

Contract Crop Growing

Jonathan and Susie Wilkinson

Dyffryn Farm, Meifod, Montgomeryshire



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Background

Jonathan and Susie Wilkinson farm 320 Holstein Friesian milking cows and 250 heifers. The cows calve all year round and produce 9000 litres per head. The farm is 475 acres of which 90 acres are rented, all within a 10 mile radius of Dyffryn Farm. In 2005 an installation of a new 44-point Westfalia rotary parlour created the opportunity to increase cow numbers. Naturally this required additional forage but Jonathan was keen to retain quality and an assurance of forage supplies.

Jonathan explains:

“Following our milking parlour upgrade, we were able to increase cow numbers to a level that would not have been possible in the old facility. These additional cows required more forage and with no additional land becoming available within the area our farm advisor suggested I considered a crop growing agreement.”

Jonathan approached a local business man who owned some land, enquiring if he would consider allowing him to grow crops on his land. Jonathan's contractor also mentioned another piece of land that might be available. After some discussions with the land owners, Jonathan managed to secure

land on which he could produce food for his growing herd.

Current Cropping

Current crops include 102 acres of maize, 50 acres of wheat and 160 acres of grass silage. These three forages each contribute key functions in the ration providing starch, fibre and digestible protein. Acreages grown and levels in the ration are decided following analysis of the crops and after considering the group of animals it is to be fed to. 50% of the acres of wheat is grown on rented land and half on his own land. Some of the maize is grown on land that is on a three year contract farming agreement where Jonathan is responsible for the management of the crop and the owner of the land receives a monthly payment. This long term agreement allows Jonathan to invest in the land for the production of the crops by spreading lime on the pasture to improve the pH levels of the land.

Half of the wheat crop is grown on land via an Annual Cropping Licence. In this agreement the land owner continues to claim the Single Payment whilst Jonathan grows the crop within 12 months and then vacates the land. The advantage of this agreement is simplicity for both parties. However, the major disadvantage is that similar to an Annual Grazing Licence there can be no assurance of continuity for the following year(s).

Some of Jonathan's maize crop is grown on rented land – this is straightforward and dependent upon the length of tenure of the agreement. Jonathan is committed to applying muck on this land as part of the agreement not only for the benefit of the crop he grows but also to maintain the soil nutrient status and organic matter of the land.



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Jonathan also has a five year Contract Crop Growing Agreement with a neighbouring farmer. In this agreement the farmer/land owner grows the forage crop for Jonathan and prior to harvest they agree a value per acre, the crop is then harvested and stored on Jonathan's holding.

Advantages of Contract Crop Growing:

1. The farmer/grower maintains his trading status that allows him to correctly claim his Single Farm Payment (and any environmental scheme payments – if appropriate).
2. The farmer has an assured market sale for his crop.
3. The farmer can plan ahead his business with confidence.
4. Jonathan as the crop buyer is assured of his forage supply and can determine with the farmer grower what varieties and treatments he wants.
5. Jonathan is not exposed to the vagaries of significant price fluctuations for his forage feedstuffs.
6. Jonathan does not have to have specific crop growing skills – he can focus his skills on stockmanship and livestock management.

Annual payments are made to the landlords that supply land to Jonathan. The landlords vary in their interest in terms of the work Jonathan undertakes on the land but all the crop management is undertaken by Jonathan including slurry and farm yard manure application, and tests on the wheat and grass crops.

Jonathan added:

“It's imperative that I get the best crop possible to give to my cows, but it's also just as important to look after the land for the owners. If I do a good job then they are more likely to rent the land to me the following year.”

The benefits

Both the contract farming agreement and the annual rental land providing maize and grass have been managed by Jonathan and Susie for the last four years. The annual rented land that provides the crop of wheat has been under their management for two years.

Susie highlights the fact that this benefits all parties involved:

“It has allowed us to expand our herd, and gives

the land owner the peace of mind that we are going to maintain the land in good working order.”

Jonathan explains:

“It has been easier than we expected, but that's down to the fact that we have good communication and a good working relationship with all the land owners. They trust me to care for the land as if it's my own and that's important.

“I can't stress how important it is to keep everybody in the loop, by phone, e-mail or just calling to see them, even if it's just to say that we are coming to spray the crop, or fixing a post. They seem very small things but going that little extra mile does make a difference, and the land owners appreciate it as would I if I were in their shoes.”

The future



As Jonathan and Susie look to the future their main objectives are to enjoy the recent investment that they have made on the farm, maintain the herd at its increased number and continue to strive for high technical performance. Once this has been achieved they aim to be in a position to:

- Get a good work life balance allowing them time to spend with the family.
- Step back from the farm and allow others to take on responsibilities.
- Be in a position where they can explore other interests.

For more information please contact:

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