SRDP Farm Advisory Service

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February 2024

News in brief

Health can be Wealth

Since the introduction of the Scottish Bovine Diarrhoea Scheme in 2010, incidences of BVD have fallen from 40% down to 9%, equating to a significant cost saving of between £20-£70 per cow, proving that 'Health can be Wealth'. To capitalise on this success, through an industry-led partnership of livestock producers, vets and research bodies, the Scottish Government is now looking to eradicate BVD from Scotland. While this is viewed as an ambitious target, given that the BVD status for an individual animal or holding can be looked up on the ScotEID website, with time, it should be an achievable one.

With pressure on dairy margins continuing and tough times ahead, this month's Input Costs article highlights the importance of good calf management, and how a bit of TLC can boost calf health, reduce costs of production and boost milk yields in the first lactation.

Following the Australian Trade Deal last year, all eyes have been on the potential risk to the domestic sheep market from the Land Down Under. However, with Australia firmly focused on expanding their trade with China, New Zealand's low prices are of greater concern, especially as we head towards the peak demand periods around Eid and Easter.

On a more positive note, with the DUP ending its two year boycott of Stormont over post-Brexit trading agreements; this paves the way for new legislation to be put into place aimed at removing checks on goods moving both within the UK and remaining in Northern Ireland. This will pave the way to significantly reduce the current administrative burden when exporting goods to and from Ireland.

And finally, while new tenancies are like hens teeth, this month's Management Matters article discusses what landlords are looking for and how you can get ahead of the competition by planning in advance.

SAC CONSULTING
Part of Scotland's Rural College (SRUC)

Next month:

- Graze -up
- Changing Weather Patterns
- Forestry Update

Contents

This month's editor:
Christine Beaton

Scottish Government
Riaghaltas na h-Alba
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Preparing for Sustainable Farming (PSF) – 2023 Year Grant claims

All carbon audits, soil analysis and/ or animal health and welfare claims for the scheme year 1 January 2023 to 31 December 2023 must be submitted by midnight on **Thursday 29 February 2024.**

Full guidance on how to claim is available on the Preparing for Sustainable Farming portal on Rural Payments and Services Website.

Rule Changes for Basic Payment Scheme Entitlements

Under the new Rural Support (Simplification and Improvement) (Scotland) Regulations 2023, the two-year usage rule for BPS payment entitlements no longer applies. Up until last year, farmers and could lose entitlements if they did not utilise some or all of their entitlements in the previous two years.

For farmers and crofters wishing to transfer entitlements, the entitlement transfer request form will be simplified to 3 categories – temporary, permanent or inheritance.

Businesses will no longer need to notify if the transfer is to be done with or without land. The siphon for transfer without land will no longer be applied.

Bovine Viral Diarrhoea (BVD) Eradication Scheme

Since the introduction of the Scottish BVD eradication Scheme in 2010, the percentage of cattle breeding herds with BVD has fallen from 40% down to 9%, estimated to equate to a financial benefit of £20- £70 per cow per year.

With the goal of eradicating BVD and also seeking to combat anti-microbial resistance; the Scottish Government launched an online consultation. The consultation focuses on the nine areas identified by the BVD Advisory Group where the scheme could be strengthened, namely:

1. Introducing minimum proportion testing for the BVD check test.
2. Reducing the Compulsory BVD Investigation (CBI) compliance period.
3. Introduce veterinary certification after CBI.
4. Increase the consequences of non-compliance.
5. Incorporate BVD compliance into single farm payments.
6. Increase testing for calves of animals purchased in-calf (“Trojan cows”).
7. Delay BVD Positive herd restrictions.
8. Continue no compulsory slaughter of Persistently Infected Cattle known as PIs.
9. Introduce more obligations for non-breeding herds.

The rationale behind the potential incorporation of BVD compliance into single farm payments is to recognise the hard work that keepers undergo to meet BVD requirements. However, that said, it would also act as a carrot/stick for those herds who don’t currently comply with the scheme.

New Small Producers Pilot Fund

With the aim of seeking to reduce food miles and to support local food chains, the Scottish Government is replacing the Small Farm Grant Scheme with a new Small Producers Pilot Fund.

Through the provision of training courses and web-based resources, the initial funding of £180,000 will help small food producers move to greener and more sustainable production methods. The funding will also support two small-scale abattoir projects.

Good Food Nation

The Scottish Government has published its proposals to improve access to healthy, locally produced food.

The Good Food Plan sets out six over-arching outcomes for a Good Food Nation including access to safe, healthy sustainable food, developing thriving food culture, improving physical and mental health, promoting, and supporting Scotland’s food and drink sector, and building on Scotland’s global reputation for high quality food.

The Scottish Government has also launched an online consultation on the proposals. The consultation period ends on the 22nd of April 2024.

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Key date

Date	Point to Note
29 Feb 24	PSF Grant Claim deadline for Carbon Audits, Soil Analysis and Animal Health and Welfare Plans

Arable

Price pressure continues for wheat

January closed out with a notable disconnect between the US and European markets, with Chicago wheat reporting modest gains fuelled by short covering. In contrast, both UK and Paris wheat markets experienced further declines amid ongoing worries over Europe's trade balance considering fresh easing in Russian prices.

UK feed wheat futures (May-24) passed through £177.40/t on the 29th of January marking a £17/t decrease in value for this position since the first day of the New Year. Similarly, new crop futures (Nov-24) have declined £12/t in value through January.

European markets have faced challenges from intense competition in the Black Sea region, partially offset by the weakening euro against the US dollar. The conflict in the Red Sea has heightened competition for grain sales in North Africa and Europe. Disruptions in Asian markets, typically reliant on Russian and Ukrainian grain, are favouring Black Sea supplies, putting additional pressure on European grain markets. Ukraine's improved export capabilities through an alternate Black Sea corridor, further shape the market dynamics.

Despite falling prices, UK feed wheat still remains around £10/t too expensive to compete for an export market share and season-to-date exports (July-Nov) are down by 71% compared to the same period in 2022-23 as traditional EU export destinations like Spain and Ireland continue to find cheaper offers from alternative sources. The forecast for wheat ending stocks in the UK now predicts a 30% increase from the previous year due to this lack of export competitiveness and gives rise to a rather unusual situation of having larger end of season stocks despite a smaller crop.

These wheat ending stocks are projected to be 2.552 million tonnes, up from 1.953 million at the end of 2022-23. Imports will be considerably up too, expected to reach 1.725 million tonnes in 2023-24, with a focus on high protein milling wheat due to domestic quality concerns and uncertainties surrounding the 2024 crop.

Domestic demand in the feed and ethanol sectors has been below expectations also contributing to falling UK feed wheat prices. The option to carry old crop into the next season becomes increasingly attractive for those that can do so, with the carry from May 2024 to November 2024 futures reaching £15/t.

Fig 1. Widening carry between May and November 2024 futures

Source ICE AHDB

Markets for barley/OSR/beans

Old crop feed barley prices continue to decline, maintaining a historically wide discount to wheat. Barley remains competitive in feed formulations and compounder demand has reappeared particularly for pre-harvest positions, but domestic demand struggles amid a surplus due to a lack of export pace. New crop feed barley generally remains at attractive discounts to wheat.

Rapeseed values increased substantially in mid-late January as European crushers sought further cover. In the UK, this triggered some farm selling at around £350-£360/t ex-farm. Australian growers have been resistant to selling at current prices, influenced by delays in passage time through the Red Sea.

Bean values remain stubbornly fixed but are facing increasing challenges as cereals and imported proteins continue to decrease in price, potentially pushing them out of mainstream rations. Despite indications of unsold tonnage, the balance sheet suggests selling beans at current firm prices could be a prudent move for growers, even for later delivery in the year.

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Indicative grain prices week ending 31/01/2024 Source: SAC/Cefetra/trade)

£ per tonne	**Basis**	Feb'24	May'24	**Nov'24**	**Nov'25**
Wheat	Ex farm Scotland	180	182	194	195
Feed Barley	Ex farm Scotland	150	162	174	
Malt. dist. Barley	Ex farm Scotland	240	245		
Oilseed Rape	Delivered Dundee	342	347	351	

Beef Price Holds Strong at £5/kg

Relative stability for prime cattle prices has continued into 2024. . Prime cattle prices have started strongly for the year, at nearly 9% above levels 12 months ago and 26 -27% above the five-year average. For week ending 20th January, R4L grading steers averaged 504p/kg deadweight at Scottish abattoirs, with specific scheme cattle holding 15p to 20p more.

Looking ahead, it is highly likely that 2024 beef trade will be determined by cattle supplies. QMS suggest that prime cattle supply in 2024 will be similar to 2023. However, as the year progresses, availability is set to tighten as the reduced spring calf crop of 2023 begins to reach the market.

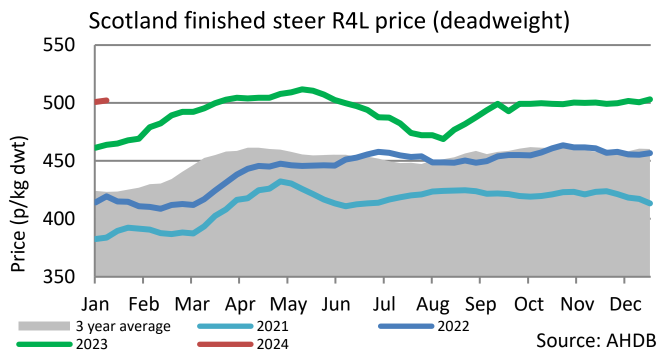
Store Trade

Store cattle sales have started very strongly, with some excellent prices being received throughout January. As finishers look to refill sheds and with numbers tight of heavier continental types, many are averaging over 330p/kg.

After an expensive 2022/23 winter for calf producers, prices being received in the store ring are, for many, 'where they need to be', offering beef farmers an incentive to retain breeding cattle. Last year's high input costs left many questioning the profitability of suckler cows. However, recent prices paid for stores mean that the finished price needs to remain firm, or finishers could be left with little or no margin this spring and summer.

Given the current store prices, those sitting with stores should be calculating feed stocks and looking at whether to sell now or hold off until the spring.

Store sales have once again been strongly supported by English buyers, attracted by the availability of stores bred from beef suckler cows and the low risk of TB compared with the south of England. Although the number of cattle leaving Scotland to be finished in England had dipped from the high levels of 2022, it rose again in 2023. However, with Scottish stores being sold into England to be finished, undoubtedly, the supply for Scottish abattoirs will tighten further.



Cull Cows

Cull cow prices have shown a seasonal rebound as consumers opt for the lower value cuts and mince as Christmas credit card bills need to be paid. As a result, cull cow trade should remain fairly stable in the coming weeks.

With big numbers of cull cows going through markets across Scotland, the realisation that cull cows are no longer a 'by product' but actually a valuable 'product' has seen farmers look to maximise returns and revaluate culling and replacement policy, which should result in a more efficient herd.

Breeding Bulls

Bull sale season is once again upon us. For those purchasing new stock bulls, please refer the FAS website for useful pointers post purchase to help manage your new investment. See: https://www.fas.scot/article/post-purchase-bull-management/

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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-Jan-24	**500.9**	-2.2	-1.3	**500.2**	-2.0	0.3	486.3	1.9	371.3	337.7
13-Jan-24	**502.2**	1.3	-1.1	**501.7**	1.5	-1.2	489.9	9.6	375.3	351.0
20-Jan-24	**504.0**	1.8	1.6	**505.5**	3.8	-2.7	492.5	8.2	377.0	351.9

From a Land Down Under

The 1st of January 2024 saw Year 2 of the Australian Free Trade Agreement begin. Where an allowance of 30,556 tonnes of sheep meat can enter the UK with no additional tariff costs to exporters until the end of December 2024. As a reminder, Year 1 was a short year from May through to December 2023, where there was an allowance of 14,726 tonnes.

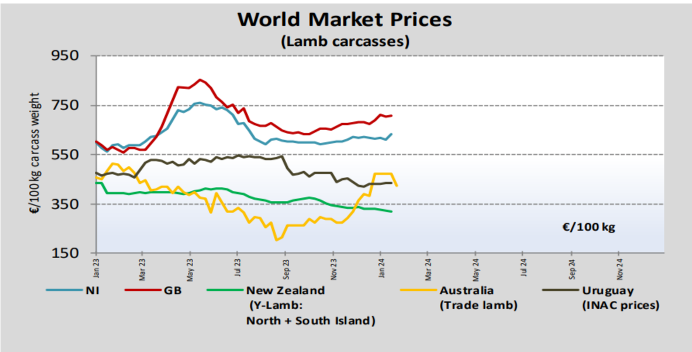
While in 2023, figures from Meat & Livestock Australia show that Australia exported a record-breaking total of 326,014 tonnes of lamb and 209,580 tonnes of mutton, only 2% of the exported lamb came to the UK.

With a year-on-year increase of lamb exports of 30% (to 67,763 tonnes) and an increase of mutton exports by a staggering 70% (to 97,481 tonnes);China is Australia's largest market.

The second largest export market in 2023 for Australia was the Middle East and North Africa, where a 63% increase in volume (up to 95,889 tonnes for sheep meat) was seen compared to 2022.

While sheep flocks are declining in many countries, due to an increasing global population/demand for protein, the Australian flock is increasing.

Farm Gate Prices - A downside to the Australian flock increasing supply is falling prices.

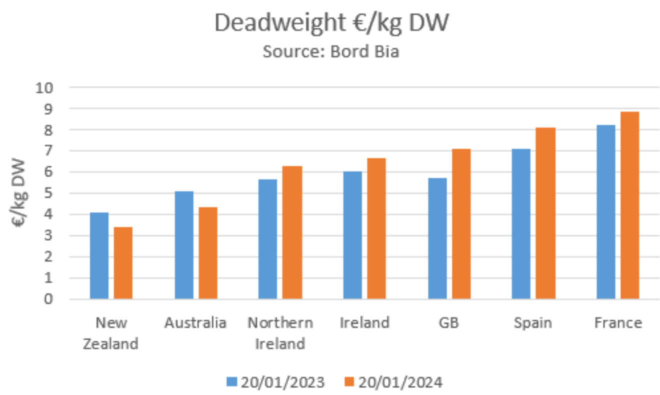


Source: European Commission

With a lower lamb price, compared to other exporting countries in 2023, it is clear to see why importing countries such as China and the Middle East, have increased their imports of Australian lamb.

As Australian sheep producers struggled with drought conditions in the third quarter of 2023, this stimulated more sheep being forward for market due to people destocking. This high number of sheep coming forward severely affected their end price, with a low of 220.9p/kg in September. However, at the end of Nov/start of Dec, the Australian price recovered and has overtaken the New Zealand price.

New Zealand Lamb - With a low NZ lamb price of €3.37/kg (end of week 20/01/24) compared to a Great Britian price in the same week of €7.10, with countries such as China and the Middle East expanding their imports from Australia, could mean that an increased level of NZ lamb is targeted towards the UK in the coming months.



Closer to Home we are approaching a time of high demand for sheep meat with the Muslim fasting festival - Ramadan looking to commence on the 10th of March, with the completion of this month long fasting, ending with Eid-al Fitr on the 9th/10th April - as well as Easter being on the 31st of March.

However, this offers a great opportunity for the NZ product to target our supermarket shelves and compete with our home grown produce.

Is 2024 going to be the year for lamb?

This year so far, the prime lamb market has been very similar to 2023. DEFRA data has shown that there was ~1 million less lambs in the national flock in 2023 compared to 2022.

There were also less store lambs sold in 2023 compared to previous year. So, with a low carry over of hoggs into 2024, this should drive the spring prices.

Currently, the store ring is at a premium, with lamb values being around 20% higher than the start of the year, showing the confidence in the sector.

While the NZ lamb, may interfere with our easter and Ramadan market, the European export demand is strong, which should keep prices at a premium through hogg trading.

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What is happening in the EU?

For many years, the Scottish Government followed the requirement of EU membership to report on national agricultural economics directly to the EU. This involved recruiting over 400 farms in Scotland to participate in the Scottish Farm Business Survey.

This data gathering informs the iteration of the CAP, as well as delivering economic insights for Governments on the economic viability of farm businesses, providing the evidence base to inform agricultural policy decision making. It also delivers a national group average for businesses benchmarking.

When we look at the EU legislative transition from Farm Accounts Data Network to Farm Sustainability Data Network, the EU is concerned primarily about measuring and monitoring four key themes: 1. Nutrient Use and Management, 2. Biodiversity, 3. Generational Renewal, and 4. Market Integration.

The focus on Generational Renewal in the EU reflects the oft observed aging agricultural workforce statistic, a global agricultural and food production problem, for which Scotland is not an exception.

However, standing still is not an option and as the EU prioritises these outcomes, it will be of huge interest to see how policy develops to address securing the workforce for the future of the industry.

Economic, and Environmental Sustainability

There is a wider concept here though. Businesses agricultural or otherwise, are now not only measured by their economics. As primary producers, farm businesses interact with the earth's natural resources to produce food, but also are managing the land for a new range of outcomes, many of them environmental, and which have much potential to deliver financial value.

Further to this, the supply chain is now driving significant change and is looking for ways to support its suppliers to help them deliver on their legislative commitment for scope 3 emissions reporting coming in 2025.

Managing and implementing change in farm business systems to respond to the new sustainability model, comes with its pressures. Its importance in policy development should not be understated, not least to adapt to changing business pressures from the supply chain, but also the industry responsibility to demonstrate value to consumers.

Governments have the financial resources to invest in emissions reduction measures achievable on farm and can support producers on a journey to deliver the carbon and nature value that can be created with changes to management practices on farm.

However, this is not just a financial investment but also an investment of time and personal resource, on behalf of the owners and managers in that farm business, so it is not as straightforward as it sounds.

Why is data gathering still important post Brexit?

Following Brexit, this legislative reporting to the EU is no longer required.

So why is it important to continue to track EU priorities for its farm level data gathering? For a start, Scottish Government has a stated ambition to remain aligned with the EU, but also there is an opportunity to observe their progress on sustainability measurement and monitoring, and what impact their subsequent policy interventions have on the agricultural industry in the EU.

As Scottish farmers and growers grapple with complex sustainability issues, it can be useful for primary producers to understand the international perspective, both for insights as to what the emerging EU legislative issues are, but also for potential solutions, that can be translated to the Scottish scenario.

From a Scottish government perspective, the purpose of continuing government data gathering on farms is to deliver evidence to inform policy decision making, helping policy to support activities on farms that deliver government aims and goals around food production, environmental improvement, and addressing legislative commitments.

It also informs the provision of advisory services to farmers and should deliver data for farms to benchmark their performance against in all measures of sustainability.

Scottish Government has recently published new experimental statistics on Scottish Agriculture's emissions data and nitrogen usage on farm. This farm level information is in its very early stages but is an important development to begin to address the farm level data gaps found in emissions data, especially around quantification of the losses of nitrogen within farming systems.

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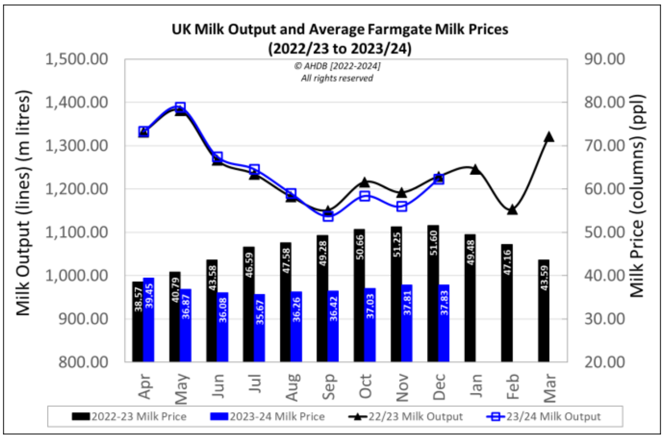
Tough times still ahead…….

- *Milk volumes are increasing as we head into the spring.*
- *Recent GDT auction positive but domestic dairy commodity prices only rose for mild cheddar.*
- *Milk prices are starting to move in the right direction, but cost of production remains high.*

Milk production data

The latest milk production data from AHDB shows that GB milk output for December was 1,121m litres, 4.6% more than November's volume and on a par with December 2022. Daily deliveries were 32.82m litres (w/e 20th January), 0.6% below the previous week and 1.0% less than the same week in 2023. UK production for December was 1,223m litres, 5.4% more than November, as shown below.



Farm-gate prices

The Defra average UK milk price for Dec 23 was 37.83ppl, up just 0.02ppl from November but 27% lower than Dec 2022. The main Scottish milk buyers either held, or slightly increased their milk price for February.

Milk Prices for Dec 2023/Jan 2024 Scotland	Standard Ltr ppl	
First Milk Manufacturing *(4.2% BF & 3.4% Protein)*	Feb	37.00
Müller - Müller Direct - Scotland [1, 2]	Feb	36.25
Grahams[1]	Feb	35.00
Arla Farmers Manufacturing (4.2% BF & 3.4% Protein)	Feb	37.58
Lactalis / Fresh Milk Co.[1]	Dec	34.00

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 *Includes 1.00ppl Müller Direct Premium + additional 0.25ppl haulage charge for Scottish suppliers.*

Dairy Commodities & Market indicators

The latest wholesale prices for dairy commodities for the week beginning 25th of December to the 15th of January only returned a positive price movement for mild cheddar, up £90/t (+3%) on the previous month. There was no change in the butter price. Cream and SMP were down 2% and 3% respectively due to little trade in the post-holiday period and buyers reluctant to purchase too far ahead as we approach the period of increasing milk volumes heading into spring. As a result, the market indicator AMPE was down 0.51ppl and MCVE increased by 1.17ppl.

UK dairy commodity prices (£/tonne)	Jan 2024	Dec 2023	Jul 2023
Butter	4,750	4,740	3,790
SMP	2,170	2,230	2,990
Bulk Cream	2,021	2,054	1,644
Mild Cheddar	3,600	3,510	3,470
UK milk price equivalents (ppl)	**Jan 2024**	**Dec 2023**	**Jul 2023**
AMPE	37.44	37.95	29.66
MCVE	39.21	38.04	35.92

The latest GDT auction (16th of Jan 2024) returned a 4th consecutive rise in the average price across all products sold, up 2.3% to $3,493/t. Butter showed the biggest change, up 5.8% to $5,906/t, and SMP and cheddar were also up 1.2% and 1.0% respectively.

The Year ahead…

Mik price predictions for the year ahead vary. IFCN have optimistically suggested the milk price will hit 40ppl by June and Andersons in their Outlook Report for 2024 seems to think that by the end of 2024, the average milk price calculated by Defra will unlikely be above 36ppl. While the cost of borrowing still remains high, keeping borrowing under control will continue to be challenging. Ideally, with a milk price of 36ppl, and assuming an extra 3ppl income from culls, calves, and other revenue (total income 39ppl), rent and finance should be no more than 6ppl (~15% of output).

2023 Benchmarks from NMR

NMR have released their latest key performance indicator report which benchmarks data from 500 Holstein-Friesian recorded herds for the year up to August 2023. Key benchmarks in production, fertility and health are:

- The average age at first calving was 804 days (26.7 months).
- Lifetime milk/cow/day averaged 12.7kg, up from 10.5kg in 2010.
- The median calving interval was 394 days - 30 days shorter than in 2010.
- The average mastitis incidence was 22 cases/100 cows/year and 70% of herds had a SCC below 200,000 cells/ml.

The full report including benchmark data for the top 25% of herds can be found here: https://cdn2.assets-servd.host/craft-web/production/documents/NMR-500-Herds-KPI-2023.pdf?dm=1705059938

Methane reducing feed additive update

The methane reducing additive, Bovaer® from DSM-firmenich has finally gained authorisation for use in the UK. Proven to reduce methane immediately once fed by on average 30% in dairy cows, the additive should be available for use early this year.

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pHoenix – long-term pH study

The pHoenix long-term experiment is part of the ACE (Aberdeenshire Cropping Experimental) platform. It is based around a pH gradient experiment that evolved from the original Woodlands Field pH plots at SRUC Craibstone's Aberdeen campus which was established in 1961. This had an 8 course ley-arable rotation superimposed across a pH gradient that ranged from soils adjusted to a target pH of 4.5 through to those with a target pH of 7.5 in 0.5 increments.

In 2021, the field where the experiment was located was destined to be developed for housing, so a decision to move the experiment, all 450 tonnes of it, was made as there is still much to learn about the impact of soil pH on crop productivity and nutrient use efficiency, especially in relation to nutrient recycling and the soil and root microbiomes. All of these aspects are increasingly relevant as policy shifts towards environmentally sensitive approaches to food production and carbon audits.

The move also allowed us to redesign the experiment to enable the soils with a 60-year history of pH adjustment across to be compared with soils that were being adjusted more rapidly from around pH 6.0 to the same target soil pH in paired plots. It also allowed us to modify the rotations to compare different cropping systems across the pH gradient: a 7-year ley-arable rotation, a 5-year arable only rotation, as well as permanent ryegrass and permanent mixed herbal ley beds.

Field Beans

The redesign also enabled us to introduce more diverse arable crops such as field beans into the rotation, highlighting a desire by many farms to move away from the fluctuating costs associated with soybean imports and produce their own home-grown protein, along with their nitrogen fixing and soil health attributes.

The mixed-herbal ley, with its inclusion of a range of forage legumes within the sown species, provides similar relevance to the grassland components of the cropping systems. We are still in the early days of the re-invigorated pHoenix experiment, funded through the Scottish Government RESAS programme, but it is clear the pH's of the relocated soils have been maintained and their paired counterparts are now starting to adapt from pH 6.0 towards their new target pH, along with an associated impact on the microbial communities and the different crops (see trial site photo below).

pH - soil health and resource use efficiency

If you can maintain good soil structure, drainage, and an appropriate soil pH, you are well on the way to having a successful cropping system. Ideally, soil pH would be optimised across the rotation allowing all crops to grow well. Growers may give more attention to soil used to grow crops of higher value, or those that are delivering greater public goods, e.g. legumes with potential to reduce N fertiliser requirements later in the rotation, but this is not always the case.

A FAS report based on the Soil and Nutrient Network Farms 2016-2018 indicated 47% of soil samples were less than pH 5.8, 35% were between pH 5.8 and 6.2 and 18% were above pH 6.2. There will be a cost-benefit threshold at which the cost of liming beyond a certain pH will provide no benefit to yield and can even reduce it, and also yield penalties, if pH is too low. If the soil pH is not optimised, fertiliser and other agrochemicals that are applied during the cropping season are unlikely to be used efficiently, leading to undesirable consequences in terms of cost-benefit and potential environmental degradation. Linking into this, is the Scottish Government's "Preparing for Sustainable Farming (PSF)", which focuses on incentives to help farmers and crofters understand their Carbon emissions and sequestration. It also identifies recommendations that can lower these emissions and increase efficiencies. Soil pH testing a key component of the 'Soil Sampling and Analysis' grant.

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Inputs: Calf Management

Calves are the future!

The dairy heifer calves born today will be the milking herd in two years' time. However, a recent study using BCMS data has shown that the calf mortality rate in the United Kingdom in dairy bred calves was 6% which is around double the industry target of <3%.

Combine this with the percentage of dairy heifer calves that don't reach 1st calving, estimated at 15%, and already there is a lot of lost potential in the system. Therefore, it is important that we get the management of calves right to minimise any losses.

From the word go….

One of the most vital stages of a calf's life is ensuring that it consumes colostrum as soon as possible after birth. Not only is colostrum an energy source for the calf but is also contains antibodies which are vital to prevent disease in those first stages of life.

A survey of Scottish dairy calves showed that 14% had failure of passive transfer (FPT) due to poor absorption of colostral immunoglobulins. Calves with FPT have higher incidences of morbidity and mortality as well as long-term effects on productivity.

A European study estimated the cost of FPT to be €60 per calf (~ £52, Jan 24). One of the many potential reasons that FPT can occur can be down to a delay in feeding colostrum.

As it has been shown that a delay in colostrum feeding also delays the colonisation of the beneficial bacteria in the intestines of the calf. Therefore, it is important to remember the 3 Q's of colostrum:

- Quality
- Quantity
- Quickly

In recent years there has been an increase in the number of dairy farmers testing the quality of colostrum produced on their farm and there are a number of practical methods that can be used, one being a Brix refractometer. Calves should be fed colostrum with a Brix reading ≥22%.

In terms of quantity, the general rule of thumb is 10% of bodyweight, which can equate to 3-4 litres. However, it is also vital to ensure that the colostrum being fed to the calf is as clean as possible (i.e. minimise bacterial contamination and proliferation) and as quietly as possible to maximise the rate of absorption.

Following good colostrum management procedures should be regarded as 'money in the bank' when it comes to calf rearing!

Maintaining good health is always a goal throughout the pre-weaning period for calves. The two main diseases amongst calves are diarrhoea and respiratory disease.

An episode of diarrhoea has an estimated cost of £58 and respiratory disease £43 per case minimum. There has been a lot of research conducted into the long-term consequences of having respiratory disease as a calf.

One such area has been in milk production in first lactation. A meta-analysis of the various research studies has shown that respiratory disease as a calf will lead to a 121.2kg reduction in milk production in first lactation (range: 70-525kg). Based on a farmgate milk price of 35p/litre, this is already approx. £42 lost income in that lactation.

What about feeding?

After colostrum has been fed to the calf, there is great debate as to what to feed from that point onwards. Some people will feed whole milk whilst others will feed milk replacer until weaning.

There is also now a growing interest in feeding transition milk (i.e. the milk from the 2nd, 3rd,4th etc milking until it can go into the bulk tank) so that the calf can gain from the residual benefits of this milk.

Advice on calf nutrition is constantly changing in light of the research that is evolving in this area. It wasn't that long ago when the industry was being advised to move away from feeding calves 4 litres of milk to 6 litres. As there has been a lot of work carried out that shows feeding calves more milk in the pre-weaning stage does result in an increase in milk production in first lactation, the advisory rate is now upwards of 8 litres.

There are so many aspects of calf management that need to be considered to ensure that the young animal goes on to have a full and productive life and provide a return on the time and money invested into getting it to that stage, especially when the cost of rearing a dairy heifer to calf at 24 months of age has been estimated to be on average £1,761.

Like the age old saying goes "*if you look after them, they'll look after you*".

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Management Matters: Tenancies

Tenancy Opportunities

Across Scotland there are limited opportunities to enter farming ventures, in part driven by land prices and due to less tenancies coming available.

When a tenancy does come available, they are traditionally one of the following:

- *Grazing/Seasonal Licence*
- *Short Limited Duration Tenancy (SLDT)*
- *Modern Limited Duration Tenancy (MLDT)*

Also, more recently introduced there are Repairing Tenancies and Contract Farming agreements.

Finding a tenancy opportunity can prove challenging. The Scottish Land Matching Service offers those both seeking and offering tenancies an opportunity to be matched up. It is also worthwhile putting your name in with estate factors and at rural markets. It is also amazing what the power of social media can achieve!

Applying for a tenancy

When invited to apply for a tenancy, it is important to be concise and grammatically accurate. Most applications can be submitted digitally so use Word and spell-check to help.

Remember to write about yourself. The landlord wants to know the type of person(s) applying so include your background and experiences in farming. You may be asked to provide references from previous landlords or industry peers who can provide character references. You may also be asked how you would farm the property if you were successful, and what your future aspirations are.

For longer term tenancies, you may also be asked to provide a business plan. You may be given a template to follow, or you can approach the likes of an SAC consultant to assist in the preparation.

It is also important when applying for a tenancy that you are fully aware of the financial obligations expected of the tenant and whether you can service those costs. Having a chat with an accountant or a banking advisor is recommended.

You may also want to consider registering with a solicitor as you may want to have them look over any potential tenancy agreements, particularly for the longer-term ones. It is important as a tenant that you fully understand the terms of the agreement, especially if there is a break clause which can remove the pressure if a venture doesn't work out.

What a landlord is looking for

When letting a property, a landlord or their Factor are looking for a tenant who has the skills and enthusiasm to run the property, whether that's an upland hill farm, arable unit, or dairy farm. Finances are a big contributor, but so also is having a good working relationship between landlord and tenant.

In some situations, a landlord may favour a New Entrant due to the opportunity available to them to put in an application to the National Reserve for entitlements. In the current climate, many farms still require the Single Farm Payment to help pay rent, especially in the first few years.

On a final note, a mention needs to go to the changes to the Agricultural Policy in 2025. Presently, there is nothing to contravene any of the aforementioned, but caution should be exercised when making any major commitments.

Where to find further information

Further information on tenancies can be found at the following sources:

- *Farm Advisory Service*
- *Scottish Land Commission*
- *SAC Consulting*

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Key Economic Data

General Indicators		Price indices for November 2023 (Defra 2015 = 100) Updated 31/1/24			
		Latest agricultural price indices - GOV.UK (www.gov.uk)			
		Output Prices		**Input Prices**	
Base interest rate	5.25% (5.0% 22 June 23)	Wheat	119.4	Seeds (all)	131.4
ECB Deposit interest rate	4.0% (3.75% Aug 23)	Barley	140.6	Energy	162.7
UK (CPI) inflation rate	4.0% (target 2%)	Oats	161.0	Fertiliser	162.3
UK GDP growth rate	-0.1% (Q3 2023)	Potatoes	195.5	Agro chemicals (all)	128.2
FTSE 100	7,674.62 (31 Jan 2024)	Cattle and Calves	133.1	Feedstuffs	136.1
		Pigs	135.4	Machinery R&M	120.8
		Sheep and Lambs	122.0	Building R&M	137.1
		Milk	129.5	Veterinary services	105.7

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