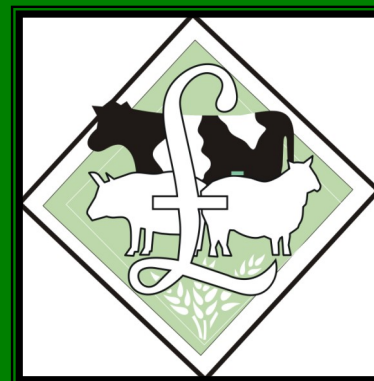


April 2011

The FARM CONSULTANCY Group

FCG Business Briefing

Issue 18



Welcome to our fourth issue of 2011. Our article contributors have once again provided challenging, timely and informative management tips over the next four pages. Please contact them direct with the email address at the end of each article. Also check out our updated website at www.fcgagric.com. There are further news articles and tips here, updated regularly. **For feedback or comments contact Gerard Finnan at gerardfinnan@fcgagric.com.**

HLS Success - Tom Tolputt (Looe)



We have just signed on an HLS agreement for a 540 acre coastal farm as part of a Farm Land Bird scheme, under the Cirl Bunting Project. The process has taken nearly 18 months and has been scaled down by the funding cuts. It is still a very good offer and will ensure that the farm not only encourages Cirl Buntings and farmland birds, but also benefits from capital works.

The key to HLS success seems to be dogged determination, a willingness to be adaptable where necessary, and an interest by the farmer in the application content. If you think that your farm may qualify for HLS, please speak to your FCG consultant who may be able to assist and help shorten a long process.

For more information please contact Tom Tolputt at tomtolputt@fcgagric.com or your local FCG consultant.

Are Sheep Cheap to Keep? — James Shenton (Sherborne)

With ground condition generally being good, turnout has been advanced this year. However, what is becoming increasingly obvious is the impact of overwintering sheep on dairy farmers grazing covers.

Some clients, who have not had overwintered sheep or restricted them to pre Christmas grazing, have turned out cattle onto covers of 2,000kg of dry matter per hectare. Those who allowed sheep to graze have covers of only 1,700kg of dry matter per hectare.

So what is the cost of this strategy? 400 sheep on your farm for 60 days will eat 36 tonnes of dry matter or approximately 130 tonnes of silage. If we value silage at £25 per tonne, that is a cost of £3,250. Now what did you charge for those sheep? I hope it was £1.00 per ewe per week otherwise you are out of pocket!

For more information contact James Shenton at jamesshenton@fcgagric.com.



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The Farm Consultancy Group

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**Plan Next Winters Feed Requirements Now—Ian Browne (Stafford)**

For many farmers, the carry over stocks of winter feed looking forwards to the coming winter are going to be very low to non existent. If you are planning on any expansion, have you allowed adequate acres to make the required forages? If not, consider putting more forage crops into the ground now, or use a crop such as kale after first cut silage to help boost forage supply. You do not want to create a shortage of feed late in the year, as alternative forages e.g. whole crop cereals or maize will be very expensive. There is likely to be less bulky feeds available as the brewing industry has cut volumes down and the beet industry are likely to dry more of the pulp, so reducing supplies of wet pressed pulp. Plan your feed use for next year now or suffer a financial penalty later!!



Contact Ian Browne at ianbrowne@fcgagric.com for further advice.

GLASTIR Changes—Huw Thomas (Carmarthen)

Significant changes are on the way for the Wales-based Glastir land management support scheme. Welsh Assembly Rural Affairs Minister, Elin Jones, announced on March 22nd 'that in light of 69 recommendations made by the independent group set up to review the blueprint scheme's all-Wales element, changes would be made'.

The purpose of the review was to consider lessons learnt from the first Glastir application round in 2010 and to examine whether there was scope for changes to make the process and options under the scheme more practical and flexible for farmers. Full details of the changes can be found on the Welsh Assembly Government website.

<http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/farming/glastirhome/glastirindreview/independentreviewrpt/?lang=en>.

Contact Huw Thomas at huwthomas@fcgagric.com for more information.

The Farm Crisis Network—An organisation geared to help In times of trouble—Mike Lowe (Helston)

Farming for most is a lonely occupation compared to years ago and the stresses of being in business in a difficult market are often borne by the farmer alone. Situations like the late payment of the Single Farm Payment or family breakdown can lead to a cash crisis with debts piling up and the necessary increase in overdraft, often harder to secure than a few years ago.

This naturally leads to intolerable pressure on the business and family, whilst the daily work goes on. The Farm Crisis Network is an organisation that farmers can turn to, knowing that their personal information is treated in complete confidence. Their advisors will work alongside consultants offering practical and pastoral support and they can be contacted on their helpline 0845 367 9990 or contact Mike Lowe at mikelowe@fcgagric.com for more information.





Cost of Heifer Rearing—Charles Holt (Lincoln)

Do you know what it costs to rear your heifers on the farm? It is remarkable how the figures vary from farm to farm, even when the target is the same, which is to produce a well-grown heifer that calves down satisfactorily at two years old. I have recently been through this calculation for two clients, both of whom have pedigree Holstein cows that yield around 9,000 litres. So targets are very similar.



However one of them has costs of around £750 to rear a heifer to two years old, from birth to calving. This excludes the calf itself and insemination costs of the heifer, and excludes bank interest, but includes everything else including rent and family labour at £15 per hour. We have even included silage (£30/T) and straw (£40/T) at a sensible value. Our other client's current cost of rearing worked out at £1,160 per head. This again excluded the calf, insemination costs and interest.

There will of course be some variation in the way some of the figures were calculated, but the methodology should not vary too much. The results speak for themselves. On a herd of 200 cows with a 25% replacement rate, a difference of £400 in rearing each heifer makes a difference in annual profit of £20,000. Make sure you run through these calculations regularly with your FCG consultant, and see what you can do about reducing this cost.

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

How Much Would You Pay To Store £10k Of Fertiliser, If It Was Free To You? - Gerard Finnan (Sherborne)



This is the value of slurry produced in the five winter NVZ statutory storage months for a 200 dairy herd. If you are on a clay soil farm, subject to permeability tests and possible planning consent, digging an earth walled lagoon fenced and ramped would cost £25k at most. If you assumed that half the value of the current slurry is lost as it is spread at incorrect times and causes excessive soil compaction in the winter, this means you are adding £5k value to the slurry at a one off cost of £25k by storing it.

This equates to a 20% return on the money invested. This is a better return than sat in the bank or better than the cost of borrowing, depending on your circumstances. Don't be afraid to committing to invest in slurry storage on your farm. Focus on the benefits rather than the Statutory NVZ Regulations.

For more information please contact Gerard Finnan at gerardfinnan@fcgagric.com.

Wellington Barn Rural Business Seminar—Max Sealy (Chippenham)

The Chippenham office recently hosted a rural business seminar in conjunction with Business Link, World First/CLA Foreign Exchange, Black Sheep Countryside Management and Woolley & Wallis. The event was attended by over 80 businesses, mainly from the North Wiltshire area as well as being represented by allied industries, including professionals and the food industry. The topics covered included CAP Reform, Currency, Hedging and Protection of Single Farm Payment, Energy, The Future of Stewardship and Prospects for the Rural Land Market. Copies of the presentations can be found at the link below :

<http://www.fcgagric.com/documents/GeorgeDrewett.pdf> CAP Reform
<http://www.fcgagric.com/documents/RichardDell.pdf> Renewable Energy
<http://www.fcgagric.com/documents/TomBarclay.pdf> Fixing SFP Exchange Rate

For further details of any of the aspects covered, please contact either Max Sealy or George Drewett at maxsealy@fcgagric.com.

**Cross Compliance Breaches in 2010 - James More & Huw Thomas (Louth & Carmarthen)**

The RPA has just announced details of the cross compliance breaches found during farm inspections in 2010 and the associated penalties. The most common breaches are listed below:

SMR GAEC	Description	Total Number of Breaches	Warning Letter	1%	3%	5%	Over 5%
SMR 4	NVZ's	87	39	15	20	12	1
SMR 7	Animal ID – Cattle	1,149	84	333	502	69	144
SMR 8	Animal ID – Sheep	118	16	27	52	19	4
SMR18	Welfare of Farm Animals	138	0	14	38	22	64
GAEC 1	Soil Review	80	1	2	7	62	7
GAEC 14	Hedges and Ditches	69	40	9	5	12	3

Currently £2,072,621 has been deducted from 2010 SPS claims in Cross Compliance Penalties, BE AWARE! Details of the Cross Compliance Payment Reduction Matrix can be found on the Welsh Assembly Government website www.wales.gov.uk/environmentandcountryside. Contact James More at jamesmore@fcgagric.com or Huw Thomas at huwthomas@fcgagric.com or your local FCG consultant to check that your farming practices are compliant.

Transport of Pregnant Cows—William Waterfield (Andover)

Don't fall foul of the transport of livestock regulations. We are all aware that the Movement of Livestock Regulations came into force in 2007 but one area that many people may not be aware of is the movement of cows that are due to calve within 27 days or those that have calved in the past week.

Trading Standards Officers are getting hot on this subject and a number of prosecutions are in the pipeline. With the need to notify BCMS of all births, it is easy for the Trading Standards Office to retrospectively check up on dates and movements. The penalties are substantial fines and possible imprisonment. It is worth remembering some other points when considering movements of calves between farms: A calf is defined by EU law as a bovine animal of six months of age or less.



- A calf with a navel which is not completely healed is considered unfit for transport.
- Calves of less than 10 days of age may only travel for a maximum of 100km (approximately 62 miles).
- The Regulations regard calves under 10 days of age as unfit for longer journeys.
- Calves aged 14 days or less must be accompanied by their mother on journeys of over eight hours.

For more information contact William Waterfield at w.waterfield@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:

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Disclaimer: Whilst every care is taken to provide accurate information, no liability can be accepted for any omission or inaccuracy of fact or opinion. These comments are for general guidance only. For specific recommendations consult the signposted consultant.