

# Making Big Decisions

Woodhead  
Climate Change Focus  
Farm

*Notes from the meeting  
on 22 January 2016*

*This is the fifth meeting of the Woodhead focus farm discussion group. This meeting considered strategies to improve the sustainability of the farm business.*

## Key points:

- Longer term, the prospects for dairying are good - but short term survival is a challenge for many.
- Assessing how you can improve farm efficiency is now more important than ever before.
- Less popular strategies may now need to be considered if they enable the business to survive, e.g. operating a flying herd, mothballing a herd, or getting out of dairying altogether.

## Never before has efficiency been so important

Since the launch of the Woodhead Climate Change Focus Farm the dairy industry is now unrecognisable. Where before business were looking toward sustainable growth, survival is now the priority for many. Never before has efficiency been so important.

This was the theme of the recent Focus Farm meeting held at Auchincruive, and chaired by Robert Ramsay, SAC Consulting.

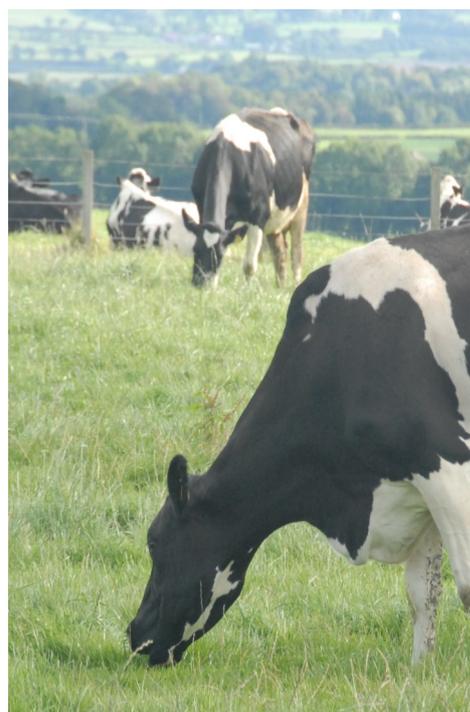
David Keiley (SRUC Dairy Specialist) and Jim Ritchie (Senior Consultant, SAC Consulting) spoke to the audience of Woodhead discussion group and local farmers, who afterward broke out into teams to consider and discuss key issues, and feed back the main points to the group. Some of the questions the meeting considered included:

What is the outlook for the market in the next 12 months?

What are your strengths and weaknesses?

Are there any more radical ways to improve efficiency and chances of survival?

The next meeting is at Auchincruive on Thursday 24<sup>th</sup> February 2016, where we will look at efficient nutrient use and minimising fertiliser costs. All farmers are welcome.



## Focus on...

# Flying Herds

Improving efficiency or just creating different challenges?

Moving to a flying herd has the potential to increase efficiency by maximising the resources available to the milking herd - such as labour, land, and buildings.

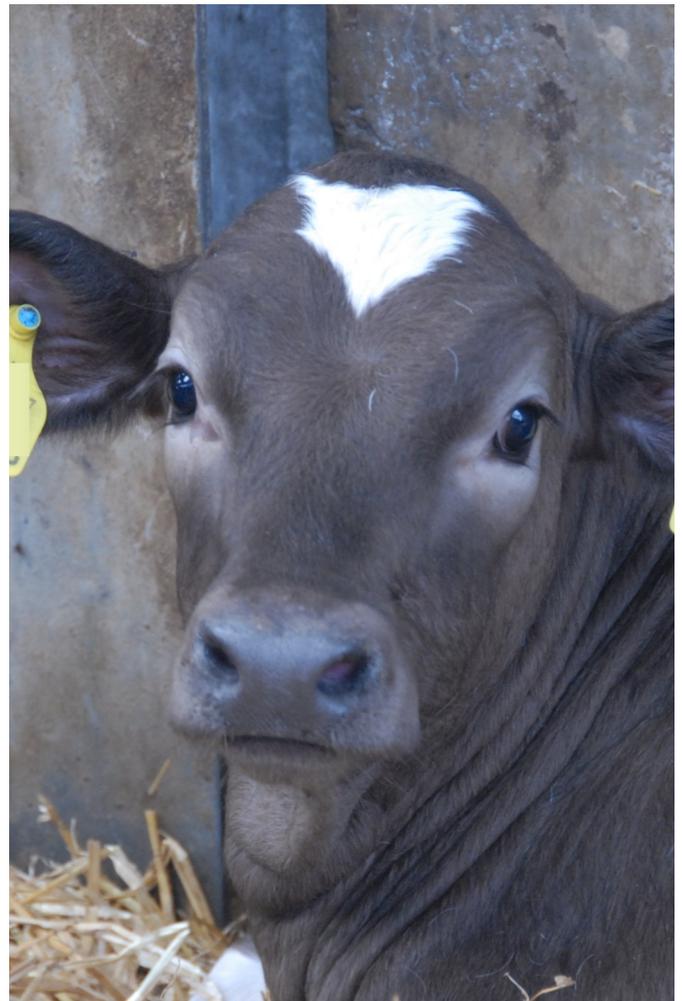
Where you opt to sell the existing youngstock at the outset it also has the potential to quickly free up capital.

Alternatively you can simply stop using dairy bulls/dairy semen.

It is not, however, a decision to take lightly—in addition to the less tangible problems, such as the loss of bloodlines developed over many years and often decades, there are immediate and potentially far reaching disadvantages to consider.

Beef calves can be sold, reducing youngstock housing and management requirements, or retained for sale giving an alternative income stream.

Flying herds can be more labour-efficient - less time is spent looking after youngstock, and the ability to use beef bulls rather than AI removes the need for heat detection.



# Biosecurity Implications of Flying Herds

Many members of the group had experience of buying in cows or heifers, either through operation of flying herds or for initial herd establishment or expansion. As well as general concerns about bringing in disease problems, they identified two major issues:

- Importing cattle had implications for TB-status - as well as England, both northern and southern Ireland are considered 'high incidence TB areas' and cattle must be tested post-movement. The implications of either a reactor or an inconclusive reactor in the herd are substantial.
- Vet & med costs are often very high because of the comprehensive vaccination programme which is required (both of new stock and of the existing herd, which may not already be in a vaccination programme) because of the increased risk of disease.

## Buying Replacement Heifers

Currently the low price of dairy cattle means that heifers can be purchased for less than it typically costs to rear. However as and when confidence in dairying begins to return the price of good heifers will increase.

Rearing a heifer:

**£1,200—£1,400+** (costs to business)

Buying a heifer:

**£1,000—£1,200+**  
(Jan 2016)

## *Contract Heifer Rearing—a Middle Road?*

Potentially allowing someone else to rear heifers on your behalf allows you to retain the genetics and reduces biosecurity issues whilst enabling you to focus your resources on the milking herd.

With many producers looking seriously at whether they can remain in dairying, but still wishing to put their land, buildings, and skills and experience as stockmen to another use, this could be an option for some.

# What if efficiency isn't enough?

With milk prices across the industry highly variable depending on supplier, whilst for some farmers improving efficiency, cashflow and use of capital may, in the short term, provide the opportunity for the business to continue in milk, there are still a significant number for whom efficiency simply isn't enough, and where the current price doesn't cover the cost of variable inputs.

## Giving up or mothballing?

Many producers are faced with the prospect of stopping dairy production, either for the short term (mothballing) or indefinitely.

Whilst many costs (such as feed) are immediately reduced, others may be more difficult to reduce proportionately (including cost of borrowing).

Coming back into dairying is dependent on being able to get a suitable contract, cost and availability of re-stocking, and availability of finance.

### Other ideas from the group...

Consider reducing the machinery fleet - one group member said they were considering selling the feed mixer wagon and using a simpler system. He could then possibly manage with one less tractor. He considered any small loss in yield to be worth the significant cost saving.

For other ideas to improve efficiency see the range of practical guides and farmer case studies on the [website](#).

*“As if the emotional challenges of putting cows off weren't enough, finding an alternative enterprise which is suited to your farm and will provide enough profit for drawings and reinvestment, is not necessarily simple.”*

**The Scottish Government's Whole Farm Review Scheme provides funding for business advice - ask your advisor for details.**

The nine climate change focus farms look at ways to improve efficiency and in doing so, reduce the farm carbon footprint. Keep up to date with their activities at:



[www.farmingforabetterclimate.org](http://www.farmingforabetterclimate.org)

Meetings are free to attend and all farmers are welcome.

For Woodhead, contact farm facilitator Robert Ramsay on 01292 525 252 or via email on [robert.ramsay@sac.co.uk](mailto:robert.ramsay@sac.co.uk) for more information.

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