

Drying charges

SLASHED!

- Reduced by 15%
- Capped at 18%
(cereals) (OSR 12%)
- Cereals start at 15.5%

*"We accept there are many good reasons for not harvesting crops at a high moisture content, but we don't want excessive drying charges to be one of the deciding factors for our members, especially if it puts the harvest quality of their crops at risk. Therefore we have decided to implement a **capping of all drying charges** for the coming harvest as part of our five year strategy of reducing the cost of storage for all of our members."*

Tom Marsden - Market Development Group
Chairman

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Woldgrain members benefit from massive reductions in drying charges for this coming harvest.

The new charges were agreed by the Board at their meeting in June. They have been made possible due to the improving financial position of Woldgrain, mainly as a result of the expansion and the effects of lower fuel costs. **For the full report** click [here](#)

adding value in the food chain

Chairman's Message



"I feel that I am very lucky to have such a supportive team behind me."

Fred Myers
Chairman

Woldgrain enjoyed another very successful year last year. The continued expansion has helped to keep reducing the costs per tonne.

If you take the cost of haulage into the store the cost of managing the grain (not drying) is a little over £5 per tonne.

Where your store really gives you a benefit is that with good management that comes from John and his team is that with blending and improving the grain the store adds considerable value.

Last year an average of **£2 per tonne was returned to members** as well as improving the balance sheet to your store.

Add other benefits:-

- 1) **No grain rejections to members.** (sounds familiar!)
- 2) **No worries.** Once the grain leaves the farm that's it.
- 3) **No depreciation.** Your store is continually being updated and renewed.

"I cannot store on my own farm better than that so as far as I'm concerned it's a no brainer!"

Also the board do not believe in standing still. The marketing group are continually looking for added value with new contracts and end users. Myself, John, the board and all the store staff are always looking for efficiencies and ways to improve things for the members.

Although it's too early to say for the '15 harvest the board are hopeful for another good year.



Woldgrain sponsored the Lincolnshire Show this year



Openfield at the Lincolnshire Show

2016 Storage Charges

Woldgrain continues to benefit from increasing economies of scale and as a consequence, the store charges for 2016 have been held at £11/mt. This charge will again be split into 3 parts. The attached sheets describe the details of these charges.

For 2016, the table of drying charges has been reduced to reflect the fall in fuel prices, which make a significant

contribution to the drying costs. Cereals (with the exception of Malting Barley) drier than 15.5% will also no longer incur a drying charge. Malting Barley will incur a drying charge when its moisture exceeds 14.5%.

Following on from 2015, moisture will again be measured and charged against in increments of 0.1%.

The 5 year plan

Summary:

- **Expand** through land acquisition to 120,000t in silos and flat stores.
- Focus on storing crops with **high added value potential**; e.g. HOLL rape seed
- Build a **flat store** for containerisation of beans and barley.
- Include a **colour sorter** within next expansion.
- Expand third party work to include: buying in and blending
2 year pool
Forward positions
Over-yearing
- **Reduce** drying charges.
- Reduce annual storage costs to members to **£9/t** and create a **dividend of £2/t** minimum.

The Woldgrain board met in early April to set a strategic direction and plan for the next 5 years. The outcomes from the daylong review are summarized above.

The Board agreed that expansion should be demand led and when possible should include a flat store. The addition of a flat store would not only give much needed flexibility during harvest, but also, provide a facility for providing containerised beans and cereals for the export markets.

We are already well on our way to meeting the expansion target of an additional **20,000 tonnes**, with **3,000** more tonnes in silos being currently built for this harvest.

In addition the board felt it was important to focus on the storage of crops with high added value potential.

The **HOLL oilseed rape** being grown by members this year was a good example of that.

In line with this desire to focus on high value crops, it was decided to look at the potential benefits of adding a colour sorter in to the plant.

It was also agreed that additional third party income could be generated by working more closely with our marketing partners to buy in grain and blend up for specific end users. Look at 2 year pools, taking forward positions and when market conditions were favorable, to carry stock over.

Finally and perhaps most importantly the Board committed to continue the reduction of the cost of drying and reducing the annual storage charge to £9/t, with a further £2/t dividend.



HOLL Oilseed Rape

For harvest 2016 we are storing around 3,000mt of HOLL oilseed. The store has invested in a testing machine which will give a breakdown of the different oils in the seed. This will enable us to distinguish and segregate HOLL and '00' oilseeds on intake, removing the need for growers' samples to be posted away to Monsanto.

Testing the oil profile of each sample on intake will also enable us to identify any HEAR contamination. Crushers around the country have noticed HEAR contamination in '00' crops, thought to be due to naturally occurring genetic mutations. Knowing the HEAR oil levels in each load would give us the opportunity to blend, where appropriate, reducing the likelihood of costly rejections by the crush on outloading.

Woldgrain has been in conversations with Monsanto to develop HOLL as a new storage opportunity for growers. Monsanto are confident that the demand for HOLL oils will continue to grow, which will help to protect current premiums.

New
for
2016



Harvest Instructions

As in the past, members are asked to notify the store before crops are harvested in order to enable us to plan our haulage coordination. For example, it is useful for us to know when members have dessicated their Oilseed Rape.

Members with grain to collect will be allocated haulage once they have notified the store. As always, it is Woldgrain's intention to collect members' grain as promptly as is practically possible.

Intake haulage for the 2016 harvest will be coordinated from Hemswell by Dan Murphy, members can contact him by 'phoning the store on 01427 668741 or 07710 936 325.

Crop Marketing

The weights and analysis of member's grain are available to our four marketing partners on request. In order to simplify the administration of stock records, members are encouraged to trade on a load by load basis (nett weights) rather than round tonnages.

Transfers of crop from members to merchants can only be completed if the store is aware that loads have been sold. We would be very grateful if members would notify the store by email once crop has been sold, highlighting which loads need transferring to which marketing partner.

Marketing and stock administration is managed by Dan Murphy: dan.murphy@woldgrainstorage.co.uk



Expansion continues due to increased demand

Two more silos with a total capacity of **3,000 tonnes**, will be ready for this years harvest intake.

This takes the store capacity to **89,000 tonnes** and more or less fills all the available land on the original site. There is

still approximately 1.5 acres to develop where the new office is located.



Woldgrain Welcomes New Member

DENNIS ESTATES
Established 1859

Dennis Estates have become the latest new member to join Woldgrain.

Having taken some space with us last year, on a trial basis, it is very good news indeed that they have chosen to join as full members.

We would like to welcome another new farmer member many of you may know; Denis Estates from South of Lincoln. We look forward to working with them as with all of you and showing what a good service we can provide.

Fred Myers - Chairman

Electronic Passports

During 2014/15 the AHDB funded a pilot project, replacing the existing paper grain passport with an electronic version. The pilot scheme covered 200 loads of milling wheat and malting barley.

One of the main features of the 'eGrain Passport' is a real time 2 way flow of weights and analysis data between processors, hauliers, merchants and growers. Using an electronic version of the grain passport would also remove the need for assurance stickers.

The pilot scheme was followed by a report of observations, findings and conclusions. One of the conclusions was that the current use of smartphones and the lack of rural 3/4G signal in certain areas was a significant obstacle to the adoption of an electronic passport system.

There is currently a consultation process underway, open until the 16th September.

The AHDB have produced a brief Q&A article, which can be found here:
<http://cereals.ahdb.org.uk/media/888075/egrain-passport-updated-qa-mar-2016.pdf>

The report from the pilot scheme can be viewed at:
<http://cereals.ahdb.org.uk/media/888081/eGrain-Passport-Pilot-Final-Report.pdf>

Marketing and stock administration is managed by Dan Murphy: dan.murphy@woldgrainstorage.co.uk





Woldgrain were delighted to host a visit from **Sir Richard Sutton**, his son **David** and daughter **Caroline**, together with the Sutton Estates Ltd main board, including the CEO Christopher Lacey. A party of 14 in total.

This was the first time that the entire family and board had visited Woldgrain. The party was welcomed on arrival by Woldgrain's Chairman Fred Myers and managing director John Burnett.

Following an extensive tour of the plant and laboratory a buffet lunch was served in the board room. This was followed by a power point presentation which provided the basis for some very good discussion and debate on how Woldgrain were striving to help members in a

number of areas, particularly adding value and reducing costs.

At the conclusion of the meeting Christopher Lacey thanked the Woldgrain staff for making their visit so interesting and pleasurable and said that they greatly valued the improvements which Woldgrain have done in recent years and indeed continues to do. And in particular the spirit of co-operation and partnership which exists between the two companies.

It was Sutton Estates decision to invest in Woldgrain in 2007 which kicked off the expansion and led to the Defra grants being awarded.

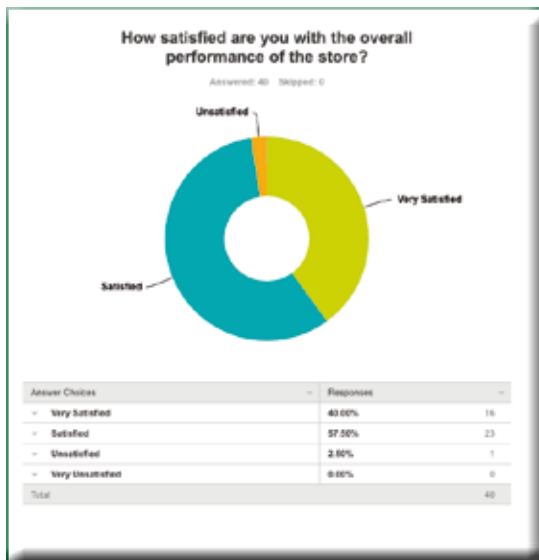
They are currently our largest farmer member holding 14,500 tonnes of space.

Openfield. Special Notice...Soft Wheat

If you intend to store soft wheat at **Woldgrain** and have not yet submitted your commitment to **Openfield** for this year's GP3 / GP4 **soft wheat** contract please contact Chris Spratt ASAP. Member support for our supply chain contract, which last season we successfully supplied a local mill with several thousand tonnes of soft wheat on preferential terms, is key in the continuation of our journey .
(Contact Chris Spratt on 01427 809801).

Members' Survey

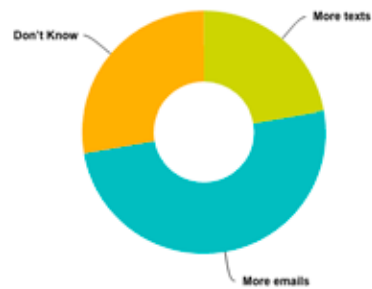
Survey results summary



The most important answer of all is the overall level of **member satisfaction, 97.50% satisfied or very satisfied.**

How can the store communicate better with members?

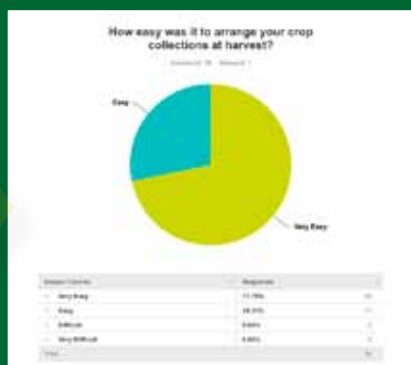
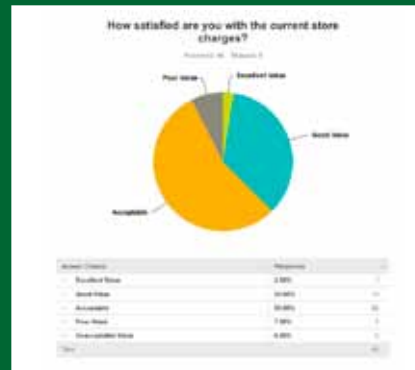
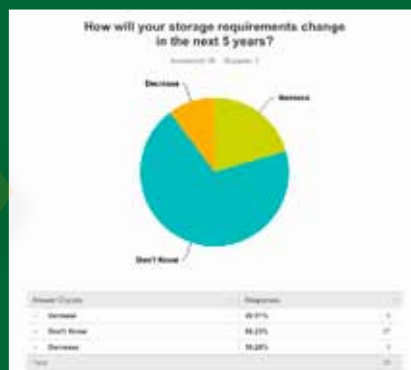
Answered: 36 Skipped: 4



- Nearly **75%** said crop collections were very easy to arrange.
- **69%** said 100% of their **collections** happened as agreed.
- Lots of comments about **adding more value**.
- **43%** are in favour of installing a **colour sorter**.
- **22%** of members are saying their storage requirements will **increase**.
- Over **90%** think the store charges are either **good value** or acceptable.

A very big thank you to everyone who took part in the survey. (Results were all anonymous)

To view all of the results please go to: <https://www.surveymonkey.net/results/SM-9CMH2P3R/>



NEWS!!

FOOD ENTERPRISE ZONE

*Good news for all
businesses in Hemswell*



Woldgrain are going to be at the heart of the planned **Food Enterprise Zone Redevelopment Scheme** planned for Hemswell Cliff, below is a letter from the WLDC outlining where we are at present. There are more details about the plans on the 'News Section' of our website should you wish to find out a bit more! Or click [here](#) for the pdf document detailing the new scheme.

Dear All,

Hope you are all well. I am just writing to advise that the **Hemswell Cliff Masterplan** was endorsed by the Prosperous Communities Committee last Tuesday and we are now in the process to start looking at the work around the Implementation Delivery Plan and Programme.

The Council is committed to help develop and regenerate Hemswell Cliff and we would like to work with all landowners, businesses and residents to help improve and develop this village.

We have a work programme developing with 3 basic areas of work focus:

- Development of a new Food Enterprise Zone supported by a dedicated package of incentives for agri-food businesses
- Redevelopment programme for existing Business Park
- Regeneration and growth of Hemswell Cliff Village -

the Parish Council are starting work on a Neighbourhood Plan that needs all in the community to help shape it.

Should you want to discuss any of the above in further details – in parallel to the current work associated to the LDO and FEZ – please do not hesitate to contact me or my colleague Shayleen Towns (Senior Community Action Officer).

Kind regards

Marina Di Salvatore

Growth and Projects Officer (Economic Development)



Tel: 01427 676635



Heading into harvest, **Andrew Hill**, Frontier's grain origination team leader looks back at the first full year as a Woldgrain member and forward at the market and the potential opportunities for Woldgrain members.

As a member and marketing partner of Woldgrain storage, our experience of working with the store staff and membership has been fantastic. The unforeseen challenges that John, Dan and the team faced heading into the 2015 harvest with more grain to handle and a new facility were managed very well, and the opportunity to begin marketing members' grain has been very successful to date.

The grain markets have been hindered all season by high stocks and production, not just in the UK, but in the EU, the Black Sea region and North and South America. This trend looks set to continue in the short to medium term, although current weather troubles in France could support the UK market at its own expense. When I wrote for the July 2015 newsletter, sterling was at an 8 year high against the euro, so whilst fundamentally the production of grain looks set to remain the same, the currency volatility is significant, with sterling at a 30 year low at the time of writing. This is very supportive to the UK market and presents a good opportunity to sell, with good demand for grains and oilseeds both domestically and for the export market.

It is fair to say that considering the high rainfall and lack of sunshine in recent weeks, Lincolnshire crops are looking well compared to other less fortunate parts of the country. With the ongoing uncertainty in the grain and oilseed markets it is vital to continue to carefully manage price risk. There are good contracts available for harvest 2016 and 2017 that aid cash-flow and protect members from a falling market. Also, should you have excess grain that requires swift movement at harvest, and if you are interested in these contracts or would like to discuss your specific needs, please give me a call and I'll be more than happy to discuss solutions with you.

Thank you for your commitment and ongoing co-operation in choosing Frontier as one of your marketing partners.





Openfield have recently completed the loading of the m/v SBI Lambada which was loaded with 63,000t UK Feed wheat heading for Wilmington USA. The vessel completed loading on the 18th May taking just 4.5 days to load (excluding rain delays). The passage time to Wilmington is approximately 12 days. Despite the US having another large crop of both corn and wheat, the relative weakness of £ vs \$ and very cheap freight rates made it more economical for a pig and poultry producer to buy UK wheat. This represented the largest wheat shipment to the US in over two decades!



Chris Spratt his partner Debbie and Dan Murphy, Woldgrain store manager attended Openfarm Sunday at Sir Richard Sutton Ltd on the 5th June. Yet again a great turnout with in excess of 2000 people visiting on the day, a fantastic day out for families, and for agriculture to show the important role in plays in feeding the nation. Chris Spratt

The Lincolnshire Show

Openfield were pleased to welcome Woldgrain members to their ring side stand at the Lincolnshire Show, having elected not to attend Cereals this year and support more local events. When we decided to attend we had no idea how it would be received by farmers but comments made it clear it was enjoyed by all with a lot of laughter and good humour between the farmers and staff. It was a great opportunity for Openfield and Woldgrain staff to engage with the membership. Picture day one the calm before the gates opened!

Woldgrain this year sponsored the new VIP and members parking on the Showground.



UK

Early estimates for the UK 2016 spring barley crop area suggested an increase of 10%, up to 727,000 hectares (658,000 '15 crop Defra survey in June) however we believe that figure may have been overestimated (poor late spring weather/reduced area in Scotland) and +2% is more realistic.

Europe

Even though the European Spring Barley area for harvest '16 is forecast slightly higher than that of the '15 crop, (7.06 mil hectares v 6.92 mil hectares) we are not expecting to see a repeat of the above average yields of last season. Later sown crops in UK and Denmark, wet weather in France, dry in Czech Republic (major MB producers of Europe) suggest average yields only

The Spring Malting Barley surplus to domestic requirements, and therefore available for export to 3rd. countries in 16/17, has recently been estimated at **825,000t** (1,120,000t in 2015/16)

Consumption Export

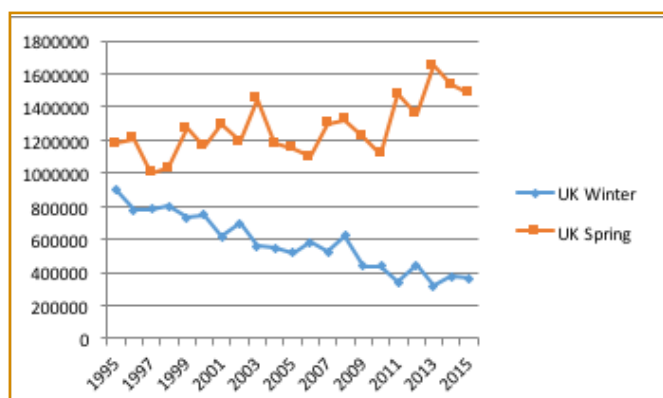
Openfield are the major exporter of malting barley out of the UK, shipping between 180,000t - 200,000t per annum via our supply agreements with major European maltsters and brewers. With the export facility of New Holland just a short haul from the Woldgrain store we must view the export market as a potential major malting barley customer for this region.

Varieties

Winter Varieties

The fall in Winter malting barley usage has plateaued out, (see chart below) with UK demand over the past 7 years hovering around ~ 400,000 tonnes per year. SY Venture is the flagship variety with just under 50% of this winter malting market. The other IBD approved winter varieties Flagon, Talisman and provisionally approved Craft have more limited outlets and are usually grown under contract. There is minimal export potential for Winter malting barley, therefore the domestic market only should be targeted.

Winters v Springs UK Maltster Purchases



Although it is too early to be making final decisions on varieties for drilling spring barley we should focus on the performance of the varieties below over the coming harvest.

Spring varieties

The fact that there are now six spring barley varieties with full IBD approval for brewing does mean that they will all be automatically accepted by UK maltsters in their first year..... the end user (brewer or distiller) can be reluctant to move away from established varieties into 'new' varieties without, what he considers, to be a financial benefit.

Propino (Quench X Tipple)

Propino is widely accepted by maltsters domestically and overseas. Propino made up 38% of the English spring barley malting barley demand in 2015/16 making it the most widely accepted variety. Openfield have supply agreements for Propino with most domestic maltsters plus export agreements with European maltsters which can get shipped from New Holland. Target Nitrogen level: min 1.45 % / 1.85% max

RGT Planet (Tamtam X Concerto)

RGT Planet was a new addition to the 2015 ADHB recommended list and has maintained its number 1 spot for yield in the new 2016 list. RGT Planet achieved full IBD approval for brewing in June 2016. Supply agreements may be limited for this newly approved barley due to the popularity of Propino, however, of the new varieties coming to the market, RGT Planet looks the most likely Propino replacement. Target Nitrogen level: min 1.45 % / 1.85% max.

KWS Irina (Conchita X Quench)

KWS Irina was added to the AHDB recommended list in 2014 and in June 2015 gained full IBD approval for brewing use. We have supply agreements with both UK and European malt producers, Target Nitrogen level: min 1.45 % / 1.85% max.

Odyssey (Concerto X Quench)

Odyssey is fully approved by the IBD for both distilling and brewing use, however we suggest that the low nitrogen distilling market should be targeted. Target Nitrogen level: max 1.60%

Adrian Fisher

Malting Barley Trader Openfield Marketing

Direct line 01379 688611

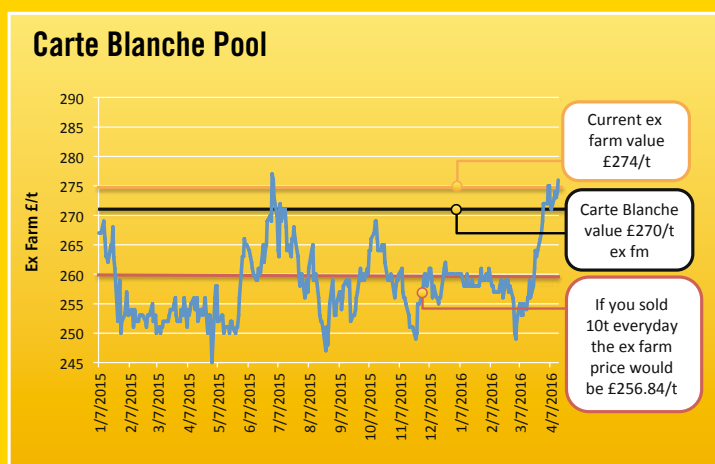


Did you get over £270 per tonne PLUS bonuses and profit share for your OSR?

You would have if you were a member of the United Oilseeds Carte Blanche Pool

Year after year the Carte Blanche Pool has outperformed the market average, helping farmers to get a market-beating price for their oilseed rape whilst saving them time and stress.

This year, some of our pool members will have realised over **£300 per tonne** for their oilseed rape, once bonuses and profit share are included.



Pool members also benefit from:

- ✿ Produce of Area Contracts with no penalties for over or under production
- ✿ No surcharges for cap loads
- ✿ Profit share on turnover
- ✿ A network of 50 stores nationwide with competitive storage rates
- ✿ Prompt and efficient haulage
- ✿ Interim payment 28 days after movement or store allocation

Consistently outperforming our competitors' pools as well the market's average price, our OSR pools are also the largest in the country.

Take the worry out of your crop marketing and be part of a winning team. Let United Oilseeds in-house team of professional trading managers help you maximise your returns.

For more information phone: **01427 668 741** Email: **info@woldgrainstorage.co.uk**



Lincolnshire Show 2016

This year Woldgrain sponsored the new 'Members Car Park', banners adorned the main exhibition rings and the entrances to and from the car park. Show Members were grateful for the transportation Woldgrain laid on too and from the new facility.





This years lab team are Dan, Amy, Lydia, Louis, & myself. Hattie will also be joining the team again mid August when she returns from her travels. Victoria who for many years has worked with me during harvest is not returning this season & instead will be jetting off on holiday in August. She will be greatly missed.

New equipment for harvest is a replacement Hagberg machine & Holl OSR machine.



Let's hope the weather improves as we approach harvest.

You can now follow Woldgrain on Twitter:

https://twitter.com/woldgrain_ltd

Amanda Brook

In addition we have 3 harvest workers beefing up the resources running the plant - Alex Harding returns for his third year in a row and we welcome him back, James, who picked up our advert for Harvest Workers on Social Media and has travelled all the way from North Wales (he is infact a Welsh sheep farmer)! James is looking for somewhere to put his caravan for the harvest period - if any members have any ideas please contact us at the store. Also working is Jake who are joining us for the first time, at 18 years old.



Obituary

Richard Casswell was a Director of Woldgrain from 2010 - 2014 and was also Chairman of Lingrain for over 18 years. He recently passed away after a long illness.

John Stables wrote:

I was fortunate to meet Richard when Openfiled was formed and to work alongside him at both Openfield and Woldgrain. He always claimed credit for being the catalyst that bought Centatur and Grainfarmers together and I've continued to blame him for that ever since!

What a character, absolute integrity, great sense of humour, clear focus and just a giant of a man to work alongside. His counsel will be missed, he always had a gentle way of persuading, cajoling and securing the right answer and if that failed he would just tell us we were plain daft! The world would be a far better place if there were more people like Richard, a true gentleman.

Rob Sanderson wrote:

Richard was one of life's truly nice blokes. He invariably brought a smile to your face during any conversation or meeting. Top man.

Richard Casswell



James Dallas wrote:

I believe Richard's legacy will be defined by the fearless nature with which he tackled life's challenges. He was a tireless supporter of the cooperative movement and I will be eternally grateful for the assistance he has provided me with. His knowledge of the industry knew no bounds. A true gentleman with a fantastic sense of humour who will be greatly missed by all.

1980

Woldgrain the history and our future...

Who would have thought in 1980 that today we would have such an impressive store - and the prospect of Hemswell Cliff FEZ Project will only mean even better things to come!



*Left - the original celebration
Menu for opening of
Woldgrain in 1980 - thought
to have taken place at the
White Heather Hemswell.*

1994

An aerial photograph of a water treatment facility. In the center, there is a large circular concrete tank. To its right, there is a row of several smaller, cylindrical blue tanks. The facility is surrounded by green grass and some paved areas. In the background, there are some buildings and a road. The year '1994' is written in large white text in the top left corner.

2008

WATER TREATMENT PLANT

WATER TREATMENT PLANT

NOTICE BOARD



The caravan does NOT look quite like this!

Welsh harvest worker James is looking for somewhere to pitch his caravan! Have you a space you could loan him?

Contact James at the store if you can offer him a field!


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.



To help with communication please make sure that we have your e-mail address forwarded to

john.burnett@woldgrainstorage.co.uk