

Lakeland Dairies/Teagasc Joint Programme



Colin Anderson Lakeland Dairies/Teagasc Joint Programme Advisor

What is the Lakeland Dairies/Teagasc Joint Programme

- Lakeland Dairies is a milk processor with 3200 suppliers with 1.85Bn litres
- Teagasc is the state authority responsible for research and development, training and advisory services in the agri-food sector.

The programme contains

- 3 Staff members (2 Lakeland employees and 1 Teagasc employee) covering the 2000 suppliers in the republic of Ireland
- Programme is funded by Lakeland Dairies with technical support, training and guidance from Teagasc.



History

- Set up in 2013 in advance of quota removal
- There was an expected 40% increase in milk production in the Lakeland Dairies region
- Fast changing dairy industry **“post quota expansion”**
- Planning for sustainable expansion modules
 - Managing risk
 - Infrastructure planning
 - Financial and cashflow

Programme Objectives

- To help Lakeland Dairies suppliers with education and advice on
 1. Technical performance, grass utilisation & production, milk solids production, calving interval and Fat & Protein %.
 2. Selecting the best genetics for their herd based on the proven EBI index. To increase herd EBI.
 3. Animal health, SCC and milk recording
 4. Expansion planning with new entrants and existing suppliers
 5. Labour efficiency

Who do we work with?

- All Lakeland Dairies suppliers
- Potential new entrants to dairy farming
- More time is allocated to farmers who ask for more assistance.
- Sustained assistance is offered once messages are taken and acted upon.
- Farmers looking to increase farm profits or expanding are most likely to engage with the programme.

Other positive outcomes

- Most of our work is to help the farmer with technical efficiency and financially.
- Indirectly, it has many positive effects. E.g. Better grass management = less purchased feed required = better carbon footprint.
- More labour efficient farms = more farm succession



New entrant business planner

Address	Drumshannon Newbliss Co. Monaghan		
Prepared by:	Colin Anderson		
Section 1 Farm Details			
Total farm Ha	33	Milking platform size	33
Cow no's	75	Replacement rate	17-25%
Total farm SR	2.66	Grazing platform sr	2.27
<i>Extra grond to be rented or calves contract reared to get out of derogation</i>			
Section 2 Production Details			
Yield per cow	5600	Fat%	4.25
Total Litres	410890	Milk receipts	€141,186
Base Milk price	30	Bonus value	0
		Farm milk price	34.36
Section 3 Farm Appraisal- Summary of development			
1) Establishment of a 50 cows dairy start up build ito 75 in year three			
2) €120,000 costs on building and milking facilities (see cotings)			
3) €20,000 to improve grass growth and quality, €10,000 for administration			
4) Stock to be bought in spring of 2020 and reared using own funds to calve in spring 2022.			
5) A €150,000 loan is factored into calculations at 4.2% APR. see loan section			
6) Direct payments are excluded from the plan. Drawings are included of €15,000			
Section 4 Investment needed			
Buildings	120000	Reseeding	9000
Machinery	0	Lime	3000
Roadways	4000	P	0
Water	4000	K	0
Drainage	0	Stock	0
Total investment	150,000	Own funds	-

Section 6 Cashflow projections					
High	Cumulative				
Cash flow projections	Year1	Year 2	Year 3	Year 4	Year 5
Total farm income	€84,278	€116,751	€143,577	€150,636	€150,636
Drawings	€15,000	€15,000	€15,000	€15,000	€15,000
Taxation	€0	€1,044	€5,123	€8,500	€9,005
Total Cash out	€71,979	€102,360	€114,361	€117,739	€118,244
Cash flow 30cpl	€12,299	€14,391	€29,216	€32,897	€32,392
Cash flow -4/L	€3,588	€1,900	€13,602	€16,462	€15,957
Cash flow +4c/l	€21,010	€26,882	€44,830	€49,333	€48,828
Medium					
Cash flow projections	Year1	Year 2	Year 3	Year 4	Year 5
Total farm income	€84,278	€116,751	€143,577	€150,636	€150,636
Drawings	€15,000	€15,000	€15,000	€15,000	€15,000
Taxation	€0	€0	€2,398	€4,113	€4,366
Total Cash out	€81,205	€112,967	€124,610	€126,325	€126,578
Cash flow 30cpl	€3,073	€3,784	€18,966	€24,311	€24,058
Cash flow -4c/L	-€5,637	-€8,707	€3,353	€7,875	€7,623
Cash flow +4c/l	€11,784	€16,275	€34,580	€40,746	€40,494
Low					
Cash flow projections	Year1	Year 2	Year 3	Year 4	Year 5
Total farm income	€84,278	€116,751	€143,577	€150,636	€150,636
Drawings	€15,000	€15,000	€15,000	€15,000	€15,000
Taxation	€0	€0	€0	€605	€857
Total Cash out	€92,895	€127,903	€138,919	€139,524	€139,776
Cash flow 30cpl	-€8,616	-€11,152	€4,658	€11,112	€10,860
Cash flow -4c/L	-€17,327	-€23,643	-€10,956	-€5,323	-€5,576
Cash flow +4c/l	€95	€1,339	€20,271	€27,548	€27,295
Summary of key definitions for technical efficiency					
Efficiency Level	Milk from forage	Annual grass tDM		Repl Rate	
High	4,000	14		17%	
Medium	3,300	12		21%	
Low	2,500	10		25%	





- Discussion groups
- Technical workshops
- On farm consultations
- Farm walks
- New letter/articles
- Videos
- Publications



Have a good structure for time off

Having a reliable relief milker is a key part of any dairy farm, especially in one person operations to get quality time off.
John Malone from Co. Westmeath discusses his current relief worker arrangements.

In the past, I relied on family members to carry out relief milking and extra farm work. Currently I get a relief milker in two evenings a week on Wednesday and Thursday evenings. I get the same person on weekends or when I go away on holidays.