

ProCam Group Ltd.
Industrial Estate
Saxon Way
Melbourn
Royston
Herts. SG8 6DN

Tel: 01763 261592
Fax: 01763 262869



PRESS NEWS

TOP 25% of ARABLE PRODUCERS FORGE AHEAD

Despite lower grain prices and greater disease problems in 2004, the top 25% of UK arable producers matched the highest of national average gross margins achieved in the previous four years, according to new figures released from the ProCam 4cast agronomy system.

Although, overall margins were down by around 18% on average in 2004 over 2003, the top producers' performance against the average was worth an extra £120/ha of gross margin emphasising the importance of sound management in achieving maximum returns, says ProCam technical agronomist Nick Myers.

“Cross analysis of the difference between the top 25% and the average shows no advantage in terms of soil types, climate or economies of scale from larger units, it is simply down to better practical crop management.”

On average, arable producers achieved gross margins in Winter Wheat of £563.05/ha compared with 2003's figure of £687.01/ha – the highest achieved in the past 5 years. The top 25% in 2004 achieved £684.24/ha.

“Yields on average were up by about 0.75 tonne from 8.25 tonnes/ha to 8.97 tonnes/ha but lower grain prices and increases in spray, fertiliser and seeds costs from £249.39/ha to £275.90/ha in 2004 had the overall affect of reducing margins,” Nick Myers explains.

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“Nonetheless, the top 25% were able to stretch their lead achieving gross margins 21.5% higher than the average compared with 17.5% higher than the average in 2003.”

The 4cast figures show there is no one area where the top producers are noticeably better than the average, they are just consistently better at all stages.

Variable costs for the top 25% are £260.83/ha compared with £275.90/ha for the average and yields are 9.41 tonnes/ha compared with 8.97 tonnes/ha, which combined give a figure for variable costs of approx. £27/tonne for the top 25% compared with an average of £31/tonne.

In addition, the top 25% achieve better timing of applications, don't try and stretch spray intervals, use more appropriate treatments and manage their rotations better achieving a higher proportion of first wheats - 80% of total acreage compared with an average of 64%, 4cast reveals.

“If you look at cultivation methods for winter wheat, 66% of the top producers use minimum tillage methods compared with an average of 45% - only 34% of the top group actually plough compared with an average of 56%.”

“The 4cast 2004 figures clearly show that soil type and farm size have only a limited impact on profitability. Management ability is the most important determinant of financial performance. Get this right and there is terrific potential for the most efficient producers to expand their farming operations in the future.”

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For further information please contact Nick Myers, ProCam Ltd., Royston, Herts.
Telephone: 01763 261592

Issued by Philip Hainey, Proterra Ltd., Stamford, Lincs. Telephone: 01780 756299

Notes to Editors

This information was presented for the first time at the National ProCam Spring Conference at Tattersalls, Newmarket on Wednesday 9th February 2005.

Digital pictures from the conference are available from liz@proterra.co.uk

4cast is ProCam's predictive agronomy system, utilising field results taken from one million acres of arable land, walked by ProCam's agronomists throughout the UK.