

Bath Monitor Farm

Meeting 7: Grain Storage

4 March 2016

Fosse Farm, Stratton the Fosse, Bath

For more information, visit cereals.ahdb.org.uk/bath



Meeting summary

Three basic grain storage strategies discussed: On farm, local farmer cooperation sharing store and larger scale commercial grain storage. Costs broadly considered to be similar on a per tonne basis but opportunity cost / value of farmer's time needs consideration for the first two. It was agreed there was no right or wrong answer with solution dependant on individual farm circumstances and if affordable, personal preference. The key requirement for any arable unit should be to retain flexibility for storage (and marketing).

It is important to note it was not possible to carry out a detailed costing / analysis of the options and the notes are just a record of the meeting. Individual on-farm decisions would need further consideration of all the circumstances of that farm.

Farm Report

At the time of the meeting, no fertiliser had been applied. Rob explained that some spring barley had not and may not be sown due to black-grass infestation. A debate ensued as to whether it was worth drilling considering 2016 margin prospects. An alternative would be to grow a soil conditioner such as linseed. This still leaves fixed costs to be covered. These could be covered by additional cost farm contracting (at the right price) and indeed Rob has extra area secured for this summer.

2016 YEN Crop entry – Volume winter barley after wheat

At the January meeting the following was recorded:

- It was agreed N would be pushed to 200kg (normally 160kg) on the best potential area of the field with the first dose early with sulphur.
- Tissue samples need to be carried out and likely that manganese would be required.
- In addition to tissue samples, plant and head counts should also be carried out to review the N levels.

- Despite the field having P & K indices of 4, Rob will input a yield expectation of 15t/ha to the Courtyard model and apply P & K as recommended.

To update, Rob reported after sowing at 200 seeds/sqm, the crop was looking good with 85% germination and little yellowing.

The group suggested total N could be increased to 240kg split in four applications with plenty of Growth Regulator (5C, Moddus, Terpal)! 70 kg now (with 50kg Sulphur) then 40kg, 50kg and 50 Kg at flag leaf in April. More to 240kg dependent on weather.

It was also proposed that manganese and also copper should be applied regardless of any deficiency symptoms. Kieserite (Magnesium) at flag leaf.

A T0, 1 and 2 fungicide programme should be applied for maximum protection. Keep active choice varied.

Looking ahead to harvest, the group were keen that Rob harvests early and cuts less straw to maximise yield. Use pre-harvest Round-up.

Grain storage

1. ON FARM STORAGE

Build a 2000t store for all requirements between Rob Addicott and Jeremy Padfield

£8 /tonne. Capital cost 100/t depreciated over 20 years. Low?

£3/tonne. Drying charges

£1/tonne. Insurance

£3/ tonne. Time

£15/tonne Average annual cost per tonne

STRENGTHS

- Like storing at home
- Management
- Versatility
- Multi-use of buildings
- Less temporary storage

WEAKNESSES

- Rented land
- Hassle
- Planning
- Finding capital
- Where to put it
- Insurance
- Maintaining ACCS

- Liability for rejected loads

OPPORTUNITIES

- Business growth
- Local co-op potential
- Letting out building – asset, part of exit strategy

THREATS

- Arable production untenable?
- Reliant on others good will , haulage
- Interest rates

To maintain flexibility and reduce capital outlay it was also suggested the farm should sell more crop at harvest, reconfigure existing buildings and only consider new grain store for 1000t. The point was made there is always income to be made from storage in the area

2. LOCAL FARMER STORE SHARING

David Sedgman from Lower Farm, Kingweston led discussions using the ‘small’ scale cooperative storage enterprise he operates as an example. He highlighted key to this was ownership of a weighbridge.

Average annual cost £12/t plus storage on a pro rata basis at 4.6pence/tonne/day

STRENGTHS

- No capital investment
- No annual charge
- Locals can deliver
- Simple cost structure
- Pay for what you use and how long you store
- Local demand – premium?
- Not so fussy!

WEAKNESSES

- Fewer crop types stored. Don’t deal with premium crops
- No analysis facilities
- No blending facilities

OPPORTUNITIES

- Future adaptability

THREATS

- Other cooperatives
- Loss of customer base

David also made the point that for his business, building and operating the store (which has been a process of evolution over many years), the grain store is now a profit centre for his business.

3. COMMERCIAL GRAIN STORAGE

Discussion led by Robin Web of Cefetra Wessex Grain.

Approximate annual average cost, £16 per tonne but note possible premium to wheat price in 'Strengths' below.

STRENGTHS

- Reduced capital cost
- Capital opportunity cost – what would you spend it on?!
- Non depreciating asset
- Economy of scale
- No labour / manpower issues
- No maintenance /running costs
- Flexibility – 3 year storage – contract farming
- Quick harvest collection
- No risk once over weighbridge
- Store monitoring auto probes – bugs
- No forced selling
- Professional marketing - Europe wide
- Blending facility to add value
- Futures Store. Adds £5/tonne to wheat
- No assurance worries – long term. TUSCC etc
- Credit insurance

WEAKNESSES

- No multi – purpose buildings on farm
- Stress – loss of control?

The point was made, in reality, commercial grain storage often combined with some on farm storage which provide flexibility.

CropBench+ benchmarking

The benchmarking group have held a second meeting comparing detailed fungicide programmes and spray costs; also detailed combine costings and spraying efficiency.

While the group cost of production benchmarking feedback has passed, it is still possible for individuals to enter their own data for analysis into Cropbench+. For further details contact:

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Next meetings

- **Thursday 7 April 2016** – Tackling the Yield Plateau
- **Tuesday 28 June 2016** – Summer Farm Walk

Meeting times and locations will vary so please ensure you have registered your contact details to receive notification of details throughout the year

To attend the meetings, please email Philip.dolbear@ahdb.org.uk or call 07964 255614

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