

# THRILOW FARMS

## 2002

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The second-best wheat harvest ever, record-breaking yields of sugar beet, very good oilseed rape, all of which combined to make a great year. Right? Wrong. We shall probably lose money. Of course I don't expect any non-farming readers of this report either to believe this or to feel remotely sympathetic. For the last thirty years (most of which have seen unparalleled prosperity for farmers) the National Farmers Union (NFU) has been shouting from the rooftops that British agriculture is in trouble. Now that this really is the case, it is hardly surprising that nobody believes them. The fairy story about the little boy who cried wolf should be pinned up above the desk of all farming leaders. Those who have been reading these reports for the past twenty eight years know that I have never complained about my lot. *Au contraire*.

So how is it possible to make no money after a very good harvest? With three men on 800 hectares, we can hardly be accused of being over-manned or inefficient. And with a cheque from Brussels of approximately £155,000 neither can we claim that the EU has turned off the subsidy tap.

The reason is simply that the price of our most important commodity, wheat, has been in free fall. Last year I was very unhappy to find that the price we received for a tonne of wheat was a mere £80. Imagine, therefore, how I feel this year when at harvest time a tonne of wheat was worth £49 and even now in December, it is worth only £55. The yield averaged 9.3 tonnes/hectare compared to 7.7 tonnes/hectare last year. You don't have to be a mathematical genius to see that a twenty percent rise in output will not compensate for a thirty percent fall in price.

It is all very well for farmers to complain (an activity which some have raised to an art form) but the fact remains that there are only two primary sources of income: subsidies and the marketplace. There is no possibility that the former can be increased as the EU has neither the money nor the inclination. The latter is largely (but not exclusively) governed by supply and demand; today, in the EU anyway, supply outstrips demand.

Yet paradoxically the same does not apply in the rest of the world. The main wheat-producing countries have all had bad harvests. In the case of Australia, where I was last month, wheat production is one third of normal. I saw some fields which will never be harvested because there simply was no crop. Which explains why British wheat is – improbably and for the first time – actually being shipped to Australia.

But before you all start reaching for your Kleenexes (Kleenices?), you should bear in mind that whilst most farmers' (excluding tenants) trading figures will be extremely bad this year, our balance sheets will have grown rather stronger. The reason for this is the sharp rise in house prices and, amazingly, no fall in land prices. A recent survey shows that residential values now account for more than 50% of farm prices.

All of which may explain why our bank managers are still relatively relaxed about lending us money. It may also explain why I am less than suicidal.

**WHEAT** (Subsidy = £232/ha.)

As mentioned above, this was a very good harvest indeed. Across the entire farm we averaged 9.3 tonnes per hectare. This was particularly encouraging as it was the first harvest where we have seen the results of our new minimum tillage (i.e. no ploughing) system.

The most exciting event was when we planted a third wheat (something we rarely do because of disease risks) and found that it produced 10.2 tonnes per hectare. The variety was *Napier*. We had dressed half the seed with the new fungicide, *Latitude*, to protect against take-all, but at harvest time our yield meter could detect no difference between the two halves of the field. *Malacca* yielded well yet again (9.8 tonnes/ha) but, due to a monsoon which stopped harvest for twelve days, the quality was poor and none could be sold for milling – thereby losing a premium of at least £15 per tonne. *Aardvark* was unspectacular at 8.7 tonnes/ha. *Deben* was rather better at 9.5 tonnes/ha, *Equinox* yielded 10.2 tonnes/ha but produced a horrible sample of thin grains. *Access*, for which we had high hopes, did a disappointing 8.5 tonnes/ha. *Macro's* yield of 9 tonnes/ha was boring but at least it matured early and so caught a weather market in the first week of August and fetched up to £80 per tonne.

Next year, after much poring over ancient harvest results, we shall be using a new rotation which is drastically different from anything we have tried before. Out will go all second wheats and all barley. Instead we shall be growing only first wheats and rather more break crops. As far as varieties are concerned we shall be sticking with *Malacca*, *Access*, *Macro* and *Napier*. We shall also be growing CPB-Twyford's new feed variety, *Robigus*, for which we have great expectations.

#### **BARLEY** (Subsidy = £232/ha.)

Last year was a disaster. This year was almost a triumph. Instead of the dreadful *Camomile*, we played safe and drilled the malting variety *Pearl*. The yield of 7.5 tonnes per hectare was adequate but the quality (*Deo Gratias*) was perfection personified. Nitrogen was 1.5 and the bushel weight was scrumptious. Now we are sitting back and waiting while the price of malting barley, which I'm happy to say is in short supply, rises to today's £90 per tonne. Salvation is the name of the game. Unfortunately we only grew two fields of barley so the impact on our fortune will be minimal.

#### **OILSEED RAPE** (Subsidy £232/ha)

A pretty good year with an average yield of 4 tonnes per hectare from *Disco*. The only problem was that we sold it at harvest time to make space in the grainstore and, as a result, got a lousy price of £135 per tonne. Today it would be worth £175. Next year we shall double the area of oilseed rape as part of our new rotation. We shall be growing *Canberra*, *Pollen* and *Winner*.

#### **PEAS** (Subsidy = £267/ha)

A bad year for peas. The yield of 3 tonnes per hectare was particularly disappointing since the crop, which was *Univert*, had looked magnificent for the whole of the growing season. However, incessant and heavy rains in August smashed the plants down to the ground and ensured that at least half the crop spilled out of the pods onto the soil. This made us all very sad indeed.

Next year under the new regime we won't be growing any peas at all. We came to this conclusion after examining the gross margins on all crops over the past decade. Peas, although they had some good years, were usually worse than winter beans.

#### **BEANS** (Subsidy = £267/ha.)

Beans were also a disappointment at 4.6 tonnes per hectare. They too had flattered to deceive and when the combine finally arrived in the field some of the beans had shaled out onto the ground. We shall persevere with beans next year and we shall also continue to keep our own seed, which we have now done for the past six years. This is usually a risky thing to do, but NIAB's testing services have shown no problems with either germination or aschochyta. Long may this last.

#### **SUGAR BEET** (No acreage subsidy but a quota and a fixed price of about £30 per tonne)

It is getting a bit embarrassing to have to report yet again, for the fourth successive year, that we have had our best sugar beet crop ever. Quite what we are doing right remains a bit of a mystery. Twenty five years ago, after three years when our beet averaged around 23 tonnes per hectare, I asked my father if we could give up the crop completely. He was reluctant but, under great pressure from his know-all son, agreed that we should reduce the acreage by a third. This was as

big a mistake as I have ever made in farming since a few years later our acreage was carved in stone and today cannot be increased.

Only two thirds of this year's crop has been lifted at time of writing, and already we have produced our A and B quotas with a yield in excess of 67 tonnes per hectare. Twenty hectares will sit in the ground until after Christmas and, if they are not frozen, will comfortably produce another 1400 tonnes of C sugar which won't be worth much more than the cost of harvesting the stuff.

Every year we cut back our beet acreage, and every year I worry that yields will fall and we won't produce our quota. This year once again I was wrong. So next year we shall continue to reduce the beet acreage. One of these days we shall get our comeuppance. In the meanwhile I love growing sugar beet.

**SETASIDE** (Subsidy = £232/hectare)

Yet again Brussels instructed us to set aside at least ten percent of the farm as our entry ticket into the subsidy game.

**FALLOW** (Subsidy = £525/hectare)

Not to be confused with setaside. We are now members of the Arable Stewardship Scheme which rewards us for being environmentally benign. As a result we are paid £525/hectare for leaving six metre grass strips round the outside of some fields, £600/hectare for beetle banks between fields and £12/hectare for not applying insecticides to some headlands.

We are also paid £525/hectare for leaving a field fallow for a year in an attempt to attract some of the traditional birds such as grey-legged partridges and stone curlews which once were common on the south Cambridgeshire chalks. Experts are using the skylark population as the benchmark of success. No news yet from the experts who will one day tell us if the scheme has in fact succeeded.

The Arable Stewardship Scheme is an example of what agricultural subsidies will increasingly look like in the future. It is infinitely preferable to being paid for producing wheat which nobody wants.

## **MACHINERY**

We bought nothing whatsoever. That's how bad things are at Thriplow. I'm glad I'm not a machinery dealer.

## **THE FUTURE**

Not a pretty picture. The generally-accepted outlook for wheat prices is that they will remain at extremely low levels through next harvest. I hope this is wrong as I have kept back one third of last harvest in the fond (and somewhat desperate) hope that the price will rise.

The government tells us that the solution to our problems is to diversify and to get closer to the food chain. As far as the first option is concerned, we have had a livery stable for two decades now, and this brings in a useful, if small, income. As for the second, quite how a wheat and sugar beet producer should get closer to the food chain remains a bit of a mystery. Perhaps we should start a flour mill or even a bakery, but these are not practical possibilities. To process our sugar beet into sugar lumps would also be impossible. Likewise to turn our oilseed rape into margarine would be inconceivable. We are, for better or worse, producers of commodities. For this reason I see no solution other than to hunker down and wait until the downward cycle ends and prices rise once again. The one absolutely certain thing about agriculture, which has been valid since farming started 8000 years ago on the banks of the Euphrates, is that it is a cyclical industry. You only have to read about the seven fat years and seven lean years in the Pharaoh's Egypt to know that this is not a new phenomenon.

Twenty five years ago in my report for 1977 I was extremely bullish about the future. We were then in the first flush of excitement about the new high-input system of growing cereals and yields were rising like balloons. We were about to build a new grainstore to hold these bigger harvests and, even making allowances for the fact that I was a callow 36 year old, I was full of optimism and excitement.

What will this farm look like twenty five years from now? Firstly, at 800 hectares, it will not be big enough to survive on its own. Which means that either it will have expanded or will be part of another larger farming unit. The crops we will grow in 2027 will be largely the same as today, although there must be a question mark over sugar beet and oilseed rape since sugar and vegetable oil can both be produced cheaper in the tropics using oil palms and sugar cane. The labour force will consist of one man, and many of the cultivation jobs will use satellite navigation and thus be done without an operator. Machines will be substantially larger than they are today. A normal tractor will be at least 300 horsepower and a combine header will be at least 40 feet wide.

A more fundamental question is whether the fields at Thriplow will be farmed at all; this is by no means certain. Such is the pressure on land in the Cambridge area, and particularly the area south of Cambridge, that there is a very good chance that much of today's farm will by then have gone under concrete to provide executive houses with anodized aluminium carriage lamps outside the front door, software developers' offices complete with reflecting pools and flagpoles, supermarkets which look like racing stables and car parks which look like car parks. The remaining land may well be all-night golf driving ranges, tennis courts, pony paddocks and, of course, motorways. South Cambridgeshire will become Surrey, Connecticut or, worst of all, the Bay Area of California.

But whatever the shape of this farm, one thing will be certain a quarter of a century hence. The farmers of this country, regardless of whether they are flourishing or floundering, will still spend much of their time bemoaning their lot.

Oliver Walston  
December 13<sup>th</sup> 2002

\* I plough therefore I complain. (Apologies for putting Descartes before des tracteurs).