

WELCOME James Dunn, Managing Director of Promar International



Welcome to the August edition of Promar Matters.

The summer has thus far been a mixed bag with regards to the weather – a typical British summer some might say! The dry spells of May and June have been followed by a wet July that has frustrated the combines on arable farms but produced good grass growth for dairy farmers.

We have seen milk prices steadily rise

off the back of very strong cream and butter prices. This, in conjunction with UK milk volumes running on a par with the lows of last year, should stand the industry in good stead for the winter.

This month we consider how dairy farmers need to adjust to the changing face of UK agriculture, whether that is by establishing communication with bankers, utilising the development and usability of financial information to effect change and drive continual improvement or getting down to the basics of establishing that the milking

parlour is operating to maximum efficiency through the use of dynamic testing.

The dairy industry would appear to be on an upward cycle again at present but there should be no complacency. Attention to detail remains of critical importance to safeguard the future prosperity of individual farms but also the competitiveness of UK dairying as Brexit draws ever closer.

I hope you enjoy this issue of Promar Matters, and please contact us if you would like to discuss any of the areas covered in more detail.

DON'T RELY ON STATIC MILK MACHINE TESTING IF CELLCOUNTS ARE ABOVE 150,000

With 26% of mastitis cases attributed to milking equipment or parlour routine, Promar's milking systems business manager, Richard Hooson explains the importance of dynamic milk machine testing to improve parlour efficiency and milk quality.

Although static machine tests are a requirement for farm assurance purposes, a dynamic test gives greater insight into the three main areas that affect milking performance – the machine, the cows and the operator.

The machine

The dynamic test measures the actual teat end vacuum level, milk flow rates and the degree of under/over milking in a bid to minimise teat end damage. Richard explains that making changes in these areas can increase efficiencies. "Ultimately the healthier the teat canal, the lower the infection rate is, leading to lower mastitis cases, more lactations per cow and faster milking."

Cow behaviour

Understanding how the cow behaves in the parlour and her flow rate is an important step that is missed in static milk tests. "Cow behaviour can be an indication of uncomfortable milking, due to both high and low teat end vacuum, or incorrect liner sizing, to name just two factors," says Richard.

The operator

Richard adds that milking techniques can have a huge impact on parlour efficiency and the longevity of milking machines. "We've found that milk harvesting efficiency can vary from a staggering 400 litres/hour to 1,900 litres/hour per person.

"We can identify where improvements can be made, using KPI's such as monitoring the delay between the start of udder preparation and the unit being attached – with 60 to 90 seconds being the most efficient length of time."

Promar is the largest independent tester of parlours, with a team of consultants and engineers who can help improve parlour performance, please contact Richard via richard.hooson@genusplc.com for further information.

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TAKE CONTROL OF YOUR BANKING RELATIONSHIPS

With a further 482 UK bank branches set to close during 2017, for many farmers, regular face-to-face meetings are likely to cease. Nigel Davies, Promar's national consultancy manager considers how these changes could affect interactions with the bank.

Face-to-face meetings are likely to be replaced with telephone and digital experiences explains Nigel.

"The absence of a personal meeting will provide a different set of hurdles to overcome, however it mustn't necessarily be interpreted as a sign that banks are unwilling to support your business".

He adds that developing a relationship can be difficult when your contact is not based locally. "In these situations, you need to adapt to the opportunity to take control, not only can you speak to them over the phone, you can also use technology, such as, Skype or Facetime, to develop a more personal relationship," says Nigel.

"Ensuring you have clarity on what you require from the bank before contacting them is essential and will ensure business needs can be met in a timely manner," adds Nigel.

"For instance, I would recommend that if you want short-term support to breach your limit, then contact the bank four days ahead, but if you want to increase your credit limit contact them four weeks in advance. If you want to explore support for capital for new investments, speak to them at least four months before you need the funds.

"Once you've had discussions ask for written confirmation, receiving information via email is often easiest.

"Taking control of your banking relationship ensures you get what your business needs, when it needs it. Don't hesitate to contact a Promar consultant if you require assistance with this."

NEW LOOK FBA DELIVERS ENHANCED DATA TO DRIVE CHANGE

Following 30 years of successful operation, Promar's Farm Business Accounts (FBA) has been significantly redeveloped to provide its customers with the enhanced data required to drive change on farm, and ultimately, onwards through the supply chain.

Carrie Sutton, UK FBA manager discusses the new and improved system.

We wanted to develop the FBA service into a tool which can fully analyse business performance, making the data easier to digest and the big issues clear. And, in turn, enabling our customers and their advisors to make better and quicker decisions.

There are two parts to the FBA report, the 'front-end', which is the completely

overhauled Business Performance Report, and the 'back-end', which is the more traditional presentation of FBA.

The new interface now presents summary data, benchmarking, analysis and trends, and allows an up-to-date snapshot of business performance, all in an easy to access format.

The new system was recently launched, and some customers have already received their annual Business Performance Report summary.

For many this is their first real chance to engage with the new system, but the feedback from the end of year analysis has been positive. We look forward to hearing how our customers have been able to use this data to implement change on-farm over the coming months.

To find out more about the benefits of FBA or to learn how Promar's Farm Business Secretaries can aide your business, please don't hesitate to contact Carrie Sutton via caroline.sutton@genusplc.com

New developments

Promar's FBA service has been enhanced to include:

- **Headlines** – an 'at a glance view of the key performance numbers'
- **Business overview** – showing the physical numbers that describe the scale and scope of farm activity
- **Financial summary** – showing how profit was generated, how it was spent and how it affected the bank balance and the value of the business
- **Financial performance and three-year trends** – showing how the business performance has changed over three years and how it compares with industry benchmarks
- **Capital summary** – balance sheet trends over three years
- **Benchmarking report** – a detailed report showing the farm's performance against eight key financial parameters
- **Gross margin report** – for each individual enterprise