Contracts, Quality & Volatility

Andrew Booth Aberdeenshire



The Farm

- Farming 400ha
- Owned, rented & contract farmed
- 80/20 arable/livestock
- Challenging land
- Arable Monitor Farmer



Winter & Spring Barley, Winter Wheat, OSR, Spring Oats



Monitor Farm

- Farm required to be focus
- Chance to learn from others
- 3yr project
- 6+ meetings a year
- 50+ avg attendance
- Strong management group
- Lessons learnt so far!



Contracts – my experience

Oats Contracts - Good

Future Contracts - Average

Malting Contracts - Poor



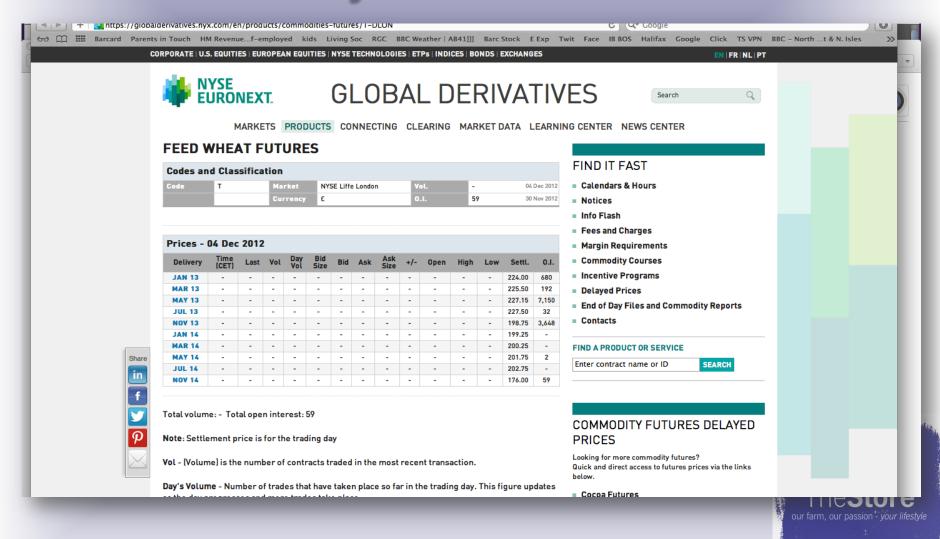
Question?

Who is a person who is "hostile or indifferent to culture and the arts, or who has no understanding of them"

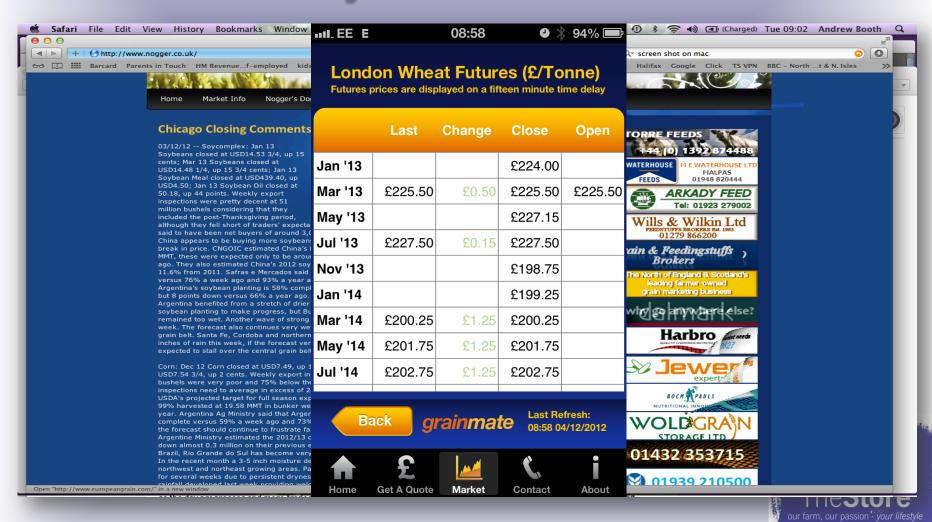
Answer: A Philistine?

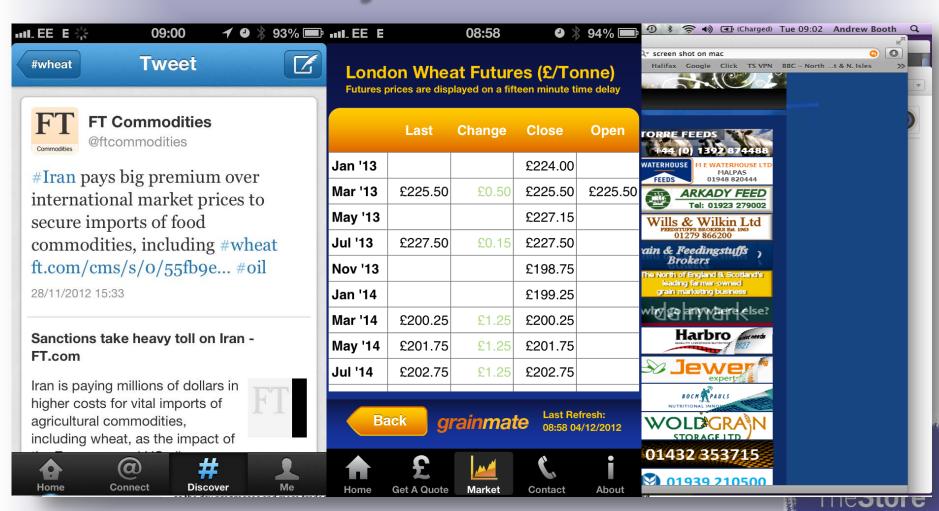
No: A Malster!!

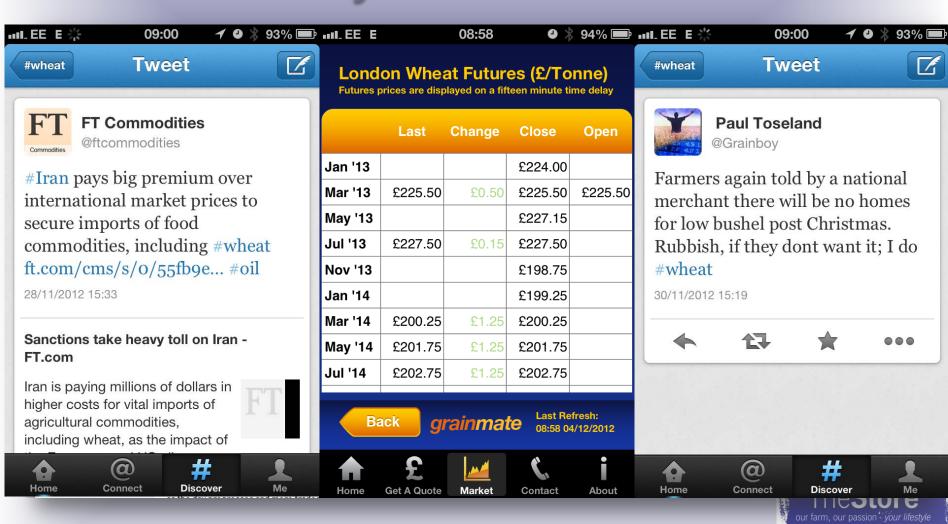












Quality 2012

- A year to forget
- Avg bushels fine benefit of a mobile drier
- Good local market
- Local & National Horror Stories
- FFA (Free Fatty Acids) in OSR



Protecting Against Volatility

- Forward selling (20-30%)
 - Hedging (selling against fertiliser)
- Grain Pool (20%)
 - OSR premium crop
- Spot Selling (50+% in a normal year!)
 - Local market



Avg Selling Price

	2007	2008	2009	2010	2011	2012
Feed Barley	£126	£101	£82	£144	£147	£180
Local Coop	£136	£99	£72	£142	£152	? + £1
Feed Wheat	£130	£106	£96	£128	£148	£150
Local Coop	£145	£110	£91	£145	£170	? - £10

Cost of Production £/t

total costs + notional labour, rent & finance

	2011	2012
Wheat	£150	£176
Winter Barley	£139	£165
OSR	£266	£313
Winter Oats	£138	£266
Spring Barley	£165	£147
Spring Oats	£143	£191



Future Proofing

- Continue forward selling a % of crop
- Watch the markets
- Produce what the consumer requires
- Installation of a on-floor grain drier with Bio Mass boiler
- Don't over sell!!
- Grow to your strengths

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