

Diss Monitor Farm

Meeting Title: Labour and machinery costings

Date: 14 January 2020

Speakers: Simon Wearmouth and Henry Treloar (Brown & Co), Harry Henderson (AHDB)



Labour and machinery review

Take-home messages

1. Know and understand your labour and machinery costs for your business.
2. Use these results to plan for future replacement/investment/business changes
3. Consider cost of specific operations and ownership options (useful life/contract hire/joint ventures etc)

Labour and machinery review at Rookery Farm

The Monitor Farms across the UK have completed a review of their labour and machinery. Henry Treloar and Simon Wearmouth, Brown & Co, considered the outcomes of this review and how Rookery Farm fitted into this context.



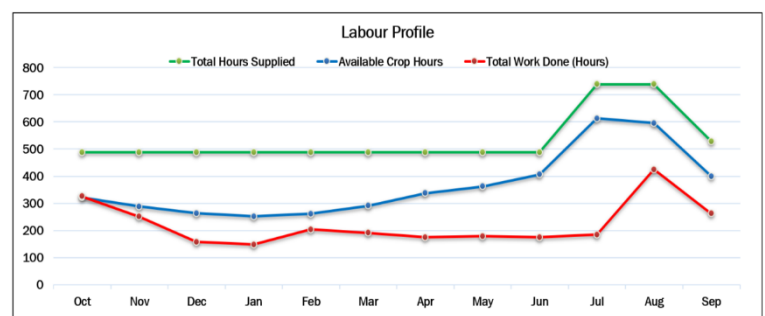
Calculate your costs using the AHDB Machinery Costings Calculator:

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

Richard costs for his machinery per hectare/hour, long with fuel and operation costs were calculated, along with the costs per crop, which were calculated, resulting in:

- 1st WW = £534/ha
- 2nd WW = £494/ha
- W OSR = £477/ha

The labour profile was also looked at in the review and there were discussions around the gap between labour availability and work done, especially at particular times of year. A need for seasonal labour was clear from the profile, but there was capacity with the existing workforce to explore additional enterprises.



The results from across the Monitor Farm network with the labour and machinery reviews were discussed with Harry Henderson with the following costs noted as a summary:

TOTAL ARABLE COSTS FROM THE MONITOR FARM NETWORK:

Description	Min	Lowest 25%	25-50%	Mean	50-75%	Highest 25%
Total Arable Machines Depreciation Cost (£/ha)	£4	£48	£59	£63	£79	£120
Total Arable Machines Repairs Cost (£/ha)	£20	£28	£33	£35	£43	£62
Total Arable Machines Fuel Cost (£/ha)	£28	£42	£47	£49	£54	£86
Total Vehicle Tax Cost (£/ha)	£0	£0	£0	£0	£1	£1
Total Arable Machines Storage Cost (£/ha)	£1	£3	£4	£4	£5	£8
Total Arable Machines Insurance Cost (£/ha)	£5	£6	£9	£11	£11	£36
Total Arable Machines Interest Cost (£/ha)	£0	£9	£11	£12	£15	£26
Total Arable Machines Hire Charge (£/ha)	£0	£0	£1	£14	£11	£143
Total Arable Machines Cost per ha (£/ha)	£113	£153	£201	£193	£226	£290
Total Arable Implements Cost per ha (£/ha)	£29	£35	£46	£50	£53	£134
Total Arable Contractor's Used Cost per ha (£/ha)	£0	£0	£7	£20	£28	£88
Total Arable Power Cost per ha (£/ha)	£154	£218	£253	£262	£317	£351

AVERAGE OPERATION COSTS ACROSS THE MONITOR FARM NETWORK:

Description	Min	Lowest 25%	25-50%	Mean	50-75%	Highest 25%
Drilling (average) (£/ha)	£16	£21	£28	£32	£40	£63
Ploughing (£/ha)	£40	£46	£49	£57	£57	£97
Pressing (£/ha)	£13	£15	£18	£20	£22	£33
Cultivating (disc/tine/pack) (£/ha)	£16	£24	£28	£29	£29	£49
Subsoiling (£/ha)	£27	£31	£39	£41	£49	£60
Rolling (£/ha)	£4	£7	£8	£9	£11	£21
Spraying (£/ha)	£3	£5	£6	£6	£7	£11
Fertilising (solid) (£/ha)	£2	£3	£4	£5	£5	£11
Combining (£/ha)	£41	£56	£65	£66	£78	£97
Carting (£/ha)	£13	£22	£27	£31	£38	£66

Overall the traits of the top 25% from the reviews include:

- 1) Depreciation below £63/ha *Depreciation is the largest cost in running a machine at 33%*
- 2) Low repairs through tactical hiring and experience
- 3) Diesel use below 100 litres/ha
- 4) Size (500-1,000 hectares)

AHDB resources

- Understand your business costs with AHDB's benchmarking tool Farmbench at ahdb.org.uk/farmbench
- [Machinery cost calculator](#)
- [Labour and machinery webinar](#)

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