FARM REPORT

ABOUT LOCHABER MONITOR FARM

Farm name	**Strone Farm, Banavie, Fort William, PH33 7PB**
Meeting Number	**04 – Suckler Cow Management**
Meeting Date	**Thursday 29th June 2017**
Next Meeting	**Thursday 7th September 2017**

Strone Farm is run by Chris and Malcolm Cameron as a family partnership and in total the business farms 1,788 hectares.

Cattle: 40 Limousin cows producing store calves. Cows are in-wintered.

Sheep: 500 Cheviot ewes, producing store lambs. Mainly Lleyn tups and hoggs kept as replacements. Ewes lambed away.

Aim of Meeting:

- To understand what factors make a west coast suckler herd profitable. Challenge is to make cattle profitable post Brexit
- To compare and contrast different systems (high input/output vs low input/output)
- To develop a list of practical and realistic performance indicators which farmers can use to gauge success.

FARMERS UPDATE

- At the previous meeting, the group discussed the merits of both grazing and cutting a grass oversow in the 1st year. Following the groups recommendation Chris and Malcolm have decided to graze. This will allow the grass to tiller and prolong the persistence of the new grass seed.
- A new grass tedder and rake has been purchased to allow silage to be cut and then baled in a day. It is getting more and more difficult to get two consecutive dry days in Lochaber.

KEY MESSAGES

The community groups where tasked with creating a set of realistic Key Performance Indicators (KPI's) for a west coast suckler herd. A KPI is a simple easily found measure of performance that allows you to compare your system with a target or benchmark.

The conclusions from the group are as follows:

KPI	Target
Calving %	95%
Calving period	90% cows calving in 9 weeks, with calving finished in 12 weeks
Gross margin per head	Minimum £250 per cow put to bull
Wintering cost	30% of the value of the calf
Return on capital	Net profit should be 10% of the working capital required to run that system
Weaning weight	Calf is 50% of dam weight at 180 days, with no creep

These figures are a good starting point for all group members to look at their own system, help judge its strengths and weaknesses and focus on improvements.

AREAS OF DISCUSSION

The group had a wide ranging discussion on factors that affect profitability in west coast cattle. As well as looking at the gross margins in comparable systems – see below, the group covered practical aspects and this all helped to bring out the key KPI's listed above. There is no question that these KPI's will be further refined, especially when the Benchmarking Group starts to report back its findings to the wider Community Group

The group also focused on fixed costs. Fixed costs are difficult to change, but the group expressed interest in looking the effects of management on labour, machinery and infrastructure.

Focusing on labour and machinery efficiency will be a key topic for the group in future.

FACTS & FIGURES DISCUSSED

The gross margin for the Strone cattle enterprise (high input, high output), was calculated and comparted against an alternative low input, low output system. The results are displayed below, along with a couple of comparable margins from the QMS Cattle and Sheep Enterprise Profitability in Scotland booklet 2016

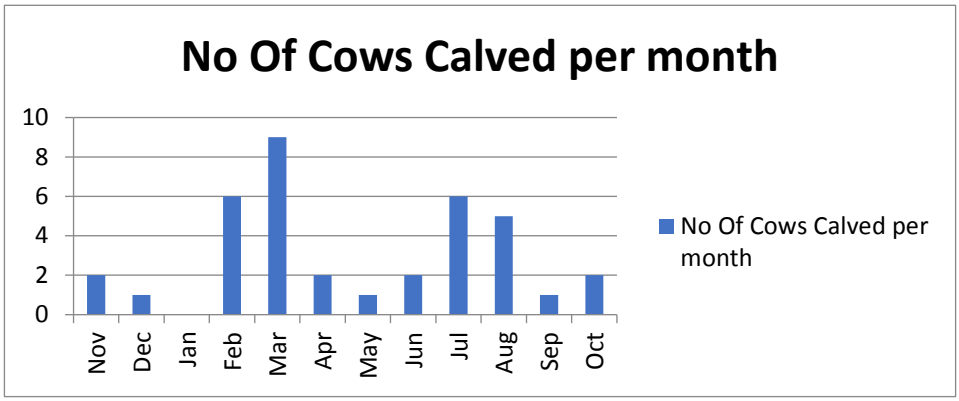
Gross Margin = total output (sales of calves, cast cows, plus calf scheme payment, less replacement costs), less the direct variable costs (feed, forage, vet/med and other):

Gross Margin Summary	Strone Farm (High input/high output)	Local Comparison (Low input low output)	QMS upland cows average	QMS Hill cows average
Number put to Bull (hd)	39	32	50	107
Calves Weaned	95%	97%	89%	87%
Financial Performance	£/cow to bull	£/cow to bull	£/cow to bull	£/cow to bull
Output (less replacements)	£952	£521	£593	£613
Variable Costs	£617	£270	£274	£327
Gross Margin	**£335**	**£251**	**£319**	**£286**

Labour Required (hrs/cow)	56	28	N/A	N/A
GM Return per labour hour	£5.98	£9.13	N/A	N/A

Both local systems were judged as being successful. Enterprises which sit on the fence between high input/output or low input/output are the ones less likely to produce a margin. Although the low input system had a smaller gross margin, it also has a smaller fixed cost in terms of time and machinery.

Strone operates a good high input high output system. They get additional value from selling the occasional breeding bull and get a good price for their store calves. But it does take a lot of man hours to achieve. The following graph shows the current Strone calving pattern Nov 2015 to Oct 2016.



OPPORTUNITIES/CHALLENGES

- Everyone to look at their own suckler cow system and see where they fit into the KPI's created by this community group.
- Understanding labour, machinery and capital shed costs within suckler systems is a key opportunity.
- We also challenged the group to contribute to the next meeting on soil health. We asked for volunteers to bury some underwear for 8 weeks, which will then be dug up, along with the soil and a soil sample and viewed at the next meeting.

ACTIONS FROM MEETING

The Current Strone system was reviewed by the community group who were challenged to suggest improvements to the current system. The 3 main suggest were:

- **Move to 2 focussed calving blocks of 12 weeks each (one in spring and one in autumn)**
- **Identify your optimum herd size for the unit and shed space available**
- **Wean calves younger & sell earlier, with more focus on spring calving to reduce pressure for silage**

Also suggested where

- Look at reducing bulling age
- Examine vet and med costs more closely
- Opportunity to benefit from hybrid vigour if they were to cross the herd
- Use hill to expand the outside grazing season

LOCHABER MONITOR FARM MANAGEMENT GROUP

Paolo Berardelli (Chair)
John MacAulay, Peter Kennedy,
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FACILITATOR CONTACT DETAILS

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The European Agricultural Fund for Rural Development: Europe investing in rural areas
SRDP Scottish Rural Development Programme