

This months contributors

James Dunn 07971 973165

Nigel Davies 07773 936129

Tom Gill 07772 227985

WELCOME James Dunn, Managing Director of Promar International



Welcome to the July edition of Promar Matters. In the space of a few short months we have gone from saturated fields and freezing conditions to the threat of drought and feeding precious silage much sooner than we all would have liked. Such are the challenges of dairy farming in the 21st century.

In this month's edition, Nigel Davies considers the challenge of decreasing margins per cow due to a number of reasons. The increasing cost

of feed being one example and with the rising price of wheat on the futures market, coupled with a possible drought, this will show no signs of abating before the onset of harvest. Nothing is ever straight forward but being the best you can be in terms of efficient milk production goes a long way to countering these challenges.

Ammonia is a topic that is highly relevant to human health and will become increasingly centre-stage in the coming months. Tom Gill's piece sets about highlighting the areas of challenge for the dairy industry but also recognises the progress our industry has already made in this area.

Enjoy the read, and the sunshine if you can, but please get in touch if you require more information.

IMPACTS OF DELAYED SPRING ARE TANGIBLE – WHAT LIES AHEAD FOR THE SUMMER?



For the first time in 17 months, the margin per cow achieved by the

average herd in the matched National Milkfinder sample for April 2018 was less than what was received in the corresponding month 12 months previously.

Nigel Davies, Promar's National Consultancy Manager, notes that

individual producers in different parts of the country will have fared differently.

"The extent of the decrease in margin per cow will vary from region to region," he says.

"However, it's clear from the sample that the combined effect of a carryover of indifferent silage quality from 2017, the delayed spring, and an increase in concentrate prices, has resulted in an overall rise in feed costs across the country of 1.3ppl for the month of April 2018 when compared to April 2017," adds Nigel.

"The increased feed cost per litre doesn't really come as a surprise given the

NEWS IN BRIEF

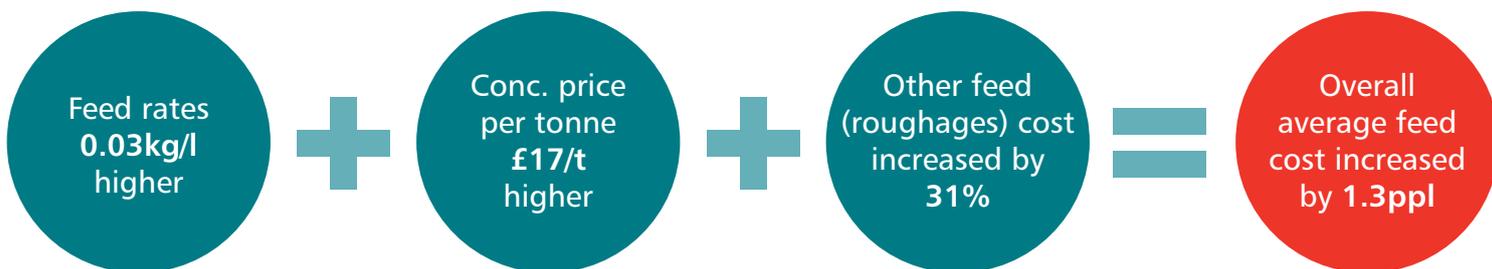
- Economic growth - The European economy grew at its fastest rate in a decade during 2017, with all member states experiencing growth during the year. GDP growth in the Euro area is expected to reach 2.3% in 2018, a small decrease from the 2.4% achieved in 2017
- Global Dairy Price Index - The FAO Dairy Price Index rose for the fourth successive month in May. This was largely driven by significant increases in the price of cheese, SMP and butter due to tight supplies of milk in New Zealand

KEY DATES

Promar will be attending the Great Yorkshire Show, 10-12 July. Don't forget to come and see us if you're at the show.

circumstances. The financial outcome reinforces the requirement for a continued sharp focus on margin management and the importance of a daily rigour for detail to help ensure long-term sustainability.

"This is especially pertinent when set against the increasing prospect of a summer drought at the time of writing and the continuation of upward pressure on feed prices."



PLAN AHEAD TO MEET IMPENDING AMMONIA REGULATIONS



With ammonia regulations set to be enforced from as early as 2020, dairy and beef farmers, and the wider supply chain, are being encouraged to think ahead and consider how the new legislation could impact their businesses.

This is the key message from Tom Gill, Promar's Head of Environment, who believes the proposed regulations are a 'driver for change' and recommends that a proactive approach is key to meeting future regulatory changes.

"The recent government announcement to clamp down on ammonia emissions from agriculture, by introducing stricter controls on fertiliser use, slurry and manure management, and livestock housing, may have left some farmers feeling uncertain about the future sustainability of their businesses," says Tom.

"However, as the proposed regulations are mostly focused on the enforcement of best practice, which many farmers are already implementing to improve efficiency on-farm, they're therefore in a good position to reap the potential benefits on offer," he adds.

Given that manure and slurry applications account for 25% of agricultural ammonia emissions, all slurry and digestate will need to be applied using low-emission spreading equipment by 2027.

"The good news is that many farmers are ahead of the game and are already spreading slurry in such a way to maximise the additional benefits such as increased nitrogen (N) value," explains Tom.

"For example, using a trailing hose can increase the N value by approximately three units per 1,000 gallons. This can help save money on feed and bedding as it allows for a quicker return to grazing," he adds.

Tom adds that beyond best practice, the proposed regulations are likely to mean that significant investment in infrastructure is required on-farm.

"The target date for slurry and digestate stores to be covered is 2027 and given that very few farms currently cover stores, farmers are going to have to make financial investments in order to comply," says Tom.

"For this reason, I'd recommend that they take time to understand the new legislation, particularly when developing both short and long-term business plans because this will help ensure farms are one step ahead," he adds.

He concludes by encouraging the industry to take responsibility to help 'drive change'.

"The new legislation will be daunting for many producers; however, I think it's a challenge that as an industry we should embrace. I believe that careful planning is key to maximising the available opportunities and minimising the potential impacts on business sustainability."

For more information, contact Promar International on **GB-Promar-Enquiries@genusplc.com**, or **01270 616800**.

Practical steps farmers can take to reduce ammonia emissions from agriculture

- Wash down animal collection points soon after use
- Ensure that levels of protein in livestock diets are well matched to nutritional needs
- Incorporate manure into soils rapidly after spreading (within at least 12 hours)
- Use low emission techniques for spreading slurry and digestate
- Switch from urea based fertilisers to ammonium nitrate which has lower emissions
- Inject urea into soil or apply it alongside a urease inhibitor
- Cover slurry and digestate stores and manure heaps or use slurry bags

Proposed government regulations to reduce ammonia emissions from agriculture

1. 2019: Introduction of nitrogen (or fertiliser) limits
2. 2025: Extension of environmental permitting to large dairy farms
3. 2020 onwards: Rules on specific emissions-reducing practices
 - Requirement to spread urea-based fertilisers in conjunction with urease inhibitors, unless applied by injection on appropriate land by 2020
 - Mandatory design standards for new livestock housing by 2022
 - Requirement for all solid manure and digestate spread to bare land to be incorporated rapidly (within 12 hours) by 2022
 - Requirement to spread slurries and digestate using low-emission spreading equipment by 2027
 - Requirement for all slurry and digestate stores to be covered by 2027



For information about how we keep your data safe please see www.promar-international.com for our Privacy Policy. If you would like to unsubscribe from receiving this newsletter please contact genusunsubscribe@genusplc.com or call the office on 01270 616800.

Farming • Food & Drink • Environment • Public sector • Trade associations and levy boards • Private agri business

Published by: Promar International, Alpha Building, London Road, Stapeley, Nantwich, Cheshire, CW5 7JW.
Tel 01270 616800 • www.promar-international.com