

agri benchmark Cash Crop Conference 2009

UK Arable Farming in 2009:
Farming Near to the Consumer

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9 June 2009

UK Arable Farming in 2009: Farming Near to the Consumer

Introduction

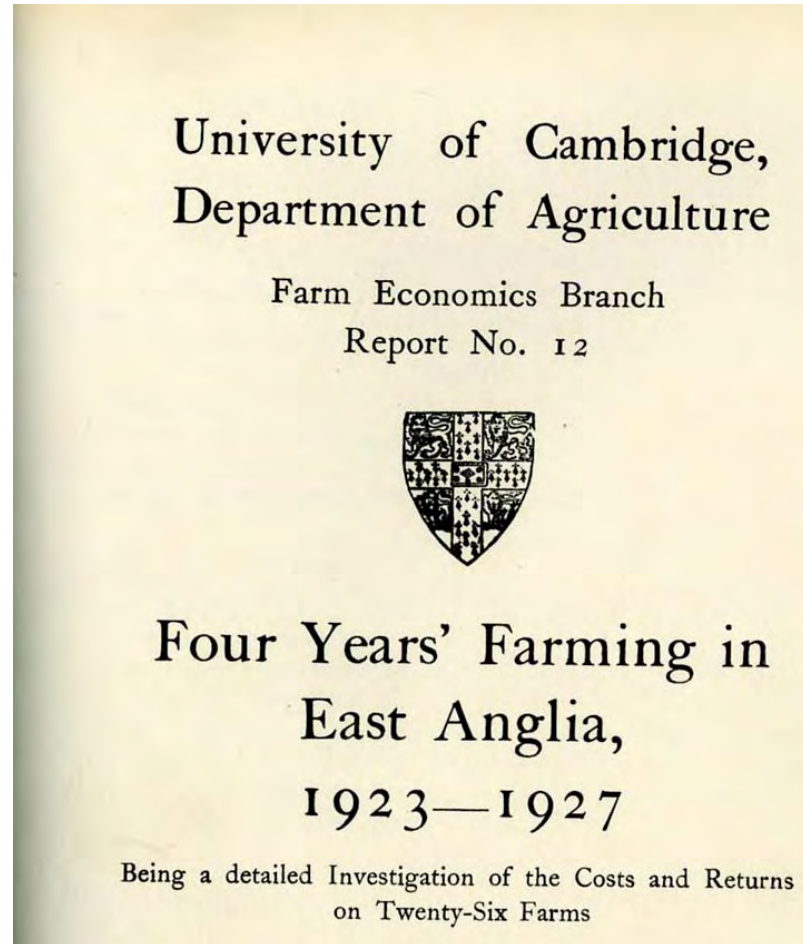
Land and Climate

Agriculture, Agri-environment, Diversification, Subsidy

Arable Farming in the UK

Scale and Cooperation in UK Arable Production

The Farm Business Survey 1927



The Farm Business Survey 1927

Six farms with highest yields.				Six farms with lowest yields.			
Code No.	Farm acreage.	Dominant soil type.	Number of years costed.	Code No.	Farm acreage.	Dominant soil type.	Number of years costed.
4	46	Strong	4	1	270	Clay	3
6	284	Strong	4	5	349	Strong	4
20	308	Medium	4	12	105	Light	4
26	326	Fen	2	19	444	Strong	4
32	391	Strong	1	23	487	Medium	2
33	184	Medium	1	25	193	Strong	2

Amalgamated average costs and yields on farms with:—				Highest yields.	Lowest yields.
Number of "farming years" involved				16	19
Acreage costed				732	945
Average yield per acre (cwt.)				22.2	14.3

<i>Component costs per acre.</i>				£ s. d.	£ s. d.
Seed				14 9	15 5
F.Y.M. (including cost of carting and spreading) ..				9 9	16 2
Artificial				9 5	9 3
Preliminary cultivations, drilling & after cultivations				1 18 7	2 1 2
Harvesting, stacking and thatching				1 11 3	1 4 4
Rent and rates				1 19 4	1 2 11
Overheads and sundries				5 7	3 7

Cash cost of crop in stack				7 8 8	6 12 10
<i>Add</i> resid. vals. of manures, fallows & cultivns. bt.fwd				16 10	16 10
<i>Subtract</i> resid. vals. of manures cd. fwd.				7 8	10 6
Net cost of crop in stack				7 17 10	6 19 2



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Farm Business Survey Results



Farm Business Survey - FBS reports (links page)

This is a links page for access to results from the Farm Business Survey. To go to data, click a category of reports from title links (below).

FBS GOR Reports

Government office region reports

The FBS Government Office Region Reports are a fully indexed system of reports on the financial and physical performance of farm businesses within each Government Office Region of England. Individual report pages include profitability of farm businesses, assets and liabilities as well as cropping and stocking. Report commentaries provide context to the report tables.

FBS farm business benchmarking

FBS farm business benchmarking

Benchmarking has been revised and 2006/07 results are now available. This benchmarking system allows you to compare the financial performance of your business to the performance of average and top performing farms of the same farm type. This system allows comparison of your profit and loss account, gross margins, balance sheet and performance measures.

FBS data builder

FBS data builder

FBS data builder is a specialist interactive tool for professionals and researchers. FBS data builder allows direct interrogation of FBS data to construct user defined tables.

FBS enterprise reports

Further information about the economics of crop and livestock production are available in a series of enterprise reports prepared by researchers at the universities within the Rural Business Research units. Current reports review the performance of arable, horticulture, dairy, pig and poultry enterprises.

<http://farmbusinesssurvey.co.uk/>



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Crop Production In England



Grain Marketing in the UK Talk



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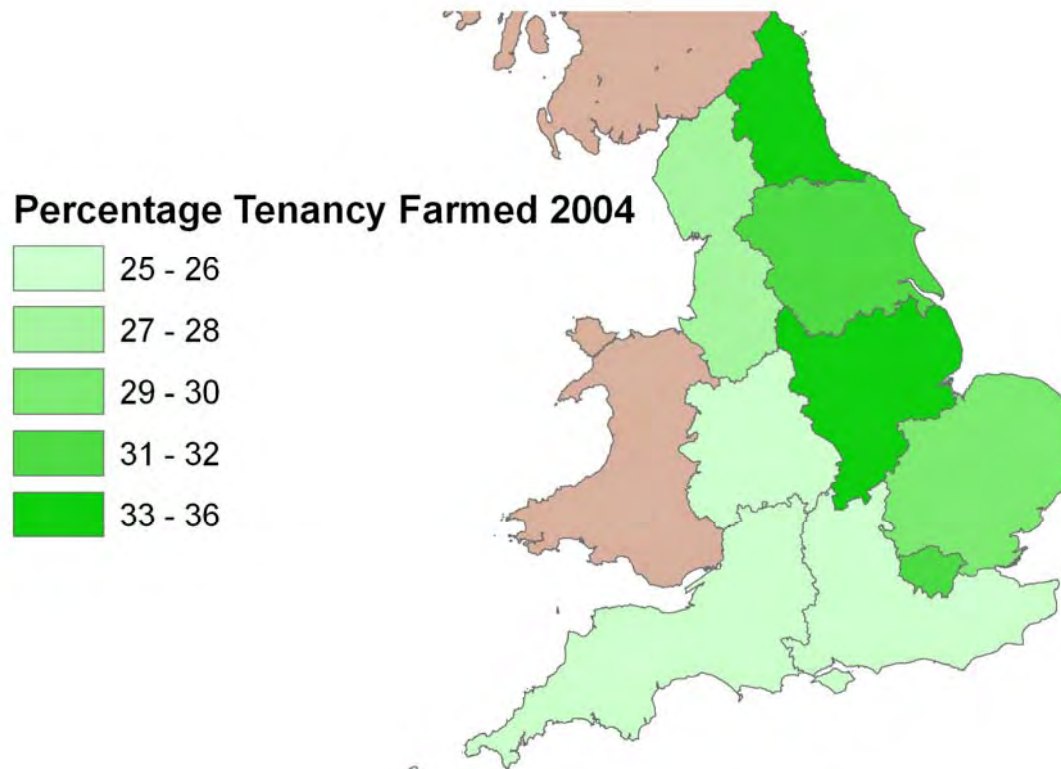
Agriculture, Agri-environment, Diversification, Subsidy

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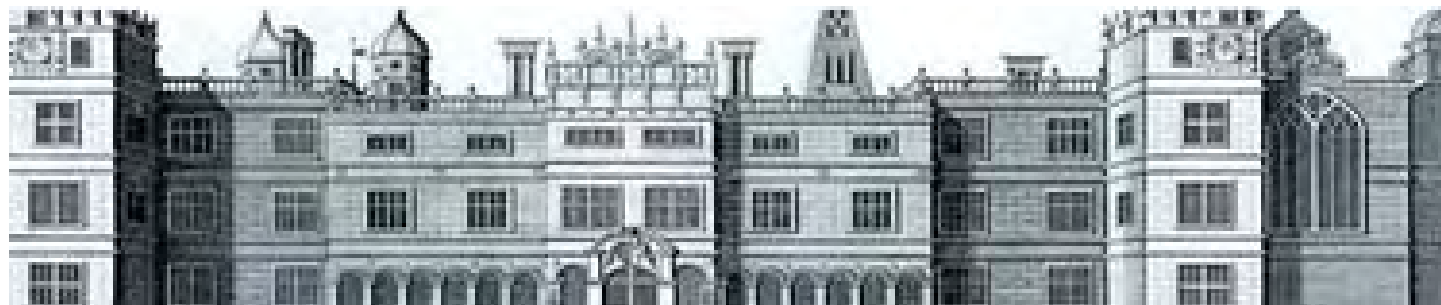
Land Ownership and Rental

About 33 per cent of land is rented, and 67 per cent owner occupied, but there are regional variations.





Visit



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Weather News 2008/2009

- The UK enjoys few extreme weather events
- But 26,000 hectares of arable crops were flooded during the 2007 harvest
- The 2008 harvest was also wet
- Milling wheat quality was poor in both years
- Long term average rainfall: 500 to 800 mm

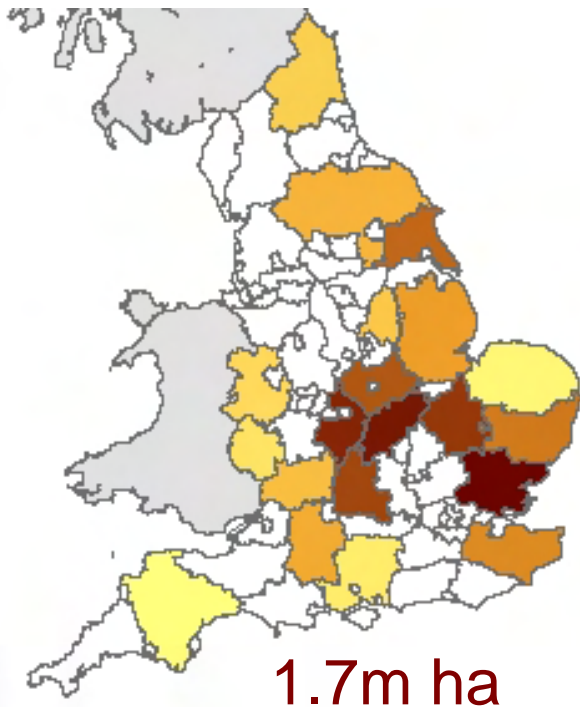


Water Resources Visit

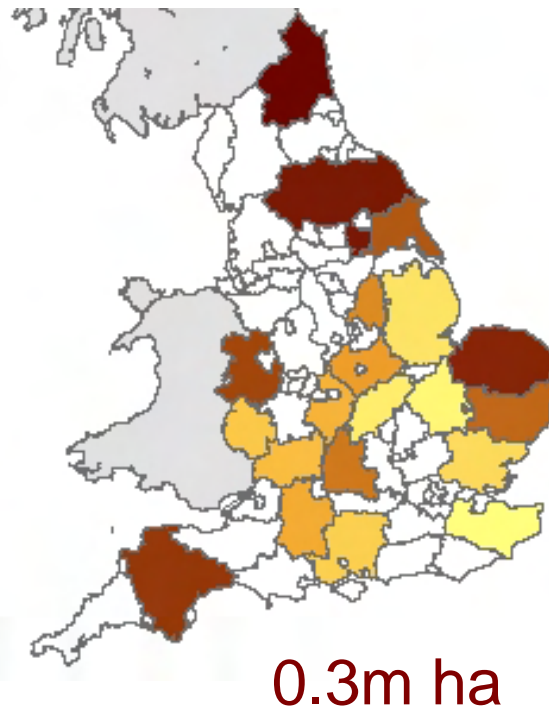


Density of Cereal Production

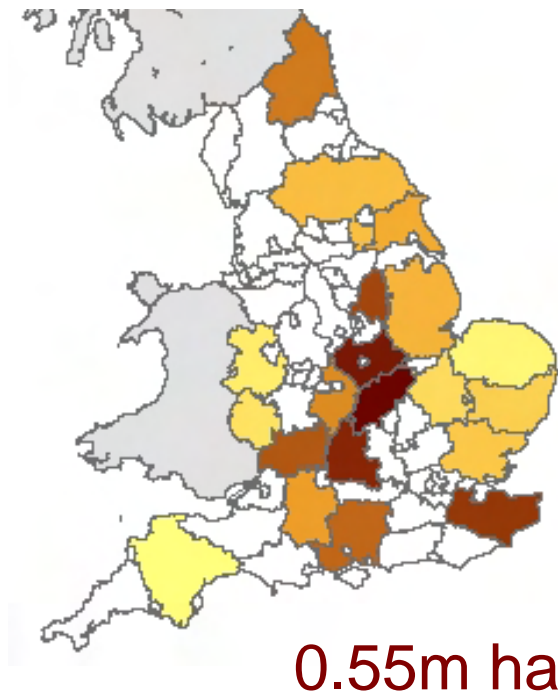
Wheat



Barley



Oilseed Rape



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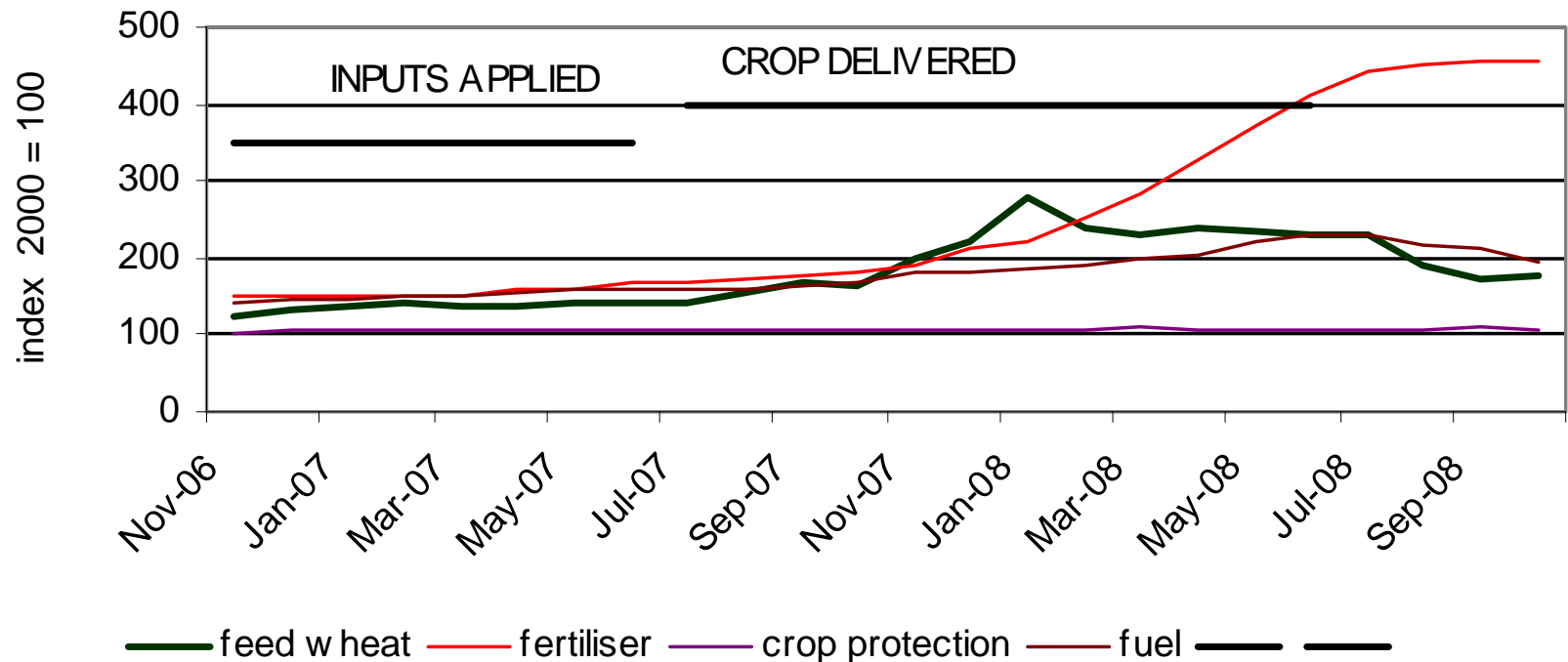
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Arable Farming in the UK

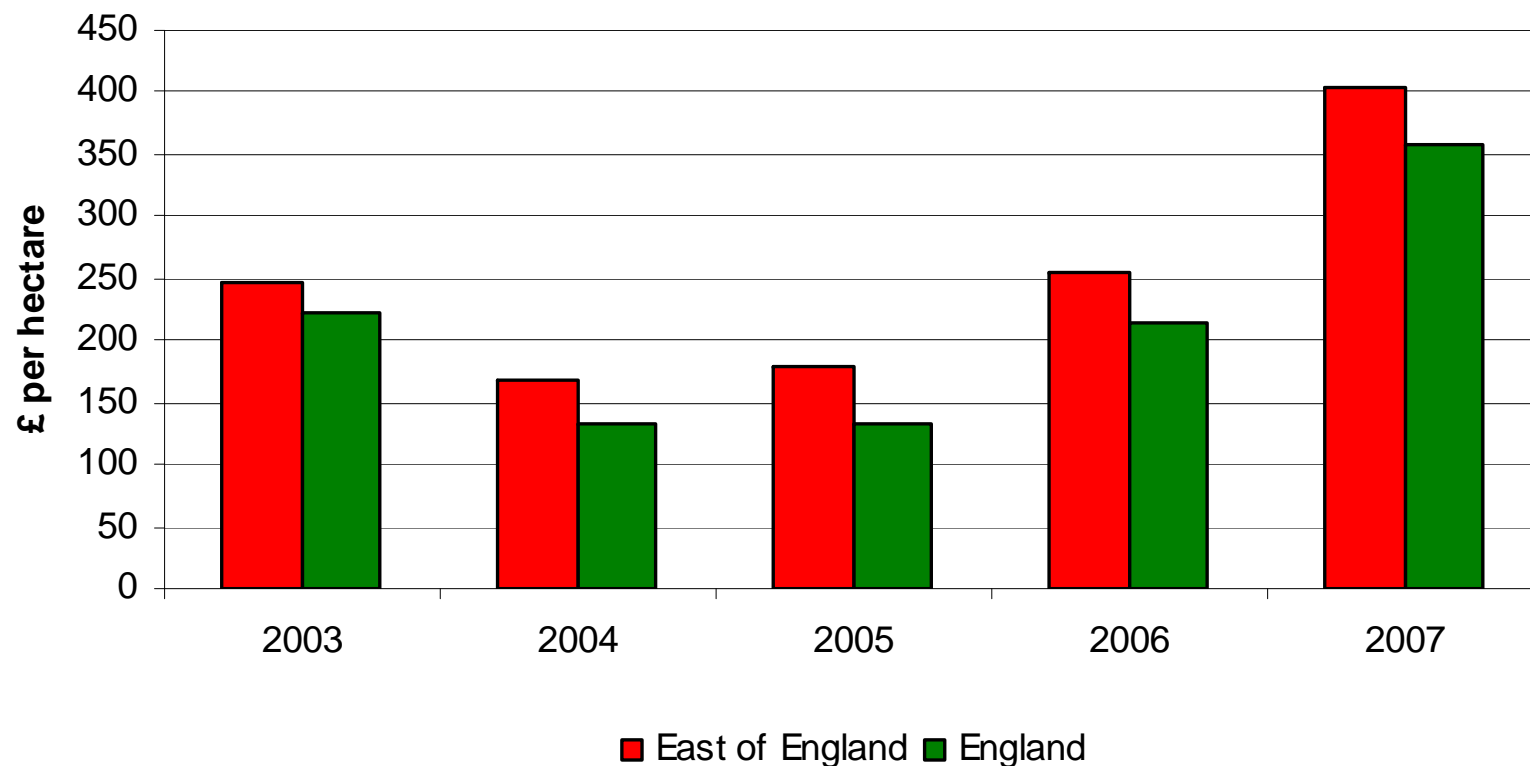
Scale and Cooperation in UK Arable Production

Relative Prices for Feed Wheat and Arable Inputs 2007

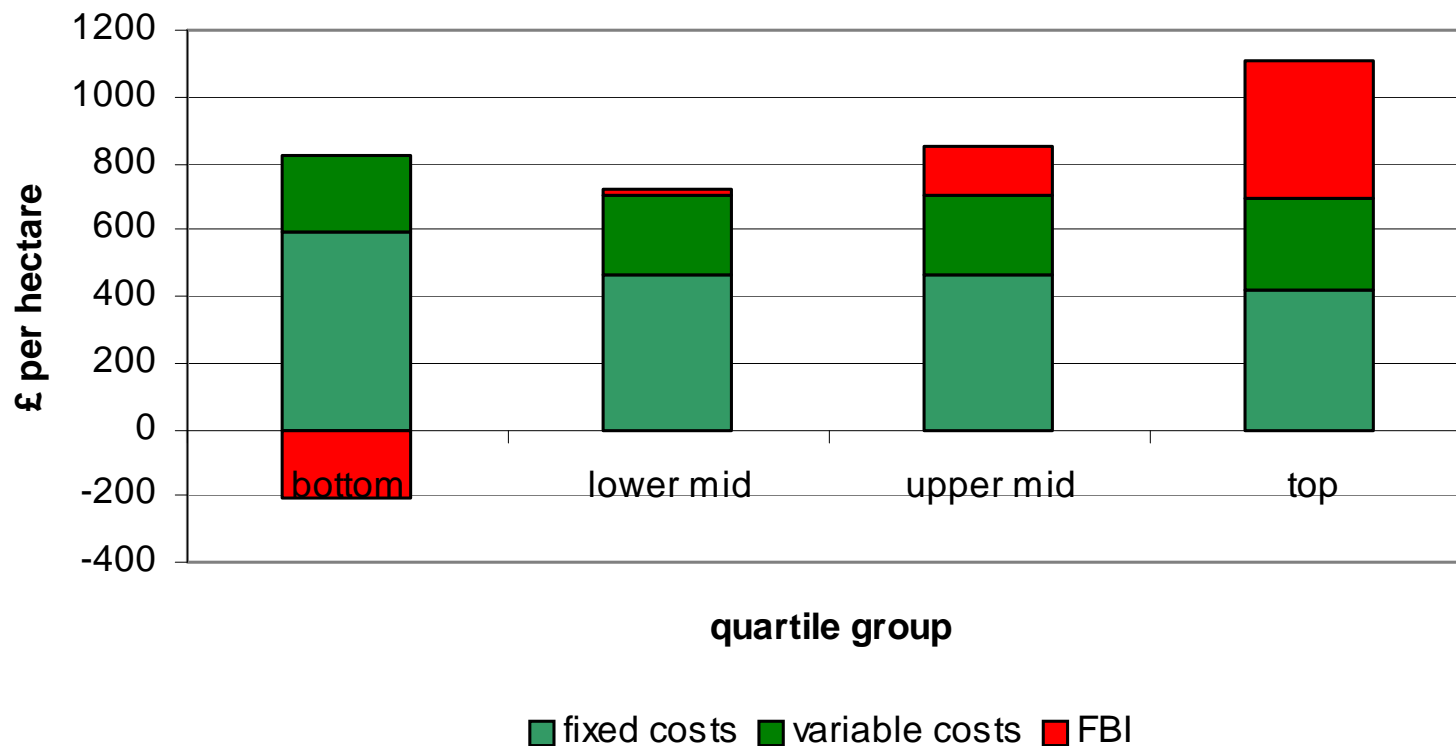


Source: Defra Statistics

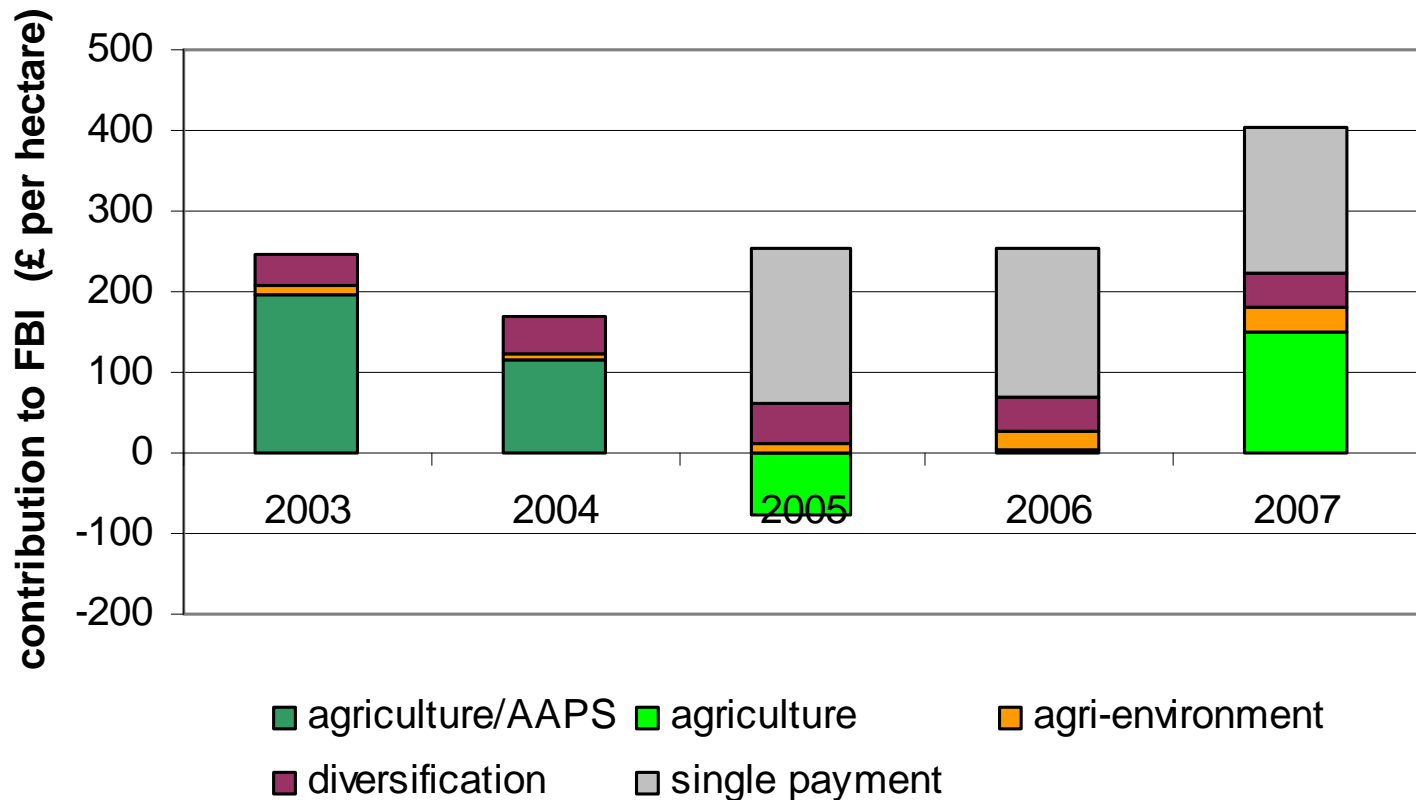
Cereals farms: Farm Business Income (FBI) 2003 to 2007



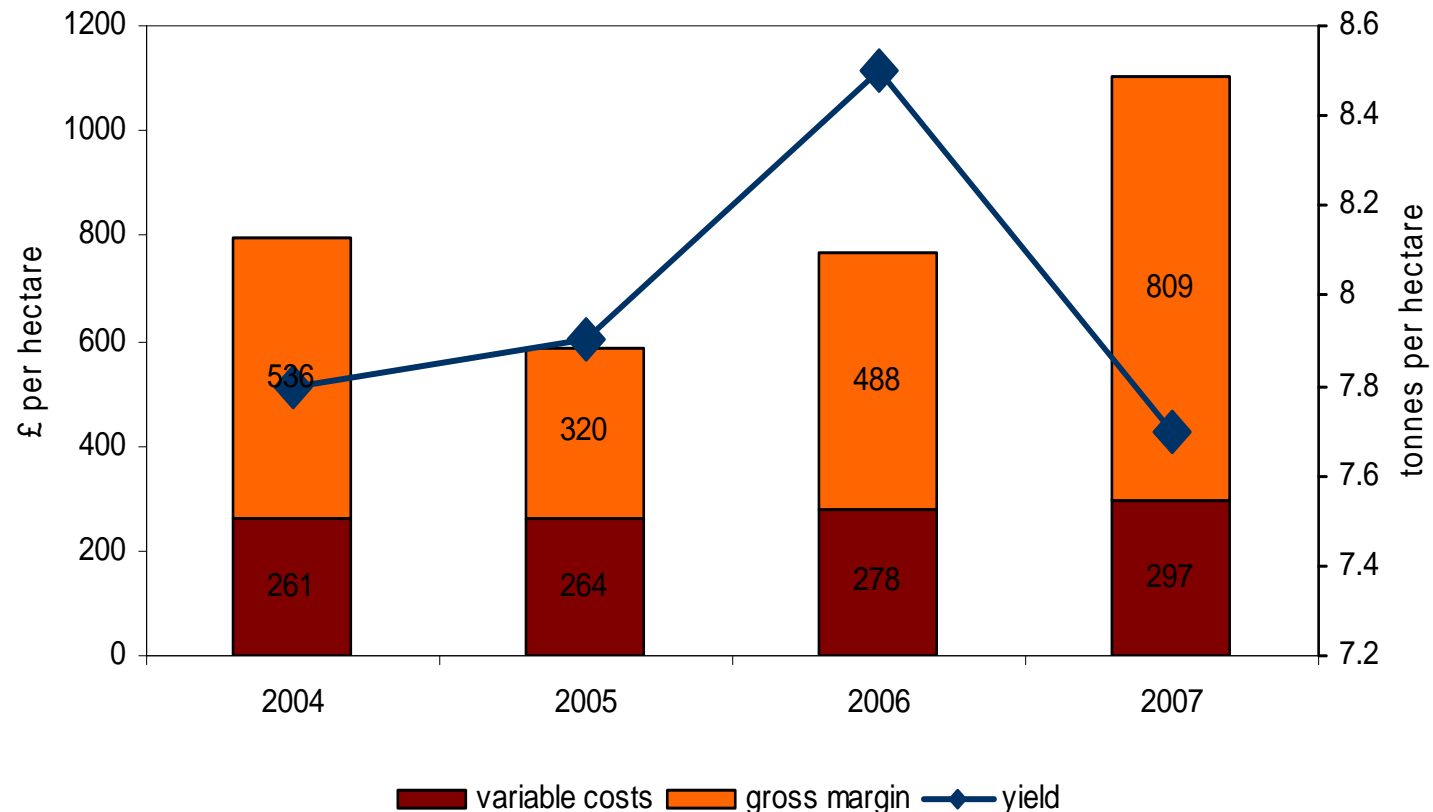
Cereals Farm Performance 2007



FBI – contribution 2003 to 2007



Winter Wheat Gross Margin 2004 to 2007



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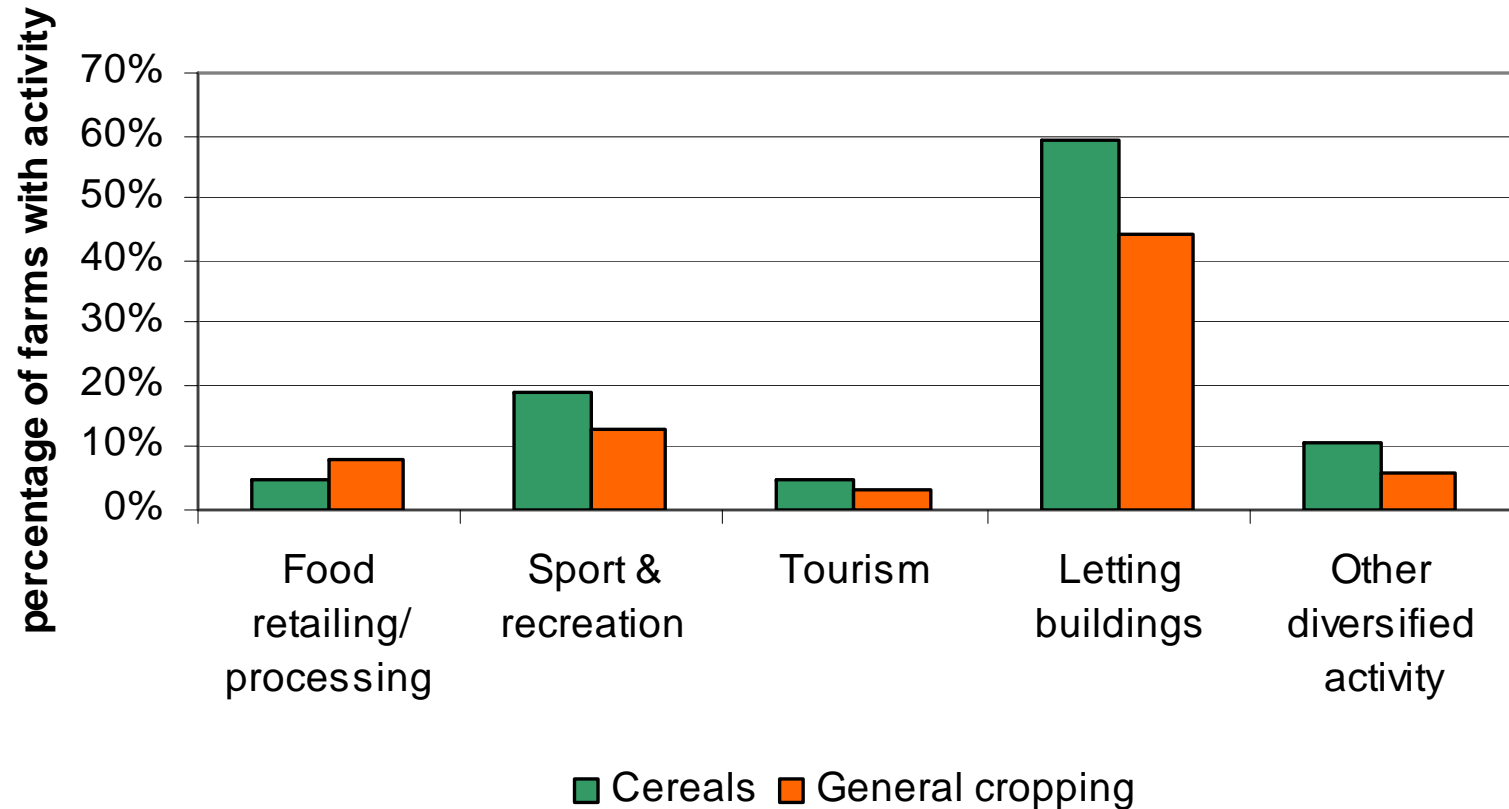
Agri-environment Talk

	2004/2005	2005/2006	2006/2007	2007/2008
	£ per hectare			
Cereals	16	22	31	41
General Cropping	11	17	27	38

Schemes funded by the European Union and UK Government (and “modulation” of agricultural subsidies) include:

Entry Level Stewardship
Higher Level Stewardship
Countryside Stewardship Scheme
Environmentally Sensitive Areas

Diversification



Diversification contributes about £60 per hectare to income on Cereals farms and £40 per hectare on General Cropping farms.

Single Payment Scheme

Cereals	2004/2005	2005/2006	2006/2007	2007/2008
£ per hectare				
Single Payment	n/a	194	187	181
Area Payment	207	3	2	2
Total Payment	207	197	189	183

Within the European Union, the UK opted to move to a subsidy payment decoupled from agricultural production. From 2005 to 2012 the value of this payment is in transition from a historic basis to a flat rate per hectare.

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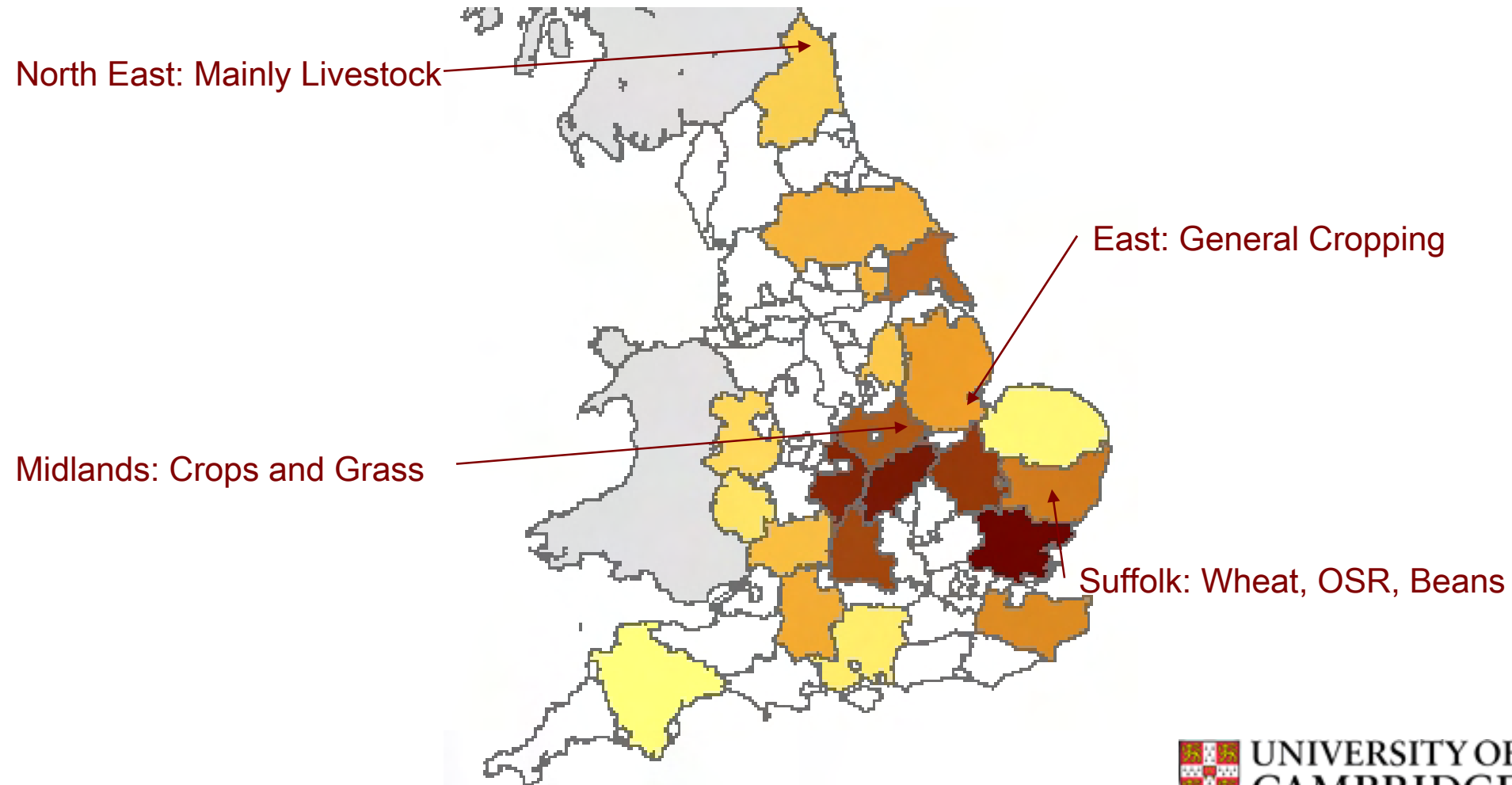
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Arable Farming Across England



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Suffolk: Wheat, OSR, Beans

- 200 hectares
- Chalky boulder clay
- Wheat yields 8 to 9 tonnes per hectare
- Suits winter cropping
- High cultivation costs if ploughed



Midlands: Crops and Grass Visit



Wheat with combinable break crops and grazing livestock

- Wheat 7.5 to 8.5 t/ha
- 200 hectares
- Higher rainfall
- Soils of poorer quality
- No sugar beet

East: General Cropping

Wheat yields 10 t/ha but must compete with sugar beet, potatoes and vegetables.

Wheat production sometimes high cost because of cultivation method

Wheat typically 45% of farm area and grown as a break crop.

Silty soils



North East: Mainly Livestock



Cereals often fed to livestock on the farm

- wheat, barley, oilseed rape and grass

- Day length ideal for high yields

- But soils often stony and altitude decreases yield

- 260 hectares



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Scale and Cooperation in UK Arable Production

Scale and Cooperation

Most arable businesses are owned and managed by families ranging in size but averaging just over 200 hectares.

Corporate farmers were formed following investment in agricultural land by pension funds in the 1970's in response to high returns from agriculture.

Farms have expanded by renting land or entering Contract Farming Agreements with neighbouring farms.

In the late 1990s, Joint Venture Farming companies emerged.

Corporate Farmers: Case Study Visit



Velcourt will host our visit to The Stamford Farms on Friday comprising 3,000 hectares of arable cropping on six farms but managed as one unit.

Joint Venture Farming: Case Study



Brixworth Farming Company

- 60 km south west of Wansford
- 2500 hectares
- Five farms involved
- Two main tractors
- Two Claas Lexion 600 combines
- One manager
- Started in 2000