

# MOO: THE MILK OUTPUT OPTIMISER

A management tool for New Zealand dairy farmers

or

How to milk your cash cow

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Oscar Dowson

October 1, 2015

University of Auckland

**WHY DO I CARE?**

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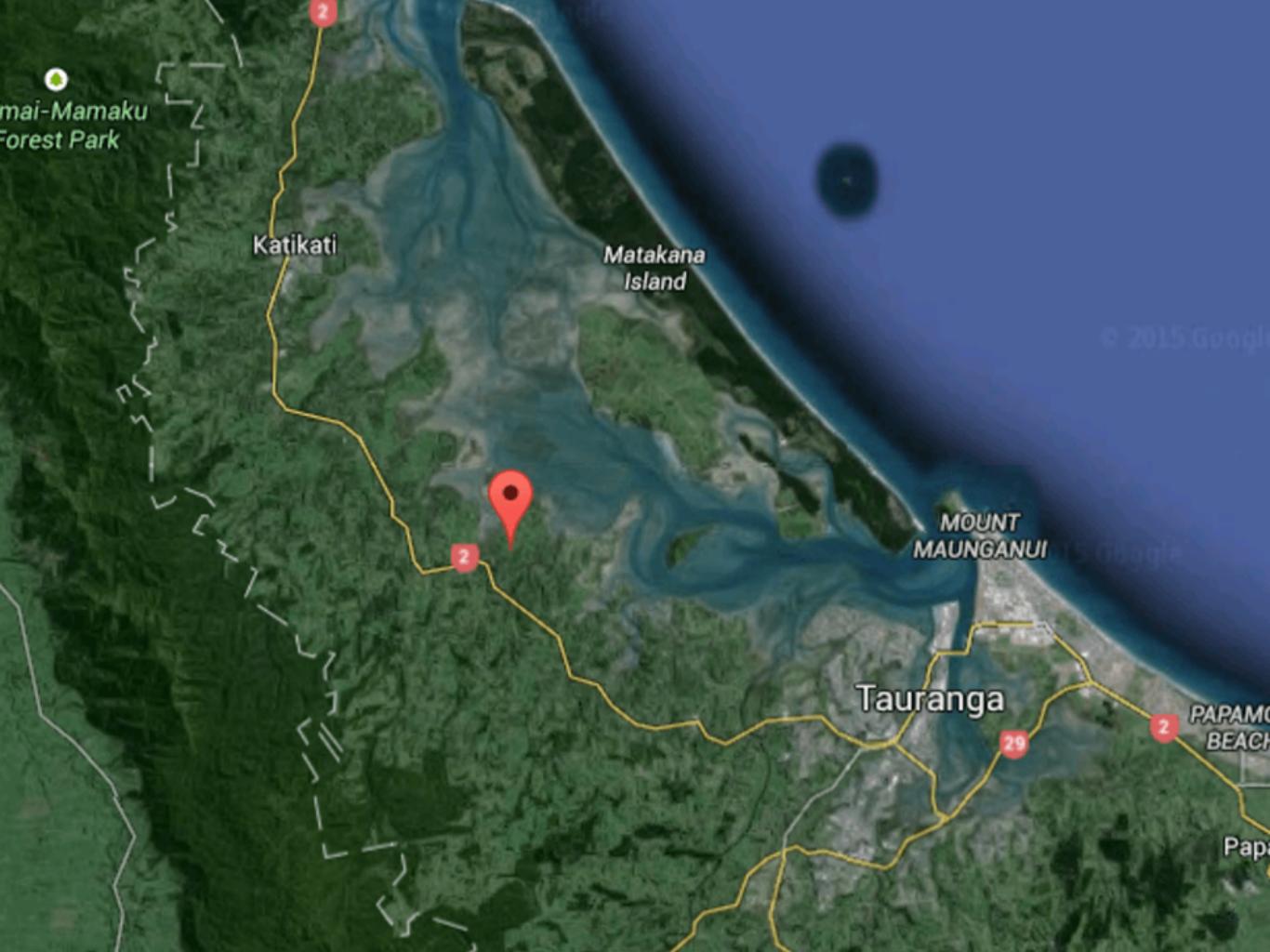
I never saw a Purple Cow,  
I never hope to see one,  
But I can tell you, anyhow,  
I'd rather see than be one!

- Gelett Burgess



Tasman Sea

New  
Zealand



Mai-Mamaku  
Forest Park

Katikati

Matakana  
Island

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MOUNT  
MAUNGANUI

Tauranga

PAPAMOA  
BEACH

Papa





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## WHY SHOULD YOU CARE?

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20.5b

litres of milk

20.5b

litres of milk

Or fill 8200 swimming pools

95%

exported

1 / 4

export goods by value

1 / 45

export goods by value

1 / 3

of global dairy exports

# THE GERMAN DAIRY INDUSTRY

New Zealand Germany

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1 German cow produces the same as 1.8 New Zealand cows!

WHY?

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# Supplementation

More food = more milk

WHY?

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## Genetics

Biological efficiency = more milk

WHY?

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## Supplementation

More food = more milk

## Genetics

Biological efficiency = more milk

## Environment

Better housing = more milk

## “RESEARCH” IN DENMARK

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## “RESEARCH” IN SWITZERLAND

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EMERGENCY  
STOP



## A MATHEMATICAL COW...

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Evolved over a number of years

SIMCOW (Kristensen et al., 1997), MOOSIM (Bryant, 2006)

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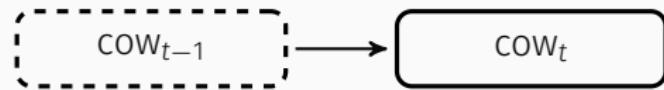
Baudracco et al., 2011

Sensitive to Genetic and Environmental interactions

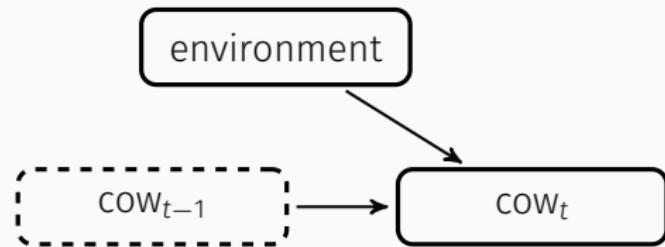
# A MATHEMATICAL COW

$\text{COW}_t$

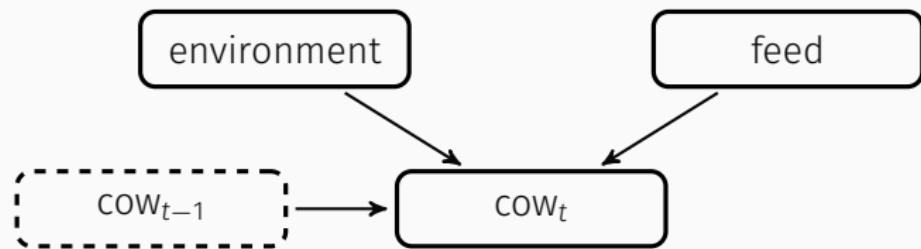
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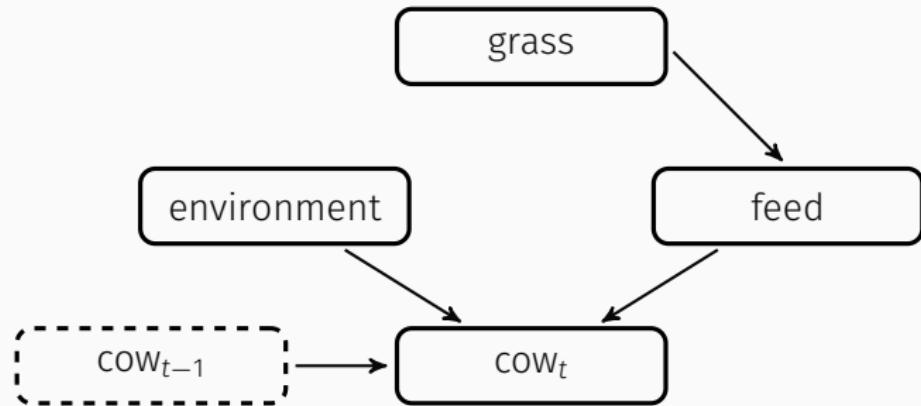
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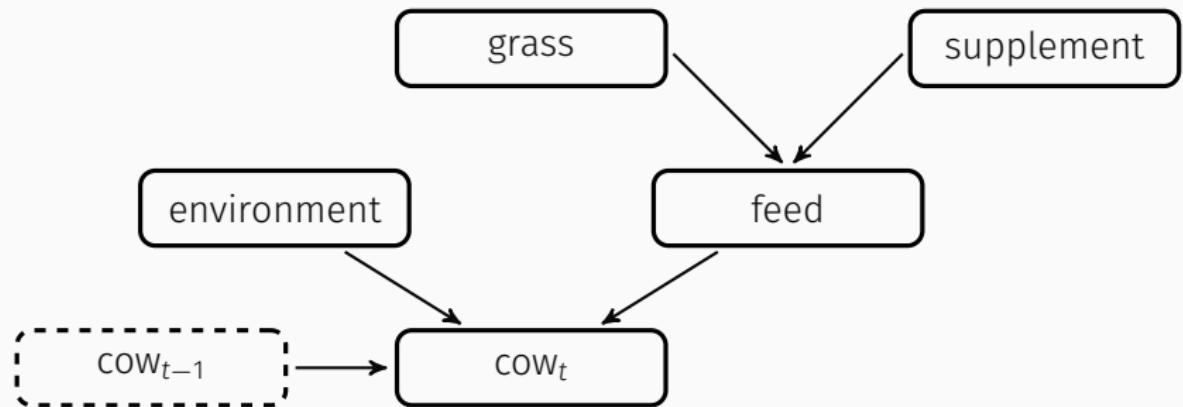
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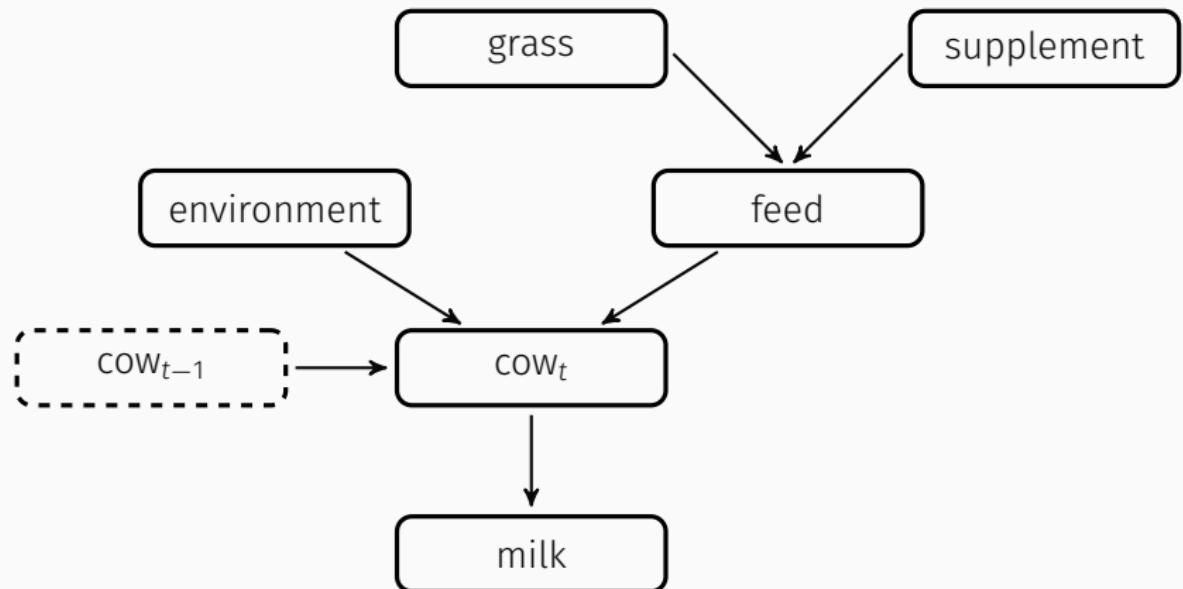
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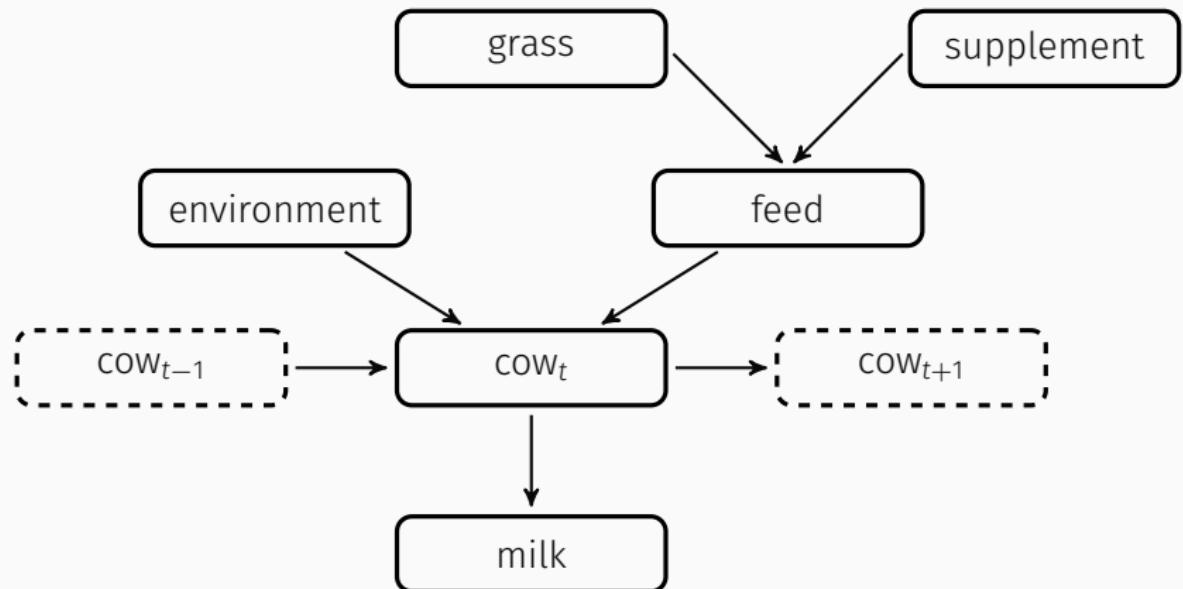
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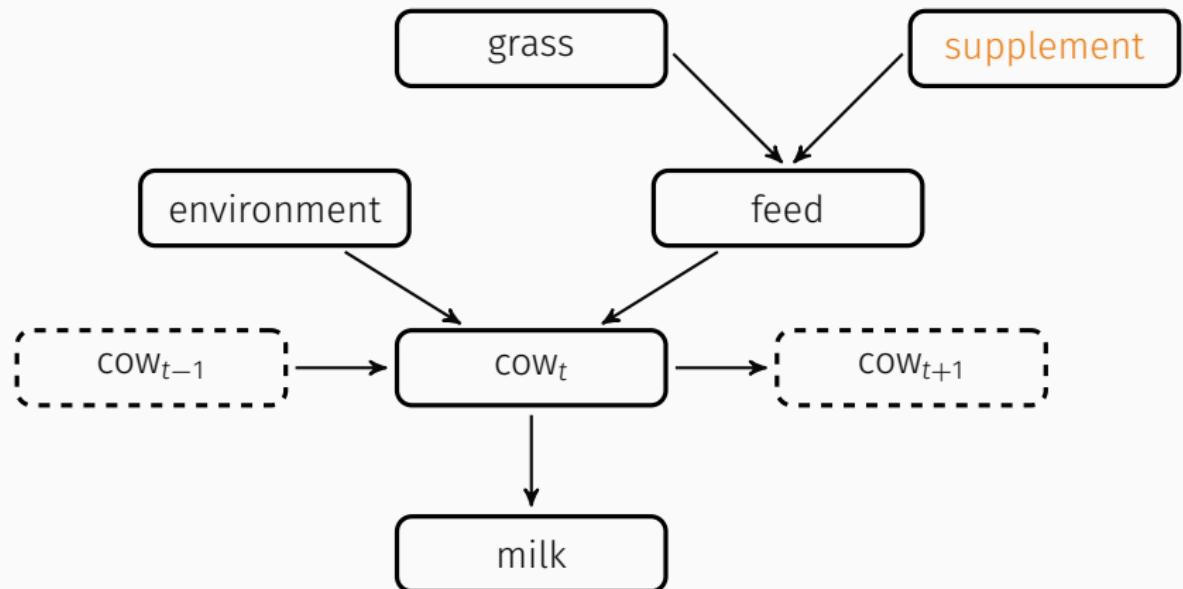
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## THE BASIC MODEL

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## General form of the model

Let  $s_t$  = kg supplement fed in week  $t$

Let  $x_t$  = be the state of the cow at the start of week  $t$

Let  $m_t$  = be the quantity of milk produced in week  $t$

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$$\begin{aligned} \max \quad & \sum_{t=1}^{52} a_t \times m_t - b_t \times s_t \\ x_{t+1} &= f(x_t, s_t) \quad \forall t = 1, 2 \dots 52 \\ m_t &= g(x_t, s_t) \quad \forall t = 1, 2 \dots 52 \\ x_1 &= k_1 \\ x_{53} &\geq k_2 \end{aligned}$$

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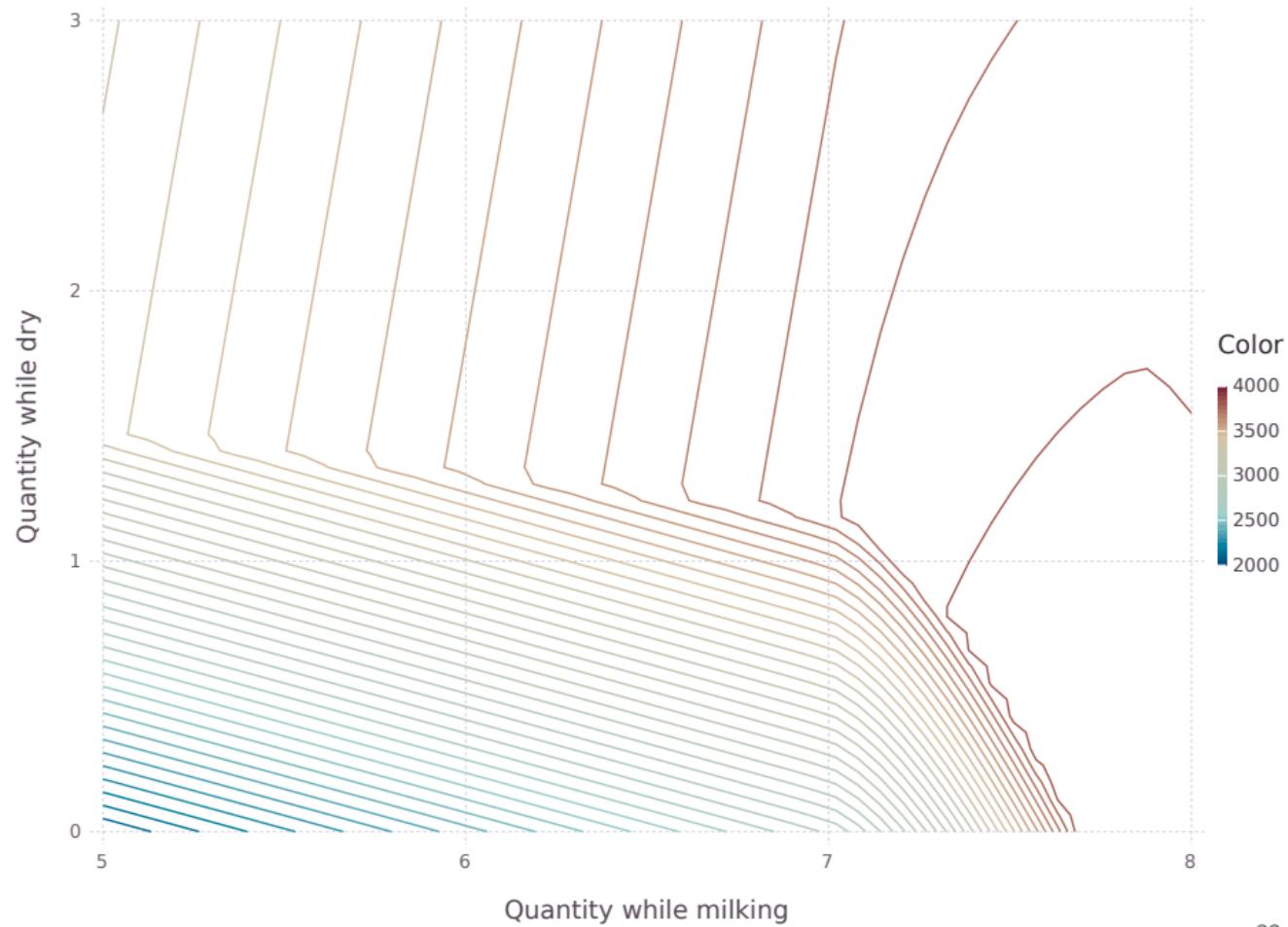
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## A NON-LINEAR APPROACH

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## A DYNAMIC PROGRAMMING AP- PROACH

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## Pros

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1. Every state everywhere

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2. Global optimum

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## Cons

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1. Slow (maybe)

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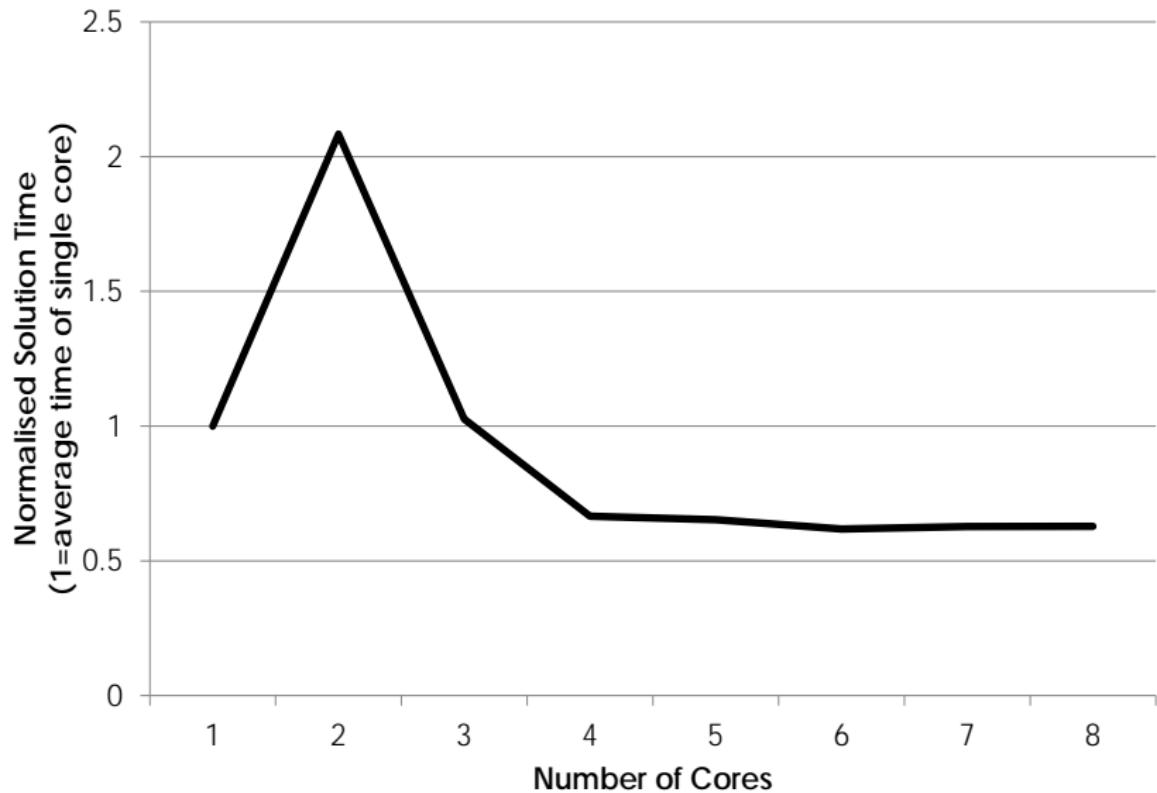
1. Every state everywhere
2. Global optimum

## Cons

1. Slow (maybe)
2. By discretising the state space we introduce interpolation errors

SLOW (MAYBE)?

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## A TWO-PHASE APPROACH

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So we have

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1. A fast non-convex NLP

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2. A DP that solves an approximation

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Proposed Solution Method

So we have

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Proposed Solution Method

1. Solve the DP with a fine discretisation

So we have

1. A fast non-convex NLP
2. A DP that solves an approximation

Proposed Solution Method

1. Solve the DP with a fine discretisation
2. When you wish to get a policy, use the optimal DP solution as the starting point for the NLP.

BUT WAIT, THERES MORE

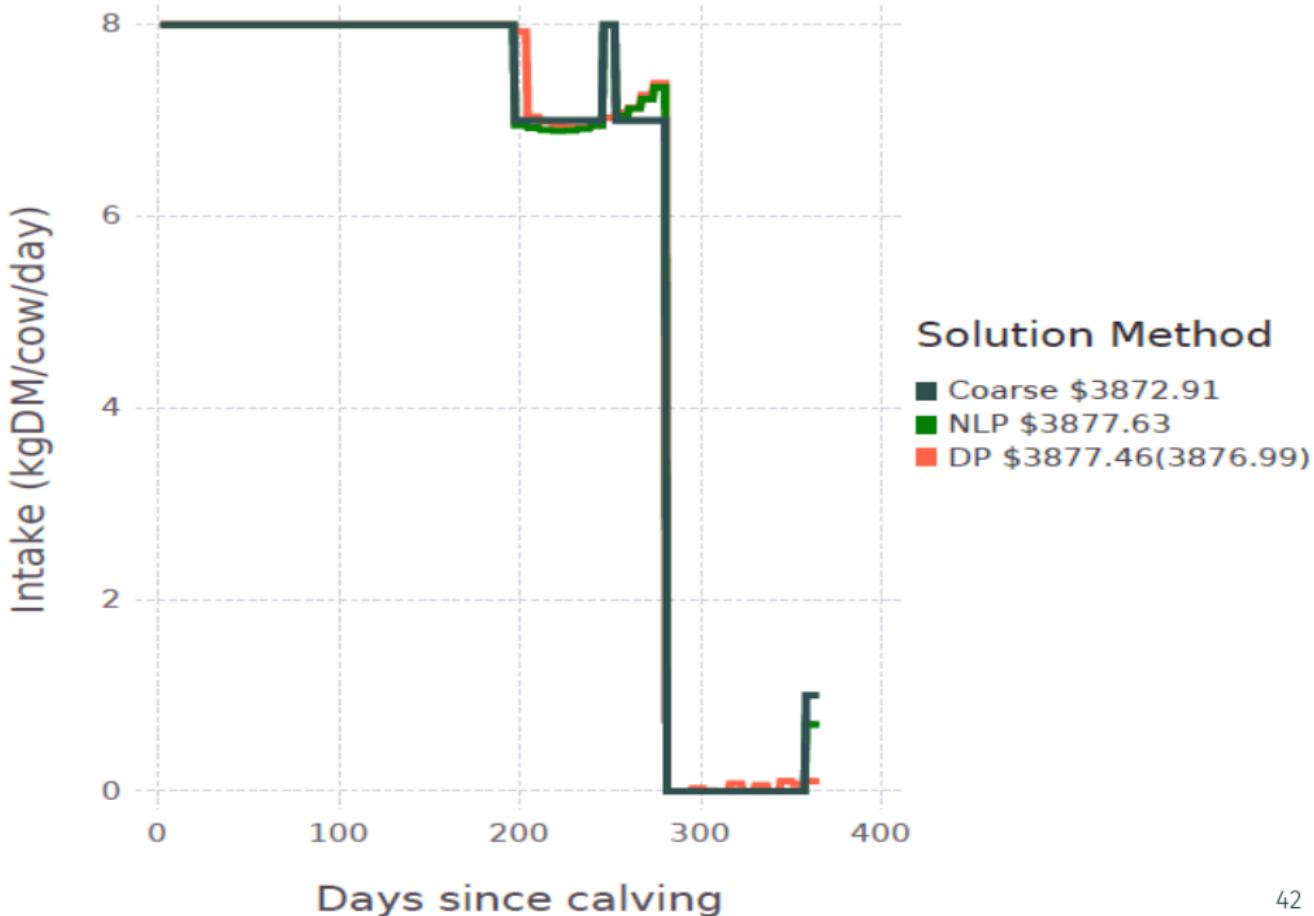
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Will the policy actually be implemented?

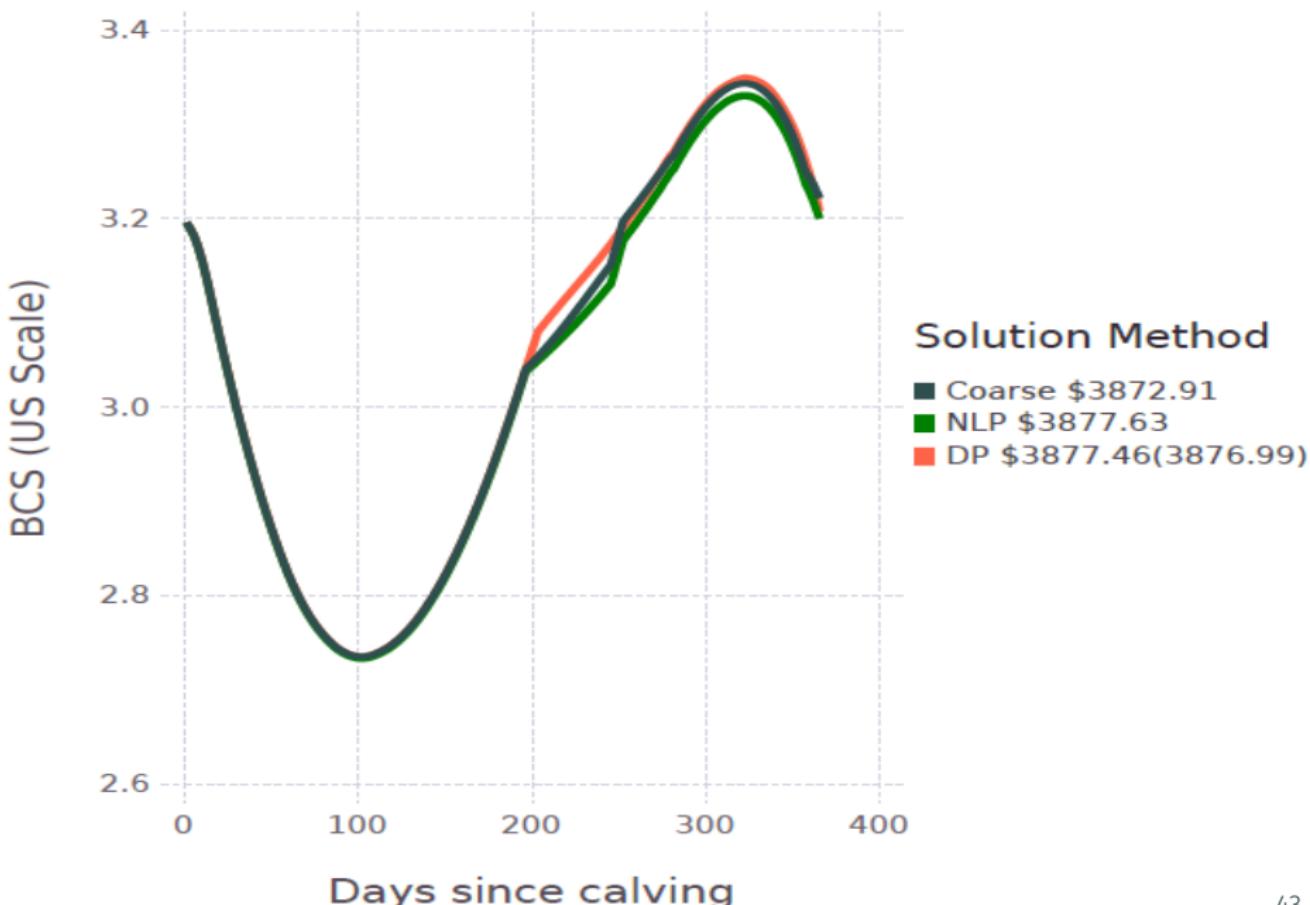
## RESULTS

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## Supplement Intake



## Body Condition



**IS IT WORTH DOING?**

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DAIRYANALYTICS.CO.NZ

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## WHAT IS IT?

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A web-interface for our models.

Written in pure Julia

Hosted on AWS

Simple Non-linear optimiser

# WHAT IS IT?

Dairy Analytics   Home   Model

### Cows

Stocking Rate (Cows/Ha)

Body Condition Score (BCS) at Calving (NZ Scale)

Liveweight at Calving (kg)

Calving Date

Target Body Condition Score

### Economics

Milk Price (\$/kgMS)

Supplement Price (\$/Tonne)

Cost of BCS target (\$/unit)

### Pasture

Energy Content (Mj/kgDM)

Neutral Fibre (%)

Digestibility (%)

### Supplement

Energy Content (Mj/kgDM)

Wastage (%)

Total Available (kgDM/Cow/Year)

### Results

**Total Profit: \$2568.95 per cow per year**  
That is \$400.18 more per cow per year than feeding no supplement.

Body Condition Score

This plot shows the predicted BCS of the animal over the season.

Previous      Next

Optimise

## WHERE WE ARE HEADED

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# STOCHASTICITY

The weather isn't deterministic

The weather isn't deterministic  
Neither is the milk price

The weather isn't deterministic  
Neither is the milk price  
Or the spot price of feed

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Neither is the milk price  
Or the spot price of feed  
**Risk?**

# CONTRACTS

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A contract market exists for buying supplement

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Storage constraints, Capital constraints, Competitors

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Storage constraints, Capital constraints, Competitors

Question

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Storage constraints, Capital constraints, Competitors

### Question

How much supplement should I order at the start of the year?

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### Question

When should the farmer dry off his herd?

# THE LAND USE PROBLEM

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You have a farm (area, location, terrain)

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Nitrogen leeches into rivers/lakes = BAD

### Question

How do you use your land to maximise milking profit  
whilst minimizing Nitrogen leaching?

QUESTIONS?