Anglia Farmer
1st August 2018
Nigel Davies

Producers should focus on margin management, says Nigel Davies

Delayed spring hits dairy margins

A late spring and indifferent silage quality meant reduced dairy margins this April, according to the latest National Milkminder statistics.

For the first time in 17 months, the margin per cow achieved by the average herd in the matched National Milkminder sample for April 2018 was less than what it was the same month last year.

Promar national consultancy manager Nigel Davies said individual producers in different parts of the country would have fared differently. "The extent of the decrease in margin per cow will vary from region to region," he said.

But an overall rise in year-on-year feed costs of 1.3ppl for April 2018 had been caused by higher costs due to the combined effect of a carryover of indifferent silage quality from 2017, the delayed spring, and an increase in concentrate prices, added Mr Davies.

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

Food & Farming Futures - online
1st August 2018
Nigel Davies

Dairy concentrate prices up and milk to feed price ratio down

The National Milkminder matched sample for May 2018 shows uncanny consistency between almost all parameters as for the same month in 2017, other than one key aspect. (Promar Milkminder)

Promar's National Consultancy Manager, Nigel Davies, explains that the number of heifers and cows calving, as well as culls, were exactly the same for May 2018 as they were for May 2017.
"There is also little difference in the total number of cows in the herd and yield per cow in milk per day is level at 27.2 litres, while the average milk price received is just 0.38ppl higher," he adds.
"All of which represent a relative slow down compared to gains achieved in recent months."
However, Nigel points out one stand out difference in the May Milkminder figures which merits consideration.
"Average concentrate price fed in May 2018 was £231 per tonne, compared to £215 per tonne in May 2017," he explains.
"Irrespective of the understandable stress and challenge presented by the ongoing dry weather during June and July, this parameter alone will focus the attention of producers, especially those who are feeding additional amounts of concentrate as part of their strategy in response to the prolonged dry summer."
Nigel notes the resultant impact that increased concentrate prices have had on the milk to feed price ratio.
"The May Milkminder sample indicates that the milk to feed price ratio has fallen from 1.26 in May 2017 to 1.19 in May 2018.
"This is down to a level which is well below the average reported over the last five years as demonstrated by the Milk to Feed Price Tracker (see the table below), and down to a level where in normal circumstances, it's starts to be questionable how much additional profit is being achieved as a result of feeding more.

South West Farmer
1st August 2018
Nigel Davies

Concentrate prices increase

FOR the first time in 17 months, the margin per cow achieved by the average herd in the matched National Milkminder sample for April 2018 was less than that received in the corresponding month 12 months previously.

Individual producers in different parts of the country have fared differently.

Nigel Davies, Promar's national consultancy manager said: "It's clear from the sample that the combined effect of a carry over 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.

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

Dairy Farmer
1st August 2018
Tom Gill

The Government's plan to tighten up on emissions, particularly those from agriculture, will have a serious impact on the sector. Promar's head of environment, **Tom Gill**, explains.

Plan ahead to meet controls on ammonia

With fertiliser use, slurry management and livestock housing all under scrutiny as part of the Government's clean air strategy, many producers are getting concerned what the impact may be.

However, Promar's Tom Gill believes dairy farmers and the wider supply chain should use proposed regulations as a 'driver for change'.

He says: "By understanding the draft legislation, dairy farmers can identify actions which will help reduce ammonia impacts, many of which will also improve herd health and productivity while reducing overheads.

"Ammonia emissions declined by 13% between the 1980s and 2015. However, the Government has since reported there has been an increase of 3.2%, which is largely due to increased cow numbers and use of artificial fertiliser.

"In addition, there is growing evidence ammonia emissions are significantly impacting on human health. For example, by 2025, the World Health Organisation suggests fine particulate matter will cause an increase in cases of coronary heart disease and asthma.

"For this reason, it is understandable the Government is looking to the agriculture sector, which is responsible for 88% of all ammonia emissions, to take responsibility to help drive change."

Targets

To reduce ammonia emissions from agriculture, the Government has set ammonia reduction targets of 8% by 2020 and 16% by 2030.

To help meet these targets, the dairy supply chain is being challenged to implement a range of practical on-farm actions.

Mr Gill says: "Although the clean air strategy is in consultation, it is expected the final proposal will be approved by April 2019 and the first regulation enforced soon after."

Mr Gill says many farmers are already implementing best practice and taking steps to improve standards and efficiency on-farm.

However, he stresses now is the time to review protocols in line with the clean air strategy.

"One of the proposed actions farmers can take is to ensure livestock collection areas are washed down soon after use.

"This is because slurry and manure left on hard standing contributes 7% of agricultural emissions, and washing them down quickly is key to reduction."

Nutritional requirements of the herd play a large part in the level of ammonia produced, says Mr Gill.

"There is a direct correlation between the level of protein being fed and the amount of ammonia produced by the animal. It is therefore vital protein levels match nutritional needs and do not exceed requirements of the cow."

Fertiliser use also features quite highly in the clean air strategy.

Mr Gill says: "The strategy recognises many farmers already apply fertiliser at economically efficient levels in accordance with the RB209 fertiliser manual.

"However, this guidance is under review and, from 2019, the Government will be looking to amend the recommended level.

"In addition, a maximum nitrogen [N] application limit will be introduced, taking into account economic efficiency and commitments to reduce ammonia and greenhouse gases.

"Although a limit may sound

Proposed Government regulations include mandatory design standards for new livestock housing.

Proposals to reduce ammonia emissions

- **2019**, introduction of nitrogen (or fertiliser) limits
- **2025**, extension of environmental permits to large dairy farms
- **2020 onwards**, rules on specific emission-reducing practices, including **2020** requirement to spread urea-based fertilisers in conjunction with urease inhibitors, unless applied by injection on appropriate land; and **2022** mandatory design standards for new livestock housing; **2022**, requirement for all solid manure and digestate spread to bare land to be incorporated rapidly within 12 hours; **2027**, requirement to spread slurries and digestate using low-emission spreading equipment; **2027**, requirement for all slurry and digestate stores to be covered.

When spreading slurry or digestate, there will be a requirement to use low emission equipment by 2027.

concerning, it does have advantages in that it ensures farmers will be applying the most economically efficient levels of fertiliser.

"Many proposed regulations are likely to have a significant capital expenditure associated with them and it is therefore important businesses consider this within their five-year plans.

"For example, environmental permits for dairy farms are being cited for 2025 and, at the moment, it is not clear whether this may be applied to all dairy producers, not just the largest. In addition, the draft guidance is also proposing mandatory building design standards by 2022.

"Therefore, if producers are considering building expansion, or development of new units in the next three years, it would be wise to consider the likely implications of the impending regulations to avoid any additional expenditure from failing to meet new legislation."

Equipment

As manure and slurry application is the second biggest contributor to agricultural ammonia emissions, accounting for 25%, the proposed legislation includes a requirement to spread slurries and digestate using low emission spreading equipment.

Mr Gill says: "Application technique has a significant impact on the amount of ammonia emissions released. For example, using a trailing hose to apply slurry on to long grass can help reduce ammonia losses by about 60% compared to a splash plate spreader."

Mr Gill says using a trailing hose can also have a positive effect on the N value, with an increase of about three units per 1000 gallons.

"While the cost saving associated with the increased N value may not outweigh the machinery cost, there are additional benefits such as a quicker return to grazing.

"Although the proposed regulations on spreading techniques are not due to come into place until 2027, it is important businesses consider this when looking to replace equipment to ensure longevity.

"Manure storage too needs to be considered sooner rather than later, as there will be a requirement for all slurry and digestate stores to be covered by 2027."

Farming UK - online
1st August 2018
Nigel Davies

Concentrate prices up and milk-to-feed price ratio down

The National Milkminder matched sample for May 2018 shows uncanny consistency between almost all parameters as for the same month in 2017, other than one key aspect.Data from the UK's largest agri-food consultancy, Promar explains that the number of heifers and cows calving, as well as culls, were exactly the same for May 2018 as they were for May 2017. There is also little difference in the total number of cows in the herd and yield per cow in milk per day is level at 27.2 litres, while the average milk price received is just 0.38p per litre higher.Promar's National Consultancy Manager, Nigel Davies, said it represents a relative slow down compared to gains achieved in recent months.However, Mr Davies points out one stand out difference in the May Milkminder figures which merits consideration."Average concentrate price per tonne fed in May 2018 was £231 per tonne, compared to £215 per tonne in May 2017," he explained.

"Irrespective of the understandable stress and challenge presented by the ongoing dry weather during June and July, this parameter alone will focus the attention of producers, especially those who are feeding additional amounts of concentrate as part of their strategy in response to the prolonged dry summer."'Questionable'Mr Davies noted the resultant impact that increased concentrate prices have had on the milk to feed price ratio.He added: "The May Milkminder sample indicates that the milk to feed price ratio has fallen from 1.26 in May 2017 to 1.19 in May 2018."This is down to a level which is well below the average reported over the last five years as demonstrated by the Milk to Feed Price Tracker, and down to a level where in normal circumstances, it's starts to be questionable how much additional profit is being achieved as a result of feeding more."In some individual farm scenarios, this performance parameter will not be the most important or most pressing aspect to consider. For others, while forage shortages continue, feeding some additional concentrate now will be the right thing to do as although it will negatively impact short term margins, it will safeguard longer term profits. Mr Davies added: "But in a more general sense, the recent trend in the weakening of the ratio makes sustaining a growth in margins more challenging for all, even after we get back to normal rainfall patterns and forage stocks."

Farmers Weekly - online
2nd August 2018
Tom Gill

Higher dairy returns could be wiped out by drought

This summer's drought is set to cancel out higher returns to UK dairy farmers as the cost of feed continues to rise, according to a report from independent dairy specialist Kingshay.

The report, Dairy Costings Focus 2018 , said a 5.14p/litre increase in average milk prices pushed up average margins over purchased feed by 28% to 21.21p/litre in the year ending March 2018, compared with the same period the previous year.

See also: Drought likely to add 2p/litre to dairy costs of production

However, a shortage of forage and higher concentrate costs will erode the benefit of these higher milk prices, according to Kingshay services development manager Richard Miller.

Kingshay costings report 2018 sample size 2,000 herds 300,000 cows Farms from across the UK Includes aligned and non-aligned producers Average cows/herd was 206 Average yield/cow was 8,189 litres "Forage stocks could be extremely tight and with concentrates already rising in cost, dairy producers are going to have to continue to pay great attention to detail to both keep milk production up and maintain good margins," Mr Miller said.

Milk from forage Average milk from forage remained relatively stable across the sample compared with last year despite the wet autumn and cold winter in 2017, according to the report.

The average herd of almost 2,000 surveyed produced an extra 26 litres a cow from forage in the year ending March 2018, totalling 2,542 litres, equal to 31% of the samples' total milk production.

This was probably a result of the focus placed on forage during 2016-17 when milk prices hit rock bottom.

The gap between the top 25% of producers ranked on milk from forage and the average dairy farmers grew by 9% in 2018.

Top farmers produced 1,314 litres more than average herds at 3,856 litres in 2018, compared with a gap of 1,205 litres between the two groups the previous year, indicating there were purchased feed savings to be made by producers outside of the top quartile.

Milk to feed price ratio Climbing concentrate costs have driven a reduction in the milk to feed price ratio from 1.26 in May 2017 to 1.19 in May 2018, according to the latest Promar Milkminder results.

This figure was well below the UK five-year average and was at a level where, under normal circumstances, the amount of profit achieved from feeding more would become questionable.

"In some individual farm scenarios, this performance parameter will not be the most important or most pressing aspect to consider," said Promar national consultancy manager Nigel Davies.

Promar Milkminder May report Matched sample from over 2,000 farms 213.8 cows in herd 190.4 cows in milk Yield/cow a day was 27.2 litres Yield from forage a cow a day was 10.9 litres Concentrate use a litre was 0.28kg Feed cost was 6.63p/litre Margin over purchased feed was 20.8p/litre "For others, while forage shortages continue, feeding some additional concentrate now will be the right thing to do as although it will negatively impact short term margins, it will safeguard longer term profits.

Mr Davies added: "But in a more general sense, the recent trend in the weakening of the ratio makes sustaining a growth in margins more challenging for all, even after we get back to normal rainfall patterns and forage stocks."

Where to make savings? Producers need to think about the implications of the weather, according to Old Mill chairman Mike Butler, who said that that everyone should have a serious conversation with banks and accountants over what might be the best thing to do.

Mr Butler suggested the following seven tips to help insulate farm businesses from the extreme weather:

Some farmers are already looking at culling up to half their herds to reduce forage requirements over the winter. Selling stock will reduce output and may crystallise some profits. However, it should be taken into account that cull cow and store values are already suffering. Consider raising overdrafts to cover increased feed costs. When looking at alternative feeds, consider the likely impact on productivity. Make preparations for reduced incomes. Are you on the right tax credits? Could tax payments be reduced on account? Although July payments will already have been made, if income and therefore tax bills will be down, payments can be reduced on account at any time. Plan cash flows to help identify any pinch points. Planning early means these can be avoided. It's crucial to understand their implications as they develop, and be proactive rather than burying heads in the sand.

The Scottish Farmer
4th August 2018
Tom Gill

Think ahead to cope with regulation

NEW ammonia regulations look set to be enforced from as early as 2020 and now dairy and beef farmers are being encouraged to think ahead and consider how the new legislation could impact their businesses.

That's message from Tom Gill, Promar's head of environment, who said the proposed regulations are a 'driver for change'. He recommended that a proactive approach is taken to meet 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," he said.

A CONTRACTOR applying 30 m³ per ha of anaerobic digestate to winter wheat – this will become one of the preferred spreading methods for slurry and digestates

"However, given that 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."

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," said Mr Gill.

"For example, using a trailing hose can increase the N value by approximately three units per 1000 gallons. This helps save money on feed and bedding as it allows for a quicker return to grazing."

However, the proposed regulations are likely to mean that significant investment in infrastructure is required. "The target date for slurry and digestate stores to be covered is 2027 and given that few farms currently cover stores, farmers are going to have to make financial investments in order to comply," he pointed out.

"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."

Proposed government regulations to reduce ammonia emissions from agriculture:

- 2019: Introduction of nitrogen (or fertiliser) limits
- 2025: Extension of environmental permitting to large dairy farms
- 2020-on: 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

Shropshire Star
7th August 2018
Tom Gill

Calls to plan ahead to meet 2020 ammonia regulations

With ammonia regulations set to be enforced from as early as 2020, dairy and beef farmers 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," said Tom.

"However, given that 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."

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

Farmers will need to use low-emission spreading equipment

"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," said 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."

Bridgnorth Journal
9th August 2018
Tom Gill

Farmers to 'think ahead' for new ammonia rules

WITH ammonia regulations set to be enforced from as early as 2020, dairy and beef farmers 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," said Tom.

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

The new proposed regulations have been called a "driver for change"

"The good news is that many farmers are ahead of the gam," said Tom

South Shropshire Journal
10th August 2018
Tom Gill

Farmers must 'think ahead' for ammonia rules

With ammonia regulations set to be enforced from as early as 2020, dairy and beef farmers 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 may have left some farmers feeling uncertain about the future sustainability of their businesses," said Tom.

Fresh Produce Journal
10th August 2018
Lisa Williams

ACCESSING ASIA

With international trade becoming increasingly important for UK fresh produce growers, Asia is often seen as the most up-and-coming global consumer market. Promar's head of agri-food, Lisa Williams, outlines the opportunities and challenges in this vast market

BELOW – Events like Asia Fruit Logistica are a chance to make new contacts
OPPOSITE – British firms have exported apples to Asia

Asia is the largest continent on the planet, with a population that is set to grow to 4.3 billion by 2022, so there is no doubt that it will continue to provide exciting and potentially lucrative opportunities for international growers and exporters alike.

Historically, China has been the obvious choice for many within the south-east Asian block, due to its emerging demand, growing population and increasing middle-class segment.

But there are other emerging markets that should be given equal consideration by exporters. For example, India, Indonesia, the Philippines and Vietnam are all showing promising growth.

In addition, India, Japan and Indonesia also feature alongside China in the top-ten global leading grocery markets, so there are lots of prospects that exporters can capitalise on.

Although these opportunities are abundant, these markets do come with their challenges. Ensuring that thorough market insight and prioritisation has been conducted, to understand consumer trends, market access and local trading relationships, should always be the first step for exporters.

CONSUMER TRENDS

Food safety is one of the biggest concerns for Asian consumers, particularly in China. Improvements are being made to domestically grown products, however consumers continue to have a general concern over the safety of produce, particularly pesticide use in fruit.

This provides huge opportunities for western exporters, as consumers have the perception that this produce is grown with stricter food safety regulations. By drawing on the country of origin, the taste of the produce, packaging, and the levels of food safety measures observed by European growers, it gives international exporters a more unique and appealing offering for retailers.

Quality is also a big driver in the purchasing decision of fresh produce. For example, Chinese consumers are demanding, and are willing to pay for high-quality products. This favours imported produce, which is perceived to be of higher quality than domestic products.

Sensory evaluation is a big marker for quality, and it's therefore vital that producers don't see the Asian regions as 'Class II' markets. The Chinese market is a Class I market, and appearance is an extremely important factor in the purchasing decision.

It's important to note that individual countries will all have their own preferences on appearance. But, if you're looking to target China then larger fruits are preferred, and red colours are favoured over green, particularly if aiming for the growing gifting market.

Variety is another area for consideration. Consumers are always looking to try new and unique products, particularly if they're linked to a westernised country or culture. For this reason, exporters should be looking to tap into this and consider how they can introduce new varieties to their offering.

ROUTES TO MARKET

Once you understand the consumer trends, and identify which markets are right for your product, it's important to understand the routes to market, and potential barriers to export.

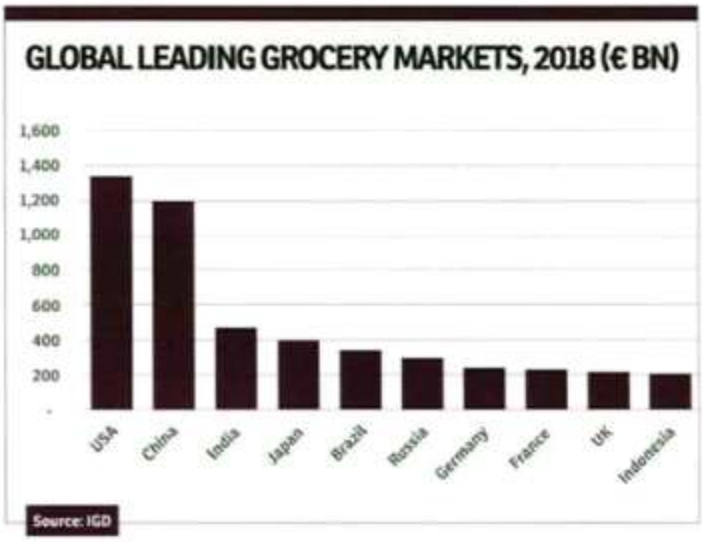
Although there are similarities, every region is different, so a blanket approach to exports will typically result in an unsuccessful campaign. It's therefore important to immerse yourself in the region and understand the market access to give yourself a far higher chance of succeeding.

For example, around 70 per cent of all imported fruit sold in China is located in the Guangzhou-Guangdong Province, which is strategically located near to Hong Kong and allows access to 17.8 million customers, so exporters should look for partners based in this area.

These trading relationships are key, particularly in countries where the government can take a protectionist view to imports. Understanding these potential constraints and exploring options to overcome these before you construct your export plan is essential. Developing strategic relationships also allows exporters to glean information that can help fulfil a successful launch.

Domestic importers, traders and wholesalers understand their consumers fully. They know what works and what doesn't, and can provide useful insight regarding the potential launch of a product and its likely success. Develop and utilise this knowledge as much as you can.

In summary, although international growers and exporters will face challenges when considering new Asian markets, there are lucrative opportunities available. By conducting thorough research and bespoke prioritisation you can ensure that you target the right market for your product.



TOP TIPS FOR EXPORT SUCCESS

- Use bespoke prioritisation – understand what the right market for your product is, and who the right partner may be
- Visit the market – understand your potential customers and evaluate if they're right for your product
- Understand your own operation – are you able to provide the product at the right price, quality and volume, and are you prepared to meet demand?
- Organise trade missions – Asian markets are very willing to try new products, but they may need encouragement. Trade missions to build awareness of the varieties, tastes, quality and seasonality are important
- Efficiency is key – Asian countries are big producers of fresh fruit. Ensuring that you are able to compete with domestic producers is all related to your efficiency and should be given significant consideration before entering a market

Farmers Guardian
24th August 2018
Jonathan Hill

It has been the albatross round the neck of the dairy industry for years, but now farmers are finding a market for dairy bull calves. Tom Levitt reports.

A growing market for DAIRY BULLS

There has to be a viable market for dairy bull calves because 'compassion does not pay the bills'.

Robert Drysdale, who runs StraightLine Beef, Somerset, is one of a number of farmers producing beef from the dairy herd and moving away from the traditional notion of seeing bull calves as a non-product with minimal value.

He said: "Without demand we are not going to get rid of the surplus of calves.

"It is not easy to say that it is profitable to make beef from dairy bulls. There has to be a market."

AHDB estimated about 95,000 dairy bull calves were still being disposed on-farm.

Half-a-million calves were exported from dairy farms via ferries to the continent in 1994, which has a larger market for veal.

But public protests, led by groups such as Compassion in World Farming, against animals being sent on long journeys in lorries and animal welfare standards in other countries has seen that outlet largely disappear.

No calves were exported from England last year, although an estimated 5,000 calves did leave from Scotland and a further 20,000 from Northern Ireland.

Complicated

Without exports, the main options for dairy producers are to rear bull calves themselves or sell them to a beef unit, an option complicated for those producers under bovine TB restrictions.

In response to recent publicity around the issue, AHDB convened a cross-industry meeting of people representing more than 50 organisations, including retailers, farm organisations, vets, Government and non-governmental organisations, to discuss ways of tackling the problem.

Top of the list was how to find better outcomes for the bull calves than on-farm disposal.

A spokesperson for AHDB's Cattle Health and Welfare Group, which hosted the meeting, said: "There are many things which will need to change if a market is to be found for all male calves born into dairy herds, including decisions on optimal breeding strategies and the choice of bulls and breeds which offer the best meat quality.

"Farm investment is required to ensure stock is managed efficiently and reared to a specification which will suit retailers, the catering industry and provide a viable economic return to farmers."

The biggest challenge, said Mr Drysdale, who spoke at the meeting, was promoting demand from consumers and retailers for rose veal and dairy bull beef.

"It has to be more than just niche," he said.

Mr Drysdale rears Holstein-Friesian and Jersey bulls, selling to local butchers, retailers and export markets in Italy. He aims to finish 8,000-head of dairy beef a year by 2020.

He said UK retailers, who also attended the AHDB meeting, could help more.

"It is frustrating that UK retailers are not doing more to promote and educate consumers about British dairy beef and rose veal," he added.

As Dan Barber, an award-winning chef and author of The Third Plate, has said with his own personal plea to consumers earlier this year: "Eating more veal may be the most sustainable thing you can do for a dairy farmer."

However, NFU dairy board chairman Michael Oakes said encouraging customers to change their habits to buy veal was difficult. Instead, retailers focused on helping farmers reduce bull calf disposals.

Mr Oakes said: "Retailers are focusing on where they can make the most difference and that is in reducing the numbers of dairy bull calves being disposed on-farm by their suppliers."

IN THE FIELD: ANDREW BARRACLOUGH, CUMBRIA

ANOTHER farmer successfully creating a market for dairy bull calves is Andrew Barraclough, a dairy farmer in Cumbria. Along with two neighbouring dairy farms, he rears the calves until six to nine months of age before working with Lake District Farmers, which supplies specialist restaurants with veal.

Mr Barraclough said: "We have put in a lot of effort with it, getting restaurant staff and chefs onto our farms to see for themselves how the calves are reared."

He said the onus was on farmers, not supermarkets, to find markets for their calves.

"We have got to provide an end product that the market wants. If not, you have to change the product or get out of business. The industry is looking at this and changing; any farmer that will not change will be left out."

"They have decided it is much harder to change consumer perception about veal."

Mr Oakes has taken the approach of using sexed semen and producing beef cross calves on his 180-cow dairy farm in Bromsgrove, Birmingham.

He sells the calves at 10-14 days.

"Selling them at that age is no real cost to me," he added.

"My motivation was about getting more returns for my business. It is a financial win-win."

Worth

A beef cross calf is worth upwards of £180 more than a dairy bull from the same cow, according to AHDB, equivalent to 2.28ppl.

An NFU survey in 2017 found a 7 per cent increase in the number of farmers using sexed semen, which can reduce the proportion of male calves being born to less than 10 per cent, compared to the previous year.

Despite a steady growth in the use and effectiveness of sexed semen since the early 1990s, it only accounted for 18 per cent of total semen sales in 2017. But dairy farmers, including those block calving, were wrong to be worried about conception rates, said Promar regional consultant Jonathan Hill.

"There is possibly some merit in their argument, but now with much improved sexed semen, conception rates are shown to be much better," said Mr Hill.

"There are many other management issues that affect conception rates before suggesting the issue is with the semen."

Mr Oakes agreed. "I was initially concerned about the conception rates from using sexed semen, but I am much more confident now."

OUTLETS FOR DAIRY BULL CALVES

FOR those not rearing calves themselves, there are now a number of outlets for dairy bull calves. As well as calf rearing schemes facilitated by some retailers for their milk suppliers, there are also independent calf rearing organisations such as Meadow Quality, Blade Farming and Buitelaar which pay depending on the quality of the animal.

Buitelaar buys calves aged two to four weeks before arranging for them to be reared and then sold after 12-14 months through UK supermarkets, restaurants and fast food chains.

The firm took 35,000 calves from dairy farms last year, with five collection centres across the UK.

The growth of these markets is reflected in the number of dairy bull calves retained in the British beef chain, which rose from 245,586 in 2006 to 392,473 in 2015, according to AHDB.

Yet while half of all beef in England is already a product of the dairy sector, the UK is still only 75 per cent self-sufficient in beef.

Promar's Jonathan Hill said although producers may get a lot more for fattening calves themselves, they had to ask whether it was worth the additional cost for 15 months.

He said: "My advice would be to get them away and focus on what your core business is. You are a dairy farmer not a beef farmer."

Buitelaar managing director Adam Buitelaar has said he could see a viable market created for almost all the bull calves produced in the UK.

AHDB chairman Gwyn Jones agreed and said there was a huge domestic market for farmers to be able to make better use of dairy bull calves.

"It is an opportunity to displace foreign imports which had a value of more than £1 billion in 2017," he said.