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PRESS RELEASE

NEW COMPANY TO PROVIDE NATIONAL GRAIN STORAGE AND PROCESSING NETWORK

Ten farmer-owned central storage co-operatives from across the UK have joined forces to create NetworkGrain UK, a new market-focused organisation and brand, that aims to create and deliver greater value across the supply chain.

Through joint co-operation, NetworkGrain UK will set clear standards for supply of its network assured grain. All stores will work together to better meet market needs, driving out logistical and operation inefficiencies.

The co-operative group anticipates a rapid expansion and acceptance of the network approach. It believes that 10% of total UK grain production will be centrally stored within the next five years, with 50% of this marketed under long-term supply agreements.

Speaking at the launch, NetworkGrain UK, Chairman designate, John Latham said that the network would offer end-user customers access to the largest concentration of centrally stored and processed grain in the UK and offer unparalleled levels of service and consistency of product.

“In essence, we are seeking to deliver the highest standards of performance from all our storage business partners,” he said. “And by building and promoting a differentiated brand offering, NetworkGrain UK aims to secure high value markets at home and abroad.

Mr Latham expects to see all member storage businesses being upgraded into what are in effect first stage ‘Advanced Processing Centres’ that properly condition grain for the target market capturing more value for the farmer member.

Openfield – which has considerable expertise in developing central storage businesses - will supply marketing and business support to NetworkGrain UK. Indeed, the committed grain element of NetworkGrain UK is a key focus and commercial platform for Openfield, allowing it to secure valuable UK grain business for the farmer members of the stores.

Openfield’s Grain Group Development Director, Rob Sanderson said that the benefits of co-operation between central stores – now formalized under the NetworkGrain UK banner - have been evident for some time.

“Coors regularly takes vendor assured malting barley from Wiltshire Grain and Hampshire Grain, Camgrain deliveries of milling wheat to Whitworths are vendor assured along with several other consumers who have a similar relationship with NetworkGrain UK central stores. By working together these arrangements will be added to, improving supply logistics and ensuring guarantee of delivery and quality,” he said.

And the benefits for customers are significant, explains Jerry Dyson Coors’ Strategic Sourcing Manager: “Professionally managed storage of malting barley for the higher risk later delivery periods, provides a significant benefit to Coors in relation to product security.”

Mr Latham pointed out that farmers would stand to make significant gains from the development of NetworkGrain UK. "This year's appallingly difficult harvest has served to demonstrate the true value of central storage businesses to the UK farming and food industry," he said.

In certain regions, central store members were cutting grain in the rain and at moistures up to 25% safe in the knowledge that their central stores could dry down and maintain breadmaking and malting quality standards.

NetworkGrain UK member companies, ranging from Aberdeen Grain in Scotland, to Weald Granary in Kent and Kernow Grain in Cornwall, uplifted 674,000t of grain into stores during harvest this year.

"So, at a time when many growers were struggling to cope with higher wheat yields, juggling combining, drilling and drying demands, central stores had large quantities of grain locked away safe, sound and secure," said Mr Latham.

"Most of this was moved off farm within 24 hours and dried down to safe storage moisture levels, invariably within 12 hours of intake."

Across the ten stores average moistures for wheats coming into store were 19.3% compared to 16.4% in 2007 and, in drying these down to 14%, the 27 driers across the network removed nearly 5 million gallons of water from the grain.

Across all commodities, including oilseed rape and other cereals, NetworkGrain UK estimates that 7.4 million gallons of water were removed from grain compared to 2.7 million gallons last year. That's the equivalent amount of water to fill 11 Olympic sized swimming pools.

Not surprisingly, Mr Latham pointed out that increased demand for storage from members of the network had been overwhelming this harvest as farm facilities struggled to cope. Indeed the network had handled 54% more wheat, 29% more barley and 16% more rape compared to the previous season.

Alongside Openfield, NetworkGrain UK is backed by the English Farming and Food Partnerships (EFFP) which has been instrumental in pulling the founder member businesses together and led the establishment of the new business.

EFFP's Neil Adams explained that survey work undertaken by EFFP in 2006 suggested that farmers believed that there was a need for a further 1 million tonnes of central storage UK-wide before the turn of the decade. NetworkGrain UK was perfectly positioned, believed Mr Adams, to meet that need.

A number of NetworkGrain UK members already have plans to build storage capacity across selected locations for harvest next year. And the network could soon expand further with the members of the steering groups of two new developments planned for Northamptonshire and Angus committed to becoming part of NetworkGrain UK. "This could see us with over 1 million tonnes to store within the organisation at next harvest," said Mr Latham.

The full list of current NetworkGrain UK members are: Cannington Grain, Devon Grain, Kernow Grain, Hampshire Grain, Weald Granary, Wiltshire Grain, Aberdeen Grain, Camgrain, Union Grain Storage and Honey Pot Store.

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