



### VIRTUAL FARM MODEL SHOWCASED AT CEREALS

Today Savills and Farmers Weekly launch a new farm forecasting model at Cereals, which aims to help farmers better understand and manage the potential pinch points that occur during day-to-day management, which in turn will boost efficiency and improve financial performance. The model can be viewed all day on the Savills stand 453 and the Farmers Weekly stand, with experts on hand to explain its capabilities.

The 'virtual farm' model delivers sophisticated cash flow analysis with sensitivity to input and output prices, enabling practical solutions to farm business management and marketing problems to be identified.

Ian Bailey head of Savills rural research comments, "Through this model we have taken standard farm benchmarking practices and layered on additional flexibility. This should enable current issues in terms of cost performance each year to be analysed, challenged and related to profitability by business managers."

- **The farm model: Hypothetical 2050-acres**
- **Tenure: Family partnership  $\frac{3}{4}$  owner-occupied  $\frac{1}{4}$  farmed on an FBT**
- **Location: Central England**
- **Traditional and modern farm buildings**
- **Rotation: 2000 acres of combinable crops (first and second wheats, oilseed rape and spring beans) with an additional 40 acres of woods and 10 acres of other land, tracks, buildings.**
- **Cultivations and machinery centred on a non-inversion tillage system**
- **The business has a core borrowing on a long-term loan, plus appropriate overdraft**

"We've built the gross margins from first principles, for example, down to the nearest kilogram of nitrogen or litre of fuel. This will enable us to look at the full impact of certain business management issues," says Robert Hall Director of agribusiness.

#

The model can be used to demonstrate how increases in red diesel and fertiliser prices, delays to the single payment, or fluctuations in grain prices, impact on farm business cash flow through the season.

“Ultimately this will help farmers plan and prepare for potential ‘pinch-points,” says Ian Ashbridge, Farmers Weekly Business Editor, “One solution may be to alter crop selling periods or the timing of input purchases, and the model will be able to demonstrate how this affects business performance throughout the season,” he says.

We collectively acknowledge that the model is a hypothetical farm and figures are unlikely to exactly match individual situations. We are fully aware that all businesses are different, but this model will identify the issues of sensitivity and identifying trends all arable farmers need to be looking at. In essence it will allow us to challenge and discuss various scenarios to drive business efficiency.

## ENDS

For further information please contact:

Ian Bailey head of Savills Rural Research 01797 230156

Robert Hall Director of Savills Agribusiness 01522 508982

### Notes to Editors:

- **Savills Rural** is focused on the commercial needs of landowners, farmers and rural businesses. Our services include estate management and consultancy, farm and estate agency, agricultural business consultancy and professional services advice - all supported by a top quality research department. With 23 dedicated rural offices around the country and over 200 professionals, Savills is deeply involved in the rural economy at every level.
- **Savills** is an international real estate adviser listed on the London Stock Exchange. Established in 1855, Savills has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 200 offices and associates **throughout the Americas, Europe, Asia Pacific, Africa and the Middle East** [www.savills.co.uk](http://www.savills.co.uk) and [www.savills.com](http://www.savills.com)
- **Savills Private Finance (SPF)** is one of the UK's leading independent mortgage brokers and part of the Savills Group. SPF is truly national with offices across the British Isles and specialises in arranging residential, buy-to-let, international, agricultural, commercial and self-build finance. [www.spf.co.uk](http://www.spf.co.uk)