

WOLDGRAIN STORAGE

Frontier Presentation
23rd Feb 2015



Department
for Environment
Food & Rural Affairs



This project is supported by the Rural Development Programme for England, for which Defra is the Managing authority, part financed by the European Agricultural Fund for Rural Development Europe investing in rural areas.



Who are we ?

- Formed in 1980.
- Farmer owned central grain store co-operative.

Run by Farmers for Farmers.

Some local directors you may know ?

Fred Myers - Chairman

Leverton Farms

James Barton

Glentham Farming Co

Chris Baylis

Sir Richard Sutton Settled Estates

Michael Anyan

C & M Anyan Farms

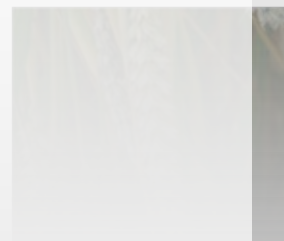
Emma Bradley

G Brown (Sturton) Ltd

Tom Marsden

Green Lane Farm

- Originally 15,000 mt , now 85,000 mt .
- Originally 30 members, now 80.
Furthest away Malton North Yorkshire



What do we do ?

● Alternative to on farm storage :

- As little **£75 – £90 mt** depending on tax relief

● Long term Storage :

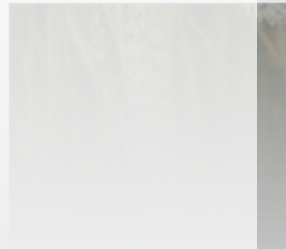
- End of May
- High segregation levels, typically 20+.
- All grades of Wheat, Barley, Oats, Pulses & Oilseeds
- Work closely with United Oilseeds

• **WE STORE WHATEVER YOU GROW**

● Create added product value :

- Members pool grain for their mutual benefit
- Gain market carry
- Upgrade
- Blend
- Clean
- No Rejections

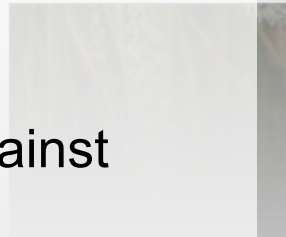
£ 3 – 4 avg



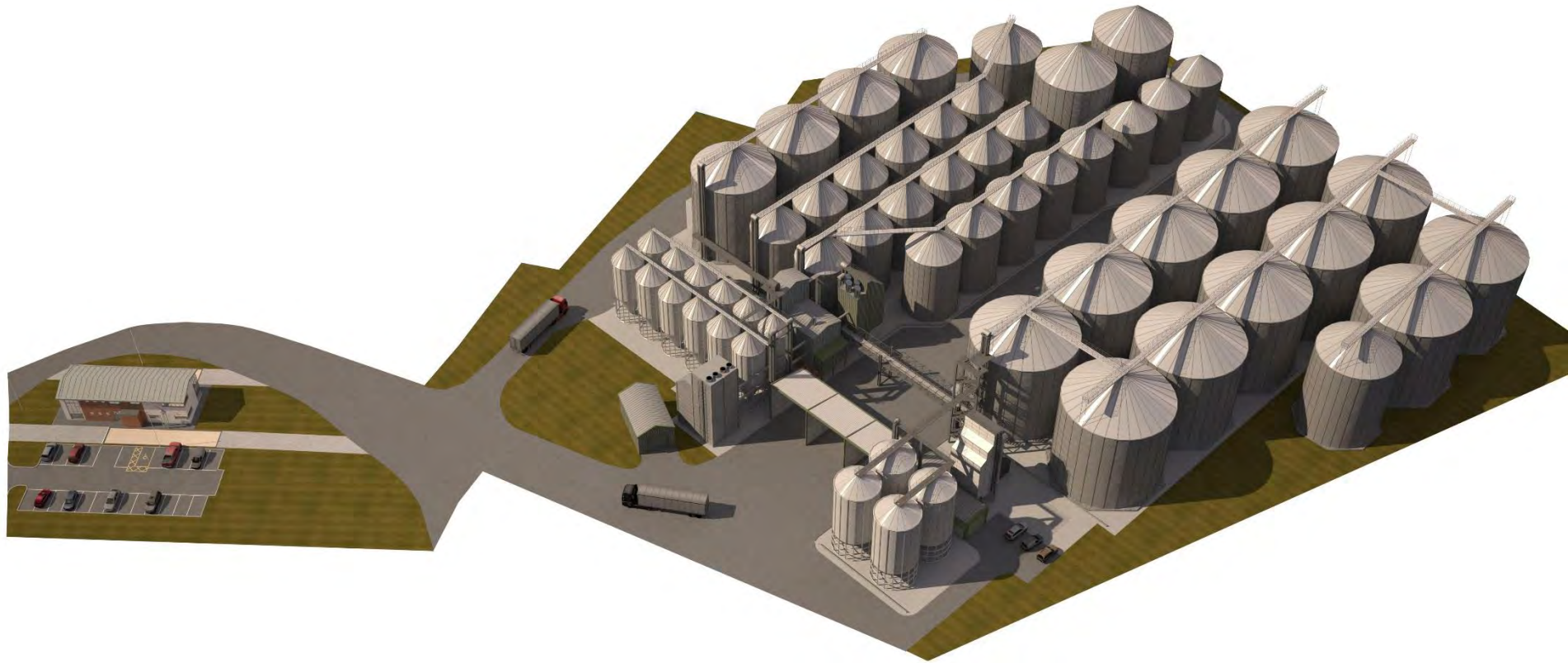
How does it work ?

- **M**embers advise store of harvest intentions in early April
- **C**ollections on 24hrs notice
- **A**ll loads weighed, tested & graded on intake against members accounts.
- **I**ntake into Store
 - Cleaned
 - Dried
 - Blended on requirement
 - Vented and Temp controlled long term Storage

Job Done !



2014-15 Expansion



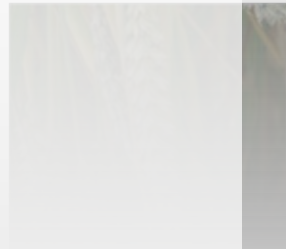
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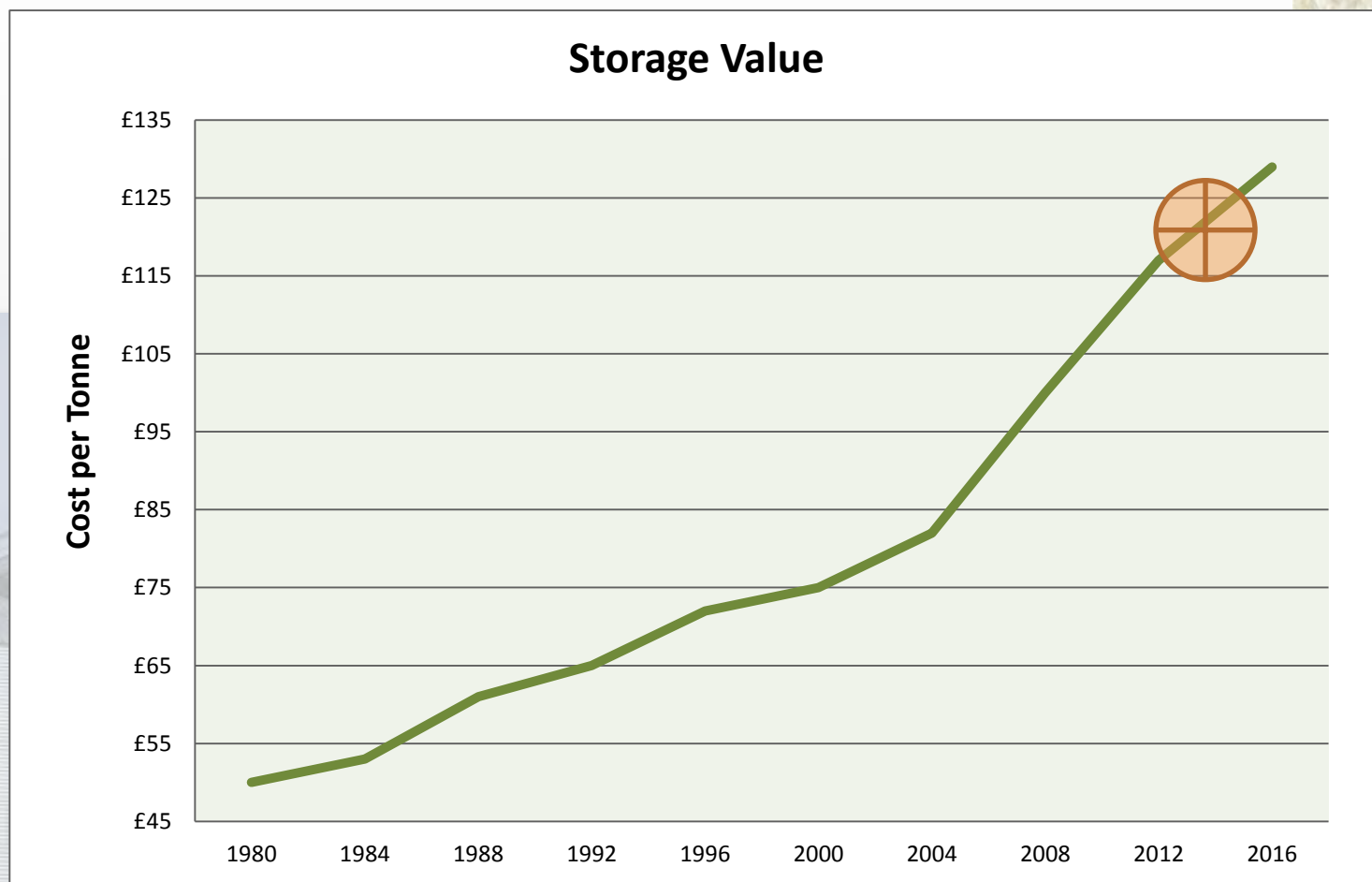
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Storage Value

- Low purchase price – fully Tax efficient
- Blending of grain for mutual benefit
£ 3 – 4 avg added value
- Peace of mind
 - Combine to suit crop quality
 - We capture the value
 - You know what you've got
 - We upgrade and blend to maximize value
 - No Rejections
- No profit being made at members expense
- Storage retains value ; see graph...



Storage Value



Storage Value



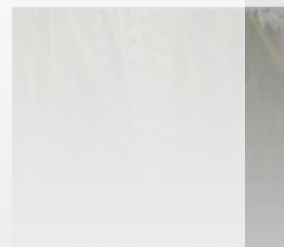
Payment of tonnage loan and service charges	Year 1	Year 2	Year 3	Year 4	Year 5	Year 5	Year 7	Year 8	Year 9	Year 10	Year 11
Tonnage Loan - £/t	40	40	40	40	40	40	40	40	40	40	40
Tonnage Loan repayments	-	-	-	-	-	-	-	(4)	(16)	(28)	(40)
	40	40	40	40	40	40	40	36	24	12	-
Tonnage	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total of tonnage loan	40,000	40,000	40,000	40,000	40,000	40,000	40,000	36,000	24,000	12,000	-
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 5	Year 7	Year 8	Year 9	Year 10	Year 11
Service Charges (Cumulative) - £/t	-	12	24	36	48	60	72	84	96	108	120
	-	12	24	36	48	60	72	84	96	108	120
Tonnage	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Service charges	-	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Interest on borrowings @ 3.23%	-	2,584	2,196	1,809	1,421	1,034	646	258	-	-	-
Total charge	-	14,584	14,196	13,809	13,421	13,034	12,646	12,258	12,000	12,000	12,000
Tax relief - based on income tax & Class 4 NIC rate of 29%	-	(4,229)	(4,117)	(4,005)	(3,892)	(3,780)	(3,667)	(3,555)	(3,480)	(3,480)	(3,480)
Total charge net of tax relief	-	10,355	10,079	9,804	9,529	9,254	8,979	8,703	8,520	8,520	8,520
Total cost net of tax relief											92,263
Cost per tonne net of tax relief (including interest)											£ 92.26



Storage & Drying Charges



<i>Charges</i>		<i>Charge Basis</i>	<i>Charge Period</i>
Total	£11.50		
Charge 1	£2.50	Entitlement	May
Charge 2	£7.00	Month end of Intake	Monthly
Charge 3	£2.00	Balancing charge	Jan/Feb



Storage & Drying Charges

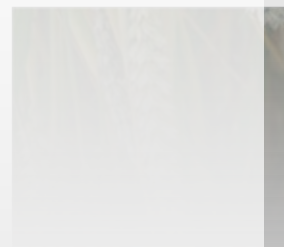
Drying Scales		Cereals	Malting Barley	Oilseed	Beans	Oats
% Moisture						
8.1	8.5			£ 1.75		
8.6	9.0			£ 2.40		
9.1	9.5			£ 3.05		
9.6	10.0			£ 3.70		
10.1	10.5			£ 4.35		
10.6	11.0			£ 5.00		
11.1	11.5			£ 5.60		
11.6	12.0			£ 6.45		
12.1	12.5			£ 6.95		
12.6	13.0			£ 7.60		
13.1	13.5		£1.35	£ 8.20		
13.6	14.0		£2.00	£ 8.55		
14.1	14.5	£ 1.60	£2.65	£ 9.20	£ 2.00	£2.50
14.6	15.0	£ 2.25	£3.30	£ 10.35	£ 2.65	£3.35
15.1	15.5	£ 2.90	£3.95	£ 11.50	£ 3.30	£5.00
15.6	16.0	£ 3.55	£4.50	£ 12.65	£ 3.95	£5.65
16.1	16.5	£ 4.20	£5.15	£ 13.80	£ 5.10	£6.30
16.6	17.0	£ 4.85	£5.80	£ 14.95	£ 6.25	£7.95
17.1	17.5	£ 5.50	£6.45		£ 6.90	£8.60
17.6	18.0	£ 6.15	£7.95		£ 8.25	£9.25
18.1	18.5	£ 6.80	£8.95		£ 9.80	£9.90
18.6	19.0	£ 7.45	£9.95		£ 10.45	£10.55
19.1	19.5	£ 8.10	£10.95		£ 12.10	£12.20
19.6	20.0	£ 8.75	£13.00		£ 13.75	£13.95
20.1	20.5	£ 9.40	£16.00		£ 15.40	£15.50
20.6	21.0	£ 10.55	£17.00		£ 17.05	£17.05
21.1	21.5	£ 11.70	£17.00			£17.05



Annual Storage Charge

● What you get for your £11.50/mt :

- Transport
- Testing
- Temperature Control
- Storage through to May June
- Plant Maintenance
- Grain Storage Records
- Comprehensive Insurance
- Store Management



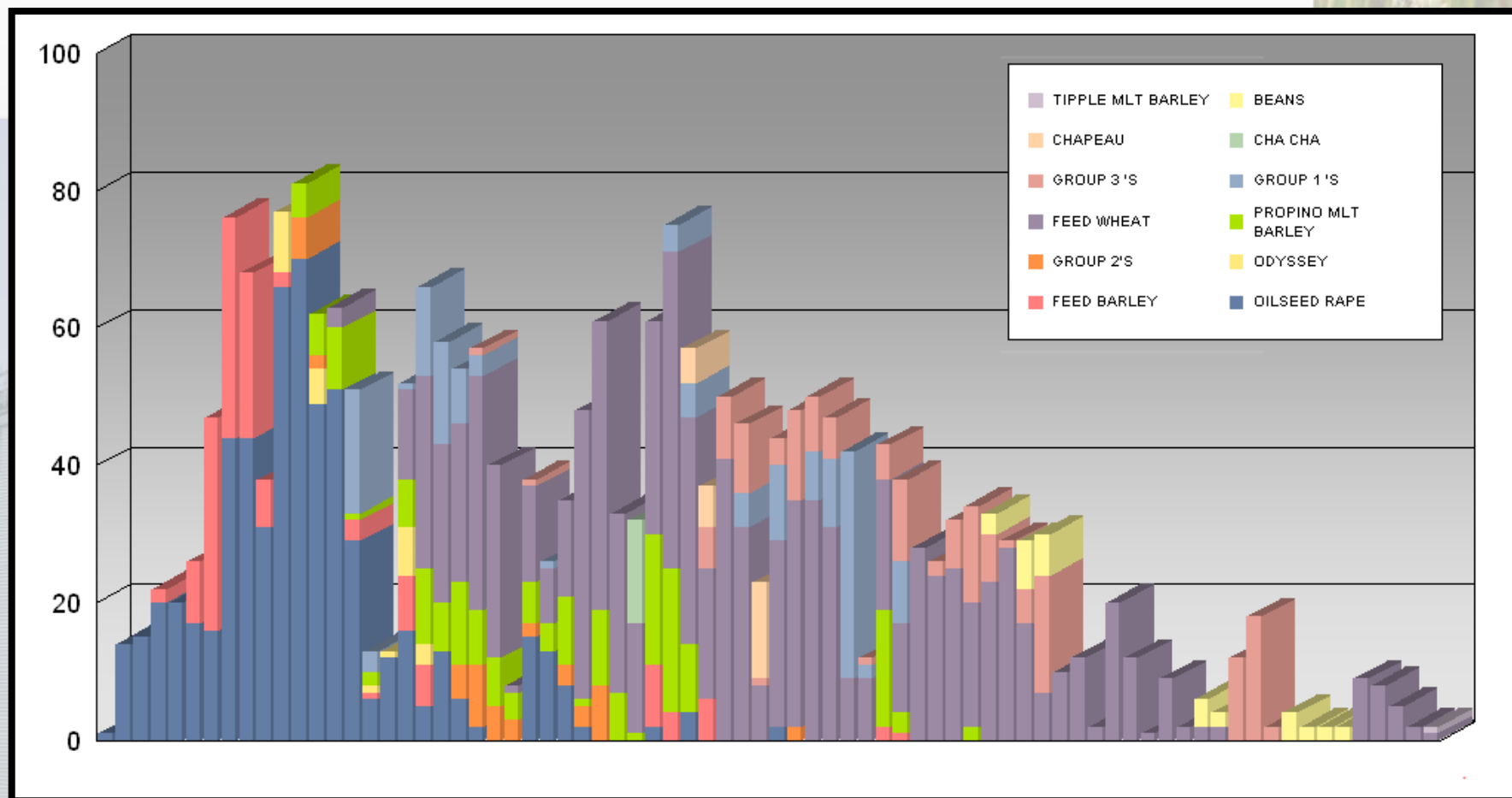
Summary

- Purchase price @ £120/tonne
- Initial deposit of £40/tonne
- You pay nett : £80 tonne spread over 10 years e.g. £12/mt pa.
- After Tax as low as £75 /tonne
- Appreciating asset
- Buying into an established asset
- Annual added value
- Low annual storage charge



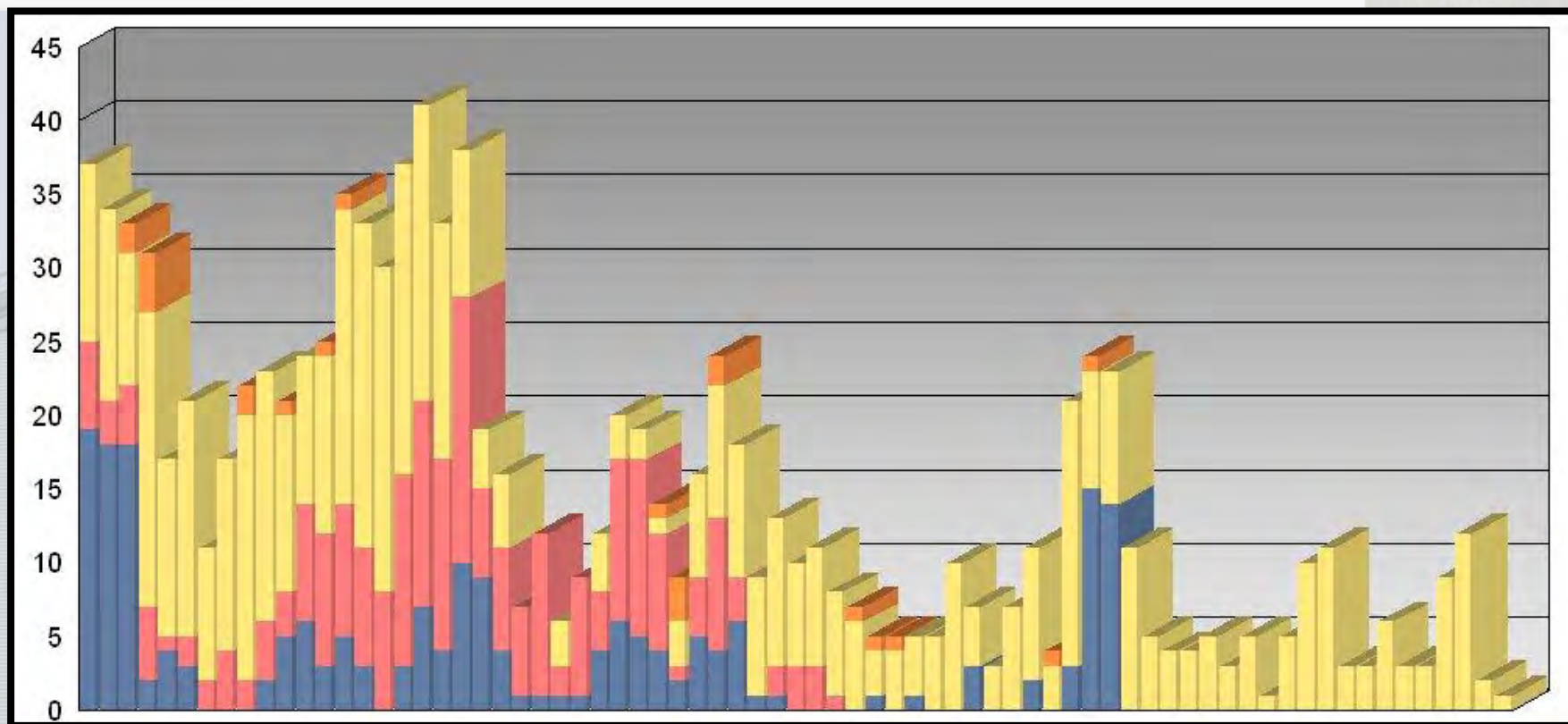
Harvest 2014

- Daily Intake in loads by Class
12 main class segregations



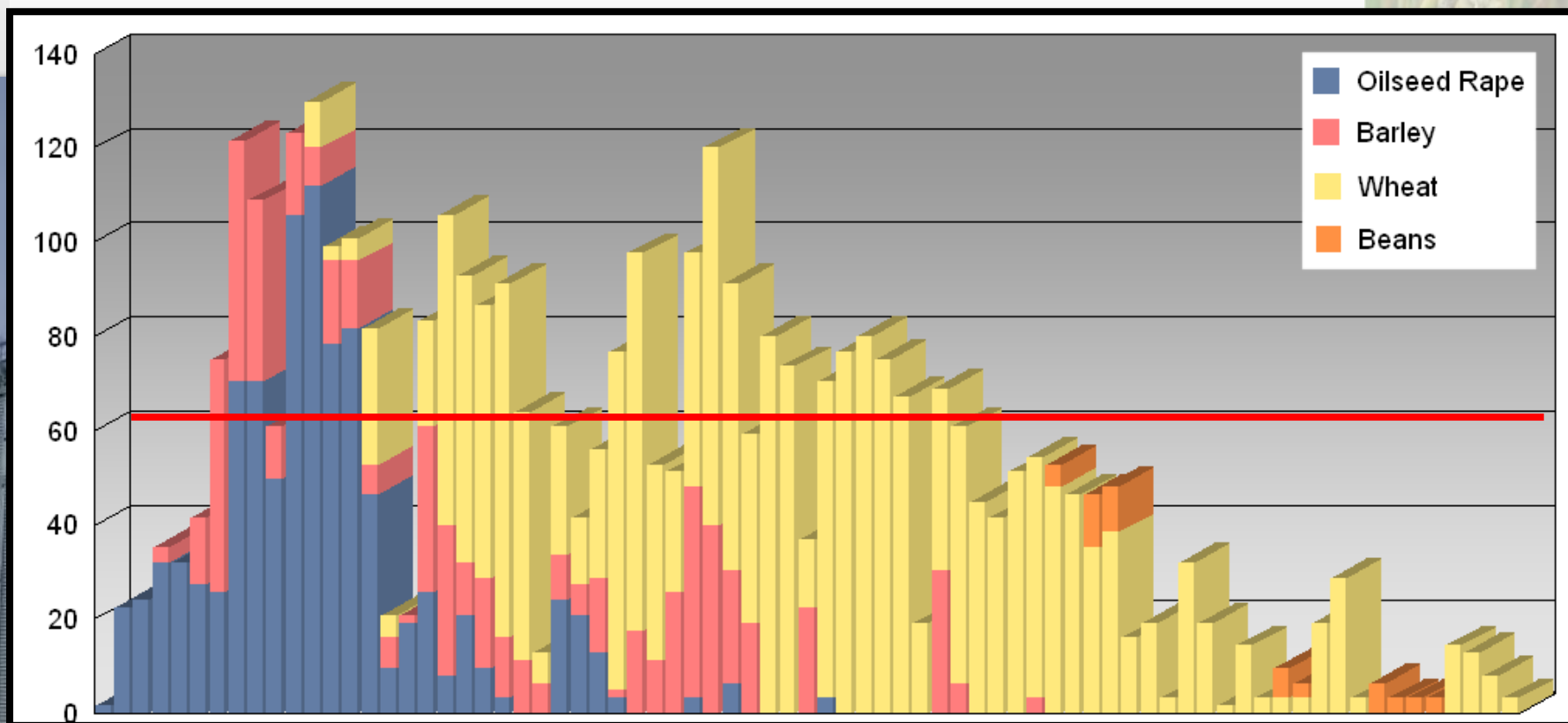
Outloading Harvest 2013

- 61% - 30,166 mt outloaded in May and August.



Harvest 2014

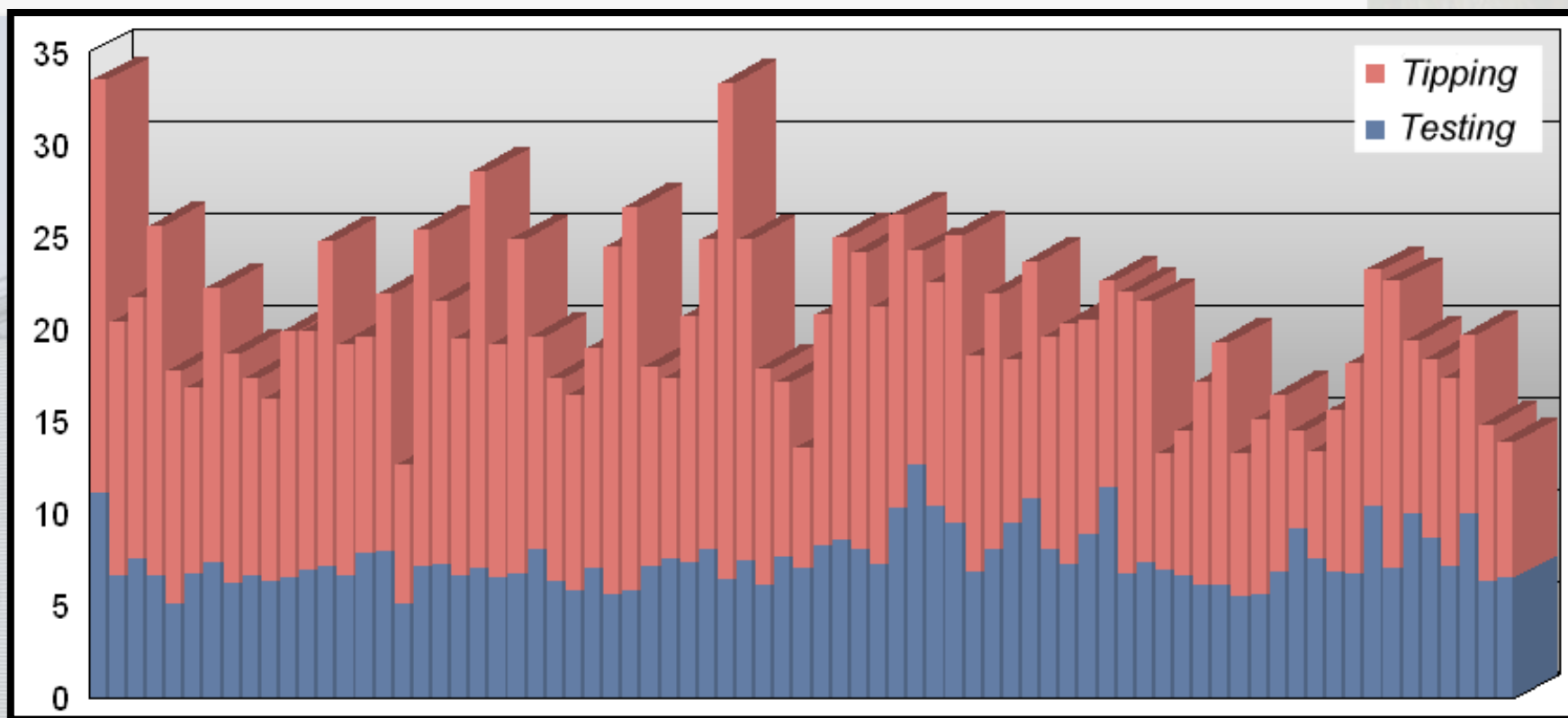
- 2015 projected Daily Intake in loads by commodity
*Avg **58** loads per day*



Harvest 2014

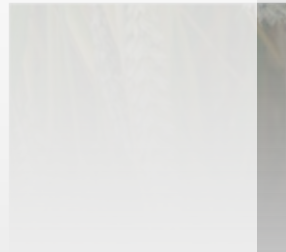


- Average Daily Intake in minutes
7:39 - Testing 13:54 -Tipping = 21.33 Onsite



Intake Capability

- Intake Speed = **9,000 mt over 12Hrs**
 - 3 Intake pits @ 250 tph = 750 tph
- In Operation = **5,220 mt over 12Hrs**
 - 12 mins to tip a load
 - 5 loads per hour
 - 15 loads per hour for the 3 pits
 - 180 loads over 12 hour day
- Projected harvest peak = **3,625 mt @ 125 loads**
Average daily intake level of 60 loads
- Intake bin capacity 4,000 mt



Computer Systems Development

- Bar-coding technology.
- Logistics software.
- Live data for Members & data streaming from Marketing Partners.
- Increased efficiency.
- Reduced manual inputs.
- Time saving.
- Faster truck turn round.
- Reduced staff costs.
- Traffic flow management.

