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Farming's resilience and competitiveness are key themes at 2016 Sentry Conference

February 2016 Chris Hill



The Sentry Conference at Rowley Mile Racecourse in Newmarket

East Anglian farmers must build greater resilience and competitiveness into their operations if the UK is to stay in the “first division” of world agriculture.

That was one of the messages from the 2016 Sentry Conference, which brought more than 400 delegates to Rowley Mile Racecourse in Newmarket.

Conference chairman Ian Pigott said the debates were designed to inspire a “forward-facing approach to British farming” with topics including the need for innovation, why people are investing in agriculture, and how to get better reward from resources and soil stewardship.

The first speaker was Jane King, a former editor of Farmers Weekly who is now the chief executive of the levy-funded Agriculture and Horticulture Development Board (AHDB).

She said the AHDB had undergone a “challenging 12 months”, as it pushed through a “revitalisation programme”, including bringing the six individual sector boards together, aiming to improve efficiency and value for money for the £57m collected annually from levy-payers.

While market volatility, resource availability and climate change offer significant challenges, she said the growing UK population provided an opportunity for UK farmers – but there are also major concerns about this country’s competitive performance.

“Productivity growth is lagging and the primary challenge is efficiency – how to manage our costs and increase our output to gain an advantage over our competitors,” she said.

“If we look at how we compare with our competitors it is not pretty. You might say: ‘She is stating the obvious’, but actually as an industry we are appallingly bad at holding a mirror up to see how we are performing. We need to spend more time talking about how we are competing and we need a more mature debate about it. The AHDB should be helping with that.”

Mrs King said AHDB successes last year included opening up export markets in China for barley and pig’s trotters, while the re-organisation was expected to improve efficiency and remove duplication of effort.

“It is a big shift from ‘silos’ into one organisation,” she said. “The critical message is by doing this we are not losing our sector focus. Levies are still ring-fenced to be used in the sector where they are raised. We have extensive scrutiny from our auditors, and I can assure you that I will be held before parliament if anything was not right.”

Long-term vision

The conference also heard from Poul Hovesen, farm manager at Salle Estate near Reepham and director of farming at Holkham Estate in north Norfolk.

He said farmers could build resilience into their operation by taking an integrated approach to their rotation, cultivation and long-term sustainability.

He said he never let short-term peaks in prices dissuade him from the wider benefits of his seven-crop rotation at Salle, which has generated yields and gross margins well above the national average.

“We can look back to a wonderful year in 2011 when we had good margins, but really I want to show is that any individual crop in a rotation is a relation to the other crops,” he said. “The reason why we have got such good winter wheat yields is because the cultivation techniques are tailored to the individual crop.

“For me, as the manager of two large farming operations, it is important that we have got a sustainable business going forward. We don’t look at an individual year as a financial year. Our marketing is done over 48-52 months. We have got long-term contracts and it is the average long-term gross margin that counts.”

In recent years, Mr Hovesen has worked with the UEA to explore how to reduce diffuse pollution through Catchment Sensitive Farming.

Highly detailed monitoring and measuring is carried out at Salle for rainfall, nutrient loss, and fertiliser applications, with cover crops and organic manure among the measures incorporated into the rotation to improve soil structure and retain nutrients.

“We can continue to have a high-input / high-output farming without polluting the environment, if we can have the right measures and put them in the soil,” he said. “We should not be too obsessed with the costs. We should be focusing on the outputs.”

Other speakers included Baptiste Tellier, vice president of Fall Line Capital, who gave a US perspective on what makes agriculture investable, and Sarah Dunning, chief executive of Westmorland Ltd, who talked about “turning problems into opportunities”.

The family diversified into motorway services after the M6 was built through a corner of the farm. Today the Westmorland family has six motorway and roadside service stations in Cumbria, Gloucestershire and Scotland, with 10 million customers a year, employing 1,000 people.

EU debate

Farming employers must engage their workforce in the EU referendum debate because it could have major implications for jobs and profits, according to a celebrity financial expert.

Heather McGregor, the former investment banker and financial columnist, is also known through her many books and TV appearances as Mrs Moneypenny.

Speaking at the Sentry Conference the businesswoman, who originally studied agriculture at university, said Britain was the fifth largest recipient of funds from the EU's Common Agricultural Policy (CAP), with £20bn committed to this country until 2020.

And after Defra minister and South West Norfolk MP Elizabeth Truss confirmed last month that there was currently no "Plan B" for how that subsidy support would be replaced after Brexit, Mrs McGregor said the uncertainty for businesses was a major factor in the debate.

"I would encourage everybody to have this debate about what the realities of life would be for your business," she said.

"What is going to get us out of Europe is not the three different campaigns to get us out. It will be apathy.

"Many of you are employers and it is important for you to make sure people have a say on this. It is not about patronising them and saying you need to vote to stay in because your job depends on it – although that may be true. But you need to find a way to have debate about it."

Mrs McGregor said her own vote would be to stay in the EU. "It is not an open and shut case, but I believe we are little bit better off in than out," she said.