

Hale Village Monitor Farm

Meeting title: Labour and machinery review

Date: 6 February 2020

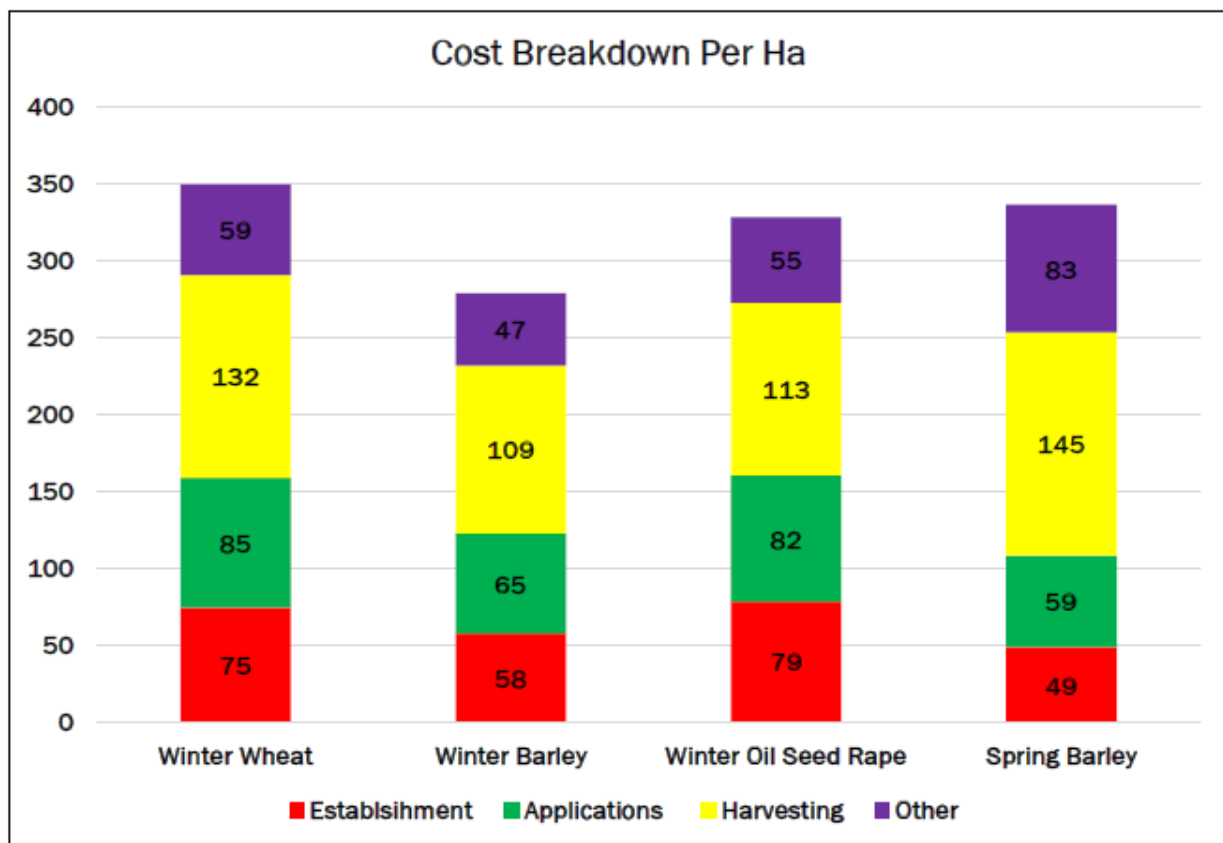
Speakers: Rob Meadley (Brown & Co.), Harry Henderson (AHDB)



Labour and machinery review

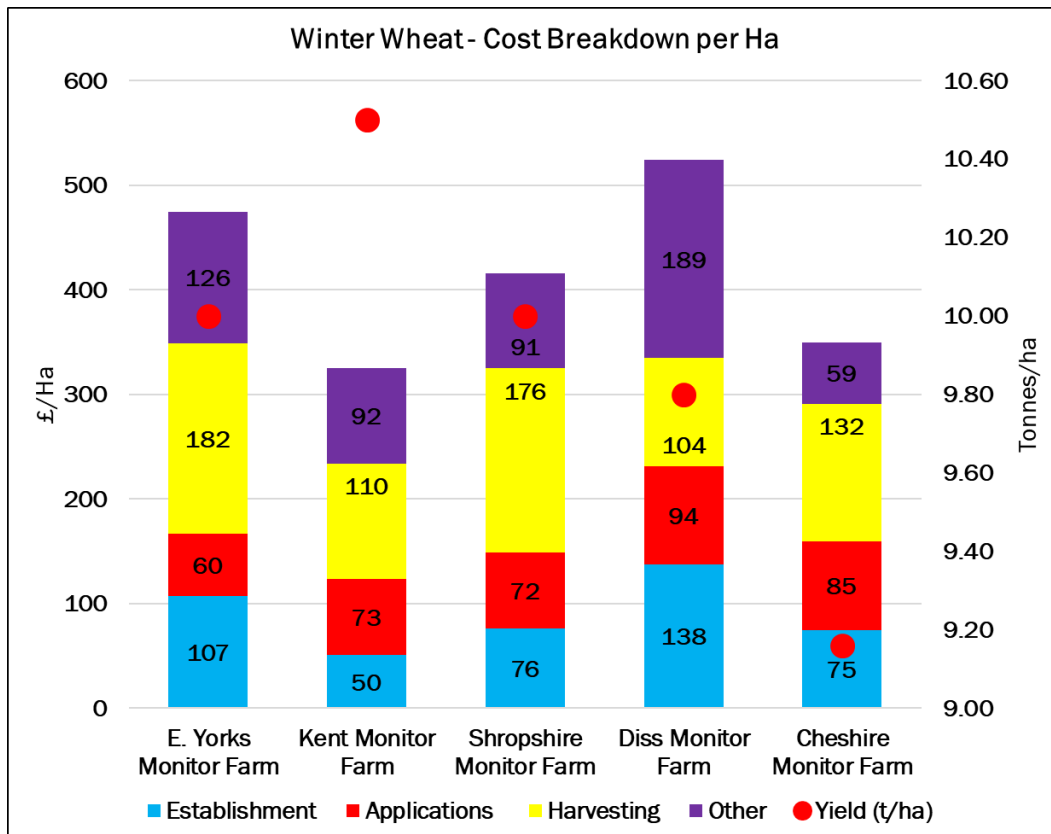
- Carry out machinery reviews to understand the cost of production which helps you to make business decisions

Results for the Hale Village Monitor Farm:



The combinable crop establishment ranges from £79/ha to 49/ha, with oilseed rape using contractors for establishment with a subsoiler. Overall combinable crop delivery is lower than average. On the whole the cost of operations are lower than the published contractor charges (2018/19).

Monitor farm comparisons for winter wheat:



Take-home messages

- Know and understand your costs
- Labour & Machinery usually 25% - 60% of cost of production and is something you can control / change
- Consider ownership options:
 - type – Contract Hire, Joint Venture, Shared Ownership
 - length – keep things longer – draw up a 10 year replacement plan
- Challenge ahead with proposed changes to subsidies

Calculating cost of machinery

- There is not one right answer, it has to be what is right for you on your farm, but understanding costs helps you to make informed decisions
- Overall the traits of the top 25% from the reviews include:
 - Depreciation below £63/ha – depreciation is the largest cost in running a machine at 33%
 - Low repairs through tactical hiring and experience
 - Diesel use below 100 litres/ha
 - Size (500-1,000 hectares)

Take-home messages

- When replacing machinery – do your research
- Size your machinery to the business
- Keep an eye on government policy

Further information

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

AHDB resources


- Understand your business costs with AHDB's benchmarking tool Farmbench at ahdb.org.uk/farmbench
- Monitoring tools are available at ahdb.org.uk/tools
- Sign up to market information and research newsletters at ahdb.org.uk/keeping-in-touch
- Find out what's going on at other Monitor Farms and Strategic Farms at ahdb.org.uk/farm-excellence
- All AHDB events can be found at ahdb.org.uk/events
- For guidance on how Brexit will impact your business, see ahdb.org.uk/brexit

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