

**West Devon Business Information Point**

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# AGRI-BIP NEWSLETTER

## Do Rising Prices Mean Extra Profits?

The price of agricultural goods continues to roll upwards with beef and lamb now joining cereals and dairy with significant rises.

At a recent visit to a local abattoir I was greeted by a grinning lairage worker who proclaimed I should be very happy now that I was getting a fantastic price of 270p/kg per kilo for lamb. Yes this is very welcome but it is not enough given recent increases in feeds, fuel and fertiliser. Having carefully costed these I require an additional 30p a kilo for lamb over 2006 prices to standstill. 300p would provide a reasonable return for a spring lambing flock.

At the recent dairy event I understand a firm of consultants had a graphic illustration of where the 8p rise in the price of milk had gone, all but 1.6 pence had been taken by increases in input prices. For cereal farmers it will not be quite as dramatic but even here some farmers are facing fertiliser costs of over £100 per acre, things might not be as rosy as they appear.

Finished beef prices have risen to over 240p per kilo in recent weeks meaning at least £130 rise in the price of a finished animal. This has been very welcome given the very expensive winter that finishers have faced. However, over half of this increase has been passed on to store cattle producers as these have rapidly increased in price over recent weeks. This is not to say that suckled calf producers have not needed the extra income they have gained. However, it just goes to show, that the increase in abattoir prices will not have made a big difference to profits on the vast majority of farms.

Have you any idea what would be a fair price for stock that you produce from your farm? I would hazard a guess that few readers would hand on heart be able to supply a price that was backed up by costings. A supermarket lamb buyer recently stated that one farmer told him that he could produce lambs for a deadweight price of 185p a kilo, whilst others stated they needed 400



pence a kilo. My guess is that the true figure is somewhere in the middle and that the farmer who quoted 185p didn't really know his costs and the farmer that wanted 400 pence a kilo was chancing his arm.

Supermarkets are finally beginning to get twitchy over their supply chain. The message is getting through that there is no longer a subsidy that forces farmers to sell below the costs of production and if they don't pay a sensible price then any farmer who does his figures will pack up. Supermarket buyers are seeking to enter into a dialogue with producers over the price that they pay, that dialogue will not be meaningful if the farmer or group of farmers don't have any understanding of their own figures. I often hear the comment "I am not going to tell supermarkets my costs it will help them keep prices down," actually with the intelligence they have, and with their considerable resources they know already what your costs are. What will impress them is a reasoned argument over pricing based on fact, this has resulted in meaningful contracts with supermarkets that have gained the farmers concerned prices that are good for their business.

We are working with farmers to help them work out their costs of production, if given the fast changing costs of inputs and prices of farm produce you would like help with your costs give us a call. Waiting for a set of accounts some 18 months hence and wondering why the overdraft has increased will just mean trouble.

Stewart Horne

## Do you want to improve your computer skills for business?

Using computers in your farm business? Our beginners IT courses are the ideal place to improve your PC knowledge. Our IT courses are suitable if you want to run your business smoothly, or just want to feel more confident using a PC at work or home. You don't even need to know anything about computers.

Or perhaps now is the time to improve your skills? Whether you are managing records, creating flyers and posters, using the Internet and email there is something for everyone.

These mixed topic workshops will allow you to concentrate on your own needs. For example, if you want to learn how to manipulate spreadsheets, manage records and keep accounts you can do this individually in your own time.

This fast-track learning method will help your business on a day to day basis. Listed in the events section is the range of dates and venues available, if you do not see the topic you are interested in call us on **free phone 0800 592872** and make your request.

### Word processing

Need to write a formal letter to your bank manager? The course begins by exploring the first things you need to know when using Microsoft Word - how to open Word, how to create and save a simple document, how to make changes and how to print out your work. Once you understand the basics, you'll be ready to try out some more advanced features of Microsoft Word. You'll be shown how to change margins, how to use different font styles and sizes, how to copy and move text and how to insert pictures and images into your document.

### Spreadsheets

Why use cash analysis books when a spreadsheet can do the same and much much more. You will use a fast-track learning method to create a new spreadsheet, enter text and numbers and save the data you input. You'll learn how to use formulas to add, subtract, multiply and divide numbers, how to analyse the information in your spreadsheet and how to print off different pieces of information from your spreadsheet.

### Internet & Email

You'll begin by exploring the basic principles of e-mail, the Internet and the World Wide Web. Then, you'll learn all about e-mail using Microsoft Outlook Express from sending and receiving e-mails to using attachments and the address book. You'll be shown how to use Microsoft Internet Explorer to visit and search websites, you'll learn how to fill in online forms and you'll explore ways to stay safe and secure while surfing the net. Using the Internet to source spare parts or comparing prices of machines and inputs will save you money.

### Publisher

Would you like to produce a newsletter or flyer for your customers? This course will give you all the skills and techniques you need to create professional-looking documents using Microsoft Publisher.

Once you've mastered the basics, you'll be shown how to use Publisher to create a range of eye-catching and professional-looking publications from scratch. You'll learn how to position text and pictures on a page, how to select colours and fonts that suit your design and how to use different borders and backgrounds to add impact. A must if you are selling meat or produce direct to get noticed and get that sale.

## Database

Most businesses need to manage large amounts of information - whether it's to let customers know about new products or special offers, keep staff records up-to-date or monitor and control stock levels. Using real-life examples you will learn how to manage information in the workplace. You'll be shown exactly what a database is, how to store data, how to add, amend and delete data and how to sort and order data so that the information you need is always at your fingertips. You'll also discover how to create reports and present the information in your database in a well laid out and professional way. Field records for farm assurance or organic certification bodies are a breeze with a database.



## Bluetongue Continues Its Westward Spread

With continued expansion of the surveillance zone new cases of Bluetongue are being discovered as part of the pre movement testing regime. The recent case in Dorset leaves only Cornwall (as I write) now out of the zones on the South coast. In some ways this assists farmers wishing to obtain stock from within the protection zone. The continued spread is worrying and means any hope of killing the virus through vaccinating the South east livestock population is now past.

22.5 million doses of vaccine are liable to be used quickly if farmers can get their hands on supplies. Currently no decision has been made as to whether vaccination will be compulsory; indications are that it will not be. However, if the virus is to be halted at least 80% of stock

needs to be vaccinated. Stock under 2 months of age will not be vaccinated. Costs of the vaccine are likely to be between 50p and £1 with cattle requiring 2 doses and sheep 1. Vaccine will start to be available from May and I suspect will be used in the South East first before moving along the south coast and then northwards as vaccine supplies increase. Although financial assistance is possible from the EU, it appears unlikely that this will be taken up by Defra due to the net cost being more than a voluntary scheme.

Let's hope we can kill this disease off before it gets going this year.

## EVENTS

### Computer Skills for Business Workshops will be held on the following dates:-

Thursday 27<sup>th</sup> March - Tavy Business Centre  
 Wednesday 2<sup>nd</sup> April - Teignbridge Business Centre  
 Tuesday 8<sup>th</sup> April - WDBIP, Okehampton  
 Wednesday 16<sup>th</sup> April - The White Hart, Modbury  
 Tuesday 22<sup>nd</sup> April - George Hotel, South Molton  
 Wednesday 30<sup>th</sup> April - George Hotel, South Molton  
 Wednesday 14<sup>th</sup> May - East Devon Business Centre  
 Wednesday 21<sup>st</sup> May - Cotley Farm, Lester Bowker's, Whimble  
 Wednesday 7<sup>th</sup> May - Hallsannery Centre, Bideford  
 Tuesday 20<sup>th</sup> May - Hallsannery Centre, Bideford

*There is a nominal charge of £10 per candidate to attend these workshops*

**For further information and to book your place please call us on free phone 0800 592872**

## New Funding Programme

The new Rural Development Programme for England is now live, SWRDA have issued a prospectus which you can download from [www.sw-ruralgateway.info](http://www.sw-ruralgateway.info) it indicates that grants for collaborative activity and

diversification will be available, if you have an idea that you feel deserves grant phone 0845 600 9966 for more information. We will keep you posted as more detail emerges.

## Butchery Training

Thanks to all of you that have responded to last months article regarding butchery training, I am close to having a training package that will support the costs by close to 70% we will get back to all of you that asked for training soon.

## ELS/OELS

Agri-BIP support to apply for Entry Level or Organic Entry Level Stewardship continues. Landowners who have been reluctant to join the schemes have been pleasantly surprised as to how easy it is to gain the points to reach the threshold.

Common options taken up have been low input fertiliser £85/ha, mixed grazing £8/ha (now

available in less favoured areas), under sown spring cereals £200/ha and over wintered stubbles £120/ha.

A 150 acre farm would receive £9000 over a five year period and Agri-BIP would deal with all the paperwork and help you choose the most appropriate options on your farm for a fee of £150 – that's a good return on your money!

## Newsletter Distribution

If you would like to receive your Agri-BIP newsletter by email or fax, send your details through to us at: -

**E-mail:** [team@bipwestdevon.biz](mailto:team@bipwestdevon.biz) **Fax:** 01837 659314

### Address:

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### DISCLAIMER

Every effort has been taken to ensure the information contained in these notes is correct, however, West Devon Business Information Point will not be liable for any loss arising from the use of these notes or any omissions or errors contained within.  
 Agri-BIP is funded by Devon Renaissance / SWRDA, Tamar Valley AONB Sustainable Development Fund, West Devon Borough Council, East Devon District Council, Red Meat Industry Forum, local businesses and WDBIP to provide ELS support / Business development support to land based businesses