

## Joint Press Release

### LINCS GRAIN STORE EXPANDS

Woldgrain Storage Ltd has started construction of an additional 18,000t storage facility in time for harvest 2010. Once completed, this will make it one of the largest central storage businesses in the UK.

The go-ahead – part of a strategic partnership between Woldgrain, Openfield and EMDA - comes on the back of grant support and farmer commitment that will see the capacity rise to 49,000t, with a further 7,000t grant aided expansion planned for 2011-12.

However, the expansion of the N Lincs facility won't stop there: The business has planning permission in place to grow by another 30,000t to become an 85,000t facility by 2017.

Last year, Woldgrain announced it has secured a 37% grant, totalling almost £1.5m from the East Midlands Development Agency (EMDA). With 19,000t of commitment already signed up from grain producers in the N Lincs area, and finance facilities (HSBC) in place, phase one of the project – to be undertaken by Clugston Construction Ltd - at a capital cost of £3.1m, is now being progressed.

According to Woldgrain's John Burnett, the first phase will address the strategic issues Woldgrain has had in the past with intake and drying. This will see the introduction of a new 500t/hour intake facility, increased drying capacity, and a new computer software system called SCADA which will greatly improve the control of information and help to maximize throughput and blending opportunities within the plant.

"This will help us improve our operational efficiency with lorry turnaround times reduced to just 20 minutes across all commodities," he said. "Ultimately the strategic aim is for a 900t/hour intake facility which could see 4.5 times more grain moved every day than is currently possible.

"By completion of the expansion, the store will be well placed to deliver the demands of the supply chain from the producer to the processor by having high specification cleaning and blending units and the ability to colour sort produce on behalf of the customer."

The expanded storage facility will see a mix of new and existing farmer members – most within a 35 mile catchment area of the Hemswell site – place more grain into the central store.

The move follows research commissioned by EMDA and undertaken by the English Food and Farming Partnership survey in spring 2006 confirming that the region needed additional storage facilities.

“This showed that around 30% of all farm stores are over 30 years old and unable to cope with today’s supply chain,” said Woldgrain chairman, Richard Milligan-Manby.

He continued: “The new facility will help growers gain added-value through cooperation, ensuring economies of scale, and the design of the new plant will allow the management of information to add value and deliver vendor assured grain to the food producers.”

Within the last twelve months, Woldgrain has also joined NetworkGrain UK a collaborative partnership of 14 UK-wide central stores now handling over 1mt of grain marketed through Openfield every year.

John Burnett confirmed that the venture was supported by another local central storage business, Lingrain from Boston, which has initially invested in 2000t of storage rights at the Hemswell site. In addition, Openfield is also taking 5000t to meet its own member requirements locally.

“This is an excellent example of farmer collaboration meeting the needs of all parties in the cereal supply chain and creating value for all involved. There is no doubt that the supply chain is becoming much more sophisticated and regulated and demanding higher standards of storage and supply efficiency,” he said.

Mr Milligan-Manby concluded: “Woldgrain, through its partnership with Openfield and NetworkGrain is now well placed to ensure Lincs cereal farmers own a facility fit for the 21<sup>st</sup> century that meets the needs of both members and consumers alike.”

*This project has been supported through the Rural Development Programme for England, which is jointly funded by Defra and the European Union, and is delivered by East Midlands Development Agency (emda).*

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