

Ian Cammack and Andy Bason - Newhouse Farm Monitor Farm Update

Meeting held: Swarraton Village Hall, 12 March 2015, 10.30am

Speakers: Ian Cammack, Owner; Andy Bason, Farm Manager;

Adrian Matthews, Savills – How to analyse business costs

Summary of Monitor Farm launch meeting

Ian and Andy gave an update from the farm.

While fertiliser was on the rape and spring barley fields were being prepared, drilling at the time of the meeting had not commenced pending drier soil conditions. Autumn cultivated seedbeds appeared in better condition. After a review of the last meeting on the 'yield plateau', Andy outlined planned field 'try-outs' for this season:

- Headland management - 4 approaches
- Additional P & K above recommendation
- Variable Rate seeding on 20 Ha Spring Barley



Adrian Matthews outlined Proportional Analysis as a useful approach to start analysis of business costs. As a guide, 1/3 of output each on variable costs, fixed costs, and pre-rent/finance, which is then further split 1/2 rent/finance, 1/2 profit. He posed the question, if the balance is wrong – is it due to output being too low or costs too high? He guided labour, power and machinery costs to be 85% of the total fixed costs. In more detail he gave a rule of thumb guide to fuel efficiency of 0.2 litres per HP x 75% of maximum power.

Breakout groups suggested an appropriate tractor fleet for Newhouse taking into account operator skills, depreciation rates, capital outlay, work flexibility, matching with existing farm machinery, along with the alternatives of hire and contract. All groups came out with below the average and expected parameter of 1HP per ha with work rates of 4 tractor hours per ha.

The groups then looked and costed out the real case scenario facing Ian and Andy to consider the purchase of a baler to manage spring barley straw in particular. The alternatives being contract or hire. Financial and physical implications were reviewed. Depending on amounts of baling carried out, the cost of, and/or the benefits of over-capacity were also considered. In addition, implications for the performance of the following rape crop and valuing the cost and stress of management time were highlighted.

It was quite revealing to see the cost of owning, running and fuelling a tractor and man alone was between £35 and £40 per hour before any operation costs.

The meeting concluded that contracting the straw baling operation was preferential but that the relationship and terms of the contract were essential to incentivise rapid baling and bale removal.

Next Monitor Farm meeting:

**Newhouse Farm, Northington, Alresford, SO24 9UB
6 May 2015, 10.30am**

‘Spring barley management’

- Reviewing cultivation strategies
- Headland management
- P & K management
- Variable rate seeding

Farm summary

- 700ha owned of which 524 are cropped
- Other enterprises include contracting work, 80 lambing ewes, family shoot and diversification enterprises
- Labour consists of Andy Bason, Farm Manager and two staff all of whom spend approximately 50% of their time on arable operations
- Farm soils are shallow calcareous over chalk with clay caps.
- Average rainfall 850 mm/yr
- Crop rotation is W Wheat – W Beans – WW – S Barley – W OSR
- All grain stored and marketed at Hampshire Grain.



Planning under way for the spring barley meeting

