

THEME REPORT

LOTHIANS MONITOR FARM Saughland Cattle Away Wintering

The store cattle at Saughland have traditionally been over wintered and sold as forward stores or finished. As cow numbers have increased, the option to retain the calves through the winter has proved difficult. Also, the Hereford X and AA X calves are born in spring time and by the Autumn sales they are not showing their true potential against more continental types in the sale ring.

THE CHALLENGE

The challenge is to find a cost-effective wintering system by collaborating with another farmer which would allow for both parties to benefit from a joint venture. If the Saughland youngstock could be taken through the winter they have potential to achieve a premium at the May store sales. The challenge is also finding a farm/farmer with the correct skills set and who is interested in working in partnership with a transparent and incentivised arrangement.

Saughland Challenges

- Increasing suckler cow numbers
- Too many cattle to overwinter
- Not enough shed space
- Purchased concentrates would be required
- Supplementary purchased concentrates are expensive
- The AA and Herford cattle will not realise their full potential at Autumn suckled calf sales
- The business would benefit from the cashflow in autumn
- Summer grass 2019 may benefit from these cattle
- Finding suitable cattle wintering (preferably outdoor)



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- Finding a solution which allows both breeder and grower an opportunity to share the risk and reward.

WHAT WE DID ON FARM?

After some discussion with the facilitators and the management group, Peter entered into a profit share agreement with Robert Fleming, who farms at Glen Luce in South West Scotland. Robert and Peter worked through a proposal in which the cattle move to an outwintered system on Robert's farm. The agreement would see Robert buy a percentage of the cattle at an agreed p/kg liveweight. Saughland would retain a percentage of the value, with the option to buy the cattle back in May or take the decision to sell them through store.

On working through some figures, Peter came up with following thoughts

- Peter did not think he had enough winter keep to house his calves a Saughland
- Not convinced that he could winter as cheaply as Robert Fleming in south west Scotland
- Putting calves to Roberts keeps flexibility and ownership and provides options
- Robert's farm has high health status

There were some concerns around where the liabilities fall with regard to animals becoming ill. It was agreed that on arrival, any deaths occurring in the first 14 days were the responsibility of Peter and after that Robert incurred the costs of any losses.

It was agreed that the cattle would be outwintered for a proportion of their time on farm depending on the weather conditions and then moved inside. The wintering costs as provided by Robert were fully transparent to both parties and the agreement was then finalised. The decision was taken to move the cattle for the winter.



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The following proposal was finalised and agreed between both parties.

Winter 2018/2019	Proposed	
	Unit Value	Per Head
Arrival Date	01/11/2018	
Payment/kg weighed	£1.65/kg	£396
Saughland Retained Vale	£0.55/kg	£132
Sale Date	15/05/2019	
Days on Farm	195	
Days Housed	120	
Days Grazed	75	
Arrival Weights (kgs)	240kg	
Sale Weights (kgs)	396kg	
Weight Gain (kgs)	156	
Sale Price	£2.50/kg	
Sale Total (£)	£940	£940
Costs		
Housing Costs		£198
Grazing Costs		£48.75
Charge (Admin)		£15
Haulage		£13
Total Costs		£274.75
Margin (sale Total – Total Costs)		£137.25
Commission		-£35.25
50% Profit		£51
Transfer Value + Profit		£579

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THE RESULTS

The cattle moved a little later than planned and the winter proved to be much kinder than 2017/18 which allowed Robert to move the cattle onto some fodder crops as an alternative to housing.



The cattle were moved on 1/11/2018 which was slightly later than first envisaged which meant their weights were slightly higher than originally planned. The payment per head made to Peter at the point of transfer was **£1.65/kg or £506.55** per head. Saughland retained **£169/head** in each animal. The cattle remained on Robert's farm for 174 days and gained 108kgs.

Due to uncertainty over the availability of summer grass at Saughland, the decision was taken to sell the cattle as forward stores in on 24th April 2019 at United Auctions Stirling, the cattle achieved **£976.36 (235p/kg)**.

The wintering costs came to **£153.90** plus commission which after all deductions (listed in the following table) each partner was left with a profit share of **£55.11/head**



The results showed that the away wintering project had generated **£2,420** for the business and all it required from Peter was a trip to Stirling to watch the cattle being sold.

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Cattle away winter Costs – Proposed v Actual

Winter 2018/2019	Proposed		Actual	
	Unit Value	Per Head	Unit Value	Per Head
Arrival Date	01/11/2018		01/11/2018	
Payment/kg weighed	£1.65/kg	£396	£1.65/kg	£506.55
Saughland Retained Vale	£0.55/kg	£132	£0.55/kg	£169
Sale Date	15/05/2019		24/04/2019	
Days on Farm	195		174	
Days Housed	120		0	
Days Grazed	75		174	
Arrival Weights (kgs)	240kg		307kg	
Sale Weights (kgs)	396kg		415.34kg	
Weight Gain (kgs)	156		108	
Sale Price	£2.50/kg		£2.35/kg	
Sale Total (£)	£940	£940	£976.36	£976.36
Costs				
Housing Costs		£198		£81
Grazing Costs		£48.75		£42.90
Charge (Admin)		£15		£15
Haulage		£13		£13
Total Costs		£274.75		£153.90
Margin (sale Total – Total Costs)		£137.25		£146.91
Commission		-£35.25		-£36.61
50% Profit		£51		£55.15
Transfer Value + Profit		£579		£730.70
Total Added Value Achieved			£2,420	£55

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WHAT HAS CHANGED ON FARM?

The cattle away wintering project has offered an alternative to home wintering and proved that, well thought out and transparent collaborative projects with clear parameters and defined responsibilities can work. The business will look to build on further collaborative projects in future and possibly investigate the prospects of working more closely with more arable farmers.

FACILITATOR CONTACT DETAILS

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