

Joint Venture Farming Group

GROUP BENCHMARKING RESULTS 2008

by

Jamie Gwatkin

Greetham Valley Golf Club

Tuesday 10th February 2009

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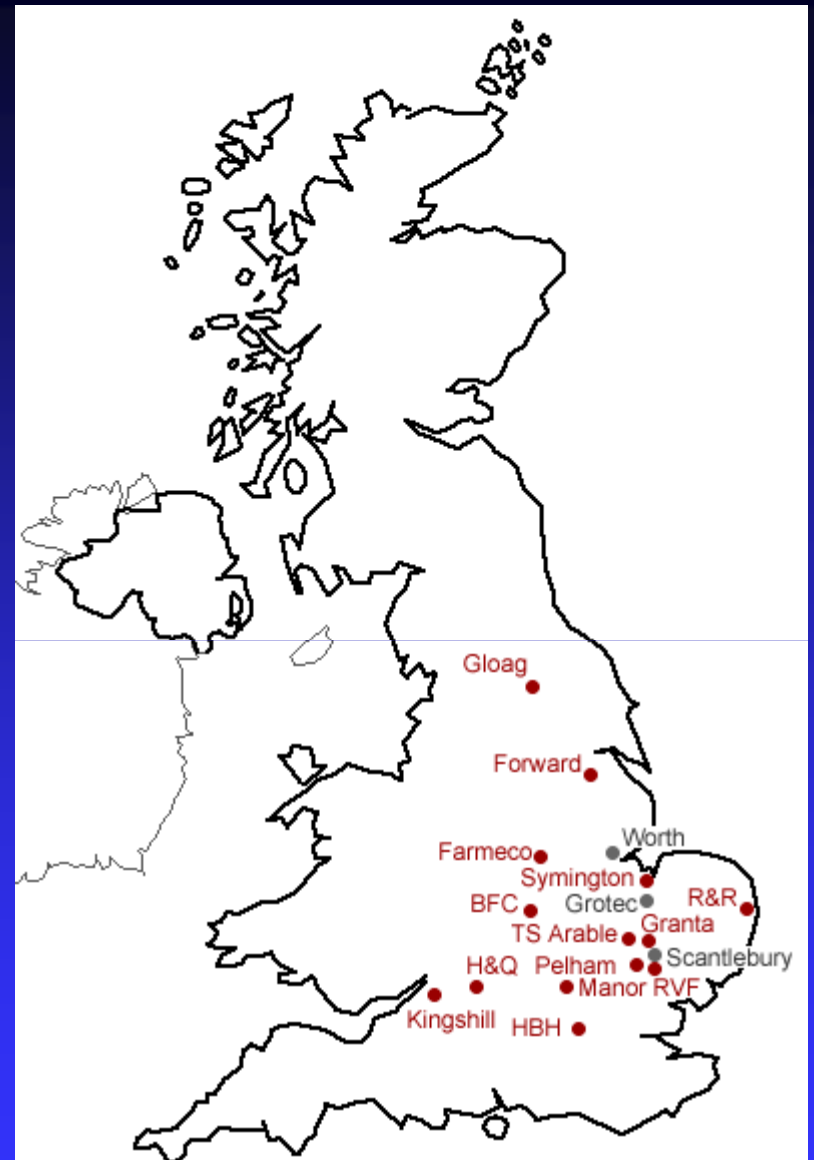
Contents

- Joint Venture Farming Project Update
- Highlights of the 2008 Group Results
- Grain Drying Costs
- Conclusions & Further Developments

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JVFG Project Update (1)

- 12 Full Member Groups
- 4 Discussion Group Members
- Increase in Membership Over Year
- Developing New Contacts in Yorkshire & Scottish Borders



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JVFG Project Update (2)

Thanks for the commitment of Members & Sponsors

- Class & Simba
- JVFG Members

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Group Results 2008 Harvest (1)

- 8 Groups reported on 2008 harvest data
(up from 5 Groups in 2006 & 2007)
- Results cover 11,117 Ha (27,470 Acres)
- Groups data also included the establishment costs for 2009 harvest

Group Results 2008 Harvest (2)

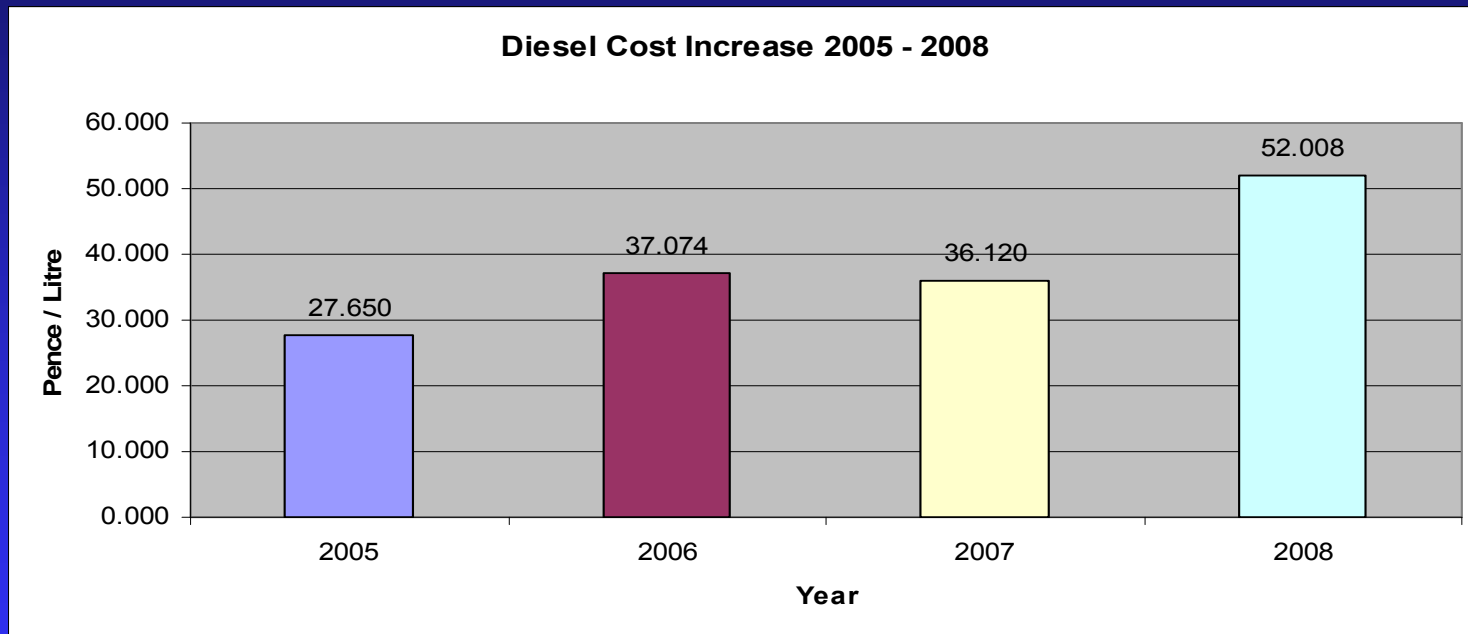
Financial Averages

	JVFG 2008 £/Ha	JVFG 2007 £/Ha	JVFG 2006 £/Ha	GT Survey £/Ha
Labour Costs	66.1	44.5	62.8	71.7
Machinery Costs	158.8	130.6	126.8	163.0
Admin & Finance	19.7	22.6	20.5	22.2
Total	<hr/> 244.6	<hr/> 197.7	<hr/> 210.1	<hr/> 256.9

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Group Results 2008 Harvest (3)

Fuel Cost Increase



Range: 25p – 29p/litre 36p – 38.5p/Litre 35p – 37.25p/litre 43.5p – 59.8p/litre

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Group Results 2008 Harvest (4)

Global Financial Results

	2005 Harvest £ /Ha	2006 Harvest £ /Ha	2007 Harvest £ /Ha	2008 Harvest £ /Ha
Operational Costs				
Primary Cultivations	18.75	32.85	27.92	31.53
Secondary Cultivations	8.41	19.43	16.34	25.03
Drilling	12.71	19.53	19.32	26.04
Rolling	4.40	5.63	5.82	7.88
Fertiliser Application	5.43	3.65	3.96	3.55
Spraying	3.54	3.34	3.18	4.35
Harvesting	49.51	48.58	46.84	51.62
Carting	14.66	12.65	15.44	21.10

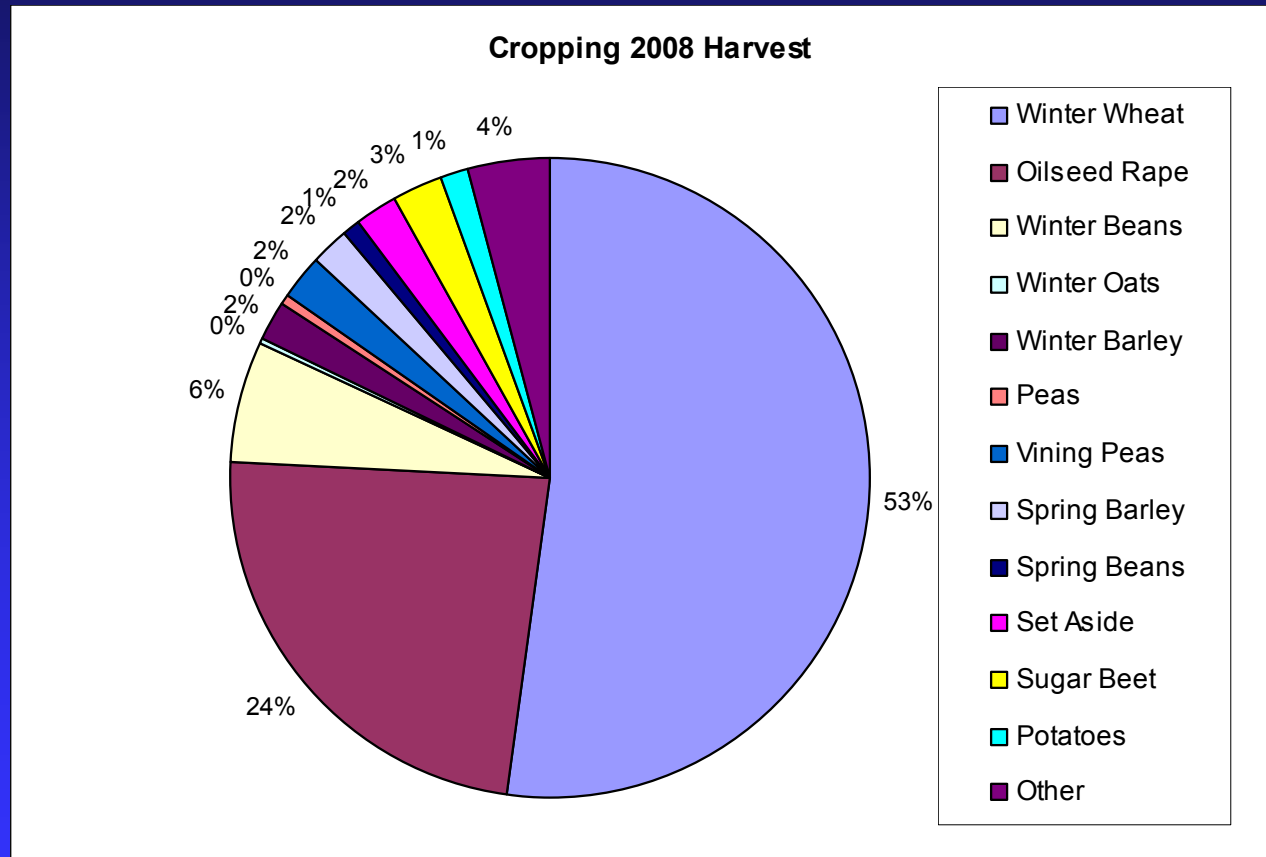
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Group Results 2008 Harvest (5)

Financial Conclusions

- Financial figures distorted by root cropping
- Labour costs (cereals only) have risen by 13% - 15%
- Machinery costs (cereals only) have increased by 15% - 30%
- Operational costs have risen by 28% due to increased efficiency

Group Results 2008 Harvest (6)



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Group Results 2008 Harvest (7)

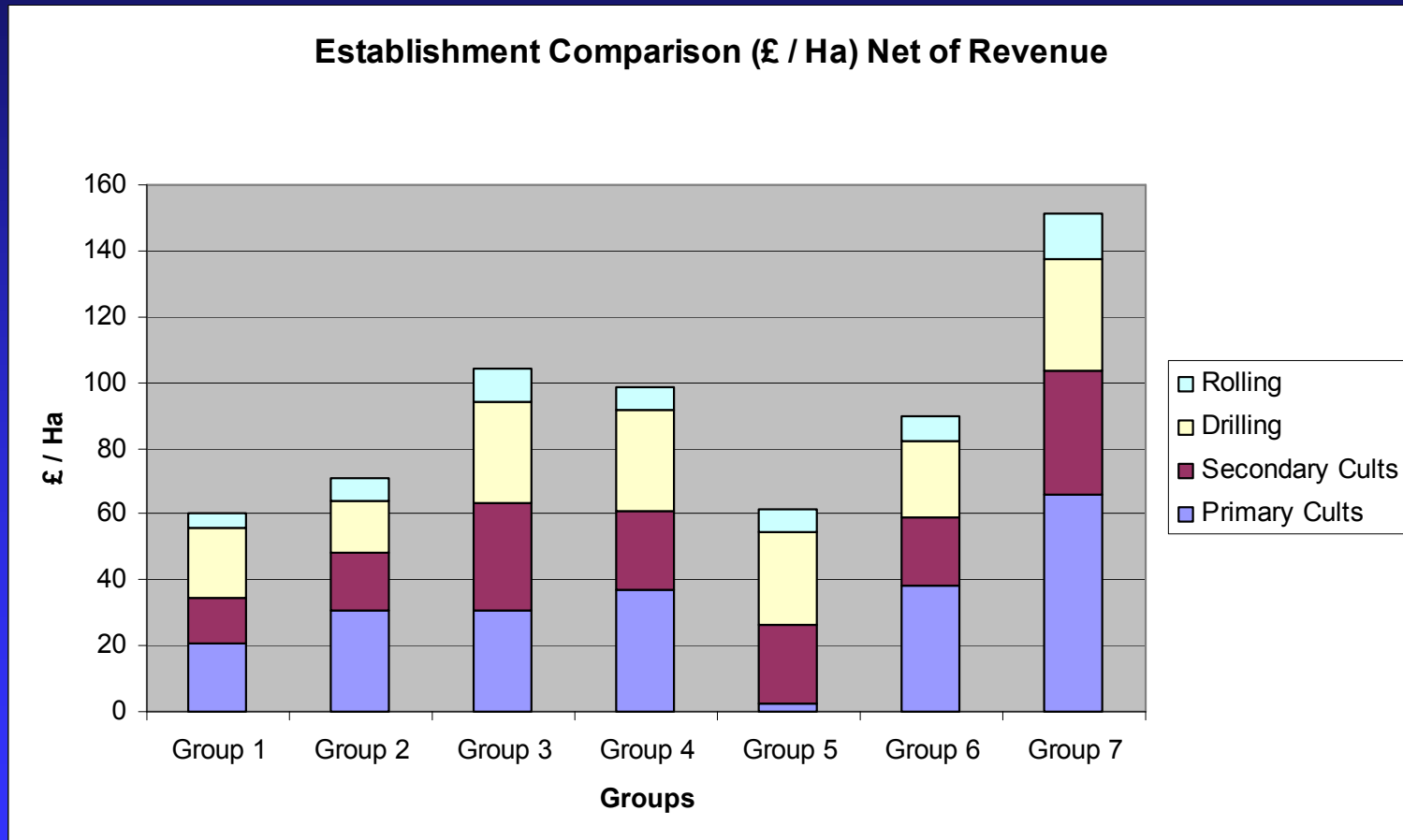
Crop Yield Comparison by Region

	<u>West</u>	<u>Central</u>	<u>East</u>
	£/Ha	£/Ha	£/Ha
Winter Wheat	9.18	9.74	9.56
Oilseed Rape	3.62	3.85	2.87
Winter Beans	4.74	4.84	5.36

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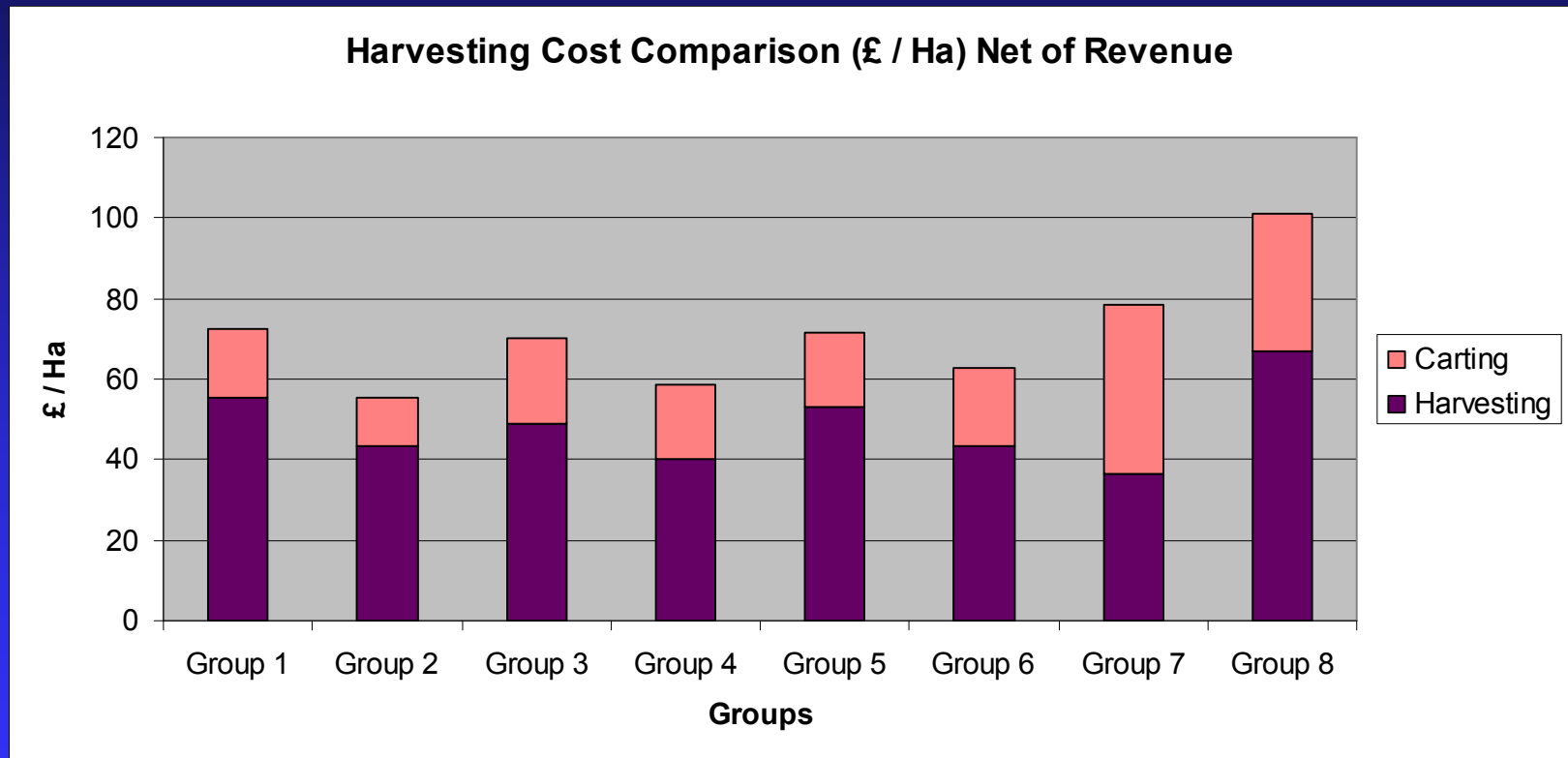
Group Results 2008 Harvest (8)

Establishment Costs by Group



Group Results 2008 Harvest (9)

Harvesting Costs by Group

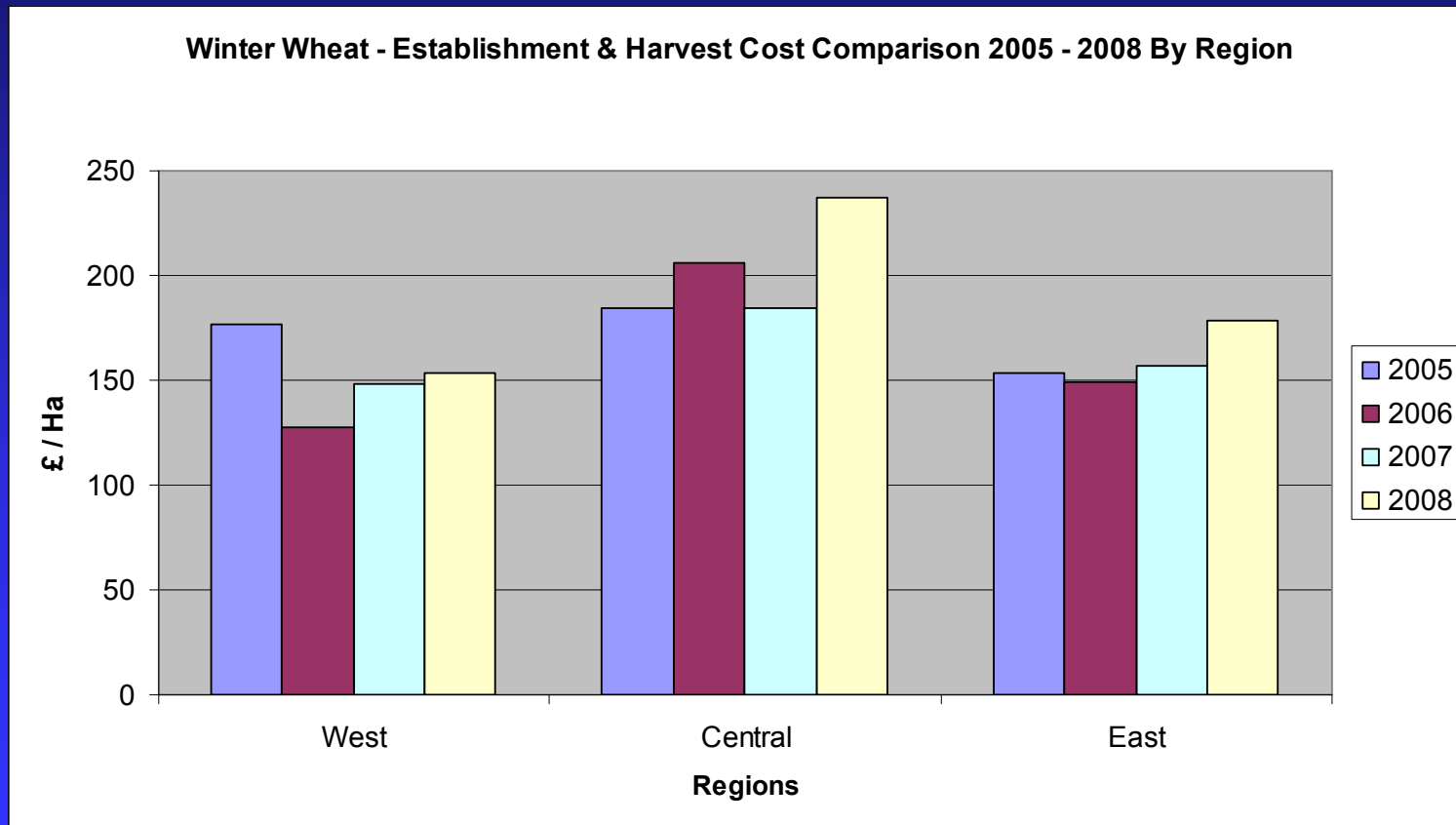


Work Rates 2.31 2.27 2.25 2.36 2.82 2.79 2.55 2.23
Ha/Hr

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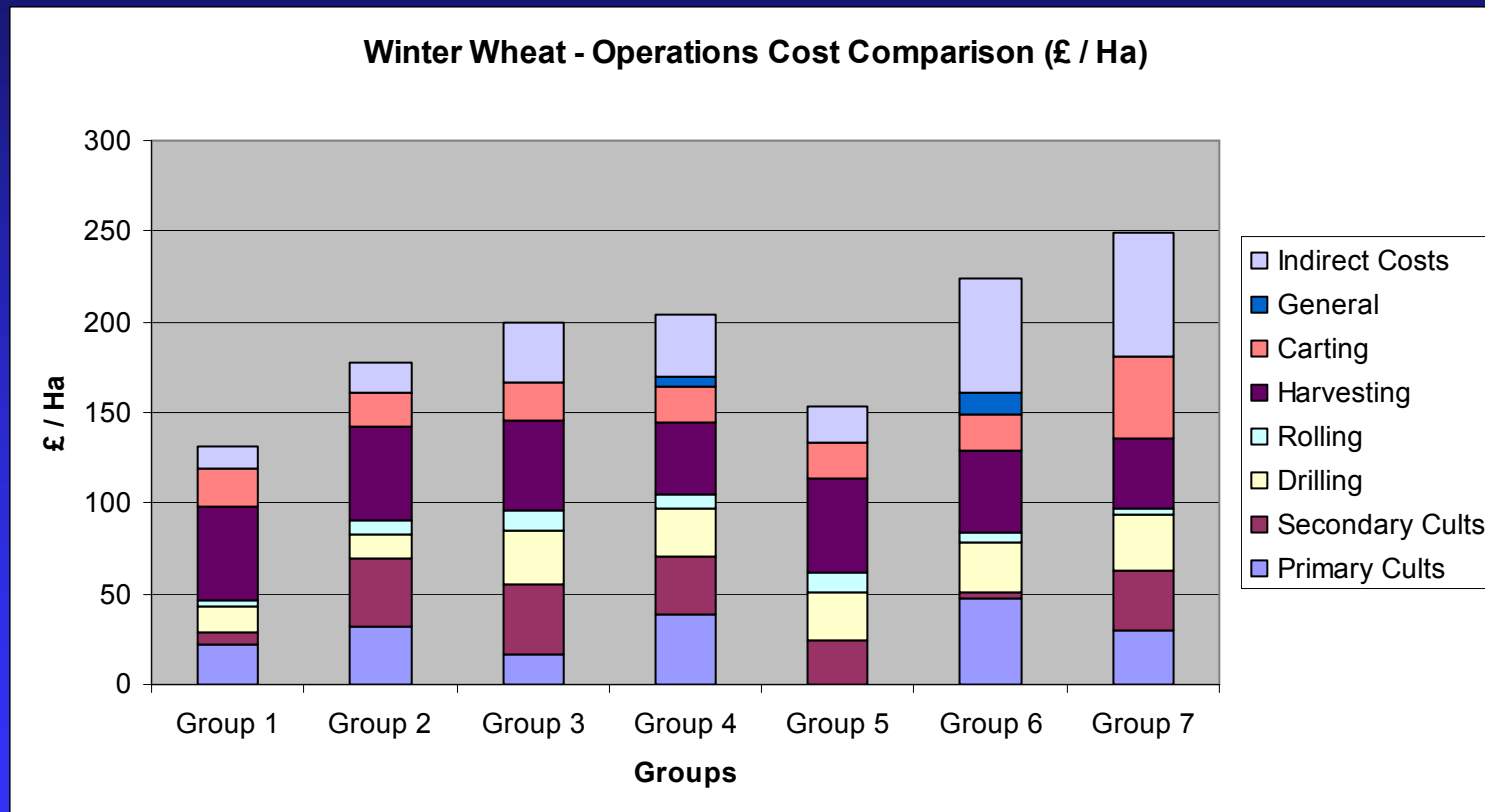
Group Results 2008 Harvest (10)

Operational Cost Comparison Winter Wheat by Region
Year on Year Average Results



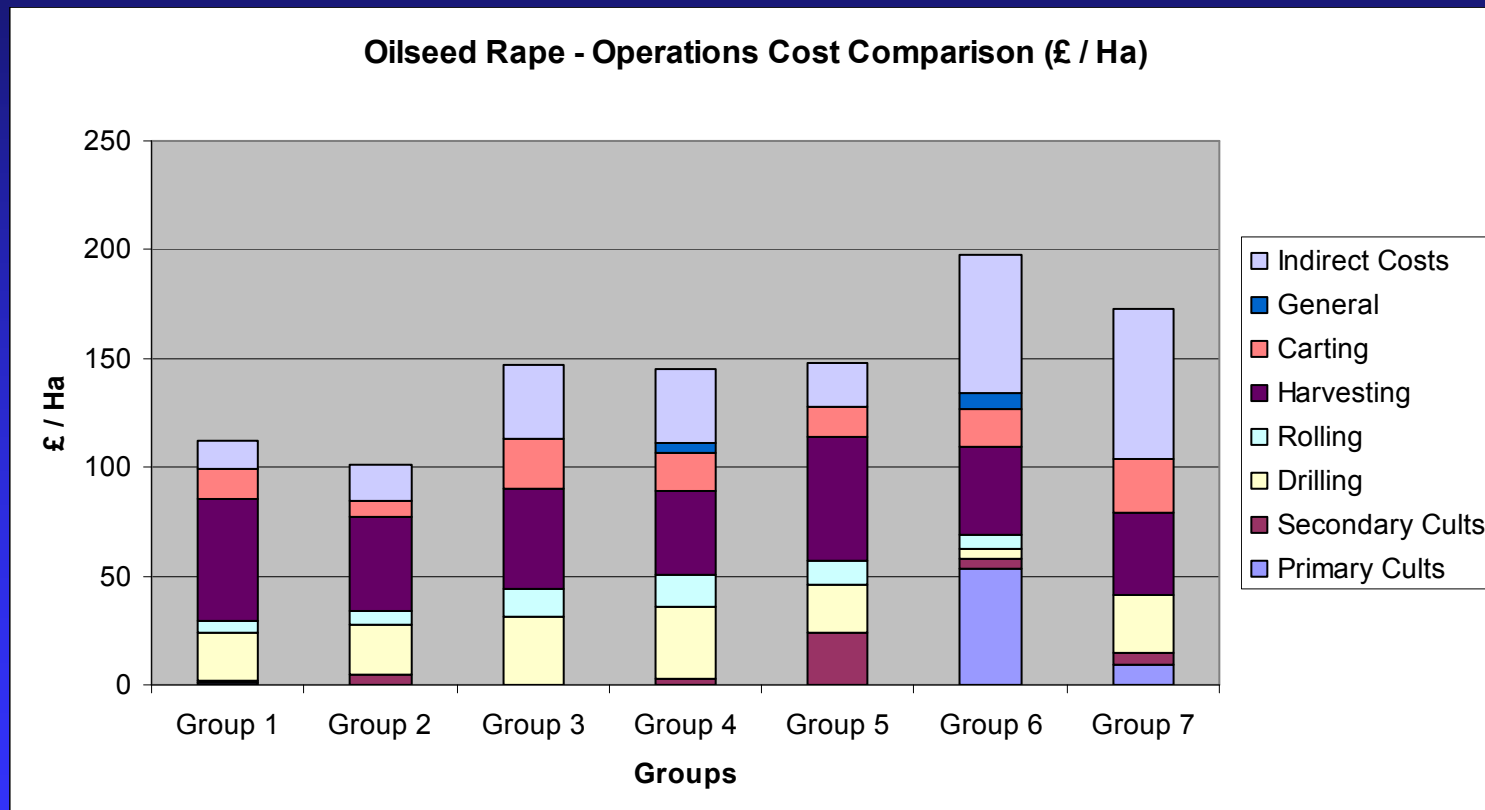
Group Results 2008 Harvest (11)

Operational Cost Comparison Winter Wheat



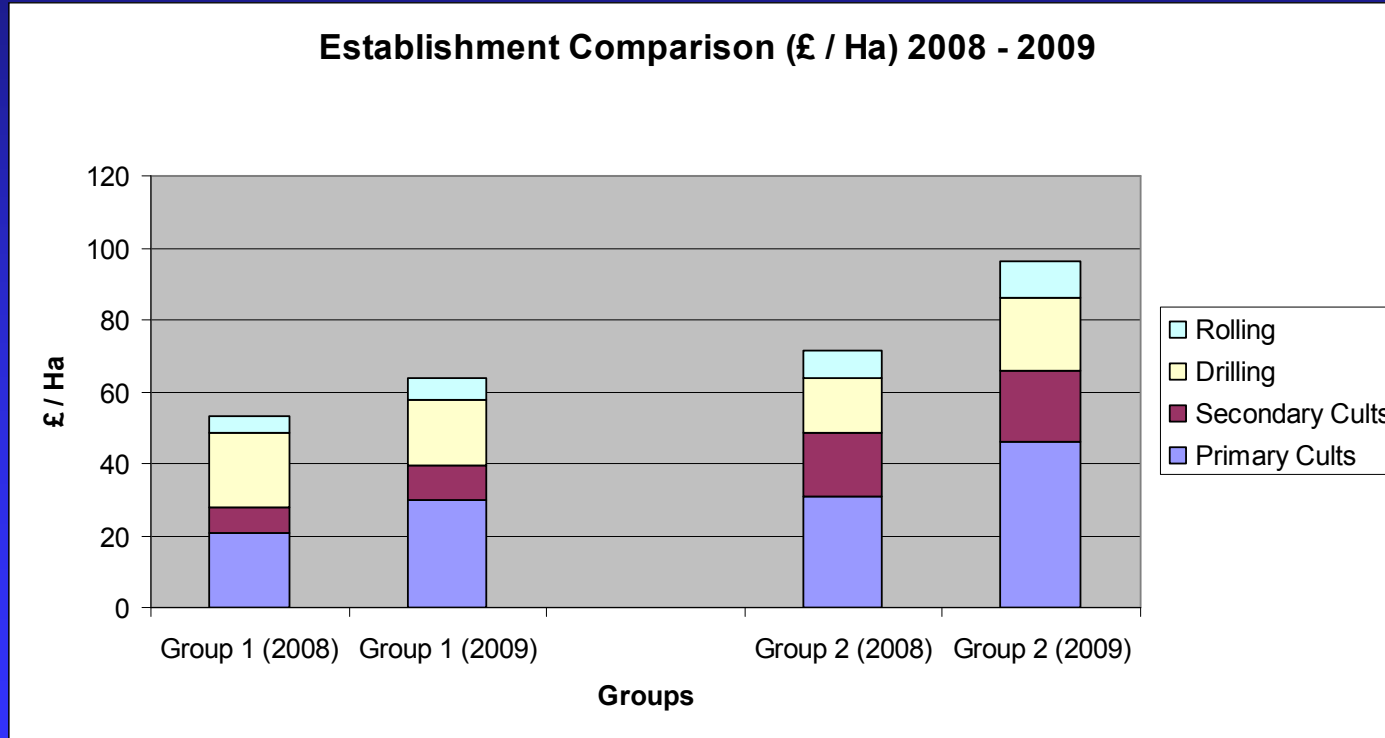
Group Results 2008 Harvest (12)

Operational Cost Comparison Oilseed Rape



Group Results 2008 Harvest (13)

Establishment Cost 2009 Harvest



Group Results 2008 Harvest (14)

Work Rates – Minutes per Hectare for Harvesting & Establishment

Operational Costs	West Minutes /Ha	Central Minutes /Ha	East Minutes /Ha
Primary Cultivations	41.10	58.02	48.35
Secondary Cultivations	19.17	30.57	28.52
Drilling	16.76	30.86	27.99
Rolling	10.53	13.56	13.57
Harvesting	21.28	22.52	26.12
Carting	29.27	56.33	37.82
Total	138.10	211.85	182.38

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Grain Drying Costs (1)

- Contract drying (including handling) £10 - £13/tonne
In house drying £5 - £6/tonne
- Winter wheat cost at average yield £50 - £100/ha
- Oilseed rape cost at average yield £15 - £20/ha
- Winter beans cost at average yield £15 - £20/ha

Conclusions (1)

- Cost inflation of between 28% - 40% & price volatility
- Individual results dependant on infrastructure
- Staff Motivation and good leadership are critical
- Machine selection and purchase -v- hire important
- Central overhead costs need careful management

Conclusions (2)

- Difference between groups –
 - Winter Wheat - £60 / Ha
 - Oilseed Rape - £28 / Ha
- Developing “on line” traffic light system to Members

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Conclusions (3)

K P I Report

JOINT VENTURE FARMING GROUP									
KEY PERFORMANCE INDICATOR REPORT - HARVEST 2008									
	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Benchmark
7 Harvesting - £/Ha									
Labour Cost	5.00	5.30	4.84	3.58	3.57	5.51	4.37	4.61	4.77
Machinery Cost	50.16	38.27	43.94	36.66	49.48	38.09	31.99	62.44	42.23
Implement Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	55.16	43.57	48.78	40.24	53.05	43.60	36.36	67.05	47.00
8 Corn Carting - £/Ha									
Labour Cost	5.03	5.72	5.31	7.57	5.03	7.39	14.33	6.46	7.00
Machinery Cost	10.76	5.23	12.16	7.99	12.13	9.80	23.53	22.40	11.80
Implement Cost	1.36	0.86	3.76	2.97	1.10	2.04	4.18	5.03	2.30
	17.15	11.81	21.23	18.53	18.26	19.23	42.04	33.89	21.10

Conclusions (4)

- Always question your performance!
- Know your own costs
- Learn from “like minded” farmers
- Become a member of the JVFG -
Full Membership - £500 per annum
Discussion Group Membership - £150 per annum

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