



How can central storage help the farmer?

Time

Central storage often reduces pressure on time, both at harvest and throughout the year. For example – no need to run the drier, aerate and temperature regulate grain, loading lorries is done at harvest when labour is to hand and machinery is clean.

Selling can be taken care of by Openfield if required.

Tax efficiency

Over ten years the investment in central storage is 100% tax efficient; see accountancy notes.

Reduced overhead

All costs of grain storage are isolated through a central store. Budgeting is simple, it includes the costs of storage and conditioning of grain, as well as intake and outloading, insurance, DON tests, salmonella screening etc.

Low capital outlay

Only £40 per tonne in the first year – you would struggle to do that on the farm!

The approximate cost of putting up a shed with under floor aeration and a good drier on the farm would be £150 - £180/t depending on spec.

Off farm investment.

Central storage is a good off farm investment, especially for tenant farmers. Some of whom have been known to view it as an asset which appreciates in value, and they can sell when they retire for a lump sum. Often storage is sold to the incoming tenant. If farms are sold central storage is often put with the land and a specific value is attached to it.

Grant aid

The stores are receiving between 35 & 40% of build costs as a grant from the Regional development agencies. This comes from modulation money set aside to strengthen the rural economy and add value in the supply chain. As individuals farmers cannot access this, but it is rightfully theirs – USE IT OR LOOSE IT!





Build time

The speed of construction is rapid, this offers an instant solution for harvest 2010, if they were to start trying to get permission now, by the time they got planning (and the cost of that) they are unlikely to have a store built, with good segregation, lab facilities and drier installed for the same price without any investment in terms of their time.

Planning permission

The development has full planning permission, and the cost of obtaining that was minimal, unlikely to be the case on farm.

Diversification

Releasing buildings for alternative use or where diversification has taken place and grain storage in the yard poses issues in terms of health and safety or visual impact.

Health and safety on the farm, none of the associated risks of keeping grain in unsuitable, aged, or unsafe facilities. This is especially useful if they moan about shovelling out the bottom of old bins.

Pressure at harvest

Where farmers are running old driers – fixed or mobile, often putting a proportion of their wettest grain through a central store it can take a significant amount of pressure off at harvest time. Where there is no drier on the farm it is a useful insurance policy.

No rejections

Risk of rejection at a central store on the way in (unless the grain is infested) is nil. Risk of rejection at the mill to the farmer is also nil. All loads are tested on the way in and the way out of the facility. If there is an issue at a consumption point the store has full analysis, is on solid ground, and generally when they realise it is from a store – it goes in.

Every load tested individually

No quality is wasted, loads are segregated on the basis of spec, and so the value is captured even where quality is borderline.

Flexible

Central storage is totally flexible, farmers can buy in a lorry load at a time, and if required as a one off can (if booked in advance) rent additional storage if they have a particularly big crop coming.

