



Substantial investment was made in new buildings at Lowbrook Farm in 2000.

Working for financially secure future

Thirty-five year-old Stuart Angell was actively looking for a large herd to manage because he saw it as a challenge and opportunity to expand his business.

"If I want to be financially secure in the future then I need to push the business ahead," he explains.

"There are few opportunities to move to a new unit. The share farming option is a way of expanding without high investment or going into a tenancy. I am just investing in cows and quota."

Stuart has also found additional benefits from the agreement. "Buying inputs for nearly 600 cows gives you a bit of clout when ordering feed and makes a big difference to both units,"

he says.

Another benefit is that only one tractor and feeder wagon are needed between the farms.

"I don't like machinery and I don't like crops but do like animals. Here I can concentrate on the cows and it works very well," says Stuart who reckons he spends 15 hours per week at Lowbrook Farm.

Owen and Stuart have agreed a blueprint for managing the herd and each knows exactly who is responsible for what.

Yields currently stand at 9,500 litres/cow at 4.2% fat and 3.3% protein using 2.8 tonnes of concentrate. Cows are fed a mixed ration in the cubicles with concentrates fed at 0.4kg/litre in the parlour over 27 litres.



Stuart Angell employs and manages the staff who run the Lowbrook Farm dairy herd.

Positive Outlook Needed

by Ken Boyns, MDC's head of Economics



Many commentators have suggested recently that if the UK produced less of the 4bn litres of commodity milk it does at present, farmgate prices would rise. However, this is far from certain.

It should be remembered that to lose all or part of that 4bn litres would require many farmers to leave the industry. Those left behind would probably be the most efficient and/or the most determined to stay, regardless of their efficiency. In this situation milk prices might not rise much because this group of efficient and/or determined farmers may continue to produce milk, even at a low price.

Perhaps, instead of advocating that milk production should fall, we should go back to the theme of last month's column – concentrating on profit not prices.

To focus on profit we probably need to look at three things – efficiency, innovation and having the relationships and contracts that create an environment in which this efficiency and innovation flourish. The industry might benefit if we looked at how efficient our supply chains are compared with the other supply chains they are competing against. (For example, how do GB farmers and GB cheese processors compare with Irish farmers and Irish processors in cheddar cheese?) That would lead to further questions, such as how can we innovate to make sure we have fewer competitors and therefore be the only ones offering the customer that particular product.

We have to be realistic - there is going to be change and difficulties over the coming years. However, UK farmers are among the most efficient in the EU (if not the most efficient). This means we have a good starting position when it comes to being competitive. It appears that it will be crucial that we work together to maximise efficiency against whoever we are competing, and innovate more, in order to reduce the number of competitors.

If real progress is made could we see, instead of permanently falling milk production, 16bn litres of milk produced in the long-term future, compared with the 14bn currently being produced? In this future vision, maybe 14bn litres of this milk could go into value-added dairy products – with the UK exporting much of them, and producing a further 2bn litres of commodity market milk, sourcing it from balancing milk and a core of milk from low-cost seasonal producers. If we are efficient and innovative could this indeed be possible?

For the industry to be successful it is paramount we find out who we will be competing against in different markets in the future. From there we can work out whether we can be more efficient than them, and how we can innovate more in order to increase this competitive edge. This does not mean just at farmer-level but at a whole supply chain level.

If we continue to talk about lower milk production in the UK dairy industry it might be a self fulfilling prophecy.