

MILKMINDER

Five years of dairy data

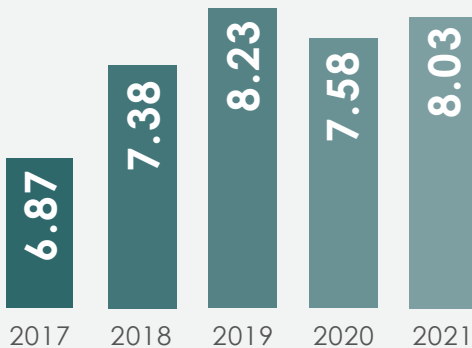
This summary represents a large sample of UK dairy farmers across a five-year period, from 2017 through to 2021. We report on milk production, feed usage and profit margins, against which UK producers can benchmark their own performance.



Over the last five years, the average milk price (p/litre) has risen from

24.324
to **28.894**

This has been offset by a rise in feed costs per litre, growing by **1.16p**



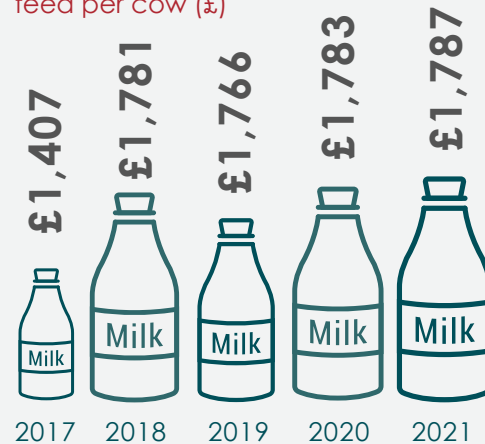
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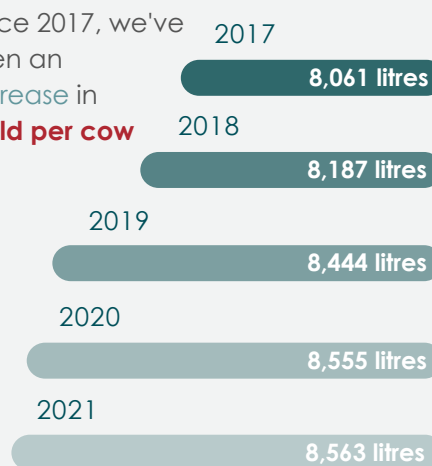


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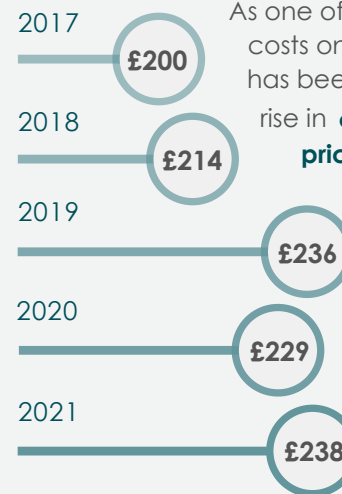
We've seen a steady increase in the margin over purchased feed per cow (£)



Since 2017, we've seen an increase in yield per cow



As one of the biggest costs on farm, there has been a notable rise in **concentrate price per tonne**

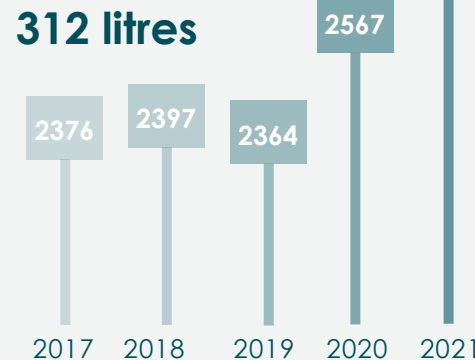


Over the past five years, the total concentrate use per litre has fallen from

0.331kg
to **0.326kg**



If we look at yield from all forage per cow (litres), we can see that there has been a notable rise, by



Looking at the last five years, it's clear that the bulk of improvements in margin occurred between 2017 and 2018. This is largely due to a substantial increase in milk price, rising by 4.812p/litre across that two-year period.

In the years that follow, from March 2018 to March 2021, the milk price has remained largely static and feed prices have increased by 11%. This has led to a 0.65ppl increase in feed costs per litre.

When we look at the effect of output and feed use on margins between 2018 and 2021, the margin per litre fell by nearly a penny while margin per cow increased by just £6. The cost price ratios have all but eliminated technical improvement gains, with the average farmer in this sample having only managed to stand still for the last four years.

It's clear that fine tuning current systems may not deliver the scale of change needed to meet new challenges. Dairy businesses need to recognise that relying on a few more cows and higher yields will not necessarily deliver the required increase in margins.

We urge you to:

- Review your own five-year Milkminster figures and evaluate how they compare
- Set cow performance objectives within the context of overall business requirements, allowing for reduced subsidies, increasing pressures to improve sustainability, reduce labour availability and increasing cost pressures
- Not assume milk price improvements will solve all the upcoming challenges. It may not keep up with cost increases and changes in the short term
- Consider radical changes to land use and farming practices. There is great opportunity to improve forage quality and home-grown feed
- Seek a second opinion and be prepared to act soon

Tim Harper
Senior Consultant

*All data taken from March 2017 through to March 2021

A FIVE YEAR REVIEW