



Below is a press release discussing the considerable land use decisions required in farming for 2025. It is highlighted by Sir Peter Kendall in the forward of the newly published Nix Farm Management Pocketbook for Farm Management.

Feel free to refer to it in your journalism or use the article in part or in its entirety. If you require figures from the Pocketbook or a comment from the author on a topic you are writing on, make contact at any time.

## **September 2024**

### **PRESS RELEASE: September 2024**

#### **Farmers Need to Weigh Up Land Use Options**

One of the most immediate decisions for many farmers right now, particularly following the difficult growing year of 2023-24, is what land to commit to environmental schemes. This includes deciding how much, if any land to take out of conventional farming. Farmers may have damaged land and reduced cash flows following the unprecedented amounts of rain this year, and nobody knows when the next wet winter is going to occur. Each of these factors should be affecting a farmer's decision on what and how to farm.

"It is a cliché to talk about unprecedented times in farming, but there are so many issues converging on the industry" says Sir Peter Kendall, farmer and agricultural statesman in the foreword he wrote to the latest Nix Farm Management Pocketbook.

There are more decisions a farmer has to make in today's world of farming, regarding land use, soil and crop care, stock health and nutrition, and managing the business financials than there have ever been. With Government now funding dozens of new land-use options beyond food production, and private markets paying for Biodiversity Net Gain and carbon sequestration and storage, there are more land-use choices farmers have than ever before.

The impact of each decision on the farm business needs to be understood to determine what is best for each farm. Headline figures look appealing, but farmers also need to understand the obligations associated with each option, as well as the costs that will be incurred with each one.

The newly published Edition of the Nix Farm Management Pocketbook helps address this issue. Its updated gross margins for crops, forage and stock, plus the new section estimating variable costs and therefore gross margins of the main land-based SFI options help a farmer compare the options financially, a useful tool for those yet to decide.

There should be a financial margin for undertaking each option, but the profit is unlikely to match that of the previous Basic Payment Scheme. This means farmers may need to consider their overhead costs such as power and labour.

Labour in the Pocketbook has been updated with a review of the time required for each land use and crop type. This includes an update of the former Standard Man Days which are renamed as the new Standard Work Days calculation, a more appropriate name. This schedule will now be updated annually.

Farmers are offered low risk and regular cash payments by entering land into agri-environmental payments. This can be treated as both a risk and an opportunity. Whilst considering profitability, it is also helping farmers address environmental and social responsibilities. When farmers are presented with the prospect of uninspiring farm profits, it makes sense to look critically at agri-environmental schemes to manage financial uncertainty. Indeed, an assured, fixed price for an activity for three years is enticing, and the frequent, quarterly payments also facilitate the cash flow, which is useful in tricky years.

The downside is when you are not in the market, you cannot benefit from bumper yields or high grain values if they go up, but the opposite is also clearly true. Also, there is no guarantee the payment rates available will change in the three-year contract, but the associated costs will probably rise.

The Pocketbook is updated for 2025, and includes explanation of the agri-environmental schemes throughout UK as well as other environmental considerations such as green house gas emissions, regenerative farming and more.

Kendall ends his foreword, by saying it is a 'go to' publication to enthuse old timers and the new generation to embrace our industry and deliver on its amazing potential.

The Farm Management Pocketbook, published in September, tackles all these issues with analysis and, for the first time, discussion of the challenges each sector is facing for the medium terms, going in to 2025. It is designed to help farmers, students and other agribusiness professionals to understand their farms, the industry and the opportunities that it offers. Visit <https://theandersonscentre.co.uk/shop/> to view the contents, examine some sample pages of the book and purchase a copy.

