

Messages from Expansion and Financial planning Workshops

With less than 14 months to go until quota abolition, the Joint Programme team ran a number of expansion and financial planning workshops across the Lakeland region from November to January. The objective was to provide practical information to suppliers to help with their decision-making on expansion. There were 7 events held in total with approximately 300 farmers in attendance.

The workshops were interactive events with farmers working in small groups assisted by the Joint programme team. The groups were given the task of developing a business plan for a case study farm considering significant herd expansion. Four key areas were discussed in detail:

- 1) Feeding the expanding herd
- 2) Purchasing the right stock
- 3) Investment needed on the farm
- 4) Financing the investment.

To make the expansion work and make the dairy enterprise more profitable, the farmers in attendance highlighted a number of key areas that needed to be addressed. Some of the key messages identified were:

- There is an urgent need to improve grass and silage production on our farms in order to meet the feed demands of the expanding herd. To achieve this, the farmers highlighted the importance of improved roadways, fixing soil fertility and having a reseedling programme in place on the farm.
- Improving the quality of stock on farm was critical in improving performance. Any stock being purchased should be bought based on their EBI, Milk solids and fertility figures. This will help improve the genetic merit of the herd.
- Large scale expenditure on buildings such as milking parlour was not justified unless improvements in grass growth and performance were achieved first. Machinery spending is a drain on finance and ties up capital.
- Financing farm development with short term loans puts a lot of pressure on cash flow of the business. A 10-15 year loan term would relieve some of the cash flow pressure in the first couple of years of development.

A common theme across all workshops was farmers' reluctance to use borrowed money for farm developments such as reseedling, roadways, water and soil fertility; most wanted to finance these tasks directly from cash flow. Trying to do this work from cash flow only creates problems where significant investment is required. It places a lot of pressure on finances in the short term and delays the necessary land improvements. Investing in the grass growth capacity of your farm gives a much better return on borrowings than machinery or buildings.

Assessing the Fertility Performance of your herd

All farmers should have received an ICBF Co-op performance report for 2013 last month. This report allows each individual farmer to compare performance against fellow Lakeland suppliers. One aspect that the Co-op performance report looks at is the fertility performance of your herd. A key measure of fertility is the herd calving interval. The example below shows an average calving interval of 413 days compared to the Lakeland average 409 days. With the top 10% at 372 days, the report highlights that herd fertility is an issue on a lot of our farms and is impacting greatly upon the performance of the herd.

	Your Herd	Lakeland Average	Lakeland Top 10%	Your Rank out of 100	Your Star Rating
Fertility & Calving data based on HerdPlus 2013 Calving Report					
Calving Interval (days)					
Average number of days between successive calvings for cows calved during the period	413	409	372	38%	* *

With many of your herds currently in the main calving season, the next 6 weeks is a good time to assess your herd fertility performance. Listed below are some of the key measures to assess herd fertility performance and what the top 10% of farmers are achieving.

Performance Measure	Your herd	Top 10%
% calved in first 3 weeks		50%
% cows left to calf > 25 th March		< 10%
% heifers calved in first month		100%
% assisted calving		<5%
% problem cows (retained placenta, milk fever etc)		<5%
Number of AI bred replacement heifers		28 per 100 cows
Calving Interval		< 370 days
% of heifers 24 months age at first calving		98%

When you next hear from us next on the 15th March, the top 10% of farmers will only have 10% of the herd left to calve. **How will your herd be performing?**

The joint Programme will hold a number of fertility events in late spring addressing issues involved with improving fertility performance. Details will be available in the next joint programme newsletter.

For further information & advice contact any of the joint programme advisors

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