



The Farm Consultancy Group

Issue 89 -
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Welcome to our 89th edition of the newsletter. Included in this months newsletter are articles on our new grass and forage seed catalogue, facts and reminders, renting out your farm, vitamin updates, forage assessment, BPS 2018, commodities updates, and soil analysis.

Your feedback and comments are most welcome. If clarification is required, please contact the article contributor or for more articles and news visit www.fcgagric.com.

Edited by Gerard Finnan of David Bardgett Ltd and The Farm Consultancy Group Tel: 07976 426420.

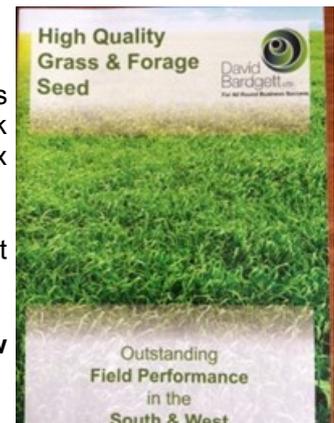
New Grass & Forage Seed Catalogue - Andrew Jones

Our all new Grass & Forage Seed catalogue is now available.

The standard mixes available are similar to previous years with some varieties updated. The layout of the catalogue seems more user friendly and feedback has been positive which is pleasing to hear. We can also have a bespoke mix made to suit your individual requirements.

We have also included information on the forage crops available i.e. Fodder Beet & Stubble Turnips, Herbal Leys and Countryside Stewardship Seed Mixes.

For a copy of either this or our Maize Seed catalogue, contact Andrew Jones on 07717 442888 or email andrew@davidbardgett.co.uk



Facts & Reminders - Rachel Reed

Countryside Productivity Small Grant Scheme Application Deadline is 14th March 2018.

2019 Countryside Stewardship Application Deadlines – Mid Tier & Simplified Schemes - Application Forms Requests by 31st May 2018, application deadline is 31st July 2018. Hedgerow Boundary Scheme, application deadline is 30th April 2018. Higher Tier, application deadline is 5th May 2018.



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2017 BPS: Bridging Payments RPA will write to unpaid customers towards the end of March giving more information about bridging payments and if they are eligible. Eligible farmers who haven't received a payment by the end of March will receive a bridging payment of 75% in April. This is based on what the RPA expect to pay you! Hardship cases should have a top up to this 75% if they have already received an interim payment.

National Living Wage and the National Minimum Wage - The rates change every April

Year	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2017	£7.50	£7.05	£5.60	£4.05	£3.50
April 2018	£7.83	£7.38	£5.90	£4.20	£3.70

Contact Sophie Cahill on 07496 587011 or Rachel Reed on 07980 294816.

A copy of this newsletter can be downloaded from our website @ www.davidbardgett.co.uk



Is Renting Out The Only Option? – Phil Cooper

Farmers who are looking for an alternative to farming in their own right, may be because they wish to pursue other options or they wish to retire, often think that renting out the farm is the only option to enable a third party to come in and farm. Yes it is an option, but it is not the only option.



Renting out has the advantage of being a fixed, low risk, annual income, alongside freeing you from the management of the farm, but it could have inheritance tax implications in the future, particularly for the farmhouse. If your accountant is happy that the tax implications are not significant then renting may be the best option. However it is not the only option.

There are two other options that should be considered: Share Farming and Contract Farming, which are not the same.

Contract Farming involves a third party being instructed as a contractor to come in and provide the machinery, labour and other contract work for the farm in return for a contractors charge and a share in the profit. A separate bank account is set up and all costs and income are passed through this account. The farmer/owner receives a first charge and a smaller share in the profit. Management decisions are taken jointly, but the farmer still has the overriding say. The farmer still owns the farm, is still carrying out the farming activity thus protecting the tax reliefs he may be due in the future.

Share Farming is based around sharing the costs and income of a business based on each parties share of the capital invested. For example the farmer may provide the land and buildings and the third party may provide machinery and labour. These inputs are capitalised and the resultant percentage shares used to determine how much income and what level of costs each party is responsible for. Again the farmer is still the owner of the farm and management decisions are made jointly.

Both these options have their place depending on what each party is looking to achieve and it is advisable to consider both of them alongside renting out before committing to a future plan. The contract/share farming options offer the advantages of the farmer remaining in farming, whilst still having a low risk income annually, but not having to give up full control of their farm to a third party as with renting out.

If you would like to discuss any of these options and how they may work for your individual business, please contact Phil Cooper on 07798 673665 or at pccooper@fcgagric.com

Vitamin Update - Andrew Jones

Mineral prices have increased dramatically since the beginning to this year, mainly due to a fire at a BASF plant in Germany. While the plant itself did not produce the vitamins, it produced Citral, which is the medium used to produce many vitamins.

It is anticipated that the plant will not be operational until the end of March at the very earliest. After the initiation of Citral production, down-stream products will be manufactured in a step-wise approach. Realistically with production ramp-up, lead times and regional delivery followed by more lucrative markets (i.e. cosmetics) being supplied first, there is not expected to be an easing of vitamin pricing for the agricultural sector until the third quarter of 2018.

Even with BASF in full production the all-time low prices of summer 2017 are not expected to be repeated, mainly due to China's reduction in factory capacity for environmental reasons.

As well as supplying standard mineral mixes we also can supply bespoke packages based on your current mineral or from analysis of your forages and feed etc. For more information contact Andrew Jones on 07717 442888 or at andrew@davidbardgett.co.uk



Cheap Keep? – Gerard Finnan

This is the time of year to assess what forage you have and look for additional land if you are short. Grass keep can be offered locally on private deals for as little as £30-£50/acre, with the owner claiming BPS etc. This is cheap when you tell 'Joe Public' how big an acre is, but is it value for money? This is probably neglected land with no soil analysed for years, overgrown hedges, access only April-October as sheep may graze in winter and has poor sward quality. Yet many farmers will make silage off it, graze heifers on it and think it good value for money.

It probably is 3-4 miles from home. If dairy heifers grazed on it, they will grow at 50% of target to calve at two years. It will be poorly fenced and the silage made on it will be either 70% of target quantity or be second quality which is fed to those same summer grazed heifers.

The result may be heifers calving 4-6 months older than target or if on target, 500kgs extra concentrates fed at cost of £100/heifer. On top of this you grow only 60% of output of grass that you do on your owned land. The big difference is that you haven't got longer term security to invest in the land.



Would the money on the grass keep be better spent on your own land?

Say 20 Ha keep @ £125/Ha equates to £5k rent saved. You lose 120T of grass DM production (20 x 6T/Ha) but if this is spread over your own 100 Ha at home 1.2T DM/Ha extra growth required to make up for the lack of rented land.

The rent saved and invested per owned Ha equates to £50/Ha. This would buy 200T Lime or 20T Potash or 16T Phosphate to improve output of own land. A combination of these would lift the fertility on average soils to grow another 1-2T DM/Ha over a 2-3 year period without reseeding (+ 10-15% production). Unless all your soils are at optimal fertility you are not exploiting the true potential of your farm's ability to grow forages.

By not renting the cheap keep, you could be saving labour, saving transport and machinery costs, growing your animals faster and more efficiently without the threat of losing that cheap keep! Soil test today before cattle are back on the land and act on the results this spring and summer.

To discuss further, please contact Gerard Finnan at gerardfinnan@fcgagric.com or on 07976 426420.

Basic Payment Scheme 2018 – Sophie Cahill

The RPA have confirmed that the 2018 Basic Payment Scheme window will open on 13th March. This is two weeks later than in 2017, thereby shortening the application window. You are probably aware that the RPA have been doing a huge amount of remapping, some of which will have to be corrected before the application deadline on 15th May. Having already checked the remapping for some clients, I have found the changes to be a mixture of changes in field size, change to field number and the removal of ineligible features. The changes in field sizes that I have seen are minimal and should be correct as the RPA's mapping technology improves. It is the removal of ineligible features that is a greater concern, as they will then all have to be registered again using an RLE1 form. The RPA will, likely, be inundated with RLE1 forms to process this year and they will not necessarily be done before the close of the application window. It is important to make sure that your BPS application reflects any RLE1 changes that you have sent to the RPA.

Any mapping changes that have been made by the RPA will be detailed in the 'messages' section of your online RPA account. I would advise you to log in now and check these messages and the changes to your fields, so you can start the process of correcting any issues, if required.



Commodities Update - Andrew Jones

In the last month the pound has weakened slightly against both the euro and the dollar.

Since my last update the Global Dairy Trade auctions have seen another increase of +5.9% (06/02) but have then seen a small fall at the last auction -0.5% (20/02). Butter, Rennet Casein & Whole Milk Powder were up. Anhydrous Milk Fat, Cheddar & Skim Milk powder were down enough to create an overall negative.



Milk Powder - Milk Powder has seen a small increase of 1.3% over the last month due to the overall increase at the GDT auctions and the weakening against the euro.

Feed - Soya prices have jumped from £300/t to £360/t on the spot market, and by about £40/t longer term. Drought in Argentina and the resulting forecasted yield reduction has caused the market movement.

This has resulted in rape meal prices up £20/t to over £200/t. Wheat, barley and wheat feed have all just crept up slightly in the last month.

Fertiliser - CF have haven't changed their prices for Mar/Apr. No change in Urea price but P & Ks can expect an increase in price. Future Urea prices are increasing as China shuts down more coal fired power stations to combat air pollution.

Suppliers are saying that they haven't done the expected business for this time of year and so if you want to ensure you have what you need for at least the first couple of applications this season **please contact Andrew Jones on 07717 442888 or at andrew@davidbardgett.co.uk for a price ASAP.**



Soil Analysis Today! – Gerard Finnan

Probably the best return on investment on your farms is in your soil, and fertility is just one aspect in this complex yet crucial resource in your business. From dealing with some top grass farmers in our consultancy business, I note that they grow 15T+ of grass per Ha, but not all their soils are at optimum fertility and there can be differences of 50% in production between the worst and best producing fields. For the average farmer the gap is even wider and less land at optimum fertility levels.

Improving a P Index from 1 to 3 grows 1.3T DM/ha
Improving a K Index from 1 to 3 grows 3TDM /Ha more.
If pH is between 5 and 6, you are wasting a third of fertilisers applied.
 Nowadays, no one sells you Lime P+K, you tend to buy them! It is in your best interest to act and spend £1-2/Ha to test your soils and then target the lowest results to get the biggest return on investment.

Contact Gerard Finnan today on 07976 426420 or at gerardfinnan@fcgagric.com and get your fields analysed. It will be the best money spent this year if you act on the results. Every 1T DM/Ha extra used is worth £120-£160/Ha extra profit to livestock farmers.



FCG Sherborne Office:

Tel/Fax: 01935 850093
 Email:
midwest@fcgagric.com

4 Trent Court
 Trent, Sherborne
 Dorset, DT9 4SL

