

Duxford Monitor Farm

Meeting title: Labour and machinery

Date: 17 January 2020

Speakers: George Badger (Strutt & Parker), Harry Henderson (AHDB), Ralph Parker and Matt Doggett



Labour and machinery review

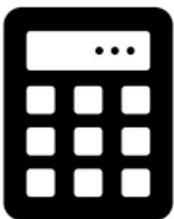
Take-home messages

1. Calculate and know 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 is an opportunity for your business going forwards.

Labour and machinery review for the Duxford Monitor Farms

The Monitor Farms across the UK have completed a review of their labour and machinery. George Badger, 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:

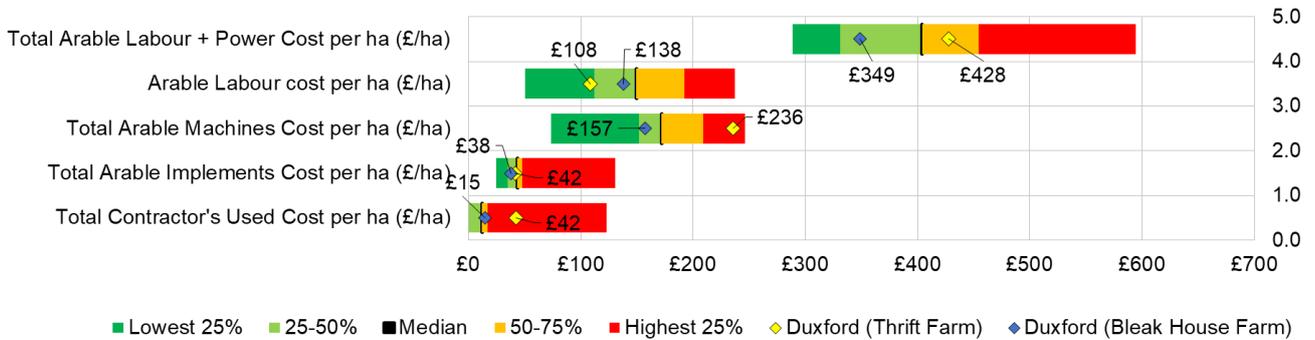
<https://www.youtube.com/watch?v=CEFWN891tp8> and includes analysis of these results from the reviews.

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

- 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)

Duxford Monitor Farm Results

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



Since the review both of the Duxford Monitor Farm businesses have now made changes to their equipment. One example is Thrift Farm, which has now changed from two trailed sprayers with a spraying operation costing £6.50/ha to one hired Horsch PT 280 (36m; 8000lt) with a cost of £5.50/ha.

Monitor Farm Network Results

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

Machinery sharing

Two of our fantastic Steering Group members and local farmers, Matt Doggett and Ralph Parker also shared their story of collaboration, machinery sharing and sharing equipment to the benefit of their farm businesses. A full write up of this can be found here: <https://www.fwi.co.uk/machinery/advice-on-managing-machinery-costs-before-bps-phase-out>.



AHDB resources

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

Contact details

For more information contact: Teresa Meadows

E: Teresa.Meadows@ahdb.org.uk

M: 07387 015465

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