

BENEFITING FROM BUSINESS PLANNING

Forward planning is a crucial part of any successful business, but it is not always easy for farmers to predict important factors which may affect their businesses, such as market trends and weather. To assist farmers with the planning process, QMS held a series of workshops across Scotland in February.



QMS plans to hold more regional business planning events and workshops later this year. Check local press and the QMS events page for further details.



The business planning workshops were an opportunity for farmers to set aside a bit of time to look at how they might mitigate the impact of Basic Payment Scheme (BPS) reductions, boost margins and determine future farm policy," said Douglas Bell, Head of Industry Development with QMS. They were well attended, and we are confident that many farmers left the workshops with a clearer idea of how to make better decisions enabling them to improve their farms' performance and profitability."

One farmer who attended the Inverness workshop and found it very worthwhile was Alasdair Macnab from Kildun, Dingwall. He said: "The workshop helped me understand the finer details and relevance of analysis of accounts and the correlation of cash flow and accounting in modern farm businesses."

Alasdair and his wife, Gill, farm 152 acres next to the River Conon and Cromarty Firth, where they grow spring barley and keep a herd of 110 cattle. The herd includes 22 pedigree Limousins under the Alagils prefix and 23 Limousin cross suckler cows.

The pedigree cattle have had numerous successes in the show and sale ring, but the cross cows are also an important part of the business and Alasdair said: "We retain commercial cows for three reasons: firstly, so we can take advantage of selling at the local Dingwall market; secondly, so that we can keep in touch with commercial trends through producing and selling stores; and lastly to have a source of home-bred cows and heifers as recipients for Limousin embryos."

Alasdair, a former government vet, maintains a high health status in the herd, which is completely closed with the only purchases being semen and embryos. However, health is not the only aspect of the business to which Alasdair and Gill pay special attention. They know to the last penny how much it costs to rear an animal to one year, two years and to the point of calving.

The driving force behind costing and analysing everything stemmed from servicing the loan which helped them buy the farm from Alasdair's parents in 2005, and from farming with very limited support payments. Alasdair said: "As new entrants, we knew we had to pay attention to detail, adopt new practices and technology, maximise our output per acre and keep costs under control in order to make the business successful."

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With around 22 acres of the farm down to woodland and ponds and the remainder heavy clay soil, the Macnabs have had to invest heavily in buildings for their cows. However, a variety of management tools have allowed them to keep the cost per cow per year at £580, well below the national average.

Alasdair said: "The herd calves in the autumn, which means we can stock cows and calves heavily in the summer and we have pedigree bulls to sell in the spring. The growing cattle go to grass in the spring and are sold at ten months old in Dingwall. Last year, the steers averaged £1,050 and the heifers £940."

Housed cattle are fed straw, draff and minerals, with the cows getting some barley. Growing cattle and bulls also receive compound feed. Little silage is made and Alasdair said: "We only feed silage for three weeks before turnout to help the animals' transition to grass."

This year we are not growing silage, as it is now more economical to buy it in." Alasdair uses technology extensively to help improve his business, such as GPS soil mapping to optimise both grass and malting barley production, and EBVs to produce bulls which are readily sold both privately and at Carlisle and Stirling. One result of focusing on what the market wants is that the increased basic payment, to which he is now entitled, can be used to build his assets instead of shoring up the basic business.

No strangers to business planning, the Macnabs have been through two whole-farm reviews, which they found incredibly useful; however, Alasdair said that there is always more to be learned, and in his opinion the QMS workshops were a brilliant starting point for the industry to move forward.

He said: "We have learned so much from speakers prepared to transfer their skills, and I believe these lessons could put people on the road to saving their businesses by forward planning instead of learning from bitter experience."

Following the recent QMS business planning workshop, Alasdair and Gill plan to continue to make better use of benchmarking in their own business. They have also reviewed their current five-year business plan following the recent course and have a clear focus on what they want at the end of it.+

KILDUN FARM, DINGWALL : AT A GLANCE

Farmed by **Alasdair Macnab** in partnership with wife, **Gill**.

Cost per cow: **£580 a year**

Steers averaged **£1,050** and the heifers **£940**

110 cattle herd, includes **22** pedigree Limousins