



## New year, new business

By Carol Davis, AHDB Farm Economics Lead Analyst

What is the one thing, other than the weather, you can't control? Price!

Therefore, concentrate on what you can control – your costs.

If I knew what drives **your** costs I would tell you. But my fairy godmother wand ran out of batteries last year, so it's up to you to identify your strengths and address your weaknesses.

Improving your performance requires attention to detail and is affected by things **you** can change, but each needs monitoring and reviewing.

Whether it's animals bought or born and sold per year – if you don't produce it, you don't have anything to sell.

Overall measures have a number of key elements and depending on your system include: live births per 100 females put to tup/bull each year; mortality rates; weight for age; purchase price (per liveweight kg).

Success in any of these areas is affected by underlying factors including; fertility, successful AI, measuring weights, good husbandry; efficiency of growing and using forages.

Feed is important, but there is a significant variation in performance. Is your feed, be that concentrates or forage, fit for purpose? Are you targeting the right animals with the right feed types? Price does not ensure quality but you need to compare quality, availability and cost per DM/kg and match types of feed to animals fed. If you're home-mixing, are ingredients analysed so you mix the rations your nutritionist devised? Co-products can vary and finding animals aren't growing as expected is 'closing the door after the horse has bolted' and costly.

Prevention is better, and less costly, than cure. Proper health and biosecurity plans are essential, including appropriate vaccine and antibiotic use, correct dosage and timing – always involve your vet.

Collect the right data and use software that captures your records and produces meaningful reports. It can mean updating systems and perhaps investing in new technology. Running old software on even older computers takes the fun out of everything.

Look at your market specification: what does your buyer want? Weight limits? Fat level? Conformation? How costly are the penalties?

How much does it cost to produce more than **your** system's optimum and **your** resources? Is the extra cost worth the additional benefits?

Plan any capital investments so that you identify why, when, where and how. Don't just do what you have always done, seek advice and budget for any investment.

Good relationships with your people are key to success. Whether employees or family members – listen, ask for ideas, train, reward, keep them motivated in a positive way. Remember to say thank you!

So this new year, get moving, get measuring and lower your costs of production to make sure your business is efficient and lean!

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