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Effects of stocking rate and supplementation on the productivity and profitability of Argentine dairy systems

A thesis presented in partial fulfilment of the requirements for the degree of

Master of Applied Science in Animal Production

at Massey University, Palmerston North

New Zealand

Javier Baudracco

2006
Dedicated to my beloved wife, Ana
Abstract

Dairy production in Argentina is based on grazed pastures, with the inclusion of supplements as a secondary source of feed. The average milk production per hectare in Argentine dairy farms is low and this affects the profitability of the farms. The low efficiency of production per hectare appears to be associated with low stocking rate and low utilisation of the cheapest source of feed, which is grazed pasture. Data reviewed in the present study suggested that stocking rate (SR) and the amount of imported feed are factors with significant influence on dairy farm productivity and profitability in Argentina, as is also the case in New Zealand and Australia.

Stocking rate, expressed as the number of cows per hectare, is a simplification of the relationship between feed demand and feed supply. This relationship can be better expressed as kilograms of live weight per tonne of dry matter total feed supply, defined as comparative stocking rate. The aim of this thesis was to quantify the effects of comparative SR and supplementation (imported feed) on the productivity and profitability of Argentine dairy farms.

A simulation model was developed to predict pasture dry matter (DM) intake and the harvesting efficiency of grazing dairy cows in Argentina (Chapter 3). In validation tests, using data from cows grazing lucerne in Argentina and ryegrass-clover in Ireland, the model predicted satisfactorily. Following this, a simulation model was developed to predict milk solids (MS) production and live weight (Lwt) change of Argentine Holstein cows in grazing dairy systems, given a determined intake of metabolisable energy (Chapter 4).

Finally, a whole-farm simulation model called the Argentine Dairy System Model (ADSM) was developed (Chapter 5), by integrating the models developed in Chapter 3 and 4, together with a pre-existent economic model for Argentine dairy farms. Model validation was conducted by comparing results from the model against data from eight Argentine dairy farms. The accuracy of model predictions was satisfactory.

Twenty-two dairy systems were tested with ADSM, in order to allow the effects of comparative SR and supplementation to be explored. The cow type used was the Argentine Holstein (550 kg Lwt and 6.8% MS content).

The present study suggests that the low MS production of Argentine dairy farms could be increased by increasing both comparative SR and the amount of supplements.
imported into the farm. Model predictions indicated that MS production per hectare would be maximised at a comparative SR of approximately 100 kg Lwt/t DM, economic farm surplus ($US/ha) at 90 kg Lwt/t DM, and return on assets at 80 kg Lwt/t DM. Additionally, the model predicted that cows stocked at a comparative SR of about 80 kg Lwt/t DM will neither increase nor decrease Lwt change over a complete season (lactating and dry periods). These results suggest that the optimum comparative SR, in terms of both economic and sustainable physical performance for the Argentine Holstein cows seems to be around 80 kg Lwt/t DM. Annual pasture utilization values were 70%, 76%, and 81% for comparative SRs of 80, 90, and 100 kg Lwt/t DM, respectively.

At the milk payout and concentrates price used in this study, it would be profitable to increase the amount of imported feed up to 3.6 t DM per hectare, provided that SR is simultaneously increased, in order to achieve pasture utilisation of 70% or higher. A dairy system with 8.6 t DM/ha/year produced on-farm, importing 3.6 t DM concentrates per year and stocked at 81 kg Lwt/t DM (1.8 cows/ha) would be able to utilise 71% of pasture and produce 626 kg MS/ha/year, which is about two-fold the average MS production of Argentine farms. Changing either the price of milk or the cost of concentrates by 10% did not alter the relative profitability of the different systems.
Acknowledgements

I offer my thanks to the Ministry of Foreign Affairs of New Zealand for the scholarship which has made possible this thesis.

Thanks are specially given to my supervisors: Nicolás Lopez-Villalobos, Colin Holmes, Ian Brookes and Peter Kemp for their commitment to this thesis. Nicolás, I thank you for your bright and wise orientation and your constant encouragement throughout my work on this thesis. Colin, I thank you for your unconditional and enormous help and also for sharing with me ideas from your very clear mind. I have learnt a great deal about dairying from both of you but above all even more about human values.

My ‘dairy friends’: Matías Peluffo and Gonzalo Tuñón, I thank you for sharing your knowledge and friendship with me. Thanks to my ‘family in New Zealand’: Federico Riet Sapriza, Elisa Peirano, Alan and Carola Bannister, Vicky Jauregui, Gerardo and Caro Canales, Felipe and Silvana Apablaza, Norman and Marcela Russ and family, Andrés and Jorgelina Patiño and family, Nicolas Lyons, Belen Lazzarini, Dario Rossi, Nacho Carnevale, Carlos and Gisela Cuadrado and family, Gareth and Susan Evans and family. Meeting all of you was one of the biggest treasures I have discovered in New Zealand.

My thanks to John Hodgson, Nicola Shadbolt, Kevin Macdonald and Yani Garcia for taking the time to read the draft of this thesis and for making valuable comments. Special thanks to Jeremy Bryant for your help.

Thanks to the outstanding people from the Massey University staff for your constant support: Allain Scott, Wendy Graham, Kathy Hamilton and Susan Flynn.

Thanks to the authorities and staff of the ‘Facultad de Ciencias Agrarias de Esperanza’ for their support, and help by providing me with data from Argentina. Thanks to Hugo Erbetta, Luis Ristra, Daniel Sanchez, Miguel Pilatti, June Thomas, Pablo Ghiberto, Alberto Quiñonez, Francisco Candiotti, Pedro Weidmann, Ana Maria Cursack, Maria Isabel Castigniani and many others. Muchisímas gracias.
Thanks to Jose Luis Maccari, Eduardo Comeron, Luis Romero, Brendan Horan, Jock Campbell, Luis Peluffo, Javier Zubizarreta, Guillermo Schroeder and Hugo Quatrocci for helping me to collect the data necessary for this thesis.

A massive thanks to my family back home in Argentina. Gracias viejos, hermanas suegros, cuñados, abuelos, tíos y sobrinos; gracias por su incondicional afecto, gracias por alentar mis esfuerzos!

Ana, my bright and brave wife, I thank you for being so supportive always, everywhere and for everything. Te re amo. To Francisco, my beloved son, thanks for the miracle of your life that shines on our lives. Te amo chiquitin.

I thank God, for allowing me to meet all these marvellous people in my journey.
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<th>Description</th>
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<tbody>
<tr>
<td>BCS</td>
<td>Body condition score</td>
</tr>
<tr>
<td>BW</td>
<td>Breeding worth</td>
</tr>
<tr>
<td>DM</td>
<td>Dry matter</td>
</tr>
<tr>
<td>DMI</td>
<td>Dry matter intake</td>
</tr>
<tr>
<td>EC&lt;sub&gt;p&lt;/sub&gt;</td>
<td>Energy concentration of pasture</td>
</tr>
<tr>
<td>EC&lt;sub&gt;s&lt;/sub&gt;</td>
<td>Energy concentration of supplements</td>
</tr>
<tr>
<td>EFS</td>
<td>Economic farm surplus</td>
</tr>
<tr>
<td>GF</td>
<td>Availability of green herbage</td>
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<tr>
<td>Ha</td>
<td>Hectare</td>
</tr>
<tr>
<td>HF</td>
<td>Holstein-Friesian</td>
</tr>
<tr>
<td>Kg</td>
<td>Kilogram</td>
</tr>
<tr>
<td>K&lt;sub&gt;g&lt;/sub&gt;</td>
<td>Efficiency of utilisation of metabolisable energy for live weight gain</td>
</tr>
<tr>
<td>K&lt;sub&gt;l&lt;/sub&gt;</td>
<td>Efficiency of utilisation of metabolisable energy for lactation</td>
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<tr>
<td>Km</td>
<td>Efficiency of utilisation of metabolisable energy for maintenance</td>
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<tr>
<td>K&lt;sub&gt;p&lt;/sub&gt;</td>
<td>Efficiency of utilisation of metabolisable energy for gestation</td>
</tr>
<tr>
<td>Lwt</td>
<td>Live weight</td>
</tr>
<tr>
<td>M/D</td>
<td>Metabolisable energy content per kilogram of feed DM</td>
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<td>ME</td>
<td>Metabolisable energy</td>
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<tr>
<td>ME&lt;sub&gt;i&lt;/sub&gt;</td>
<td>Metabolisable energy for milk synthesis</td>
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<tr>
<td>MELwt</td>
<td>Metabolisable energy per kilogram of live weight change</td>
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<tr>
<td>ME&lt;sub&gt;m&lt;/sub&gt;</td>
<td>Metabolisable energy for maintenance</td>
</tr>
<tr>
<td>ME&lt;sub&gt;p&lt;/sub&gt;</td>
<td>Metabolisable energy for pregnancy</td>
</tr>
<tr>
<td>MJ</td>
<td>Mega joule</td>
</tr>
<tr>
<td>MS</td>
<td>Milk solids (milk fat plus milk protein)</td>
</tr>
<tr>
<td>MY</td>
<td>Milk yield</td>
</tr>
<tr>
<td>N</td>
<td>Nitrogen</td>
</tr>
<tr>
<td>NAHF</td>
<td>North American Holstein-Friesian</td>
</tr>
<tr>
<td>NDF</td>
<td>Neutral detergent fibre</td>
</tr>
<tr>
<td>NEL</td>
<td>Net energy concentration per litre of milk</td>
</tr>
<tr>
<td>NELwt</td>
<td>Net energy per kilogram of live weight change</td>
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<tr>
<td>NZHF</td>
<td>New Zealand Holstein-Friesian</td>
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<td>OS</td>
<td>Overseas</td>
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<tr>
<td>P</td>
<td>Potential milk yield</td>
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<tr>
<td>PotDMI&lt;sub&gt;e&lt;/sub&gt;</td>
<td>Potential dry matter intake (physiological limit)</td>
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<td>PotDMI&lt;sub&gt;i&lt;/sub&gt;</td>
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<td>PPI</td>
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<td>Potential pasture intake (physical limit)</td>
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Abbreviations (cont.)

\[ r \] \quad \text{ratio of milk produced from the } n^{th} \text{ MJ of NE to milk produced from the } (n-1)^{th} \text{ MJ of NE}

\[ R \] \quad \text{Total ME requirements per cow per day}

\[ \text{RAPPI} \] \quad \text{Ratio allowance: Potential pasture intake}

\[ \text{SOL} \] \quad \text{Stage of lactation}

\[ \text{SR} \] \quad \text{Stocking rate}

\[ t \] \quad \text{Tonne}

\[ \text{TMR} \] \quad \text{Total mixed rations}

\[ X \] \quad \text{Average net energy intake above maintenance}

\[ Y \] \quad \text{Actual milk yield (litres/day of 4% fat corrected milk)}

Statistical terms

\[ A \] \quad \text{Actual pasture dry matter intake}

\[ P \] \quad \text{Predicted pasture dry matter intake}

\[ \text{MPE} \] \quad \text{Mean prediction error}

\[ \text{MSPE} \] \quad \text{Mean-square prediction error}

\[ R^2 \] \quad \text{Coefficient of determination}