

CO – OPERATIVE STORAGE & MARKETING

Cargrain

WHOLLY FARMER OWNED



THE UK'S LARGEST CENTRAL STORE



150,000 TONNES STORAGE CAPACITY



- CAMGRAIN UNDERSTANDS THE IMPORTANCE OF RAPID MOVEMENT
- ALL GRAIN IS COLLECTED WITHIN 24HRS OF HARVESTING



- FOSS INFRATEC 1241 – MODEM LINK TO EXTERNAL AUDIT NITROGEN, PROTEIN, OIL & MOISTURE



- FALLING NUMBER



- SORTIMAT – SCREENINGS ASSESMENT



- GERMINATION – CAPACITY & ENERGY ASSESSMENT



- NITROGEN & PROTEIN ANALYSIS
'LECO' REFERENCE METHOD



- VARIETAL PURITY & ADMIXTURE

ALL SILOS ARE CONSTANTLY MONITORED FOR THE FIRST SIGNS OF INSECT ACTIVITY



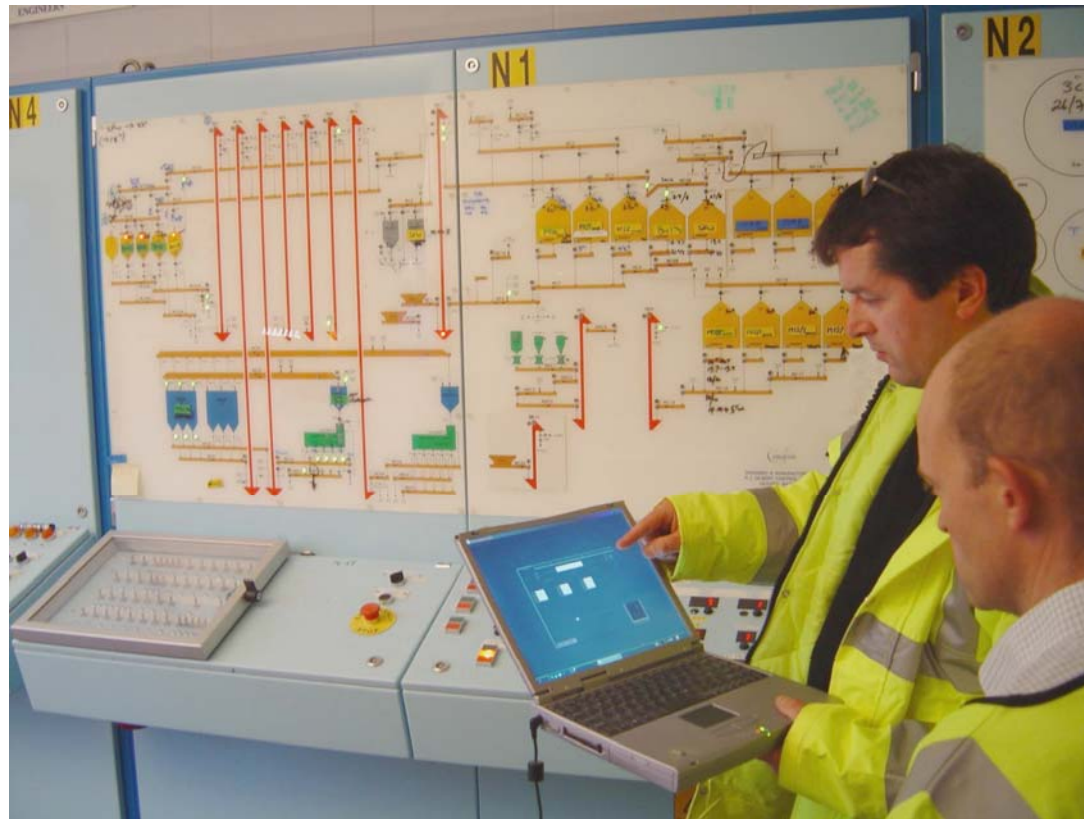
- SAMPLEX 'INSECTOMAT' & THERMAL LAMP MAINTAIN RIGOROUS INTAKE CONTROL - ALL SAMPLES ARE CONSTANTLY MONITORED FOR INSECTS

- INTAKE CAPACITY AT LINTON IS IN EXCESS OF 1,100 TPH & APC IS CURRENTLY 250 TPH
- OUT LOADING CAPACITY IS UP TO 650 TPH (LINTON & APC COMBINED)



- LABORATORY – TASC ASSURED REF: 33911
- ALL DELIVERIES IN & OUT OF STORE ARE CHECKED BEFORE TIPPING OR DISPATCH TO CUSTOMER
- TRUE VENDOR ASSURANCE

COMPUTER CONTROL MINIMIZES LABOUR REQUIREMENT PER TONNE



CUTTING EDGE SYSTEMS MAXIMISE EFFICIENTCY & OUTPUT



- LAW TOUCH SCREEN DRYER CONTROL



- SINAR 6070 FULLY AUTOMATED REAL TIME DRYER INPUT & OUTPUT MOISTURE ANALYSER





- **ROBY DOME** – LATEST ‘STORE CHECK’ SYSTEM MONITORS ALL 58 SILOS
- TEMPERATURE OF ALL GRAIN IN STORE CAN BE READ AND RECORDED INSTANTANEOUSLY
- ALL SILOS ARE MONITORED FOR A MINIMUM 5 CFM / TONNE

FIVE SYSTEMS

- 1 X LAW DENIS
(ROTARY DRUM) EA2004
150 TPH
- 1 X WESTRUP
(RECIPROCATING)
SP2500 250 TPH
- 2 X KAMAS
(RECIPROCATING)
S170 2 X 80 TPH
- HEID GA 200



CREDIT FOR DRY GRAIN ENSURES ALL MEMBERS OBTAIN FULL VALUE FOR DRY CROPS



550 KVA

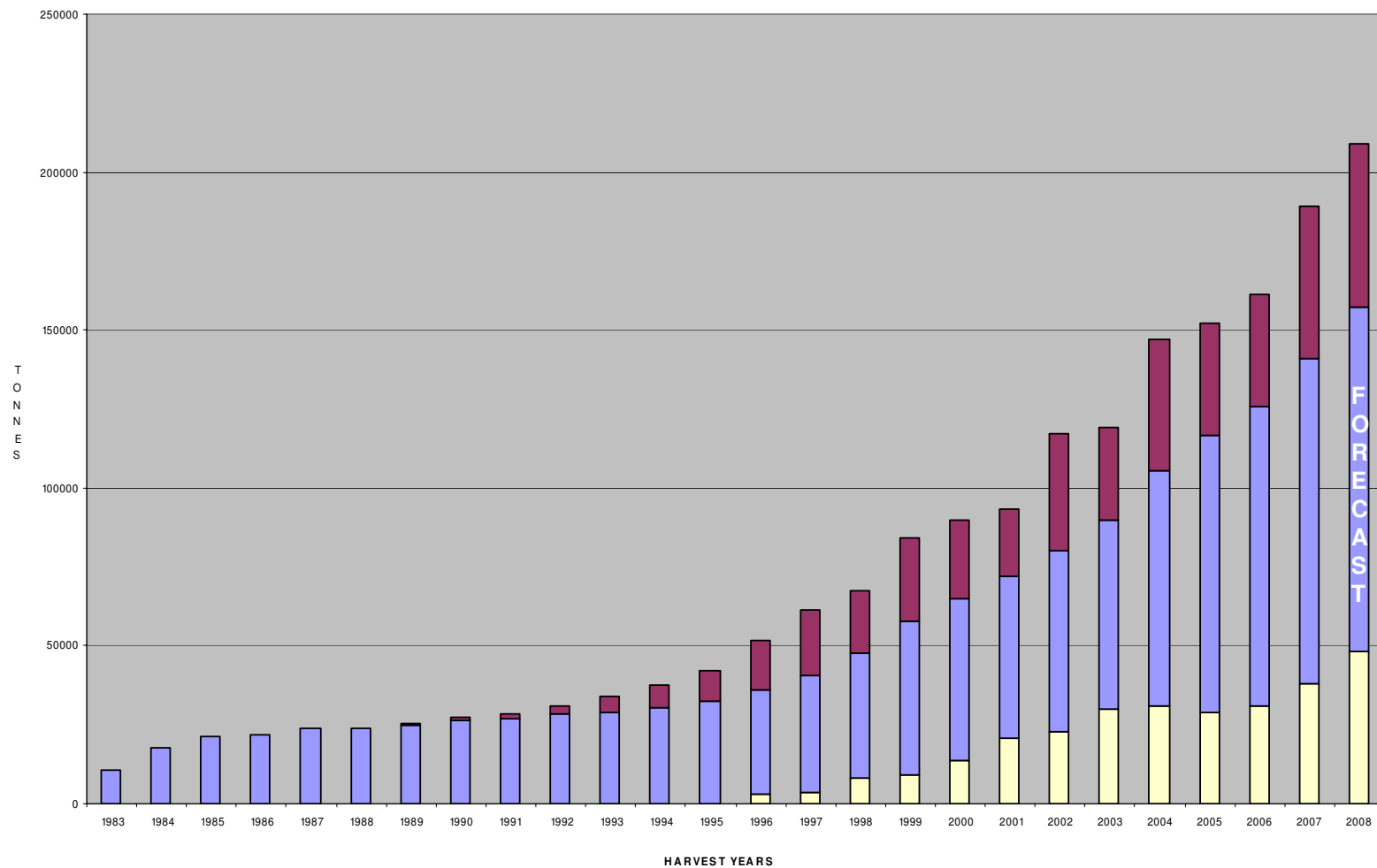


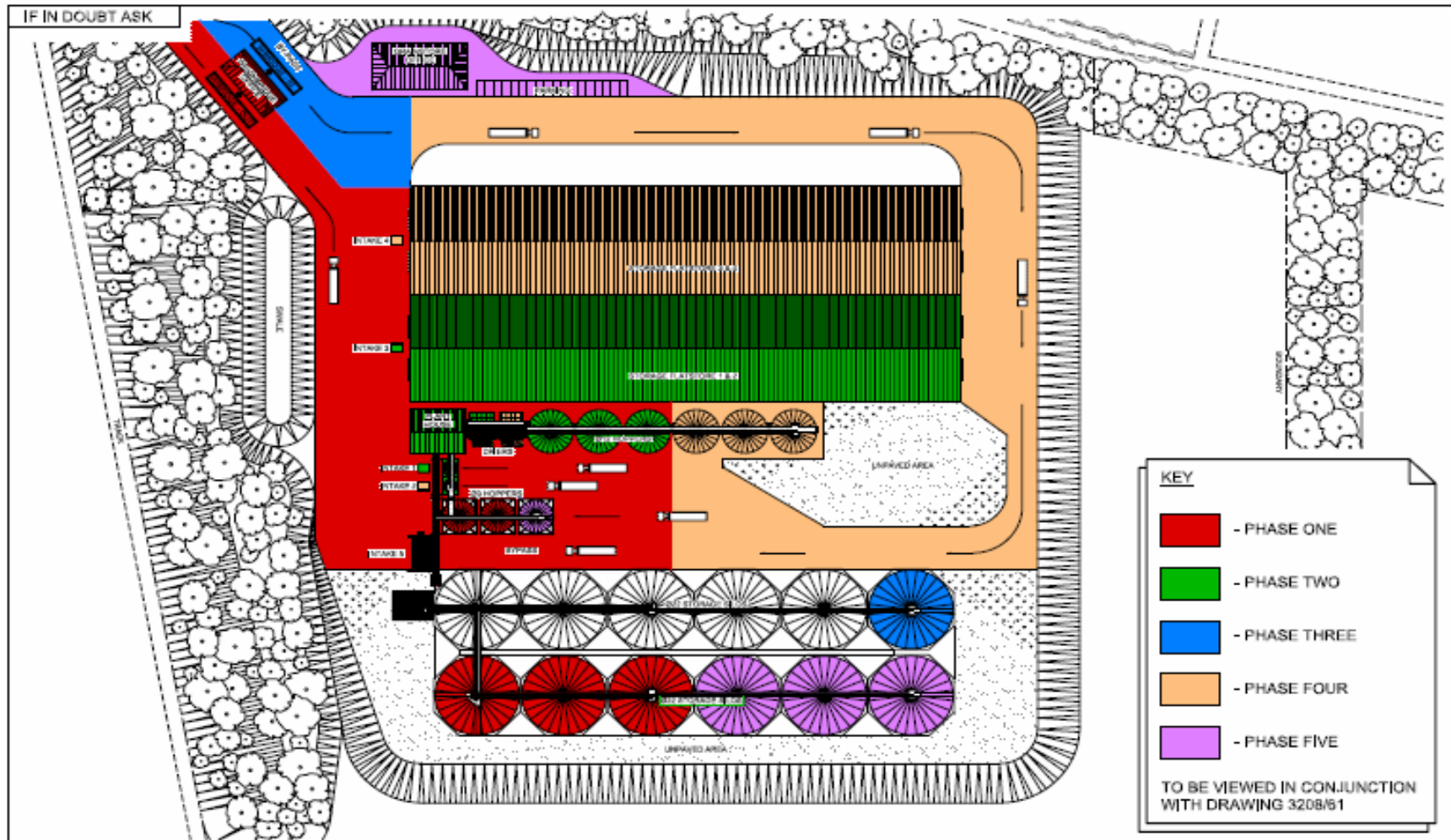
- FULLY GRID SYNCHRONIZED PEAK LOPPING & STANDBY SUPPLY
- WORKS ALONG SIDE 1,000 KVA GRID SUBSTATION TO MEET PEAK 1,500 KVA LOAD


ANNUAL GROWTH CHART

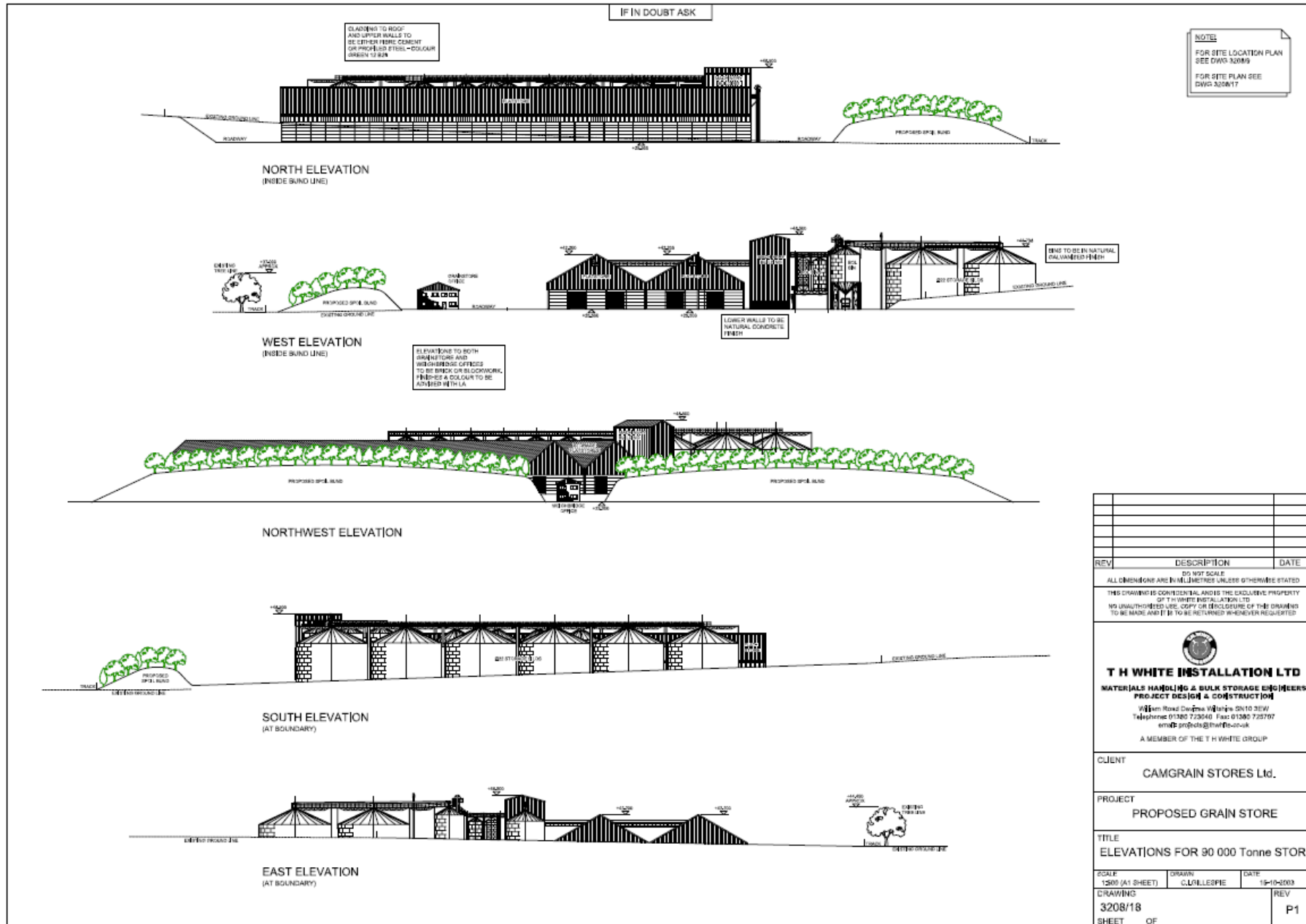
CAMGRAIN STORES LIMITED - ANNUAL GROWTH

■ MALTING BARLEY ■ COMMITTED TONNES ■ TOTAL THROUGHPUT





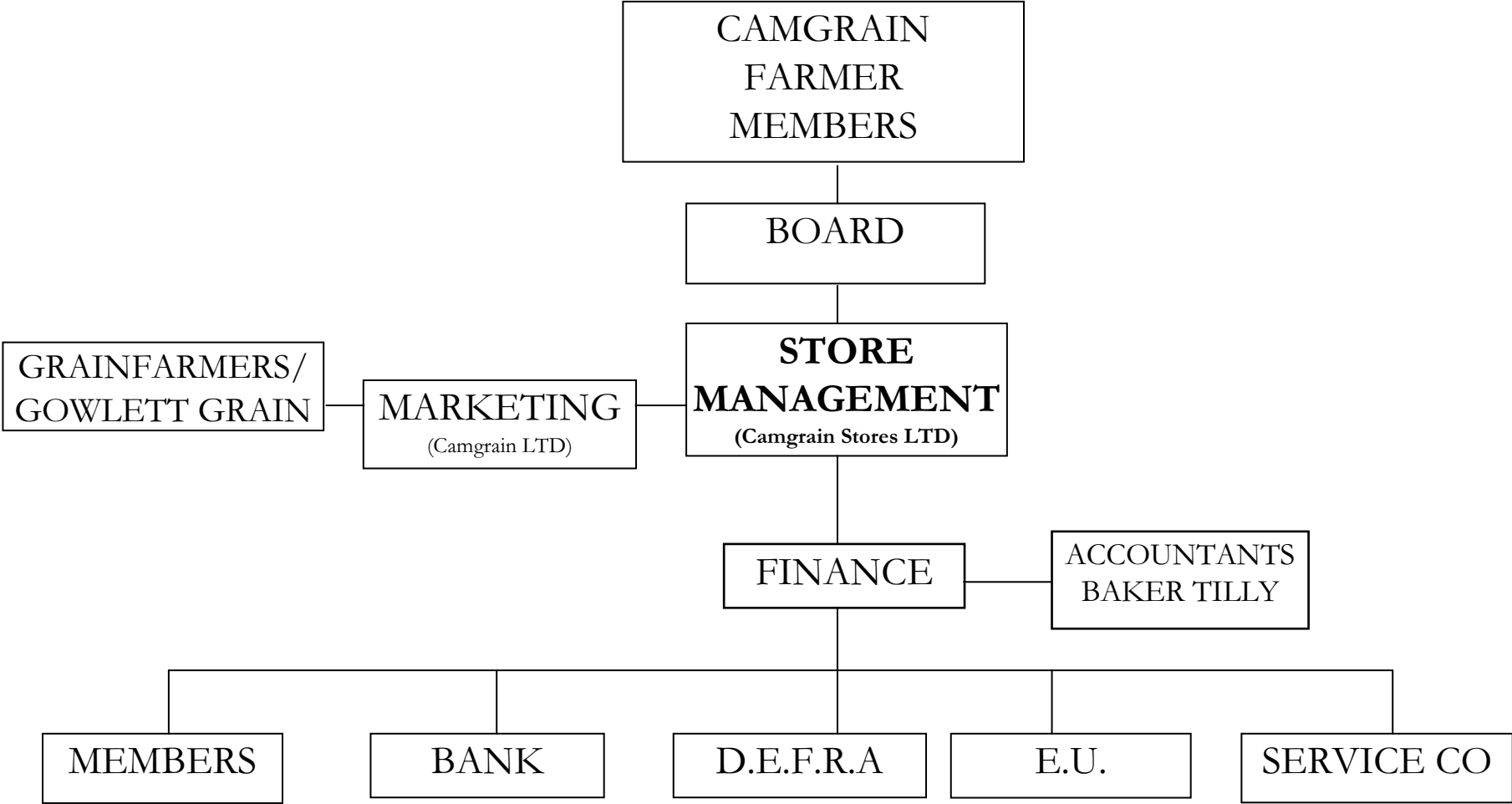
 <p>T H WHITE INSTALLATION LTD MATERIALS HANDLING & BULK STORAGE ENGINEERS PROJECT DESIGN & CONSTRUCTION William Road Devizes Wiltshire SN10 3EW Telephone: 01380 723040 Fax: 01380 725707 email: projects@thwhite.co.uk A MEMBER OF THE T H WHITE GROUP</p>	DRAWN	C.L.GILLESPIE	CLIENT	CAMGRAIN STORES Ltd. WILBRAHAM GRAIN STORE	DRG.No.	3208/78
	SCALE	1:1000 (A3 SHT)	TITLE	SITE PLAN SHOWING PHASES OF CONSTRUCTION	REV	P3
	DATE	29-06-2007				





CONSTRUCTION UNDERWAY AT THE APC SITE.

- TO INCREASE RETURNS ON COMBINABLE CROPS.
- IMPROVE MARKETING.
- HIGH QUALITY STORAGE & PROCESSING.
- MAXIMIZE ECONOMIES OF SCALE – MARKETING STORAGE.



- ESTABLISHED IN 1983

10,000 TONNES 60 MEMBERS

- 2007

190,000 TONNES 325 MEMBERS

INSURANCE AGAINST BAD DEBT & INSOLVENCYS

- **LESS FARM LABOUR**
- **GREATER RELIANCE ON CONTRACTORS**
- **HIGH COMBINE OUTPUTS UNRESTRICTED**
- **RE EVALUATE EXISTING GRAIN STORE FOR NON AGRICULTURAL USE**
- **FED UP WITH CLAIMS AND REJECTIONS**
- **AGEING EXISTING FACILITIES ARE COSTLY TO UPGRADE**
- **CROP ASSURANCE CONCERNS**
- **PROFESSIONAL MARKETING**
- **APPRECIATING ASSET**
- **CAN PURCHASE STORAGE OVER MANY YEARS AND BUILD UP COMMITMENT**
- **QUALITY OF LIFE – ON FARM STAFF GO HOME WHEN COMBINE STOPS**
- **GUARANTEED UPLIFT WITHIN 24HRS OF HARVEST**

ENGLAND RURAL DEVELOPMENT PROGRAMME

- EEDA SUPPORT OF CAMGRAIN
- ENCOURAGING FARMER CO – OPERATION
- RATIONALISING THE MARKET SUPPLY CHAIN
- TARGETING HIGH VALUE MARKETS
- PIVOTAL ROLE IN THE REGIONAL RURAL ECONOMY
- ENABLING FARM DIVERSIFICATION
- CREATING EFFICIENCIES & CARBON SAVINGS

Central Storage

However, add in the costs of rejections, increasingly stringent farm assurance measures, depreciation and spiralling fuel costs and the figure can be double this.

The EFPF report concludes that without a major investment in improved, new facilities or central storage, the UK will increasingly fail to meet end-user needs.

Improved or new farm storage may seem the best route. However, it can cost £150k to build a 1500t facility. Add on to this the ongoing costs and headaches of managing stores, particularly during the peak harvest period, and the prospect is not so inviting.

Then there's the untapped development potential of many existing stores, which could free up land and facilities and be turned into net income generators for the farm business.

This is why, according to the survey, growers are reconsidering investing in a further 1 million tonnes of central storage over the next three years.

In comparison to farm stores, central store operations benefit significantly from substantial economies of scale over farm operations. The average increase in value through blending grain and securing higher value markets adds a further £3/t benefit to the growers' produce. This more than makes up for the transport cost.

In addition, the initial investment in central storage usually gains value rather than depreciates.

In essence Grainfarmers central storage businesses provide a shorter, lower cost and more efficient supply chain delivering benefits to both farmer members and consumer processors. As their scale increases the benefits over farm stores widens.



For further information on central storage, contact your nearest central store – tel no. on map.

Central Storage

With the decline in good quality on-farm storage and a need to provide larger tonnages of guaranteed quality crops to demanding end-users, Grainfarmers is committed to increasing its interest in central storage.

As the UK's largest farmer owned arable business, the company markets around 3.5 million tonnes of grain every year. 0.5 million tonnes of this, comes through its marketing agreements with a number of independent central grain stores.

This makes Grainfarmers the largest marketing partner for centrally stored grain in the UK. However, the business is not static: Grainfarmers is looking to increase the level of centrally stored grain it markets to around 1 million tonnes per annum.

This increase is largely being driven by the consumer and their need to ensure better efficiency, convenience and traceability across the food chain.

However, at the same time, more central storage is required by UK growers who find it uneconomic to invest

in bringing outdated on-farm storage facilities up to scratch and increasingly difficult to meet the challenge of inevitable restructuring as a result of CAP reform.

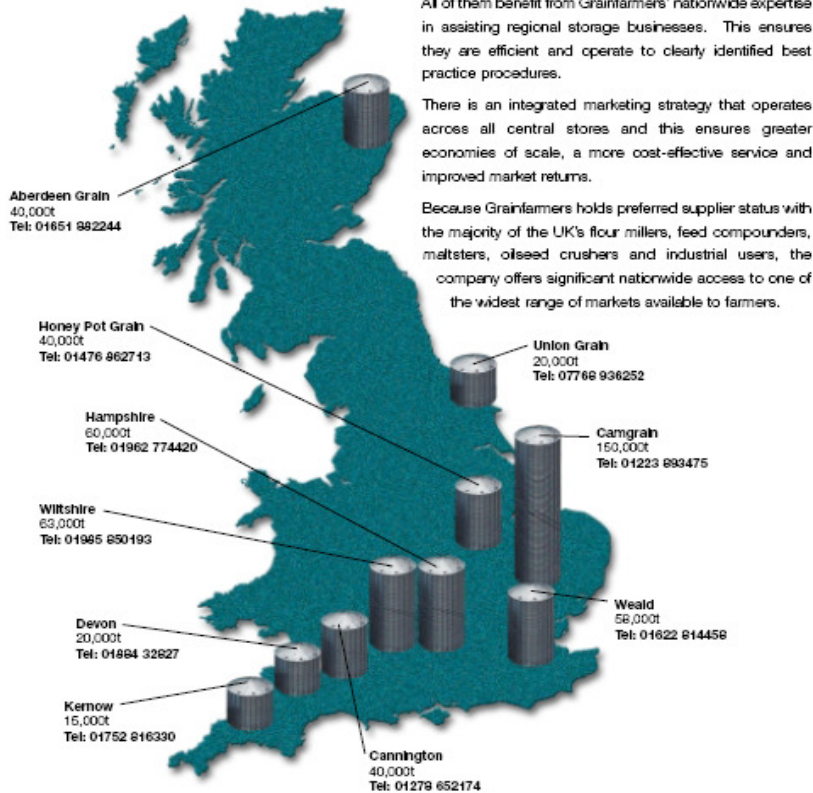
As a consequence, the development of more central storage facilities ensures UK growers have greater security of existing markets and a better opportunity to provide the first-stage processing of grain for the consumer, thereby capturing added-value opportunities.



Central Storage

Central Store Partnerships

An increasing number of independent, farmer-owned central stores are utilising Grainfarmers' marketing and administration expertise and the company is now the partner of choice for ten central grain stores across the UK.



Each storage co-operative is independently run by a Member-elected Board responsible for setting policy. Economies of scale ensure that charges are kept as low as possible for the members as, unlike other businesses, there are no external shareholders to satisfy.

All of them benefit from Grainfarmers' nationwide expertise in assisting regional storage businesses. This ensures they are efficient and operate to clearly identified best practice procedures.

There is an integrated marketing strategy that operates across all central stores and this ensures greater economies of scale, a more cost-effective service and improved market returns.

Because Grainfarmers holds preferred supplier status with the majority of the UK's flour millers, feed compounders, maltsters, oilseed crushers and industrial users, the company offers significant nationwide access to one of the widest range of markets available to farmers.



In addition with export facilities at many strategically positioned ports around the UK, Grainfarmers offers direct access to the EU markets and beyond. When UK grain quality is right and market conditions favourable, the company can export in excess of 1 million tonnes of grain worldwide.

Central store members have a range of marketing options available. These include the choice of harvest pools, long pool or direct sale market options. They are backed by fixed payment dates ensuring certainty when planning cash-flow and Grainfarmers also operates advance payment schemes at advantageous rates as well as bed debt cover.

All stores are registered under the Trade Assurance Scheme for Combinable Crops (TASCC) as a minimum requirement. Strict compliance with COSHH, Food Safety, environmental legislation and Farm Assurance Criteria ensures that central stores are capable of meeting all foreseeable market needs.

How Central Storage Works

Members purchase a storage entitlement – an extension of their own farm business which is a balance sheet item and a tradable asset. Flexibility is the key.

Crops are taken into store in ex combine condition and the costs of processing are significantly lower than the

equivalent cost on farm as a result of scale. Credits are paid for dry grain.

The significant added value opportunities through blending and load by load segregation, together with declared quality deliveries from store more than offsets the intake haulage cost.

This provides a guaranteed quality parcel for Grainfarmers to market to the end-user through a number of different schemes or pools selected by the grower.



Central Storage Benefits

According to the results of a major English Food and Farming Partnership survey, UK growers are grossly underestimating the cost of farm storage.

The survey of over 1000 farmers in early 2006 suggests that storage and drying is costing UK growers an average of £4.68/t every year.

- GROUND BREAKING PARTNERSHIP
- FIRST SUPERMARKET TO USE FLOUR FROM GUARANTEED TRACEABLE UK FARMS FOR ITS 360 IN-STORE BAKERIES
- THE MOVE IS CENTRAL TO SAINSBURY'S GOAL 'THE BEST BAKERY IN TOWN' USING TOP QUALITY BRITISH WHEAT GROWN ON FARMS IN EAST ANGLIA
- CAMGRAIN, VIA GRAINFARMERS LONG TERM TWO YEAR CONTRACT TO SUPPLY WHEAT MILLED FOR SAINSBURY'S IN-STORE BAKERY FLOUR BY WHITWORTH BROS LTD
- FOR THE FIRST TIME, BRITISH ARABLE FARMERS WILL HAVE A DIRECT RELATIONSHIP WITH A SPECIFIC RETAILER
- SAINSBURY'S CUSTOMERS WILL KNOW THE PROVENANCE OF THEIR BREAD
- SAINSBURY'S BRITISH FLOUR DEVELOPMENT GROUP TO SHARE INFORMATION AND BEST PRACTICE BETWEEN THE RETAILER, THE MILLER AND THE 300 WHEAT FARMERS BELONGING TO CAMGRAIN
- 'THIS COMMITMENT BY SAINSBURY'S IS GOOD NEWS NOT JUST FOR THOSE IMMEDIATELY INVOLVED, BUT FOR THE WIDER FARMING INDUSTRY AS WELL'



CAMGRAIN'S PURPOSE

- CAMGRAIN'S PRIMARY PURPOSE IS TO MAXIMISE RETURNS TO ITS ARABLE FARMING MEMBERS BY STORING, PROCESSING AND MARKETING COMBINABLE CROPS IN ITS CENTRAL STORAGE FACILITY.

CAMGRAIN'S VISION

- TO ENHANCE MEMBERS' STAKE IN THE SUPPLY CHAIN BY PLAYING A LEADING PART IN A NATIONAL NETWORK OF CENTRAL STORES, DELIVERING HIGH QUALITY, INNOVATIVE AND DIFFERENTIATED COMBINABLE CROPS AND SERVICES TO CUSTOMERS.
- TO ACHIEVE THIS VISION, TWO SPECIFIC STRATEGIES ARE IMPOSED:
 1. DIFFERENTIATING ITS MEMBERS' GRAIN AND THE SERVICE CAMGRAIN PROVIDES AS A CENTRAL STORE FACILITY.
 2. ADDING VALUE TO MEMBERS' GRAIN BY BECOMING MORE INTERGRATED WITHIN THE SUPPLY CHAIN AND/OR INVESTING IN PROCESSING FACILITIES.