

Assessing the business for Better Returns



Capturing information

- No farm business can run today without recording what is happening within each enterprise
- You cannot manage what you do not measure
- Does not have to be difficult or complicated



Data collection

There are many ways to record information:

- Notebooks
- White/blackboards
- Calendars/diaries
- Invoices
- Mobile phones/tablets
- AHDB tools
- Electronic identification

Physical information

Record physical performance to see the position of the current business, eg.

- Dates of start and finish calving
- Lamb weaning weights
- Number of cows with 365 day calving interval

Use the data to benchmark **Key Performance Indicators** (KPIs) to help make management decisions.

Financial information

Gather cost information from sales receipts and purchase invoices.

Split the information between different enterprises, eg.

- Sales achieved
- Feed and vet bills
- Machinery costs
- Electricity
- Rents
- Finance charges

Allocating Costs

All costs must be allocated to specific enterprises.

Costs are split into:

Variable costs (*usually vary with livestock numbers*)

eg. concentrate feeds, forage, vet bills, bedding

Fixed costs (*often allocated on basis of time spent*)

eg. paid labour, unpaid labour, power, machinery depreciation, land resource costs, administration

Calculating the margin

Gross Margin = Sales/Outputs – Variable Costs

Net Margin (Profit or Loss) = Gross Margin – Fixed Costs

Using Key Performance Indicators

- Using KPIs is a good way to assess physical performance against historic farm data and industry benchmarks
- This will highlight the weakest areas of the business which need improving

Suckler herd KPIs

Examples of suckler herd KPIs:

- % calving in first 3, 6, 9 weeks of calving period
- Age at first calving
- 200d weaning weight / kg cow or heifer bred
- Replacement rate (%)
- Total cost / kg output



Store/finisher KPIs

Examples of store/finisher KPIs:

- Average daily liveweight (kg/day)
- % animals hitting target specification
- % animals treated with antibiotics
- Total cost / head / day



Calf rearing KPIs

Examples of calf rearing KPIs:

- Number of calf deaths per calf reared
- Number of cases of pneumonia per calf reared
- Number of cases of scour per calf reared
- Calf daily liveweight gain to weaning
- Calf daily liveweight gain post weaning



Sheep flock KPIs

Examples of sheep flock KPIs:

- Scanning % per ewe scanned
- Average lamb daily liveweight gain to weaning (kg/day)
- Lambs reared per 100 ewes put to the ram
- Lamb losses from scanning to rearing (% of lambs scanned)
- Weight of lambs reared per ewe put to the ram (kg)



Taking costings further

- Producing regular costings gives farmers the opportunity to plan, budget and monitor cash flow
- It will also help identify the impact of any future changes, help make choices about inputs and aid purchasing and sales decisions

Helpful tools

- AHDB Beef & Lamb has developed several tools to help farmers assess their business and compare their performance to others
- Consider using Farmbench, a simple performance comparison tool
- Visit beefandlamb.ahdb.org.uk for more info on the available tools



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