

Farming for fun & profit

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We live in a competitive capitalist economy. Farming is rapidly moving from a highly subsidised sheltered existence into a more competitive future. Milk is a commodity. In commodity production the low cost producer survives and prospers. High cost farmers go out of business. So farmers, researchers and advisors need to maintain a relentless focus on low cost. We need durable, simple systems that exploit low feed cost based on grazed grass where temperate climate allows e.g. Ireland and New Zealand.

We strongly need to avoid the false gods of the production driven trap – which so frequently ensnare the dairy sector. “Profit is sanity, production is vanity”. Correct measurement (metrics) is essential to capture the real key success factors. I suggest that growth in net worth, return on capital, return on equity, free cash, free time, profit/hectare (outside a quota system); and profit/quota unit (within a quota system) are among the relevant metrics. Note well that production/cow emphatically does not feature as a key metric in measuring a farm business.

To properly exploit grassland a focus on systems must be the priority. Researchers must be aware that “component research” which isn’t compatible with an efficient “system” – is doomed to a quick death. Systems of grass dairy farming should seek the following benefits:

Lower feed costs

Higher labour productivity (but need cows suitable for system)

Lower capital costs (except for land in Ireland and New Zealand)

Lower veterinary and replacement costs (again with “right” cows)

Lower miscellaneous costs from cows that walk to grass, harvest it themselves, and spread their own slurry.

Other often-overlooked benefits of long grazing seasons are:

Higher milk protein

Higher milk CLA a future potential major competitive advantage.

Welfare benefits to cows outside on well managed grassland for most of the year. We should start to label confinement dairying as battery cow farming.

Farmers need to think and use their brains when pastoral farming; confinement dairying is so numbingly boring it quickly leads to “brain-dead” farmers.

Researchers in pastoral counties, should bear in mind that the combination of once a day milking and very long grazing seasons with suitably selected cows is quite likely to lead to huge breakthroughs in labour productivity. I envisage one person managing up to 400 cows with some seasonal help in the near future.

Efficiency of the system and scaling up when regulations/quota allow will be a strong feature of Irish dairying over the next 10 years. Scale alone, without efficiency won’t work. Cost efficiency must be excellent before scale, and scaling-up will work.

In pastoral economies such as Ireland and New Zealand where strong economies and full employment looks likely to be the norm for the foreseeable future we won’t attract young people into farming unless dairy systems are profitable, enjoyable and people friendly. Efficient grass based dairy farming hammers “battery cow farming” systems on all these metrics by a country mile.