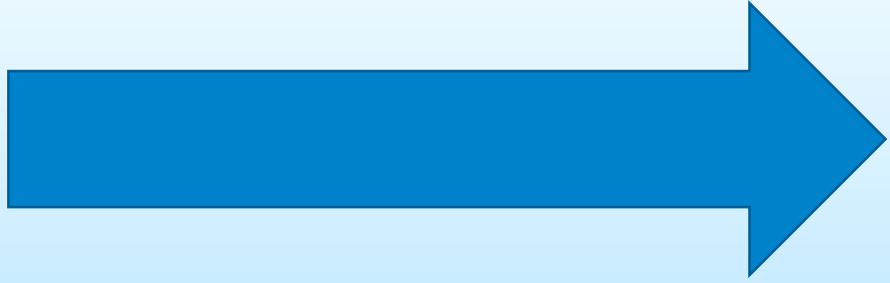


A series of horizontal, wavy lines in shades of blue and green sweep across the upper portion of the slide, creating a sense of movement and flow.

Making the most of what you've got

Greenmount Campus

11 January 2018



- Brexit scenarios
- A bucket list of grower priorities
- Our competition
- What AHDB can do for you

AHDB Brexit Scenarios

AHDB Brexit scenarios



3 Possible Brexit Scenarios...



Evolution

UK out of Single
Market

Free Trade
Agreement with
EU

3 Possible Brexit Scenarios...



Evolution

UK out of Single
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Fitter farming

Tariffs on imports
set at zero

Support cuts by
50%

3 Possible Brexit Scenarios...



Evolution

UK out of Single Market

Free Trade Agreement with EU



Fitter farming

Tariffs on imports set at zero

Support cuts by 50%



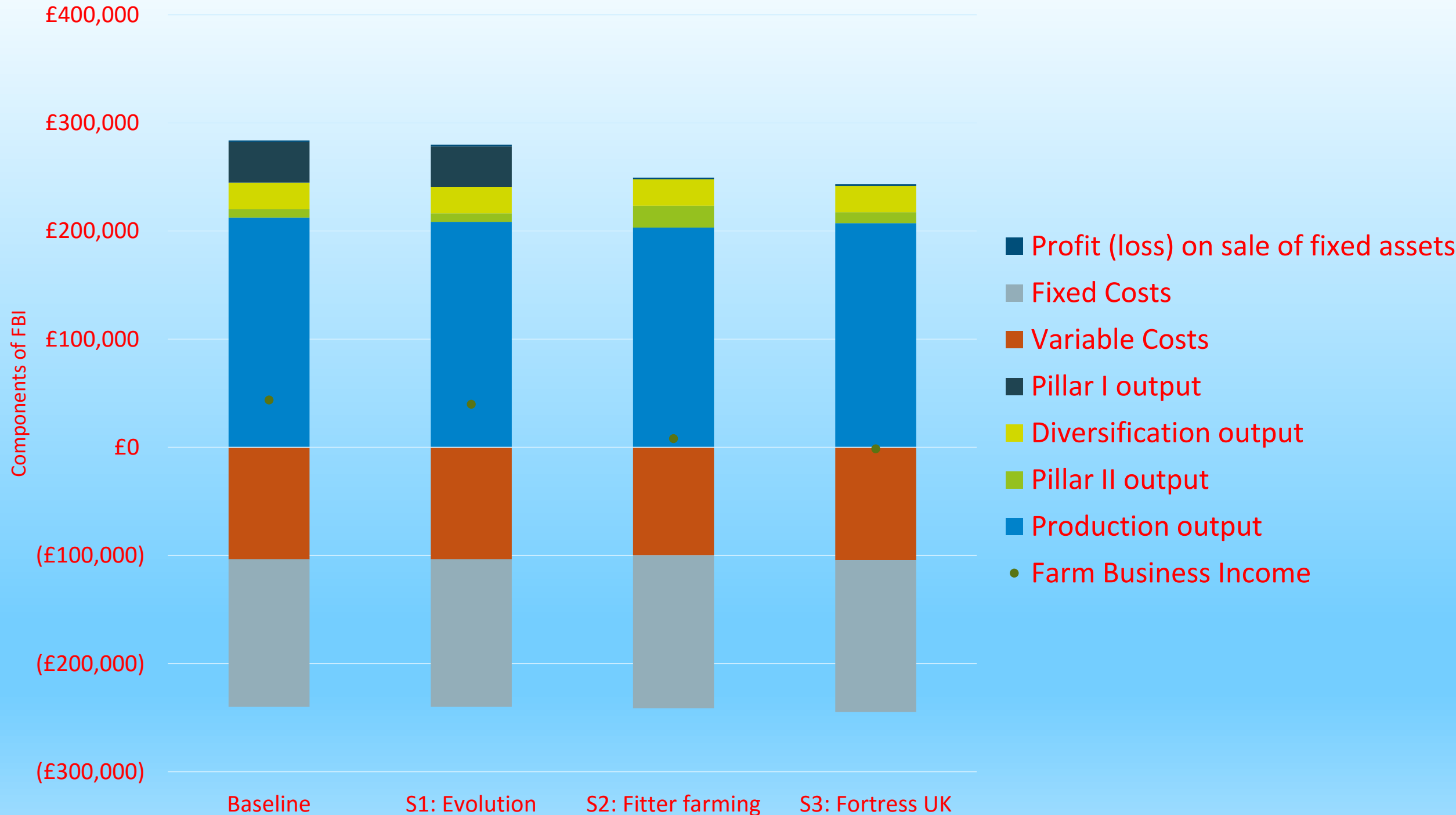
Fortress UK

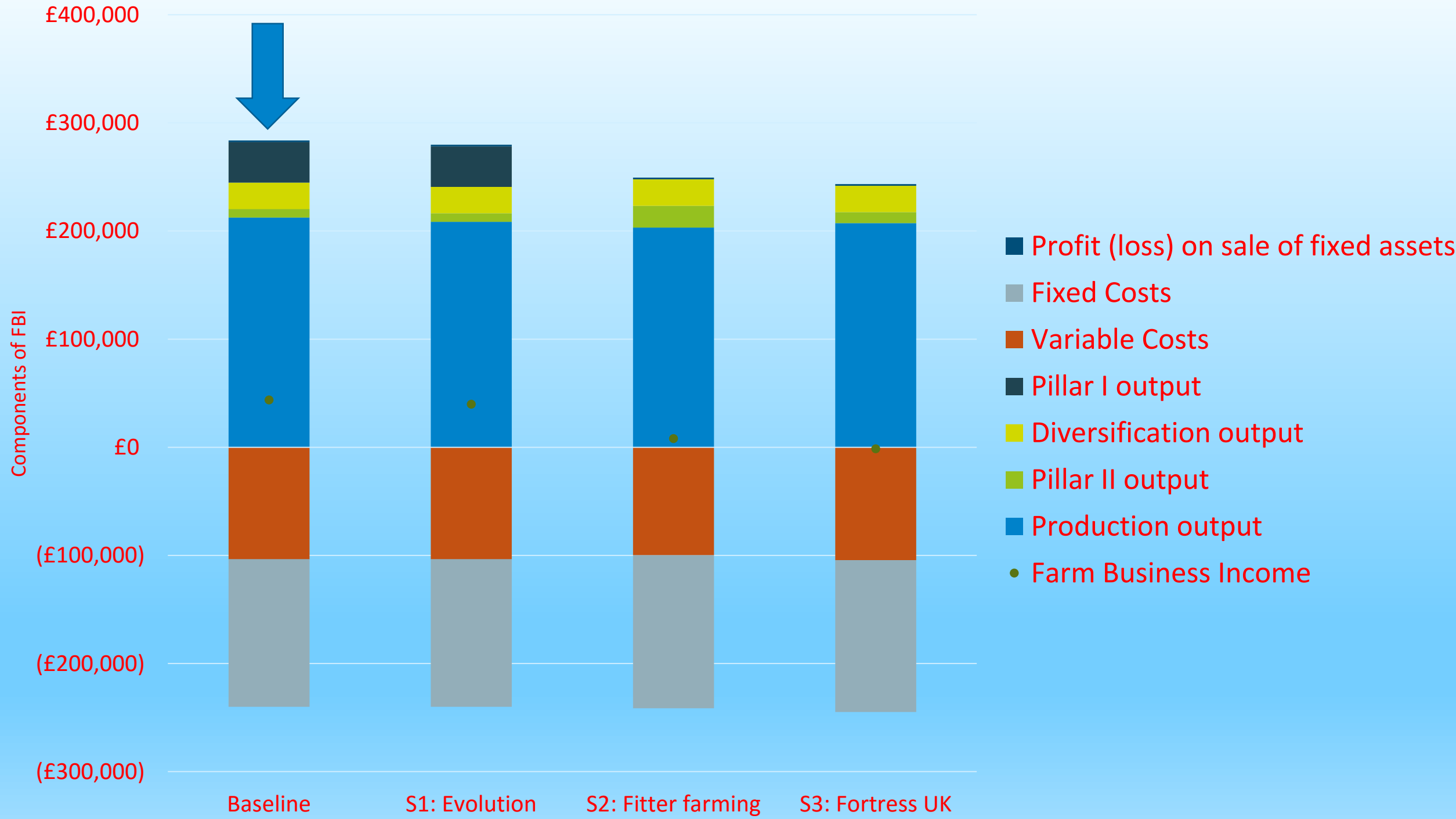
No trade deal with EU & WTO applies

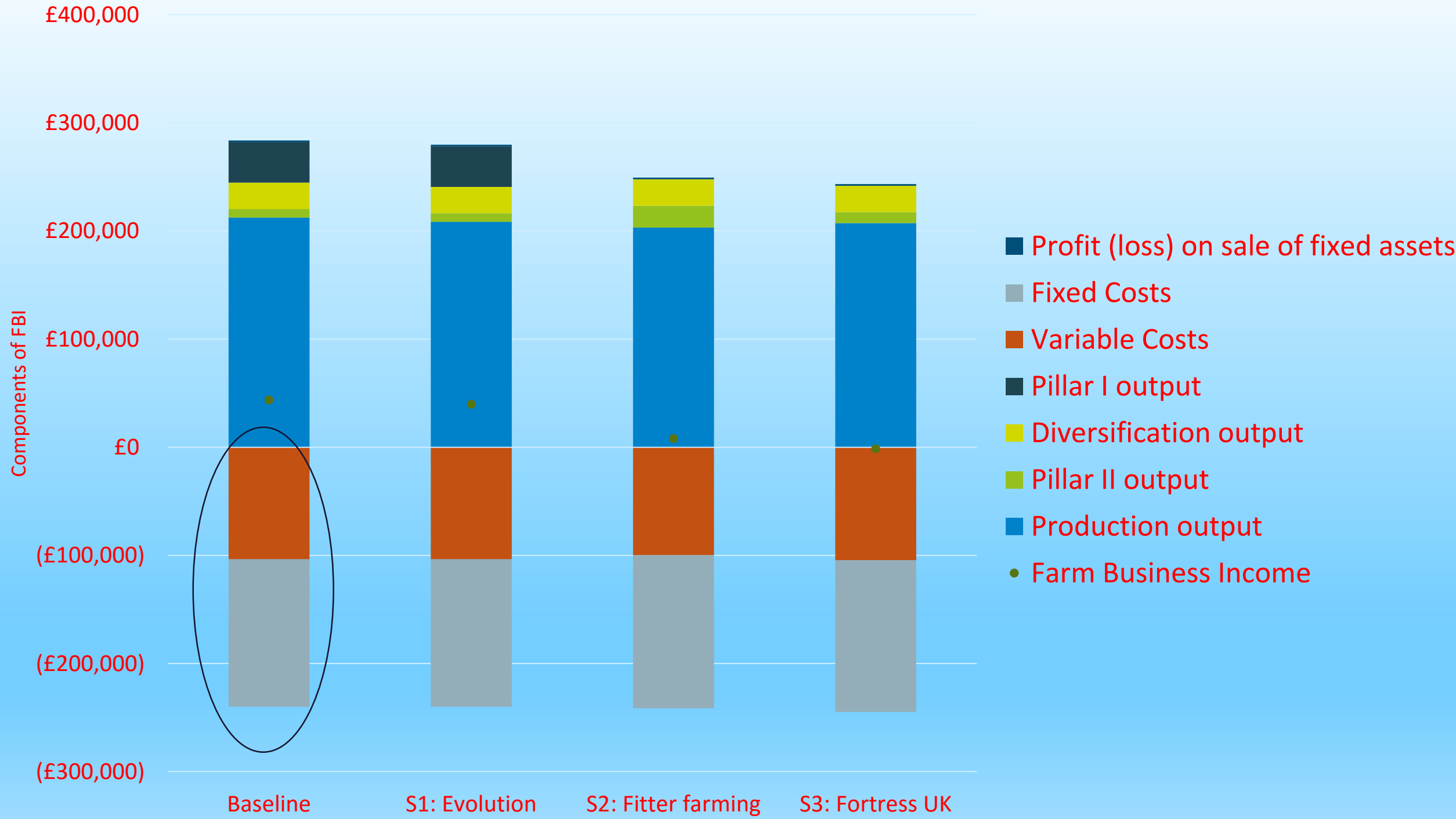
Support cut by 75%

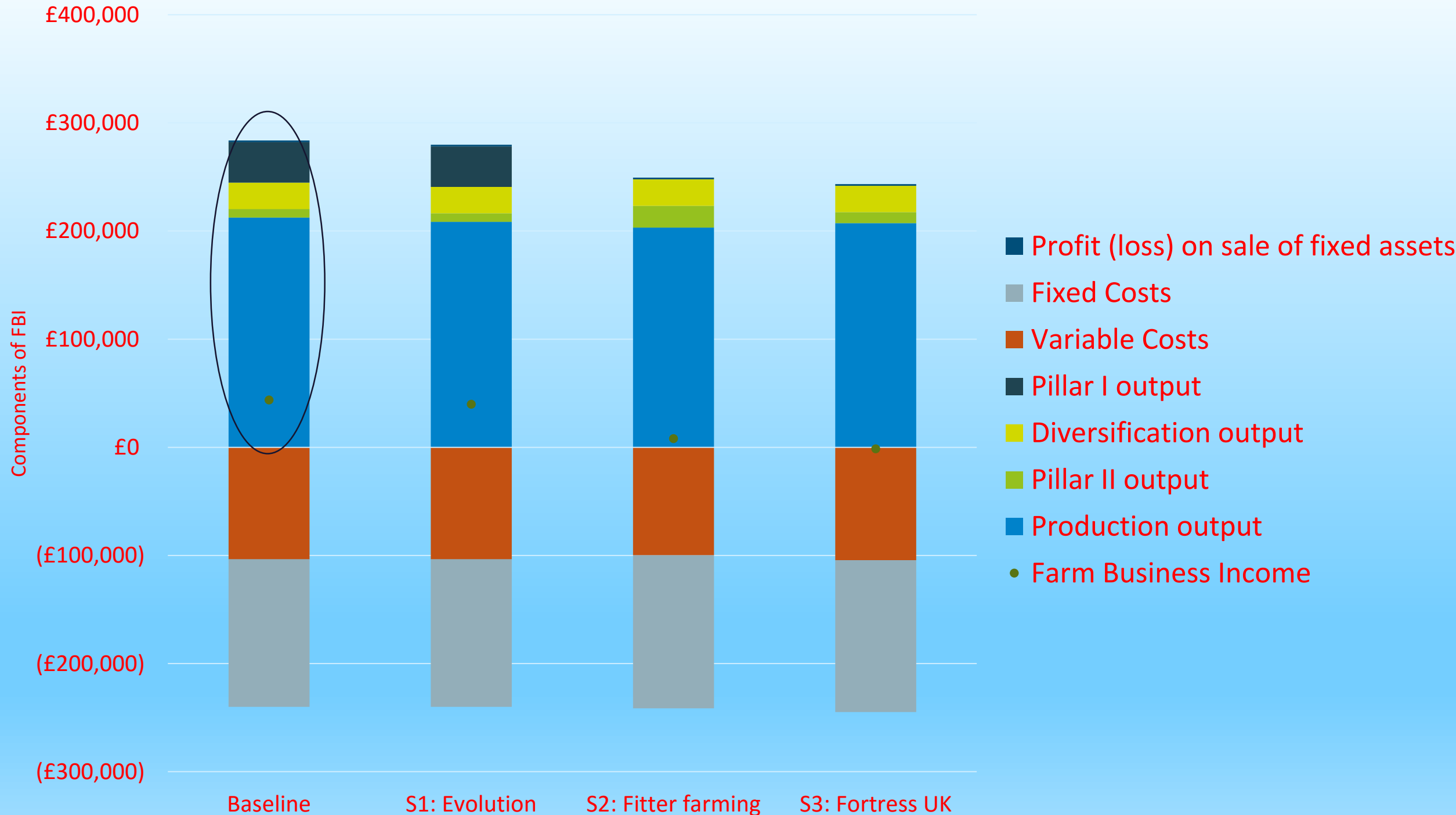
Possible Impact on Farm Business Income

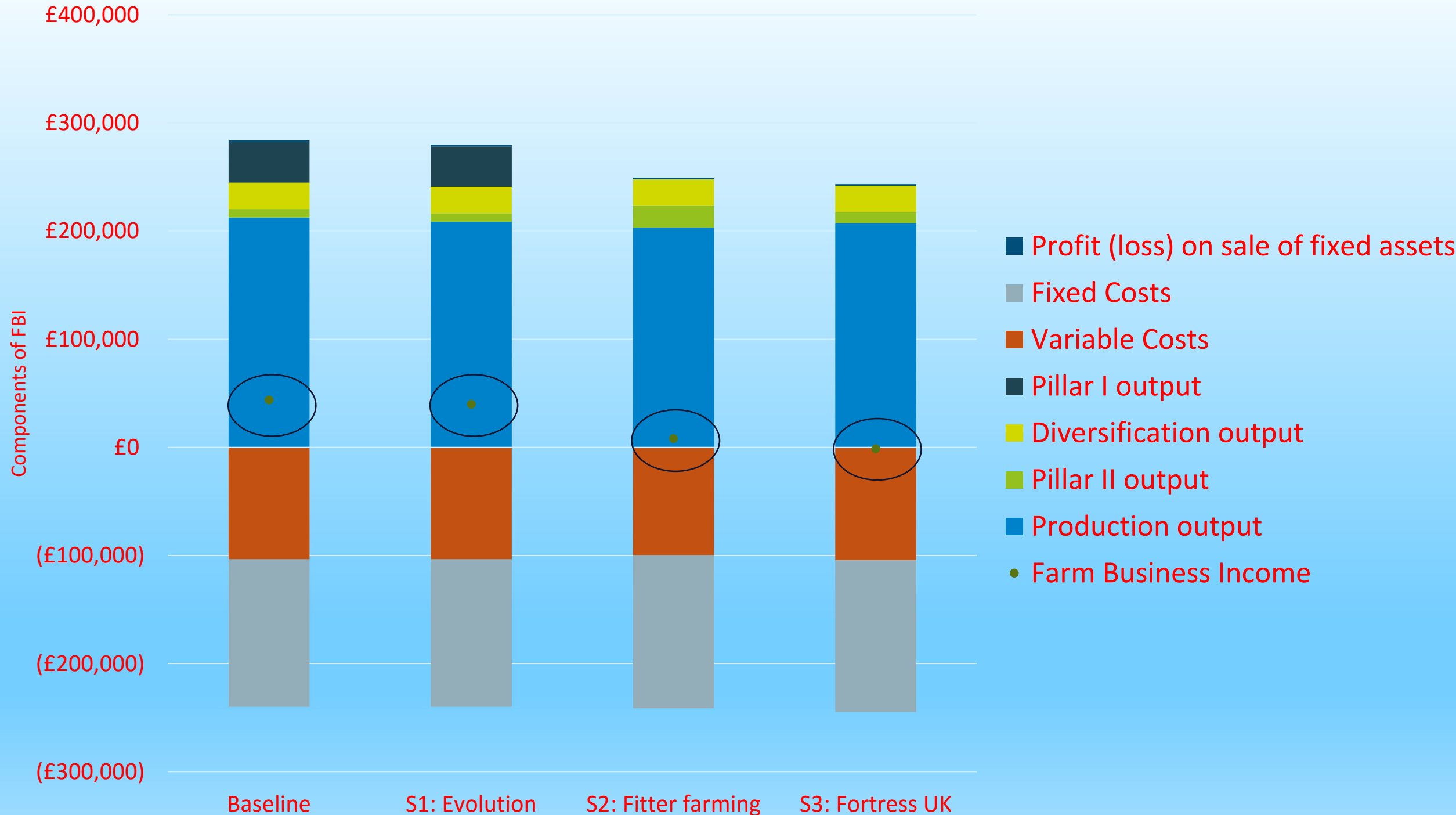
If you do nothing!

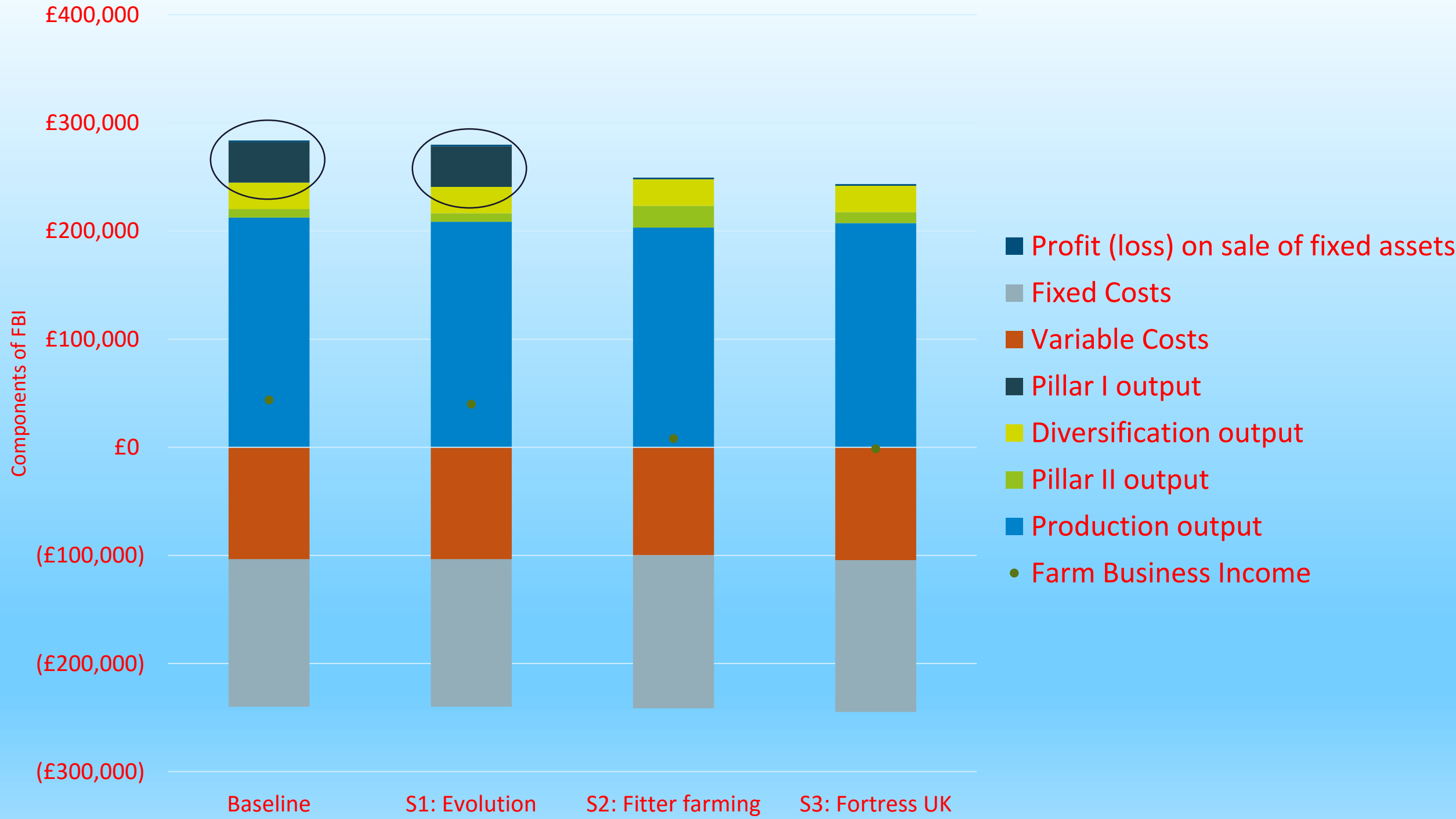


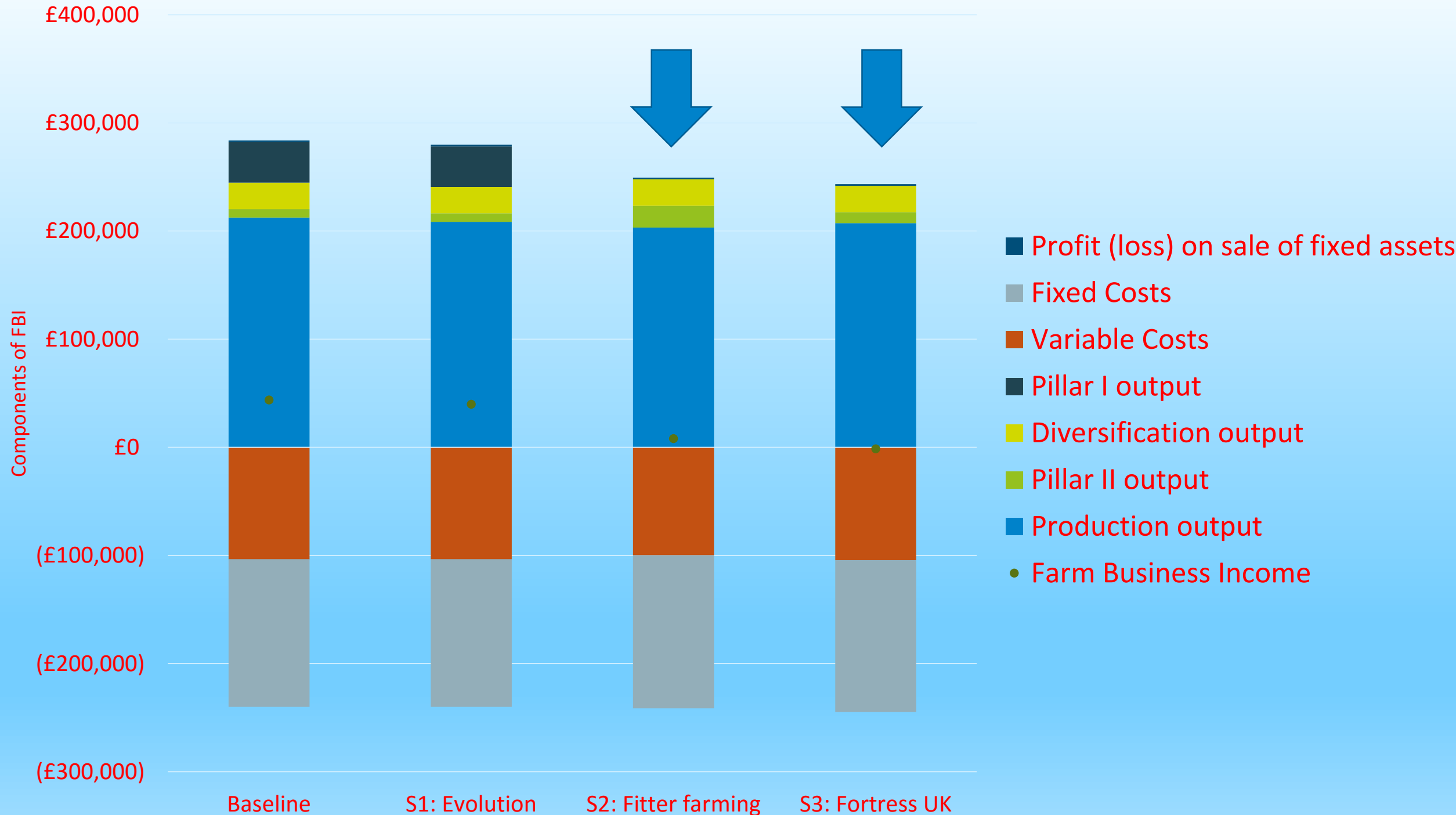


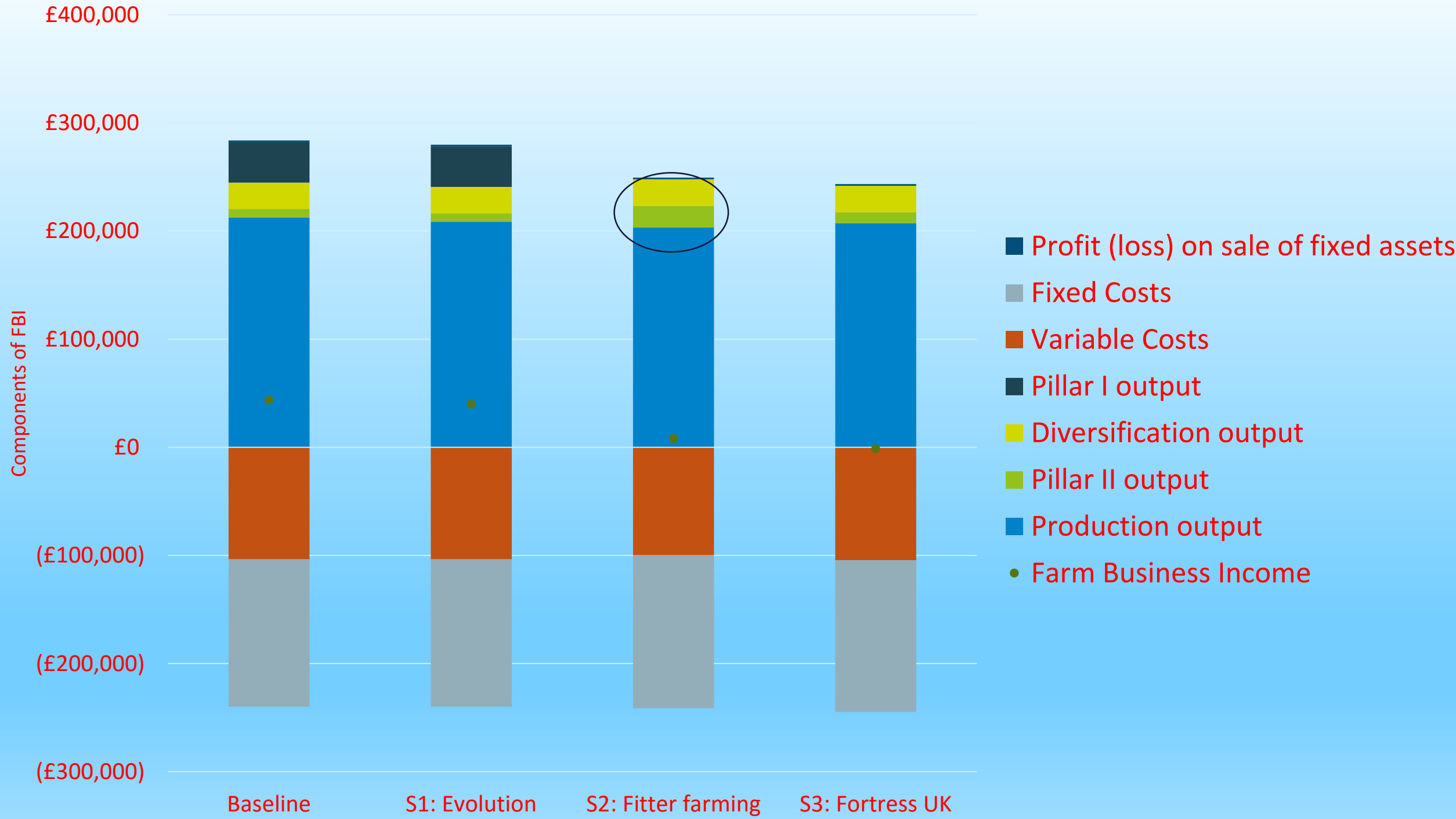


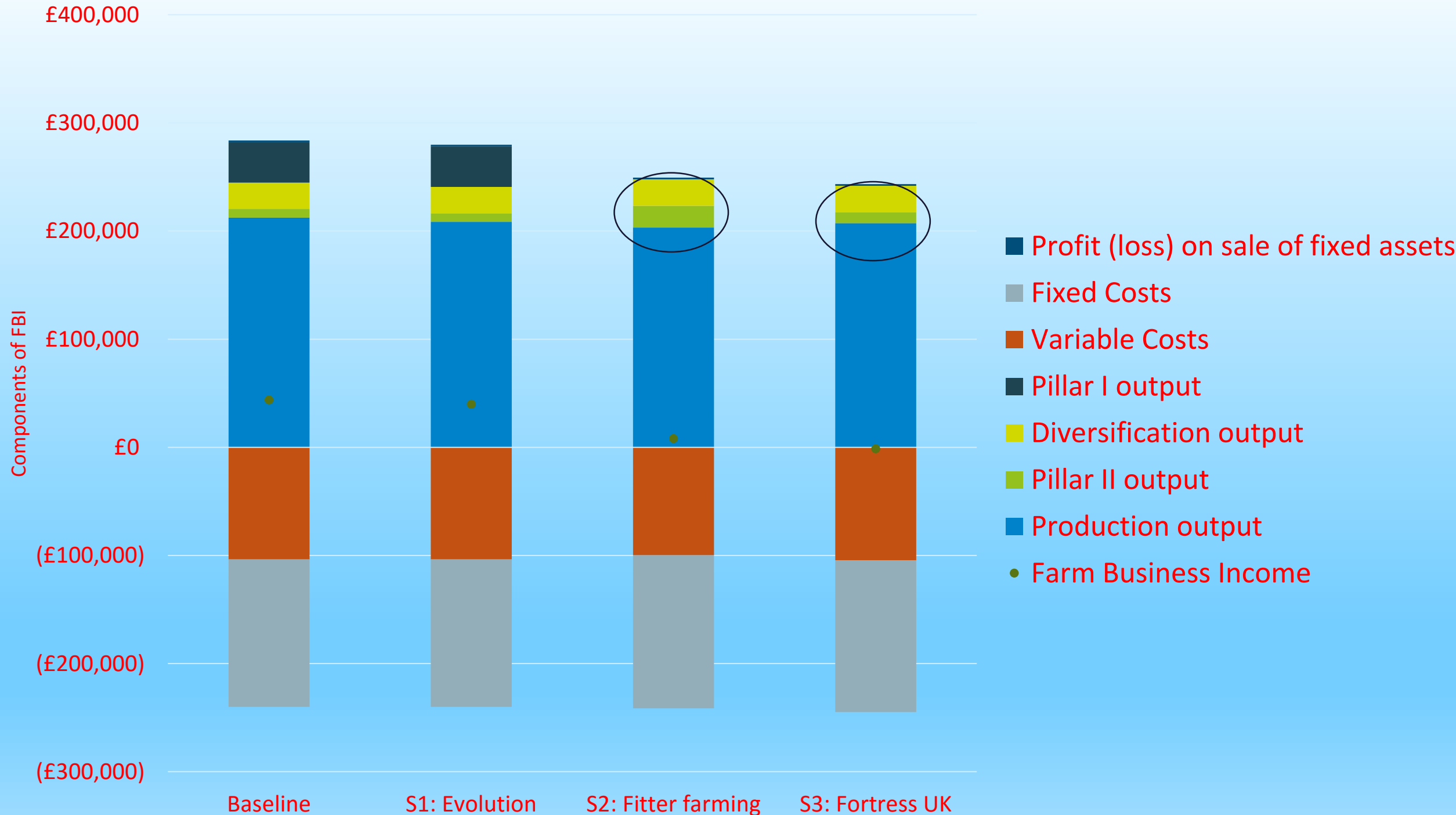












Does Size Matter?

Does Size Matter?

No - but performance does!

Current high performers cope much better in all 3 scenarios and remain in profit

Conclusions

- Loss of Pillar 1 payments much greater effect than changes to trade agreements
- New export opportunities won't help much
- Opening up UK to greater imports is a real threat – free trade agreements
- Top 25% of performers remain viable post Brexit, regardless of size

A bucket list of grower priorities

Continuation of support may have been extended
– but may still shift from Pillar 1 to Pillar 2

1. Are we making time to take a hands-off view of the business?

This is about being able to take a step back from the day-to-day farming, look at the overall direction of the business, your personal and family ambitions and long-term goals

1. Are we making time to take a hands-off view of the business?
2. Do we know our costs and how do they compare?

Good businesses know their costs of production. The most competitive businesses know how they compare.

1. Are we making time to take a hands-off view of the business?
2. Do we know our costs and how do they compare?
3. Is the business providing sufficient profit, on a five-year rolling average, before direct payment?

This is about taking a long-term view of the profitability of the enterprise rather than looking at a given year.

1. Are we making time to take a hands-off view of the business?
2. Do we know our costs and how do they compare?
3. Is the business providing sufficient profit, on a five-year rolling average, before direct payment?
4. Do we have a plan that takes account of different payment scenarios?

Businesses should contemplate how they might respond, over time, to different scenarios in relation to farm support payments

1. Are we making time to take a hands-off view of the business?
2. Do we know our costs and how do they compare?
3. Is the business providing sufficient profit, on a five-year rolling average, before direct payment?
4. Do we have a plan that takes account of different payment scenarios?
5. What skills will the business need?

A change of enterprise, structure or diversification are all likely to require new skills to enable a business to succeed

Our
competition/International
benchmarking



31. 5. 2017 9:00



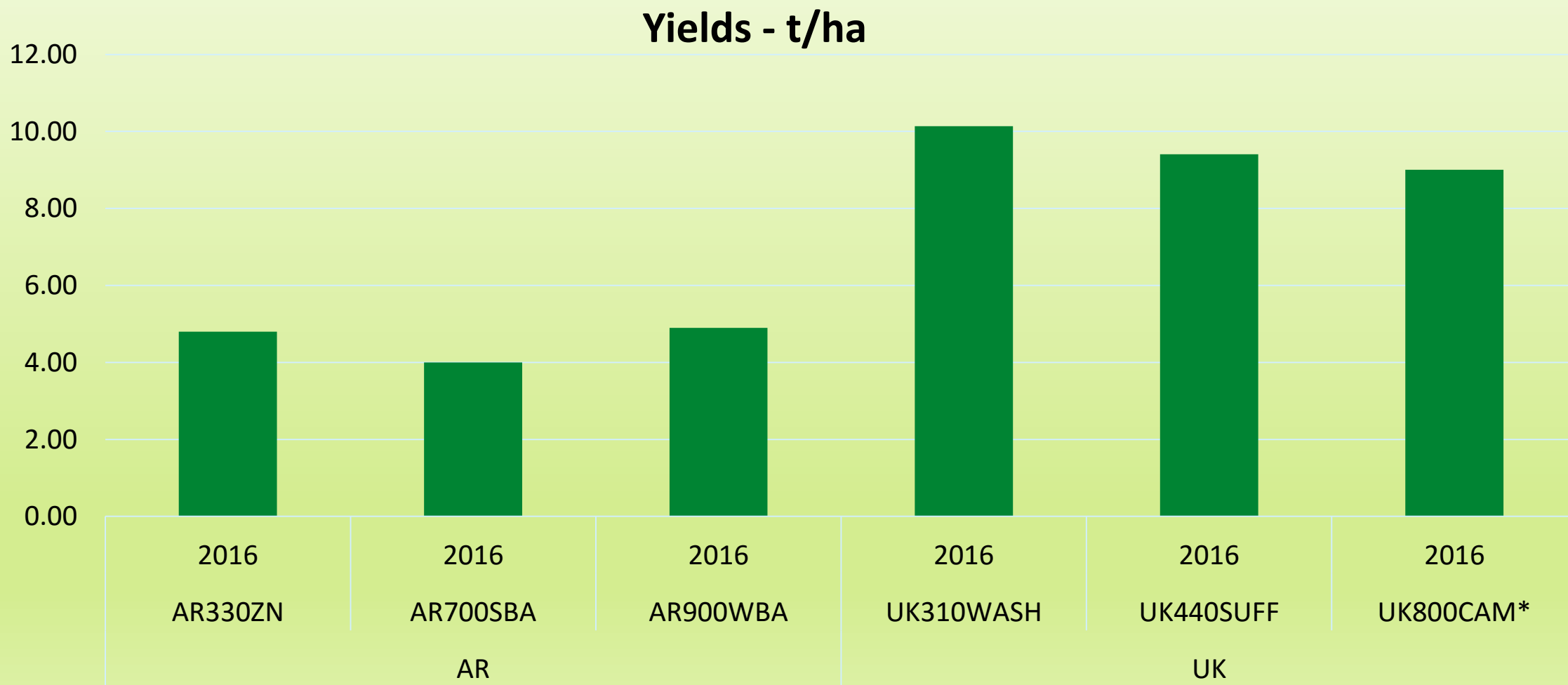
£60/t

31. 5. 2017 9:00

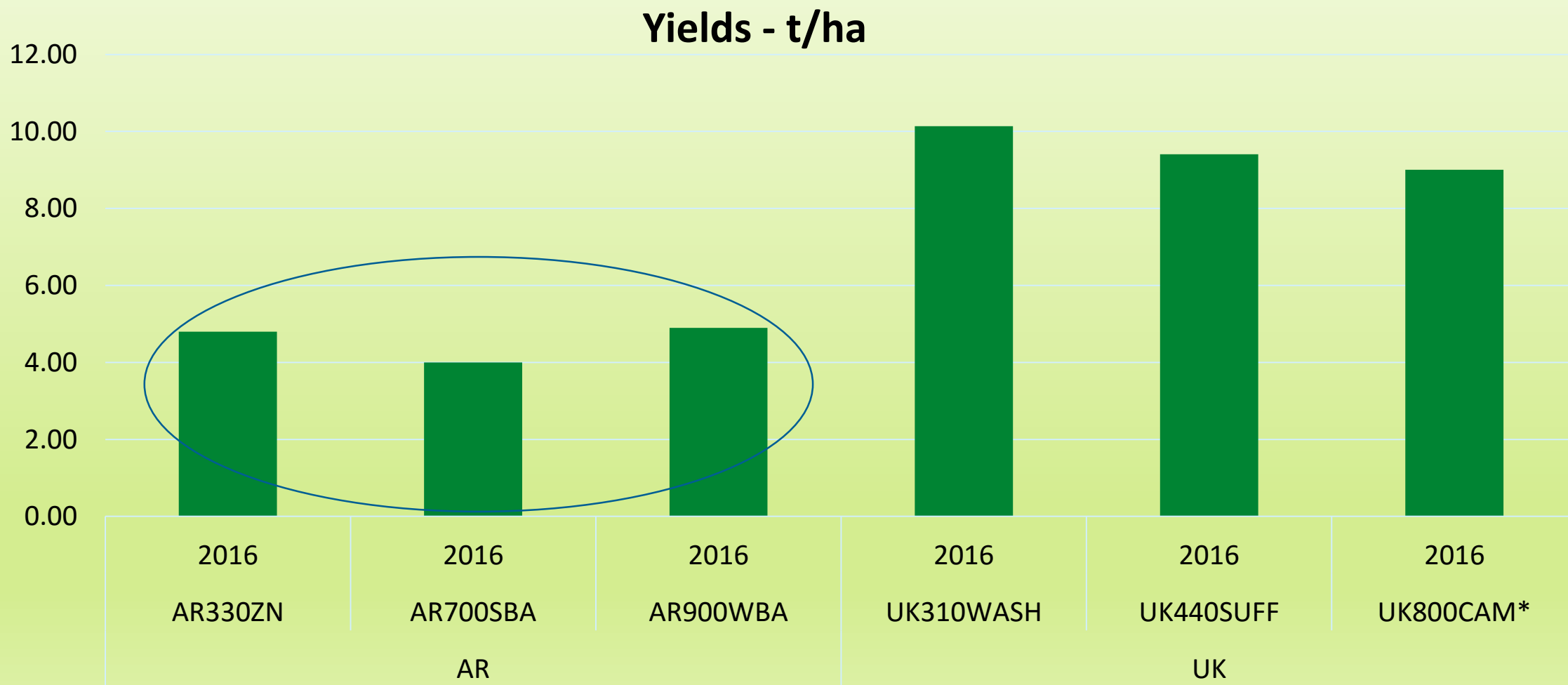


Argentina and the UK

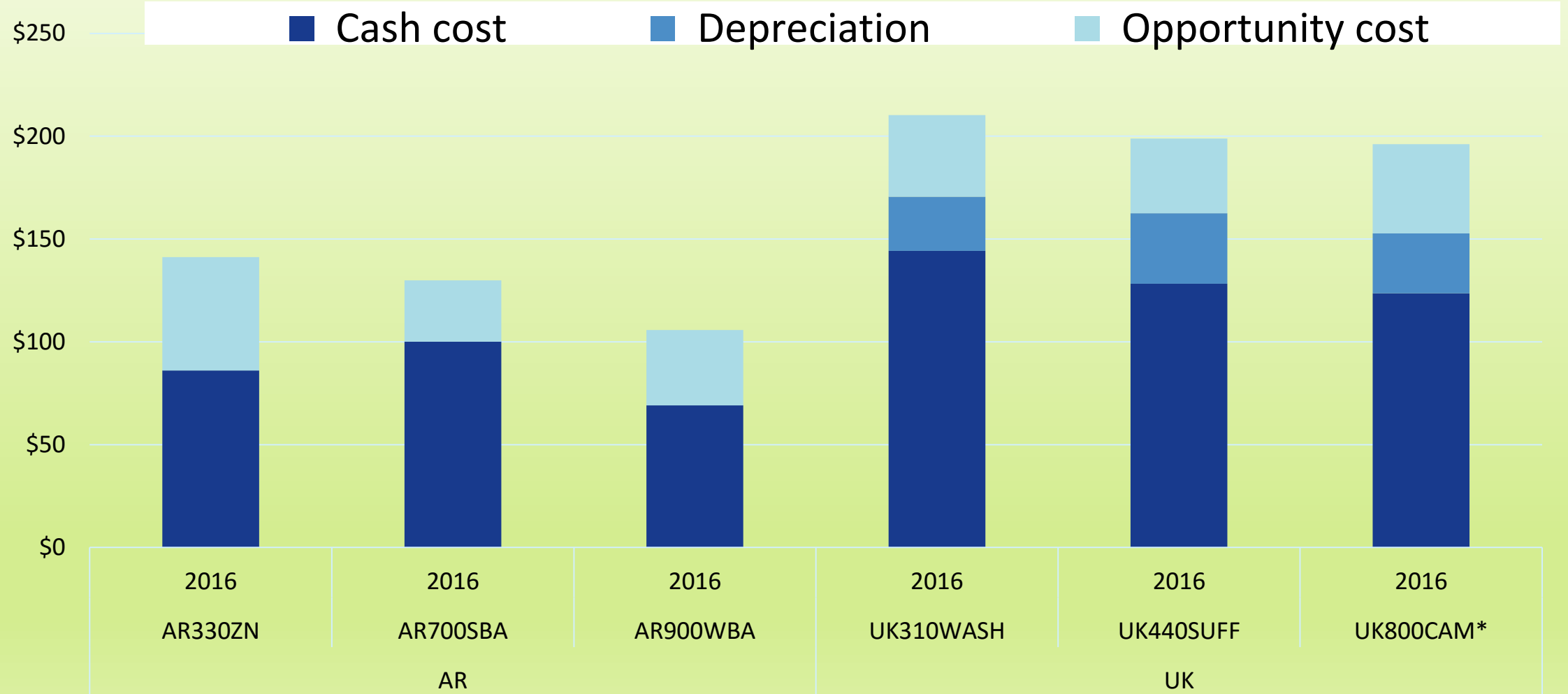
Wheat yields



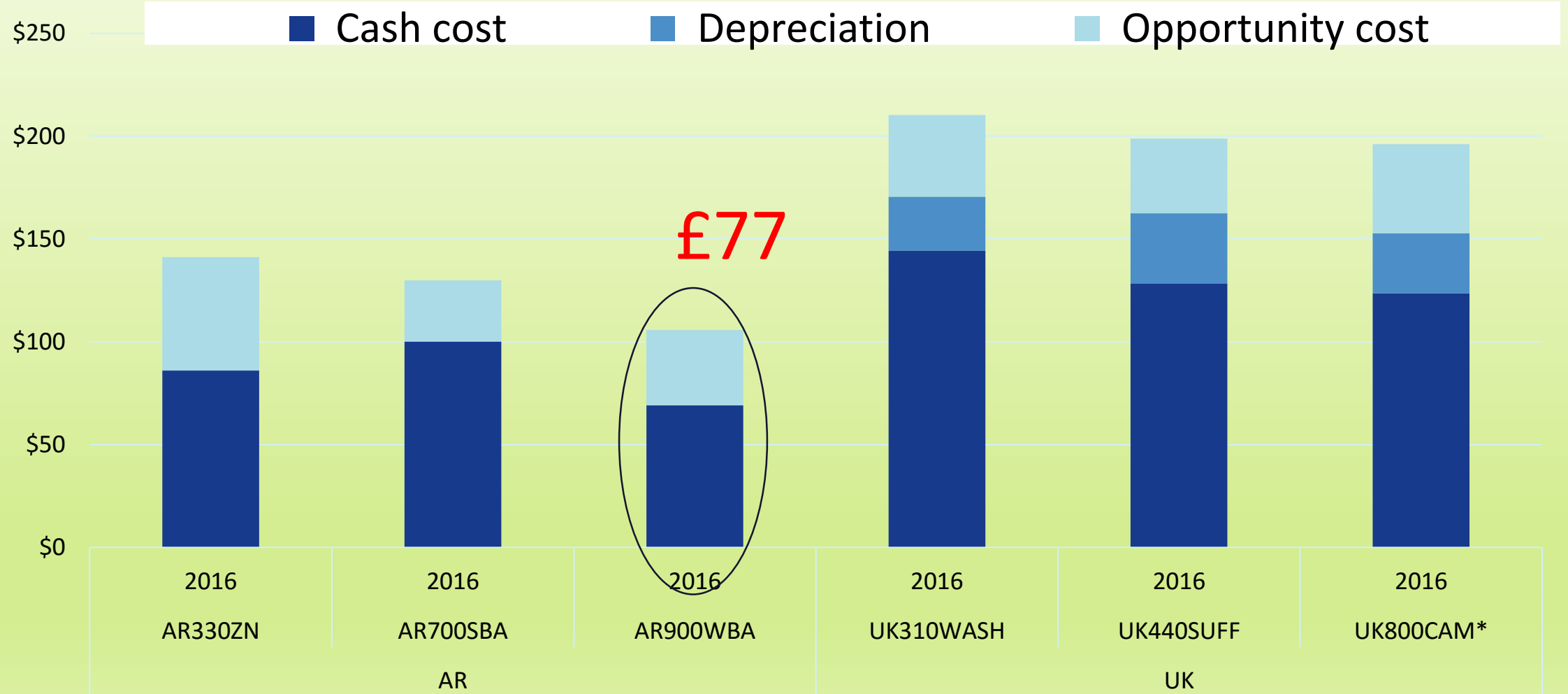
Wheat yields



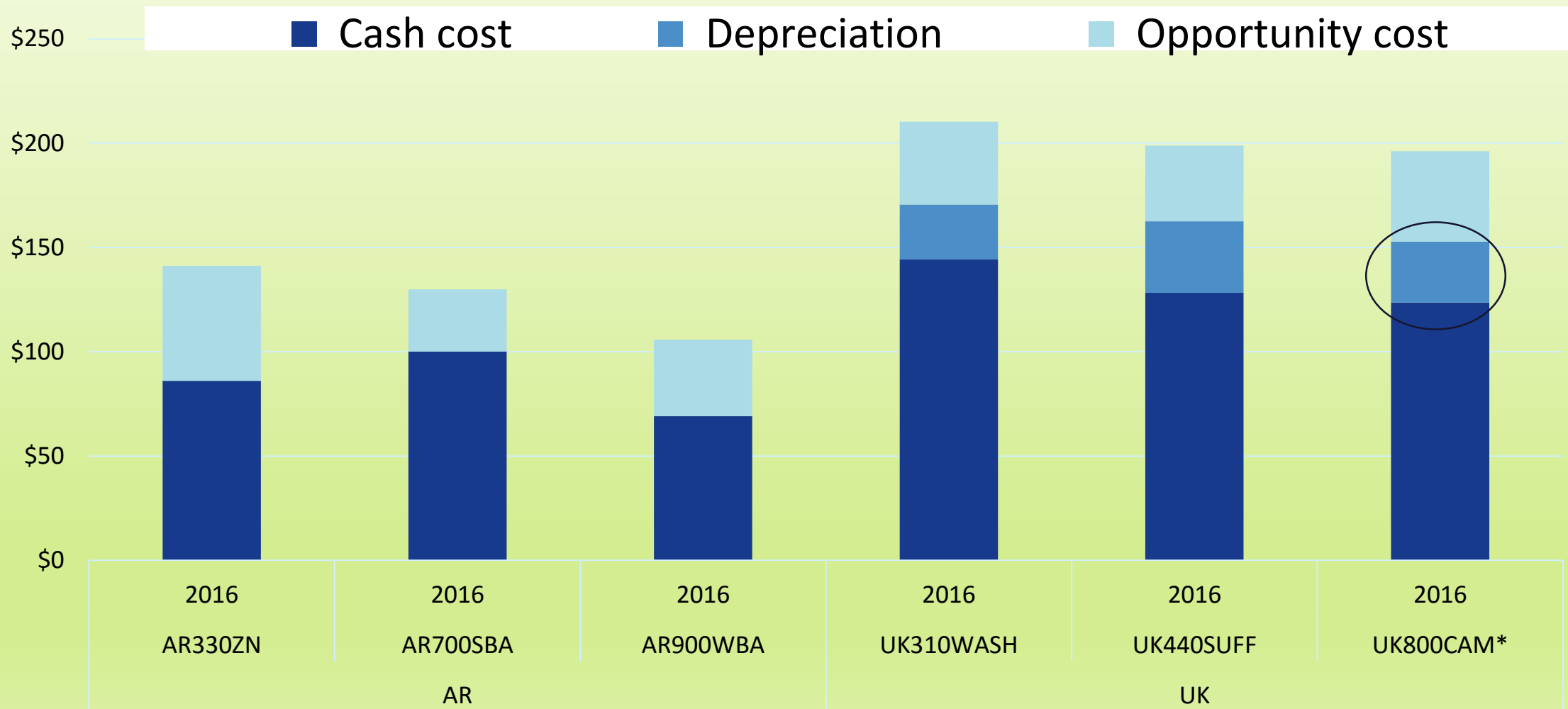
Wheat Cost Of Production and price \$/t



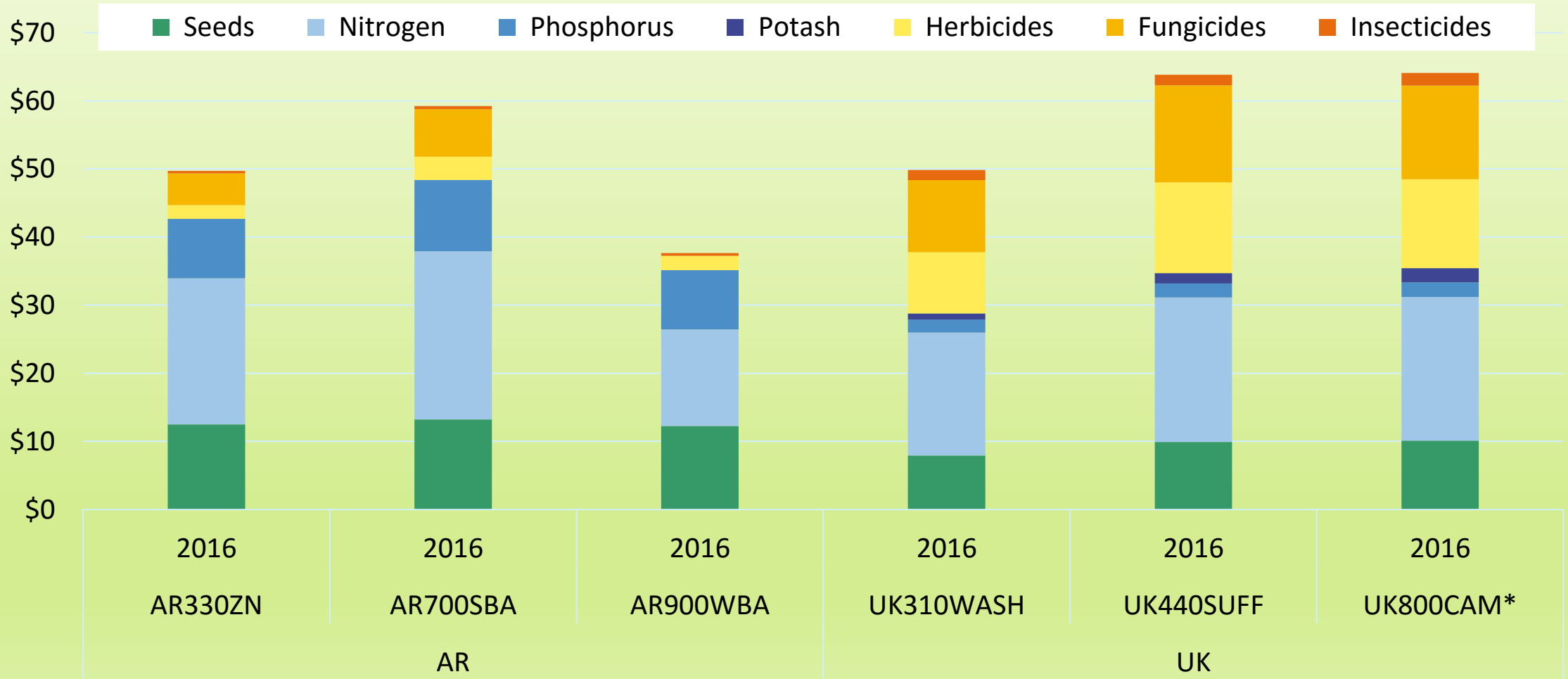
Wheat Cost Of Production and price \$/t



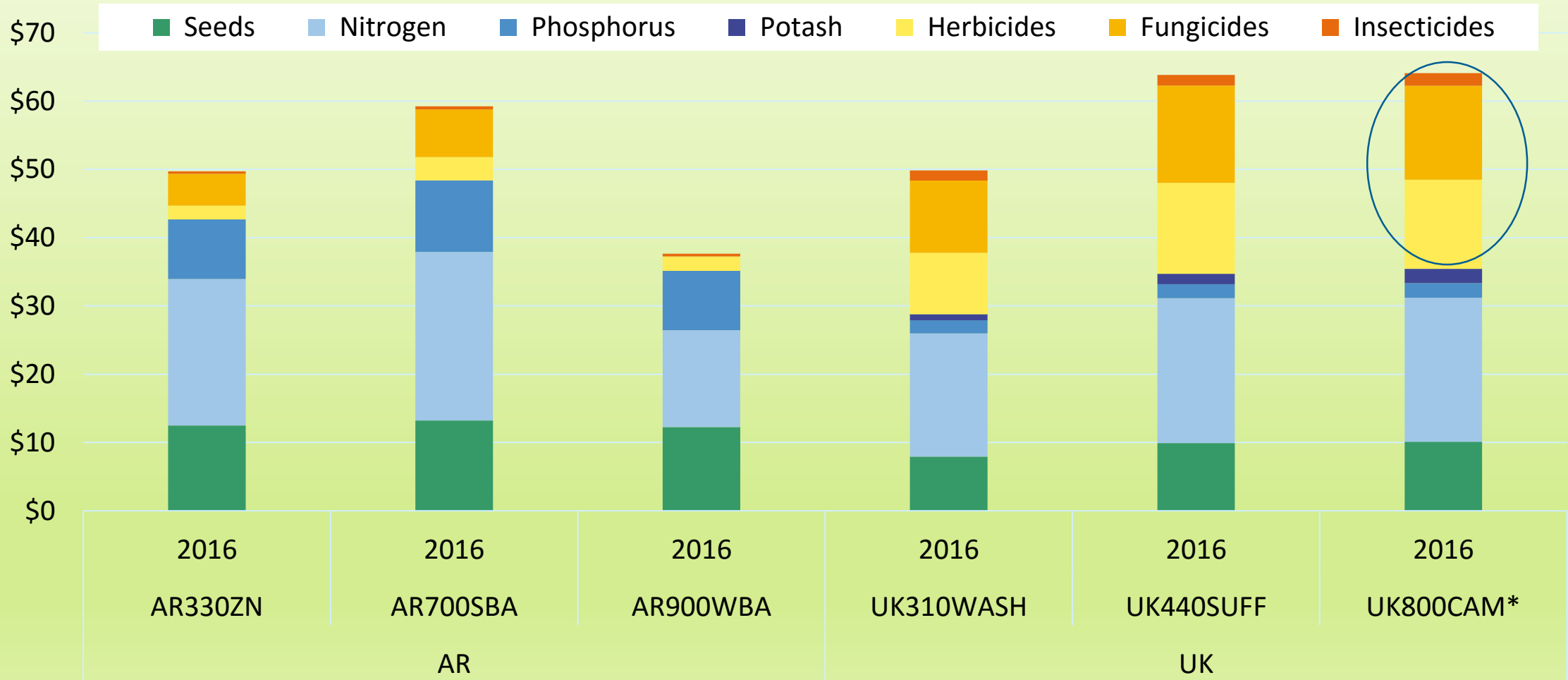
Wheat Cost Of Production and price \$/t



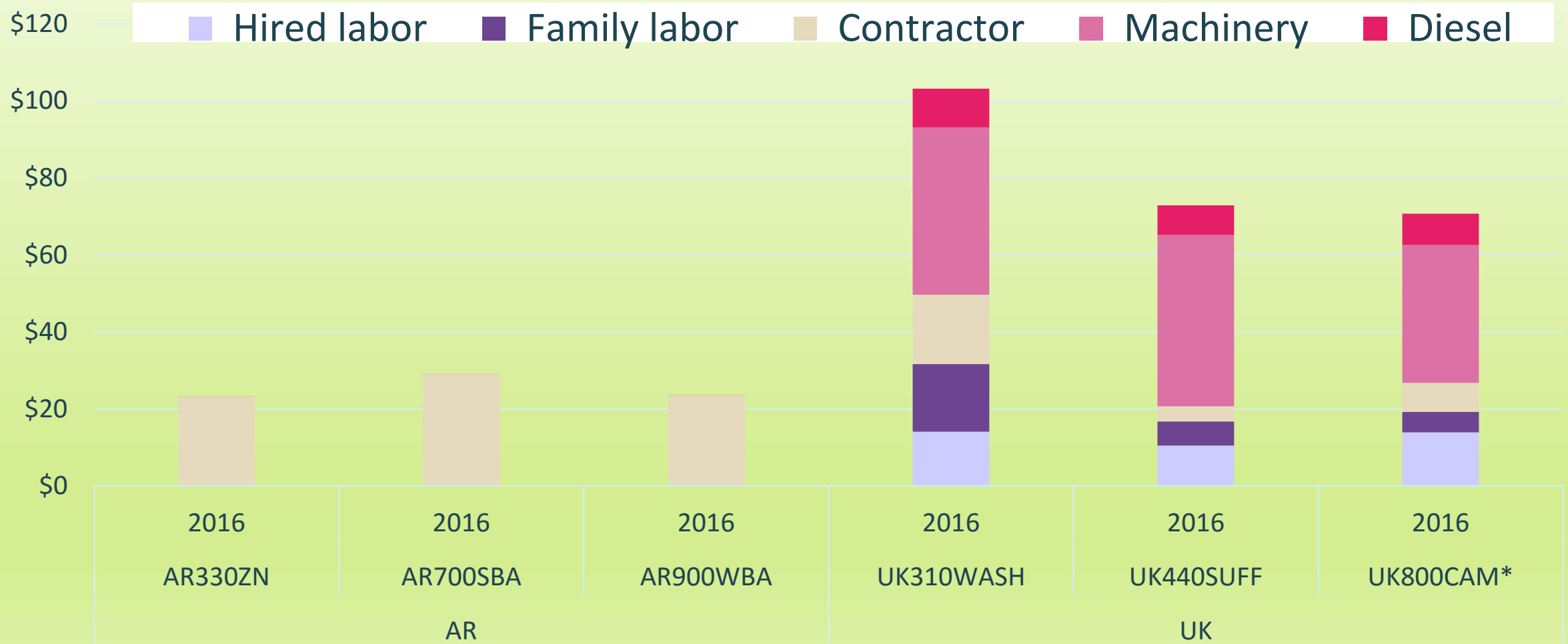
Wheat direct costs \$/t



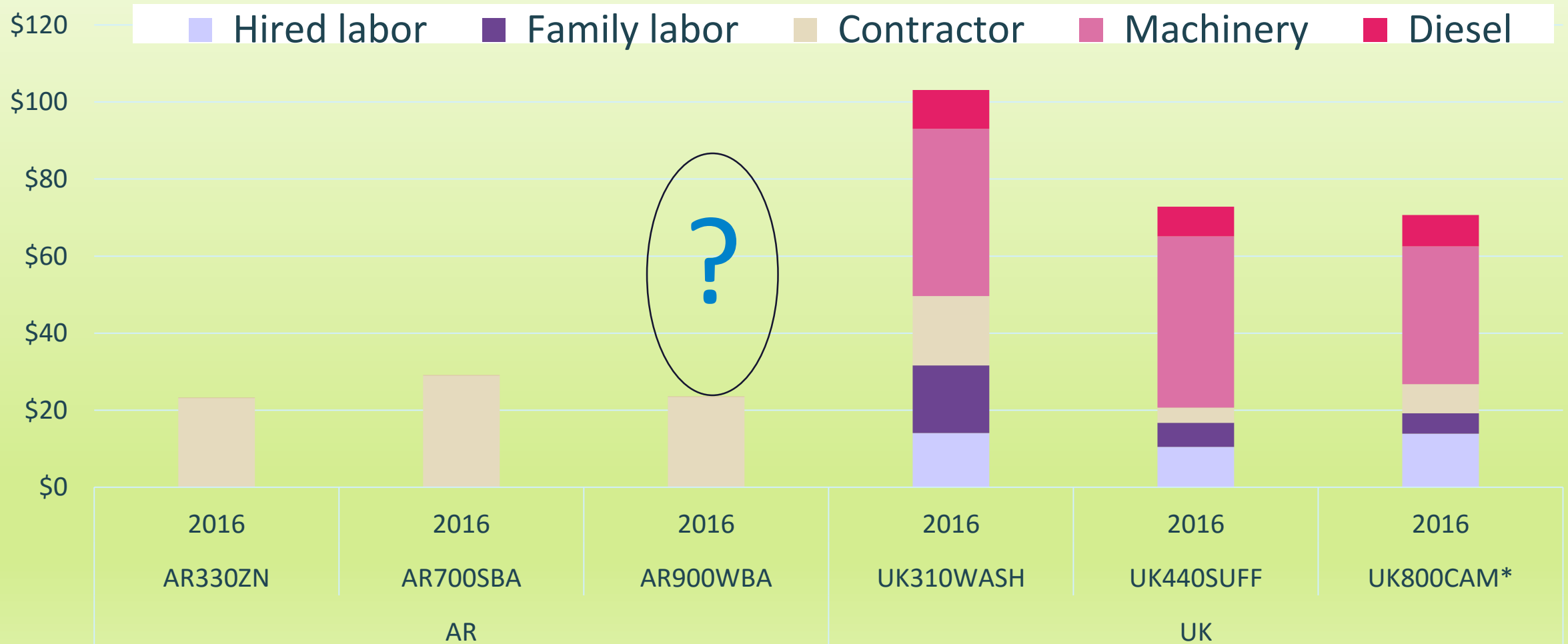
Wheat direct costs \$/t



Wheat operating costs \$/t



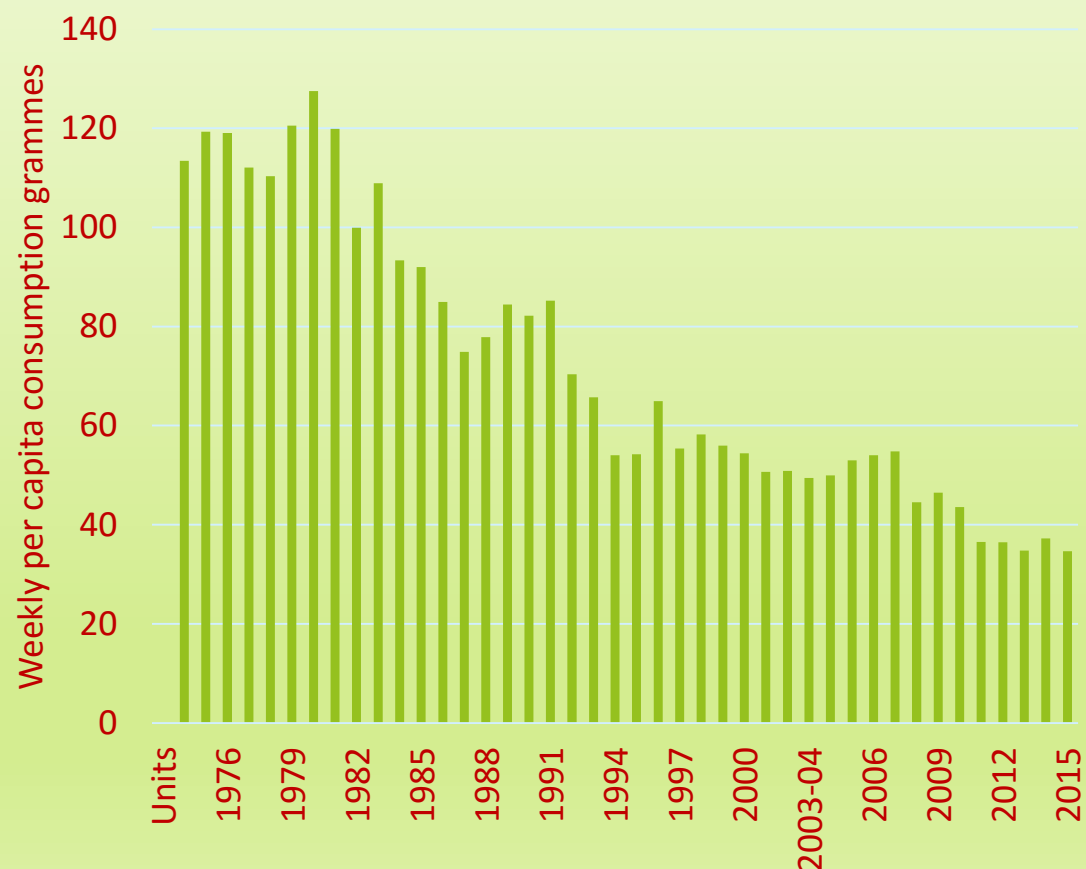
Wheat operating costs \$/t



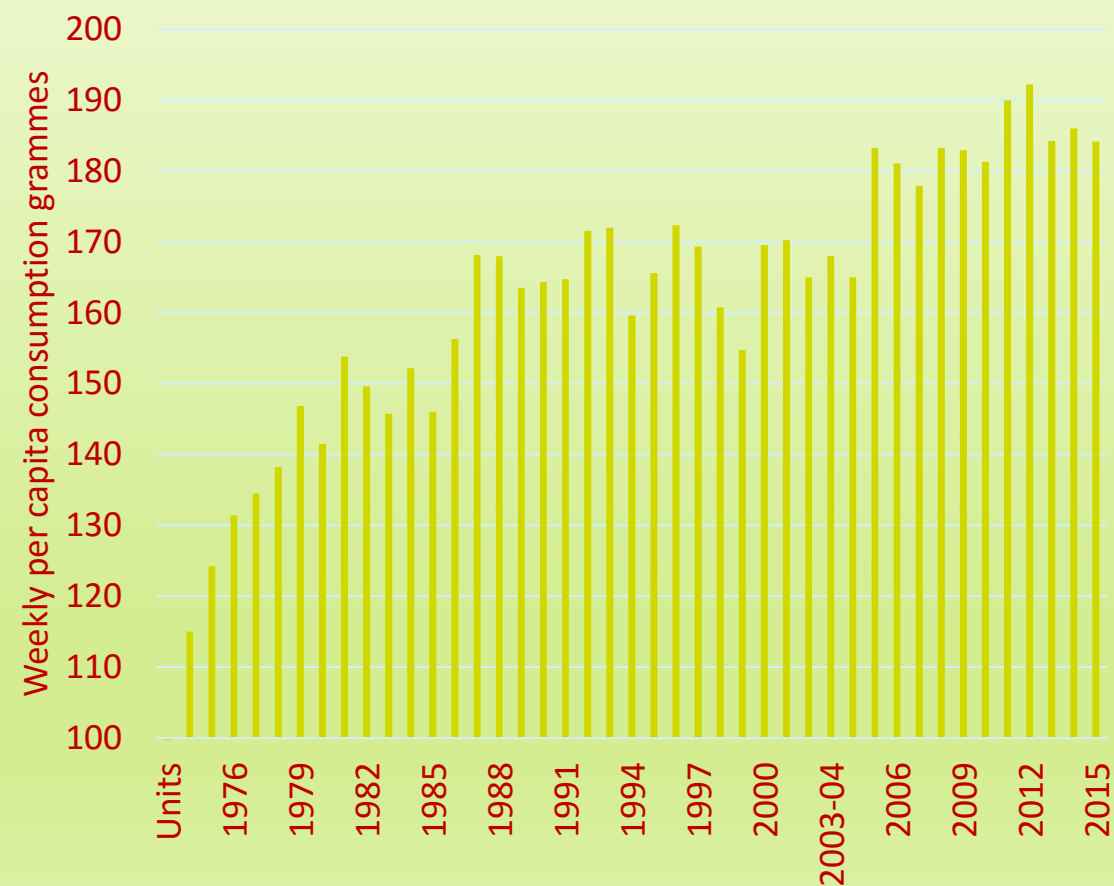


What we eat

Mutton and lamb consumption



Chicken, uncooked



What AHDB can do for you

There's going to be

An AHDB Monitor Farm

Coming to a place near you

Soon



Current Network

-  Scottish Monitor Farm
-  Phase 2 Monitor Farm
-  Phase 3 Monitor Farm
-  Phase 4 Monitor Farm
-  Strategic Cereal Farm
-  Strategic Potato Farm





FARMBENCH

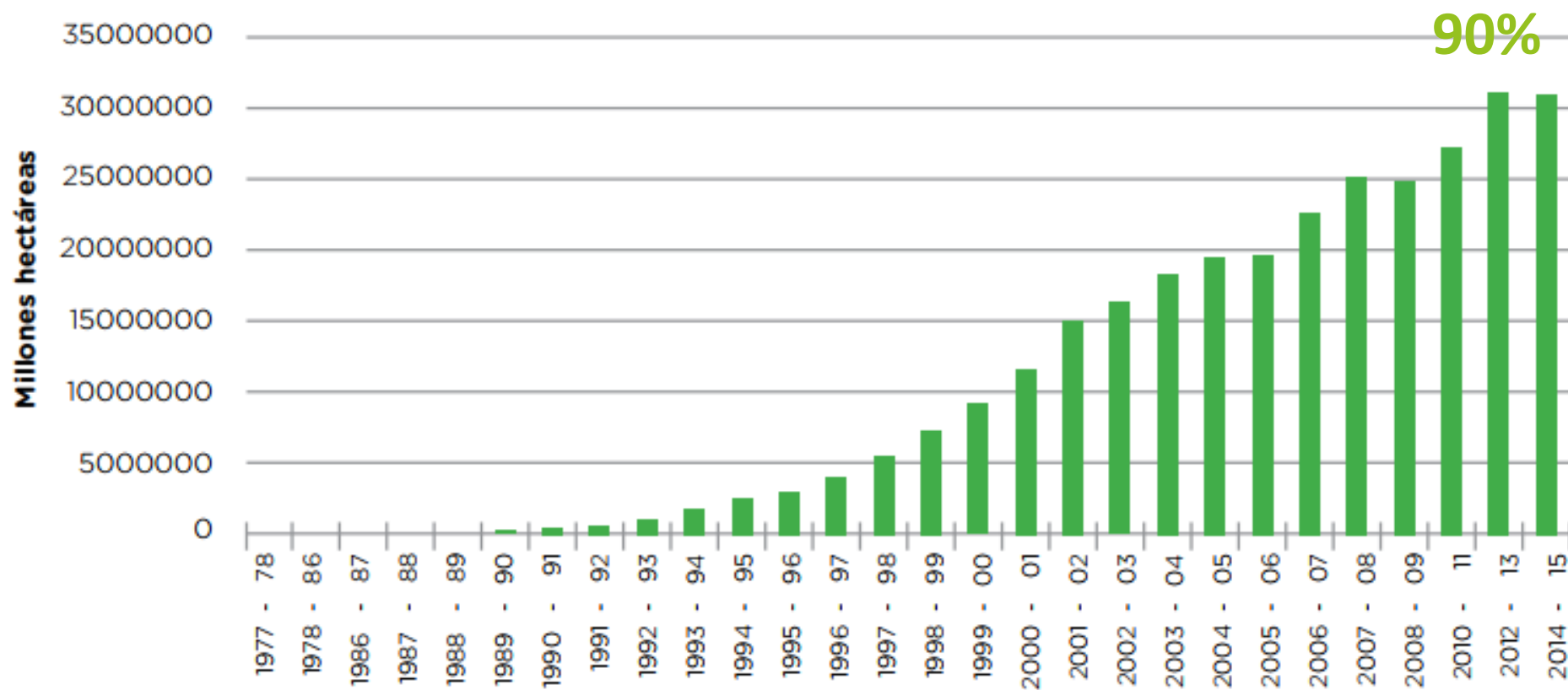
Research - Precision



No-till



No-Till evolution in Argentina (1977-2015)





UK Exports



2009 – 3.5Mt

2014 – 0.4Mt



HORIZON

Market Intelligence

14 June 2017

AHDB

AGRICULTURE & HORTICULTURE
DEVELOPMENT BOARD

AHDB



Post-Brexit
prospects for
UK grains

Check out our website

www.cereals.ahdb.org.uk