SRDP Farm Advisory Service

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News in brief

August 2024

With the opening ceremony of the Olympics disproving that that 'the sun always shines on tv', for those looking to enjoy the great outdoors closer to home; the Flow Country in Caithness and Sutherland has been granted World Heritage Site Status by UNESCO's World Heritage Committee. It joins Scotland's six existing World Heritage Sites - the Neolithic Heart of Orkney, New Lanark, The Antonine Wall, the Old and New Towns of Edinburgh, the Forth Bridge and St Kilda, recognised for both its cultural and natural importance.

Even closer to home, in this month's Agri Business news, with harvest underway, the forecasted increase in American, Canadian, Argentinian, and Australian wheat production is expected to more than offset the anticipated lower yields in Europe; putting a downward pressure on prices.

And while UK milk prices have risen slightly since May in response to lower volumes; our Milk article highlights the staggering 13 pence per litre differential between the highest and lowest milk price as reported in the Kingshay Annual Costing report for 2023. For a 100 cow herd producing 8,000 litres per annum, that equates to a staggering potential income differential of £104,000 per annum. With this in mind, our article on viewing dairy heifers as key input into the dairy highlights the importance of 'milk in : milk out' when it comes to rearing productive replacement heifers.

With the OECD/FAO 2024-2033 Global Meat Outlook forecasting that high income countries, which account for 32% of total global meat consumption expected to choose quality over quantity in the coming years; our sheep article highlights the significant opportunity for Scottish meat producers to be a global player in supplying high quality proteins in a changing marketplace.

While our sector focus article on using plant extracts to reduce enteric methane highlights that tannins, essential oils, saponins and marine algae could be an important component in ruminant diets as we journey towards net zero; our diversification on a shoe-string budget article could help to boost business profitability without breaking the bank.

And finally, the reduction in the bank base rate to 5% will be welcome news to many Agri businesses.

If you would prefer to listen to our monthly articles, please follow this link: [Agribusiness News Audio]

Next month:

- Grazing down winter cereals
- Pig Update

Contents

This month's editor:

Christine Beaton

Crofting Law Consultation

In response to crofting playing an increasing role in tourism, renewable energy generation, forestry, peatland restoration, beekeeping and small-scale horticulture production; the Scottish Government have launched a consultation on proposals for changes to and simplifications of crofting law.

The ideology is to ensure that crofting legislation enables and supports the sustainability of crofting, of crofters and crofting communities, and allows crofting to modernise, innovate, diversify and adapt to help meet today's and tomorrow's challenges.

To help create opportunities for new entrants, encourage active management of crofts and common grazings, and to support the rural population; the topics being consulted on include: entry to crofting, crofting communities, strengthening residency and land use, use of common grazings, and enhanced Crofting Commission powers.

A link to the consultation documents can be found here. The consultation period ends on the 2nd of September 2024.

Fly Tipping

Under the new Circular Economy (Scotland) Bill, farmers and crofters will no longer be held liable for clearing up fly tipping. Local authorities will only be allowed to serve notice requiring waste to be removed if it is satisfied that the owner or occupier was neither responsible for the fly tipping nor did they give permission for waste to be deposited on their land.

If the local authority can trace the fly tipping back to an individual, a fixed penalty notice will be issued but as yet, no details have been released as to who will be responsible for the cost of removing the waste.

Red Grouse Licences

Under the Wildlife Management & Muirburn (Scotland) Act 2024 also known as 'the Grouse code', it is illegal to shoot or take red grouse from an area without a licence; this applies to both walked up and driven grouse shoots.

To apply to be a licence holder, you must either be the landowner or the occupier. This includes sporting tenants. Applications can be made online on the Nature Scot website.

Applicants will need to provide:

- a map which shows the landholding boundary and area over which you have the right to kill or take red grouse.
- A grid reference within the landholding.
- Confirmation that you will comply with the Code of practice for grouse moor management.

Farm Advisory Service – Management Grants

The Scottish Government has recently increased the amount of funding for professional support aimed at identifying strengths and new opportunities tailored to each individual businesses.

Funding for Integrated Land Management Plans have been increased to £2,000 per business; £1,600 for Specialist Advice Plans, £660 for new Carbon Audits and £330 for subsequent Audits. Further details and application forms can be accessed here:

https://www.fas.scot/integrated-land-management-plans-ilmps/

https://www.fas.scot/specialist-advice/

Slurry Store and Irrigation Lagoon Grants

The Scottish Government budget available for slurry storage and stand-alone irrigation lagoons in the AECS 2024 round has now been finalised. The threshold score for both applications has been set at 20 points and above. Applicants who were not successful will be notified shortly.

Farm Assurance Review

The UK Farm Assurance Review leadership group which includes AHDB and NFUS have launched an industry wide comprehensive review of Farm to Fork Assurance Schemes. The review will include a snapshot of UK Farm Assurance Standards and will also examine how the standards can be developed to meet the evolving needs of members, the national and international markets they serve, sector diversity, and how assurance schemes can and should fit with regulation and government schemes to best serve members.

As the review aims to seek the views of all farmers, crofters, growers and supply chains about all farm assurance schemes with a view to 'revolutionising farm to fork assurance, making it truly fit for the future'. To have your say, please access the survey at https://app.onlinesurveys.jisc.ac.uk/s/promaraf-2021/the-uk-farm-assurance-review. The survey closes on the 31st of August 2024.

Key dates

Date	Action
30 August 24	The revised closing date for the June Census 2024
1 September	Scottish Upland Support Scheme Application Window opens

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Sharp US price falls impact markets

The global wheat outlook for 2024/25 is for larger supplies, consumption, trade, and stocks. Supply forecasts have been increased by 6.9Mt to 1,057Mt, primarily due to larger beginning stocks for several countries and higher production. (Fig.1)

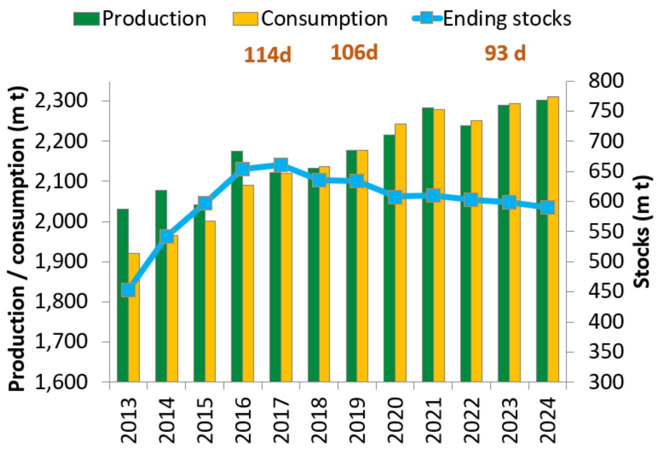

Fig 1 Source USDA

The USDA's July report estimated that Canada, the US, Argentina, and Australia will produce an additional 14 Mt of wheat in 2024, which will offset the anticipated 15 Mt drop in production from the EU and Black Sea regions. This is expected to heighten competition and drive more aggressive pricing in key export markets, creating a bearish outlook for global wheat markets and domestic prices.

Specifically, US wheat production is expected to increase by 55 Mt, a 10 Mt increase from the previous three-year average. July saw a continuation in the decline in US wheat price as the country adjusted to a situation where supply fears have all but vanished. Chicago Dec '24 wheat futures consequently now trading at a £30/t discount to London Nov '24 wheat futures.

The market is currently evaluating both the negative impact of this rising US wheat stock combined with aggressive Russian wheat sales and comparing it to the upside potential from reduced EU production and associated EU quality concerns.

As the US will need to find new markets; US wheat prices are reflecting this shift. We may see stronger export figures from the US, including sales to "unusual" destinations like Europe or North Africa.

Overall, global markets should be well-supplied this season, with export surpluses more evenly distributed among various regions. Even if production decreases in Europe, the UK, Russia, or Ukraine; domestic prices may not rise automatically due to the competitive shipping costs between continents.

EU and Black Sea harvest progress

The European Union crop monitoring service's July yield forecast for the EU-27 has reduced yield estimates for most crops due to ongoing extreme weather. Heavy rainfall in Germany and France has led to flooding and difficulties in managing winter crops, increasing pest and disease pressure and delays in planting summer crops in Belgium and Luxembourg have not been offset. Major crops such as maize, rapeseed, and sunflowers are below their five-year average yields, though spring barley yields have improved due to favourable weather in Spain and northern Europe.

For the past several years, EU and Black Sea wheat have dominated North African and Middle Eastern markets, with less competition from Argentina and US wheat. However, this season, US wheat is likely to challenge these markets. Aside from the fall in US wheat prices, the UK values too have been negatively impacted throughout July, losing £10/t on Nov' 24 contract prices. As markets stabilize however, US prices are expected to rebound slowly. The recent price drop is also attributed to harvest pressure from the Black Sea region; at this early stage of the season, Russia, Ukraine, Romania, and Bulgaria are competing in the same markets to manage their post-harvest flows.

In the malting barley market, across Europe, the outlook is positive. Despite weather concerns, France is progressing well with its spring harvest, although yields are down; the increased area of spring barley planted supports malting barley availability. Denmark, another key producer, reports crops in good condition ahead of harvest.

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£ per tonne	**Basis**	August '24	Harvest '24	**Nov'24**	**Mar'25**
Wheat	Ex farm Scotland	183	187	189	197
Feed Barley	Ex farm Scotland	145	150	152	165
Milling Oats	Ex farm Scotland	265			
Oilseed Rape	Delivered Dundee	-	368	376	380
Beans	Ex farm Scotland		240		
Indicative grain prices week ending 31/7/2024 Source: SAC//United oilseeds/Farmers weekly/AHDB)					

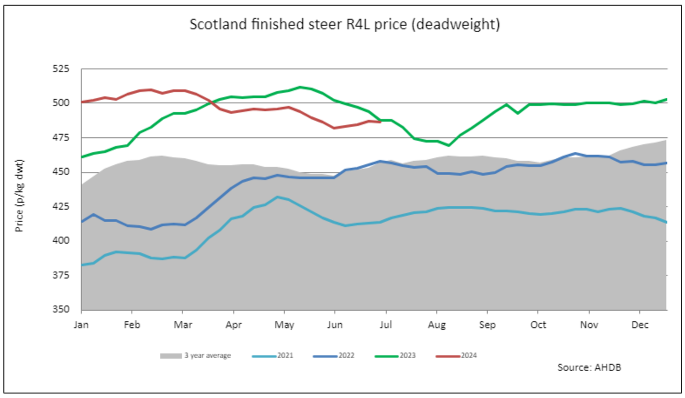
Finished Price Rebounds in July

Prime cattle prices have fallen and have remained low since early March, with some processors dropping to 470p/kg/dwt, approx. 20-30p behind May and June 2023 levels.

Increased slaughterings and a growth in imports has led to increased supplies in the market, pressuring prices and contributing to a muted finished price. However, the past few weeks have seen finished prices slowly but surely improving. An earlier than expected seasonal dip in availability has resulted in a price rebound, with R4L steers reaching £4.89/kg/dwt at Scottish abattoirs;1.6% above the earlier June low.

Looking forward, numbers are tightening, and reports suggest they will contract further going into the third quarter of the year, which should help to increase finished beef prices. Of note, is the increased number of store cattle sold to buyers south of the border, which will continue to squeeze the availability of prime cattle to kill in Scotland.

The beef price moving towards a more satisfactory level will mean finishers will start to see a more encouraging return to the farmgate, which is needed as we approach the autumn season calf sales. However, greater consumer demand is now needed to lift the beef price further, with lack of barbecue weather having impacted on beef sales. Targeted promotions and campaigns towards key events such as the Olympics hope to lift beef sales, but this could then lead to carcass balance issues.



BCMS Data

Despite the continuing declining of suckler cows in Scotland, recent data from British Cattle Movement Service (BCMS) in April 2024 showed a 4.4% increase in female and male beef sired animals aged 12 to 30 months, which contributed to the drop in prime cattle prices throughout the spring.

BCMS data also highlighted an acceleration in the year-on-year reduction of Scotland's beef breeding herd, with beef sired females aged over 30 months down 2.4% from April 2023.

With figures for England showing a greater decline of 3.2% from the previous year; it looks likely that competition for Scottish bred suckler beef store cattle will continue from buyers south of the border.

With a further decline in Scotland's beef herd expected this year after a 2.7% fall in calf registrations in 2023; the expectation is that there could be further tightening of store cattle availability in 2025.

Strong Trade for Stores

As demand outstrips supply with fewer cattle of all kinds available; trade for store cattle remains strong.

With several markets reporting store cattle sales averaging £1,400; many farmers will now be sitting down to take a closer look at costs and returns and may consider selling earlier this year, ahead of the usual end of August- early September rush.

MyHerdStats – New Feature

MyHerdStats which is operated by ScotEID, has developed a new stocktake section which can be found by logging into your ScotEID account and selecting MyHerdStats under the cattle menu.

This new feature provides Scottish cattle keepers with a summary of cattle on farm each month within a selected 12-month period. Useful for monthly stock takes and for carbon auditing purposes.

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Scotland prime cattle prices (p/kg dwt) (Source: drawn from AHDB and IAAS data)

Week Ending	R4L Steers (p/kg dwt)			-U4L Steers			Young Bulls -U3L		Cull cows	
		Change on week	Diff over North Eng.		Change on week	Diff over North Eng.		Diff over North Eng.	R4L	-O3L
06-Jul-24	**486.3**	-0.4	-5.0	**488.2**	3.5	-8.5	478.7	-3.3	400.7	381.2
13-Jul-24	**489.8**	3.5	-1.8	**486.6**	-1.6	-6.2	479.8	-8.4	403.2	376.1
20-Jul-24	**489.3**	-0.5	-7.5	**487.6**	1.0	-6.8	481.4	-5.2	406.4	380.5

Global Meat Outlook

The Organisation for Economic Co-operations and Development (OECD) and the Food and Agricultural Organisation of the United Nations (FAO) have recently launched their agricultural outlook 2024-2033. The 333-page document explains projections and trends for the next 10 years for global agriculture, including enterprises such as cereals, meat, fish, cotton and sugar, to name a few.

The meat section outlines in the medium term i.e. by 2033, global meat consumption will increase by 3% or 0.50kg edible retail weight equivalent per year. The greatest increases in meat consumption are expected to be seen in Vietnam, the United States and Brazil, which are all classed as mid income countries. With lowering inflation rates, and cost of food reducing, these mid income countries are expected to have a quick increase in population and income, resulting in 79% of meat growth coming from these mid income countries. High income countries which account for 32% of total global meat consumption are expected to choose quality over quantity in the coming years, with a strong emphasis on healthy living and climate awareness. All of which are great selling points for Scotch lamb!

The Outlook report also highlights how global eating behaviours have changed since COVID, with less restaurant meals, and more home cooking due to people remote working. Consumers are starting to make decisions based on price, health and environmental concerns. Changes include buying cheaper cuts of meat, and a swing to eating poultry rather than red meats linked again to price and also linked to lower GHG emissions.

With this in mind, there is a massive opportunity for meat producers in the next 10 years to provide high quality protein. For lamb producers specifically, this allows us to work on the narrative and to promote the benefits, to name just a few, of sustainability, high animal welfare and supporting biodiversity. Whilst also working as an industry on reducing plastics in packaging, improving genetics to increase productivity and reducing food waste through utilising the full cut of meat/carcass. However, there is a very real threat of consumption of lamb decreasing due to cost, shoppers' perception of health awareness and environmental concerns, with as noted before, a swing towards greater poultry consumption linked to price and its lower GHG emissions.

Global GHG emissions from livestock are expected to rise by 6% by 2033. Interestingly, the highest meat GHG emission rise is expected from Africa with 15+% increase by 2033 from the base period. Due to increased poultry production, low carbon initiatives and higher production levels, it is thought that the percentage rise in Europe will be below 6%

Trade Back In Line

As the supply of 2024 lamb coming forward to the market speeds up, the demand has slowed down, leaving an imbalance. This is reflected in the current domestic and European price; with domestic prices coming into line with previous years, and the French price being ~€1.60/kg DW over the UK price. While the Australian price has recently witnessed a rise; the NZ price is deflated as countries such as China and the USA are choosing to source lamb from Australia.

	Mid July 2023	Mid July 2024	Difference
France	€8.17	€9.28	+€1.11
Spain	€6.98	€8.15	+€1.17
GB	€7.38	€7.68	+€0.30
Ireland	€7.11	€7.20	+€0.09
Australia	€3.31	€5.35	+€2.04
New Zealand	€4.00	€3.72	(-)€0.28

Source: BordBia

Closer to Home

Current challenges in the UK flock include, a shortage of vaccines, specifically for Enzootic Abortion of Ewes, due to batch failures causing problems throughout Europe. It is hoped stocks will return in September to allow pre tupping vaccinations. Producers are urged to speak to their vets and to assess their biosecurity protocols for purchased stock.

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Week ending	GB deadweight (p/kg) 16.5 – 21.5kg				Scottish auction (p/kg)				Ewes (£/hd) Scottish
	R3L	Change on week	Diff over R2	Diff over R3H	Med.	Change on week	Diff over stan.	Diff over heavy	All
06-Jul-24	**680.1**	-68.4	0.6	2.0	**320.60**	-21.9	21.5	13.4	118.32
13-Jul-24	**645.9**	-34.2	-3.6	0.9	**306.50**	-14.1	8.5	0.0	110.43
20-Jul-24	**647.0**	1.1	-4.1	0.4	**302.50**	-4.0	7.9	-1.2	104.81

Deadweight prices may be provisional. Auction price reporting week is slightly different to the deadweight week. Source: AHDB and IAAS
Standard weight 32.1 - 39.0kg; Medium weight 39.1 - 45.5kg; Heavy 45.6 - 52.0kg
Note: From 11th May, prices transition to new season lambs

Using plant extracts to reduce enteric methane

Identifying feeding strategies to reduce enteric methane emissions is a rapidly growing area of research.

Inhibitors work by targeting pathways that are essential to methane formation or targeting enzymes that are found only in some methanogens (rumen archaea that produce methane).

Natural feed additives such as plant extracts, essential oils, and marine algae have been investigated for their naturally occurring bioactive ingredients and methane reducing properties.

Some plants produce secondary compounds that possess methane reducing properties. However, due to the inherent variability of natural sources, this can present a challenge in determining or predicting efficacy.

Tannins

These are natural compounds found in plants. Plants which contain higher tannin contents have a lower nutritional value. They can be added to the diet by inclusion of the plant as a forage or as a plant extract. Tannins bind with proteins in the rumen, therefore reducing the utilisation of protein by microbes.

Hydrolysable tannins tend to act by directly inhibiting rumen methanogens, while condensed tannins reduce methane production through inhibition of fibre digestion. The average reduction in methane production (g/kg dry matter intake) from research is around 8% but is very variable.

Saponins

These are natural compounds found in plants and have a detergent-like quality. Saponins selectively bind with the cell membranes of ruminal protozoa causing cell death. Tea saponins appear to have potential in lowering methane, however, more long-term studies are required.

Essential oils

Essential oils are naturally occurring secondary metabolites and volatile components that possess anti-microbial properties. The exact mode of action varies between different essential oils but includes disruption of cell membranes and inactivation of microbial enzymes. These actions reduce either the total microbial population in the rumen or the activity of the microbial population thus reducing the production of CH_4.

Taking advantage of the unique composition among plants, some studies have used a blend of essential oils containing extracts from multiple plants. The antimicrobial nature of a variety of essential oils may imply a greater capacity to modify rumen fermentation. There are already commercially available essential oil-based blends marketed towards providing both improved efficiency as well as reducing methane. However, they do not currently have approval as a feed additive for methane reduction.

Marine algae

Seaweed is another natural resource that has emerged as an animal feed ingredient with the potential to reduce methane. Red seaweed found in tropical marine waters has shown a promising reduction in methane.

A genus known as Asparagopsis, has a high content of the bioactive ingredient bromoform. Bromoform reduces methane by inhibiting the enzyme involved in the final step of methane production. Claims are up to 80% reduction of methane emissions, however there is limited evidence in the published literature to support this claim and particularly, a lack of evidence on high forage feeding and grazing systems. Bromoform is also a potential carcinogen so more research is needed on the potential impact on animal and human health.

There are a number of consortiums also researching UK native seaweed supplements. At the BSAS conference earlier this year, Frances Titterington from the Agri-Food and Bioscience Institute in Northern Ireland presented findings from their study on a native brown seaweed species. Although in the lab it had shown promising results to reduce methane by 10 - 15%; they did not find this to be the case when fed to finishing beef cattle. They concluded this was likely due to the limitation of inclusion rate due to the high iodine content of the seaweed.

Outlook

In the UK, there is currently only one synthetic feed additive approved for methane reduction - Bovaer®. M&S recently announced a collaboration with DSM, the company behind Bovaer®. Morrisons is in partnership with Sea Forest, an Australian company utilising Asparagopsis seaweed and Queen's University Belfast who are trialling UK and Irish seaweeds. As retailers continue to invest in this area of research in an effort to reach their ambition to achieve net zero agriculture emissions from their suppliers, it is likely we will see more of these products being made available.

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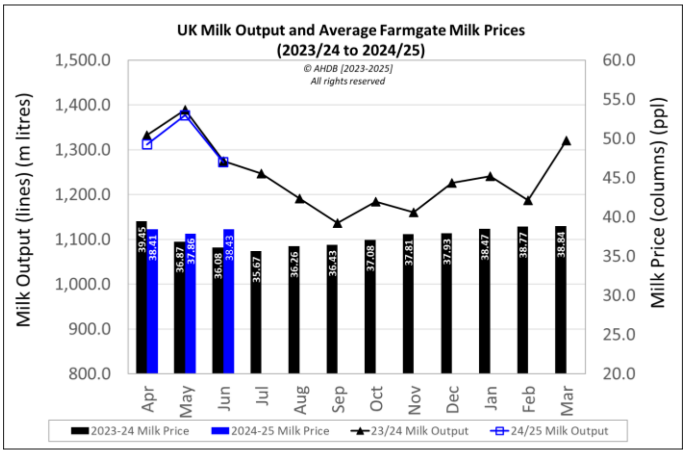
Milk production data

The latest GB monthly milk production data from AHDB is estimated at 1,042 m litres for June, just 3 m litres less than June 2023. Daily deliveries were 32.92 mlitres for the w/e 20th July, 1.3% below the previous week and 0.3% down on the same week last year. The UK milk volume for June is estimated at 1,274mlitres, 7.5% less than the previous month and just 0.1% less than June 2023.



Farm-gate prices

The Defra average farm-gate milk price for June was 38.43ppl, 0.57ppl up on the May price and 6.5% higher than June last year. Milk prices from the main Scottish milk buyers available at the time of writing are shown below.

Milk Prices for Jul/Aug 2024 Scotland	Standard Ltr ppl	
First Milk[2]	Aug	41.00
Müller - Müller Direct - Scotland [1, 3]	Aug	39.00
Grahams[1]	Aug	38.00
Arla Farmers[2]	July	41.70
Lactalis / Fresh Milk Co.[2]	July	40.32

1 Liquid standard litre – annual av. milk price based on supplying 1m litres at 4.0% butterfat, 3.3% protein, bactoscan = 30, SCC = 200 unless stated otherwise.

2 Manufacturing standard litre - annual av. milk price based on supplying 1m litres at 4.2% butterfat, 3.4% protein, bactoscan = 30, SCC = 200 unless stated otherwise.

3 Includes 1.00ppl Müller Direct Premium. Haulage deducted depending on band for 2023 vs 2021 litres, ranging from -0.25 to -0.85ppl.

Dairy commodities & market indicators

There was little movement in the latest UK wholesale prices for dairy commodities, with the exception of cream which rose on average by £230/t (10%) from the previous month. The summer holiday period has subdued demand for most products although the main price driver for cream was falling milk volumes and the seasonally lower butterfat levels. In addition to which, an export premium for cream meant little was available for butter production, further tightening butter stocks. As a result, AMPE dropped marginally due to little change in the butter price and skim milk powder price falling. However, MCVE rose 1.46ppl on the back of the rising cheddar and whey powder price components. The Milk Market Value indicator was up 1.17ppl for July to 39.82ppl and is now 2.85ppl more than six months ago.

UK dairy commodity prices (£/tonne)	Jul 2024	Jun 2024	Jan 2024
Butter	5,680	5,660	4,750
Skim Milk Powder (SMP)	2,010	2,060	2,170
Bulk Cream	2,528	2,292	2,021
Mild Cheddar	3,770	3,670	3,600
UK milk price equivalents (ppl)	**Jul 2024**	**Jun 2024**	**Jan 2024**
AMPE	40.49	40.50	37.44
MCVE	39.65	38.19	37.63

1st cut silage quality

Reports on 1st cut silage quality appear to be mixed but the trend is for slightly lower quality this year, given the mild winter and higher covers going into the spring. Also, many silages were cut slightly later than normal, and a 1-week delay can reduce the D-value by 3.5 units, equivalent to ~0.6MJ/kg DM. Protein levels are slightly lower on the back of less fertiliser and slurry applied in late applications to avoid excess nitrogen in silage. With 2nd cut yields reported light with slow regrowth after 1st cuts; it is worth carrying out a forage budget to ensure sufficient stocks for the coming winter. For this you need to know the dry matter of all forages on the farm, the number of stock (lactating, dry cows, youngstock etc) and the amount of forage fed in each ration. As always, it is important to use recent forage analysis to ensure that rations are as cost-efficient as possible, tailored to the desired production level and formulated to support overall health.

Kingshay annual costings report

Kingshay have released their annual costings report which compiles data on milk production, margin over purchased feed costs, health and fertility from over 1,100 dairy herds for the 12-month period up to March 2024. The difference between the highest and lowest milk price was a massive 13ppl. For Scottish herds averaging 9,314 litres, the total purchased feed cost was 13.42ppl, with a margin over purchased feeds of 24.38ppl (£2,270/cow), down 6.7% on the previous year. From a fertility perspective, improvements were seen in fertility, with the 100-day in-calf rate up from 46% to 48% and conception rate up from 38% to 41%. Positive news given that the cost penalty of extending the calving interval was calculated at £4.88 per day. From a production perspective, while the system that returned the highest margin per cow of £2,495 was a housed all-year-round calving system; the highest margin per litre of 29ppl was achieved by autumn/split block calving herds focused on grazing. This report is an excellent document with which to benchmark your own herd and can be found here: https://www.kingshay.com/wp-content/uploads/Dairy-Costings-Focus-Report-2024.pdf

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Sector Focus:
Diversification on a Shoestring

Diversification: Supporting Farm Income

As the latest Scottish Farm Business Income figures for 2022-2023 highlighted that the gap in overall farm business income between the average farms with and without diversified activities widened to £38,300 as shown in the chart below; if there was a diversification enterprise that would complement and add value to your farming business, it is worth considering it further.

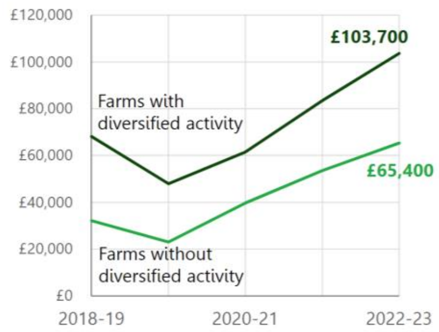

Figure 1 Average farm income, farms with and without diversified activities, 2018-19 to 2021-23. 2022-23 prices

Diversification on a Shoestring

In my recent experience, following Brexit and Covid, due to the significant increase in the costs of building materials and ongoing recruitment and retainment challenges in the retail, tourism, and hospitality sectors, farmers and crofters are looking for advice on diversification enterprises which require minimal capital investment and very little labour.

While there is still interest and consumer demand for glamping, rural and agritourism, meat/veg boxes, and farm retail, there has been increased interest in dog parks, farm vending, home-made arts & crafts, farm tours and experiences, and utilising land for health & wellbeing activities.

Dog Exercise/Agility Parks

Dog parks have become increasingly popular with owners, trainers, and dog walkers who want to exercise their dogs freely in a safe and controlled environment, especially if they have sensitive or nervous dogs, or simply 'off the lead' puppies that can't yet be relied on to come back when called.

Understandably, starting a dog park and actively inviting dogs onto your farm may not fill many sheep farmers with much enthusiasm, but in the right location within close proximity to towns and villages, dog parks can generate healthy returns on a small acreage of grassland.

Existing dog park providers charge in the region of £7.00 for up to 4 dogs, £8.50 for up to 6 dogs, and £10.00 for up to 8 dogs for a 30 minute session. 50-minute to 1-hour exclusive use sessions can generate between £10 - £20 on a tiered scale of up to 8 dogs at any one time. Closer to urban areas, prices charged can be higher.

The main start-up infrastructure costs are secure fencing, keypad entry system, car parking, a field shelter, and an ecommerce website.

Fencing needs to be at least 6ft (1.8m) tall. Good quality deer style fencing currently costs around £20 per metre including installation.

Labour input is minimal other than ongoing marketing, responding to customer queries and field maintenance which is largely mowing the grass and emptying bins.

Farm Vending

Milk and fresh produce vending machines continue to be a popular method of retailing directly to consumers; providing higher profit margins than mainstream markets and ensuring that profits are retained at the farm gate. Not only do they require very little labour input; they can now be managed remotely using a mobile app to keep track of sales data and customer information.

To keep costs down, bespoke farm retail spaces can be created by using recycled shipping containers and repurposed materials.

Farm Tours & Experiences

For more gregarious farmers and crofters, farm tours and/or seasonal experiences can be personally rewarding. By using your own skills, knowledge, and experience, farm tours can be achieved with minimal investment and can provide a healthy return for your time.

Having an online pre-booking system means tours and experiences can be offered at times of the year to suit the business.

A 1–2-hour farm tour can generate around £15.00-£35.00 per adult and £7.50-£15.00 per child. Offering refreshments/home baking is generally viewed as boosting the overall on-farm or croft experience.

A "day in the life of a farmer" where customers get hands on experience doing daily jobs on the farm can generate between £200-£450 per person per day including a farmhouse lunch. Lambing days are always popular, but you might need to practice uttering 'deary me' when things go wrong before you sign up your first customers!

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Inputs: Dairy Heifers

When you think of inputs, dairy heifers don't instantly spring to mind, but they are a key input into the milking herd; accounting for around 20% of total production costs.

Data from the NMR 500 Herd KPI Reports over the last few years show that 17% of heifers fail to reach their 2nd lactation – the point at which they start to pay back their rearing costs. Therefore, to ensure greater longevity in the herd, it is important to focus on ensuring that health and productivity targets are met throughout the rearing process.

Getting it right from the start

The importance of early life nutrition cannot be emphasised enough as the growth rate during the milk feeding phase of a heifer calf is closely correlated to first lactation performance.

While the importance of colostrum is well documented, recommendations on milk feeding rates are now to feed 15 to 20% of body weight, with a typical milk replacer inclusion rate of 15%. It is now not uncommon for dairy heifer calves to be fed in the region of 8 to 10 litres of milk per day and weaned later than the typical 8 weeks of age, at around 10 weeks or more.

Feeding more milk means higher weight gains, with stronger, healthier calves. Later weaned calves tend to cope better with the stress of weaning, have less of a post-weaning growth check and less disease issues. Essentially, the more milk the better!

Monitoring growth rates

Have a target for heifers to reach a certain weight by a certain age for breeding. Heifers should be 55-60% of their mature body weight at service and 85-90% of their mature weight when they calve down for the first time. For example: For a mature cow size of 650kg, the target weight for a heifer at point of service would be 360-390 kg and between 550 and 585 kg at point of calving. To achieve this, heifers need to grow at a minimum average of 0.7-0.75kg/day from birth to calving, assuming calving at 24 months and a 40kg birth weight.

Weighing heifers at key times will help ensure growth rates are on track to reach target weights and will identify periods where heifers are not growing as well, enabling improvements in feeding or management to be made. As younger animals are more efficient at converting feed into growth, the pre-weaning period and up to service is where to push for good growth rates of up to 1kg per day.

Selecting the best heifers for breeding

If aiming to calve on average at 24 months, start serving at 13-14 months to allow for any heifers not holding to first service. Ideally, any heifers that do not hold to their 2nd service should not be kept as replacements, as they may not be as fertile as cows. Genomic testing at birth or at least by 10 months of age is a very useful tool to select the best heifers genetically for breeding.

Goals from service to pre-calving

During the service to pre-calving period, the aim is for steady growth and for heifers to continue to grow frame, not fat. To maximise embryo survival, there should be no dietary, group or housing changes for six weeks post-service. Heifers should be in a body condition score of 3 to 3.5 when moved to the pre-calving group, with no change in condition until calving.

Minimise Stress

Heifers experience a lot of stress over the pre-calving period and transition into the milking herd. Stress can be minimised in the pre-calving period by moving heifers to the dry cow group 60 days before calving. Ideally move them in pairs or small groups and ensure that the dry cow group is stocked at no more than 90% capacity based on feed space. To maximise intake and rumen fill, feed to allow for a 5% refusal.

From a housing perspective, ideally heifers should be housed separately during lactation, or at least for the first four months to get them over the critical risk period and back in calf. This helps reduce competition at the feed face, allowing heifers to grow and reach peak yield before having to compete with older cows. If a heifer group is not possible, then heifers need to be well grown to compete with the cows. Ensure sufficient feeding and lying space for the whole herd, move heifers in groups or pairs into the milking herd and ideally, move in the afternoon. It can take heifers up to three weeks to adjust especially as they have the stress of being milked for the first time as well! If possible, familiarise heifers with the parlour before calving. Consider walking them through a few times with the dry cow group for a small amount of feed and then through the footbath on the exit.

Top tips for heifer rearing

- Do not scrimp on milk! Review milk feeding rates and milk replacer inclusion, aim to feed a minimum 1kg CMR/day.
- Record and review health data regularly with your vet. Can improvements be made to nutrition, housing, management etc to reduce scour and pneumonia rates?
- Monitor growth to ensure heifers are hitting weight targets and are on track for service at around 13-14 months.
- Look after heifers in the pre-calving period by reducing social stress as much as possible and providing ample feed and lying space.
- Consider a separate heifer group post-calving. If not possible, having sufficient feed and lying space becomes even more important.

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History

In a system described as *'Independent, transparent, open and competitive';* farmers have been trading livestock at auction marts for over 200 years. During that time, livestock markets have faced considerable challenges including the 2001 and 2007 outbreaks of Foot and Mouth, ongoing challenges of Bovine Tuberculosis (TB), deadweight selling and more recently, the Covid pandemic in 2020 which increased the use of online sales platforms.

As the volume of livestock in the UK has reduced, so too has the number of markets. Markets have declined by approx. 80% since the 1960s. Currently, there are 122 livestock marts operating in the UK, 72 in England, 25 in Scotland and likewise 25 in Wales.

A 2021 report conducted by The Royal Countryside Fund found that as well as auction marts declining, many have re-located. The report highlighted that only 30% of marts could be described as a 'traditional' town centre livestock mart, with 33% described as relocated to less urban locations and 25% described as an agri-business centre.

Latest Figures from IAAS & LAA

The Institute of Auctioneers and Appraisers in Scotland (IAAS) has, since 1926, represented livestock markets, valuers and auctioneers. The latest figures from IAAS for 2023 show positivity for markets in Scotland with reported increased throughput and prices.

Despite the declining numbers of sucker cows in Scotland; the number of cattle sold through Scotland's 10 auction companies which includes Aberdeen & Northern Marts, Lawrie and Symington and United Auctions increased by 0.78% with an uplift in value of 13.71%.

Store cattle numbers through the live ring rose by 2.4% which is surprising when in the same year calf registrations fell by 2.6%.

In England and Wales, despite a reduction in numbers of breeding herds and flocks, the latest figures from the Livestock Auctioneers Association Limited (LAA) show growth across most sale categories in 2023, compared with the previous year. Around 756,000 store and breeding cattle (including dairy) were traded, with prime sheep and cull ewe numbers also increasing.

More than a Mart

While livestock auction marts are recognised as businesses operating a system that benefits both buyers and sellers of livestock; they have an ever-increasing role as a rural hub, allowing farmers and rural communities the opportunity to socialise.

The Royal Countryside Fund 'More than a Mart' report highlighted how crucial auction marts are in tackling social isolation, highlighting that auction marts mean far more to the local farming and rural community than purely venues for the sale of livestock.

In 2021, following the lifting of Covid restrictions imposed which saw many markets operate a drop and go service; markets across the country reported farmers returning to the auction system who had previously sold deadweight, highlighting the importance of marts in being meeting points for farmers.

Although arguably from a price perspective, selling through the mart is a gamble depending on buyers present ringside and where you are in the draw; auction marts continue to be an important part of livestock trading and for many, an important social connection for farmers' and crofters'.

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Key Economic Data

General Indicators	
Base interest rate	5.00% (5.25% Aug 23)
ECB interest rate	3.75% (4.00% Sept 23)
UK (CPI) inflation rate	2% (target 2%)
UK GDP growth rate	0.7% (Q1 2024)
FTSE 100	8,372.70 (31/07/2024)

Price indices for May 2024 (Defra 2020 = 100)			
Output Prices		Input Prices	
Wheat	129.4	Seeds (all)	108.6
Barley	147.3	Energy	156.0
Oats	191.1	Fertiliser	153.5
Potatoes	309.7	Agro chemicals (all)	113.8
Cattle and Calves	140.9	Feedstuffs	128.7
Pigs	132.1	Machinery R&M	125.5
Sheep and Lambs	177.1	Building R&M	138.0
Milk	132.4	Veterinary services	109.7

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