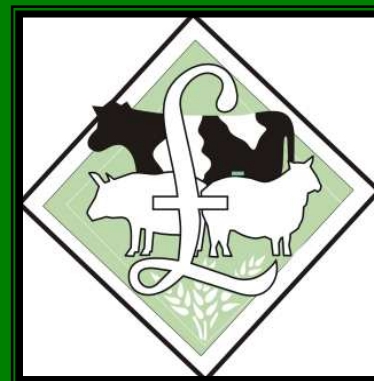


FCG Business Briefing



Welcome to our second issue of 2011. Inside this issue we have a wide variety of topical farm business management tips, reminding you of deadlines, highlighting timely management practices and questioning current practices, all provided by our expert panel of consultant contributors. These can be contacted via the link at end of articles for more information. Also check out our updated website at www.fcgagric.com for latest news articles and much information about The Farm Consultancy Group.

For feedback or comments contact Gerard Finnan at gerardfinnan@fcgagric.com.

Feeding Costs Need To Be Tackled Now! - Tom Tolputt (Looe)



The current very high feed prices are negating the gains made by any increase in milk price. A typical 35 litre ration, that cost £2.84 per cow per day at the beginning of this winter, will rise in price to £4.04 per cow per day now. A group of fresh cows averaging 35 litres would need a milk price rise of 3.42ppl just to maintain margins. The only way to tackle these costs is to focus on the production and management of high quality forages for both grazing and conservation. The time to act is now.

Grazed grass is your cheapest feed and you and your consultant need to be working on strategies to improve grazing management. Plans should be drawn up to ensure the grazing quality is at its best to reduce the amount of supplementary feeding required this Spring. Grass silage cutting dates need to be assessed to improve the M.E. of the silage and where necessary the leys may need to be re-established to ensure maximum performance. Where there is an opportunity, it may be prudent to consider using a Kale or Rape type crop to increase the grazing window. There has never been a more opportunistic time to consider making the most of the forage you can produce on your farm.

For more information please contact Tom Tolputt at tomtolputt@fcgagric.com.

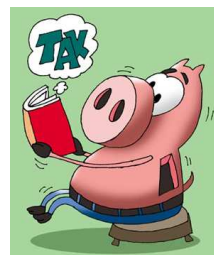
Quota "Swapping" and Tax Saving - Charles Holt (Lincoln)

Most dairy farmers hardly give quota a thought these days. In the past, we have done a lot of milk quota transfers for clients in order to legitimately help them save Capital Gains Tax (CGT). In one year I estimate that these transfers should have saved a total of approximately £400,000 in CGT for the farmers involved in the transfers.

This is a phenomenal amount of tax saving and does give a little cheer to those of you who lament the very considerable drop in capital value of your milk quota. As a CGT saving it is, firstly, very real in terms of the smaller cheque that the farmers would otherwise write to HMRC. Of course, many of you may not have capital gains that you are currently making, but you may well have probable or potential gains in the future.

Crystallising a capital loss now can be used to offset capital gains in the future that would otherwise give rise to a CGT charge. Some accountants are saying it is right to crystallise a loss earlier rather than later, in case the Chancellor changes the rules on CGT losses and offsetting them against gains. Remember, you need to get individual tax advice from your accountant for your farm business situation.

For more information please contact Charles Holt at charlesholt@fcgagric.com.



Inside this issue:

Entitlement Transfers	2
Accountants	2
Serving Heifers	2
National Forage Conference	3
Teat Disinfection	3
Cows Milking Well	4
Growing More Grass	4

**When Is An Accountant, An Accountant? - Mike Lowe (Helston)**

It may come as a surprise that the accountancy profession is not as regulated as you might think. Anyone can call themselves an accountant without necessarily being qualified, which is different to most professions.

The main accountancy qualifications to look for are –
FCA & ACA, FCCA & ACCA, FCMA & ACMA

This is not to say that unqualified accountants are bad, or that all qualified ones are good, but just be aware of the situation! Whereas chartered accountants have gone through a rigorous training process and have to undertake continuing professional development (CPD), unqualified ones do not. **For more information please contact Mike Lowe at mikelowe@fcgagric.com.**

FCG Trip To Ireland- John Howe (Sherborne)

FCG consultants Gerard Finnan, Ian Browne and John Howe brought 24 farmers to Ireland last month on a three day trip that included attending the annually held Positive Farmers Conference in Limerick and visiting two highly profitable expanding dairy herds of 200 Spring calving and 400 split Spring and Autumn calving herds. Trips like these act as a catalyst for change for businesses. One farmer on the trip, who originally visited one of the host farmers eight years ago has increased cow numbers from 100 to 850 in that time!

Irish dairy farmers are gearing up for expansion, but will still be held back until 2015 when milk quotas will disappear. This was the theme of the conference, which had speakers on subjects ranging from efficient milking practices, to breeding extra dairy replacements, to dairy farmers sharing their expansion experiences, to a report on the setting up of a 320 cow Spring calving herd by the Irish Advisory body, Teagasc, for farmer demonstration purposes.

For more information please contact John Howe at johnhowe@fcgagric.com.

Entitlement Transfers 2011- James More (Louth)

The deadline for transferring Entitlements for use in the 2011 year is 3 April 2011. An RLE1 form must be completed to transfer Entitlements.

As in previous years no RLE1 form is required where land is removed from one application and added to another. If you need more SBI barcode labels, please request these by 31 March 2011.

For more information please contact James More at jamesmore@fcgagric.com.

Serve Those Heifers Now! – Ian Browne

Research has shown clearly from many countries that it pays to not delay calving your heifers down to over two years of age. There is a strong correlation between age of first calving and overall lifetime yields and survivability. It pays to aim to calve heifers in at 24 months of age. They will possibly have a lower yield than a larger heavier heifer, but they will pose no problems. Heifers calving at two years of age will yield ~ 80% of a mature cow yield but will also grow and mature during the first lactation. Heifers calved in at two years of age tend to be more fertile and survive for longer in the herd thus giving a greater lifetime yield.

Older heifers can encounter lots of problems that in extreme cases lead to over fat animals that are "lazy". These can suffer from severe fatty liver problems and often have very poor fertility and lifetime yields. Bringing heifers in at two years old will also result in a lower herd replacement rate and less youngstock required. Act now and breed your heifers more rapidly so taking pressure off your farm business.

For more information please contact Ian Browne at ianbrowne@fcgagric.com.



**National Forage Conference – Max Sealy FCG, Speaker (Chippenham)**

FCG consultant, Max Sealy will be speaking at the national forage conference, hosted by Biotat. This is an opportunity for farmers to hear from a wide range of speakers on issues of improving the growing and utilisation of forage and the profitability of doing so.

The day includes lunch and a tour of the Hartpury College Dairy Unit. For further details please see the attached http://www.fcgagric.com/news/20110126-national_forage_conference.htm or for more information contact Max Sealy at maxsealy@fcgagric.com.

**Planning Appeal Success - Charles Holt (Lincoln)**

I am delighted to report another success at a Planning Appeal hearing for clients of ours, in Derbyshire. The case involved a 20 acre small-holding, which the applicants had purchased three years ago. They bought it as an established livery yard, with some cattle accommodation, but wished to further develop it into a specialised free range hen and quail egg producing business, as well as a livery unit. They had already illegally converted one stable block into a dwelling to support their enterprise without planning permission, so no new development was involved. The subsequent application to retain it had been refused by the planning authority.

We successfully argued on behalf of the appellants that they needed the dwelling on site to support the development of the new enterprise, for a temporary period of three years. The Planning Inspector agreed with us that there was an essential functional need for them to live on site, and that the business had been planned on a sound financial basis. So, despite their initial illegal development, we won their appeal. This is not the way that we would advise one should go about getting permission, but it does show that if you can build a good enough case with the assistance of good advisors, successful results can arise, despite a difficult start.

For more information please contact Charles Holt at charlesholt@fcgagric.com.

Teat Disinfection - How Much Disinfectant Do You Use? - Gerard Finnan (Sherborne)

Post-milking disinfection has been shown to reduce new mastitis infection rates by 50%. Too much emphasis is put on using a good quality product, when the practical proper use of the product is equally important. There should be complete coverage of all the teat skin resulting in 15ml per cow per milking being required. Thus for 100 cows, 1.5 litres of teat disinfectant will be required for each milking.

Ensure the front teats are adequately covered as it is physically difficult to spray these areas. Therefore you should be using 90 litres of teat disinfectant per month per 100 milking cows. For more information please contact Gerard Finnan at gerardfinnan@fcgagric.com.

**Pesticide Amnesty, A Chance To Dispose Of Out Of Date Chemicals - James More (Louth)**

The three month amnesty only runs to 14 March 2011. So time is running out for this chance to dispose of unwanted, out of date and revoked pesticides without incurring a huge cost. Now is the time to check your chemical stores and get up to date. The scheme, part of Project SOE (Security of the Operational Environment), is being administered by Killgerm Chemicals Ltd and involves a one-off registration fee of £20. With a lot of farm chemicals currently being revoked from use, there is a good chance you will have non-authorized chemicals in store. To check, ask your agronomist, or check the product MAPP number on the Pesticide Safety Directorate website www.pesticides.gov.uk or contact James More jamesmore@fcgagric.com for more information.



Why Are My Cows Milking Well Now? - Max Sealy (Chippenham)

After a fairly slow start in the autumn many herds that we deal with have improved milk output quite significantly since the New Year. There may be a number of factors behind this, not least of which of course would be the effect of the cold weather depressing milk yields and water intakes from the middle of December through to early January. The cold weather has also had an effect on fertility, with many farms reporting a drop in submission rate over that time. Cows now being presented for pregnancy diagnosis are showing lower conception rates than were previously being achieved. One of our best autumn calving herds has dropped from a conception rate of around 60% to 40% during this time.

In many cases herds have now settled onto their rations and intakes of quality forage have improved. Maize digestibility seems to have improved over the winter period and this is helping cows to make better use of forages.

It would be worth retesting silages now to see if this is a factor compared to samples taken earlier in the winter. It may also be that, by not tinkering around with the diet, cows do have an opportunity to settle. This is probably a lesson for all in terms of how much we seem to manipulate cow diets and how we balance that against the cows desire to settle onto a diet and the time taken for the rumen to stabilise.

For more information contact Max Sealy at maxsealy@fcgagric.com.



How Much Grass Does Your Farm Grow? - Gerard Finnan (Sherborne)

Irrespective of your livestock enterprise, everyone in general agrees that the more grass you grow and utilise, the lower your costs of production will be. But if you don't know how much grass is grown in tonnes of DM/ha/year, how can you establish how you are going to grow more? We all look visually at swards, look at silage yields in terms of trailer loads from specific fields and make subjective decisions to reseed swards and change management practices.

Our measurement and management of grassland is like selling milk without knowing the total litres sold per day or per cow. This is what most farmers are doing with grass, a very cheap valuable resource. Attitudes to measuring grass growth, quantity grown and utilized will have to change if we really want to tackle reducing costs of milk and livestock production on farm.



There is a massive variation between farms and within farms. The top grassland farms in the UK & Ireland have increased grass output per ha by 20% in the past five years to 15tDM/ha. The average dairy farm in the UK grows in the region of 8t DM/ha. There is huge potential to improve. Contact your local FCG Consultant today and set a plan to grow more grass on your farm, which is measurable and quantifiable in terms of cost savings, resulting in more profit for your business. For more information please contact Gerard Finnan at gerardfinnan@fcgagric.com.

The Farm Consultancy Group

Distributed throughout England & Wales, FCG exists to help rural businesses prosper. Each of our ten offices can offer a variety of Farm Consultancy services, some general and some very specific. Whichever office you approach, you will find an enthusiastic and professional response to your enquiry. To visit our website please click on the link below.

www.fcgagric.com

Offices:

Andover 01264 367900
Carmarthen 01267 275778
Chippenham 01249 750151
Gloucester 01452 790364
Helston 01326 280886
Lincoln 01522 813950
Looe 01503 220002
Louth 01507 604040
Sherborne 01935 850093
Stafford 01782 796370