

Bridgnorth Monitor Farm meeting report

Date: 21 November 2018

Topic: Fixed costs

Venue: Norton Village Hall, Shropshire

For more information, visit cereals.ahdb.org.uk/bridgnorth



Key messages

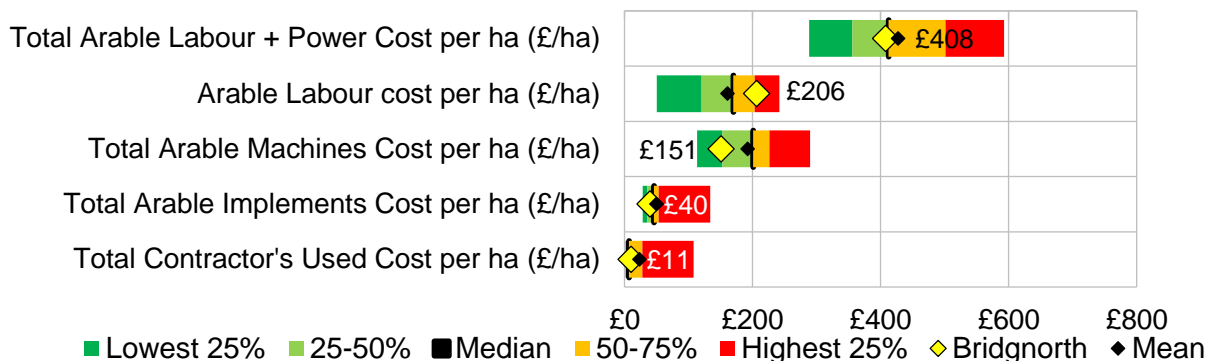
Do you have an accurate idea of your fixed costs?

- Accurately knowing your costs of production can allow you to challenge your business decisions
 - Machinery replacement and hire
 - Staff recruitment
 - Farm strategy
- Impact of potential loss of BPS – payments phased to £0 by 2028
- Benchmark your business to others on a comparable basis – know where you stand
- Highlight opportunities for cost saving, collaboration and diversification

YEN entry results harvest 2018, Bridgnorth Monitor Farm

	Wheat YEN	Wheat Farm Standard	2nd Wheat	OSR YEN	OSR Farm Standard	Triticale
Av yield (t/ha)	10.37	9.88	8.39	4.1	3.95	6
Inorganic N (kg/ha)	240	215	240	265	240	140
Seed (£/tonne)	5	6	11	13	14	9
Nutrients (£/tonne)	19	17	29	40	66	24
Sprays (£/tonne)	17	18	20	48	47	13
Sundries (£/tonne)	1	1	0	3	3	2
Variable costs (£/tonne)	42	42	60	104	130	48

Bridgnorth Monitor Farm – machinery costings



- A labour efficient arable enterprise with labour costs per hectare in the top 25%
- Sensible investment into a cultivation system that is well suited to the farm and consistently delivers performance.
- Staff appear to operate machinery and implements with care which minimises expensive repairs to drills.
- Labour is housed on the farm at a significant opportunity cost for the farm business.
- Yield performance must be maintained to offset the potentially higher costs of establishment.
- Good management knowledge and information provided. Generational planning well underway.
- A similar review may highlight the balance of costs associated with the dairy and beef rearing enterprises.

Recommendations for Bridgnorth Monitor Farm

- Ensure a structured replacement policy to avoid spikes in repairs and purchases, this may include a 10,000 hr tractor policy
- Ensure tax efficiency in utilising annual investment allowance to offset potential tax liabilities
- Potential to use the Amazone cultivator further to establish wheat
- Ensure yields maintained to maximise the farm performance

Find out more – Links to AHDB information sheets or research

[Machinery cost calculator](#)

[Labour and machinery webinar](#)

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

[Farmbench](#)

[Preparing for change: the characteristics of top performing farms](#)



Next meeting

Date: 20 February 2019

Topic: Brexit scenario planning

For more information contact: Richard Meredith

E: Richard.Meredith@ahdb.org.uk M: 07717 493015

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To find out more about Farmbench, AHDB's benchmarking tool, contact: Meg Spendlove

E: Meg.Spendlove@ahdb.org.uk

M: 07815 600240



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