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BECOMING MORE THAN A SURVIVOR



Dairy farmers are about to enter a period of considerable challenge and uncertainty which will impact significantly on their businesses. Promar Managing Director, James Dunn, believes farmer attitudes are key to future success.

political pressures and the data and technology revolution, we believe successful farm businesses will increasingly be managed by managers and leaders rather than survivors and doers.

Successful businesses will embrace data and benchmarking, making full use of all the data they can get hold of to help make better decisions based on the resources they have available. They will understand costs of production and how they can be influenced positively. They will know the profit requirement of the farm. They will seek advice from a range of sources and will increasingly get closer to their supply chain to drive efficiencies and create opportunities. Finally, they will look to build a strong and highly skilled team around them.

The convergence of Brexit, increased global volatility in many prices and political pressures domestically means dairy farming is in for an interesting time. Where there are challenges for some, there will be opportunities for others. Where you sit depends on many things, but ultimately upon your attitude to managing your business.



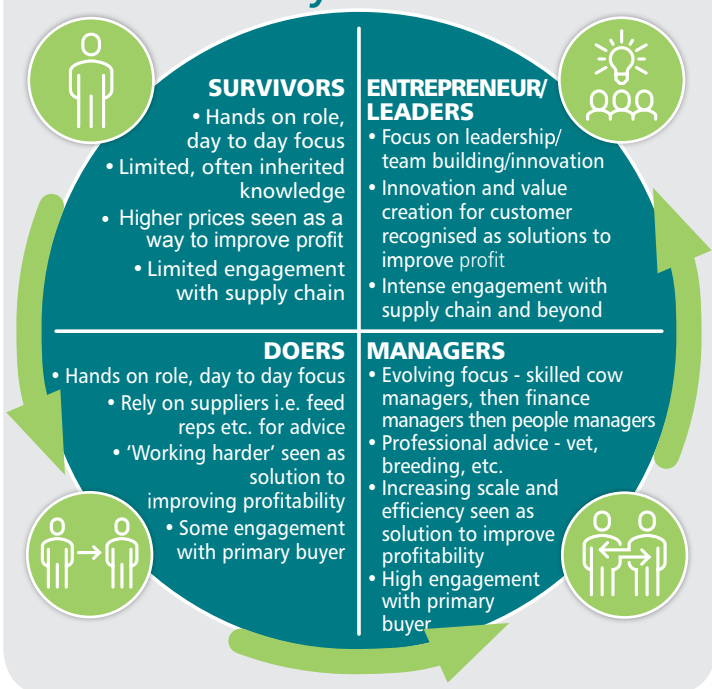
The diagram categorises farmers based on a number of key attributes and attitudes to managing their business. Survivors have a hands on approach and a day to day focus, while the leader is focused on innovation, leadership and taking a longer term perspective. **Take a few minutes to look at the diagram and decide where you and your business sit.**

Our consultants have considerable experience in helping customers evolve their skills and attributes to move into the manager and leader categories, building more resilient businesses. Often this is by incremental changes to how key parts of the business are managed.

Starting with this issue of Promar Matters we will be looking at how taking a manager or leader approach can improve productivity across some key business functions, starting with production from forage.

We would be happy to discuss how we can support you as you develop your business to grasp the opportunities ahead.

Where does your business lie?



To face the numerous challenges including price volatility, labour supply, environment developments, the evolving supply chain,

NEWS IN BRIEF

LAND PRICES: Despite huge uncertainty, recently released figures from Strutt and Parker indicate that average prices per acre on completed pasture land sales increased by 2% in 2018. However, this average masks a huge variability and notably over half of buyers are now non-farmers.

THE FUTURE OF FOOD 2040: Among many topics, this recently released forward-looking document from the NFU asserts that high standards will become the norm and that good management will be increasingly influenced by the 'internet of things' and real time information.

MAKING TAX DIGITAL: HMRC has recently written to all VAT registered businesses confirming that the changes to VAT come into effect from April 1st. We can help assess how the changes will affect your business.

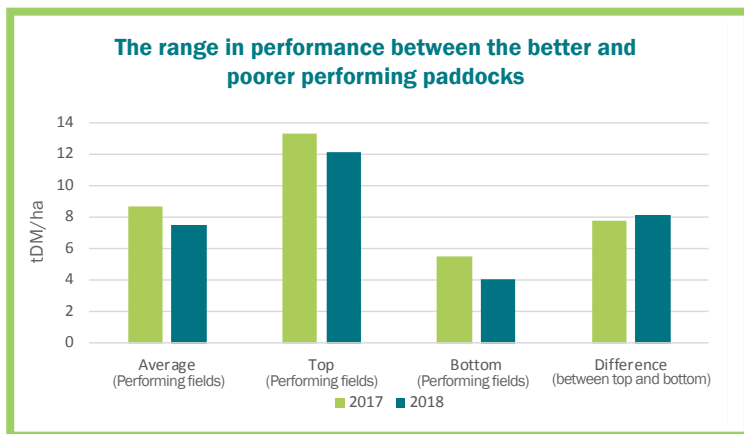
GROWING AND UTILISING GRASS - WHAT DO SURVIVORS, DOERS, MANAGERS AND LEADERS DO DIFFERENTLY?



Forage production and utilisation are still major factors driving dairy margins, so improving management of grass should be high on the agenda. Sarah Hurford, Promar Consultant in Devon considers how different types of manager approach the issue.

One strength most UK farms have is the opportunity to grow grass in close proximity to where the cows are milked. Indicative figures suggest that grass growth in last year's difficult growing season was reduced by 0.8-1.2t DM/ha on grazing systems compared to 2017. However, the reality is that we see much more variation between the better and weaker managers in any one year, than between years on an individual farm, as a direct result of the actions and decisions that the better managers demonstrate.

There can also be big variations within farms. The graph below compares grassland productivity for one of my better clients in Devon where we measure growth closely. For the period May to August, it compares the best and worst performing paddocks with the average paddock over the last two years. While performance across the grazing block was lower in 2018 across the board, the variation between the different paddocks was significant in both years. At a headline level, in both years the difference in dry matter output of grass between the average and bottom performing paddocks is worth over 6800 litres/ha.



So how do the leaders and managers drive productivity? Basically there are six key attributes.

Agility: Given the relatively benign weather at the time of writing and with high soil temperatures, many farms have already turned cows out to graze. Leaders and Managers are prepared to take action and change plans, reacting and managing grazing differently to ensure early spring growth is not compromised, so maintaining later grazing production. Doers and Survivors tend to turn out as they would do in any spring, failing to recognise the different challenges of an early turnout. As such they risk poorer season long production.

Application of knowledge: The Leaders and Managers appreciate that it is vital to hit the optimum residual grazing heights at this time of year to keep the growing point of the plant low. A high residual will reduce the quality of the sward later in the season encouraging trash in the sward, affecting production and utilisation for the rest of the growing season ahead. Their focus is season long productivity.

Understanding risk and mitigation: There is always a worry about the risk of soil damage at this time of year, but Leaders and Managers will remember that this is only a small portion of the grazing platform and can be rectified later with mechanical aeration. Throughout the season they look to mitigate risks that might occur – including adverse weather.

Analysis of results and data: Many businesses are under pressure to produce more silage this year. Leaders and Managers will be considering reseeding a larger area than usual, appreciating that reseeded swards, if established successfully, can be much more productive than an old ley.

They will have collected data on individual paddock productivity and identified the swards that are under-performing as is the case with my client.

Curiosity: Armed with this specific data, Leaders and Managers can investigate further, taking independent external advice, so that an appropriate solution can be put in place to maximise the benefit of the reseed. Is under-performance due to compaction, drainage or soil pH issues impacting growth? Is it due to the populations of preferred grasses? Survivors and Doers are more likely to reseed based on age of sward rather than actual productivity.

Good planning: Leaders and Managers have a clear sight of where their conserved forage supplies are coming from now through to the summer of 2020, considering a range of scenarios. They plan for the season ahead and are able to react as the season unfolds to ensure adequate stocks are produced. They will already be measuring grass to help establish an early season grass wedge. They will be cutting regularly to ensure better forage quality. Nitrogen will be on farm and applications made as soon as conditions permit.

Where do you fit on the Leader, Manager, Doer and Survivor scale? How would you score your business on these attributes for grassland production and how would an outside independent consultant score your business? (circle which response applies to you – are these areas a strength or an area for you to improve upon?).

Attribute	Your view	An outsider's view
Agility	Strength/opportunity to improve	Strength/opportunity to improve
Application of knowledge	Strength/opportunity to improve	Strength/opportunity to improve
Understanding risk and mitigation	Strength/opportunity to improve	Strength/opportunity to improve
Analysis of results and data	Strength/opportunity to improve	Strength/opportunity to improve
Curiosity	Strength/opportunity to improve	Strength/opportunity to improve
Good planning	Strength/opportunity to improve	Strength/opportunity to improve

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