



# Fresh Start

investing in the future

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# HOW GET INTO AND OUT OF DAIRY FARMING



# SNAP SHOT OF THE UK DAIRY INDUSTRY TODAY

## Figures from Dairy Co – Dairy Statistics June 2011

- ❑ Number of UK dairy farms in 2010 =15,716 - down by 688 (4.2%) from 2009
- ❑ Farm numbers fallen by 48% across England & Wales since 2000. North West and Northern England hardest hit

	2000	2009	2010
Number of UK Dairy Farms	28,422	16,404	15,716

- ❑ Number of dairy cattle decreased by 0.5 % between 2009 – 2010. National Herd now 1.85 million

# THINGS TO CONSIDER....

## Figures from Dairy Co – Dairy Statistics 2011

- ❑ Production costs are rising especially for fertiliser, oil and grain
- ❑ Land prices are at an all time high
- ❑ 2006 = £ 6358/ha    2011 = £13,776/ha
- ❑ Financing expansion and new enterprises has become more difficult
- ❑ Need to consider the effect of SPS and reduction of income from this in future years with CAP reform

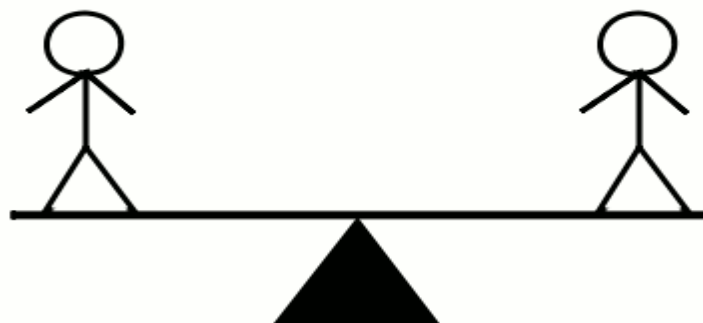
# BUT THE GOOD NEWS....

- ❑ Milk yield per cow continues to increase – average is 7406 litres
- ❑ Although cattle numbers are down, with the yield increases we are actually producing more milk overall
- ❑ Milk prices have risen more in recent months
- ❑ UK is the 9<sup>th</sup> Largest milk producer in the world
- ❑ Some of the highest welfare standards in the world
- ❑ Growing market as the population increases not only for liquid milk but dairy products such as cheese and yoghurt

# THE BALANCING ACT

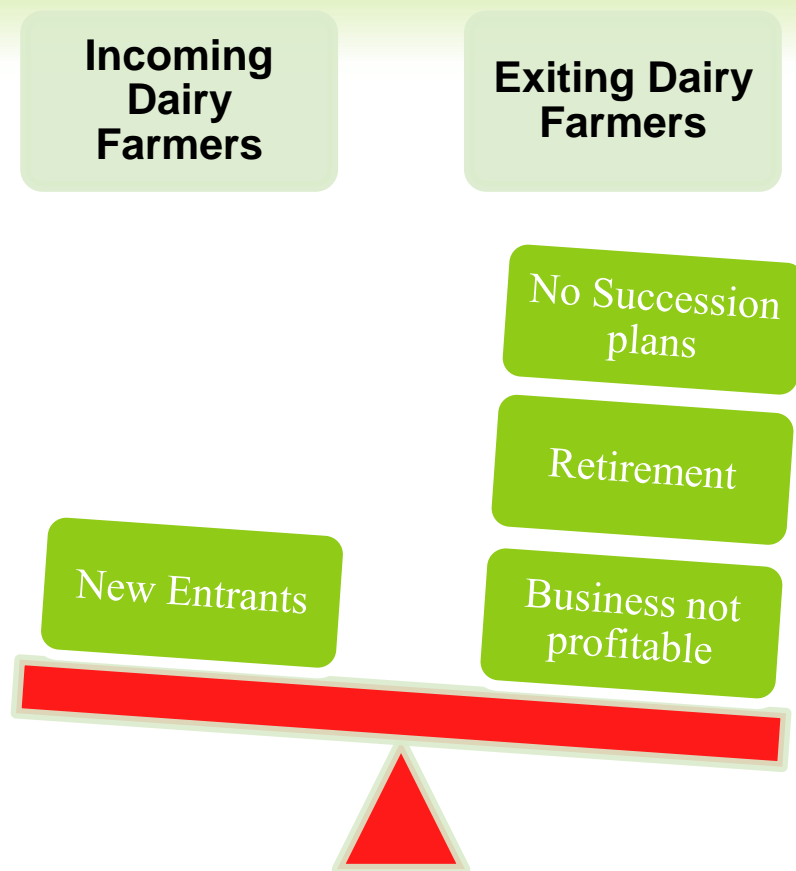
New Entrants

Exiting Dairy Farmers



**SUCCESSION**

# THE BALANCING ACT





THERE ARE POSITIVES WE  
JUST NEED TO MAKE THE  
BEST OF THEM.....

# GETTING IN TO DAIRY FARMING

Are you.....

- Passionate about dairy farming?
- Have good technical and practical skills?
- Adaptable?
- Able to communicate within your industry and with the public?
- Entrepreneur?
- Look for new ways to deal with things?
- Have good business skills?**

# GETTING INTO DAIRY FARMING

- ❑ Open to those from all backgrounds
- ❑ Must have good technical & practical knowledge. Either on farm e.g. Apprenticeship or combination of study and practical via college or similar courses
- ❑ Combine this with business knowledge & training
- ❑ Learn from mentors, ask questions
- ❑ Look at new ways of working and possible markets
- ❑ Be prepared to never stop learning and try new ideas
- ❑ Be prepared to work hard, but ask for help and advice

# GETTING OUT OF DAIRY FARMING

- ❑ Have to plan for succession personally and for the business from early on
- ❑ Housing is a particular problem for tenant farmers
- ❑ Ask for help and advice especially on finances and inheritance, tenancies
- ❑ Talk to others who have already put plans in place
- ❑ Are there other ways to share your knowledge and possibly the farm
- ❑ Could you plan a paced stepping back from the industry rather than the sudden halt of retirement

# TIME FOR ACTION

- ❑ **The whole dairy industry needs to work together for a strong and sustainable future**
- ❑ **All areas of the industry have a part to play, including finance, business training, potential markets and sharing of expertise, land owners, processors and existing farmers**
- ❑ **Need to deal with succession in a more positive way**
- ❑ **Make best use of the excellent training in the UK from all sources**
- ❑ **Look for new ways of helping those getting into and out of the industry e.g. Specialist academies**





# WORLD CLASS DAIRYING A VISION FOR 2020

KITE CONSULTING

*“UK dairy farmers are among the very best in the world. They look after their animals in a way that many other countries can only aspire to and produce a fantastic nutritious, healthy and wholesome product. We believe there are significant opportunities for the UK dairy sector to grow in the next few years if those throughout the dairy supply chain - including consumers are prepared to accept the change is inevitable, that we have to adapt to it, and that if we do not seize the opportunities and overcome the challenges that lie ahead then a less professional industry, in another country, with less skilled farmers will”*

# IN SUMMARY

1. Entrepreneurial spirit required.  
Combine innovation with sound business plans.
2. Learn from those in the industry.  
Finding a mentor can be very beneficial.
3. Succession - important to provide support and opportunities for the next generation and those leaving the industry