

Economic Data from Conservation Grazing Enterprises

Extracts from Nibblers online discussion group

I was wondering if, in relation to an earlier discussion, anyone has had any experience of benchmarking financial data from conservation grazing operations? I appreciate it's unlikely, given Bill's comments below, but I've been looking at a few websites with info on this (specifically Red Meat Industry Forum - www.redmeatindustryforum.org.uk, and the Food Chain Centre - www.foodchaincentre.com) and they seem to offer services that would make it relatively simple to compare economic data.

We work pretty closely with farmers who market their own produce (including our local Wildlife Trust), and have some involvement with marketing initiatives based on traditional breeds. I don't have figures to hand, but would be interested to draw some together should others be interested also.

Hope that all makes sense - I'm somewhat new to this!

Best regards,

Jane Frostick

Grazing Co-ordinator

South Downs Joint Committee

I think these costings are a swamp into which you may sink and never again appear to see the light of day. The Revenue have decided that we have to separate the letting of dwellings from the farm, but letting storage is part of the farm enterprise. We have six cattle grids and one is used for this house which deals with the farm management and has the office, another is for one dwelling, another is used by the farm and the rented accommodation, etc. If you ask a farmer for his costs he will not include overheads and general expenses and almost certainly not his time which is a debatable value presumably. What I fear is that you will end up guessing a lot of numbers and incur much work and so the answers would not stand up to scrutiny, and therefore be useless.

Many years ago I was taught about gross margins. If you get a contractor to harvest your corn then his charges go into the calculation but if you have your own combine then that cost did not get included so it was comparing apples and pears.

I do like the description of an actuary who is someone who finds accountancy too exciting!

Richard M

You have made some fair points Richard.

I have found it very difficult to calculate accurate figures from our own conservation grazing enterprise over the past 5 years. However I think it is important to make a stab at producing a balance sheet with gross and net margins within our little niche area. Our project has attempted

to demonstrate to producers that it is possible to graze rough grassland and make a return through branding and careful marketing.

I think most of us agree that the long term future of conservation grazing needs to be economically sustainable. Without producing the figures how can we persuade the livestock producers that we need to co-operate with us?

With reference to Jo/Bill/Jane's comments I would be very glad to share financial data and perhaps could GAP set up an event that highlights this issue?

Matt Stanway

Cotswolds Grazing Animals Project

I quite agree that the case must be made as how else do you make conservation stand on its own feet.

My view is that conservation is not a land use like food production but much more akin to the fine art market where there is an emotional appeal and should be valued appropriately. That is why on our website, (Penhein.co.uk) I have tried (and failed) to promote the idea of people leasing conservation sites so they can get a buzz from their interest.

That led into wondering about a web cam with a live picture of the conservation area in the reception room of the sponsor's offices to promote the idea. Why? Because working out the true cost is almost impossible so you need to hit the project with a good slug of outside cash to make the scheme tick .

I fear many people who seek graziers, actually expect the grazier to subsidise their conservation which is not the way forward, and conservationists should be able to run your own stock and come out ahead if all costs were defined, but the reality is that they try that and fail and then expect to tap into a graziers expertise on the cheap. If a chap mows your lawn you do not expect him to pay you, so we need new money in large dollops to make progress as the politicians have always been and remain unreliable source of funds.

As regards branding and marketing the theory is fine but I used to sell 600+ lambs and 70 cattle a year but adding value is not so easy as what do I do with 1340 eyeballs and 600 fleeces and 140 hides let alone the rest of the "fifth quarter" but I do think that there is mileage in selling to people who know their meat comes from extensive "natural" grazing but the premium is nowhere near enough to subsidise the conservation.

Even then you are dependent on the meat processors to handle, slaughter, and above all hang the meat properly all of which add costs leaving your share of the premium looking a bit lean.

I was inordinately pleased to hear that Eskimos know that if they feed fresh meat to their huskies they have less pulling power than if the meat has gone off a bit, justifying hanging meat properly, - but just a slight marketing problem !

Richard M

Thanks for resurrecting this Jane.

I still think it would be worth doing and, besides, you would have to start somewhere. The main problem would be in getting all the grazing projects involved to start doing their accounts on a

comparable basis so that their results can be collated. Its clear from exchanges so far that we are using different terminologies and thus maybe, conflicting accounting procedures.

One prerequisite would therefore be to develop a consistent format for recording financial data, one that would be compatible with that used in the standard Farm Business Survey (as per Wye College, SAC etc. John). I'm not sure how important gross margins(to refer to Richard's concern) would be given that area payments are likely to be the main income drivers, but they will allow useful, and perhaps persuasive comparison with more production-orientated livestock systems.

But we will never know unless we actually get on and do it.

best wishes

Bill
