



Grain Prices!!

I thought that might get your attention. At the time of writing this article (mid- October) wheat has already passed the \$300/tonne mark, which had significant impacts on dairy farm profits and productivity 3 years ago. My personal belief is that wheat prices, and they drive the price of all other grains and supplementary feeds, is more about politics and power than supply and demand.

The difference between the high grain price scenario of 3 years ago and today, is milk price. Milk prices are about 7c/litre higher now than last grain price high.

There were some dairy farmers who committed “productivity suicide” 3 years ago reacting to grain price, and took up to 2 years to rebuild productivity as a result of cow BCS losses, and its inherent production momentum losses, and fertility declines due to cows being in poor condition, and often in negative energy balance. The loss of income during the recovery stage far outweighed the additional grain cost at that time.

Keeping cows milking is directly related to intake. Intake is directly related to total ration NDF (fibre), especially over summer. We have had a ‘dream-run’ through winter, no August feed hole, with many herds still running at well above last season’s milk production levels.

We have production momentum! The challenge is going to be in sustaining that momentum through the coming summer. The winter ‘dream-run’ would appear at this time to be balanced out with a very short spring.

This short spring is going to have major consequences on conserved forage (silage) in both quantity and quality. Astute farmers saw the season was 3 weeks early and began silage making in early September. As a result these farmers have already conserved considerable tonnages of very high quality silage, and have reaped the benefits of good pasture regrowth. However, many dairies are going to be faced with reduced quantities of silage of relatively poor quality. Mid October’s dry and hot weather has matured pasture very rapidly which will result in low digestible (lignified) silage, and even worse hay quality.

Drought conditions in our traditional hay producing areas are rendering the hay market all but non-existent, (possibly some cereal growers will elect to make hay from crops

unsuitable for grain harvest). Milk production in SW Victoria dropped 30% in January last summer. I predict that drop will occur in December this summer – a month earlier.

We need to view “wholes”, not parts. Certainly all the above parts contribute to the viability of the “whole”, but long term viability is very much part of the “whole” – the total farm business, and usually missed when we react to parts.

Grain, even in excess of \$300/tonne still remains our most valuable bought in fodder. Sellers of hay and silage are currently (mid October) testing the market’s fear with prices as high as \$400/tonne. We must compare bought-in feeds on an ‘as fed basis’; and even further, on nutrients (energy/protein/fibre) ‘as fed’.

Wheat at say \$320/tonne milled and delivered at 14MJME, 12%NDF & 14% crude protein; is pretty well as fed cost. There should be no further feed-out or wastage cost attached.

Conversely, say home produced silage at \$260/tonne DM (dry matter – grass at \$150/tonne DM and harvest cost \$110/tonne DM) has an average feed-out cost of \$80 - \$100/tonne (labour & machinery). Wastage from feeding out in the paddock would be a minimum of 30%. So, silage ‘as fed’ (in the cow’s mouth) has now cost \$460+/tonne DM.

Co-product feeding is not an arena for the inexperienced. Quality, digestibility, consistency, specialist feeding equipment and nutrition advice are essentials for good conversion to milk and sustaining cow health.

All times benefit from well balanced rations, but never so much as when margins have been heavily reduced by escalating feed costs. Feed conversion efficiency/rumen health is paramount under these conditions. Improved rumen fermentation through monensin (Rumensin) addition to grain will increase propionic acid production in the rumen, the cow’s main energy source. We must ‘squeeze’ every drop of energy from our expensive and scarce carbohydrate supplies. Similarly, good rumen pH management with a rumen modifier such as Tylan contributes significantly to feed conversion efficiency and rumen health.

Cows must be fed, continuity maintained, gone are the days of simply ‘turning cows off and on’. Having said that; do your sums on bought-in feed, most particularly, bought-in hay or silage. Grain, as often is, will be your best buy. Grain is high in starch, and cows “run” on starch, as it is a major source of rumen fermentable carbohydrate.

Don’t **react** to “parts”; **respond** to the “whole” – the big picture, carefully assessing impacts on total farm performance in both the short and long term.