staff & visitors) are required to not go on any farm for one week after coming into New Zealand.
2. Any clothing, footwear, food, gifts etc from Indonesia will be thoroughly checked at the border but a second line of defense on the farm is very wise. Don't permit anyone on farm or goods on farm that have potential contact with Indonesia (including Bali) unless they have been through the stand down period or physical items have been sanitized.
3. Ensure your NAIT records are totally up to scratch. If urgent animal tracing has to occur good records speed up the process.
4. Clean-on as people come onto the farm and clean-off. Those buckets and sanitizer from M.bovis days are required again.
5. Beware – the high-risk area for FMD appearance in an Island country (NZ) is the feeding of infected food (raw meats) to pigs. A lot of farmers still have a few pigs for home consumption. Make 100% sure that all food to pigs is processed (meat is cooked) in some manner.

FMD has up to 14 days in an incubation period. This means the disease can easily spread before the source is detected.

How is FMD spread? Note the vectors for transfer are far more invasive than M.bovis.

- Animal: Breath, saliva, milk and faeces.
- People: contaminated stockfood, footwear, equipment, plant & machinery.
- Environment: wind and water

### FMD symptoms in cattle:

- Drooling and smacking the lips.
- Shivering
- Tender feet with sores and blisters
- Raised temperature
- Drop in milk yield and sore teats.



*Two-day-old, ruptured blisters on tongue, lower gum and lower lip of a steer.*



*Steer's feet showing ruptured blisters.*

While we don't have the disease, we don't need siege mentality. But a heightened sense of awareness and appropriate increase in biosecurity measures is wise.

## Your Once A Day (OAD) Milking options ...

### Colostrum Cows.

Calving. The Bathurst event on a dairy farm. It doesn't chill for 4-5 weeks. Calves are coming left and right, you're fighting pasture damage, breaking in heifers, getting the damn bike stuck, suffering from a lack of sleep and food, labour is stretched, so why not just have the colostrum cows on once a day?

The benefit to people is clear. It eases pressure and reduces time in the shed, time which is highly valuable during this part of the season. What is even better is that this effect flows onto the animal.

OAD gives the animal time to recover after calving, reduces stress and inflammation – a positive contribution to minimising mastitis and lameness incidences and gives her more time in the day to consume food and minerals. Research indicates that there is no increase in animal health incidences from colostrum cows going OAD and based on farmer commentary there may be less. The exception to this is when best practice is not applied for hygiene and feed management.

All cows go into a negative energy balance (NEB) post calving which is why driving energy and feed intakes are so important. Cows with lower rumination rates during this period will be eating less and are at risk of mobilising too much body condition which puts her in a risk category for reproduction and overall production loss. Colostrum cows on OAD during this period will typically maintain a higher BCS's.

Through the implementation of cow collars, new evidence suggests that OAD milking contributed to a fast improvement in rumination rates in the immediate post-calving period than those on TAD. Cows milked TAD appear to take about a week longer than the cows milked OAD for 14 days to reach 90% of rumination capacity. An important note is that an underfed springer cow will still take a long time to bounce back in rumination even on OAD.

Recent research from America on collared cows shows that the faster a cows' rumination recovered after calving the higher their peak milk yields were. For every 100 min/day increase in rumination time over the first 6 days in milk (DIM) there was an 8% increase in peak milk.

While this all sounds good, there are some other factors to consider when making this decision.

Failure to monitor the colostrum cows can be the downfall of a good system. Allocation of feed needs to be accurate, grazing residuals monitored to ensure they are not under feed pressure, i.e. not grazing below 1800kgDM, and split feed offerings will also achieve a better result in improving rumination recovery than a single 24hr break.

The time the cows are in the colostrum mob, which is a recommended 8 milking's, in best practice gets extended from 4 days to 8 days on OAD milking frequencies. This would result in a herd size higher than that of a TAD mob, depending on the shed size this would also increase the amount of time in the shed during those milking's and more days in the colostrum mob is more days out of supply. Putting colostrum's into the Vat early becomes an issue if there was a late dry off due to withholding periods on DCT or a high SCC. SCC can be monitored by paddling cows prior to leaving the colostrum mob.

After calving, especially in wet conditions, a cow's teats are at risk of cracking or suffering other damage when coming into milk. OAD colostrum's in the shed mean that she is only getting teat spray/conditioner once not twice in a period when it is critical her teat condition is looked after. Ideally, cows are still brought into the shed twice a day for spraying but only milked once.

After calving, a cow, particularly heifers, have a lot of swelling in the udder, the longer time the cups are on, the more the swelling gets congested at the teat end and can result in damage. While TAD milking gives the cows less time to recover in this instance, there is also a risk of over milking colostrum cows on OAD with the mindset of "Milk her out" as she won't be back in for milking a second time that day.

The quality of "gold" colostrum decreases over time. The best time to feed it is within a few hours from milking. The system of when the calves are collected, and new mums are milked, particularly on OAD, needs to be planned so those new calves get gold colostrum as early as possible.

As far as the impact of OAD colostrum's on milk production, there are no specific studies that indicate that milking a colostrum cow OAD for 8 days has a significant reduction of total milk. Although a lot of this will come down to how the OAD mob is managed and fed, which will vary from system to system. If this period gets extended out for then there may become a production compromise.

### **OAD options: Milking Cows.**

During spring, there is always a balancing act between looking after people, pasture, and animals. Short term OAD can reduce the stress on all three of these but with great reward, comes a cost.

One study on the effects of short-term OAD milking in early lactation on a pasture-based system found that when cows are milked OAD for 4-, 6- and 8-weeks post-calving, they experience a 21%, 24% and 26% drop in total production respectively.

Another study from Ireland found that there was a milk solid loss during the OAD period for 4, 6 and 8 weeks, but if cows were returned to TAD within 6-8 weeks, total production recovered to a similar position to that of TAD.



**Table 1. Effect of short-term OAD milking on cumulative milk solids (MS) production**

Cumulative MS yield (kg/cow)	TAD	OAD 4 wks	OAD 6 wks	OAD 8 wks
1 <sup>st</sup> 4 weeks	55	44	46	42
1 <sup>st</sup> 6 weeks	87	74	73	68
1 <sup>st</sup> 8 weeks	117	101	100	90
1 <sup>st</sup> 10 weeks	142	124	125	114
35 weeks	415	405	398	387

Results can be variable. A system that can dial up and dial down supplementary inputs may have a better result of production recovery.

10 in 7 is also becoming a popular alternative to straight OAD milking as is said to have slightly less impact on milk production during that time. Keeping in mind it changes the timing of colostrum collection and other farm activities during this period.

Let's keep in mind the OAD option is there as a lever to pull and can provide some great benefits to the team and animals if done well. The right milking interval is what works the best fit for your team and the cows and supports the long-term objectives.

## Managing Condition Score After Calving.

Body condition score (BCS) 5 at calving, minimising body condition loss after calving is the PLAN. We never argue the purpose, we know what it means to achieve this, and we know the reward. BCS is measured at dry off, and again before calving, and then before you know it, its October and the cows just aren't quite where they should be coming into mating.

Just like measuring your pasture tells you the prospects for feeding level, BCS tells you how your cows are going and their nutritional position, and it needs to be done regularly to get the right management signals.

From what we are seeing out there, cows right now are either slightly ahead of target, or slightly behind and the same goes for pasture cover. Winter has been tough over the last 4 weeks, if this continues combined with an influx of early calvers, utilisation will be poor and pasture demand could exceed pasture growth for an extended period. In conditions like this, cows will start mining their reserves quickly – probably even more than recent seasons, hence the reason for writing this article.

If you have an average BCS of 5.0, you might think there is a little more room to play with, but the rate of BCS loss is now going to be the biggest driver for mating. Cows can lose over 1.0 BCS between calving and mating if it goes unmanaged. This much loss between calving and mating from heading down the negative energy balance territory will negatively affect the 3-week in-calf rate (ICR).

If you have an average BCS of 4.7 and reach 4.25 by mating, the outcome will be better than dropping from score 5 to score 4.

Knowing your position, and where you want to be, can help to implement a successful strategy.

### BCS and APC behind target?

- Keep grass intake of dry cows and springers at a minimum, but total intake on target.
- Good transition means less metabolic problems which in turn means better BCS average for the herd.

- Look to utilise extra supplement on hand/purchase supplement for August/September.
- OAD milking short-term strategy.

OAD milking is not typically a strategy to reduce intake as it only results in about 3% less requirement. What it does do is adjust a cows energy transfer as milk production and walking is reduced the energy is directed to maintenance, health, and condition. It also takes the pressure of the staff. Improvements are usually seen from week 5 onwards. While a 3–4-week period at OAD may not have a large effect on overall condition, it will help those struggling cows keep up reducing the number of tail end at risk cows.

Let's look at a few scenarios and how they might be managed.

### **BCS behind target but APC on track**

- Focus on increasing intakes as soon as possible after calving.
- Dose with B12 to enhance intakes and metabolism
- Consider a high fat supplement or even a little PKE in the diet.

### **Good BCS, but APC behind target**

- Keep grass intake of dry cows and springers at a minimum, but total intake on target.
- Stay on plan with the Spring Rotation Planner
- Use good quality supplements early to fill the hole.

The other thing to remember is that the reality of “they're late cows they'll be at condition by calving” is not much of a reality anymore with condensed calving spreads. These cows are easy to forget about and when things get tight, their intake of all feed is the first to get restricted.

Act now, quick decisions will have the best outcome.

## **Achieving Genetic Potential Liveweights – starts at calf rearing.**

A new-born calf is a blank slate of opportunity to fully realise its genetic improvement and potential. The key to this is reaching target liveweights throughout its early life through nutrition and immune support to be at 85-90% of mature liveweight by the time that heifer calves.

A trial in Taranaki identified that the heifer calves that performed best in their first lactation was the first born. The later born ones that turn up in week 5 or 6 of calving and take the last 10 ear tags are more likely to be your problem “children”.

Why? The early born get all the best stuff. Later born calves endure worn out facilities and worn-out calf rearers! This is a fatigue point for the people, the busiest stage of calving, can sometimes be the worst weather and the calf sheds are usually starting to have a build-up of bugs.

A straggler could be the late born heifers, or a calf that has had a high bug exposure in its first week, a calf that hasn't responded well to going outside, experienced nutritional scours, not making the same liveweight gains as the other calves, and the list goes on. These calves will be facing the biggest challenge but have the most work to do to catch up to the early heifers.

A calf that goes through a catch-up phase is typically always behind, they don't tend to get weaned any later, catch-up growth can often result in fatty deposits rather than muscular growth and are mated earlier in their reproduction cycle than the first born or stronger calves. This could result in either an empty heifer or underperforming in her first lactation. The stragglers need special attention to avoid periods of no growth to

get them to weaning efficiently and effectively. Critical observation will identify the calves that need an action plan to prevent them from falling even further behind.

On a side note, early born calves may not be the best replacements genetically. The higher producing cows could be the later calvers in the herd meaning the later calves have the best genetics to bring through for milk production. This is a policy that could be discussed to maximise genetic improvement. This policy would reinforce the need to identify the extra pressure late calved heifers have in the first 20 months of life to get to target and in calf.

Putting the end at the beginning. What is the target liveweight of the mature cow? With improved genetics, the cow in your herd that was good at 450kg animal might need to be 550kg (excluding jersey cows) at maturity yet as heifers are only being fed to reach 450.

Further to this .. There is increasing evidence that increasing average daily gain pre-weaning is correlated to early puberty, in-calf rates, and milk production in the first lactation. Because the maintenance ME requirement is relatively constant for a particular live weight, the faster an animal grows, the higher the proportion of the total ME intake is available for growth, and therefore the more efficiently the feed is used by the calf.

For those still thinking about the calf rearing diet solid feeds digested in the rumen are only used about half as efficiently by the growing calf as compared to milk digested in the abomasum.

Protein and fibre are two critical components of the calf's diet. Which brings us to our last thought and that is to ensure you have grain in the pre-weaning diet. This is proven to have a significant improvement in development of the rumen and subsequent performance post weaning.

In summary ...

- Intercept and manage the stragglers well.
- Feed for success.
- Plan backwards from the outcome you want to achieve.
- Recording and monitoring is key. If you don't measure, you don't know.

Making sure every calf gets an excellent start and then weighing heifers regularly to support management is the key to getting every cow up to its potential.

## You Need to Laugh ...

### Thunderstorm

One summer evening during a violent thunderstorm a mother was tucking her small boy into bed. She was about to turn off the light when he asked with a tremor in his voice, "Mommy, will you sleep with me tonight?" The mother smiled and gave him a reassuring hug. "I can't dear," she said. "I have to sleep in Daddy's room." A long silence was broken at last by a shaken little voice saying, "The big sissy."



SITUATION REPORT		Jul - Aug 2022			
<b>PASTURE GROWTH</b> (Pasture growth figures include the use of nitrogen)					
		Jul-22		Jul-21	Forecast Aug
Manawatu	Irrigated	18		22	28
	Non-irrigated	18		22	28
Tararua		15		18	25
Wairarapa	Irrigated	18		27	28
	Non-irrigated	15		27	25
Canterbury		8		8	18
Otago		7		8	15
Tasman		15		5	22
Southland		7		6	15
<b>PASTURE COVER</b> (End of month)					
		Jul-22		Jul-21	Forecast Aug
Manawatu	Irrigated	2200		2550	2050
	Non-irrigated	2200		2550	2050
Tararua		2200		2300	2050
Wairarapa	Irrigated	2200		2500	2000
	Non-irrigated	2100		2500	2050
Canterbury		2380		2300	2180
Otago		2300		2300	2180
Tasman		2500		2400	2180
Southland		2300		2500	2200
<b>DAILY MILK PRODUCTION</b> (MS / cow) Derived from DSM data, typically representing upper quartile performance					
		Jul-22		Jul-21	Forecast Aug
Manawatu	Irrigated	1.70		1.60	1.90
	Non-irrigated	1.50		N/A	1.80
Tararua		1.50		N/A	1.90
Wairarapa	Irrigated	1.70		1.60	1.90
	Non-irrigated	1.5-1.7		N/A	1.80
Canterbury		N/A		N/A	1.75
Otago		N/A		N/A	1.75
Tasman		N/A		N/A	1.75
Southland		N/A		N/A	1.70

SITUATION REPORT		Jul - Aug 2022				
<b>LIVESTOCK</b>		<b>Now</b>		<b>Last Month</b>		<b>Last Year</b>
<b>Lower North Island</b>						
Cull Cow	170-220kg CWT	650-900		650-900		800-1100
<b>South Island</b>						
Cull Cow	200-240kg CWT	600-1250		600-1100		650-1000
Export eligible Friesian Heifer R1	2021 born, Aug/Sep delivery	1750		1750		1600-1750
MA Dairy Cows	October Calving	1400-1600				
<b>FERTILISER</b>						
<b>Prices as at 3 Aug 2022</b>						
Urea @ 80 kg/Ha*	\$/Ha applied	124.72		121.96		75.92
Superphosphate @ 350 kg/Ha	\$/Ha applied	204.58		194.25		138.65
Ammo 36 @ 100 kg/Ha	\$/Ha applied	134.00		129.10		87.19
<b>Exchange Rate (USD)</b>						
		0.625		0.618		0.699
<b>Fonterra Unit Price</b>						
	Co-op Group Shares	\$2.70		\$2.57		\$3.25
Fonterra Fixed Milk Price (Net)	<b>Next applic. dates 8-9 Aug</b>	\$9.87	Jul	\$10.24	June	\$7.57
Milk Price Futures (Sept 2022)	NZX Global Dairy Futures	\$9.33		\$9.36		\$7.91
Milk Price Futures (Sept 2023)	NZX Global Dairy Futures	\$9.40		\$10.10		\$7.25
Milk Price Futures (Sept 2024)	NZX Global Dairy Futures	\$9.00		\$9.20		
<b>INTERNATIONAL COMMODITIES</b>						
Maize (Corn) Futures Contract	USD/MT	239		290		215
Whole Milk Powder	USD/MT FAS	3,544		3,961		3,598
Crude Oil WTI (Nymex) Price	USD per Barrel	94.42		98.53		71.26
* <b>For Urea</b> , we will now report this price at the application rate of 80 kg/Ha (reduced from 100 kg/Ha).						
Please note we include these three international commodities for readers as a guide. These commodities are connected to the US milk supply and the short to medium term milksolids price.						

FEED MARKET								Utilised	
Lower North Island		Now	Last Month	kgDM OR kgDM/day	MJME	Utilisation	Cents / MJME	Cents / kgDM	
Barley ex silo (indicative contract price)	\$/tonne	640		860	12.5	95%	6.3	78	
Palm Kernel contract price, incl. delivery	\$/tonne	475	480	920	11.0	85%	5.5	61	
DDG (Corn) contract price incl. delivery	\$/tonne	800	815	920	12.7	95%	7.2	92	
Molasses (feed grade) contract price, incl. delivery	\$/tonne	495	495	750	12.0	95%	5.8	69	
Maize - In the pit (Indicative ONLY)	c/kg DM	40	40	350	11.4	85%	4.1	47	
Grass Silage - in the stack	c/kg DM	34	34	180	10.5	80%	4.0	43	
Baleage	\$/round	110	110	250	10.5	85%	4.9	52	
Straw	\$/round	60	60	200	8.0	80%	4.7	38	
Hay Large Round	\$/round	95	95	240	9.5	80%	5.2	49	
Calf grazing	\$/hd/week	8.50	8.50	4	11.0	80%	3.4	30	
Yearling grazing	\$/hd/week	12.00	12.00	7	11.0	80%	2.8	24	
Winter cow (Average quality)	\$/hd/week	28.00	28.00	12	9.5	80%	4.4	33	
Winter cow (Good quality)	\$/hd/week	35.00	35.00	14	11.0	80%	4.1	36	
Winter Incalf R2yr	\$/hd/week	28.00	28.00	12	11.0	80%	3.8	33	
<b>South Island</b>									
Barley - ex silo (indicative contract price)	\$/tonne	650	535	860	12.5	95%	6.4	80	
Palm Kernel contract price, incl. delivery	\$/tonne	455	458	920	11.0	85%	5.3	58	
DDG (Corn) contract price incl. delivery	\$/tonne	780	800	920	12.7	95%	7.0	89	
Molasses (feed grade) contract price, incl. delivery	\$/tonne	475	475	750	12.0	95%	5.6	67	
Maize - In the pit	c/kg DM	35	35	330	11.4	85%	3.6	41	
Grass Silage - in the stack	c/kg DM	36	36	180	10.5	80%	4.3	45	
Baleage	\$/med. square	120	120	250	10.5	85%	5.4	56	
Straw	\$/med. square	80	80	220	8.0	80%	5.7	45	
Calf grazing	\$/hd/week	8.50	8.50	4	11.0	80%	3.4	30	
Yearling grazing	\$/hd/week	14.00	14.00	7	11.0	80%	3.2	29	
Winter cow grazing Canterbury	\$/hd/week	32.00	32.00	14	11.0	80%	3.7	33	
Winter cow grazing Southland	\$/hd/week	35.00	35.00	14	11.0	80%	4.1	36	
Winter Incalf R2yr	\$/hd/week	24.00	24.00	12	11.0	80%	3.2	29	
Thank you to our contributors for monthly feed and livestock prices: Agrifeeds, J Swap, Carrfields (LNI) and PGG Wrightson (SI).									
All prices are <b>exclusive of GST</b> and provide a guide on the current market. Where an average delivery cost is included \$55/tonne is used for NI, \$35/tonne for SI.									
<b>Actual prices are indicative only and will vary. Winter grazing market drivers are changing, and are influenced by region, demand, contract and pasture quality.</b>									
N/A - insufficient market evidence at this point)									
Utilisation and MJME figures are from DairyNZ Facts and Figures publication.									
Dairy System Monitoring provides a guide on upper quartile performance and is a service provided by BakerAg and Macfarlane Rural Business.									