

Alberta Dairy Managemen EPARED FOR AND DISTRIBUTED BY THE DAIRY EXTENSION ADVISORY GROUP

Plan Your Production to Year-end

A previous article in this series (**7M1**) included a worksheet for projecting production relative to your current MSQ position. The objective was to determine whether your projected production of MSQ would be above the 90% maintenance requirement, in the sleeve (over 96% but not over 100%) or over quota (above 100% of your MSQ).

The worsheet below approaches production planning from a different perspective. It will help you calculate the amount of milk your current quota position (fluid and MSQ balance) will allow you to ship each day to the end of the dairy year (July 31).

Once you have done this calculation, you can compare allowable with projected production. If it looks like your shipments will fall short, you may want to verify that your MSQ shipments will exceed the 90% maintenance requirement using the worksheet in article **7M1**. If your projected production will put you over quota at year end, you may want to consider :

- doing nothing, accepting the low return on over quota production and hoping you will receive a refund on some part of your excess production;
- culling some cows. This is often a good time to upgrade your herd by culling poor producers, problem breeders or structural wrecks.
- reducing production per cow. This is easy to do by adjusting your feeding program, but don't expect production to rebound to previous levels immediately after adjusting back.
- buying more quota. If you plan to maintain your current herd size and level of production this may be the best long-term option.

Let's assume you want to consider buying quota to cover your excess production. Should you buy fluid or MSQ? How much will you need? What will it cost?

CALCULATION OF ALLOWABLE PRODUCTION TO YEAR END								
				YOUR				
			EXAMPLE	FIGURES				
FRO	FROM LAST MILK STATEMENT :							
	DATE ON STATEMENT		MAR 31					
Α	FLUID QUOTA		2705		litres/day			
В	EFFECTIVE MSQ (100%)		28131		kg			
С	MSQ SHIPPED		18667		kg			
D	MSQ BALANCE	B - C	9464		kg			
PROJECTIONS TO YEAR END :								
E	CLASS I UTILIZATION OF FLUI	C	75		%			
F	AVERAGE FAT TEST		3.5		kg/hL			
CALCULATION OF ALLOWABLE SHIPMENTS :								
G	CLASS I SHIPMENTS A × (E	E ÷ 100) x ⁻	1.063 <i>2157</i>		litres/day			
Н	MSQ BALANCE IN LITRES (D)÷F)X1C	0 270400		litres			
Ι	DAYS FROM STATEMENT DATI	E TO JULY	(31 <i>122</i>		days			
J	MSQ SHIPMENTS	Η÷Ι	2216		litres/day			
K	TOTAL SHIPMENTS	G + J	4373		litres/day			
	PER PICKUP	K X 2	8746		litres/2 days			
CALCULATION OF ALLOWABLE PRODUCTION PER COW :								
L	NUMBER OF COWS		150		COWS			
Μ	PRODUCTION PER COW	Κ÷L	29.2		litres/day			

Buying quota

The worksheet below will help you calculate the amount and cost of the fluid or MSQ you will have to acquire to avoid shipping over quota. The example assumes a projected average production of 420 litres/ day more than your current quota position will allow.

Notice the difference in total cost between fluid and unused MSQ in the example. Both purchases will allow the shipment of the excess 420 litres/day for the remainder of this year. But buying the fluid quota will allow you to ship 420 litres/day for 365 days next year, while the MSQ purchase will only allow you to ship that amount for 122 days.

The bottom section of this worksheet will help you determine the value of MSQ relative to the current price of fluid quota. The price of MSQ used in the example (\$35/kg) is far out of line with its value (\$24.13/kg) relative to the price of fluid (\$320/litre).

prepared by :

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