

WELCOME:

Welcome to our August edition of Promar Matters and our impending departure from the EU is now firmly on everyone's agenda. Whilst much of the detail regarding Brexit is still unknown and will probably remain that way until two years after Article 50 has been signed and sealed, there are a few early comments that are worthy of note.

The UK has a new PM and "The Three Brexiteers" have begun trade negotiations with the EU and non EU countries but the main impact on the dairy industry thus far has been the 10% decline of sterling against the dollar resulting in an increase in the price of imported goods, particularly soya. Sterling has also fallen against the Euro which will benefit the payment of EU agricultural subsidies to UK farmers, due to be set on September 30th. It is likely that BPS will be with us for at least another year or two.

As a business, Promar continues to see many questions asked with regard to the finer detail but until we know more we prefer not to speculate. Needless to say we will keep you all updated as and when the facts emerge.



James Dunn
Promar Managing Director

TIME TO CONSIGN BVD TO HISTORY

BVD is a major drain on dairy farm profits so Promar International is delighted to be supporting a scheme which aims to eradicate the disease by 2022 as consultant Coral Russell explains.

Launched on July 1st, BVDFree England mirrors schemes already running in Ireland, Scotland and Wales, and is an industry-led initiative to tackle one of the biggest disease issues blighting the cattle industry.

The scheme is based on eliminating BVD by identifying and removing persistently affected (PI) animals. A PI animal is one where its dam became infected with BVD in the first 120 days of gestation. Contact with PI animals is the main way infection is spread.

Farmers can register for the scheme and committing to help eradicate the disease. By registering you agree to actively engage in BVD controls to eliminate the disease in your herd. You will report all BVD testing results to a national database meaning the status of all animals is accessible to potential purchasers.

You will also agree to only move PI animals to slaughter. Vets will work with registered farmers to identify the most effective BVD control measures for the particular farm.

Eradicating BVD will remove the costs associated with the disease so all farmers will benefit. To find out more go to www.bvdfree.org.uk



PLAN CAREFULLY BEFORE PUSHING FOR MARGINAL LITRES



Promar consultant Andy Taylor considers the prospects for producing marginal litres this winter.

The last few weeks could be interpreted as the cue to switch on production again. There has been positive movement in terms of spot milk price and a few milk companies have increased their base prices, while at the same time some dairies have written to producers encouraging them to produce more and removing the B quota restrictions. Together, this might make increasing production seem attractive. But what about costs of production?

Even if you are getting a better price will the extra litres generate sufficient margin? For cows at grass, there may be a short term opportunity, but what about the prospects for the winter?

Winter margins will largely be determined by the quantity and quality of forage available. Initial grass silage analyses from Trouw Nutrition GB suggest that getting milk from forage may prove to be a challenge this winter (see table).

As a consequence of the mild winter, a significant amount of overwintered grass was carried forward and this has had implications for forage quality. While average ME is similar to last year, there are fewer samples with an ME over 11.5. NDF is higher, reflecting a combination of overwintered material and delayed cutting in some parts of the country.

Trouw Nutrition predicted that cows eating 10kg DM of the average silage will be able to produce M+6.6 litres, which is nearly half a litre down on last year.

Clearly second cuts, wholecrop and maize need to be harvested and analysed but early indicators are that it might prove difficult to produce significantly more milk from forage, making marginal litres less attractive.

Watch exchange rates

The other key factor is what will happen to feed prices. The immediate effect of the Brexit vote have been greater exchange rate volatility and a depression in the value of the pound. This has pushed up the price of imports making cereals, soya, soya hulls and molasses more expensive. In simple terms a 10 cent fall in the £:\$ exchange rate will add £22 to the cost of soya. Farmers who had not negotiated forward positions on straights will be exposed to this price volatility.

The increased commodity prices will also have an impact on the price of compounds and blends. Compounders will also have to factor in any increase in the cost of fuel resulting from the exchange rate position. On a positive note many compounders will be making greater use of field beans grown as a consequence of the three crop rule which can offset some of the soya increase.

Against this background it will be crucial to plan a level of production which suits your business and your circumstances, rather than increasing production to suit your customer.

Making the best possible forage you can for the rest of the season will help build the foundation of the diet. Then get forage analysed regularly so you know what is in your clamp – don't assume an average analysis. Finally look carefully at the options for supplementing forages to achieve the level of production you want cost-effectively while maintaining good rumen health.

Initial first cut silage analysis		
	2015 first cut average	2016 first cut average
Dry matter (%)	30.0	31.2
Crude protein (%)	14.3	14.5
ME (MJ/kgDM)	11.0	10.8
pH	4.0	4.1
NDF (%)	47.0	50.0
Lactic acid (g/kg)	62.6	46.9
Intake potential (g/kgML)	99.4	98.5

Source Trouw Nutrition GB