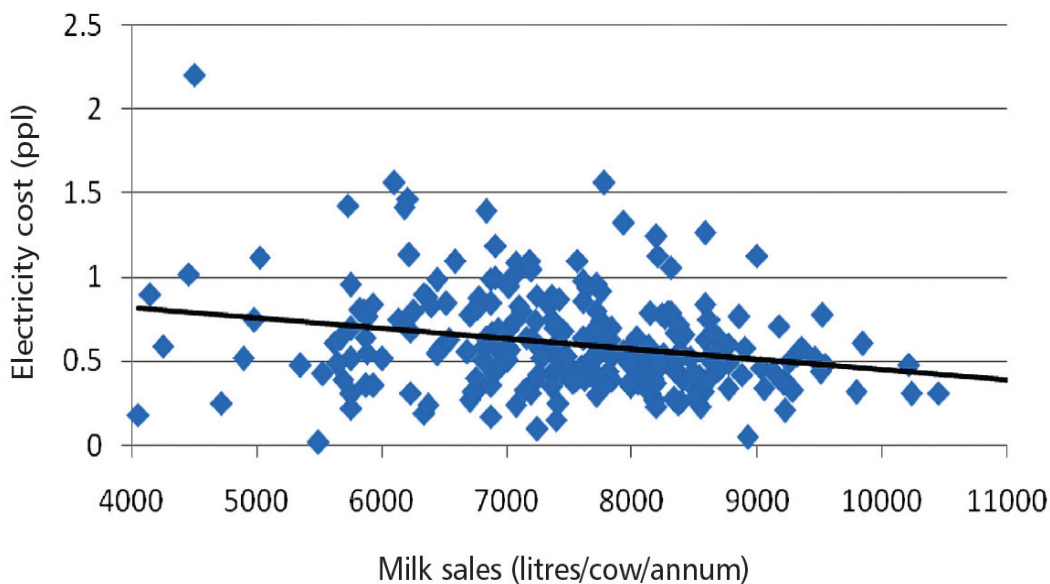


**Promar consultant Andy Taylor suggests time spent assessing electricity use could be time well spent, pointing to a considerable range in electricity costs on dairy farms.**

“Electricity is an inevitable cost on dairy farms, but is it a fixed cost or a cost that can be managed? Dairy farmers certainly cannot survive without electricity but many farmers could take steps to reduce their bills,” Mr Taylor points out.

The graph shows the whole farm electricity cost for farms recorded through Promar Farm Business Accounts shown against milk yield per cow. There is a range of well over 1ppl between farms suggesting that some farms are both purchasing and using electricity more effectively.



“The fact that the cost per litre tends to fall as yield rises suggests that much of the electricity usage is relatively fixed, including that of the farmhouse itself and does not vary much with milk volume to be cooled,” Mr Taylor observes. “Dairy Co suggests a dairy farm target annual electricity usage on of 200-400kwh per cow but average use is currently closer to 400kwh.”

According to Mr Taylor the five main areas of electricity use are heating water, cooling milk, running the milking plant, lighting, and the farmhouse itself. He suggests reductions can be achieved by investing in plate-coolers or variable vacuum pumps, or through small changes such as fitting light sensors, auto switches, or movement sensors on security lighting.

“It will certainly pay to ensure the bulk tank is working efficiently as this uses 25% of annual electricity. Exactly the same can be said for the boiler heating the water for parlour cleaning, as well as the immersion heater in the farmhouse. Investment in energy-saving technologies like heat exchangers is often worthwhile and there are grants available to help with installation.

Then there is the issue of cost. Two main ways to bring this down are to make full use of day : night tariffs and to shop around for the best deal.

“Most dairy farms should be on a day and night tariff as night time electricity can be considerably cheaper. The aim should be to have 40% of total electricity use on the night tariff. This might move switching some electricity usage to the night time by making full use of timer clocks.

“If you do not have separate day and night meters, take readings of electricity used between 12 midnight and 7am and between 7am and 12 midnight to understand when power is being used. If more than 15% is used at night it will pay to consider moving to a day/night tariff.”

Armed with information on how much you use and when it is used, Mr Taylor believes farmers are in a good position to compare prices. He advises it pays to assess regularly whether the rate paid is competitive and to shop around using brokers or comparison websites. Shopping around can potentially save as much as 15%.

“If you think you might want to change supplier, make a note in your diary at least four months ahead of your current contract renewal date. This will give you time to shop around and give notice to your present supplier. Once you have shopped around don't be afraid to go back to your current supplier and negotiate. They may offer a lower rate which can avoid the complications surrounding changing supplier.