

Chelmsford Monitor Farm Meeting Report

Meeting 7 – Labour and machinery costings

9th November 2018

Galleywood Heritage Centre

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



Meeting Summary – Key Messages

1. Calculate and consider your labour and machinery costings for your farm business.
2. Use these results to plan for future replacement/investment/business changes
3. Consider whether machinery sharing, joint ventures or collaboration as an opportunity for your future business.

Labour and machinery review

The Monitor Farms across the UK have completed a review of their labour and machinery. Alex Hall, Strutt and Parker, considers the benefits of a review include:

- Accurately knowing your costs of production –challenge your business decisions
- 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
- Contracting and FBT tenders, where should you be?
- Machinery replacement and purchasing decisions
- Challenge whether the farming capital, management and labour force can be better utilised on an alternative enterprise or diversification



Calculate your costs using the AHDB Machinery Costings Calculator:

<https://ahdb.org.uk/machinery-costing-calculator>

Once you have calculated your costs, compare to the Monitor Farm costs across the country. Harry Henderson's webinar on this subject is available here:

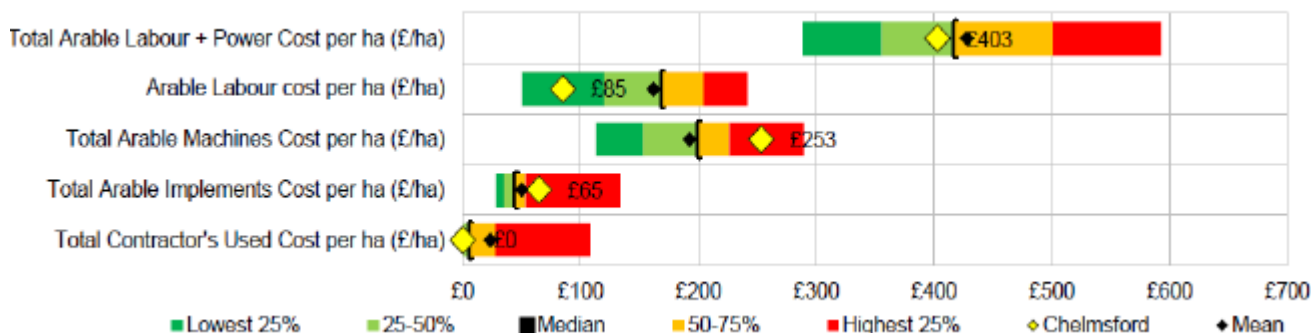
<https://www.youtube.com/watch?v=CEFWN891tp8> and includes analysis of these results from the reviews.

Overall the traits of the top 25% from the survey includes:

- 1) Depreciation below £63/ha
- 2) Low repairs through tactical hiring and experience
- 3) Diesel use below 100 litres/ha
- 4) Size (500-1,000 hectares)

Chelmsford Monitor Farm Results

The results of the Chelmsford Monitor Farm labour and machinery review can be found below – where does your business sit for these key parameters?



MACHINERY SHARING EXPERIENCE – STRETCH (Jeremy Fulcher)

- Had been share farming since 1990 but it was the repair costs and labour that motivated looking to change something in 2016. Linked up with the Coleman's, as they were farming a similar acreage with similar machinery.
- They started farming together, bought machinery (first year = hired a Crawler; second year = bought a Crawler), a combine and drilling operations followed.
- Over the years, they have reduced the number of tractors from 7 to 4, but have retained their own sprayer and forklift.
- The decisions on purchasing machinery are shared and costs are scrutinised: "the only reason that we can afford it is because it is shared 50:50"
- Stretch's tip.... "the biggest thing you have to do is to get on with them"
- Working together has brought the fun back into farming and allowed more time to do more work/leisure off-farm.

Further Information

For details about the Chelmsford Monitor Farm and past meeting information, please visit: cereals.ahdb.org.uk/Chelmsford.

Winter Meeting Dates 2018 to 2019

- Friday 14 December 2018
- Friday 11 January 2019
- Friday 8 February 2019

All meetings will start at 9am with a bacon roll at Galleywood Heritage Centre, The Common, Galleywood, Chelmsford, Essex, CM2 8TR.

Contact Details

- For more information, please contact your AHDB Knowledge Exchange Manager: Teresa Meadows - teresa.meadows@ahdb.org.uk - 07387 015465
- For more details about Farmbench and benchmarking, please contact: Holly Howsam - holly.howsam@ahdb.org.uk - 07767 001543