

## WELCOME

### We need to make more use of data

As we come out of the milk price downturn it is vital farm businesses maximise the benefit they achieve from the increased milk cheque – and this means making more and better use of data.

Most dairy farmers have a considerable amount of data about business and technical performance and used correctly it can help indicate where improvements can be made and evaluate potential changes to the system. Dairy costings, feed and soil analysis, accounts, data from milk processors and from parlour software can all help improve business performance and prospects. But it has to be used effectively with a clear purpose.

It can be used to compare performance and challenge all activities that have an impact on farm financial results and for planning future strategy.

In this issue of Promar Matters we consider life after the current BPS, a case where some in depth planning is required.

And we look shorter term at making the most of forage, an area where on many farms more data such as soil analysis and measuring growth could unlock some significant business improvements.

Our consultants are experienced at using data to help develop more successful farm businesses and we would be happy to discuss how we can make your data work for you.



James Dunn  
Promar Managing Director

## How will your business perform when BPS changes?

**At the minute, few things are certain politically, but there is one thing all farmers can be sure of. The days of the BPS as we currently know it are numbered and farmers need to start looking closely at how change might impact their business.**



Garry Kidner  
Principal Consultant

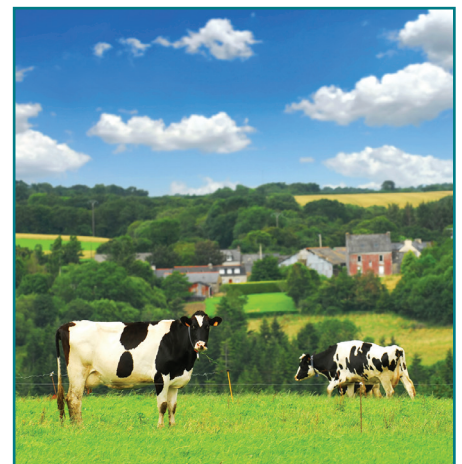
Garry Kidner, Principal Consultant says that as negotiations commence to shape the withdrawal from the EU, the scale and structure of farm payments will be high on the agenda and the posturing has already started.

There will be pressure to reduce the size of the bill and make payments more closely aligned to environmental measures. Area based schemes in particular are attracting negative comments. With all Government departments fighting for a share of the money releases from our EU contributions, there is no certainty that Defra will be able to attract as much as is currently paid out.

With BPS payments representing a significant proportion of farm profits, it is essential that businesses begin to evaluate what a reduced subsidy

payment will mean and what actions can be taken now, in advance of any changes to prepare the business and develop a strategy to offset any impact.

The sooner planning starts, the more prepared you can be.



# Effective forage management will make most of better milk prices

**Promar Principal Consultant Andrew Hawkins suggests efficient use of forage will help rebuild margins and offset the impact of feed price volatility.**

While milk prices are rising encouraging many producers to increase output, the financial benefit is being restricted by the impact of rising feed costs, driven in no small part by the post-Brexit fall in the value of Sterling.

The milk price: feed price ratio is a good indicator of the economics of using purchased feeds to increase production. The benchmark is that a ratio of 1: 1.2 is correlated with a farm's ability to meet its commitments. In 2013/14 it averaged over 1: 1.3, but over the last year has been around 1: 1.6. To hit the threshold with a milk price of 26ppl, the average concentrate cost must be less than £220.

But the cheaper way to produce milk and ensure that the greatest proportion of milk price is available to help rebuild farm finances is to increase utilisation of forage. A sensible target is that a minimum of 40% of milk yield should be produced from forage, and it will pay to start planning now.

## Get soil analysed

Soil fertility will have a huge bearing on how much forage you will be able to produce. Work by BGS shows that efficient producers will grow 12-13tDM/ha per year while a good benchmark is 11tDM/ha. Soil analysis will show exactly what you need to achieve crop requirement. It will also ensure you make the best use of slurry and don't overspend on fertiliser – another commodity being affected by currency volatility.

## Get the fertiliser spreader calibrated

The only way to make sure fertiliser is getting where it needs to and a way to ensure efficient fertiliser use and hence cost.

## Check your infrastructure

Are tracks, gateways, fences and water troughs in good condition and ready for the season.

## Plan your grazing rotation

Make sure you know the area you will graze and the order paddocks will be grazed on the first round. Keep the grazing pressure up in the early season to maintain grazing quality throughout the season.

## Plan the silage area

How much first cut will you need? Many farms will be carrying some reasonable silage stocks into the summer – due to late housing and a potential early turnout. What is your position and what does it mean for first cut? Will it make sense to go earlier to make a higher quality crop this year? Remember the target should be at least 12kgDM conserved forage per cow per day for the winter.

## Get out and measure growth

If you want to make the most of grazing you must invest time in measuring in. It is the only way to know what is ahead of the cows and what it will deliver in terms of production, so allowing more accurate supplementation as required. Look to turn milking cows into paddocks with a cover of 2800kgDM/ha and aim perhaps by using other stock if needed to leave the sward with a residual of 1500kgDM/ha. The closing cover is the key to delivering season long production as it encourages vigorous regrowth.

The next three months will set the tone for the whole grass growing season. Make sure you are well-placed to make the most of forage to drive margins.

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