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

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost inflation (%)</th>
<th>Weighted contribution to overall inflation (%)</th>
<th>Index Oct 2006 = 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed</td>
<td>10</td>
<td>0.5</td>
<td>161</td>
</tr>
<tr>
<td>Fertiliser</td>
<td>15.8</td>
<td>1.74</td>
<td>203</td>
</tr>
<tr>
<td>Chemicals</td>
<td>-0.4</td>
<td>-0.04</td>
<td>122</td>
</tr>
<tr>
<td>Animal Feed/Medicine</td>
<td>16.1</td>
<td>1.61</td>
<td>223</td>
</tr>
<tr>
<td>Contract and Hire</td>
<td>3.7</td>
<td>0.41</td>
<td>131</td>
</tr>
<tr>
<td>Machinery (inc depreciation)</td>
<td>4.7</td>
<td>0.66</td>
<td>171</td>
</tr>
<tr>
<td>Fuel</td>
<td>17.4</td>
<td>1.74</td>
<td>199</td>
</tr>
<tr>
<td>Labour</td>
<td>4.2</td>
<td>0.46</td>
<td>127</td>
</tr>
<tr>
<td>Rent/Interest/Property/Admin</td>
<td>4</td>
<td>0.72</td>
<td>140</td>
</tr>
</tbody>
</table>

Source AF Group
HABIT 1 - BE PROACTIVE

Concern
- The sex lives of celebrities
- Who will win the football
- The economy
- What other people think of you
- The weather
- Wars, weapons, terrorist threats
- Natural disasters
- Political views of others
- The news

Influence
- Where you live
- Where you work
- What you read
- What you buy

Reactive People focus efforts on circle of concern
• 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

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

↓

Soil erosion

REGENERATIVE AGRICULTURAL SYSTEM

- 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

- MORE ROOTS means
  - MORE carbon stored in the soil
  - LESS carbon in the atmosphere

Conventionally Managed Land

- LESS ROOTS means
  - LESS carbon stored in the soil
  - MORE carbon in the atmosphere
Enterprise stacking

3D SOLAR FARMING
Network of land-based businesses run by entrepreneurs in partnership with farm
Financial security for farming family
Long term growth of soil capital for the future

Outputs from other land-based businesses
Knowledge and imagination
Technology from other farms

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

High-value agricultural products
Inputs for other businesses
Partnerships with industry

Kingsclere
GROWING POTENTIAL
Working with partners

- Land
- Business skills
- Access to capital
- General knowledge
- Limited time
- Time and energy
- Drive
- Specific skills
- Open mind
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.