

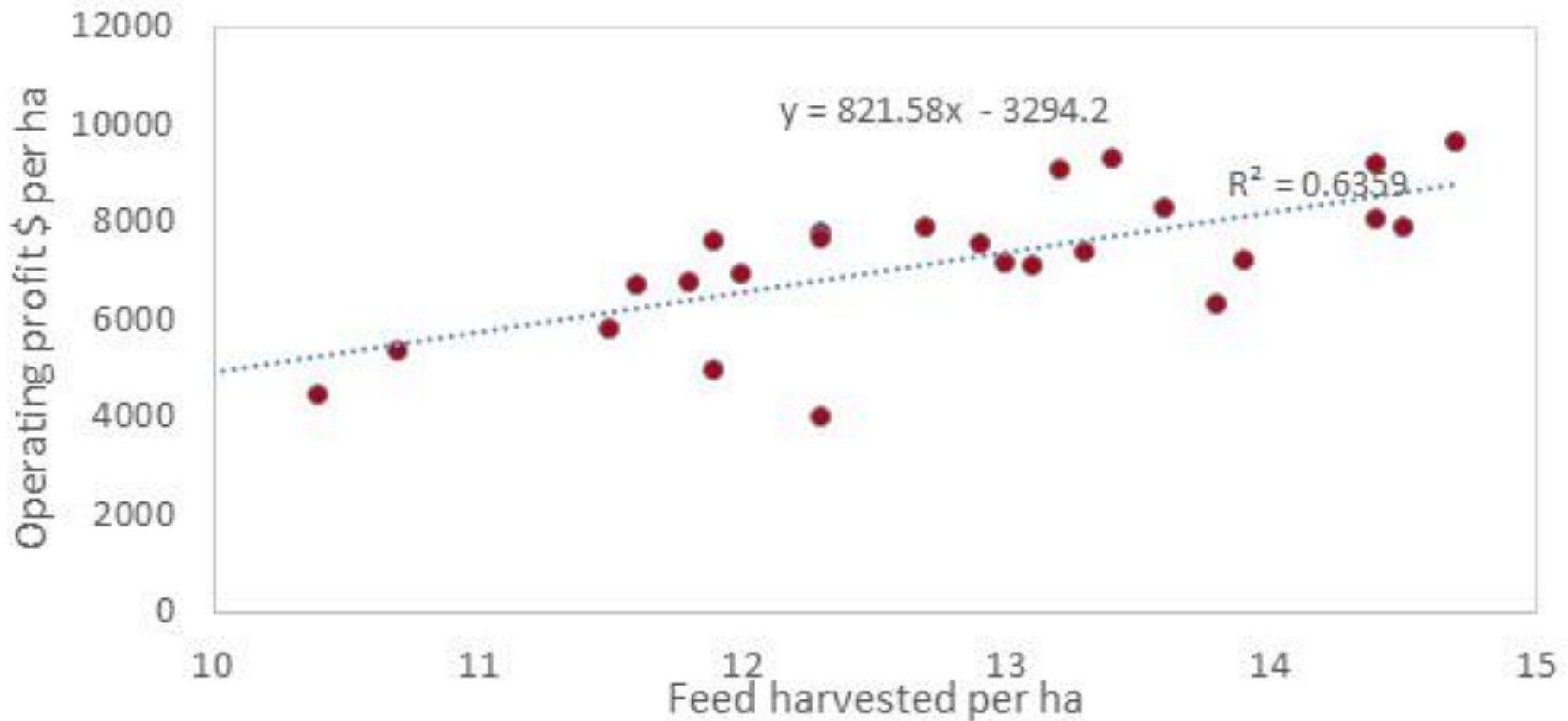
# Impact of Feed Sources Pasture & Supplement on GHG (Methane) Costs

# The Methane Cost

- Approximately 22 gms of methane are produced per kgDM.
- It takes Approximately 10 kgDM (platform only) to make 1 kgMS.
- You will produce 0.220 kg of CH<sub>4</sub> per 1 kgMS
- The proposed start price of methane CH<sub>4</sub> is \$0.11 / kg CH<sub>4</sub> Based on 5%.
- The starting price is \$0.024 / kgMS
- Or 0.2 c / kgDM

# Impact of Farm System – Pasture Harvested

2021/22 Operating profit \$ per ha vs. Feed harvested per ha



## Impact of Farm System – Pasture Harvested

- 202122 MRB clients lift in Profit from harvest grass \$820 / T (Long term \$600)
- Cost of CH<sub>4</sub> 0.2 c / kgDM (\$20 / TDM)
- Drops the lift in profit per TDM pasture harvest to \$800 (still not shabby).

## Impact of Farm System – Supplement Use

### **Shoulder Season Feeding** (Aug to Mid Oct) + (Mid March to May)

- Supplement costs range \$0.47 - \$0.70 / kgDM. (Mid point 0.59 / kgDM)
- Response rate 10 kgDM per 1 kgMS.
  - Feed Costs \$5.90 / kgMS
  - CH4 costs \$0.024 / kgMS
  - Total Costs \$5.924 / kgMS

Running Costs of a Cow			
Capital Value		1800	
Expenditure		Full labour	1/2 labour
Cow Wintering (\$0.35 / kgDM)		\$ 298	\$ 298
Grazing Cost of replacement @ 25%		\$ 377	\$ 377
Calf Cost @ \$610 / T @ 25% replacment		\$ 153	\$ 153
Animal Health + Breeding		\$ 210	\$ 210
Wages (90 cents/kgMS)		\$ 423	\$ 210
Shed + Power		\$ 54	\$ 54
Interest @ 5%		\$ 90	\$ 90
Death Rate @ 3%		\$ 54	\$ 54
Income			
Cull Income @ \$700, 21 %		\$ 147	\$ 147
Bobby Calf		\$ 25	\$ 25
Dog Tucker 1%		\$ 1	\$ 1
Net Marginal Costs		\$ 1,485	\$ 1,272
Cow production	Response rate	Costs per kgMS	
	Feed kgDM/kgMS		
@ 500 kgMS/cow	9.6	\$ 2.97	\$ 2.54
@ 465 kgMS/cow	9.8	\$ 3.19	\$ 2.74
@ 430 kgMS/cow	10	\$ 3.45	\$ 2.96

## Impact of Farm System – Supplement Use

High Stocking Rate Feeding (When feeding supplements to support a higher stocking rate – eg, feeding all year round)

- Supplement costs - Mid point 0.59 / kgDM
- Cow Running Costs
- Response rate 10 kgDM per 1 kgMS.
  - Feed Costs \$5.90 / kgMS
  - CH4 costs \$0.024 / kgMS
  - Cow Running costs \$3.00 / kgMS
  - Total Costs \$8.924 / kgMS

## Summary

- The costs of CH<sub>4</sub> will increase to \$0.35 / kg Methane. (\$60 / T pasture) over next 15 years.
- If making milk on pasture, CH<sub>4</sub> costs are wearable.
- Supplement use, the margins are getting squeezed.
- If feeding all season, you need to be a well above average farmer to make money.