



Nottinghamshire farming business moves on:

A decade of Farmeco developments

Over the past ten years, farm mechanisation and establishment methods have changed immeasurably. During this time we have been following the fortunes of Notts-based Farmeco, which has long been one of the first businesses to embrace the latest systems. Mick Roberts reports on a decade of developments

The past decade has presented some unparalleled challenges for arable farmers. Enormous price volatility has been accompanied by huge input cost increases and, at the same time, businesses have had to deal with the decoupling of support and the introduction of tough, new environmental legislation. 'Challenging', to say the least.

These ten years have also brought radical changes to the way cereal farmers operate and the equipment they employ. Some businesses have consolidated, many have expanded, while others have even turned all of their field work over to big farming companies or contractors.

Developments at Farmeco, a Notts-based farming company, epitomise this period of relentless change. We first visited the farm in March 2000 and over the years have reported on how this business has adapted to meet each new challenge.

"Farmeco's goal all along has been to use

company-owned machinery and employ staff to fix costs and achieve the highest profitability. And that goal remains as important today as it was when we set out in 2000," explains Keith Challen, who up until recently was the firm's managing director.

Today Farmeco farms about 1,260ha of its directors' own land, with the addition of a further 140ha of contract work that lies literally next door. This is a fair amount less ground than it was working between 2003 and 2005, with the farm shedding about 1,000ha of contract operations.

Farming predominantly 'in-hand' land has allowed the business to make yet another big change to its machinery policy, managing with much less kit, shifting to no-till establishment and implementing

Farm Facts

Farmeco UK Ltd

Base: Starnhill Farm, Bingham, Notts

Soil type: Medium loam to heavy clay

Farmer directors: David Rose, Richard Hutton, Chris Lamin, Tim Farr (chairman)

Staff: Keith Challen (managing director, but has recently left for another post), Kevin Tindale, plus harvest casuals in busy summer period

Total farmed area: 1,400ha

Cropping: 50:50 (winter wheat and oilseed rape), 40ha sugar beet, 20ha let for potatoes. 40ha of spring red wheat

Harvest 2009 - and it's all change at Farmeco. The big crawlers and artic steer tractors have gone, to be replaced by two Fendt 900-series models and a pair of Fendt 716s. The smaller Fendts are hired in from the Farmeco directors.





A 425hp John Deere 9420, on super single tyres, and a Simba Horsch CO8 drill played a big part in Farmeco's expansion to farming 2,400ha in 2003 to 2006. The Deere worked alongside a 410hp Claas Challenger 95E crawler.



a controlled-traffic farming system. The current fleet is on a significantly smaller scale compared with former times, including just one combine, three owned (wheeled) tractors, two trailed sprayers and a new direct drill. For those who have followed the Farmeco story over the years, this may come as a surprise when you consider the company started out with a £400,000 investment in a Challenger 75E, Simba Solo and Simba Freeflow drill.

Just to recap, the company was formed in 1999 by two Nottinghamshire farmers, David Rose and Richard Hutton, who each farmed about 200-300ha. They decided to pool machinery, cut the costs of their own operations and exploit the full capacity of much larger equipment by also contracting out over neighbouring land. By 2002

a former farming customer, Chris Lamin, had joined the group, becoming its third director and adding more arable land to Farmeco's 'in-hand' area.

"As well as gaining from the operation's economies of scale, the individual farmers also all share the gross margin across all the land, which helps to reduce the individuals' risks," Mr Challen explains.

While the main project driver remains the same, Mr Challen adds that the way in which the business farms today is very different to when it started out. The big Challenger, Simba Solo and other heavy cultivators have all made way for lighter kit that works shallower and faster.

"In the past we were going down 250mm, whereas today we just scratch the surface at no more than 50mm and then direct drill," says Mr Challen. "This is due to a



The original JD 9420 was replaced by a new, dualled-up JD 9520, which Mr Challen says was still the cheapest horsepower available at the time. The dual wheels, however, took the tractor to an overall width of 4m.



Despite other quite drastic equipment changes at Farmeco, the firm has always stuck with Claas combines. The latest is a Lexion 580 with 9m header and equipped with Terra-Tracs.

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Mainline Machinery

Combine: Claas Lexion 580 (2009) 9m cutterbar, with Trimble RTK GPS receiver and Trimble EZ-Guide 500 and EZ-steer assisted steering

Tractors: Fendt 933 Vario, Fendt 930 Vario and Fendt 395 toolcarrier. 2 x Fendt 716 – both hired

Sprayers: 2 x Chafer Guardian trailed sprayer, 24m wide booms with 4,000-litre tanks

Drill: 8m wide Väderstad Seed Hawk seed/fert combination direct drill

Cultivations: 4m wide Simba Flat-liner subsoiler with Accord hopper for fertiliser and seed placement (oilseed rape); 4m wide Simba Xpress cultivator; 8m wide Simba Horsch Terrano Optipack; old 8m Wil-Rich cultivator

Handlers: 2 x Manitou and one MF 8900 – owned by directors and borrowed when on respective farms

number of reasons. Min-till and straw incorporation have increased the organic matter in the heavy land, with the deeper cultivations relieving compaction. At the same time, new machinery has been designed specifically to work shallower and reduce the number of passes required, which has led to us recently adopting the direct drilling regime. Also RTK GPS developments are now much more robust and easy to use, which enables us to further improve efficiency by using the controlled-traffic farming system (CTF). In the end, though, the answer has always been in the soil: look after that and it will look after you.”

To arrive at the current system, however, Farmeco has been through three substantial transformations to its establishment

As the company grew during the middle of the past decade its equipment fleet increased accordingly. At one time Farmeco operated two Chafer RoGator self-propelled sprayers.



regime and equipment line-ups. These have all been taken, not just with an eye to how the soil structure has developed and the machinery available, but also to the price of wheat and, probably most importantly, production costs.

When the company was formed, wheat was selling for about £60-£70/t. This is the price that prompted the initial rethink, because production costs simply made it difficult to survive on 300-400ha. By expanding into contract farming Farmeco spread its costs over more land, building up to an area of about 2,400ha during the period from 2003 to 2005. At the time it was also employing another operator, running two self-propelled sprayers, two big combines and two high-hp tractors – one on tracks, the other on wheels.

“But in 2006 we looked at the costs and decided the large area of contract farming didn’t really bring any benefit to the company. We saw costs rising, but margins were stuck in the same position. If we’d been getting a 25% return on capital we might have persevered with the contract farming operation, but at 5% or less it wasn’t worth the additional work and quite high risk,” says Mr Challen.

So the business shed about 1,000ha of contract farming and reduced its machinery fleet by one combine, a self-propelled sprayer and a tractor.

“We basically halved the fleet and concentrated on our own 1,200ha of land – plus 200ha of contracting next door that fits in well. At the same time one of the operators decided to leave, so that meant we were able to also reduce staff without, thankfully, the stress of having to make somebody redundant,” he adds.

At the time, however, to an outsider this might have appeared a strange move. The land Farmeco let go was quickly taken on by other businesses and, as Mr Challen remarks, it was a period when most other farms were looking to expand.

“But we were focusing on reducing our fixed costs. The grain price was not great and we were concentrating on the margin. Diesel had literally doubled in price from 15p/litre in 2000 to 30p/litre in 2006, and machinery was increasing in price by between 5% and 10% year on year. We felt we were in a strong position and did not want to endanger all we’d achieved.” Another big benefit of cutting out the contract farming, especially for Mr Challen, was freeing up more hours to work on the

FARMECO FLEET CHANGES

2000

2 x Claas Lexion 480, 7.5m
Claas Challenger 75E (340hp)
John Deere 7710 (155hp)
JCB Fastrac 1115 (115hp)
24m Knight 2,000/500-litre demount
4.5m Simba Solo
5.5m Simba DD press with tines
4m Simba Freeflow drill

2003

2 x Claas Lexion 480, 7.5m on tracks
Claas Challenger 95E (410hp)
John Deere 9420 (425hp)
JCB Fastrac 3185 (170hp)
Chafer RoGator 24m, 4,000-litre SP sprayer
8m Simba Horsch CO8 drill

2010

Claas Lexion 580, 9m on tracks
Fendt 933 Vario (330hp)
Fendt 930 Vario (300hp)
Fendt 395 toolcarrier (125hp)
2 x Fendt 716 Vario (165hp)¹⁾
2 x Chafer 24m Guardian trailed sprayer²⁾
8m Väderstad Seed Hawk drill
4m Simba subsoiler, with OSR drilling kit

¹⁾ Fendt 716 tractors are hired in by Farmeco from its directors; ²⁾ trailed sprayers 4,000 litres

business, rather than spending his time rushing around trying to manage such a large area.

“But the system we are using today didn’t happen over night. During the following years we started looking at each element, studying what we were doing and where and how we could make improvements. “It may be a cliché, but we really did look into ‘working smarter, not harder’. When you are farming thousands of hectares the workload is relentless; you can end up working harder just to stand still.” Nevertheless, he still had 1,400ha to run with just one full-time man and himself.



The Unimog-based Chafer self-propelled sprayer has now made way for two trailed Guardian machines with 24m wide booms and 4,000-litre capacity tanks.



Autumn 2009 saw the first outing for Farmeco’s new Väderstad Seed Hawk drill and Simba Horsch Optipack combi. The new Fendt 933 Vario is also a significant step away from the business’s former artic-steer tractors.

Also, despite the 2006 sale, the farm was still running a min-till arable operation using some relatively large kit including a John Deere 9520 twin-wheeled, artic-steer tractor and RoGator self-propelled sprayer. At the same time the 8m wide Simba Horsch CO8 drill was essentially worn out, so he replaced this machine, reverting back to a Simba Freeflow.

“The first John Deere 9420 (425hp) joined the firm when we replaced the Challenger 75E with the larger 410hp 95E model in 2003. We needed two big tractors, but I couldn’t justify another crawler because of the running costs. The tractor, on super singles, could match the Challenger and was £40,000 less to buy.

“Then when we replaced that with a 9520 model, this time on dual wheels, it was still the cheapest horsepower I could buy. Although it was 4m wide, that wasn’t too much of a problem because we are block cropping and I have to say it performed exceptionally well on the dual wheels,” he explains.

Mr Challen was conscious that the kit he retained, following the June 2006 sale, wasn’t ideally suited to the farm’s future plans. He had started investigating controlled-traffic farming and direct drilling back in 2003 and by this time he was convinced it was the way to go. “I had been talking to Tim Chamen (now



This 4m wide Simba Freeflow drill was swapped for a Simba Horsch CO8 model in 2003. The 8m unit was subsequently replaced with another Freeflow in 2006.

of CTF Europe) and we discussed the developments and particularly how the CTF system is suited to heavier land. At the same time I knew, financially, it would be good to switch entirely to direct drilling. With CTF this would fit well with future legislative requirements, particularly the water framework directive.

“There is strong evidence now that water infiltration is greater in controlled traffic regimes. By keeping the organic matter on the top you can harvest water more efficiently, and it copes equally well with drought and very wet conditions. I also see NVZs growing and possibly even the introduction of restrictions on inputs. Even without these rules, if we can reduce nitrogen input it has to be a good thing and at the same time we can cut our carbon footprint – in practical terms, that means using less fuel,” he explains. Saving fuel remains a key target now the

cost is over 50p/litre. Moving to no-till, he adds, has saved £50,000 in diesel costs alone. With CTF and accurate RTK steering Mr Challen sees further cost savings coming from every operation running in the same tracks, no overlaps and controlling compaction.

“We eventually got to the stage where we said ‘why don’t we do this?’ and we couldn’t think of a single reason not to. Over the years we have actually worked up to this. We started at plough depth and have gradually worked the cultivations up to the surface. The land is now well structured and has higher levels of organic matter. So, surface cultivations and no-till drilling are the logical next step, combined with the new CTF system to further reduce compaction and costs,” he explains.

There was no specific CTF ‘D-Day’. The process began in April, May and June last year when the remaining ‘big’ kit was sold, mainly privately. Out went the JD 9520 artic steer, a Unimog sprayer, 8m Simba Freeflow drill, two cultivators, the JCB Fastrac 3230, JD 6920S and an older New Holland 8630. In came a new Fendt 933 Vario, Fendt 930 Vario, two Chafer 24m/4,000-litre Guardian trailed sprayers, an 8m Väderstad Seed Hawk drill and a RTK base station and Trimble guidance/control systems. Two of the directors also swapped in their tractors, each buying a new Fendt 716 Vario. The whole set-up was supplied through Warsaw-based B & B Tractors.

“Again, this was another change because we had not dealt with B & B before. The support has been superb and it is refreshing to work with a business that took the trouble to find out about our business and is interested in how we work. And this didn’t stop when they had sold the kit – it’s an on-going relationship.

Summary: Over the past ten years profi has followed how two farmers started by amalgamating their farms and pooling machinery to benefit from the economies of scale that such a policy can bring. We have seen how Farmeco added another director and more in-hand land, how it expanded to meet demand and, always with a close eye on the future, then cut its contract farming to reduce risk. The firm’s reasoning? It’s margins, not farming size, that matter most.

Next month we continue our look at the Farmeco story and find out exactly how its CTF system has been implemented.