

# What does dairy pasture cost?

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It is easy to work out what it costs to grow a hectare of pasture. Working out how much of the pasture is eaten by stock is more involved. This paper describes a whole farm method which estimates the cost of pasture eaten.

## Methods

NSW Agriculture offers a computer-based comparative analysis program to dairy farmers called 'Milk Cost'. This program records milk production and physical and financial parameters concerned with feed, pasture, herd and farm costs on a whole

farm basis. This data is then used to produce a range of production and cost efficiency information which can be used for comparison between farms or to compare production efficiency between years. Using "Milk Cost" data, total variable pasture costs have been divided by the amount of pasture calculated to have been eaten by the milking herd to give a cost of pasture expressed as \$/tDM eaten. Data presented in Figure 1 has been obtained from 12 Mid and Lower Hunter dairy farms for 1992, 1993 and 1994 financial years. These farms represent both irrigated and dryland operations.

## Results and Discussion

The cost of pasture eaten varied from \$10.67/t DM to \$92.79/t DM. Further breakdown of the data (which is not presented here) shows that pasture costs are dominated by fertiliser, irrigation or fuel on different farms. Cost of pasture information derived from "Milk Cost" confirms that good quality pasture is the cheapest source of feed for dairy cows in the Hunter.

The cost of pasture (\$/t DM eaten) and milk production per hectare from pasture vary depending on farm intensity and inputs of irrigation, fertiliser, pasture species, fodder conservation and grazing management. There is a wide range of production efficiency and cost of pastures. On many properties increases in pasture utilisation should be reflected in reduced cost of pasture eaten.

The cost of pasture derived from "Milk Cost" is based on variable costs and is valuable when mak-

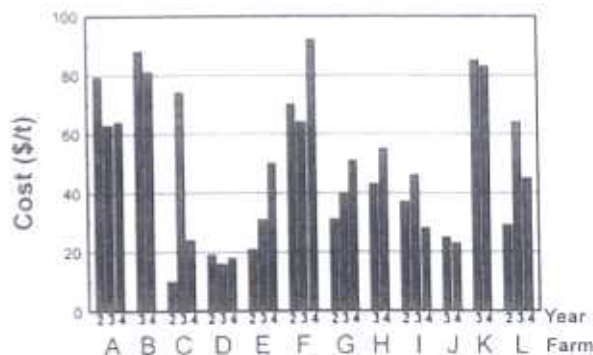


Figure 1. Cost of pasture eaten by dairy cows (Data from "Milk Cost" for 12 farms in three consecutive years)

ing the decision on whether to increase emphasis on home-grown pasture or to increase the use of purchased grain or hay. However, if dairy farmers are making long-term decisions on the structure of the farm it would be necessary to include overhead costs of fencing and machinery when calculating their cost of pasture.