

WELCOME:

Welcome to the November edition of Promar Matters and, as I suspected, it looks very much like the two dairy industry super powers when it comes to dairy shows, have not been able to see eye to eye. Consequently, we are faced with the ridiculous prospect of having two national dairy events within a week of one another. I can only predict that one will lose out and the UK dairy industry will not be the better for it.

Moving on, this month we consider the implications of Brexit on currency fluctuation and the future of BPS. Brexit continues to be a hot topic with regard to the legality surrounding the triggering of Article 50, and it is looking increasingly likely that this will not happen until March 2017. As a result, we will continue to be part of the EU until well into 2019. The question is will sterling weakness continue until then? A weak pound, although supporting UK exports, will lead to a food driven increase in inflation and a breaching of the 2% target.

Our second article considers staff engagement with regard to performance improvement and goal setting – something we should all consider as leaders of our own businesses.



James Dunn
Promar Managing Director

BPS UPDATE



Promar Principal Consultant Jonathan Hill takes a look at the latest developments with the Basic Payment Scheme.

With all the speculation surrounding the future shape of any farm support payment scheme as a result of the Brexit vote, it is nice to start with some good news. As a result of the weakness of sterling, the December payment received will be 16.5% higher.

BPS payments for England are set in Euros and then converted into Sterling.

The rate this year, an average of the European Central Bank exchange rates set in September, will be $\text{€}1 = \text{£}0.85228$. The exchange rate for 2015 BPS was $\text{€}1 = \text{£}0.73129$.

While this will give cashflow a bit of a boost it is important to remember, as discussed in last month's Promar Matters, that for many farms cash resources are likely to be strained until well into the winter despite encouraging milk price movements. Therefore, think carefully about the best place for the BPS cheque – almost certain to be in your bank rather than someone else's!

Now is also a good time to make sure that the farm is in good shape to qualify for next year's payment. Will you meet all cross compliance requirements?

With winter plantings underway, including earlier sown maize stubbles following a much earlier harvest in most part of the country, do you comply with the three crop rules and greening measures?

Making time over the next few weeks to review your position against the regulations could save a lot of time and angst when it comes to submitting the 2017 forms.



MAKING THE WINTER SHORTER



Andrew Watson
Promar Consultant

With cows now housed and the clocks gone back, winter can seem long and daunting, but as Promar Consultant Andrew Watson suggests, there are a number of practical things you can do to help make it less onerous.

Winter, with its increased workload on many farms, will put additional strain on staff and resources but there are several things, many small that can make a big difference.

Regular communication

When was the last time you sat down with the team to discuss performance, how things are going and listened to their concerns? With the current economic and political challenges facing the industry it is inevitable that all involved on dairy farms are concerned about future prospects, so why not sit down with the team and discuss where the business is going this winter and the objectives?

What are the targets for the herd? What will good performance look like and what are their roles in this? What can they do to make a difference?

Ask them how performance can be improved? They know what makes the unit tick and there will be no shortage of ideas which could make a big difference?

What could be done to help make their life easier? It might be something

as simple as a new kettle or a replacement radio in the parlour, or a change to the daily routine.

Set some performance benchmarks and make sure they are displayed where everyone can see them. Then regularly record how performance compares, celebrate successes and use the benchmarks as a way to review progress at regular meetings.

Set a time for regular meetings and stick to it. Make involving staff a central part of running the herd. And don't be afraid to involve members of the extended team like your consultant, vet and AI technician.

Also take the time now to review all protocols affecting winter management and make sure everyone knows how to carry out the key tasks consistently and correctly and understand how to react to problem events.

Practical points

It is amazing how seemingly small issues add up to make everyday tasks more time consuming and irritating. Take a look round the unit and check on the following, and also ask staff what makes their life more difficult:

- Are all light bulbs working and of sufficient power to allow people and cows to work safely at all times?
- Are all the gates correctly hung? Do they close easily without recourse to baler twine?
- Is cow flow adequate? Can cows be moved round the unit quickly and easily with no unnecessary bottlenecks?
- Are all the pieces of small equipment used on a regular basis in the right place and do all the team know where they are kept?
- Are all protocols up to date and accurate and do all the team understand them?
- Are feed ingredients stored in a practical way to make feeding quicker and more efficient? Is it easy to regularly push up feed?
- Have the parlour feeders been calibrated and overhauled?
- What can be done on a Friday to help prepare for the weekend when fewer staff are likely to be working? The same applies to Bank Holidays.

Addressing these points and listening to staff can help make the daily routine run more smoothly and save time. And could even make the winter seem shorter.

