

# 2008

## ***A harvest from heaven; a harvest from hell.***

A year to remember and a year to forget. I have never known anything like it since I started farming thirty six years ago. We produced more wheat than we have ever grown before, and we sold it at a higher price than we have ever done before. So it stands to reason that it was a wonderful year. But it was not.

Never have I known a year in which rampant optimism turned to cringing pessimism within the space of three months. In May every British arable farmer was feeling more cheerful than he had been for a generation. By September suicide seemed to be a sensible option for many.

The weather throughout the growing season was as near perfect as it could possibly have been. From early September when the first oilseed rape germinated until late June when the wheat started to turn from green to gold, all the crops on this farm looked magnificent. Indeed they looked damned well perfect. This was because for once in a lifetime we had precisely the right amount of rain at precisely the right moments throughout the year. But it was not simply that the fields looked so wonderful which made me a happy bunny this spring. (And talking

of bunnies, we have been overrun by the little pests to such an extent that we lost 12 acres of oilseed rape and had to spend a lot of money on rabbit fencing and a devilish machine called a *Rodenator* which explodes underground burrows). The other cause of this farmer's happiness was economic rather than meteorological. The prices of every crop were higher than they had ever been. On March 6<sup>th</sup> I actually sold one single and solitary load (29 tonnes) of wheat for £200 per tonne. The contract is today framed on the wall of the farm office. Bear in mind that two years ago wheat was worth around £70 per tonne. With prices like that who needs drugs? Or alcohol? Or pornography?

And then in May it all began to go wrong. The first sign was that the price of wheat continued fall. It had, admittedly, done so for some weeks but I reassured myself that this was just a momentary blip, a temporary adjustment. Yet each day a tonne of wheat was worth maybe 50p less than the day before – and sometimes a lot less than that. But by then I had already sold forward what I assumed would be 80% of our harvest, so I was not unduly worried. And at least the growing crops still looked magnificent.

Harvest was late this year, starting on July 17<sup>th</sup>. The oilseed rape yields were only average but we were eagerly looking forward to the wheats. I had announced with great gravitas and pomposity that since the price of diesel fuel was now over 60p per litre we were definitely not going to use the drier. Instead we would let God (and the sun) do the work. We started cutting wheat at the end of July in order to fulfill a contract. The crop was not totally ripe so my good intentions about the drier were immediately forgotten. The yields were, however, gob-smacking and it soon became clear that we would be

facing a very big harvest indeed. The yields were so big, in fact, that we could barely store 75% of the wheat. Which meant that we were forced to sell around a thousand tonnes into a still falling market. But, as it happened, this was no hardship because, thanks to the almost continuous rain, there emerged what the old corn merchants used to call a “weather market”. For a period of maybe ten days in early August the price of wheat rose sharply as mills scratched round for supplies which had been delayed by the rain. It was during this period I managed to sell the remaining 20% of our harvest.

Seven weeks later, on September 16<sup>th</sup>, we finished harvest – some two weeks later than normal. The reason for this delay was that throughout August and early September it rained almost every day. We were thus forced to dry every single tonne of wheat we cut. Morale hit rock bottom when one trailer full of wheat registered 27.1% moisture (wheat must be dried to at least 15% before it is sold). Our 25 year old Law-Denis grain drier was the single most important piece of equipment on the farm. Amidst the encircling gloom there was, however, one moment when the sun came out. Well, not a sun but a granddaughter, Lilah, who appeared just after midnight on August 11<sup>th</sup>

Although our harvest was by far the most difficult in recent history, I should remind myself that compared to the west and the north of Britain, at Thriplow we at had it easy. I should also remind myself that not only did we produce 550 tonnes more wheat than we have ever done before, but we also sold the entire crop forward at the highest price, averaging £136, we have ever received. For this reason I am happy (and even a bit proud) to admit that 2008 has been the most profitable year this farm has ever known. All of which explains why this year’s harvest

was from both heaven and hell. But I must stress that anybody reading this report should bear in mind that our results at Thriplow are not, repeat not, remotely typical of British agriculture in 2008. We were lucky. Many – maybe most - of my fellow farmers were not.

## WHEAT

An average yield of 10.4 tonnes per hectare across the farm was second only to the 10.7 tonnes we achieved in 1999. However, since there was no setaside this year, our total production of 4400 tonnes was substantially bigger than it had been in 1999. *Oakley* produced an amazing 12.0 tonnes per hectare, followed by *Humber* at 11.6, *Glasgow* at 10.9, *Robigus* at 10.6, *Einstein* (all second wheats) 9.5 and *Sogood*, which was sown on January 18<sup>th</sup> after sugar beet, still managed a very respectable 7.8 tonnes per hectare. We were lucky to have combined most of our wheat in between storms before the serious monsoon struck. This fact meant that the quality of the grain was reasonably good even though it had all gone through the drier. One of the mysteries of this harvest was that the southern end of the farm with its thin soil actually enjoyed better yields than the northern end which we usually consider to be our best wheat land. It all goes to show what can be achieved if the rain falls at precisely the right time throughout the growing season.

## OILSEED RAPE

Like the wheat, oilseed rape looked magnificent throughout the growing season. But from May onwards it became clear that once again we were suffering from the disease called Sclerotinia. As a result the yields suffered substantially and we only managed to produce 3.4 tonnes per hectare – which is marginally above our ten year average. Unlike the wheat, I sold 75% of the oilseed rape crop pretty disastrously, achieving a price of £220 per tonne. Had I waited another six months I could have made £360 per tonne. This was the one black spot in my sales performance this year.

## SUGAR BEET

Last year was the best sugar beet year we have ever enjoyed, with a yield of 81 tonnes per hectare – compared to our five year average of 66 tonnes/hectare. Yet in spite of this achievement we shall be reducing our sugar beet acreage by 25% next year since the price has fallen from £36 per tonne to £26 per tonne in about five years (during which time the cost of all our inputs have risen sharply). Indeed sugar beet is now very definitely on probation at Thriplow and it may well be that we stop growing it completely unless the economics improve dramatically.

In order to achieve this I organised a meeting of sugar beet growers at Whittlesey in July. 300 farmers turned up and, as a result, both the NFU and British Sugar returned to the negotiating table. The upshot was that the price we were offered for our beet next year rose by £2 per tonne. Since British Sugar processes roughly 7 million tonnes of beet annually, this meeting resulted in British sugar beet

growers receiving an additional £14 million. It was a fascinating - and somewhat surprising - experience of farmer power.

## BEANS

Another crop which did better than normal. The *Wizard* winter beans produced 4.9 tonnes per hectare, compared to our average yield of 3.9 tonnes per hectare. However, the price of £165 per tonne was actually worse than last year. We will grow more beans next year (as will many arable farmers) because they leave a lot of nitrogen in the soil for the following cereal crop. And with the price of nitrogen fertiliser today this is not to be sneezed at.

## PEAS

For the first time in four years we grew a field of peas. The variety was called *Prophet*. Had it been called *Profit* it would have been misleading. Like every crop on the farm, the peas looked excellent until the monsoon flattened all the plants so that when we came to combine the field we left around a third of the crop lying on the ground. We also managed to clog up the combine with so much mud that it took four men an entire day to clean out the innards. In spite of this the peas yielded a faintly respectable 3.6 tonnes per hectare. We will grow more peas next year because, like beans, peas also enable us to buy less nitrogen fertiliser.

## SETASIDE

The fact that the world appeared to be running out of food persuaded Brussels to abolish setaside this year. We were happy because it enabled us to grow an additional 68 hectares of wheat.

## MACHINERY

Two years ago we replaced three of our four tractors and so did not need to join the very long queues at machinery dealers along with every other farmer in Britain who was replacing his tackle after five dismal years. We did, however, buy one new *Vaderstad Carrier* cultivator which has proved exceptionally useful on our minimum tillage (i.e. no ploughing) system.

## LIVERY STABLES

After last year's splurge on a new manege and five more stables, this year has been quiet and uneventful. Long may it stay that way.

# THE FUTURE

In last year's report I finished by writing *"The question which obsesses every farmer in Britain - and indeed the world - today is a simple one. Will the price of all grains (not simply wheat) stay high? Or will it fall back to more "reasonable" levels"*. The answer, we now know, is the latter. Last year wheat was worth £150 a tonne. Today it is worth £80.

But the outlook is far worse than this single figure suggests. The cost of my inputs for next year's harvest has gone completely crazy. Take fertiliser for example. We use three different types - nitrogen, phosphate and potash. Last year I paid £180 a tonne for nitrogen (urea); the cost today is £450. Last year I paid £180 for potash; this year it costs £580. Last year I paid £260 for phosphate; this year it costs £690. As a result it is estimated that the breakeven price of a tonne of wheat next harvest will be around £120. The forward price for November 2009 today is £109/tonne.

If I were a rational economic animal I would have not planted a single grain of wheat in the ground this autumn. But being a stupid clod-hopping farmer, I did what the hymn says, I ploughed the field and scattered the good seed on the land. More fool me.

Nevertheless I suppose I should be grateful that in the global economic slump which now seems inevitable, farmers, along with politicians, prostitutes and psychiatrists, should remain relatively unscathed. Always



assuming that the human race wishes to survive.

O.W.

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**(The 35th consecutive Annual Report)**