

# Jimmy has all the answers, but what about the South East?

Who said that tracked combines have no place in South East England! Perhaps those clever people from Claas have already concluded that paddy fields will feature in future cropping plans – they might be right after this August's rainfall.

Farming is never dull. The sense of relief brought on by better grain prices in 2007 has been replaced by frightening fuel and fertiliser costs in 2008. Grain prices have eased down again. There is so much change and volatility that all can be forgiven for not knowing which way to turn next. As I write, forward grain prices for November 2009 are at the levels shown in the table below.

## Oilseed rape a risky choice

On the back of these figures some might have reconsidered cropping plans for this autumn. Late sown oilseed rape with inputs costing £235 per acre is a risky choice and the bean margin won't even pay for the diesel used to establish them. Linseed might make a return next spring with more interesting contracts available whilst others might fallow land rather than risk significant expenditure on a crop planted well past the target sowing date. But are there real alternatives to the tried and tested system that each farm adopts?

Over the last few weeks you will have watched Jimmy Doherty searching out



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**CLM's Matthew Berryman considers the volatile market, and outlines the importance of reducing costs and increasing efficiencies now to safeguard profits later**

innovative examples of the modern Farming Hero (although he chose to ignore the South East, presumably believing that nobody in our patch qualifies!) Whilst this excellent series will have

helped the reputation of our industry, he focused on those with an unusual story to tell and largely ignored the majority who simply produce quality food for the masses. This brings me back to the point. Not everyone has an alternative to either their current cropping regime or the farming system and, for most, minimising production costs and maximising output is the most likely way forward.

## Is the South East different?

In the South East, however, we are fortunate. Most businesses generate some income from non farming enterprises – redundant buildings converted for office use, livery enterprises and survival training camps to name a few. These are good whilst the general economy is buoyant and the public have plenty of cash to spend. But the great British media

keeps reminding us that we are now in tougher times. This seems to be supported by the fact that there are more empty office/storage units than there were a year ago and some livery yards are having difficulty getting money from their customers. The (not quite so)

big four banks report less farmers seeking cash for new diversification projects and that is not because they are short of funds to lend. For whatever reason then it seems that the farm business cannot be so confident that disappointing farming returns will be hidden by other income.

## Big changes provoke reaction

So if the other enterprises don't do quite so well, will this encourage us to farm more efficiently? Most will say that they are doing that already but the recent fertiliser saga might help to explain what I mean. The massive hike in prices – particularly for P & K compounds – has led many to explore alternative nutrient sources. Suppliers of compost and sewage sludge now have more enquiries than they can handle and soil testing laboratories report being busier than ever before. It is interesting to observe that it has taken a four-

fold price increase to bring about this reaction when it has always made sense to apply P & K only where it is needed. The "Precision Farming" gurus will now be quite smug but it is easy

to be wise in hindsight. Perhaps the point is, there is usually an opportunity to challenge the current practice with the clear objective of saving costs to generate more profit.

To wind up it seems those prophets who predicted a rocky ride could be right – despite the undoubted worldwide need for food. Now is a good time to ask questions of your farming system and make it less vulnerable to volatile prices which look set to challenge us all in future.

	Wheat	W.Barley	OSR	Oats	Beans
Yield - t/acre	3.40	3.00	1.35	2.90	1.60
£/tonne	120	118	280	115	165
Gross output	408	354	378	334	264
Total V.Cs	253	199	235	188	146
Power/labour	110	110	110	110	100
Net margin £/acre	45	45	33	35	18

**"Now is a good time to ask questions of your farming system"**

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