

ABOUT ANGUS MONITOR FARM

Farm name	Mill of Inverarity, Inverarity, Forfar, Angus, DD8 2JN
Meeting Number	11 – Marketing (Webinar) Julian Bell (SAC) Stuart Ashworth (QMS)
Meeting Date	Monday 11 th March 2019
Next Meeting	23 rd May 2019

The Mill of Inverarity Farm is run by The Stodarts and in total the business farms 358 hectares. The farm is a traditional mixed unit growing 130 hectares of cereals, with 160 spring calving suckler cows and an increasing breeding flock of 860 ewes. The business also annually buys in store cattle and lambs for finishing and has an operational laying hen enterprise on farm of 4,500 hens.

This monitor farm meeting took the form of a webinar to look at markets and marketing of beef, lamb and cereals and how to mitigate the risks brought to the industry by Brexit.

Management Group: Graeme Mather, Fiona Lawson, Ian Pattullo, Neil McGowan, Stuart Lawrie, Duncan Wilson, Graeme Neill, John Kidd, Robin Norrie, Sam Ruddell.

KEY MESSAGES

- Set your objectives, understand the risks your business faces and develop a strategy that works for you.
- Brexit and trade negotiations are extremely important for the Scottish red meat industry, but there are opportunities to be developed in the domestic market and with new trade partners.
- Know the cost of producing and diversify the way you sell to reduce risk.

AREAS OF DISCUSSION

- Taking a new approach for a Monitor Farm meeting this session was a recorded online webinar. The webinar was introduced by Zach Reilly who gave a brief background into the monitor farm programme and the Stodarts current marketing policy for both red meat and grain. There were two talks: one from Julian Bell from SAC Consulting who discussed risk management when selling grain and one from Stuart Ashworth who took a look at UK production, consumption and trade opportunities in the context of Brexit.
- Grain Marketing Strategies:
Julian discussed suitable objectives when selling grain such as making a profit, getting the best price and covering production costs. The main drivers of grain price were then covered to include global weather events, political and economic uncertainty and exchange rates, highlighting that no one can accurately predict the market.

Using the cost of production from the Mill of Inverarity's Farmbench data, Julian then covered what prices are needed to meet the objectives – both the full economic cost and the cash cost of producing. This led onto a price sensitivity analysis where the financial gains and losses were highlighted if the price of wheat was to rise or fall by £50/t.

The session concluded by emphasising the importance of developing a strategy by knowing your costs, looking ahead, spreading the sales and knowing what price you need to make a profit.

- Brexit and the Scottish Red Meat Trade:

Stuart Ashworth started his session by covering the self-sufficiency of the UK and Scotland's meat consumption. Leading on to the important factor that the UK is a trading economy for many reasons, but primarily to smooth out the production and consumption seasonality.

Threats such as loss of market and the decline in profitability were then discussed against the opportunity of improving trade within the UK. Stuart then discussed other markets which could be developed highlighting current barriers such as labelling and Halal standards which will need to be addressed before these markets can be developed.

Stuart concluded on the more positive note that with change comes opportunity, suggesting that new relationships, innovation, application of science and new policy could present significant opportunities for producers.

FARMERS UPDATE

- Due to the format of this meeting there was no farmer update. However, since the last meeting the Stodarts have scanned all the ewes with limited success found in the new flock of Aberfields.
- The Stodarts, along with two other management group members have opted to participate in the YEN project for a winter wheat crop. This will be discussed further in future meetings.

ACTIONS FROM LAST MEETING

- This will be a quieter period for the Monitor Farm group as many are busy with lambing, calving and sowing spring cereals. Many attendees also help with potato planting.
- Tiller counts will be monitored for the YEN project.
- The management group will also all measure grass growth for the 1st two weeks of May to compare grassland production across the region.

FACILITATOR CONTACT DETAILS

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