Animal & Grassland Research and Innovation Programme

Teagasc

Profit Monitor Analysis
Dairy Farms 2016

Teagasc
Agriculture and Food Development Authority

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Authors
Teagasc Specialist Service

Agriculture and Food Development Authority

Foreword

The Teagasc Profit Monitor (PM) is an online financial analysis tool available to all Teagasc clients. Dairy farmers gather the data required before it is entered and analysed by their Teagasc Dairy Adviser. A range of reports for each enterprise (dairy, replacements, cattle and tillage) and for the overall farm can be produced. If the farmer has carried out PM analysis for two or more years, multiple year reports can be generated. In addition, if the farmer is a member of a discussion group, a group report can be produced allowing each individual farmer to benchmark his/her performance with other group members. The purpose of this publication is to provide a range of benchmarks for both individual farmers and farmer groups.

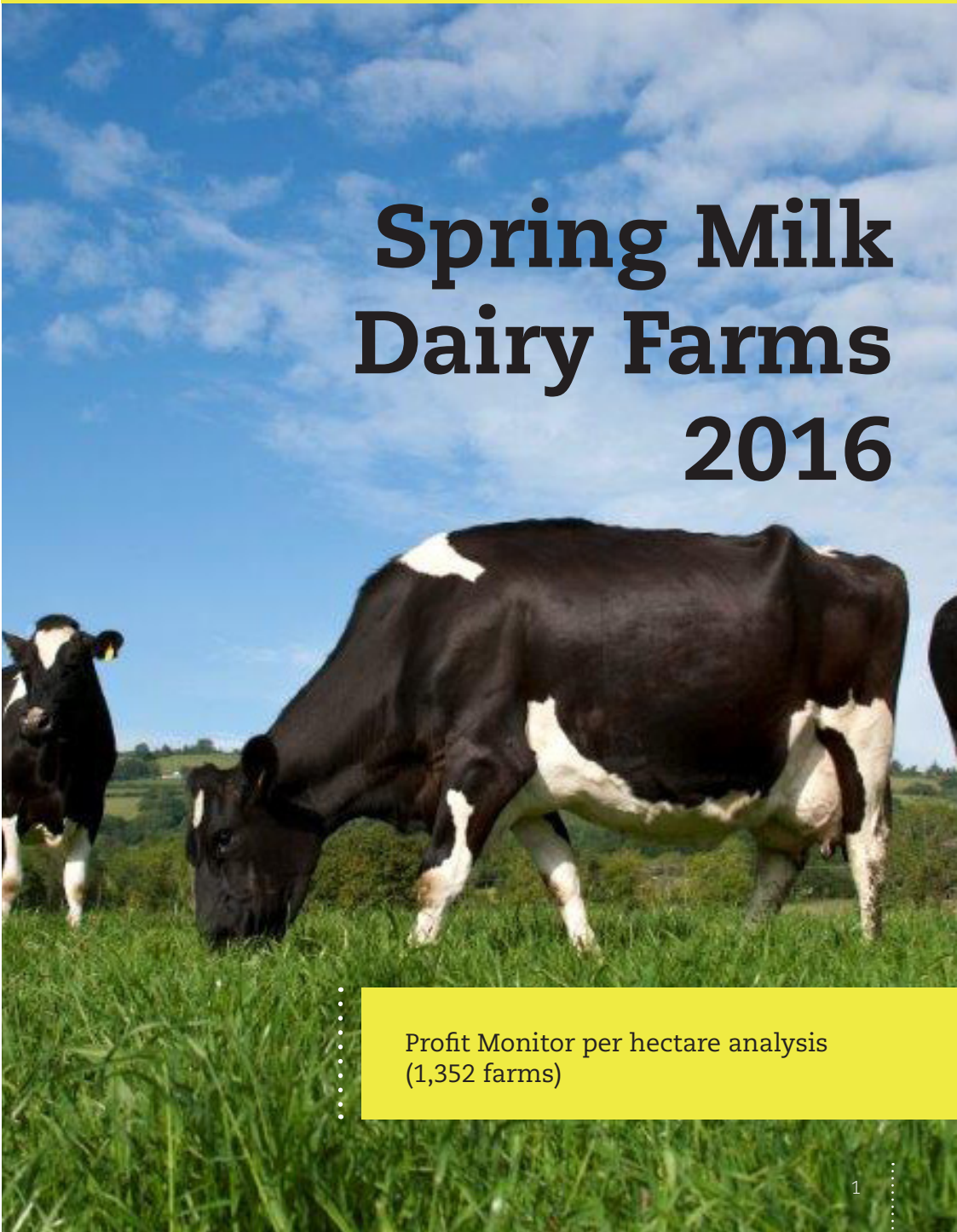
The analyses in this publication are based on data provided by Teagasc dairy farmer clients relating to the production year 2016 and entered onto the PM system prior to 27th February 2017. In all, 1,505 farms are represented; 1,352 of these are engaged in spring milk production with the balance (153) engaged in winter/ liquid milk production. In addition, a matched sample analysis of 276 farmers who have completed PM analysis for each year in the period 2008 to 2016 is included.

A summary of the key figures are included in the main tables and a more detailed breakdown of costs contained in the later tables. Where 'Top 25%' results are presented, the dataset was initially ranked on the basis of net profit per hectare.

For the first time in the Dairy PM publication, the author has included an own labour charge (for the farmer's own and unpaid family labour). This is a welcome development as it recognises that farmer's labour input (and that of other unpaid family members) is required and rewarded for the milk produced. The labour adjustment is made following the calculation of the enterprise net profit and the adjusted net profit is an estimated return to management, owned land and owned capital.

Finally, I would like to acknowledge the work of all Teagasc Dairy Advisers in promoting, completing and using the PM analysis tool and to dairy farmers for providing the data required for analysis. Without their support, this publication would not be possible. I would also like to acknowledge the work of George Ramsbottom in extracting the data necessary for this publication.

Tom O'Dwyer, Head of Dairy Knowledge Transfer



Spring Milk Dairy Farms 2016

Profit Monitor per hectare analysis
(1,352 farms)

Spring Milk Dairy Farms 2016

Profit Monitor per hectare analysis (1,352 farms)

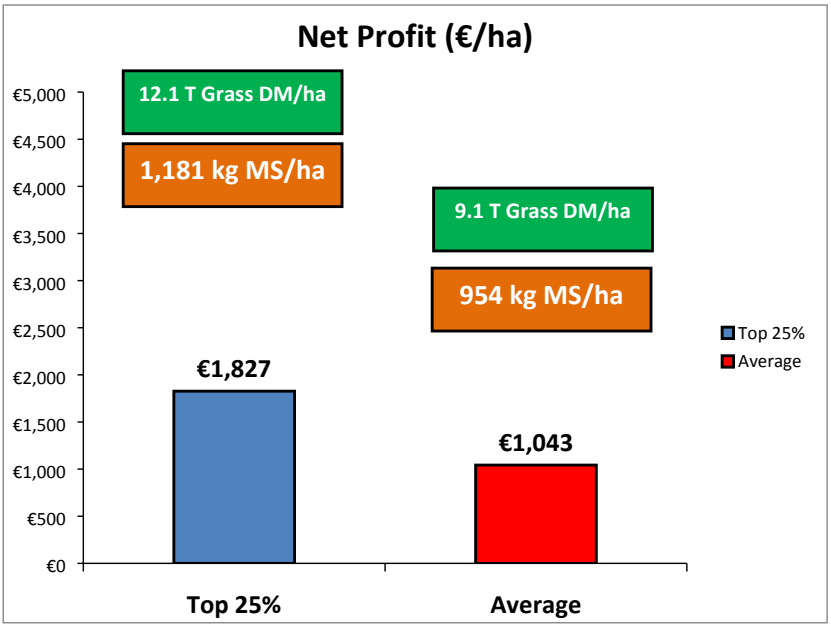
	Top 25%[1]	Average	Top vs. Average
Physical			
Herd Size (No. cows)	130	115	15
Dairy Ha	51	52	- 1
Stocking rate[2] (LU/ha)	2.55	2.24	0.31
Grass used[3] (t DM/ha)	12.1	9.1	3.0
Grass in diet[4] (% total DM consumed)	84%	83%	1%
Milk yield (litres/cow)	5,703	5,329	374
Milk solids (kg/ha)	1,181	954	226
Financial (€/ha)			
Gross Output	4,402	3,471	931
Variable Costs	1,496	1,367	130
Gross Margin	2,904	2,104	800
Fixed Costs	1,079	1,060	19
Net Profit excl. premia	**1,827**	**1,043**	**783**
Own labour cost[5]	900	927	- 27
Margin after own labour	927	116	811
Est. total labour (hrs/cow, [owned/hired])	28.0 (23.5 / 4.5)	33.2 (27.6 / 5.6)	-5.2 (- 4.1 / -1.1)

1 Ranked by dairy net profit per hectare.
2 Overall farm stocking rate.
3 Grass used is calculated by back calculating dry matter intake per cow from milk solids yield, subtracting purchased feed and multiplying by overall stocking rate.
4 % grass in the diet is calculated by dividing grass used per cow by total dry matter intake per cow and multiplying by 100.
5 Own labour valued at €15/hour – description of how it is calculated is presented in the section ***Estimating unpaid own and family labour*** of this booklet.

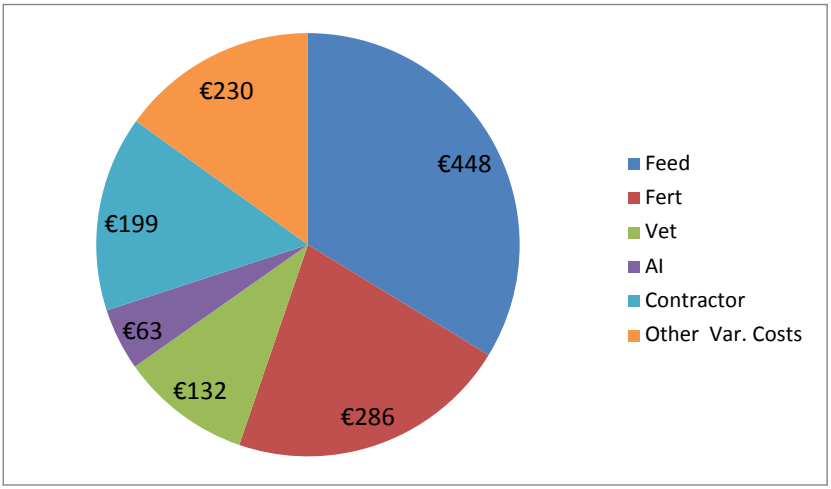
- The top farms generated a gross output of €4,402 per ha compared to €3,471 per ha on the average farms, a difference of 27%.
- The higher output on the top farms reflected a combination of both higher stocking rate (14% higher) and higher output per cow (9% higher milk solids output per cow).
- Output per ha on the top 25% of farms was 226 kg milk solids per ha or 23% higher than on the average farm (9546 kg per ha). This is as a result of a higher stocking rate (+0.33 LU per ha) and higher milk solids yield per cow (+ 37 kg per cow).
- Average spring milk dairy farms had lower variable costs than the top farms at €1,367 per ha versus €1,496 per ha. However, as a percentage of gross output they accounted for 39% on the average farms compared to 34% of the output on the top farms.
- The gross margin was €2,904 per ha on the top spring milk farms which was 38% or €800 per ha higher than those on the average farm.
- The biggest variable cost on spring milk dairy farms in 2016 was purchased concentrates and forage accounting for 34% or €448 per ha of total variable costs on the average farm.
- The average spring milk dairy farm in 2016 generated a net profit of €1,043 per ha compared to €1,827 per ha on the top 25% of farms.
- Estimated own labour efficiency is greater for the top 25% (4.1 hours less worked per cow) than for the average farm. After adjusting for own labour the most efficient farms generated €811 more per ha than the average farm.

Spring Milk Dairy Farms 2016

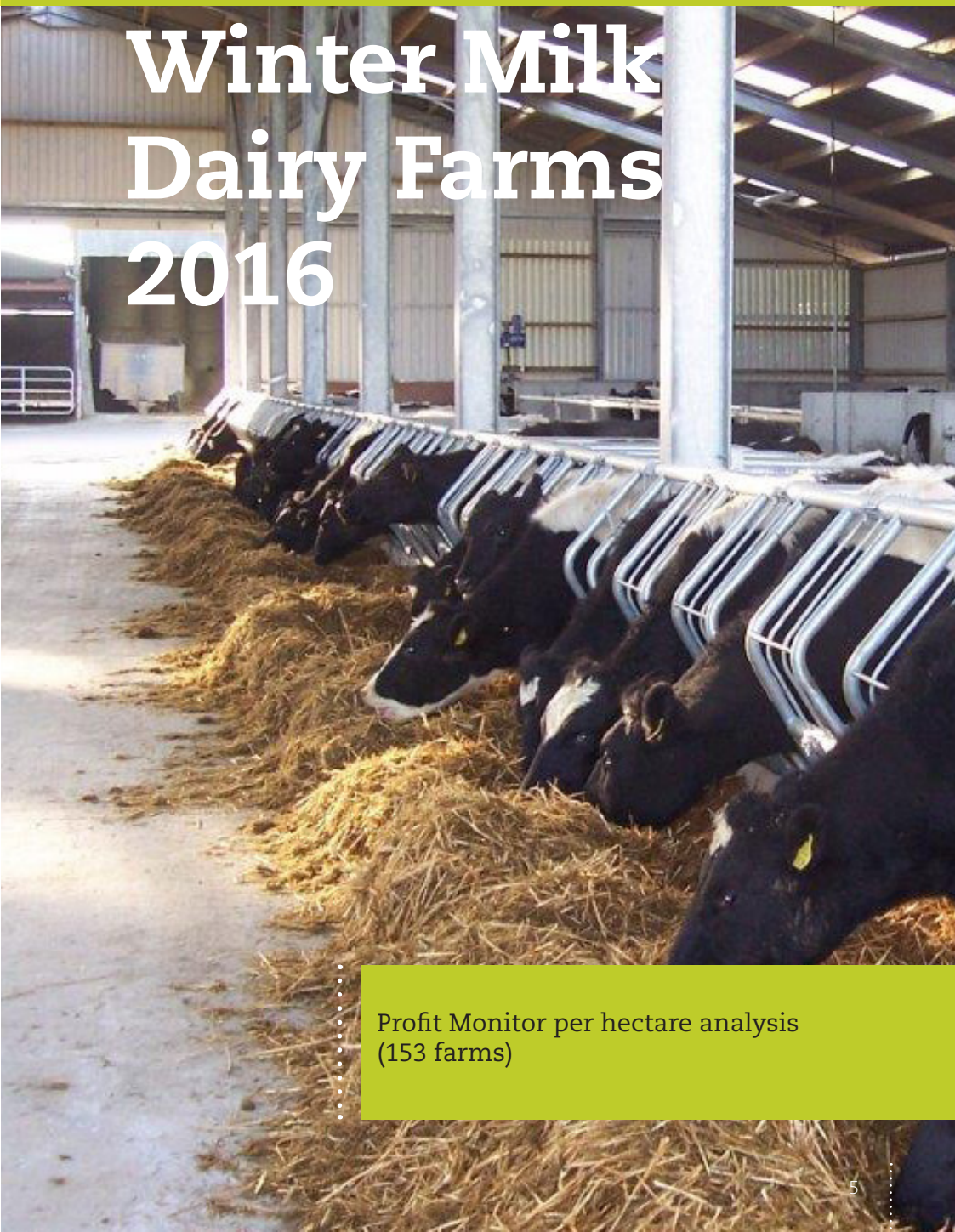
Spring milk dairy farms net profit per hectare 2016



Average spring milk variable costs per hectare 2016



Winter Milk Dairy Farms 2016



Profit Monitor per hectare analysis
(153 farms)

Winter Milk Dairy Farms 2016

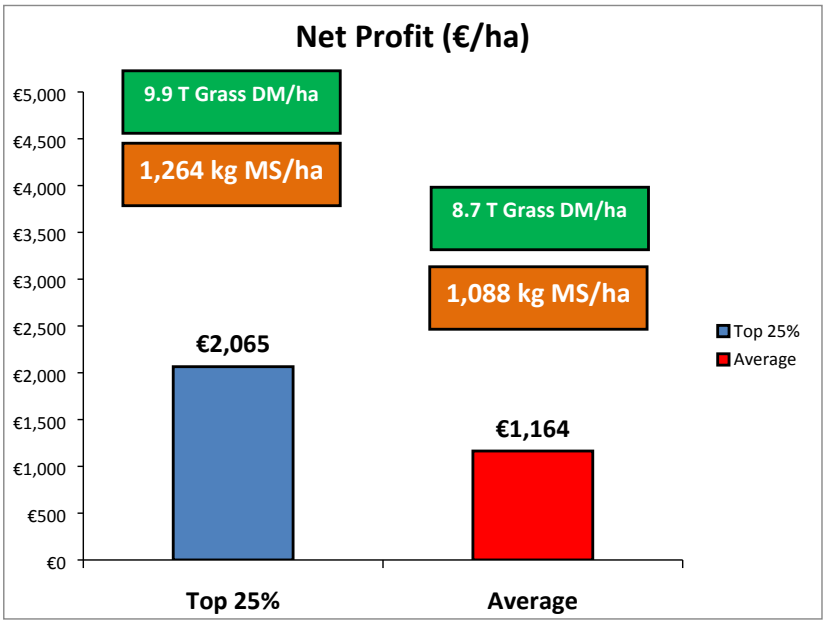
Profit Monitor per hectare analysis (153 farms)

	Top 25%[6]	Average	Top vs. Average
Physical			
Herd Size (No. cows)	134	146	-12
Dairy Ha	53	63	-10
Stocking rate (LU/ha)	2.51	2.32	0.19
Grass used (t DM/ha)	9.9	8.7	1.2
Grass in diet (% total DM consumed)	73%	72%	1%
Milk yield (litres/cow)	6,446	6,023	423
Milk solids (kg/ha)	1,264	1,088	176
Financial (€/ha)			
Gross Output	5,073	4,264	809
Variable Costs	1,768	1,724	44
Gross Margin	3,305	2,539	766
Fixed Costs	1,240	1,376	-136
Net Profit excl. premia	**2,065**	**1,164**	**901**
Own labour cost[7]	957	878	79
Margin after own labour	1,108	286	822
Est. total labour (hrs/cow, [owned/hired])	30.4 (25.1 /5.3)	32.2 (26.0 /6.2)	-1.8 (-0.9 /-0.9)

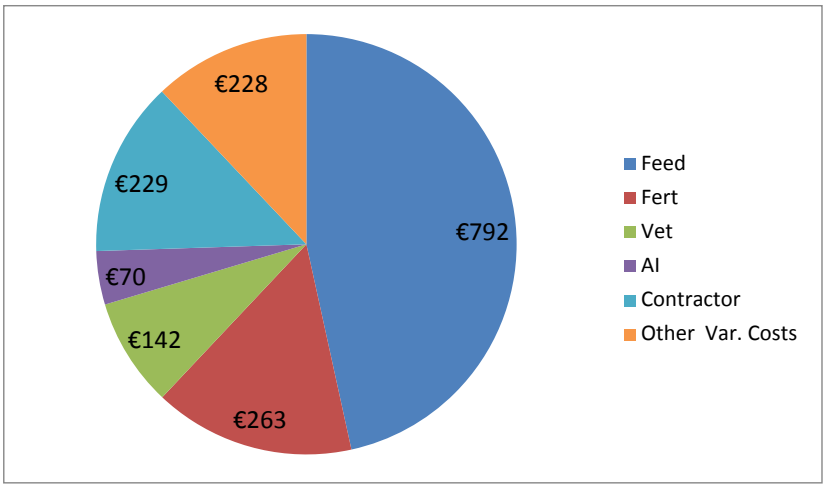
[6] Ranked by net profit per hectare.
[7] Own labour valued at €15/hour.

- The top 25% of farms generated a gross output of €5,073 per ha compared to €4,264 per ha on the average farms, a difference of 19%.
- The higher output on the top farms reflected higher stocking rate, higher output per livestock unit and higher output per hectare.
- Output per ha on the top 25% of farms was 176 kg milk solids per ha or 17% higher than on the average farm (1,088 kg per ha). This is as a result of a higher stocking rate (+0.19 LU per ha) and higher output per LU (+ 35 kg milk solids per cow).
- Average winter milk dairy farms had similar variable costs to the top farms at €1,724 per ha and €1,768 per ha respectively. As a percentage of gross output they accounted for 40% on the average farms compared to 35% of the output on the top farms.
- The gross margin was €3,305 per ha on the top winter milk farms which was 30% or €809 per ha higher than those on the average farm.
- The biggest variable cost on winter milk dairy farms in 2016 was purchased forage and concentrate accounting for 46% or €792 per ha of total variable costs on the average farm.
- The average winter milk dairy farm in 2016 generated a net profit of €1,164 per ha compared to €2,065 per ha on the top 25% of farms.
- Estimated own labour efficiency is greater for the top 25% (0.9 hours less worked per cow) than for the average farm. After adjusting for own labour the most efficient farms generated €822 more per ha than the average farm.

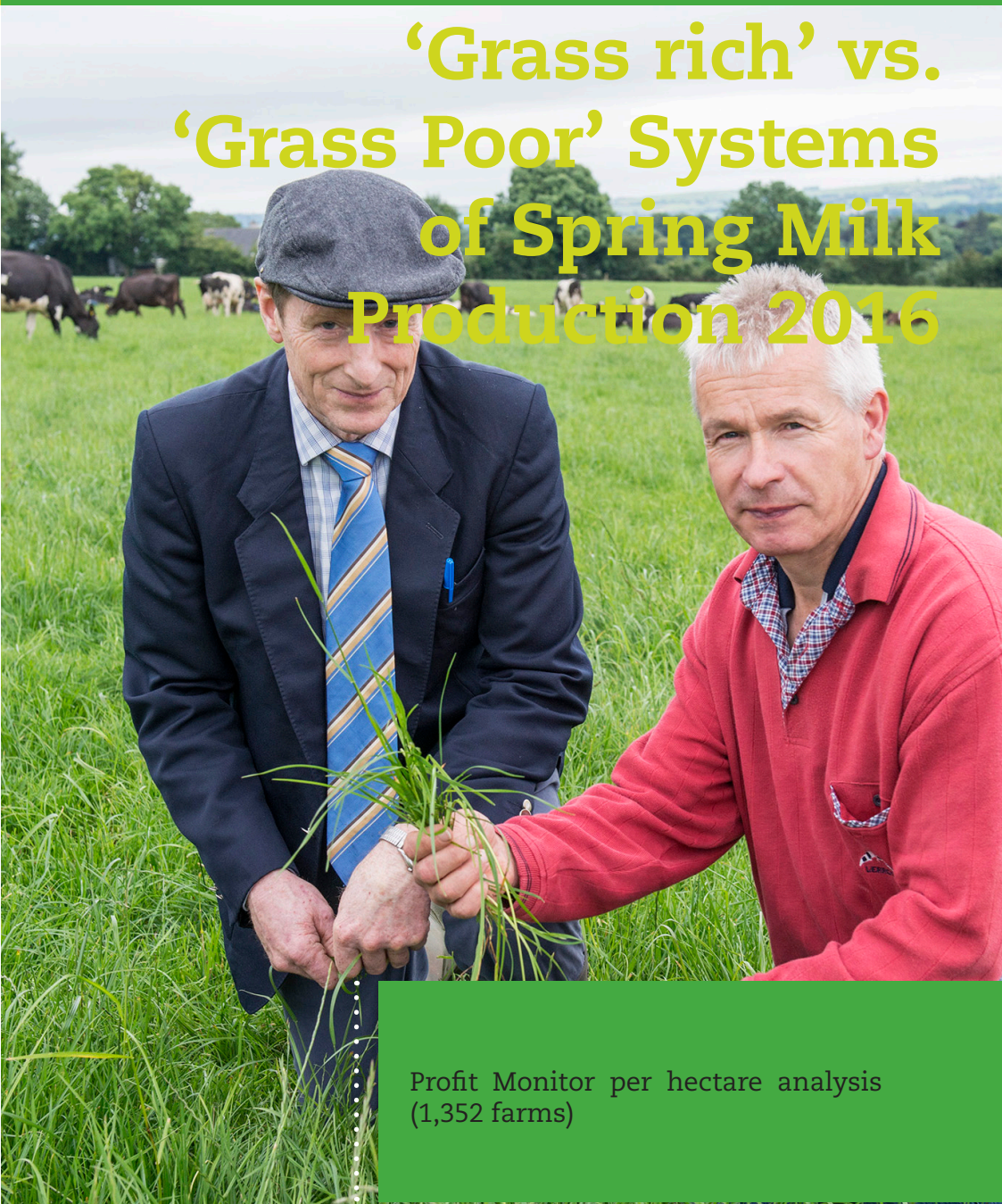
Winter milk dairy farms net profit per hectare 2016



Average winter milk variable costs per hectare 2016



‘Grass rich’ vs. ‘Grass Poor’ Systems of Spring Milk Production 2016



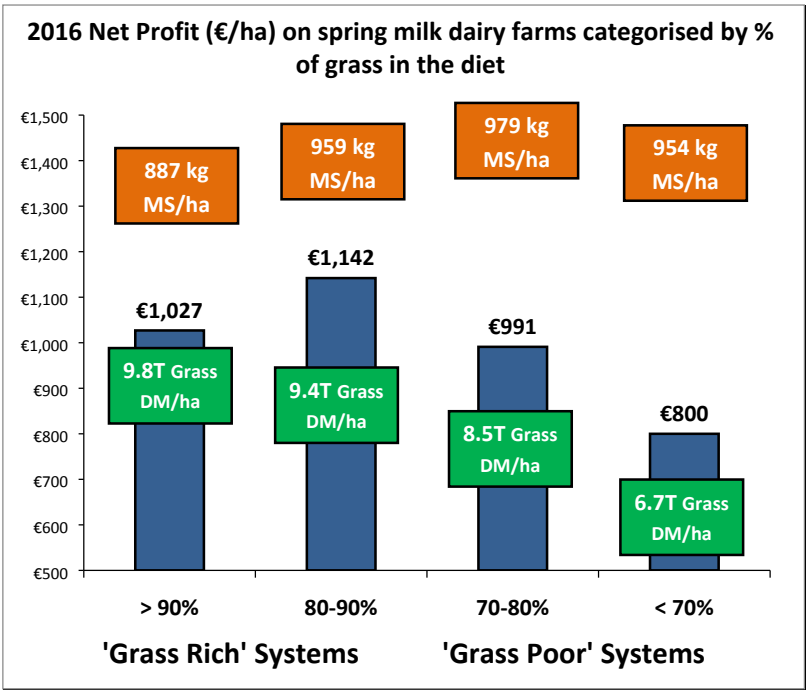
Profit Monitor per hectare analysis (1,352 farms)

Profit Monitor per hectare analysis (1,352 farms)

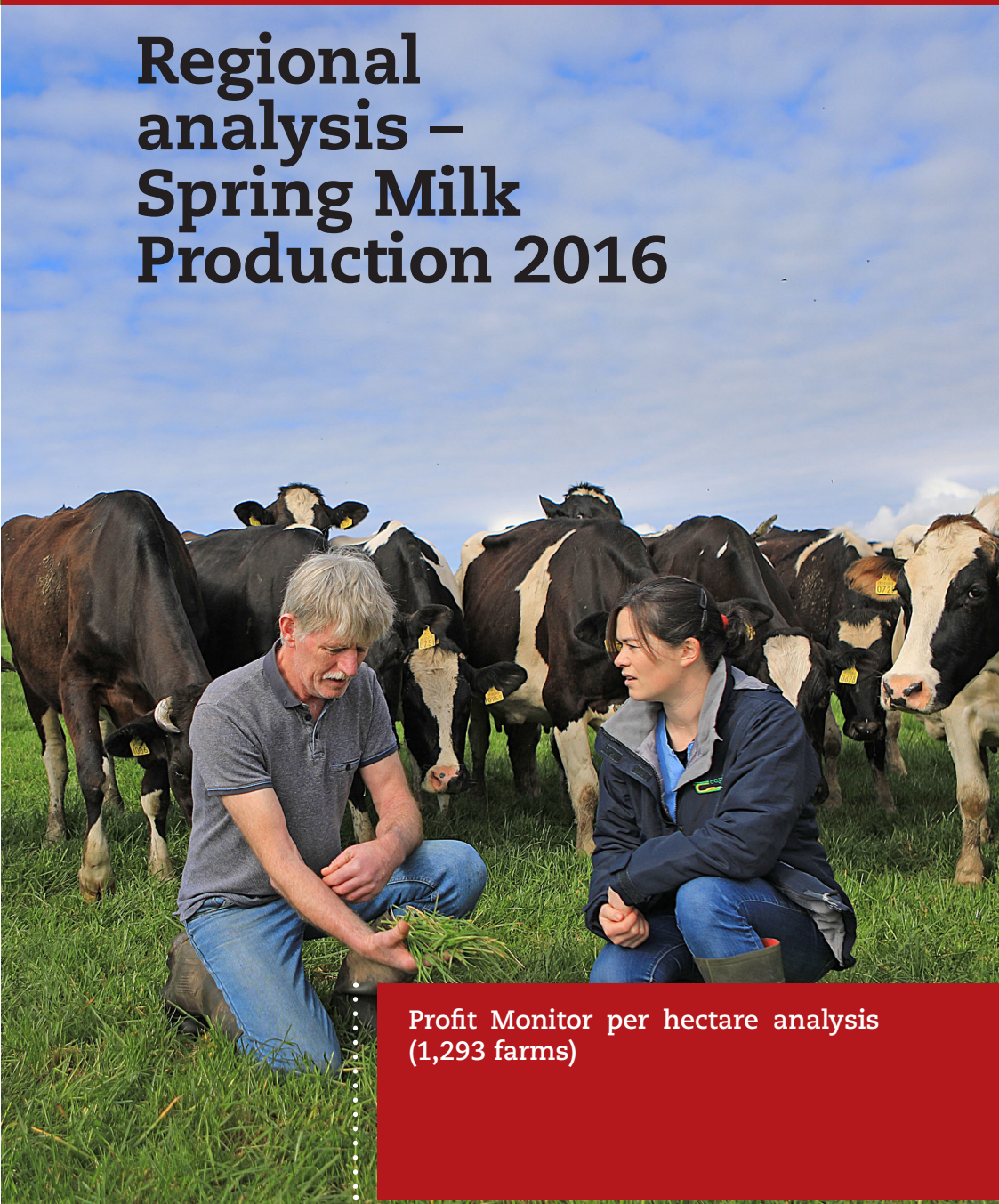
	Grass Rich		Grass Poor	
Proportion of purchased feed/forage	<10%	10-20%	20-30%	>30%
No. of farms	139	788	349	76
Physical				
Stocking rate (LU/ha)	2.2	2.2	2.2	2.1
Grass used (t DM/ha)	9.8	9.4	8.5	6.7
Grass in diet (% total DM consumed)	92%	85%	74%	64%
Milk yield (litres/cow)	4,787	5,310	5,553	5,912
Milk solids (kg/ha)	887	959	979	954
Financial (€/ha)				
Gross Output	3,197	3,507	3,631	3,567
Variable Costs	1,083	1,287	1,529	1,736
Gross Margin	2,114	2,220	2,102	1,831
Fixed Costs	1,086	1,078	1,112	1,031
Net Profit excl. premia	1,027	1,142	991	800

- Dairy farms where more than 80% of the diet is composed of grazed grass or grass silage are termed 'grass rich' systems of milk production. Those farms where less than 80% of the cows' diet is grazed grass or grass silage are termed 'grass poor'.
- After a wet spring, the 2016 season was a good grass growing year across much of the country – over two thirds (69%) of dairy farms included in this analysis operated 'grass rich' systems of milk production that year.
- The grass rich farms generated an average[8] gross output of €3,461 per ha compared to an average of €3,620 per ha on the grass poor farms, a 5% lower gross output.
- Output per ha on the grass rich farms was on average 26 kg milk solids per ha or 4% lower than on the grass poor farms. This is as a result of lower output per cow (- 16 kg milk solids per cow).
- On average the grass rich farms had lower variable costs than the average of the grass poor farms at €1,256 per ha versus €1,566 per ha. However, as a percentage of gross output they accounted for only 36% compared to 43% of total variable costs on average on the grass poor farms.
- The gross margin was an average of €2,204 per ha on the grass rich farms which was 7% or €151 per ha higher than on the grass poor farms.
- The biggest variable cost on both grass rich and grass poor farms was purchased forage and concentrate accounting for 52% and 61% of total variable costs respectively.
- On average the grass rich farms had lower fixed costs than the average of the grass poor farms at €1,079 per ha versus €1,098 per ha.
- The average grass rich farm in 2016 generated a 15% greater net profit of €1,125 per ha compared to €957 per ha on the grass poor farms.

[8] Weighted average for all calculations in systems table.


2016 Net Profit (€/ha) on spring milk dairy farms categorised by % of grass in the diet
€1,500
€1,400
€1,300
€1,200
€1,100
€1,000
€900
€800
€700
€600
€500
887 kg MS/ha
959 kg MS/ha
979 kg MS/ha
954 kg MS/ha
€1,027
€1,142
€991
€800
9.8T Grass DM/ha
9.4T Grass DM/ha
8.5T Grass DM/ha
6.7T Grass DM/ha
> 90%
80-90%
70-80%
< 70%
'Grass Rich' Systems
'Grass Poor' Systems

Regional analysis – Spring Milk Production 2016



Profit Monitor per hectare analysis (1,293 farms)

Regional analysis - spring milk dairy farms 2016

Profit Monitor per hectare analysis (1,293 farms)

Region	Average	Cork	Midlands	North West	South East	South West
No. of farms	1,293	269	251	315	255	203
Physical						
Herd size (Cows)	117	130	138	86	138	93
Dairy Ha	52	54	59	42	58	45
Stocking rate (LU/ha)	2.24	2.41	2.33	2.02	2.36	2.09
Grass used (t DM/ha)	9.2	10.0	9.9	7.8	10.2	8.2
Grass in diet (% total DM consumed)	82%	82%	85%	80%	84%	81%
Milk yield (litres/cow)	5,332	5,468	5,364	5,202	5,472	5,139
Milk solids (kg/ha)	955	1,067	1,012	823	1,049	841
Financial (€/ha)						
Gross Output	3,471	3,928	3,643	2,980	3,810	3,063
Variable Costs	1,366	1,531	1,339	1,260	1,393	1,297
Gross Margin	2,104	2,397	2,304	1,720	2,417	1,766
Fixed Costs	1,062	1,156	1,163	927	1164	911
Net Profit excl. premia	1,043	1,241	1,141	793	1,253	855

Regions

Cork

Midlands: Kildare: Laois; Longford; Louth; Meath; Offaly, Tipperary NR; Westmeath & Wicklow.

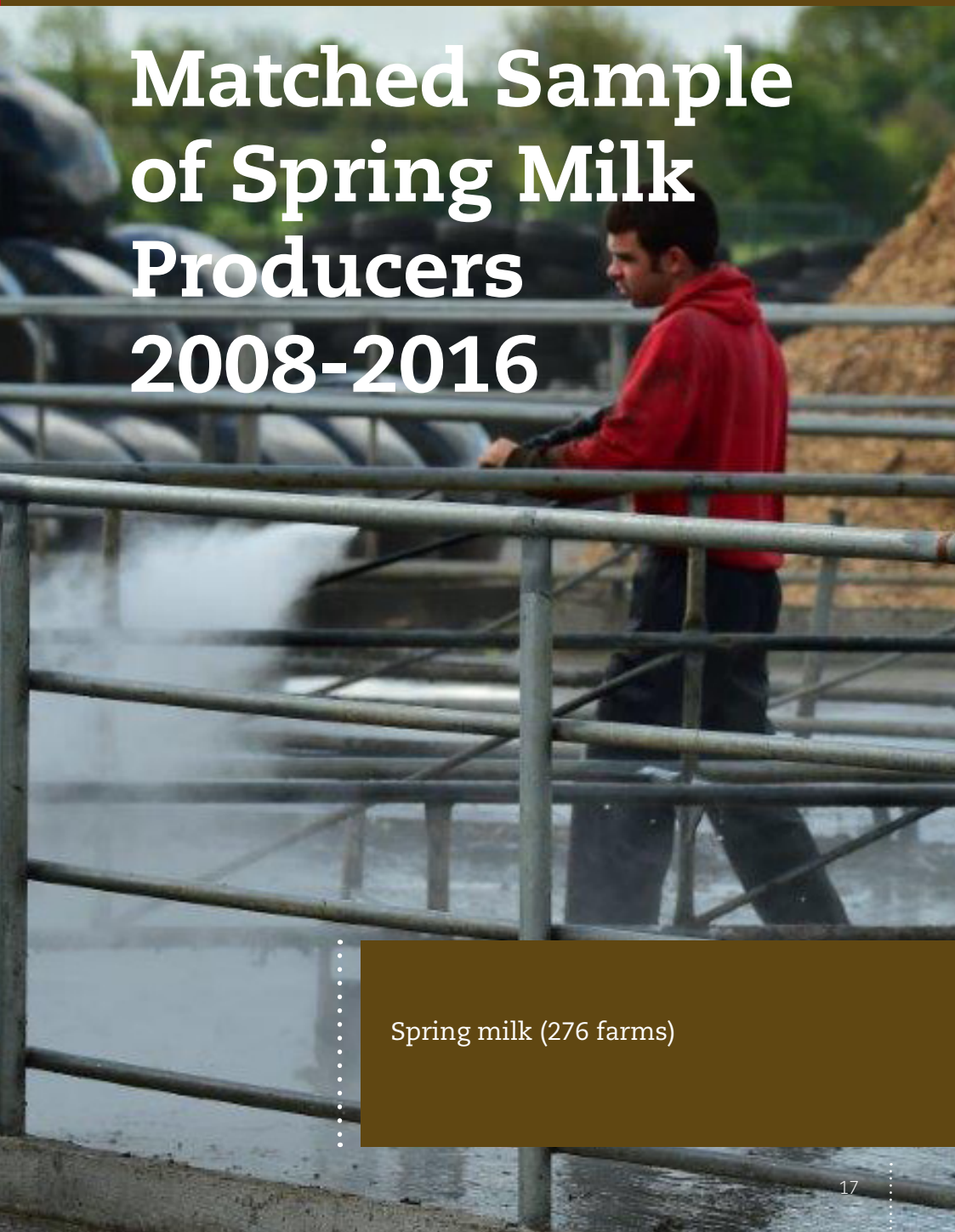
North West: Cavan; Clare; Donegal; Galway; Leitrim; Mayo; Monaghan; Roscommon & Sligo.

South East: Carlow; Kilkenny; Tipperary SR; Waterford and Wexford.

South West: Limerick and Kerry.

- Compared to the overall average, spring milk dairy farms in Cork had this highest gross output of €3,928 per ha compared to an average of €3,471 per ha.
- The higher output in the Cork region reflects the higher output per cow (443 kg MS) and per hectare (1,067 kg MS).
- The North West region had the lowest total variable cost per hectare of €1,260 reflecting lower stocking intensity; Cork had the highest variable costs at €1,531 per hectare.
- The Cork region had the highest gross margin per hectare at €2,397 per ha which was €293 per ha higher than the average spring milk producer, because of its higher gross output per hectare.
- The South West region had the lowest fixed costs per hectare at €911 per ha versus €1,062 per ha for the average spring milk producer.
- The average spring milk producer generated a net profit of €1,043 per ha which was €210 less per ha than farmers in the South East region.

Matched Sample of Spring Milk Producers 2008-2016



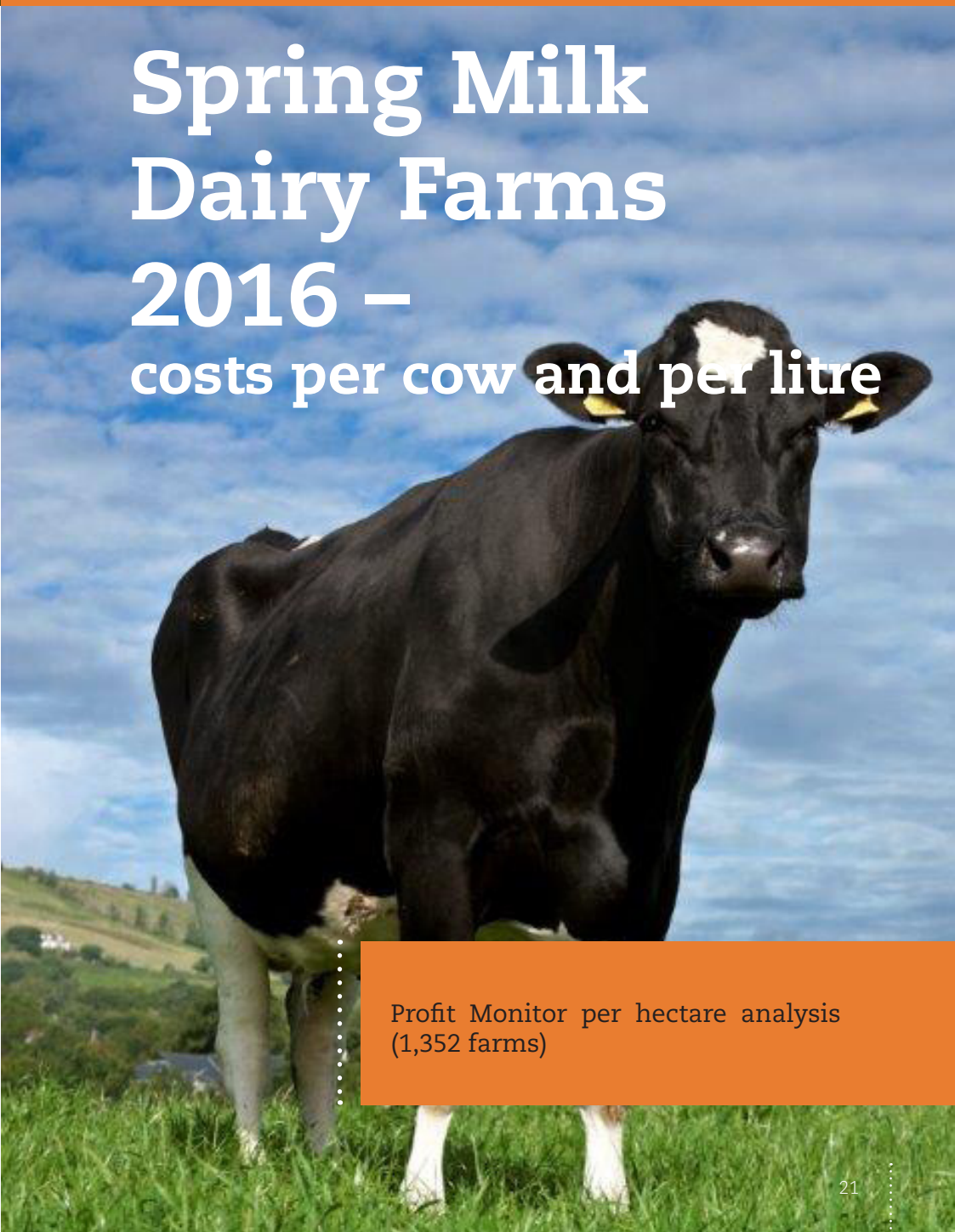
Spring milk (276 farms)

Matched Sample of Spring Milk Producers 2008-2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change 2008-2016
Physical										
Herd Size (No. cows)	83	88	93	97	99	104	107	118	128	45
Dairy Ha	40	41	43	44	44	46	47	51	54	14
Stocking rate (LU/ ha)	2.10	2.17	2.17	2.19	2.23	2.26	2.27	2.31	2.37	0.27
Milk yield (litres/cow)	5,204	4,929	5,320	5,190	5,176	5,288	5,182	5,604	5,519	315
Milk solids (kg/ha)	827	804	877	874	893	928	925	1,048	1,061	233
Financial (€/ha)										
Gross Output	3,840	2,578	3,645	4,191	2,579	4,912	4,717	4,286	3,860	20
Variable Costs	1,137	1,038	1,167	1,211	1,473	1,768	1,466	1,446	1,436	299
Gross Margin	2,702	1,540	2,478	2,979	2,579	3,144	3,251	2,840	2,423	- 279
Fixed Costs	1,041	914	998	1,050	1,070	1,149	1,173	1,133	1,135	94
Net Profit excl. premia	1,661	626	1,480	1,930	1,509	1,995	2,078	1,708	1,288	- 373

- Herd size and dairy land used increased by 54% and 37% respectively over the 2008-2016 period on this matched sample of spring milk dairy farms.
- While the volume of milk produced per cow increased by 6% over the period, milk solids yield per hectare increased by 28% reflecting a combination of higher milk solids yield per cow and higher stocking rate.
- Gross output per hectare increased by less than 1% over the period but this was more than counterbalanced by a 26% increase in variable costs and a 9% rise in fixed costs.
- Net profit per hectare declined by 22% per hectare over the period while dairy enterprise net profit increased by 5% because of the increased farm business scale.

Spring Milk Dairy Farms 2016 – costs per cow and per litre



Profit Monitor per hectare analysis (1,352 farms)

Profit Monitor per hectare analysis (1,352 farms)

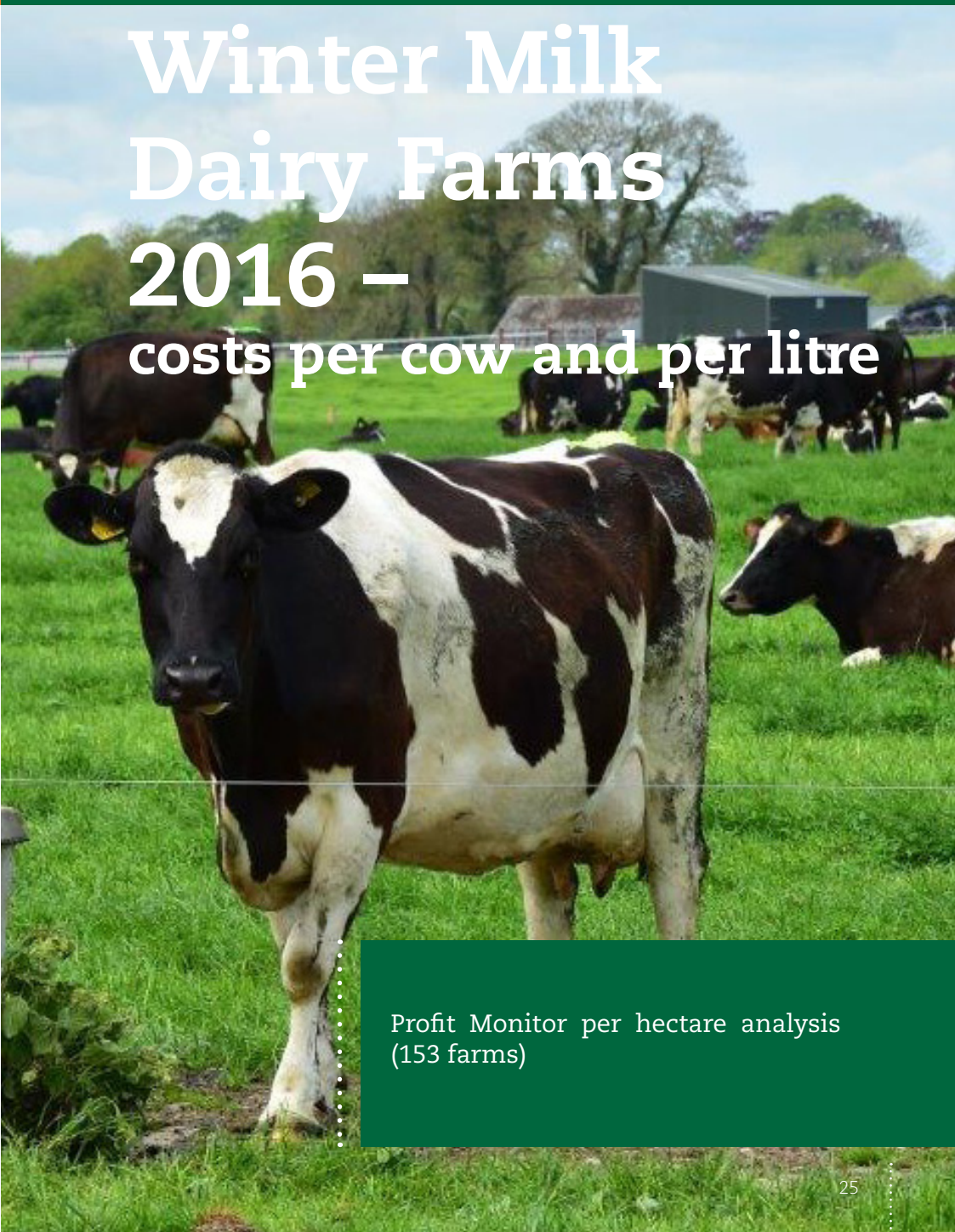
	Top 25%[8]		Average		Difference Top 25% - Average	
Physical						
Stocking rate (LU/ha)	2.55		2.24		0.31	
Grass used (t DM/cow)	4.7		4.1		0.7	
Milk yield (litres/cow)	5,703		5,329		374	
Milk solids Fat (%) / Protein (%) Milk solids (kg/cow)	4.30 / 3.59 463		4.23 / 3.53 426		0.07 / 0.06 37	
Financial (€/cow)						
	c/litre	**€/cow**	**c/litre**	**€/cow**	**c/litre**	**€/cow**
Gross Output Co-op Price	30.35 28.98	1,726	29.36 28.17	1,550	0.99 0.81	177
Variable Costs						
Feed	3.50	200	3.75	200	-0.24	0
Fertiliser	2.29	131	2.42	129	-0.14	1
Vet	1.03	59	1.12	60	-0.10	-1
AI	0.50	29	0.53	28	-0.03	0
Contractor	1.46	83	1.68	90	-0.23	-7
Other var. costs	1.55	88	1.69	90	-0.14	-2
Total Variable Costs	**10.33**	**589**	**11.21**	**597**	**-0.88**	**-8**
Gross Margin	20.02	1,142	18.15	967	1.87	174
Fixed Costs						
Labour	1.20	68	1.57	84	-0.37	-15
Machinery	0.83	47	0.99	53	-0.16	-6
Car/ESB/Phone	0.91	52	1.07	57	-0.16	-5
Depreciation	1.73	99	1.77	94	-0.04	5
Leases	0.78	45	1.18	63	-0.40	-18
Interest	0.52	30	0.67	36	-0.15	-6
Other fixed costs	1.44	82	2.33	124	-0.89	-42
Total Fixed Costs	**7.56**	**431**	**9.10**	**485**	**-1.55**	**-54**
Net Profit excl. premia	12.46	711	9.05	482	3.42	229
Own labour cost[9]	6.19	353	7.77	414	-1.58	-61
Margin after own labour	6.27	358	1.28	68	4.99	290

[9] Own labour valued at €15/hour

Compared with the average farm, the highest net profit farms:

- Are more highly stocked (0.31 LU/Ha) and more productive (37 kg more milk solids per cow) and higher output (0.99 c and €174 per cow) with 82% of the difference in output per litre coming from higher milk price);
- Have lower variable costs per litre (0.88 c less) but similar variable costs per cow (€8 higher) and lower fixed costs per litre and per cow (1.55 c and €54 respectively);
- Have a 48% higher net profit per cow than for the average spring milk producer with 76% and 24% of the difference derived from higher output and lower production costs respectively.
- Have lower estimated own labour cost per cow than for the average farm (€353 and €414 per cow respectively).

Winter Milk Dairy Farms 2016 – costs per cow and per litre



Profit Monitor per hectare analysis (153 farms)

Profit Monitor per hectare analysis (153 farms)

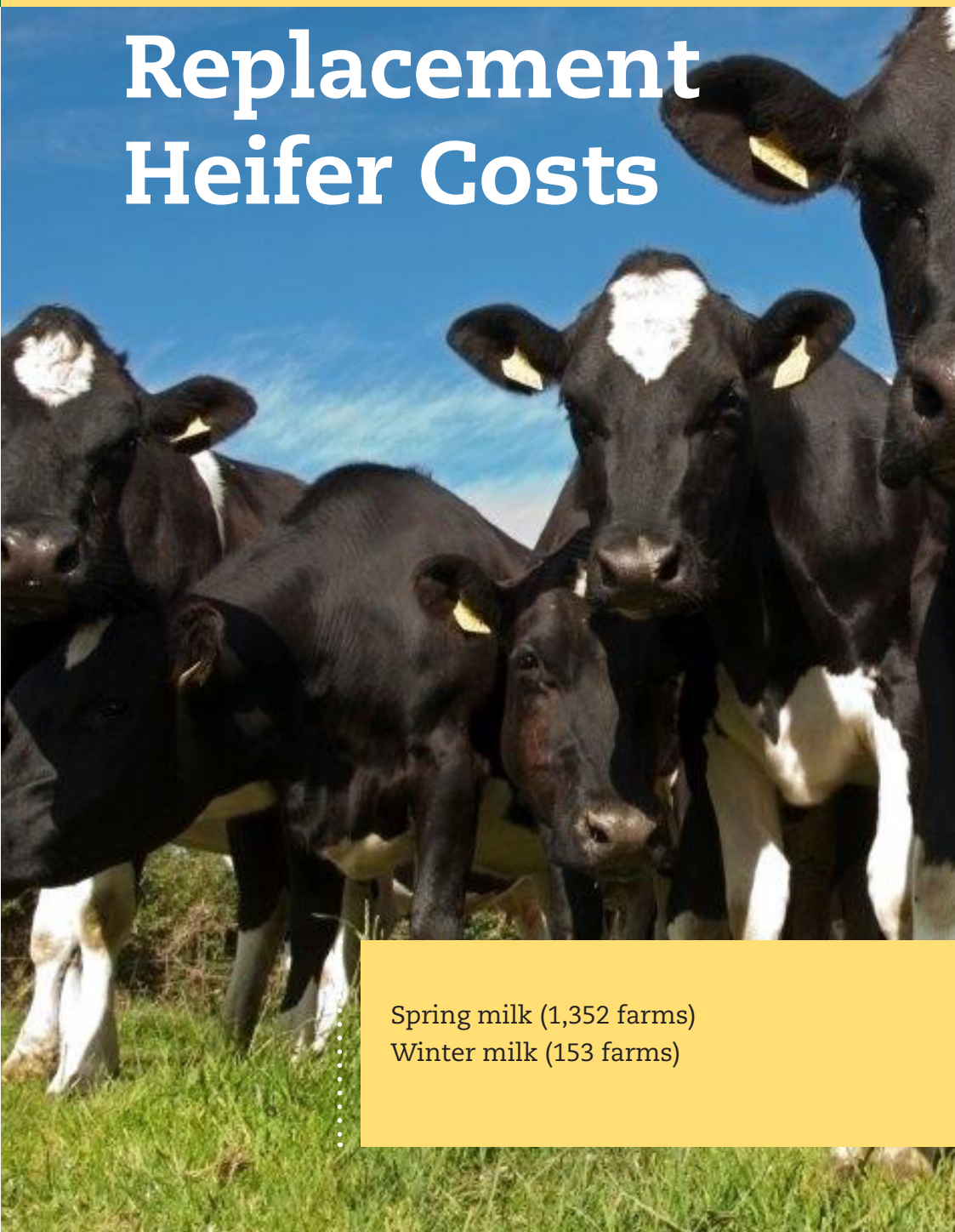
	Top 25%[9]		Average		Difference Top 25% - Average	
Physical						
Stocking rate (LU/ha)	2.51		2.32		0.19	
Grass used (t DM/cow)	3.9		3.8		0.2	
Milk yield (litres/cow)	6,446		6,023		423	
Milk solids Fat (%) / Protein (%) Milk solids (kg/cow)	4.13 / 3.46 504		4.13 / 3.42 469		0.00 / 0.03 35	
Financial (€/cow)	**c/litre**	**€/cow**	**c/litre**	**€/cow**	**c/litre**	**€/cow**
Gross Output Co-op Price	31.65 31.61	2,040	30.26 29.69	1,823	1.39 1.92	218
Variable Costs Feed Fertiliser Vet AI Contractor Other var. costs	 5.18 1.61 0.85 0.48 1.27 1.55	 334 104 55 31 82 100	 5.62 1.89 1.01 0.51 1.57 1.64	 338 114 61 31 94 99	 -0.44 -0.29 -0.15 -0.03 -0.29 -0.10	 -4 -1 -6 0 -12 1
Total Variable Costs	**10.94**	**705**	**12.24**	**737**	**-1.30**	**-32**
Gross Margin	20.71	1,335	18.02	1,085	2.69	250
Fixed costs Labour Machinery Car/ESB/Phone Depreciation Leases Interest Other fixed costs	 1.22 1.21 0.91 1.55 0.75 0.33 1.68	 79 78 59 100 48 21 108	 1.56 1.46 1.12 1.66 0.70 0.95 1.84	 94 88 68 100 42 57 111	 -0.34 -0.25 -0.21 -0.11 -0.05 -0.62 -0.17	 -15 -10 -9 0 6 -36 -3
Total Fixed Costs	**7.65**	**493**	**9.30**	**560**	**-1.66**	**-67**
Net Profit excl. premia	13.07	842	8.72	525	-4.35	317
Own labour cost[10]	5.91	381	6.28	378	-0.37	3
Margin after own labour	7.15	461	2.43	147	4.72	314

[9] Ranked by net profit per hectare.
[10] Own labour valued at €15/hour

Compared with the average farm, the highest net profit farms:

- Are more highly stocked (0.19LU/Ha) and more productive (35 kg more milk solids per cow); have greater output (1.39 c and €218 per cow) with 72% of the difference in output per litre coming from higher milk price);
- Had lower variable costs per litre and per cow (1.30 c and €21 respectively) and lower fixed costs per litre and per cow (1.66 c and €67 respectively);
- Had a 60% higher net profit per cow than the average winter milk producer with 69% and 31% of the difference derived from higher output and lower production costs respectively.
- Had similar estimated own labour use per cow to the average farm (€381 and €378 per cow for the top 25% and average respectively).

Replacement Heifer Costs



Spring milk (1,352 farms)
Winter milk (153 farms)

Replacement Heifer Costs

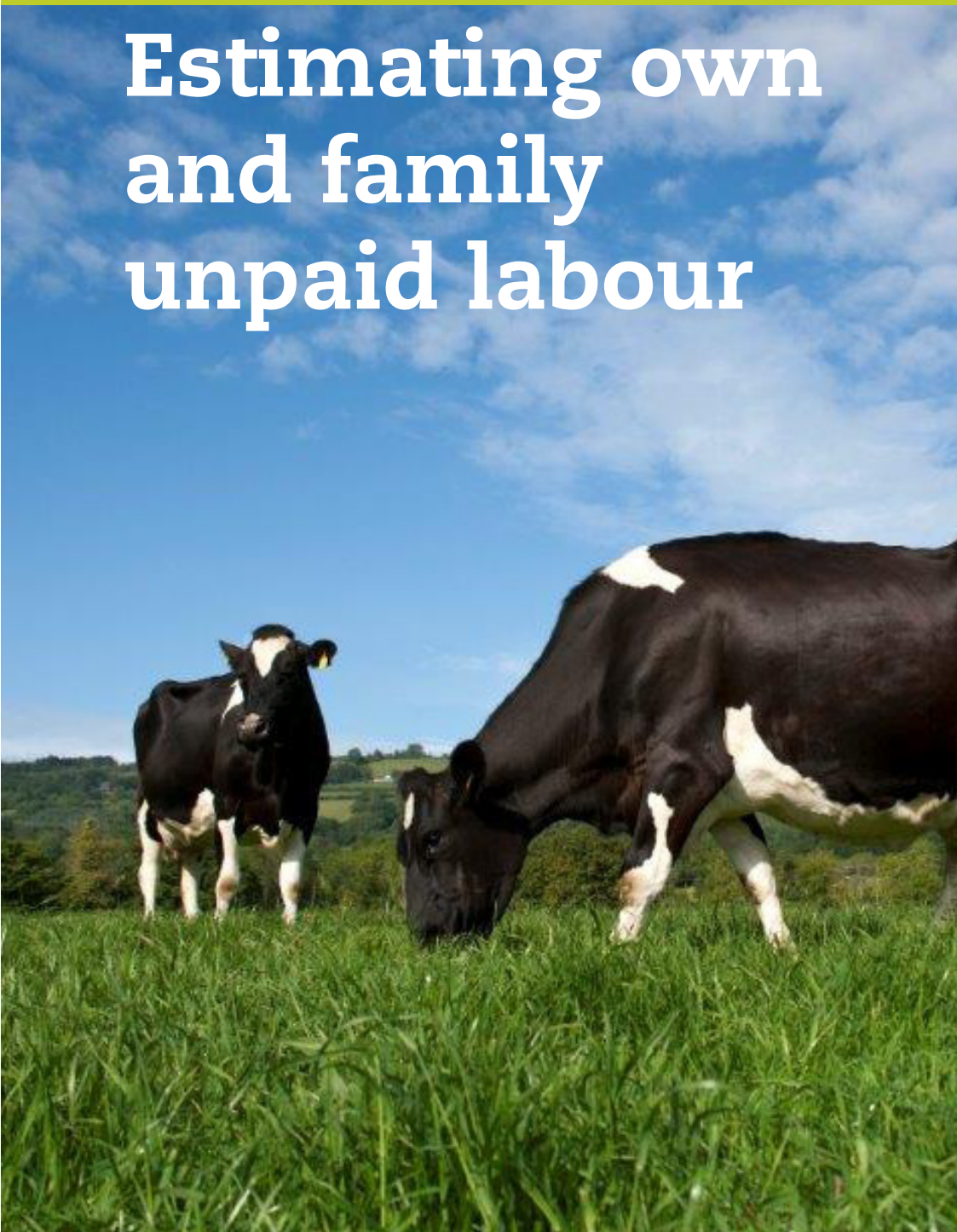
The guideline costings for spring born dairy replacement heifers on spring milk farms on comes from the average 2016 PM data for 1,352 spring milk and 153 winter milk dairy farms. The costs are evaluated per LU. The average age at calving for spring born and autumn born heifer calves was 28 months and 30 months of age on Irish spring and winter milk dairy farms respectively in 2012 – thus 1.2 LU and 1.5 LU were required per heifer calving on spring and winter milk dairy farms respectively that year. This equates to variable and fixed costs of €811 and €1,068 per heifer respectively before the opportunity costs of the replacement heifer calf, own land used and own labour are accounted for.

	Spring	Winter
Stocking rate (LU/ha)	2.22	2.32
	€ / LU	**€ / LU**
Variable Costs		
Concentrate Costs	107	131
Fertiliser and Lime	124	108
Vet	56	60
AI/Breeding	14	14
Contractor	94	102
Other Variable Costs	45	49
Total variable costs	**441**	**466**
Fixed costs		
Hired Labour	35	45
Machinery Costs	27	30
Interest	15	16
Car/ESB/Phone	24	20
Depreciation	39	31
Other Fixed costs	95	104
Total fixed costs	**235**	**246**
Total Fixed & Variable Costs	**676**	**712**

Not included in the costs outlined above are:

1) The value of the replacement heifer calf – approximately €300 per head;
2) Leased land cost and the opportunity cost of owned land required for rearing replacement heifers. Assuming a value of €500/ha, the land cost per replacement is €212 per heifer reared (included in the other fixed costs is a €58/LU and €69/LU cost for leased land on spring and winter milk farms respectively);
3) The own labour costs associated with replacement heifer rearing – Moorepark Labour Survey estimate approximately €229/LU.

Estimating own and family unpaid labour



Estimating own and family unpaid labour

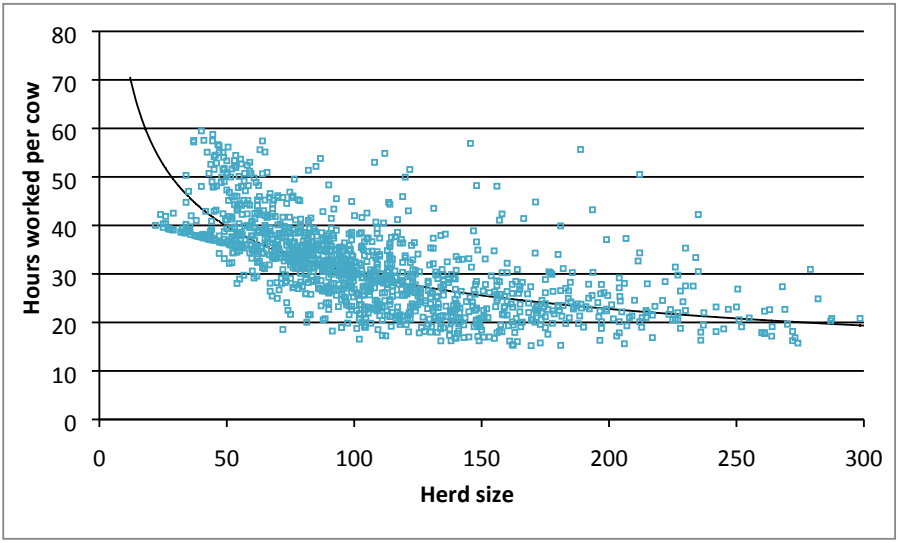
For the first time we have included an own labour charge in the PM report. Own labour is that labour provided by the farm family. Farmers may include an estimate of the uncharged own and family labour used per week on the farm when completing the PM Input Sheet. This labour is allocated to the dairy and other enterprises on the farm in proportion with the percentage of farm gross output contributed by the dairy enterprise.

Example
Dairy farm with 100 cows producing 500,000 litres per annum

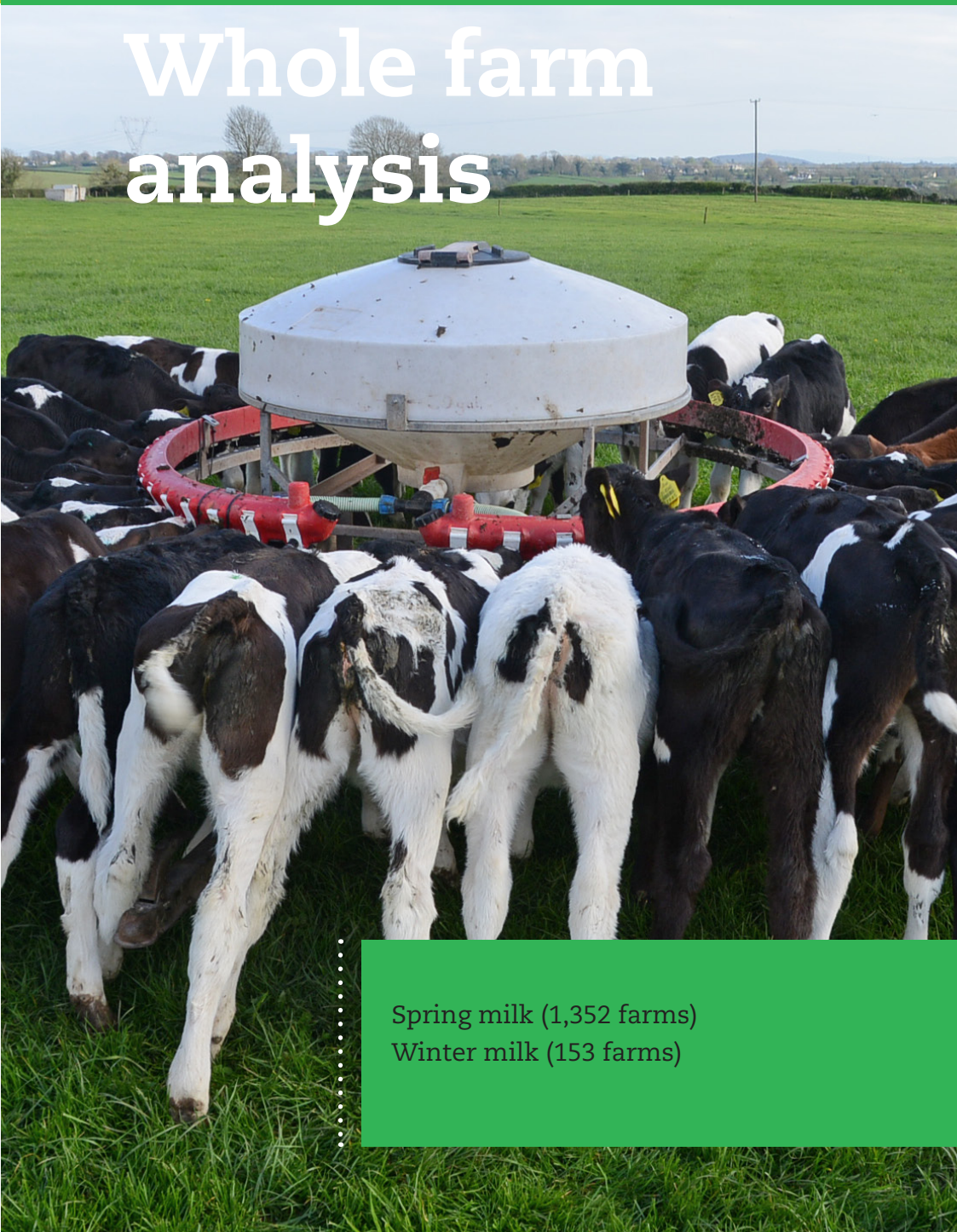
Farm gross output	€300,000
Dairy gross output	€200,000
Dairy gross output as a % of farm gross output	67% (200,000 X 100 ÷ 300,000)
Total own and family unpaid hours from PM input sheet	3,000
Hours apportioned to the dairy enterprise	2,000 (3,000 X 67%)
Cost assumed per hour	€15
Total cost calculated for own and family labour	€30,000 (2,000 hrs X €15/hr)
Own labour cost per cow	€300 (€30,000 ÷ 100 cows)
Own labour cost per litre	€0.06 (€30,000 ÷ 500,000 litres)

In the figure below, we present the trend in total hours worked per cow. Total hours worked includes both own and family labour and hired labour. Similar to own labour, hired labour is apportioned on the basis of proportion of gross output contributed by the dairy enterprise and charged at €15 per hour. The figure shows that as herd size increases, the number of hours worked per cow tends to decrease.

Trends in total hours worked per cow by herd size.



Whole farm analysis



Spring milk (1,352 farms)
Winter milk (153 farms)

Using whole farm data from PM we can calculate the whole farm profit generated per hectare and per kilogramme of milk solids produced on farms.

	Spring (n=1,352)		Winter (n=153)	
Physical				
Total area farmed	73.5		93.1	
Total Livestock (LU)	164		215	
Dairy Cows	115		146	
Stocking rate[12] (LU/ha)	2.24		2.32	
Dairy cows (% total LU)	70%		68%	
Milk solids (kg/ha)	668		738	
Financial	**€/ha farmed**	**€/kg MS**	**€/ha farmed**	**€/kg MS**
Whole Farm Gross Output	**2,945**	**4.41**	**3,389**	**4.59**
Incl Dairy Gross Output	*2,456*	*3.68*	*2,885*	*3.91*
Variable Costs	1,247	1.87	1,524	2.07
Gross Margin	1,698	2.54	1,866	2.53
Fixed Costs	931	1.39	1,122	1.52
Net Profit excl. premia	767	1.15	744	1.01

- Both the spring and winter milk producers are relatively specialised in dairying with cows accounting for 70% and 68% of their livestock respectively.
- Both systems of milk production are much larger in scale than the average dairy herd nationally and so are not representative of the national average.
- The greater all enterprise gross output reflects the more intensive nature of the farming on the winter milk farms.
- Dairying accounts for 83% and 85% respectively of gross farm output per hectare on the spring and winter milk farms.
- Total variable costs accounted for 42% and 45% respectively of gross output on the spring and winter milk farms.
- Total fixed costs accounted for 31% and 33% respectively of gross output on the spring and winter milk farms.
- Net profit was similar on both spring and winter milk farms accounting for 26% and 22% respectively of farm gross output.

Contact Details
Animal & Grassland Research
and Innovation Centre
Teagasc,
Moorepark,
Fermoy,
Co. Cork,
Ireland.

Tel: + 353 (0)25 42222

www.teagasc.ie

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