

Are you getting the most out of your team?

Charles Skelton, consultant in the East Midlands believes many farms would see a real return from an increased investment in their staff.

Labour represents, on average, 20% of the total overhead costs of dairy farming (Promar FBA 31 March 2010) and in many cases they are an under-utilised resource. They may get the job done but can they be adding more to the business? With margins under considerable pressure and with businesses needed to get the most from all their resources and assets perhaps it is time to question how much more value your farm team can help deliver.

Dairy farming systems are becoming more complex and there is no doubt that a highly skilled and motivated team is essential to deliver the high levels of performance required, so what can be done to improve the team's performance.

Perhaps a good place to start is to look at an example of a highly professional functional team like a Formula 1 racing team pit crew. They can carry out a complex pit stop in a matter of seconds. So what makes them so good? They understand the overall purpose of the team and their part within it, they are highly trained and skilled and they will be appreciated for their part in achieving the team goals.

These factors actually apply to all successful teams, but do they apply to yours? From working with numerous farm teams as part of the Promar Dairy Excellence programme, I see a number of areas where staff management improvements have delivered real benefits.

Understanding the business goals - if staff know the objectives of the business then it is easier for them to understand how their role helps achieve them. Sharing the plan for the business can help motivate and enthuse staff, especially if you ask them to contribute to the plan. What do they think is achievable? If the plan is to increase yields then let them know this. Likewise if the aim is to maintain yields and increase forage use, tell them. It will prevent people doing something thinking it is right when it is actually against the business goals.

Setting clear targets - having explained the plan, give clear performance targets so staff know they are doing the job correctly and contributing to the business. Ensure targets are understood by all staff so they all know the business direction.

Keeping them involved - regular performance review meetings can often identify new solutions to problems and helps keep staff focussed. Make sure you involve everyone who impacts on performance. The tractor driver who feeds the cows needs to understand as much about performance as the herdsman. Including staff in meetings with the vet and consultant can also be beneficial.

Provide clear instructions - written instructions mean jobs are done consistently and can prevent problems, irrespective of who does them. For example, cows need to be fed the same diet every day so whoever feeds them needs to include the same ingredients in the same proportion and the same mixing order. A clear written instruction can ensure this is done and removes any ambiguity.



Charles Skelton

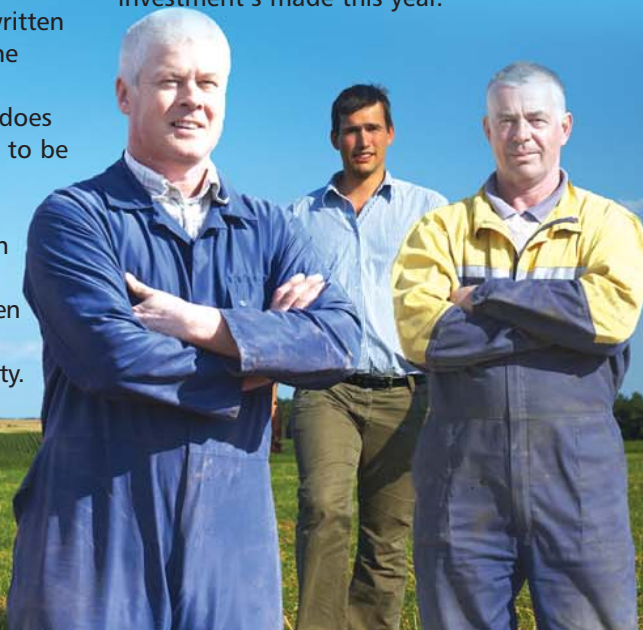
This is particularly important where relief staff are involved.

Explain why things are important - if someone understands why something is important they will do it. Why does it matter that cows get back onto feed as soon after milking as possible? Why is it important to manage the silage face well? Why do beds need to be kept clean?

Train them - investment in training is a good way to get more from staff, to motivate them and make them feel appreciated as well as a way to improve the skills within the team. In most cases the investment in training is repaid several times over. Also listen to what they want to do. It might be possible they are keen to learn a skill that could benefit your business e.g. foot trimming. Providing training could motivate them and save you money.

Let them know how they are doing - everyone wants feedback on performance. What they are doing well. What can be done better? How will you help them perform better? But feedback is a two way process. Your staff have probably got loads of good ideas so make time to listen to what they suggest.

Increasing the time invested in your team could be one of the best investment's made this year.



promar the standard

March 2011

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Time our industry started to fight back?

The Dairy industry continues to gain significant coverage in the mainstream media with the recent plans for large scale dairying, which have been met with resistance by welfare lobbying groups and the Environment Agency.

I published a number of articles before Christmas with regard to the dairy industry needing to be more consistent in the message it gives out to the media and consumers alike. We need to start playing the lobbying groups at their own game and become smarter in how we behave at an industry level.

What do I mean by this?

The lobbying groups did not move away from making three of four very important, simple points throughout their whole campaign against large scale dairying. These were based around:

- 1) Animal Welfare
- 2) The Environment
- 3) The substitution of small scale family farms
- 4) Factory farming

So how do we combat this?

I believe we need to counter these arguments in a simple consistent fashion. We need to demonstrate the fact that farmers look after their animals to a high standard, not least because animals which are stress-free perform more effectively.

We need to explain the benefits of schemes such as Nitrogen Vulnerable Zones (NVZ's) and the Entry Level Scheme (ELS). Most dairy farmers are in these schemes and zones and we need to explain the benefits this has to the average tax payer. Farmers will ultimately be responsible for stewarding the countryside in the future and we need to explain the cost this has to farm businesses, but more importantly the benefits this has to the consumer.

Small scale dairy farming will still continue, albeit they are likely to be fewer in number than presently. However, as a proportion of total dairy farmers this is unlikely to change greatly. We know that there are an ever increasing number of 1,000 cow plus dairies in the U.K., but where does small scale dairying stop and large scale dairying begin? Is it 150, 250 or 500 cows plus? Ultimately those farms which maximise scale at various levels of output, with a sustainable milk price, will survive in the short term and develop in the long term.



Finally we need to counter the use of the term "factory farming" where we can. DairyCo's own research, conducted each quarter, shows that most people do not have fixed opinions about dairy farming. When asked whether they agreed that 'cows that are mainly kept indoors are as well cared for as those that are mainly kept outdoors' more than half of those researched did not have a clear opinion. When it comes to the size of a dairy farm, more than half did not have an opinion about when a dairy farm becomes 'too large'.

As an industry we need to help the consumer form an accurate viewpoint of dairying and milk production. Ultimately these are the people who will pay a fair milk price in the future for a quality product. We need to extol the

virtues of quality UK milk production and be consistent in providing a simple message which the consumer understands.

The publication of the recent Foresight report means it has probably never been more important to help consumers understand the industry. The report clearly explains why agriculture will have to become more intensive while still benefitting the environment. All farmers will have to produce more while at the same time using all inputs more efficiently, substantially increasing food production with relatively little more land available. There will continue to be pressure to reduce the carbon footprint of all farming activities.

At the same time there are increasing concerns about the political impact of food inflation. Achieving these globally important objectives will require significant changes to the way we farm. Farming systems have always evolved to meet the demands of the consumer but now, more than ever before it is vital that the consumer understands the reasons for the change and the benefits it brings them.

Andrew Thompson
Managing Director



Andrew Thompson

Coping with Bovine TB

Bovine TB continues to be a major issue, and a considerable cost for the industry, leading to trading restrictions and increased replacement rates and costs but a new organisation is offering practical advice to cattle farmers in the South West.

The South West TB Advisory Service which is part financed by the European Agricultural fund for Rural Development 2007-2013 has been set up to help farmers in Cornwall, Devon, Somerset, Dorset, Wiltshire and Gloucestershire manage their businesses to minimise the impact of TB.

A team of three on-farm advisors is able to give free and confidential advice on an individual farm basis. "In simple terms, our aim is to help keep businesses affected by TB viable, by providing advice in three primary areas," explains Ian Wagstaff advisor in Gloucestershire, North Somerset and Wiltshire.

The first area of advice relates to TB testing. Mr Wagstaff believes that many farmers need help interpreting the results and the regulations. "Farmers need to know where they stand and what to do. The regulations are also constantly being reviewed. For example, the regulations are different for farms that were clear and then go back under restrictions so it is really important to understand exactly what the regulations mean."

Advice is also given on the effect of movement restrictions and minimising their impact. Mr Wagstaff suggests that careful planning can limit the effect of movement restrictions. Where restrictions are in place, advice can be given on approved finishing units, approved quarantine units, exempt finishing units, isolation units, approved markets and collection centres which are authorised to take stock from TB affected farms.

The third area of advice covers biosecurity and disease risk reduction.



"We look at all aspects of bio-security including disinfection, sourcing of cattle and minimising badger and cattle contact. While it is virtually impossible to eliminate contact, steps can be taken to reduce the risk in both buildings and when out at grazing.

"Increasingly, farmers will need to show that they have an understanding of good husbandry, have assessed the risk to their individual premises and have applied on-farm bio-security measures accordingly. Our advisors give guidance on implementing necessary bio-security measures and discouraging wildlife from entering buildings and farm yards."

A series of biosecurity workshops has been organised in March and April. For more details or more information on the services provided, call 01392 440706 or email info@southwest-tbadvice.co.uk

Don't waste money collecting and spreading rainwater

Consultant Andy Walling says preventing rainwater entering slurry and dirty water stores will reduce the cost of storage and spreading costs.

Analysis of data on 300 farms which took part in the Livestock North West Programme revealed that slurry on an average dairy farm contains 30% rainwater. This means the average farmer spends £1,600 on spreading rainwater on fields. This figure doubles for farmers in NVZs who have to provide a minimum of five months storage.



Some dilution of slurry is necessary to maximise ease of spreading, but significant savings can be made by reducing the amount of unnecessary rainwater getting into the slurry.

There are numerous ways to reduce the rainwater stored, often without significant investment. Dirty yard areas can be turned into clean areas by brushing and scraping after use. Water from clean yard areas can be diverted using sleeping policemen and curbs. Regular maintenance of gutters and downpipes can greatly reduce volumes. Take steps to reduce the volume of water used to clean the parlour and ensure this water is diverted from the slurry store.

A simple re-organisation and the introduction of some sleeping policemen reduced the rainwater entering the slurry store on one farm by 80%. Even the more expensive options such as roofing over slurry stores, silage clamps or open yards can be cost effective when compared to the potential savings.

FOCUS ON

Rising feed costs are the topic of conversation on every dairy farm with global commodity prices forecast to remain high for the foreseeable future. Every £10 increase in feed price adds 0.32ppl to feed costs for the average herd on Promar Milkfinder so what can be done to plan and minimise the effect this will have on margins?

Look at how well you use feed now

According to West Midlands based consultant Graham Wilson there is still a huge range in how well feed is used on farm.

Data from the Promar Farm Business Accounts service (see graph) shows the relationship between milk output and feed use and two things stand out. The first is that while yield tends to rise with increased feed use it is not a straight line. While the average response at the lower end of the curve is around 0.4kg/l, at the higher end of the curve is it 1.6kg/l.

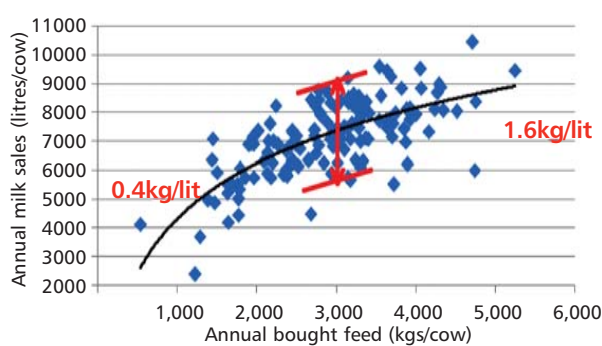
Put another way, at £240/t for purchased feed, it is costing 9.6ppl to produce an extra litre at the lower end of the curve but 38ppl at the top end of the curve. So it will pay to look closely at whether it is worth chasing marginal litres.

The other point that stands out from the graph is the range in milk output achieved at any given level of purchased feed. For example, farms feeding 3,000kg of purchased feeds produced from 6,000 to 9,000 litres.

A whole host of factors will affect the efficiency with which feed is used so it will really pay to investigate ways to improve feed use.

At higher feed prices it is vital to challenge every aspect of the feeding system and to look for opportunities to use feed more smartly.

Milk yield v feed use



Get the most from grazing



Grazed grass is the cheapest feed for dairy cows so it is well worth planning to exploit the potential, as consultant Andrew Hawkins explains.

While feed rates have been increasing over the last ten years, so we have seen a decline in fertiliser applications, but even at current prices for Nitrogen of around £290/t it will still pay to increase fertiliser applications.

The NIAB GM20 fertiliser response trials show that on an average site, the dry matter response is 28kg grass DM from each extra kg of nitrogen. At 12MJ ME/kgDM that is 61 litres of milk per kg nitrogen compared to around two litres per kg feed DM.

The trials show a cost effective response to increasing nitrogen up to at least 250kgN/ha. The average farmer could target increasing nitrogen use by 70kg/ha. This would give an extra 1,960kgDM/ha, sufficient to produce 4,350 litres from forage or potentially drive up milk yield per cow for practically no extra concentrate.

For the average 150 cow herd, being kept on 75ha or grass, the additional nitrogen would cost £4,400 at 84p/kgN. The concentrates required to achieve the same yield response would cost around £34,000.

Reviewing fertiliser plans now to increase grazing output will be a sound investment, reducing the supplementary feed required this summer and exploiting the potential of grazing.

FEED COSTS



Plan now to maximise silage yields

Consultant Caroline Groves argues that now is the time to plan to ensure you have adequate silage stocks.

Many farmers saw inflated feed bills this year due to the difficult silage season last year so the aim must be to ensure sufficient silage is made this year, and to rebuild stocks. The key watch words need to be flexibility and attention to detail. We can't manage the weather so need to learn to react to it.

With grass silage there is a huge opportunity to increase forage quality to put more feed in the clamp. Fresh harvested grass has an energy content of around 12ME and the aim should be to produce silage as close to this as possible, yet most silage ends up closer to 10ME.

There is also a huge opportunity to reduce dry matter losses in silage making. You can't eliminate DM losses but the range is typically from 5-20%. At 20% losses you are effectively losing one in every five trailer loads that leave the field.

Reducing dry matter losses and maximising the ME content both require attention to detail and achieving a fast and effective fermentation, so take the time now to review silage making and look to improve the quantity and quality of grass silage made.

Flexibility in silage making means being able to react to the amount of grass silage made. If stocks are low can you make wholecrop to boost forage stocks? Equally if grass stocks are good, will you need all the maize? It might be possible to make crimped maize and so reduced purchased energy feed costs. Planting a dual purpose variety will keep this option open.



When and what to buy

Promar's Danni Cooke considers options for fulfilling purchased feed requirements.

The current volatile market means purchasing decision making will be more difficult, but good decisions will help boost margins.

There are three basic strategies for forward buying. You are effectively deciding on the degree of compromise you are prepared to make between guaranteeing consistency and continuity of supply against price.

Buying everything on spot gives ultimate flexibility and allows you to buy what you need when you need it but you are vulnerable to price rises and changes in supply.

Forward contracting for your entire requirements gives maximum certainty. You know what you are getting and will have confidence that the same ingredient will be available throughout the winter. You will also know the price which can help with budgeting, but it is a very inflexible approach.

A strategy of a combination of spot and contract purchasing tends to be a lower risk strategy. You don't get the big potential gains of the other options, but at the same time you offset many of the risks.

The key is to plan how you intend to tackle the major feed buying decisions and to watch the markets closely so you can act quickly as required.

Less is more

"We were like hamsters on a wheel, running faster and faster and not getting anywhere. So we decided it was time for a change." Bold words, especially for Ian Sharman, his wife Steph and son Tom, as change involved a total appraisal of the farming system, a change in breed, de-stressing of the family, the cows and the farm staff and being on track to realise a 5ppl increase in profit per litre.

The previous system at New Holbeck Farm near Southwell was based on achieving high outputs from a 300 head herd of pedigree Holsteins. The all year round calving herd was housed 365 days a year and fed a diet based on maize and grass silages and fodder beet. Over 200 acres of maize were grown on rented land and the farmed area totalled around 800 acres.



"The system was high input, high output and high stress," Ian Sharman continues. *"We were getting over 10,000 litres per cow but at a price. Feed rate was 0.4kg/l and cows were living on the edge as they were pushed so hard, leading to high vet bills as we dealt with high levels of most of the common problems."*

"Overhead costs were also high. We had one man effectively employed all year feeding cows and spreading slurry and the telehandler was doing over 3,000 hours per year. Contract bills were high as all forage was conserved."

"All in all, the farm wasn't a particularly happy place to be so we decided we needed to review how we farmed to ensure a better work-life balance and also make sure we were making money."

Ian had been considering moving to a lower input system with the reintroduction of grazing and reduced dependence on buying in feed, either concentrates or forage. Two events coincided to accelerate the decision making.

"Tom was due to come back to the farm and we wanted a system he would be happy to come back to, and I would not have been surprised had he not wanted to come back to the high input system."

The other factor was the opportunity to change milk buyer to Long Clawson Dairies. Although Ian had been Chairman of Dairy Crest Direct he had always wanted to supply Long Clawson. However, if he was to make the change it would be essential to exploit the contract, specifically with regard to all year round production and high milk protein.

"High yielding Holsteins were not going to be the ideal way to make the most of the new contract so it was time to look at making some big changes."



As Ian used Promar Farm Business Accounts, he and his consultant David Burns had comprehensive data upon which to make planning decisions and so a thorough review of the system was carried out.

The first decision was which breed should be milked. Cross-breeding was one option but both Steph and Tom were not keen as it would devalue the long-established pedigree herd. So options for switching breed altogether were considered with the list eventually honed down to Friesians or Montbeliardes.

After several herd visits the decision was made to move to Montbeliardes. *"The breed ticked all the boxes. They are excellent converters of forage into milk with a high protein percent. They have excellent longevity and are generally easy to manage. Also bull calf and cull cow prices are very good."*

The first 12 heifers were imported from Ireland and averaged 8,000 litres at 4.2% fat and 3.5% protein.

At this point options were examined to move the whole herd from Holstein to Montbeliarde.



"Having looked at different ways of phasing the change the best option was to make a total change as quickly as possible," explains Promar consultant David Burns. *"The milk price benefits could be realised quicker as would the cost savings. I think Ian was rather surprised when I asked him if he knew where he could find 400 cows and heifers!"*

The answer lay in France and Ian has been working with Guilhem Brouzes of Coopex Montbeliardes to source all the heifers. So far he has made four trips to France buying animals by the lorry load with the selection criteria being overall merit and milk protein. The first heifers calved in June 2010 and there are currently 300 Montbeliardes in the herd and this will rise to 400 by the end of this year.

The Holsteins are being sold as they calve down with the total transition scheduled for completion this year.

As well as changing the breed, the entire farming system was simplified. *"The family wanted to reduce the stress across the whole system, make the most of the new contract and farm in a sustainable way so this meant a return to grazing and a programme of cost reduction,"* David Burns continues.

Ian has been walking grazing regularly to measure growth and around 80 late lactation cows were turned out in early March onto a paddock grazing system. The whole herd will be out in early April.

"At this point the feeder wagon which had been working 365 days a year will be parked up until the cows are housed again. The system will be based on grazing and parlour feed, allowing us to target the high yielders," Ian explains.

"In the winter we will feed a TMR based on predominantly grass silage and fodder beet with a little maize."



We will take all the expensive ingredients out of the diet and are targeting an annual feed rate of 0.25kg/l, giving us an annual yield of 8,000 litres with 50% coming from forage."

The maize acreage has been slashed from 200 acres to just 30, giving big savings in contracting and rented keep. Grass silaging costs will also be reduced as fewer cuts will be taken to supply the 3,000 tonnes required. 1,200 tonnes of fodder beet is being grown on contract.

The maize ground had been used to help manage NVZ constraints but Ian has entered into an arrangement where a neighbour takes all the FYM, supplying straw in return.

"Reducing muck and slurry handling is another way we have reduced power and machinery costs. This, along with feeding for just six months will greatly reduce the telehandler hours. We have already sold one of the large tractors."

Variable costs have also reduced with lower feed and vet bills. Cell counts are running at 100,000 cells/ml lower than last year. Replacement rate is predicted to reduce from 22% to around 15%, meaning fewer heifers are required releasing more grass for the cows.

Ian will continue to sell around 80-100 surplus youngstock per year

at about 8 months old. These are mainly sold through Beeston Market.

Ian is delighted with the results so far. *"It was an enormous change, reversing a treadmill we had been on for several years, but with David challenging us every step of the way and with decisions based on accurate information we are well on the way to increasing milk price by 2.5ppl while cutting costs per litre by a similar amount."*

"The whole system is also more relaxed with less pressure on people and animals alike. We are also less dependent on skilled labour which leaves us less exposed to the labour market."

"We will be producing 1 million fewer litres but will be more profitable. The farmed area will be closer to 520 acres rather than the 800 acres we were farming and we are less exposed to the impact of feed price increases."

"I think that had we not changed systems we would have given up dairying. Our experience proved that there are many systems that can work and I suspect many dairy farmers would benefit from taking a more fundamental look at their systems. In our case it is certainly true that less is actually more," Ian Sharman concludes.



Tom and Ian Sharman