Don’t hold back on succession planning

Cumbria based consultant Andrew Pye believes family businesses will benefit from some early decision making on succession planning.

If you weren’t here tomorrow, who would run the farm, how quickly could they take full control and how seamless would the change be? The harsh reality is that on many family farm businesses there is little if any succession planning, yet it should be a core element of any business plan.

Having a clear understanding of how the business will continue in the event of a senior member of the family leaving the business for whatever reason, can help reduce the turmoil and stress while ensuring the business continues to operate effectively.

When people think of succession planning they tend to focus on the legal and financial implications such as transfer of assets. In practice the main area which needs to be addressed is the practicalities of who will do what and meeting the hopes, aspirations and expectations of all family members.

A well thought out plan can benefit the business as it helps get family members more deeply involved in the business. All businesses need to move forward and many need to make fundamental changes, so it can really pay to not hold back young people with enthusiasm and energy.

A succession plan can allow younger family members the opportunity to take a real interest in the business while protecting the assets of the business.

Looking closely at farms where succession planning has been carried out successfully, certain attributes characterise these businesses:

Accepting differences
it is important to understand the different strengths and weaknesses of all involved in the business and to accommodate them in the plan

Encouraging growth and confidence
successfully planned businesses use the plan as a catalyst for growth

Trust and respect
all involved must trust and respect each other and be prepared to accept each others’ views

Defined roles and responsibilities
a good succession plan will clearly state who is responsible for what aspects of the business but also understand the other areas of the business

Accountability
there is no point giving responsibility without accountability. If you make a family member responsible for the dairy enterprise they must be accountable and able, for example to make all purchasing decisions

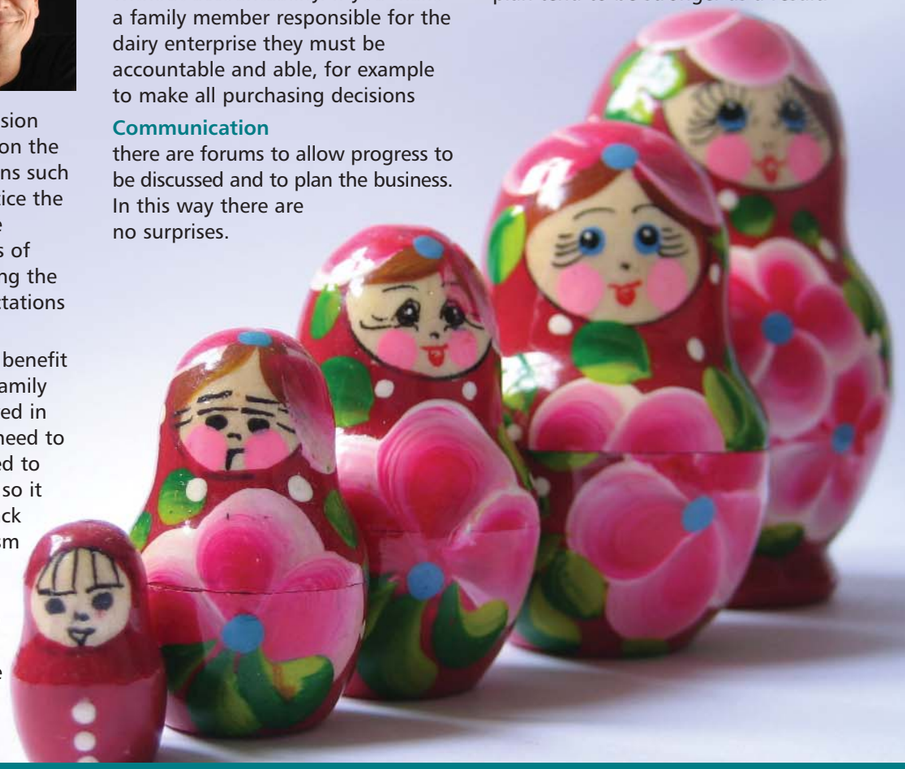
Communication
there are forums to allow progress to be discussed and to plan the business. In this way there are no surprises.

Andrew Pye

Succession needs to be planned with all the family and must be fair to family members not involved in the business, but not to the detriment of the business.

The sooner a succession plan is formed, the better. There is never usually a sound business reason for not discussing succession. Once a plan is developed, it makes sense to review it regularly, probably every year or two. This allows you to make changes which reflect changing family circumstances and aspirations.

When everyone knows where they stand within the business it is possible to face the future with a greater degree of certainty than working blind and hoping for the best when their time comes to take over. From my experience, businesses with a clear succession plan tend to be stronger as a result.



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VIEWPOINT

Time for dairy farming to fight back?

The power of the press is all around us and currently aimed at dairy farming. Read any of the major daily titles and you will see negative comments about large scale dairy businesses, so called factory farms, being spread by an anti-lobby which is well organised, using emotive and persuasive arguments.

Take a look at three recent examples. Opponents, galvanised by the animal welfare lobby, claim that every 6,000 cow dairy unit will put 60 family farms out of business. Only recently Tory MP Zac Goldsmith asked Farming Minister Jim Paice if he shared the concern that 'plans to build a mega-dairy in Lincolnshire will fatally undermine the viability of a great number of small and family farms'.

At the same time Labour MP Nic Dakin challenged Mr Paice to 'urgently review' the welfare code for UK dairy cows to ensure new dairies 'do not compromise cow welfare'. This was apparently in light of research indicating that genetic selection for high yields was 'the major factor causing poor welfare in dairy cows'. So how is this related to the issue of large herds?

Finally, a recent on line survey asked whether the proposed 8,000 cow unit was a step too far. Currently 63% of respondents have voted yes, but on what facts?

We all know these arguments do not stand closer scrutiny. Big units per se don't put small units out of production. For years both small and large units alike have ceased trading. Equally units of all sizes have been successful. It is management which has the biggest influence on whether businesses survive or not. But when well-organised opponents get their message across, the 'truth' becomes what you read in the papers.

We have robust data to show that large units produce good quality milk and manage cows to last with better fertility, lower cell counts and high welfare standards. As an industry we are investing on average more than £60k per farm per year, far more than similar sized businesses in other industry sectors and 50% of this investment is directed towards environmental management and animal welfare.

There is plenty of good news about UK dairy farming. We have successful businesses producing quality products, but we don't let the consumer and the rest of the general public know. We need to sell the truth about the industry, which is that farmers farm not only to make a profit but also because of their passion for their animals and the rural environment.

If the media focus remains on the dairy industry and the anti-lobby continues to dominate, consumers will start to believe the case made by opponents to the industry, especially if dairy farming isn't contributing to the debate. We need to get good messages out quickly and provide a pool of information which sells the many positives about UK dairy farming.

One of the biggest problems with the industry is the way that different factions knock each other. The 'extended grazers' knock '365 day housed herds'. Small farms knock the effect of big farms, organic and conventional units challenge each other's systems. Within the last few weeks the NFU and Soil Association have had a public spat about antibiotics.

All this has to stop if the industry is to counter the real knockers of UK dairy farming. A divided industry is an easy target. A consistent message is needed if we are to have a positive influence on the press and consumer.

As an industry we will need to be less humble and be prepared to champion the good things about dairy farming. We also need to be a more open book and show what is really going on.

The dairy industry needs a major communication initiative targeting the general public and would benefit enormously. However, it will not happen overnight and will require a concerted will from all the key stakeholders and significant funding if it is to get off the ground.

Personally I believe the key question however is not do we need such an initiative, but can we delay in getting started?

Andrew Thompson
Managing Director


Andrew Thompson

It pays to make better use of **forage**


Derek Gardner

National Dairy Consultant Derek Gardner suggests that many dairy farmers need to address the decline in yields from forage which has been seen in the last few years.

Milk produced from forage in the UK is declining, or put another way concentrate feed rates have increased without a sufficiently large response in milk yields. Whichever way you look at it costs per litre have risen, in part at least fuelled by a desire to chase yields since quota restrictions were lifted.

The consequence is that many dairy farmers are vulnerable to rising purchased feed prices. We have seen two significant spikes in feed prices over the last three years and it is likely more will be seen in the future.

So the key question is what can be done to redress the balance and improve milk from forage? Broadly the answer falls into two sections, can you grow more and can you use what you grow better and waste less?

Nutrient losses

When I discuss these issues with farmers the area which causes the most surprise is the issue of wastage of grown crops. While most farmers are aware of many of the factors affecting forage productivity, fewer are aware of the size and cause of nutrient losses, and also how quickly and easily losses can be reduced.

It is impossible to make grass silage without losing a proportion of the dry matter grown, so the aim is to reduce the losses. Table 1 shows the range in typical dry matter losses in making grass silage.

Mechanical field losses include the crop that isn't picked up at all, the grass which is harvested and misses the trailer and occurrences such as lain crops. Respiration losses result from the crop being left lying in the field whilst still using oxygen.

While a 24 hour wilt may lead to 3-5%DM losses, a 72 hour wilt can lose 6-12% of available dry matter.

Clearly these losses do not affect every crop to the same extent. Effluent losses, for example are not a problem with dry crops, but these crops are then more prone to silo losses.

In most cases it is possible to reduce the losses by careful planning and attention to detail. Field losses can often be reduced by literally taking the foot off the accelerator and taking more care with the precious crop, making sure it is mown at the correct height, that it is all picked up and that trailers are not overloaded.

Clamp management

Silo and fermentation losses can be cut by the use of an appropriate additive, by sheeting the walls, filling and consolidating the clamp carefully and sheeting down thoroughly as soon as possible to exclude air.

Wastage also continues at feed out where clamp losses can range from 2.5% to 5% of dry matter so it pays to manage the face carefully to prevent heating. That means keeping the block cutter sharp, and not loosening up the face so increasing heating losses.

None of these points are rocket science but together can have a huge impact on available feed value. Table 2 looks at the financial impact of different rates of loss on an average 150 cow herd growing 2750t of fresh grass, equivalent to 500t of dry matter.

It considers the cost of replacing the forage dry matter lost with purchased concentrates. With an average 25% of grass DM lost it will cost an extra £27,500 to replace the silage losses. It the herd averages 7,000 litres, this is equivalent to over 2.5ppl.

Figures like these help to explain why feed costs have increased and why it is important to focus on maximising the amount of dry matter grown that is actually fed to the cows. It will be even more important next year when tight forage stocks this winter mean that it is likely that there will be less carry over come spring 2011.

Now is the time to start planning your 2011 silage season and a good objective will be to take all steps to reduce wastage and start increasing yield from your own forage.

Table 1- Typical range in silage dry matter losses

	Typical % DM losses
Mechanical field losses	5-15%
Effluent losses	0-8%
Fermentation losses	5-20%
Sealing losses	0-6%
Wilting/respiration losses	0-12%

Table 2 - Financial impact of different levels of DM loss for a 150 cow herd growing 500t silage DM

	Good silage making	Average silage making	Poor silage making
Percent DM losses (%)	15	25	35
Tonnes DM lost from original 500tDM (t)	75	125	175
Cost to replace lost DM with purchased concentrate at £190/t freshweight (£220/tDM)	£16,500	£27,500	£38,500
Additional feed costs per cow (£)	£110	£183	£256

FOCUS ON EARLY TURNOUT

With many farmers facing tight forage supplies this winter due to a combination of a difficult silaging season and reduced stocks carried over from previous years, thoughts will inevitably turn to an earlier start to the grazing season as a way to conserve silage stocks. Regional Consultant David Burns offers some advice on making a success of getting cows out earlier than usual.


David Burns

Monitor silage to avoid shocks

The last thing you will want is to be forced into rushing cows out.

Any rushed management decision is likely to be less effective than a well planned change. The sooner you know that silage stocks may not last, the easier it is to plan for alternatives.

Measure and monitor silage usage and calculate how much you have per day. Then consider whether you can stretch stocks by using it differently. For example, can youngstock be fed on an alternative diet. Also it rarely pays to fatten cull cows. The silage they eat can be more usefully be used with milking animals.

Ensure the clamps are well managed to reduce wastage. A 5% wastage rate in a 1000 tonne clamp means that 50t of silage will be thrown away. Finally make sure troughs are regularly emptied to avoid contamination, feed waste and reduced intakes.

Which cows should go out?

While early turnout may be an option, it may not be the best choice for all cows.

Faced with a silage shortage the first action should be to decide how many cows need to go out to ensure silage stocks will last until normal turnout time. Turning cows out will reduce their demand for silage, freeing up forage for the remainder so it is possible to calculate how much silage needs to be saved and how many cows therefore need to be turned out early.

Once you know how many cows need to go out, it is important to make sure that the cows best suited to utilising grazing are the ones that go out. In most cases early season grazing is best suited to mid and late lactation cows, ideally being at least 40 days PD+.

Youngstock can also be turned out early if required and will probably do less damage to the sward.

High yielding and fresh calved cows are best left on the full winter ration to ensure performance and fertility are not compromised. Dry cows should also be kept off early season grazing.

Whichever cows you turn out, they can be turned out for just 2-3 hours per day. Research from Moorepark showed that where grazing cows were turned out for just three hour periods as opposed to the entire time between milkings, they ate for 97% of the time allowing intakes to be achieved while minimising pasture damage.

Which fields should they graze

If early turnout is managed well there can be benefits in season long grazing production, so it pays to plan early turnout carefully.

Early season grass will contain a proportion of senescent material so grazing this material off early will allow regrowth of young grass, provided a better quality feed when the whole herd is turned out.

Ideally the first fields to be grazed should be the first fields closed up the previous autumn with covers of around 2500kgDM/ha. The best initial grazing pattern is a first long rotation moving cows round all the fields quickly rather than concentrating grazing on a few fields. The aim is to take the top off the grass rather than grazing down too tightly.

A long initial rotation will help reduce damage to pastures. Generally cows only make a mess on the second grazing because activity is highest where there is less grass. If a paddock is damaged, exclude it from the second cycle to give it time to recover.

Ideally all paddocks should be accessible from good tracks. There is still time to install tracks if you expect you may have to turn out early. Also ensure there is a good water supply as cows should never be more than 250 yards from a water trough.

Exploit the value of grass

If cows are grazing make sure the full value of the grass is utilised.

Even with a proportion of old material, the first grazing will have an ME content of 10.5-11MJ, so is a good feed and cows can be encouraged to achieve high intakes.

Turn the cows out hungry to encourage them to graze and make sure they cannot drift back to the buildings. They are lazy and will wait for the TMR to be put out rather than graze, if they have a chance.

The TMR should be put out ready for when cows come back in, with the silage content reduced to reflect the grazing intakes. It is likely that the contribution from grazing will be higher, allowing a reduction in the concentrate portion of the ration. Furthermore it is probable that the protein content in the TMR can be reduced.

Care will need to be taken to balance the energy and protein sources in the TMR to complement the grazed grass.

Attention to detail on intakes drives performance

For NMR/RABDF Gold Cup winners Michael and Chris King the drive is to increase output from the Kingspool herd of Holsteins while promoting high levels of health and welfare.

The King's have had a long association with Promar and their current consultant Danni Cooke is challenged at every visit. "Working with leading herds keeps you on your toes as there is a tremendous thirst for knowledge and desire to increase performance."

At Two Pools Farm, lactation yields average 9,800 litres from the 320 cows and the current focus in on maximising dry matter intakes. "Feed is the major driver of production and so intakes are key," comments Michael King. "Furthermore in the current feed market it makes business sense to get the most from the feeds produced on the farm."

Michael maintains that the potential for intake is set in the first two weeks of lactation so particular emphasis is paid to the transition period. "It is vital cows calve down well and are able to settle into lactation quickly."

Dry cows are split into two groups. The cows within three weeks of calving are fed a full DCAB ration to help ease calving and reduce the incidence of metabolic problems.

Hay replaces some of the straw in the diet to increase structural fibre and help stimulate intakes. Immediately post-calving all cows are given an electrolyte and mineral supplement to boost the rate of rehydration and get a calcium bolus.

"To help ensure fresh calved cows achieve good intakes, they are kept in a separate group for three weeks before joining the high yielders," explains Danni Cooke. "This means they can be closely monitored for any problems before going back into a larger group."

The fresh calved yard has an emphasis on space. The stocking rate has been reduced to allow plenty of feed space. The yard has twice the feed space required for the number of cows. Self-locking yokes mean cows can receive individual attention including temperature checks.

Feed for all cows is put out once a day but pushed up five times daily so that the ration is always within reach. With the exception of the addition of 1kg hay/cow/day, the fresh cows receive the same ration as the high yielders which eases the transitions between groups

"The high yielder ration comprises grass and maize silage, moist crimped maize, hipro soya, rapeseed meal, Megalac, soya hulls, rolled wheat, barley straw and minerals, a rumen buffer and mycotoxins absorbent," Danni Cooke continues.

"The total freshweight is currently 58kg/day and a cow eating 100% of the ration will consume 25kg DM. The highs are expected to eat 110% of the ration while fresh calvers are predicted at 90% but also get the hay.

"We keep a close watch on the diet dry matter and aim for 42-45%, using moist feeds as required to ensure intakes are maximised." Michael and Chris plan to buy a dry matter test kit so they can monitor the diet closely.

Particular attention is paid to forage quality. "We want to maximise forage intakes as part of a focus on rumen health," Michael King explains. "Forage needs to be well made and high quality to support the yield levels we want to achieve and cows must want to eat the forage so fermentation quality is paramount."

All silage leys are Italian ryegrass swards as this ensures a high quality feed and also fits in well with the arable rotation, allowing double cropping. Maize is also grown and the maize acreage is being increased to ensure a constant ration can be fed throughout the year. In addition 5ha of a high dry matter variety of fodder beet are grown to give 350-400t of feed.

"If we can get fresh cows established into lactation and eating well we tend to find fewer problems and so we really focus on those critical early weeks," Michael summarises.

Left to right: Danni Cooke, Chris King, Michael King, Tim Newbolt, Martyn Smith and vet Will Tulley

New Zealand's Cellsense cuts high cell count losses

Senior Consultant Richard Hooson discusses the benefits of regular testing for high cell count cows with a new, automatic, in-line cell count testing system.

High cell count cows are an endemic problem, harbouring infection, reducing yields and potentially leading to milk quality deductions. Provided problem cows are identified quickly, cost effective action can be taken to prevent these problems. While tests carried out at milk recordings can spot offenders the data is often too little, too late. Effective management requires more regular sampling.

Research shows that weekly testing is a more effective way to provide an early warning of a developing cell count problem and allow action to be taken. To provide an effective monitor, it is recommended that 90% of cows are monitored 2-3 times weekly and at least 99% are monitored once a week.

This frequency of analysis requires an automated system operated at milking. The Promar Cellsense is an automated test for cell counts based on the California Mastitis Test. It can be quickly fitted to any configuration of milking parlour and allows speedy assessment of individual cow cell counts with no disruption to milking routines. If the unit is fitted on every third cluster, on average, each cow will be tested every other day.

A 5ml sample of milk is diverted into the unit and a 2ml sub-sample is mixed with reagent. The sample is viscosity tested 10 times and an average calculated.

The result is displayed using a traffic light system (see table). The system has been extensively trialled in both the UK and NZ, and both reliability and accuracy are excellent with results showing a 92% accuracy compared to laboratory testing. This is a real breakthrough, and is far more accurate at detecting subclinical mastitis than conductivity has proven to be.

Once installed the running costs work out at less than 2p per test.

One farmer who has seen the benefits of regular cell count testing is Nick Trickett from Audley, near Stoke-on Trent. Cell counts had been running in the mid-300s and Nick had been facing cell count deductions which could be as high as 2ppl. If he could move from deduction to bonus the difference would be worth 2.5ppl, on the 90 cow flying herd, or £13,500 over a 12 month period.

With this in mind, Nick and his brother Chris decided to install the Cellsense system to units 2, 4 and 6 in their 6:12 herringbone parlour.

Installation was completed between milkings in late July and regular testing began.

"I needed to flag up problem cows far quicker and Cellsense has allowed me to do just that," Nick Trickett explains. *"With three units, every cow is generally tested daily and we can check the results while milking so no time is lost."*

"The system is so quick that if we see a high result we can retest the cow during the same milking. As soon as we see a high cell count result we tail tape the cow and monitor her for several milkings and treat here as necessary."

"We have also used the system tactically to exclude milk from high cell count cows from the bulk tank to make sure we get the bonus. The extra price far exceeds the loss of a few milkings while the cow is treated."

Since installing the system, cell counts have dropped to average under 180,000 cells/ml and Nick is typically treating two high cell count cows per month.

"The simple, no fuss, accurate Cellsense system has been an invaluable investment for our business. If you milk cows, instant cell count results are invaluable and Cellsense is the answer."

With increased pressure on milk prices it is essential farmers take full advantage of all available bonuses, maximise milk yield and reduce unsaleable milk. In line detection of high cell count cows is a simple and cost-effective way to do this.

Richard Hooson and Nick Trickett