

BUSINESS Clinic

In the next in our series on dairy farm financial performance, Promar's Emma Thompson considers the likely implications of the wet winter on margins this summer.

National viewpoint: How will the wet season affect margins?

There is no doubting the impact of the wet winter. February 2020 has been the wettest February on record for the UK and the fifth wettest calendar month on record, while this winter has been the fifth wettest on record for the UK as a whole and the fifth mildest.

March has continued unsettled, with a significant risk that the wet and windy weather will continue throughout the month. Temperatures are likely to be fairly mild with no significant or sustained cold period. So what are the implications for dairy margins?

With silage stocks currently higher than this time last year on average, most farmers are not having to rush cows out, which is fortunate given ground conditions in general.

However, any delay in turnout will reduce stocks for buffer feeding, which might affect concentrate use.

Turnout

The average turnout date for our Milkfinder clients last year was March 31, which is unlikely to be repeated in many parts of the country, potentially increasing purchased feed use and hitting March and April margins.



Emma Thompson

Early season fertiliser applications are likely to have been delayed on many farms, so even if the weather improves, it is likely grass growth will be below average early in the season with implications for first cuts.

Nitrogen applications need assessing carefully to minimise the risk of it not being fully utilised by grass before first cut, which could compromise first cut fermentation quality.

Maize drilling will require a substantial improvement in ground conditions, particularly on heavier ground, which may have consequences for harvesting dates and the time when forage will be available to feed in autumn.

The much lower autumn

plantings, and the partial or even total failure of much of what was drilled, means the total output of wheat this harvest is likely to be very severely impacted. It is possible the total wheat harvest will be not much more than half of that in 2019, which could have implications for wholecrop.

Overall forage production will need careful monitoring against budget this season.

Straw output will be adversely affected, with upward pressure on prices as a result.

Grain prices will be influenced by poor domestic harvest prospects, but may be offset by the fact world stocks remain at historically very high levels.

Impacts

With these major uncertainties around the impact of weather, coronavirus and Brexit, management of risk should be a priority.

Plan purchased feed requirements based on anticipated forage production and consider forward-buying.

Also look to secure straw stocks ahead of harvest. If forage may be tight, consider working with arable farmers who might be happy to grow some short-term forage crops instead of late drilled spring cereals.



» I have to keep reminding myself that we are no longer a family farm and that, first and foremost, it is the team I employ which now has the biggest impact on results we get and how cows perform.

As discussed last month, I am happy to give cows what they crave: consistency.

We are now on a settled diet, which I know will stay largely unchanged throughout the summer, and benefits are seen in our Milkfinder results.

January numbers show yields have recovered and, while feed rate per litre is slightly up, feed costs per litre are less than last year. We have not chased marginal litres, so are maintaining margin per litre.

In the last 12 months we have added 800 litres to yield per cow and increased milk from forage by 10%, while our rolling average feed rate and feed cost per litre have not changed.

My focus is on helping the team achieve a level of consistency in all it does, as if I do this, cows will continue to

Fairy's Lodge Farm facts

- ▶▶ 465 cows
- ▶▶ All-year-round calved and housed
- ▶▶ Milked three times-a-day
- ▶▶ Average yield per cow of 10,685 litres
- ▶▶ Concentrate feed rate of 0.38kg/litre

Oliver Williams, Northamptonshire producer and Promar client, outlines challenges facing his business and what action he is taking in conjunction with Promar consultant Emma Thompson.

Farmer viewpoint: Time to focus on the team

perform. If there is less pressure on the team, there will be less pressure on cows and on me.

I have learned it is important not to overload staff and to build confidence in the tasks they do. With a three times-a-day milking system and a large team, it is important everyone knows what they are doing, why they are doing it, and how it is to be done.

We are working towards written protocols for all tasks, but these must be simple and easy to follow and translated into the home language for everyone on the team. The aim of the protocol is to reduce variability and avoid complacency, which means we can sharpen up all we do.

Protocols

Discussing protocols has become a core part of our fortnightly team meetings, as it gives us a chance to explain what is required. Protocols are introduced gradually to increase the chance they will become embedded as the way we do things and make sure everyone follows them. Once a protocol is embedded, we can move on.

Meetings have become a core part of our approach and are the only time all staff get together. Timing is important so they are always at 11am on a Tuesday and always last no more than half-an-hour. This means we have to keep them on topic with a short agenda. Keeping to time means the midday milking team can be in the parlour by 12pm.

We find everyone appreciates what the meetings are all about and it is helping build the team. Communication is also important

COW NO.	CALVING DATE	CALVING SCORE	DAY 3 TEMP	DAY 3 KETONES	DAY 7 TEMP	COMMENTS
620	3/2	fine	6/2 38.3	6/2 1.1	10/2 38	
769	3/2	fine	6/2 38.2	6/2 1.1	10/2 38.2	
519	4/2	fine	7/2 38.5	7/2 1	11/2	
785	7/2	fine	10/2 39.2	10/2 0.3	15/2	
764	7/2	fine	10/2 38.6	10/2 0.7	15/2	
561	7/2	fine	10/2 37.9	10/2 0.6	15/2	
744	9/2	fine	12/2	12/2	17/2	
774	9/2	fine	12/2	12/2	17/2	

Fairy's Lodge Farm has daily task boards, so everyone knows what has to be done on a particular day.

with such a large team. We are now using a series of wipeboards for recording key information. We have a board for calving information, health events and for fertility management.

The simple rule is that it is your responsibility to record the information so everyone can see it has been done.

For freshly calved cows it ensures, for example, that day three and day seven temperatures have been taken, which is one of our key checks on how cows are settling down.

The boards are next to the dairy office and the parlour, so no-one has an excuse for missing anything. We also have daily tasks boards, so everyone knows what has to be done on a particular day.

My hope is the investment in the team will be reflected in more consistent care of cows, elimination of errors and improved performance, as we look to continue to drive efficiency and increase production from forage to drive margins.

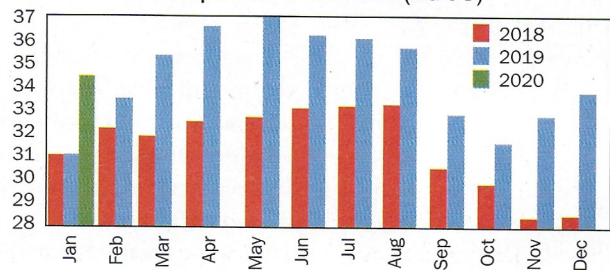
“Discussing protocols... gives us a chance to explain what is required

OLIVER WILLIAMS

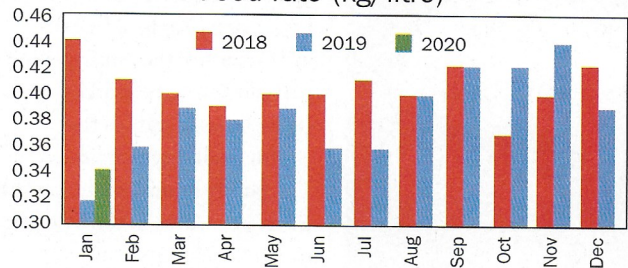
Key performance data at Fairy's Lodge Farm

SOURCE: Promar MilkMinder

Yield per cow in-milk (litres)



Feed rate (kg/litre)



Feed cost (ppl)

