

**Kingsclere** ESTATES

GROWING POTENTIAL



Tim May

# Understanding and implementing sustainability.



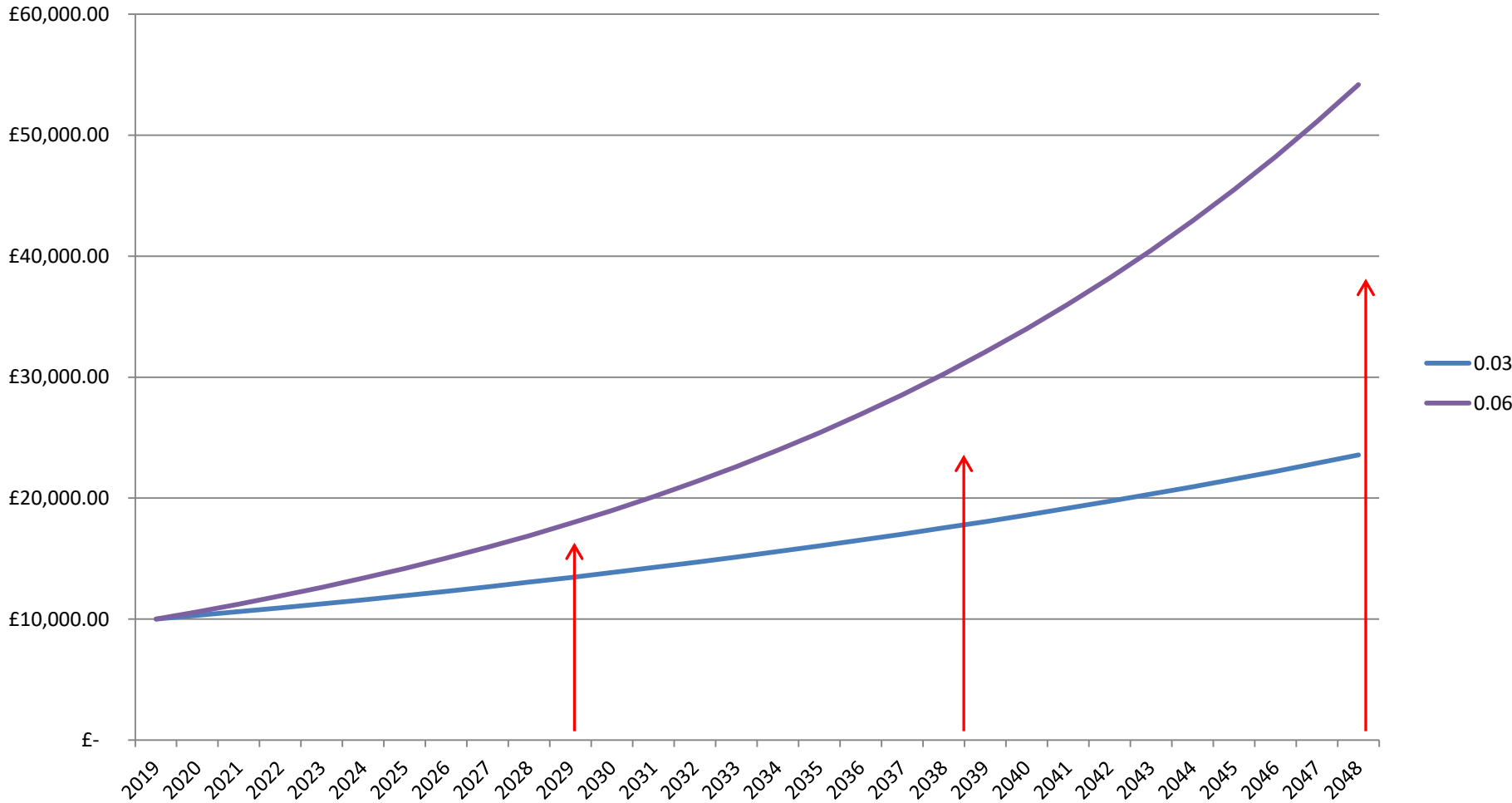
*“We need Sound Business's that Out Perform the compounding effects of inflation...*

*...before we concentrate on Social and environmental Enhancement.”*

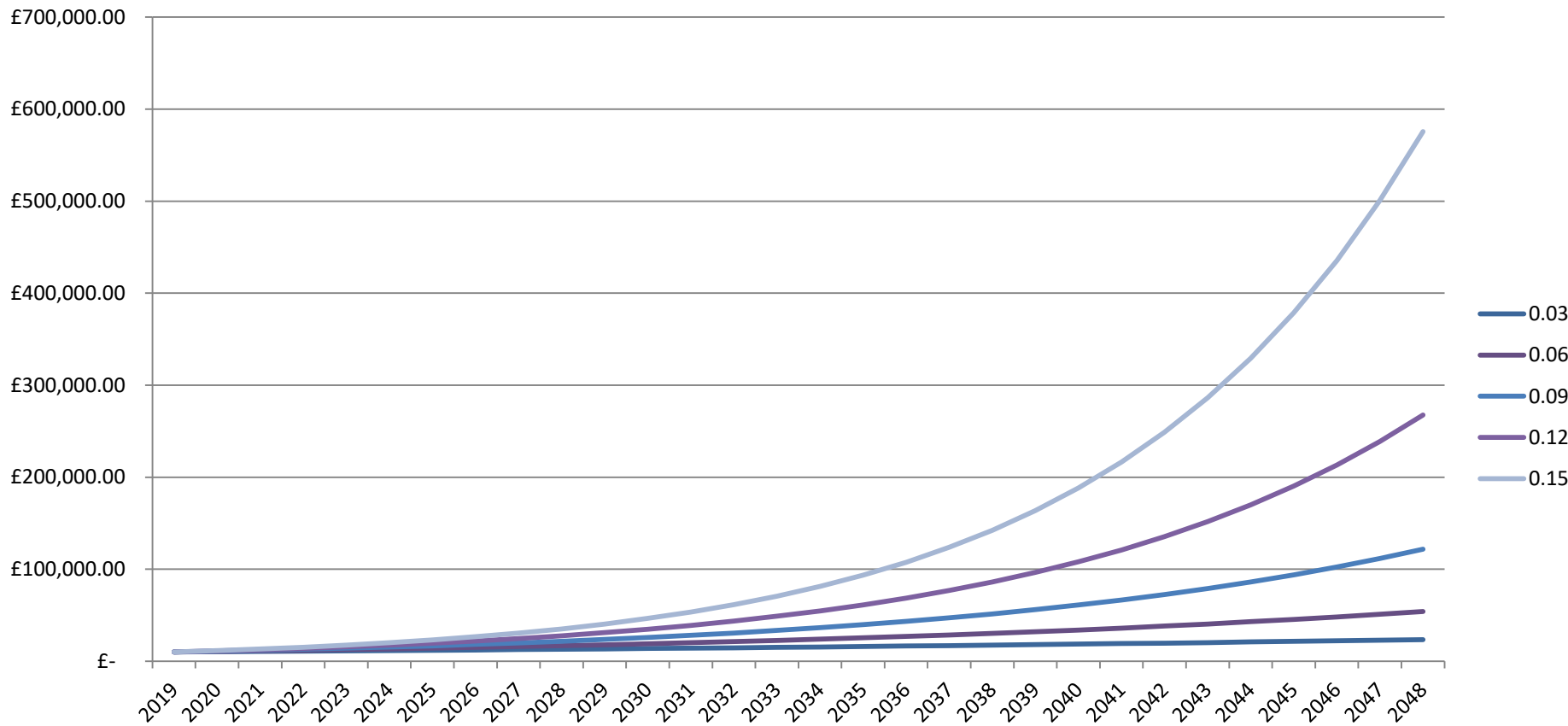
*Tim May*



# Required growth in profits to maintain £10k over 30 years at 3% and 6% Inflation



# Required growth in profits to maintain £10k over 30 years at 3% to 15% Inflation



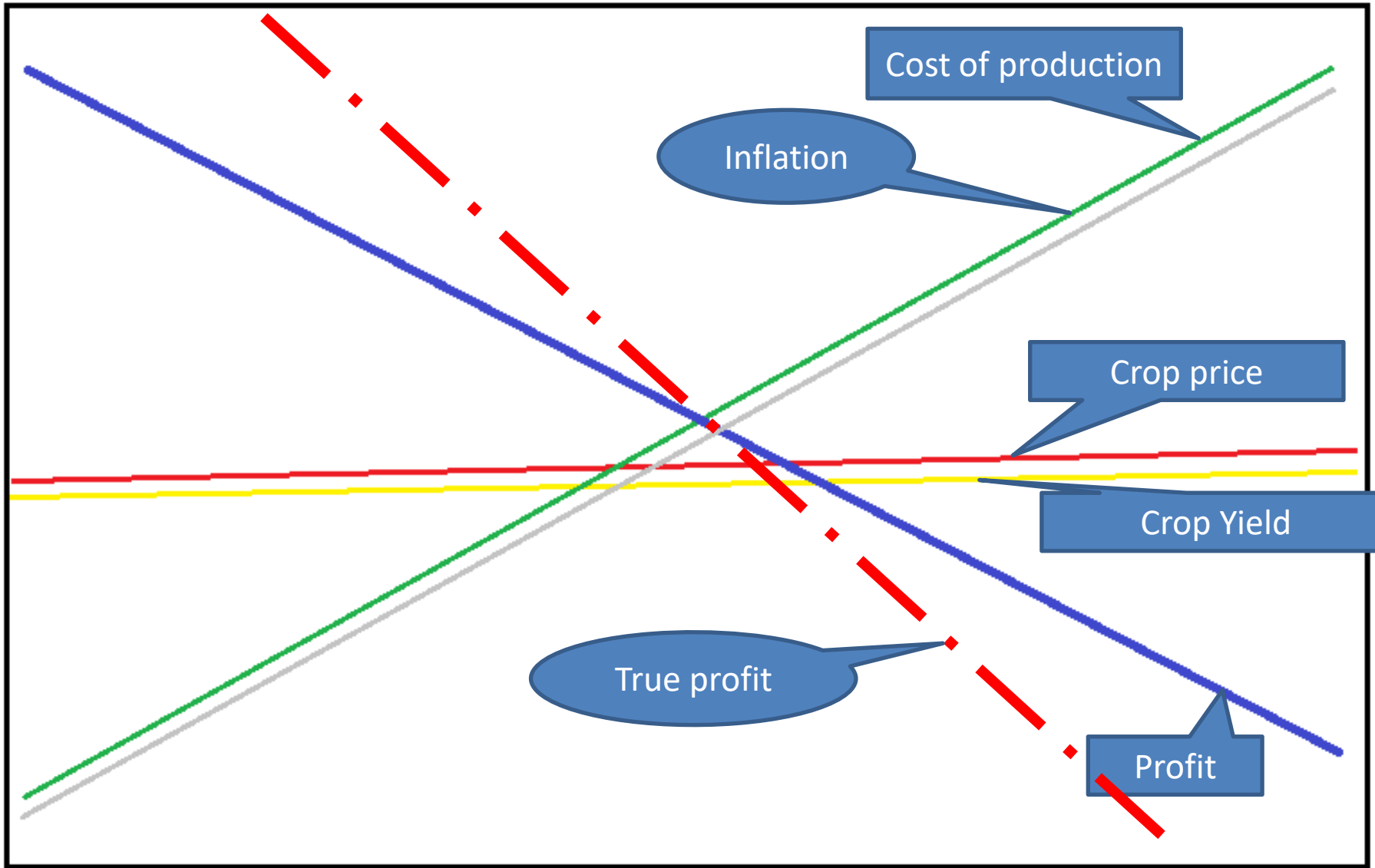
## Ag inflation by input type September 2017-18

Item	Cost inflation (%)	Weighted contribution to overall inflation (%)	Index Oct 2006 = 100
Seed	10	0.5	161
Fertiliser	15.8	1.74	203
Chemicals	-0.4	-0.04	122
Animal Feed/Medicine	16.1	1.61	223
Contract and Hire	3.7	0.41	131
Machinery (inc depreciation)	4.7	0.66	171
Fuel	17.4	1.74	199
Labour	4.2	0.46	127
Rent/Interest/Property/Admin	4	0.72	140

Source AF Group

AF Group's Ag Inflation Index show a 7.8% increase in overall cost of farm inputs up to September 2018





Time

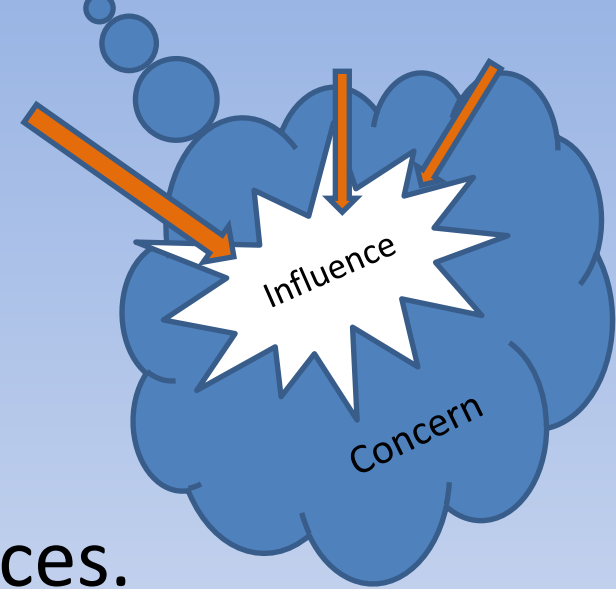




# HABIT 1 - BE PROACTIVE



- Maintain flexibility.
- More partners less employee's.
- Don't buy metal.
- Capture, and keep natural resources.
- Animals are cheaper than people or machines.
- Spend money on fixing the underlying problem.
- Know where we are aiming for.



# CLIMBING THE WRONG LADDER

## CONVENTIONAL AGRICULTURAL SYSTEM

## REGENERATIVE AGRICULTURAL SYSTEM



- Income generation via monoculture
- Top down control
- Efficient use of external inputs



Soil erosion



- Diverse income streams via farm natural capital regeneration
- Devolved control-business partnerships
- Maximum use of internal inputs



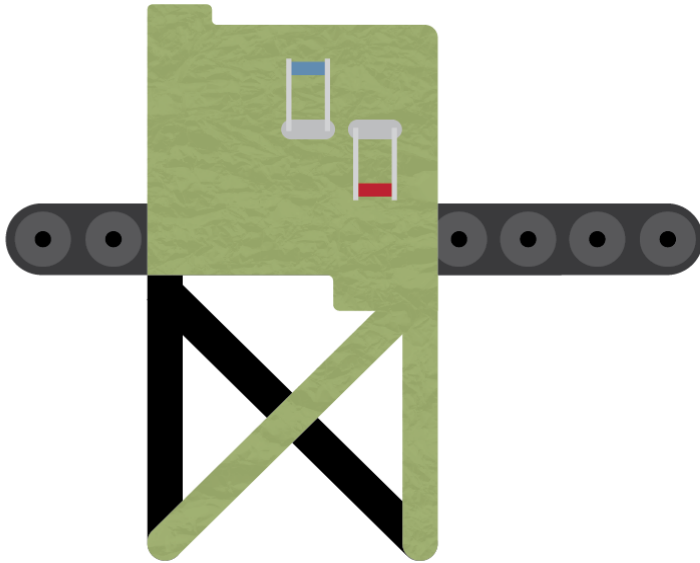
Soil regeneration



## CONTROLLER

Aim: Minimise costs

Mindset: Optimise a production line



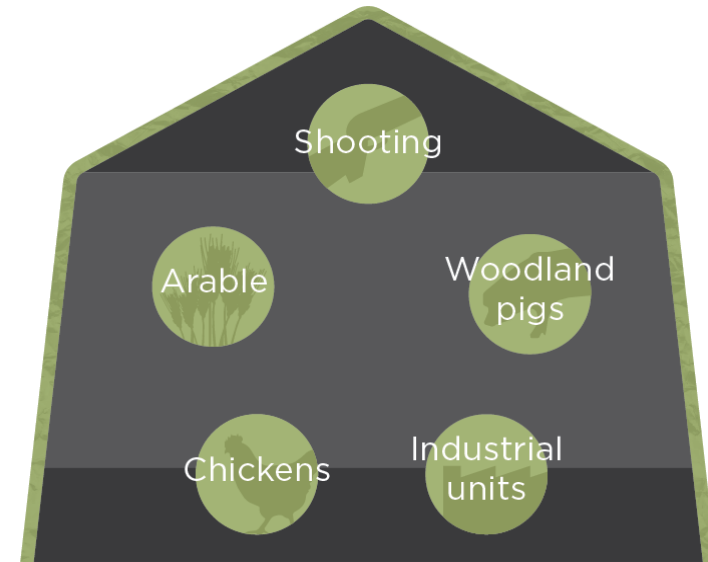
Resilience: Low

(losing a worker or piece of equipment has a big effect)

## ENABLER

Aim: Maximise opportunities

Mindset: Husband resources



Resilience: High

(no one business is critical to overall success)

**Control is illusory: we can't control the weather, input costs or output prices, and in the end attempting to do so degrades our soil**



# The Unfair Advantage

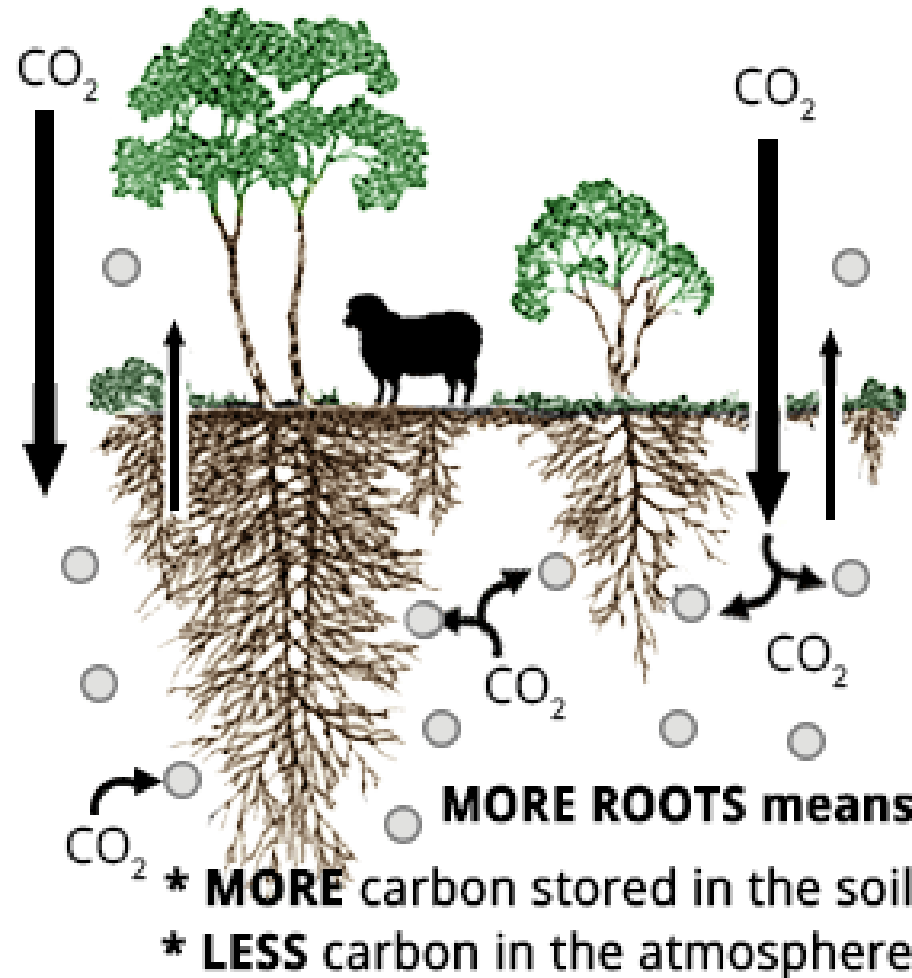
Every farm has an unfair advantage.

Could out of season cheap food be ours?

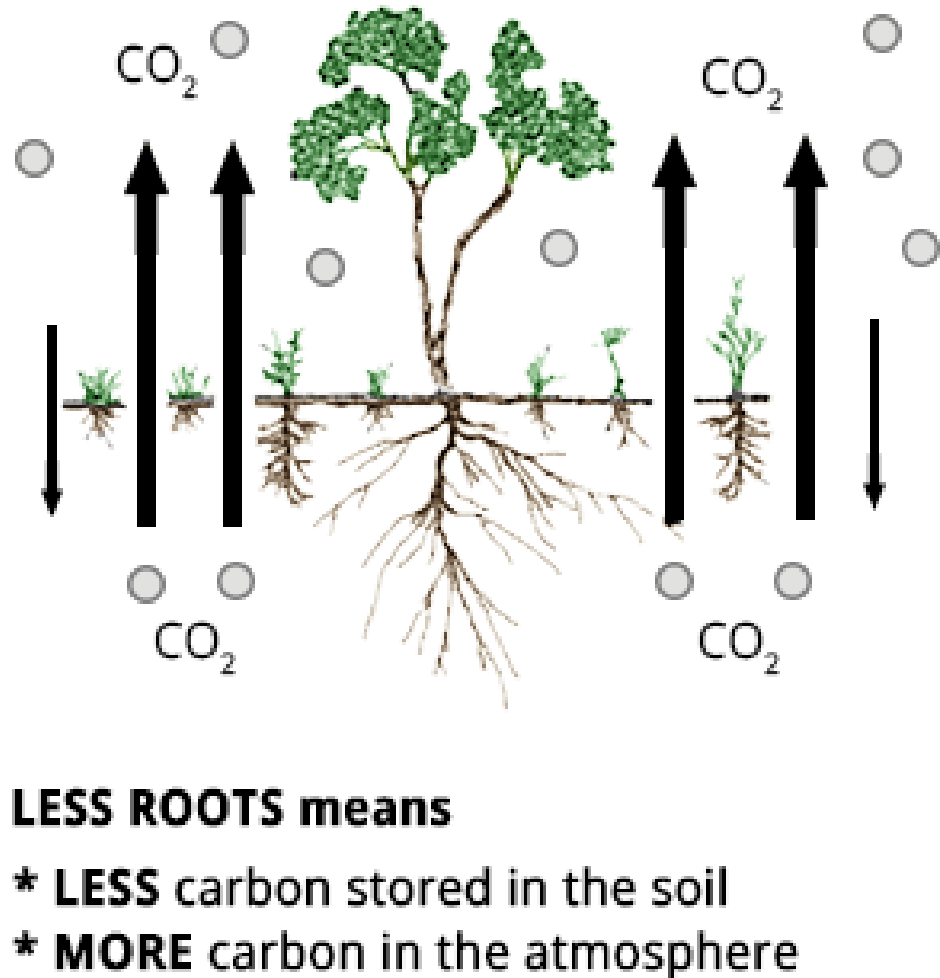
Could it be large areas of land



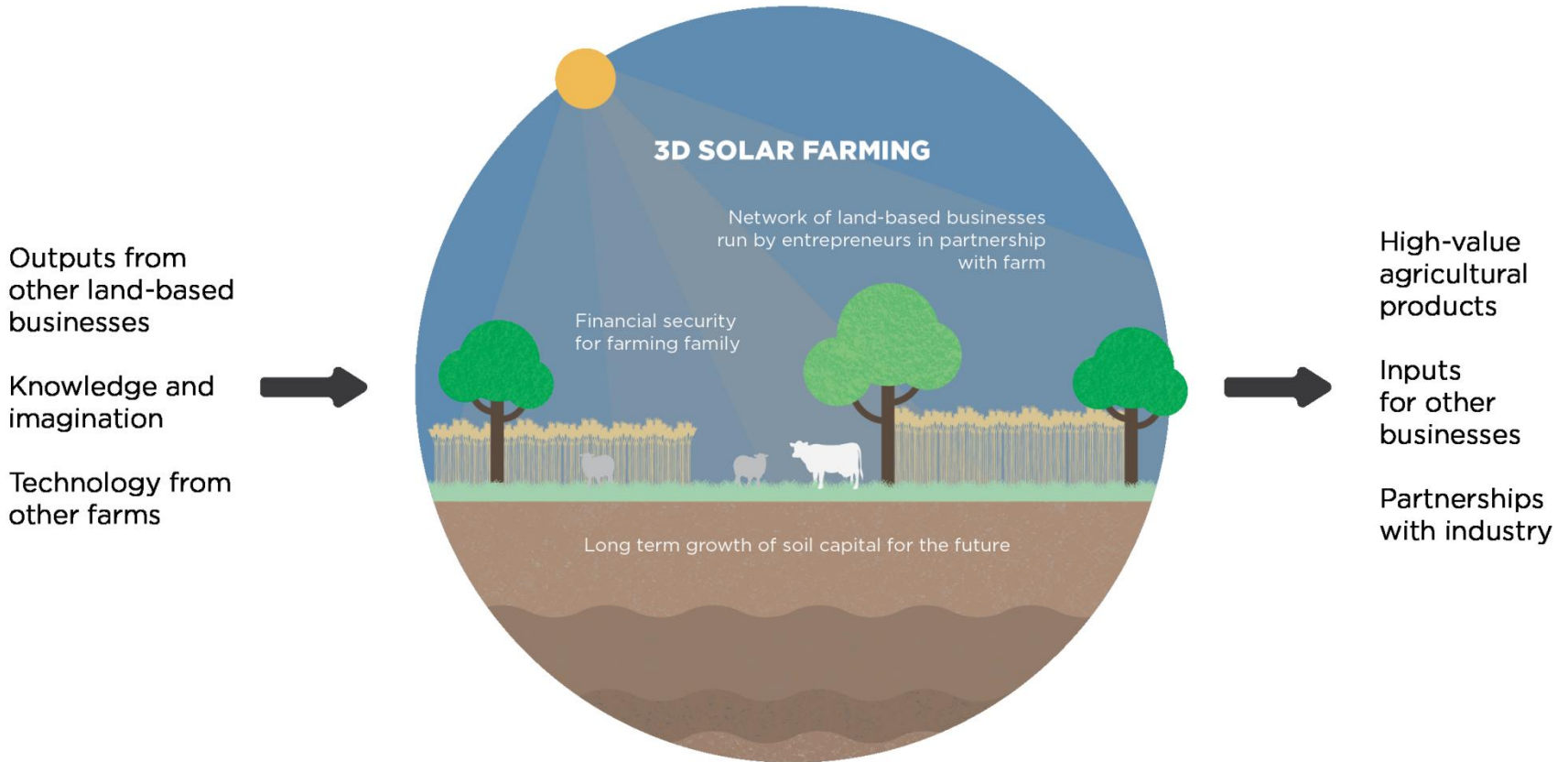
# Holistically Managed Land



# Conventionally Managed Land



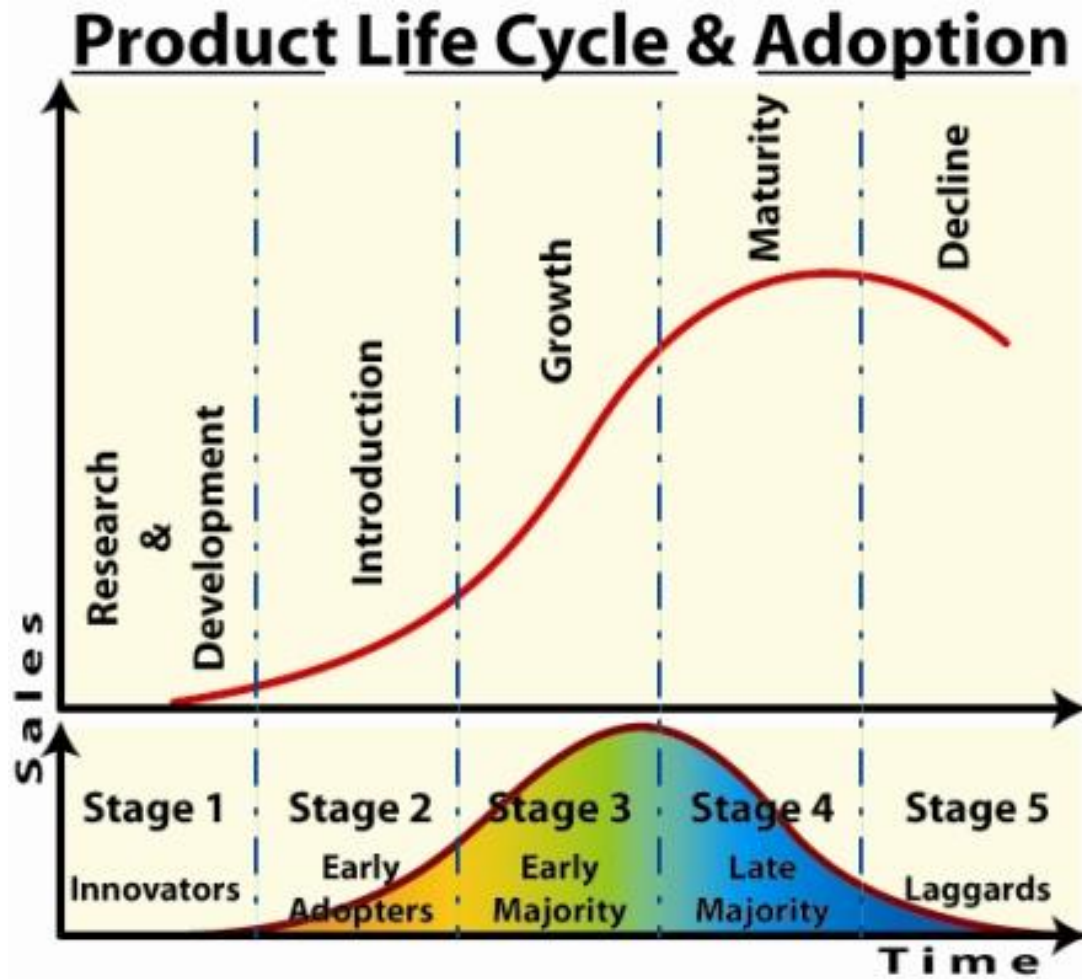
# Enterprise stacking



**A system that provides abundance, is resilient, and works in the long term**



# Working with partners



Land

Business skills

Access to capital

General knowledge

Limited time

Time and energy

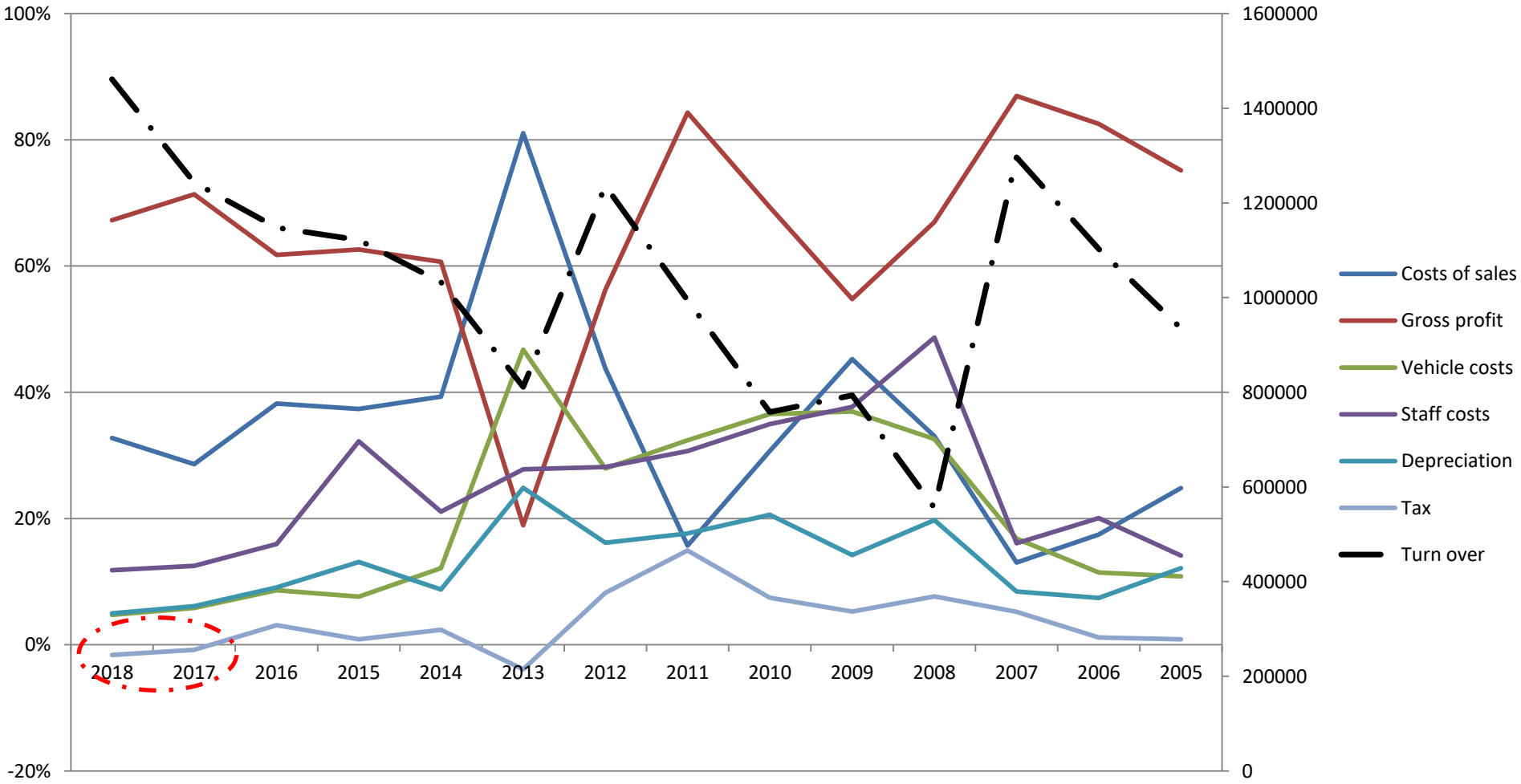
Drive

Specific skills

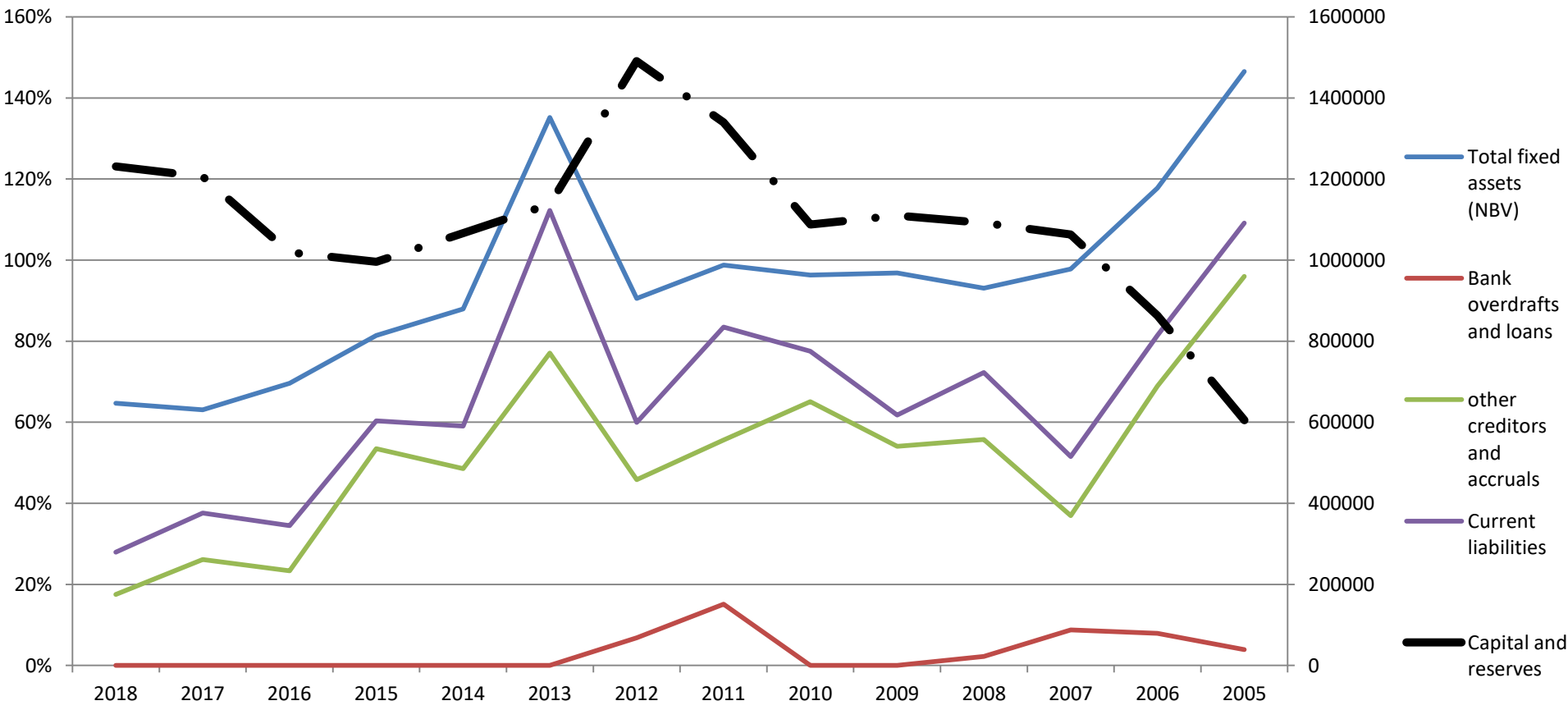
Open mind



# Costs as a % of turnover



# Make up of Capital and reserves



# Some closing thoughts

- ✓ Work out what you are aiming for.
- ✓ Do something now.
- ✓ Ask Why and Why not.
- ✓ Let the Youngsters in, know when to retire.
- ✓ You are surrounded by abundance, see it.
- ✓ Get some counselling.

