



The Farm Consultancy Group

Issue 94 - August 2018



David
Bardgett LTD
For All Round Business Success



Welcome to our 94th edition of the newsletter. Included in this months newsletter are articles on nitrogen, making a will, the farm community network, commodities updates, outwintering, catch crops and how to calculate business rates.

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

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

Don't Overdo the Nitrogen - Gerard Finnan

By the time you read this hopefully the rains will have returned, and your brown pastures will be greener and growing again. The natural reaction when rain is anticipated is to apply Nitrogen and probably up to 25kg/ha N on grazing land. Ideally applying this in a compound with P & K will help the grass sward recover more quickly from its stressed state.

The more N previously applied the shallower the grass roots, the more dependant the sward will be on applied N. But if N hasn't been applied to grazing land in the past two months, there will still be N in the soil from a number of sources:

- Clover will love the drier soil conditions and continue to Fix N from the air.
- Decomposed cowpats and dead grass plants will all be mineralised in soil, though at a slower rate in drier conditions.
- Residual applied N will still be in the soil from the last application as the weather dried out.

Rainfall will provide the moisture to make these sources of N available immediately. Don't be surprised to see the swards green up quickly without any applied N. Where you think the rainfall is not going to be sustained, then maybe apply straight away but still allow for the residual N from the sources previously mentioned.

For grassland and fertiliser options this autumn, contact Gerard at gerardfinnan@fcqagric.com or 07976 426420.

Where There is a Will There is a Way - Ed Warren

Inside this issue:

| | |
|----------------------------|---|
| Farm Community Network | 2 |
| Commodities Updates | 2 |
| Outwintering | 3 |
| Boosting Forage Stocks | 3 |
| Calculating Business Rates | 4 |

I have recently written a new Will and also completed Powers of Attorney. This was something I had been meaning to do and as you get older the decision is easier to make. I would hope all farmers have written wills that are up to date and take into account their farm, family and their partner's wishes. I was again reminded when doing our wills together, that we also appointed powers of attorney not only financial but health as well. By appointing attorneys, you are specifically ensuring your best interests in terms of health and finance are looked after while still alive but mentally incapacitated. I appointed my wife and two adult children for both.

If you are unlucky enough to suffer something severe like a debilitating stroke, it is important for your business/farm that this enables the farm or any other business in which you might be involved, to continue trading and that hopefully your best interests as well as your families are looked after.

Your solicitor can advise you on these extremely important documents that can save pain and heartache for you, your farm and family in the event of an untimely event. Contact Ed at edwarren@fcqagric.com or 07434 723443 or your solicitor.



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



Farm Community Network - Andrew Jones



In what can only be described as a 'once in a generation' year, with an exceptionally wet spring which turned very quickly into the driest start to a summer since modern records began in 1961, we are expecting some to struggle.

Having worked through what was believed to be the worst drought for 1,000 years (based on soil samples) in Western Victoria, Australia in 2006/07, I can understand the strain these pressures can put on a business and relationships. It is no one's fault that you are in this situation as it is purely a position beyond anyone's control. All you can do is try your best to manage a situation that can change from day to day and involves extra planning, stresses and the worry of providing and paying for the cows, staff and family.

All this worry can affect your health and relationships with those around you, and let's be honest farming can be a lonely occupation at times, where you just see the same few family members and/or staff day in day out.

Please remember that there is help available from the Farm Community Network who can help you, or someone you might know that needs help, with farming, business, mental & physical health as well as family matters.



FCN Helpline can be contacted on 03000 111 999 or chris@fcn.org.uk. An alternative to talk to could be the Samaritans on 116 123, or visit the mind website at www.mind.org.uk for local contact details. Other options for concerns over mental health could simply be a visit to your family doctor, or your friends who don't want you to suffer in silence either, give them a ring, go for a beer.

Commodities Update (02/08) - Andrew Jones

Sterling has continued to weaken against both the dollar and the euro. The overriding factor is still Brexit uncertainty. We have seen a decrease in oil price in last month.

Dairy products have continued to weaken on the world market with 5% and 1.7% drops in most recent GDT auctions, but August and September will see a continued increase of farmgate prices.

Milk Powder - There has been an increase in milk powder prices from one of our main suppliers, as we head into the autumn calving period. This is on the back of the weakening of the pound against the euro.

Feed - Soya prices have remained relatively stable over the last month and when compared to the recent increases in rape prices is looking good value for money.



Wheat & Barley have seen an increase, with no downward pressure due to harvest. Yields have been very varied depending on your location. The way things are currently rising, it makes me wonder if we'll see wheat at £200/t this winter?



Fertiliser - Nitram has increased again a further £10/t this last week, so is now over £250/t on farm.

Currently Urea is looking stable at £280/t on farm and looks a good buy vs Nitram. I still have offers of Sept-Dec (their option) delivery and pay January 2019. There are no signs of any downward pressure in the global fertiliser market.

These prices are subject to change, so please call Andrew for an update on 07717 442888.

Outwintering? – Phil Cooper

With the dry weather and no sight of rain, it is hard to see how outwintering crops can be grown successfully this year. Kale planted in May has not really grown and is patchy at best. Stubble turnips require around 12 weeks to grow a reasonable crop, assuming there is some moisture, so would need to be in the ground in early August to be ready for November grazing.

The temptation is to look to house stock this winter instead, providing you have sufficient housing, forage and bedding. Housing stock will increase your costs further, on top what is already likely to be an expensive year.

We recently costed through housing yearling cattle verses keeping them out on just cereal stubble and feeding round bale silage and no outwintering crop. The costings are as follows:

Costs per day housing

| | |
|-------------------------------|-------------------------------|
| Bedding | £0.50 |
| Silage | £0.60 |
| Machinery for bedding/feeding | £0.23 |
| Total | £1.33 per head per day |

Cost per day outwintering

| | |
|------------------------------|-------------------------------|
| Silage | £0.60 |
| Labour for moving fence, etc | £0.10 |
| Total | £0.70 per head per day |



There is no crop cost for the outwintering option as it is assumed that the weather will prevent the establishment this year.

As the figures show, it is £0.63 per head per day cheaper to keep the cattle out on stubble and feed baled silage than housing them. For 50 cattle over a winter of 150 days this equates to a saving of £4,725.

The other benefits include lower risk of disease by not housing the cattle and the muck is spread for you by the animals rather than having to clean out the sheds and spread mechanically. Whilst they may grow slightly slower when compared to housed cattle, we often find that once outwintered cattle go back on to good grass they grow quicker and catch up stock that was housed, i.e. compensatory growth.

Obviously outwintering requires the right soil type, lighter free draining land, good fences and sufficient round baled silage. The point is not to assume that just because you can't plant a crop to outwinter on you that you have to house stock. Contact Phil Cooper to discuss outwintering options further at pcooper@fcgagric.com or on 07798 673665.

Boosting Your Forage Stocks This Autumn - Andrew Jones

With forages and bulk feeds running short, what options do you have to boost forage on your farm this autumn? At some point it will rain!

Two easily available options could be stubble turnips or Westerwold ryegrasses, however just like feed supplies there is a limited supply of these with one variety of turnips no longer available after the failure of the seed crop. The stubble turnips could be part of a forage mix that could include kale, or forage rape as an example, and could be put in after a cereal harvest or any field that could help boost forage.

The Westerwold ryegrasses can be mixed with Italian ryegrasses to provide a 1 year ley, or purely an Italian mix can provide 2 year ley.

We can provide standard or bespoke mixes of the above through David Bardgett Ltd. Both of our Fast Grass mixes can help boost your forage needs with both able to grow in low soil temperatures, with our Fast Grass 1 a mix of 50% Westerwold ryegrass & 50% Italian ryegrass and ideal for following maize while providing a boost for 8-12 months. With maize likely to be early this year it might just provide a cut of silage this autumn or an early cut/grazing next spring. Maybe think about sowing this on what is traditionally some of your drier ground to allow for late/early access.

For your grass and forage crop seed options, give Andrew a ring on 07717 442888 for a competitive quote on the latest varieties.

Calculating Business Rates - Anna Tabor

Business rates are often overlooked when looking at diversification opportunities. The cost of business rates can reduce profits that you may have expected to receive from these opportunities.

What buildings/land are not exempt from business rates?

Whilst many believe that all farmland is exempt from business rates, this is not necessarily the case. It is a requirement that all land must be classified as **agricultural**, therefore land and buildings that serve a **multiple purpose** such as shooting locations or point to points, are likely to face business rates. Generally, land and property will become rateable if more than 5% of income is from sources that are *not* covered by agricultural exemption.

How to Calculate Business Rates?

1. Business rates are calculated based on 'rateable value' – (the open market rental value on 1 April 2015), based on an estimate by the VOA. You can find this on www.gov.uk/correct-your-business-rates.
2. The table below is used to find out which multiplier to use. If your rateable value is worth £51,000 or more, you must use the standard multiplier. If it is below £51,000, use the small multiplier. This is then multiplied by your rateable value, showing you how much you may have to pay in business rates.
3. Take away any **business rate relief** that you may be entitled to. If your business rates are increasing as a result of the 2017 re-evaluation, this may include transitional relief, whereby changes to your bill are phased in gradually.

| Year | Standard multiplier | Small business multiplier |
|--------------|---------------------|---------------------------|
| 2018 to 2019 | 49.3p | 48.0p |
| 2017 to 2018 | 47.9p | 46.6p |
| 2016 to 2017 | 49.7p | 48.4p |

Before 2017 to 2018, use the small business multiplier if your rateable value is below £18,000 (£25,500 in Greater London).

Business rate relief is also available to farmers when a property's rateable value is less than £15,000 and their business only uses one property. Additionally, no rates will be payable where the rateable value is below £12,000. For properties that face a rateable value of £12,000 - £15,000, relief is gradually reduced from 100% to 0%.

For more information about business rates, visit the [gov.uk](http://www.gov.uk) website at <https://www.gov.uk/introduction-to-business-rates>, or contact Anna on 01935 850093, or email annatabor@fcgagric.com



FCG Sherborne Office:

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

4 Trent Court
Trent, Sherborne
Dorset, DT9 4SL