

Dereham Monitor Farm

Meeting 3 - Benchmarking and Marketing Grain

15 December 2016

Swanton Morley Village Hall, Dereham

Speakers:

- Tim Isaac – Benchmarking
- Jack Watts – Grain Marketing

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



Simon Brock, Dereham Monitor Farmer

Meeting Summary – key messages

1. The use of benchmarking and budgeting can set the top-performing farms apart.
2. All farms should carry out 'relentless cost management' to become more resilient.
3. Need to move towards a multi-annual approach to costs in order to overcome volatility in the market.

FarmBench – Benchmarking



<https://farmbench.ahdb.org.uk/>

AHDB's whole farm benchmarking programme – your opportunity to input your costs and join our Dereham Arable Business Group to discuss the results



The power of marginal gains enabled the British cyclists to succeed on the track in London 2012 and Rio 2016. Can you take the next step to find out where your marginal gains are on your farm through the use of benchmarking?

“The search for best practice to give top performance”

Grain Marketing

- A resilient farm business is important – there are times when even the most cost competitive business will be subject to periods of low price.
- Need to take a multi-annual approach to costs – look back over the last three years and see what your average costs and prices have been. The objective is then to see if there is a margin before direct payments are included. This will then enable a budget to be drawn up for the coming year.
- Should have three crops on your mind for marketing at any one time, for example 2016 (storage), 2017 (growing), 2018 (pre-planting).
- Pricing strategy could include: cost budget and yield forecast, cash flow predictions, refresh of short and long term objectives, where is the market?, market view – appetite for risk and position, sensitivity analysis.
- Look at all marketing options, e.g. call options
- Don't let grain storage or cash flow dictate your marketing wherever possible.

Price vs Cost of Production (per tonne)

Nov 16 UK Wheat Futures



Benchmarking to know your cost of production is an important tool when marketing grain. This graph shows the potential difference in profit of a cost of production at **£115/t**, **£130/t** and **£145/t**.

Further Information

- For more information about Cereals and Oilseeds Market News, click [here](#): You can also find a link to the Market Data Centre, Prospects, Grain Reports and more at this site.
- To sign up for the AHDB Grain Market Daily newsletter, please subscribe by clicking [here](#).

Next Meetings

19 January 2017 **Reaching your yield potential**
23 February 2017 **Agronomy Update**

9am at Swanton Morley Village Hall, Dereham, NR20 4PX

To attend the meetings, please contact your AHDB Cereals & Oilseeds Knowledge Exchange Manager:
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To find out more about AHDB's benchmarking tool, please contact:

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