

# Taunton Monitor Farm meeting report

Meeting 2: Labour, power and machinery costing

Speakers: Andrew Atkinson and Helen Gosling (Strutt and Parker)

Harry Henderson (AHDB)

Date: 13 November 2018

Location: The anchor Inn Hillfarrence, TA4 1AW

For more information, visit: [cereals.ahdb.org.uk/taunton](https://cereals.ahdb.org.uk/taunton)

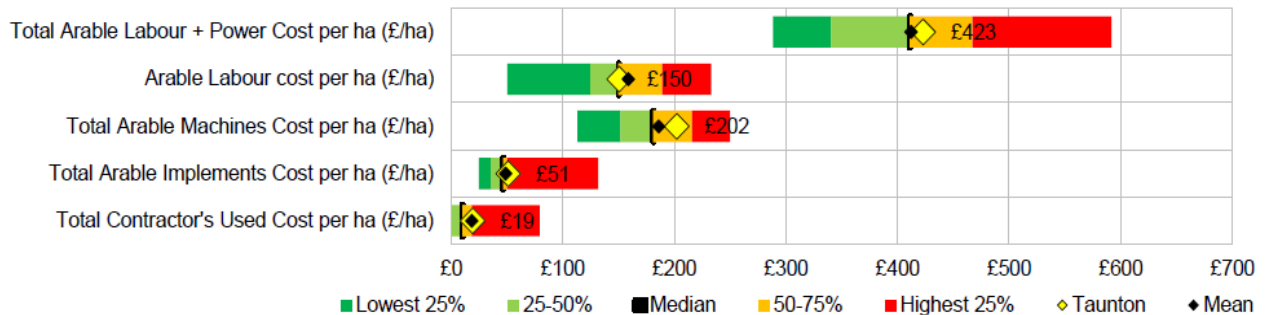


## Meeting summary – key messages

- There is no right or wrong labour and machinery policy
- Key questions are:
  - What are your objectives?
  - What work rates are required for particular operations in an ‘average’ weather season?
  - What is your attitude to risk when stretching work rates?
- A farm can be over powered or have over-capacity for machine operations as long as there is good justification. It is important to ask the following questions:
  - Is it all costed?
  - Is the cost of operations known?
  - How does that feed into the overall costs of production in order to be able to market crops at a profitable and sustainable margin?
- Historic depreciation charge is a good starting point as a costing tool, but replacement cost is a better strategic planning tool. ‘Cash is king’!

## Benchmarking results – Taunton vs the national Monitor Farm Group

Taunton fairs well against the national Monitor Farm group but there are areas for improvement. Costs are shown by the yellow diamond in the graph below. The coloured blocks show the quartiles of the rest of the Monitor Farmer’s costs.



## Traits of the best 25% nationally

- Low depreciation costs per hectare below £63/ha
- Low repair costs per hectare through tactical hiring and experience
- Low diesel usage per hectare below 100 litres/ha
- Low machinery costs per hour - low hourly cost of running tractor reduced key operational costs such as drilling
- Low cost of combining per hectare
- There was no clear correlation with the size of the farm but most of top 25% was in 500–1000ha range

## Future considerations for Taunton

- The Fendt 415 appears under-utilised. Sell and hire if opportunity use for capital or retain longer
- Some older machinery such as the Vaderstad Carrier, sprayer or JCB may start incurring higher repair costs and consideration should be given to a replacement strategy with good second hand equipment
- The farm could consider keeping the Fendt 724 beyond the intended eight years if it remains reliable in order to delay new machine investment
- There is surplus combine and drill capacity so there is opportunity for contracting or joint venture. This may also provide more flexibility over the aging sprayer replacement choice – type of machine and ownership .
- Consider carrying out hedge cutting in hand



## Find out more – Links to AHDB information sheets or research

[Machinery cost calculator](#)

[Machinery for farming or farming for machinery webinar](#)

[Farmbench](#)

## Next meeting

Date: 12 December 2018

Topic: Soil management

Time: 10:00

Location: The Anchor, Hillfarrance, Taunton TA4 1AW

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The 2018 harvest benchmarking meeting will be held on 4 February 2019. If you are interested in benchmarking your figures against Richard and other members from the Monitor Farm Group, please contact:

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