



## Dairy v Beef Fortunes – some costings for you to compare with

Often farmers use base line figures of MOPF or MOFF to compare their performance but ignore fixed costs such as bank charges, machinery leasing charges, rent etc. The figures below are what I see as an average as opposed to being a reference table for the top 10%. They are not untypical of a 100 cow dairy herd. When comparing these figures with your own be honest, and consider all costs to identify savings. In my opinion the real danger costs are bank loans, leasing, and becoming over mechanised - keep the operation as simple as possible. Optimising milk price through producing clean, high quality milk has to be a priority.

Beef costs are overleaf. **If you require any assistance with calculating your own costs please contact the office.**

### Dairy Costings based upon a 100 cow herd producing 7000 litres.

Output	Item	Per Cow	Per litre	Farmers Own
Milk sales	7000 litres at 27ppl	1890	27	
Calf sales	100 calves, 30 kept, 4 deaths, 76 sold av price £150	114	1.6	
Cull Sales	20 sold at £720	144	2.0	
Total Sales		2148	30	
Cost				
Feed	330kg/litre @ £250/t	577	8.2	
Other feeds		50	0.7	
Vet		100	1.4	
NMR		30	0.4	
Straw and Sand		36	0.5	
AI		70	1.0	
Dairy Chemicals	Range£ 48-55/ cow	52	0.7	
Fertiliser	45 ton @ £320	144	2.0	
Livestock Costs	5% of every calf/cull sale	13	0.18	
Contractor	£2000/month silage/ hedge cutting/baling/ slurry spreading	240	3.4	
Seed	£800	8	0.11	
Knackerman		10	0.14	
Rent	£100/acre based on a 160 ac. fm	160	2.2	
Accountant	£1200	12	0.17	
Fuel	Range £1700-2800/farm	22	0.3	
Leasing Charges	Average £800/month	96	1.4	
Electricity	£300/month	36	0.5	
Water	£400/ qtr	16	0.2	
Insurance	£250/month	30	0.4	
Council Tax	£141/month ( for 10 months)	14	0.2	
Drawings	£1000/month	120	1.7	
Labour	£1500/month	180	2.5	
Bank charges	£50/month	6	0.08	
Bank loans	£500/month	60	0.8	
Tel / office	£150/month	18	0.26	
Repairs	Tractor/ buildings and Parlour £2000	20	0.3	
Total		2072	29.74	

Please use the last column to add your own cost simply calculate the cost per litre by dividing the cost of the item by the number of litres sold. E.g. If your total feed bill for the year is £45,000 and you sold 550,000litres of milk then the cost per litre is 8.1ppl

## Beef

For those of you who think Beef is a good option rather than Dairy, we have included some beef budgets as well. Prospects look good for beef as demand increases around the world from a population growing and demanding western style diets. The sting in the tail is the rising cost of feed, fuel and fertiliser

### Single Suckler Cow Gross Margin - Assumes a spring calving herd

Out put	Detail	Cost per cow in £		Farmers Own
<b>Sale of Calf</b>	Calf born in the spring sold in Autumn 7mths old Expect a 5% loss at calving for a calf sold at £500	475		
<b>Less depreciation of cow and bull</b>	8 year life Purchase cost £900 - £700 sale of cull cow over 8 years = <b>£25</b> 4 year life of a Bull cost £2000 - £900 sale of cull bull Over 4 years = £69 / between 35 cows = <b>£2</b> 4% calves purchased as replacements £210 = <b>£8</b>	35		
<b>Total</b>		<b>440</b>		
<b>Variable costs</b>		<b>Clamp Silage</b>	<b>Bale Silage</b>	
<b>Concentrates</b>	1 kg of Rolled Barley @ £155/ton plus £11/ rolling fee on 150 day winter	25		
	Minerals £12/ton used	2		
	Minerals at grass one bucket / three weeks /35 cows- £12.75/bucket	3		
<b>Creep Feed</b>	60kg @ £250/ton	15		
<b>Bedding</b>	0.6 tons per cow @ £100/ ton	60		
<b>Sundries</b>	Tags, haulage, market costs, Knackerman	12		
<b>Vet and Med</b>	Calvings, TB Tests, Wormers, Antibiotics	27		
<b>Silage</b>	25kg x 150days = 3750kg at £16.53/ton 25kg x 150days = 6 bales of silage @ £23.23/bale	62	139	
<b>Fertiliser</b>	750kg/ha of 25:5:5 =3cwt/acre of 25:5:5 at £320/ton Assuming 0.6 cows / acre (6 cows on 10 acres)	29		
<b>Total Cost</b>		<b>235</b>	<b>312</b>	
<b>Margin</b>		<b>205</b>	<b>128</b>	

Clearly this margin differs from the dairy costing in that it fails to cover the fixed costs associated with a business or unpaid family labour. EBLEX cost comparisons for 2011 give an average Gross Margin of £164 / cow and Top third of £222/cow. If the herd size is 40 cows then this will give a total gross margin of £8200 to cover fixed costs.

All too often within a beef herd the calving interval is allowed to drift. This may be intentional to spread the calving pattern and create a spread of sales. However having a spread of calving leads to different ages being fed as one herd; cows going unnoticed and grass growth fails to meet the need of the cow. Late calving cows are more difficult to get back in calf because if the bull is put back in on the same day as last year her ability to get back into condition to conceive is compromised.

Please use the final column to add your costs. Costs for finishers are on the next page.

## RPA - Cross Compliance

Last year inspections revealed more than 2000 breaches costing farmers £2 million in lost payments. The reasons for those breaches were mostly a failure to record cattle deaths and movements, and amongst cattle and sheep producers a general failure to keep records. However there was a drop in the number of reported animal welfare issues and regulations on agricultural nitrate pollution risk- obviously all those PLANET training days you attended and lagoons you constructed.

## R4F & S4P

FREE day of consultancy advice available to look at your on farm resource use. The scheme covers two key areas:

R4F (Resource Efficiency for Farmers) – considers on farm energy use, water, air and inorganic wastes. Please see enclosed leaflets for more information and how to take part in R4F.

S4P (Soils for Profit) – considers soils, manures and nutrients and currently provides a free soil testing kit for new customers, please call 0300 060 1244 for more information.

You can benefit from one or both of these schemes.

## FREE EVENT - Focus on Tenancies and Succession

Understanding your tenancy agreement and the implications of the 1986 Act tenancy successions on both death and retirement. 12<sup>th</sup> October 8.00am @ The Plume of Feathers in Mitchell.

Call RURAL FOCUS on 08456 047 047 to book your place.

### Computers for Rural People Scheme

Individuals, clubs, businesses, schools and not for profit organisations, etc, in rural areas that need access to information and services, are able to purchase fully functioning ex-government computers for as little as £130. The computers are being made available through the Arthur Rank Centre. This is a collaborative unit supported by the National Churches, the Royal Agricultural Society of England and the Rank Foundation. For organisations that need more than one computer; e.g. for a Drop-in centre, School etc. the prices are even lower. Applications can be made at any time.

Full details: <http://www.arthurrankcentre.org.uk/communities-and-farming/computers-for-rural-people>



#### Do you need help with IT?

Ellen our IT tutor is still offering one to one training sessions at the Farm Business Centre at the subsidised cost of £10 per hour.

This can cover any aspect of IT that you need whether you are new to computers or want to improve your skills. Sessions run on a Thursday – if you would like to book an appointment please call Debbie on 01736 352012.

### Addington Fund - Ruthvoes Barn Project

The farming charity, Addington Fund is creating four work/live units by converting a large disused stone barn near St Columb into four homes, a small barn into a workshop and three new build workshops. The accommodation provides one two-bedroom and 3 three-bedroom homes. Workshops will also have under floor heating and three-phase electricity.

‘Over the last ten years we have met several families who cannot continue to farm, for many reasons, but possess skills that they can capitalise on’ says Ian Bell, Director of the Fund. ‘In the past we have been able to assist such families with finding a home, but not a place of business. Our Ruthvoes Farm, project, near St Columb, can provide a workplace and a home’.

Available to rent from October.

For more details visit please contact Addington Fund on 01926 620135,

E: [enquiries@addingtonfund.org.uk](mailto:enquiries@addingtonfund.org.uk) [www.addingtonfund.org.uk](http://www.addingtonfund.org.uk)

## Mud on the Road

In a recent court case a motor cyclist slid on mud on the road claiming £9000 of damages against the farmer for allowing the road to become muddy, and against the Highways Authority for failing to deal with the situation.

The landowner had erected signs, employed a contractor to clean the roads with a sweeper and contacted the Highways Authority for advice who then put out more signs in the affected area.

The Judge ruled the farmer had taken all reasonable steps to manage the hazard, he also ruled in favour of the Highways Authority leaving the motorcyclist to pick up the legal costs of £80,000.

### Guidance

It is recommended where a significant amount of mud is taken out of the field onto the highway, the following actions should be taken;

1. Signage on highway saying "Caution Mud on Road" must be put out warning vehicles of the hazard
2. Signs placed sensibly to allow time for vehicles to slow down before mud is encountered
3. Signs should be statutory colours of " Red background and white letters saying "Caution Mud On Road"
4. Boards with hand writing is not acceptable
5. Signs should be placed on the left hand side of the road leading to the site
6. Signs should be 1050mm x 750mm minimum
7. Where the site is near a junction then signage is placed on all roads leading to the site
8. Where applicable hire a contractor to sweep the road free of mud as is practically possible
9. Inform the Highways Authority

## Penwith Landscape Committee

I was asked to be part of this group along with another farmer to respond to the issues that have arisen following the end of the ESA. The Group is loosely constructed of 2 local Councillors, Cornwall Wildlife Trust, National Trust, AONB, Cornwall Council Heritage department, COAST (sustainable tourism) and Natural England.

The aim of the group is not to provide us with yet another project officer and a Toyota pick up, but to identify real economic issues that need to be resolved and highlight good examples of farming and the environment working together.

To this end a consultation process has been instigated. You will have an opportunity to air your views which will then formulate a plan for farming and the environment in Penwith.

I urge you to come forward once the process starts as all too often even though you may own or manage the land your voice may not be heard. Further details will be in the local press once a consultancy to lead the work has been appointed.

### Over 60s Coffee Morning St John's Hall, Penzance

10am – 12 noon every Tuesday  
All welcome

For more details call Stephen Freeman on  
07821 941972

### Contact Us:

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