

Malmesbury Monitor Farm meeting report

Meeting 7: Farm labour and power costings and efficiency

Speakers: George Badger and Philip Miles (Strutt and Parker), Harry Henderson (AHDB)

Date: 5 November 2018

Location: Mayfield House Hotel, Crudwell, SN16 9EW

For more information, visit : cereals.ahdb.org.uk/malmesbury

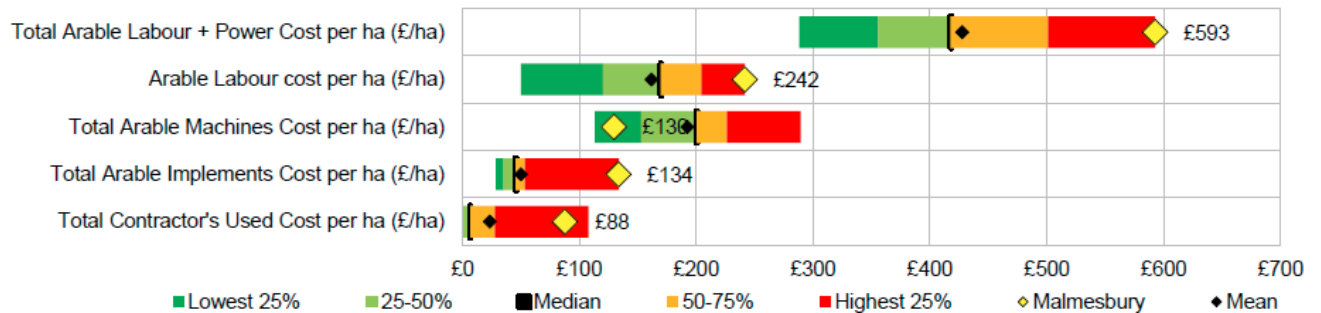


Meeting summary – key messages

- There is no right or wrong labour and machinery policy
- Key questions are:
 - What are your objectives?
 - What work rates are required for particular operations in an ‘average’ weather season?
 - What is your attitude to risk when stretching work rates?
- A farm can be over powered or have over-capacity for machine operations as long as there is good justification. It is important to ask the following questions:
 - Is it all costed?
 - Is the cost of operations known?
 - How does that feed into the overall costs of production in order to be able to market crops at a profitable and sustainable margin?
- Historic depreciation charge is a good starting point as a costing tool, but replacement cost is a better strategic planning tool. ‘Cash is king’!

Benchmarking results – Malmesbury Vs the national Monitor Farm group

Some apparent challenges for the Malmesbury farm but does not mean it’s wrong. The Malmesbury Monitor Farm costs are shown by the yellow diamond in the graph below. The coloured blocks show the quartiles of the rest of the Monitor Farmer’s costs.



Traits of the best 25% nationally

- Low depreciation costs per hectare below £63/ha
- Low repair costs per hectare though tactical hiring and experience
- Low diesel usage per hectare below 100 litres/ha
- Low machinery costs per hour - low hourly cost of running tractor reduced key operational costs such as drilling
- Low cost of combining per hectare
- There was no clear correlation with the size of the farm but most of top 25% was in 500–1000ha range

Future considerations for Malesbury

- High labour and machinery HP per hectare but machinery replacement policy with older kit makes cost per hectare competitive, despite higher repairs
- Capacity available for additional arable hectares which would further reduce costs of production
- Beef enterprise is important to spread costs



Find out more – Links to AHDB information sheets or research

[Machinery cost calculator](#)

[Machinery for farming or farming for machinery webinar](#)

[Farmbench](#)

Next meeting

Date: 3 December 2018

Topic: Better grain marketing post-Brexit

Time: 12:00

Location: The Rectory Hotel, Crudwell

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 [@Cereals_SW](https://twitter.com/Cereals_SW)

The 2018 harvest benchmarking meeting has been held but if you are interested in benchmarking your figures against Roger and other members from the Monitor Farm Group, please contact:

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