

Sowing cheap seed, or seed of questionable origin, risks large losses in profit. In this example it saves \$265/ha at sowing, but \$3395/ha in operating profit is lost over three years.

Dairy farm example

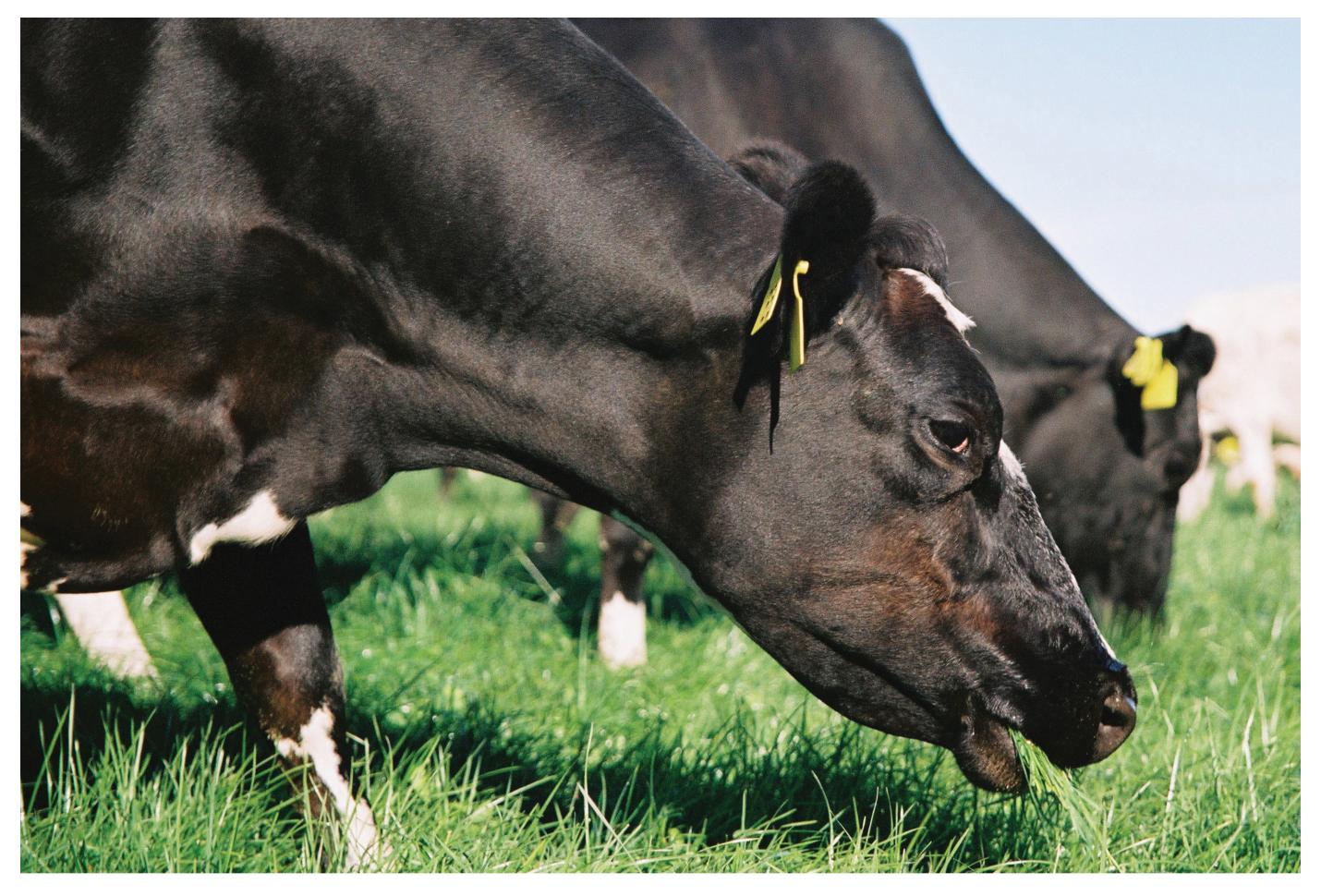
This example compares sowing the high quality perennial ryegrass *Maxsyn* with *NEA4* endophyte (*AGRICOTE* treated), versus uncertified ryegrass seed, over three years. From NFVT trial results *Maxsyn* produces 3.4 t/ha more per year. This does not include the advantage of *NEA4* endophyte, or the better feed value (ME) and seasonal growth pattern of *Maxsyn*.

Cost/benefit Maxsyn NEA4 vs uncertified ryegrass

		Certified <i>Maxsyn</i> NEA4	Uncertified ryegrass	Difference
Cost		\$350/ha ¹ (20 kg/ha at \$17.150)	\$85/ha ¹ (20 kg/ha at \$4.30/kg)	\$265/ha
Operating profit ²	Year 1	14,0,000 kg DM/ha $\times $0.36/$ kg DM ² = \$5040/ha	10,600 kg DM/ha x \$0.36/kg DM ² = \$3820	\$1220/ha
	Year 2	14,000 kg DM/ha x \$0.36/kg DM2 = \$5040/ha	10,600 kg DM/ha x \$0.36/kg DM = \$3820	\$1220/ha
	Year 3	14,000 kg DM/ha x \$0.36/kg DM2 = \$5040/ha	10,600 kg DM/ha x \$0.36/kg DM = \$3820	\$1220/ha
			Extra profit from Maxsyn	\$3660/ha
			Net profit (less seed cost)	\$3395/ha
			Internal rate of return difference from using Maxsyn	458%

¹Approximate retail prices October 2024.

²DairyNZ Forage Value Index (FVI) handbook economic values for the 'Operating Profit' of a kg DM in a dairy farm system. The figure of \$0.36/kg DM is an average taken from the four regions in August 2022 (Upper North Island \$0.37; Lower North Island \$0.35; Upper South Island \$0.39; Lower South Island \$0.31).



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