

Covid-19 Update - Strategies for extremely low milk prices



Information correct as at 17:00pm on 06.04.2020

- Switch to feeding whole milk to calves
- Remove any unprofitable animals
- Dry off cows early
- Maximise the value of remaining milk
- Review feeding strategies for late lactation cows
- Feed excess milk to adult stock

Producers may find themselves with a percentage of milk of nil or very low value during these unprecedented times. Extreme reduction in the value of additional litres requires carefully considered strategies. A careful reading of contracts should happen before any changes occur and any feeding changes should be done in consultation with a nutritionist. It is important to remember that many cows are still efficiently producing valuable milk. These cows are not the target, their performance must be maintained. Instead, focus on the less efficient animals in the herd where savings can be made to lessen the impact of falling milk prices. The overarching goal should be to:

- a) Minimise the scale of short-term losses, while also...
- b) Preventing any irreversible decline in output which would limit the herd's ability to make milk when the situation changes.

Step 1: Switch to feeding whole milk to calves

Ad-lib feeding of calves can get intakes up to 15 litres/hd/day and will substitute all milk powder feeds and some concentrate too. Feed quality needs maintaining, with either regular cleaning or acidification of milk. Pasteurisation before feeding is preferable, but milk from high cell count cows, Johne's cows and any waste milk should not be included in the feed.

Step 2: Remove any unprofitable animals

With marginal milk close to a nil value, the net-present-value of any cull animal in the herd drops close to their carcass value. If possible, any cow destined for slaughter in the next 2 months should be sold as a cull, even in the face of unfavourable prices with lame or chronic mastitis cows also removed.

Step 3: Dry off cows early

Low yielding cows can be dried off and turned out to grass. These cows mustn't put on weight over the extended dry period, as that will cause issues in the next lactation.

Step 4: Maximise the value of remaining milk

It is inadvisable to reduce yields on cows during the peak of their lactation, as these litres may be needed again soon, however, some steps can be taken to 'concentrate' the milk. This will work best on contracts that pay strongly for solids production, but minimising the losses from any butterfat deductions on liquid contracts is also important. Adjusting starch: sugar levels, as well as moderate increases in forage inclusion rates of a ration, will promote higher milk solids and thereby milk price. Some yield chasing feed additives can be removed, however, the effect on overall herd health should be considered before doing this.

Step 5: Creation of a lows group

Many herds are currently running a single TMR ration to maximise yield throughout lactation. A lows group looks to reduce feed costs faster than milk income, however, in periods of low prices it can be used to feed animals that need to be kept for future production at a reduced cost. Given the recent change in the weather, these cows would ideally be turned out if pastures allow or fed significant amounts of silage.

Step 6: Feeding of excess milk to adult stock

Producing milk to feed back to cows is not good value even off grass, however, if it is unavoidable then this can be done. Milk can be added to rations in place of previously added water, and the additional feed value can potentially replace a small amount of high value concentrate in the mix. It should be noted that 5 litres of standard milk equate to just over 0.5kg DM, and while it is relatively high energy (the equivalent of 29ME), even when produced from grass it is more expensive per MJ than purchased rolled wheat. If adding to a TMR, consult with your nutritionist and be aware that mixes will be prone to rapid heating. Therefore, leftover amounts need to be reduced and feed trough cleanliness needs to be paramount. Increasing feeding frequency or using a preservative will also help. Any pre-soaking for compact feeding should not be done and instead, a thorough mix just before feeding is preferable. Be aware that milk contains rapidly fermentable sugars and therefore feeding of it may necessitate a reduction in starch levels.

In conclusion:

The answer to drastic reductions in B litre value is not to pull concentrate from the entire herd and cut daily per-cow average production, but instead is to prioritise milk production from the most efficient animals in the herd, minimise cash costs for non-saleable milk and ensure that the farm is in a strong position to return to high production once prices increase. A farm's strategy for extremely low milk prices will be determined by their specific circumstances, the allocation of full price 'A' litres and the herd dynamics at the time. Please contact your consultant for more detailed discussions in this area.

For further discussion or to help with any questions that you may have, please contact Consultant Support on consultantsupport@kiteconsulting.com or 01902 851007 / 07542 403225