

AGM Update



The Chairman, Fred Myers, opened the meeting on an upbeat note thanking everyone for attending and introducing our two new recruits: Firstly, **Nigel Simpson** who has joined us from Openfield to manage the harvest haulage intake.

Fred thanked Nigel for all his efforts in harvest and for showing us how it should be done! Secondly, Fred extended a warm welcome to **Josh Speck**, who has joined us as an apprentice electrician and store keeper. Josh undertook the night shift with **Paul Steer** in harvest and did a great job.

Turning to the business at hand the Chairman said he was delighted to be able announce another very successful year trading for the year 2017/18, with a Nett surplus of £203k.

He pointed out that as with previous years we would have wished to have returned a substantial portion of this to members. However, the board needed to consider the prospects for the current year, based on 2018 harvest, before committing to return monies to members. In addition, due to the very dry harvest our drying income was considerably down and that this would severely reduce our cash flow and profitability for the current year. With that back drop the Board had decided not to allocate a rebate to members. Instead the £203k would be used to increase reserves and help with cash flow.



Fred pointed out that he had indicated in his report for the accounts that a £1/tonne levy on members may be required to assist with cash flow. However, he was pleased to report that, due to better than expected added value reconciliation with our marketing partners and an overdraft facility negotiated with the bank; this would now not be required.

With the aid of a power point presentation he took the meeting through all of the positive improvements made to both the store infrastructure and reductions in costs to Members.

Fred also pointed out that over £1m has been investments in the store over the last 3 years, **at no cost to Members!**

In summary he concluded by saying that the store continues to attract new Members with 2 more joining this year and in addition, there have been numerous other enquiries from local farmers.

Lastly Fred thanked all of the Woldgrain staff for their continued hard work and dedication.

See the copy of the slides from the AGM [here](#).

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Health & Safety

Everyone is acutely aware these days just how important good health and safety is to any business.

We thought our members should be aware of how seriously the board and staff at Woldgrain take our responsibilities in this regard. So in each Newsletter we will now have a section devoted to Health & Safety.

To give you a flavour here are just some of things we have been doing:

- Health & Safety is on the agenda for every board meeting, and is discussed at some length.
- Simon Christensen who represents Frontier on the board and Chris Baylis who represents Sutton Estates ran a very interesting morning seminar for the Woldgrain staff. Their presentations looked at what each of those organisations are doing to promote safety to all their employees. They particular emphasized the need for commitment and buy-in from everyone in the business.



- Lincsafe carry out safety audits for us twice yearly. Their recommendations are discussed by all the staff and made available to the Directors.
- The Woldgrain staff meet before each board meeting to discuss all aspects of H&S. They also decide what needs to be highlighted to the Directors in the board meeting.
- We have introduced an annual fire risk assessment.
- Fire training for all staff has been held in January.
- Health screening for all staff is carried out bi-annually.
- Good quality workwear is provided for all staff.
- All harvest staff receive a full induction relevant to the work they will undertake.



With Christmas & New year celebrations behind us, intake of group 3/4 soft continues along with outloading ,at a steady winter pace.

Now is the time of year we work through the list of office/ IT jobs, audits, servicing equipment, general maintenance & look towards recruiting staff for the coming season. Some of last season's staff are returning which is good as we had a great team during the long hot days of harvest 18. Who knows what this year's weather has in store !!

Best wishes for a successful 2019 farming year.
See you soon...Amanda.

Harvest Review



Harvest intake began on the 13th July, with Winter feed barley. During the first 7 days of intake 7,400mt of Winter barley and oilseed were delivered to the store.

On the first day of intake there was still 27,000mt of 2017 crop stock at the store, held in merchants' accounts. Half of this stock had been outloaded by 1st September, at an additional charge to the merchants. The remaining half was carried over into the new crop year, again incurring charges against the merchants. Both these have created additional income for the store.

However, the pressures of not being empty of 2017 crop required the store to take on additional external storage, to ensure the pace of collections from members continued. We have been able to overflow to these external stores without creating costs and charges for individual members. Harvest conditions were very dry, with feed barley averaging 13.5% across a total intake of 10,500mt. Only 4.4% of the oilseed intake was over 9%.

Harvest continued at full pace through July, with 21,000mt of intake over 16 days, which is an average of over 1,300mt per day.

Due to persisting extreme hot and dry

weather, Spring crops ripened earlier and the demand for haulage soon exceeded both the availability of vehicles and the daily tonnage that the store can cope with.

Turn round times in store were much reduced, with the average vehicle spending less than 27 minutes on site, compared to 48 minutes in 2017.

57% of collections were made within 48 hours and 73% of collections were made within 72 hours.

In total there were 18 storage segregations of different grades of different crops, which is down from 19 in 2017.

The fast pace of harvest continued into August, with intake during the first two weeks averaging over 90 loads per day.

By the middle of August, after just 4 weeks of harvest, 51,000mt had been

delivered to the store. Intake then eased off during the second half of August, with only 2,000mt of intake during the whole of September.

All the harvest staff finished on August Bank Holiday weekend, after a very hectic 6 weeks!

For harvest 2018 there were three Spring barley varieties and no Winter barley. Planet and Propino were split into three grades based on Nitrogen, which will add value as they are outloaded.



Feed wheats were again separated wherever possible, as named hard and soft varieties command a premium. **This adding of value is only possible where growers record the named variety on the passport.**

The total harvest intake was 73,600mt, with both barley and wheat increasing on 2017, at the expense of oilseed.

Up to the end of January, we have outloaded 15,000mt. This includes almost half of the Oilseed Rape in store. As a total, this is a significant proportion of the store already emptied, when compared to previous years.

For harvest 2019, we are planning to store the following malting varieties:

- Propino
- Planet
- Laureate
- Craft (W)

Harvest Quality

Harvest 2018 will be remembered being one of the driest and quickest harvests Woldgrain has ever known.

Oilseed moistures at the start of harvest were very low, with 650mt delivered under 6% moisture. We had discussions with the merchants about the possibility of loads being rejected at the crush for being too dry, however the whole intake of 11,200mt averaged 7.2% moisture.

Ergot was seen on intake, with 5.5% of cereals affected. This contamination will be cleaned out, using the colour sorter, before outloading. Wheat bushelweights, proteins and hagerbergs were all good, with the dry conditions not causing any significant adverse effects.

Barley nitrogens were average but mixed, with 95% of Laureate testing under 1.65N.

Members are reminded to instruct the store to complete the appropriate stock transfers to Woldgrain's marketing partners.

Dan Murphy



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&
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New for 2019

Farm assurance schemes now require growers to have their assurance number clearly marked on trailers that are used to move assured crops off the farm. Farm trailers not marked with the growers assurance number will become non-assured and therefore will be rejected on arrival at Woldgrain.

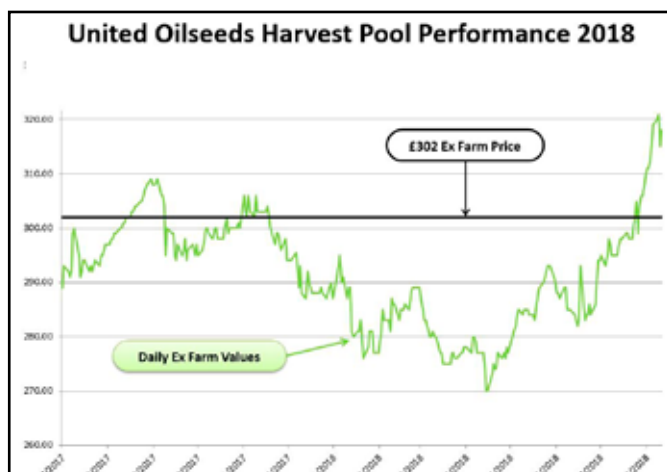


Pool Success for United Oilseeds

The United Oilseeds independent co-operative has once again secured considerable success with its rapeseed marketing pools over the last year.

Members in the United Oilseeds Harvest Pool received over **£302 per tonne**, before the addition of oil, moisture and admixture bonuses.

"This is a very impressive result for our Harvest Pool Members," says Owen Cligg, Trading Manager at United Oilseeds, "Especially, as market prices have been below this level for the majority of the Marketing Period."



Meanwhile, United Oilseeds' Long Pool, which is now **100% sold**, delivered a price of **£320 per tonne** for 2018-19.



"Our close relationship with UK crushers enables us to offer growers the facility to store large quantities of rapeseed at harvest, says Owen.

"And with a national network of over 50 stores, we are able to collect and move rapeseed quickly and efficiently. It's also worth noting that all our growers' crops going into store are tested independently for quality."

United oilseeds offers three pools to its members, to suit their particular requirements:

Harvest Pool

Movement July to September. Generally moved within 5 days of customers' request

Long Pool

Movement October to March, in a month to suit a grower's storage and cash flow

Carte Blanche Pool

Movement at buyer's call, but generally between April and June. The Carte Blanche Pool also attracts a £4.00 per tonne extra premium

HOLL & HEAR SUCCESS

United Oilseeds has also been working hard to develop the HOLL and HEAR markets for its growers and has contracts available featuring added premiums that are over and above "00" varieties.

These contracts are offered through its Harvest, Long and Carte Blanche Pools. The company has HOLL & HEAR market outlets for domestic and export use covering the whole of the country. It now supplies 40% of the HOLL seed sold in the UK.

In November, United Oilseeds exported 2,300 mt

of tons of HEAR oilseeds rape from growers all over the North East of England, to mainland Europe, via the Port of Hull (see below).



Loading United Oilseeds HEAR OSR at Hull



MV Lyrika at Hull Docks taking United Oilseeds HEAR OSR to mainland Europe

Importance of Independence

United Oilseeds is a farmer run co-operative that is enormously proud of its independence.

Founded 53 years ago by a group of farmers looking to secure a market for their oilseed rape, the co-operative is entirely owned by its **4,500 farmer members** and has an established track record of financial success and security, with a **net worth excess of £10.6m.**

With recent mergers and acquisitions taking place between huge global chemical companies and seed breeders, plus the newly-announced integration of Gleadells and ADM to become **ADM Agriculture,**

this independent status has never been more important, as United Oilseeds continues to deliver value and financial advantages to its membership.

Benefits of Trading with United Oilseeds

Members of United Oilseeds farmers enjoy significant trading benefits.

These include:

- **Advance payments** to growers at a very competitive rate (e.g. last year, our advance payments to growers totalled over £10m)
 - **Profit share** – £340,000 payment for 2017 - £4.19 million paid back to our members over the last 12 years
 - **An outstanding pool marketing** service that consistently outperforms all competitors and the market
 - **Produce of Area** contracts that completely remove grower penalties for over and under production
 - **No surcharges** on cap load charges
 - **Access to 250,000 tonnes of storage** throughout the UK
 - **Export opportunities** from 22 UK ports
 - **Independent testing** of all OSR going into store at harvest for oil, moisture, admixture content and erucic acid.
 - **Buy-back contracts** for HEAR, HOLL, OSR, linseed, oats and pulses
 - **Exclusive online members' portal** providing loads analyses and sample results
- Independent, national, farmer-owned and farmer-run co-operative.





Find Opportunities in Volatile Markets...

Volatility returned to the UK grain industry in 2018. Global production of wheat was pegged back by 30 million tonnes and, combined with a smaller domestic crop of 13.95 million tonnes, the rise to £195 per tonne in August was swift if short-lived. In September, the industry reacted to the news that Vivergo, the bio-ethanol plant in Hull, was to close indefinitely. Locally, farmers had enjoyed the influence that Vivergo had on the market; as a consumer of 500,000 tonnes each year it was the price-setter for North Lincolnshire and South Yorkshire feed wheat, even for those who did not send wheat there. This move to cease production was followed by another UK bio-ethanol plant, Ensus, announcing it would halt production in November. The localised impact of both closures was a 15% drop in the market between August and December, having further diminished the demand of wheat in the north of England.

While this caused some uncertainty within the industry, there still remains substantial feed and milling demand in the north of the UK as a result of a smaller UK crop. At the time of writing, feed wheat prices are £172 - £175 per tonne, with milling premiums up to £13 per tonne on top. These values are still well ahead of the five-year average.

As well as factors influencing supply and demand, political uncertainty has continued to swing the

value of sterling versus the euro and dollar over the past year. Ongoing Brexit uncertainty means that volatility will continue to impact prices but, as the markets react to ongoing developments, this can present some opportunities to trade.

In 2019, the industry is expected to see a return to higher global and UK production. Recent figures anticipate an increase on 2018 of 19 million tonnes in Europe, which includes an increase to the UK wheat area of 6% following higher prices and excellent autumnal drilling conditions.

The market has already factored this in and prices for September onwards are £20 per tonne below that of current 2018 prices. However, there is the opportunity for a spike in forward markets due to winter hitting much of the Northern hemisphere and, in the Southern hemisphere (specifically Australia, Argentina and Brazil), significant crop stress is impacting production.

If you would like to discuss current grain prices and marketing opportunities for 2019, please don't hesitate to contact either myself or your farm trader.

Andy Hill 01522 860240.



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Four months on from Chris Spratt departing I am settling into my new role working closely with Woldgrain storage and its members building my experience to continue the excellent relationship between Openfield and Woldgrain.

There is still demand for Group 3 & 4 soft wheats in Woldgrain to fulfil the AB Mauri contract at Gainsborough. This has been a successful contract coordinated between Openfield and Woldgrain giving regular supply throughout the year. When completing your intention form for the forthcoming harvest please bear in mind Group 3 & 4 softs for your space at Woldgrain.

Warburtons is another contract successfully managed between Openfield and Woldgrain. The colour sorter ensures all samples of grain are the highest quality possible before storing.

Propino, Planet and Laureate are still the 3 main varieties of barley grown that can be segregated and stored in high or low nitrogen's at the Hemswell store. This gives the growers complete visibility on a load by load basis of the quality and tonnage taken into store, making more marketing options available.

2018 marketing year is far from over but has seen some high prices for malting barley and using this store has been a huge asset to members as quality was variable due to a difficult growing season weather wise.

If you wish to discuss any part of grain marketing, please contact **Kit Dickinson** on **01427 809800** or **07720 418989**.



www.woldgrainstorage.co.uk

A report from the TRANSPORT DESK by Nigel Simpson



Harvest 2018 was my first harvest working for Woldgrain, and what a harvest!

It was the earliest and driest harvest for as far back as I can remember, and I have done a few (showing my age now). This in turn gave us some different challenges to face with all crops being harvested at the same time, greater tonnages requiring movement daily. Also there wasn't the same opportunity to move OSR and some barleys early as would be the norm. Plus not forgetting there was a large tonnage carried over from 2017 still in store, which meant having to use 2 remote stores for oilseed and feed wheat. This, to say the least, complicated the logistics somewhat. The upside was that the grain came to us in good condition and required very little or no drying. Before we knew it, it was all over before we had really got going.

So how did we set about to cope with these challenges. Firstly, we looked at out loading, as the previous year this tended to disrupt intake. A new out loading spout had been installed pre-harvest on the outer perimeter of the silos enabling vehicles to be out loaded and not interfere with intake. Secondly, we looked at reducing turnaround time at the store. This was achieved in several ways weighing and sampling times were reduced, results communicated to the plant control room quicker resulting in reducing tipping times. We also looked at, as far as was possible, delivering the same grade of product to the silos at the same time to save time on cleaning down the intake pits between loads. Thirdly it was decided that better communications were required internally and externally, the more info people have the better the planning can be. Although I must say my phone was pretty hectic for a while in the middle of harvest!!

The team at Hemswell really upped their game to cope with these demands from Dan, Amanda and the students in the weighbridge and lab to Garry, Paul & Bill on the plant, they produced these pretty amazing figures:

- Vehicle turnaround time was reduced from 48 minutes in 2017 to 26 minutes in 2018.
- Average daily intake during the peak 35 days was 1900mt.
- Largest intake day was 2960mt.
- Busiest day of vehicle movements was 105 in 17 out = 122 loads = 3538mt moved on the day.
- 74% of loads were collected within 3 days of which 57% were collected within 2 days.
- All this was achieved using less vehicles in 2018 than in 2017 therefore reducing queuing on site enabling the vehicles to be used more efficiently.

We are now starting to plan for harvest 2019. The first thing is to consolidate the achievements made in 2018.

We will be looking at ways to improve communications between members and Hemswell office.

- To look at using an app for information flow
- To increase the use of text messaging (mainly in harvest)
- To increase the use of e-mail

We will be asking for more information on the intention forms this year i.e.: collection address for crop, confirmation of telephone numbers and e-mail addresses to enable records to be update.

Over the coming months I am hoping to speak to as many members as possible or if time permits to make a visit to your farm.

Nigel Simpson.

Store Improvements & Developments



GAS is on the way!

After 3 years and over £1m of continuous store improvements, we are just about to embark on another major investment.

With a food waste AD plant now at Hemswell producing gas for the grid, it has provided a great opportunity to convert the grain dryers from kerosene to gas.

Having taken advice from Devon and Coastal Grain, both having converted to gas in the recent past, they confirmed their utmost satisfaction with gas and highlighted the following benefits:

- **Reduced their energy costs**
- **More even heat distribution from the burners**
- **Cleaner more efficient and faster drying**
- **Not competing for kero deliveries at harvest**

We are presently compiling quotes for the installation and hope to be in a position to start the work by May, with the intention of being ready for the coming harvest.

The Board have continued to make important investment decisions to ensure the store and plant is kept in tip top condition.

Over the last 3 years we have added:

- Two 1500 tonne silos.
- Colour sorter installed.
- The 16 silos built in 1980 have been extensively refurbished, including, roof tops painted; bottom perimeter waterproofed; personnel doors added and new sweeps installed.

- 2 New hagberg testing machine installed in the laboratory.
- 2 new Dickey Johns.
- SCADA software upgrades.

And completed in 2018:

- New out loading elevator.
- New feed conveyors to G & H rows.
- New oilseed admix testing machine.