



Hemp-Queen Cereals Authority




## Improving Business Management for Growers - Benchmarking

**John Pelham, Partner**  
**Andersons the Farm Business Consultants**



Hemp-Queen Cereals Authority



## Benchmarking

- Business comparisons – internal and external
- The Curry Commission initiative
- Benchmarking – information required & how undertaken
- Presentation of results
- Common observations and feedback from Benchmarking
- How Benchmarking can help improve business performance

Hemp-Queen Cereals Authority




## CropBench Results

Use the drop down boxes to select the results you want to compare.

£ Per Tonne	National	Top Farm	Average	Variance
Seeds	3.8	3.4	3.4	-0.4
Fertiliser	11.1	15.5	15.5	4.4
Sprays	12.7	15.8	15.8	3.8
Sundries	1.4	0.6	0.6	-0.8
<b>Total Variable Costs</b>	<b>28.4</b>	<b>35</b>	<b>35</b>	<b>6.6</b>
Labour	21.2	24.8	24.8	3.6
Machinery	24.5	5.3	5.3	-19.2
Property	4.7	1.6	1.6	-3.1
Admin	4.9	4.5	4.5	-0.4
Rent	14.3	3.2	3.2	-11.1
Finance	4.3	3.6	3.6	-0.7
<b>Total Overheads</b>	<b>68.5</b>	<b>43.1</b>	<b>43.1</b>	<b>-25.4</b>
<b>Grand Total</b>	<b>96.9</b>	<b>78</b>	<b>78</b>	<b>-18.9</b>


Printable Version    Printable Version (All Crops)

Hemp-Queen Cereals Authority



## Improving Business Management for Growers - Arable Business Groups – ‘The Samco Agronomy Group’

**Peter Taylor, AICC Independent Agronomist**




Hemp-Queen Cereals Authority



## Background to the Samco Agronomy Group

- 8 members drawn from 2 agronomy groups which are syndicates from larger buying groups
- Mixture of farm sizes
- Agronomy groups established over 25 years ago
- Benchmarking yields and variable costs from the start
- Some attempt at benchmarking fixed costs
  - Advent of ‘CropBench’

Hemp-Queen Cereals Authority



## CropBench Data Input

West Barton: 2006

	Cost For Total Business	Attributable to Contribute Crops
<b>Machinery</b>		
Machinery Depreciation	8,000	8,000
Tractor and Machinery Spares and Repairs	1,000	1,000
Tractor and Machinery Fuel and Oil	2,000	2,000
Vehicle Fuel and Oil	12,000	2,400
Wearage Costs	0	0
Theft Party Grain Storage and Drying Costs	9,000	4,500
Electric and Gas	0	0
Contract Hire and Hedge Cutting	0	0
Tractor Hire	14,000	13,200
<b>Total Machinery</b>	<b>49,000</b>	<b>27,600</b>

## Important features



- Confidentiality
- Relative simplicity
- Default settings
- 'What if' scenarios
- Comparison with wider geographical area

## 'Getting Started' – the first meeting



- Agree some basic rules
  - How much are members prepared to share individual details
  - Agree the approach to certain figures such as depreciation
  - Check and agree the default figures
- Ideally go through a dummy run
- Agree frequency of meeting

## Pointers for success



- Involvement of business consultant
- Back up from HGCA
- Mix of social and business
- Members feel it's worthwhile

## What have we learnt so far?



- A 'reality' check for members!!
- 'What if' scenarios very useful
- Challenges members current practices

## Challenges



• Don't assume everyone has the same computer expertise!



Hit any key to continue

• Some may feel threatened – keep an eye on the dynamic



## Challenges



- Wider comparisons – how meaningful will they ever be? Consistency is easier to maintain at group level.

## Conclusions



- All members have found it worthwhile
- Important to have a business consultant expertise
- Challenging questions posed
- What next?
  - Devising the 'ideal' farm
  - Seminars with other experts

## Thank you

