SHOOT BENCHMARKING 2011

Cost Control is the Order of the Season

Commercial and non-commercial shoots take different strategies to counter rising fuel and feed costs

Commercial shoots focus on cost control while
non-commercial shoots increase charges per bird

These are the results of the second shoot benchmarking survey. More shoots have taken part in this year's survey following the success of last year. As before, the shoots have been analysed as a group and by whether they considered themselves commercial or non-commercial, some of which let some days to help cover their running costs. The sample remains roughly split 50:50 between commercial and non-commercial shoots.

We hope you find the results useful for managing your shoot. All shoots that provide data receive a bespoke report comparing them with the benchmark and there is no charge to include your shoot. Please contact us if you would like to take part in next year's survey.

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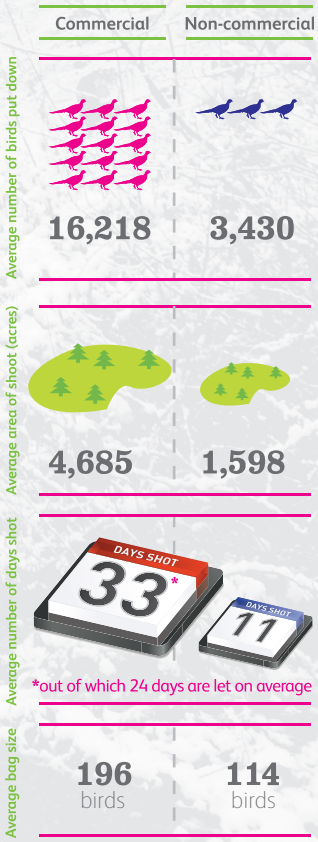
WHAT THE 2010/2011 SURVEY IS BASED ON...

110 shoots
(*2009/2010* 78 shoots) (↑up 41%)

Shot over 350,000 ac
(219,000 ac) (↑up 60%)

Shot over 2,400 days
(1,300 days) (↑up 85%)

1,100,000 birds put down
(580,000 birds put down) (↑up 90%)

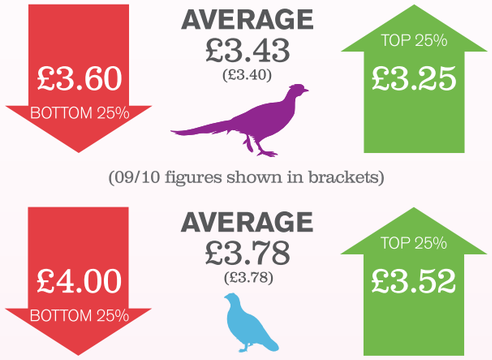


SHOOT PERFORMANCE

Commercial shoots hold prices but tighten up on overage policy

(PRE-SEASON)

Price paid per poult (£)



There was little difference in the prices paid by commercial and non-commercial shoots.

Selling let days

	BOTTOM 25%	AVERAGE	TOP 25%
% OF LET DAYS SOLD WITHIN THREE MONTHS (of end of previous season)	**33%**	**65%**	**100%**
% OF LET DAYS SOLD BEFORE START OF THE SEASON	**76%**	**83%**	**100%**
% OF LET DAYS SOLD TO REPEAT BUSINESS	**70%**	**77%**	**100%**

The proportion of days sold before the season started was 5% lower this year but repeat bookings, which account for three-quarters of let days, held up well. As we saw last year, the top 25% of shoots have sold their let days well before the bottom 25% – giving them greater business confidence. The non-commercial shoots tended to have sold their days before the commercial ones.

Source of bookings: websites like GunsOnPegs have become more important

RANK	1ST	2ND	3RD	4TH	5TH
	=	=	▲	▼	=
	Repeat business	Other sources (e.g. word of mouth/ recommendation)	Internet/ website *	Sporting agents	Journal advertising

* up from 4TH in 09/10

(SHOOTING SEASON)

Price charged per bird (excluding VAT)

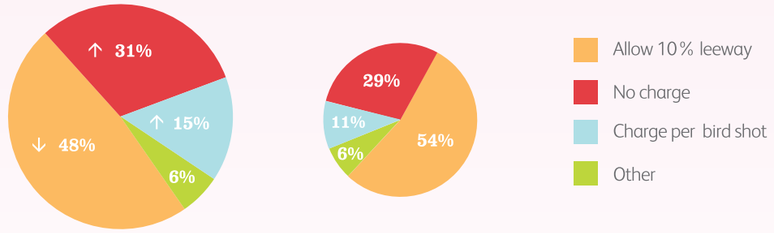
	BOTTOM 25%	AVERAGE	TOP 25%
PHEASANT	**£27**	**£30** (£30)	**£32**
PARTRIDGE	**£26**	**£29** (£28)	**£32**

Average bag size

	COMMERCIAL	NON-COMMERCIAL
LET/SYNDICATE DAYS	**196**	**118**
PRIVATE DAYS	**196**	**106**

Commercial shoots held the price they charge for pheasants and partridges while non-commercial shoots increased their charges by £2-3 per bird compared with last year; however, they still charge less, especially when VAT is added by the commercial shoots (70% of which charge VAT).

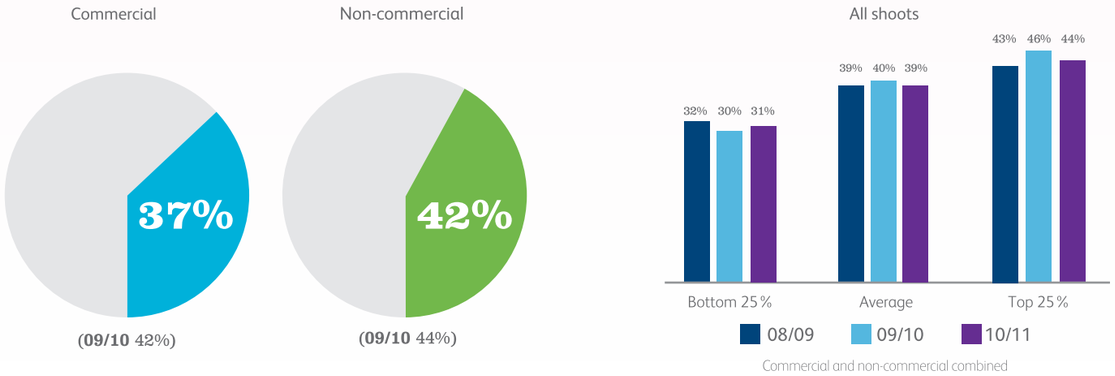
Customer service: overages and dressed birds



There is some evidence that shoots are trying to reduce the costs to them from overages – with fewer making no charge.

ALTHOUGH THE MAJORITY OF SHOOTS GIVE EITHER DRESSED BIRDS OR BIRDS IN THE FEATHER TO THEIR GUNS, COMMERCIAL SHOOTS ARE MUCH MORE LIKELY TO GIVE DRESSED BIRDS (47% vs 15%)

Returns (% of birds put down)



Commercial and non-commercial combined

It was a more challenging year for shoots to convert birds put down into birds shot – for both commercial and non-commercial shoots. Was the harsh weather significant? Private/non-commercial shoots continue to achieve higher returns, by 3-5%, and for all shoots there is a 15% difference between top and bottom performers.

COSTS AND PROFITS

Food and fuel push up variable costs but shoots control fixed costs

Variable costs rose for both commercial and non-commercial shoots, mainly due to feed, fuel and beaters costs rising.

The average variable cost of putting a bird down rose from £7.33 last year to £8.08 this year – up 10%.

Fixed costs were cut – by 8% – with savings made across most costs. Commercial shoots cut their costs more.

Commercial shoots have reduced their costs. They have reduced the total cost of putting a bird down – despite their variable costs rising, which is partly due to fuel and feed costs rising. They have cut their fixed costs – by tighter control across all costs. They have not increased the price they charge per pheasant or partridge and so their net income per bird shot has dropped. Despite this, and just like last year, around 40% of commercial shoots made a loss and the profit levels of those commercial shoots making a profit fell – from £7.92 per bird shot to £5.93. The non-commercial shoots appear to be following a different strategy. Their total costs have risen – which is entirely due to their variable costs rising as fixed costs fell; the big cost rises were on fuel and feed. Unlike the commercial shoots, they have increased the price they charge per bird by £2-3 per bird.

Total variable costs per bird put down

£8.37 BOTTOM 25%

AVERAGE £8.08 (£7.33)

TOP 25% £6.03

(09/10 figures shown in brackets)

% of variable costs

	% of total vc	£/bird put down	
Birds	**37%**	**£2.86**	} 76%
Feed	**25%**	**£1.85**	
Beaters and pickers up pay	**14%**	**£1.37**	
Fuel	5%	£0.44	
Seeds/Fert/Sprays for game crops	5%	£0.32	
Any other variable costs	4%	£0.34	
Hospitality costs	4%	£0.34	
Materials for pens	3%	£0.25	
Shoot equipment	2%	£0.16	
Vets and medical	1%	£0.10	
Ammunition	1%	£0.07	
Professional advice	0%	£0.04	

Total fixed costs per bird put down

£6.12 BOTTOM 25%

AVERAGE £5.81 (£6.32)

TOP 25% £2.94

(09/10 figures shown in brackets)

% of fixed costs

	% of total fc	£/bird put down	
Staff salaries	**54%**	**£3.46**	} 80%
Rent paid to third parties	**15%**	**£0.67**	
Vehicle and trailer costs	**11%**	**£0.56**	
Income forgone as housing not let	8%	£0.55	
Any other fixed costs	3%	£0.14	
Insurance	3%	£0.11	
Housing maintenance	1%	£0.09	
Utility bills paid for staff	1%	£0.07	
Other staff benefits	1%	£0.05	
Dog allowances	1%	£0.05	
Clothing allowances	1%	£0.03	
Mobile phones	0%	£0.03	
Rent paid to third parties for housing	0%	£0.02	

Total costs per bird put down*

£14.07 BOTTOM 25%

AVERAGE £12.28 (£13.33)

TOP 25% £8.60

(09/10 figures shown in brackets)

28 of 48 commercial shoots we had suitable data for made a positive net income. 42% shoots made a loss, averaging £9.12 per bird

HOW DOES A £13 TOTAL COST OF PUTTING A BIRD DOWN MULTIPLY UP INTO CHARGING £30 PER BIRD?

TOTAL COST PER BIRD PUT DOWN	**£12.28**
DIVIDED BY	
RETURN (%)	**39%**
EQUALS	
TOTAL COST PER BIRD SHOT	**£31.49**

* This only includes shoots which provided variable and fixed cost data and so is not the sum of total variable costs plus total fixed costs as those calculations included shoots that only provided one set of data.

STAFF SALARIES AND BENEFITS

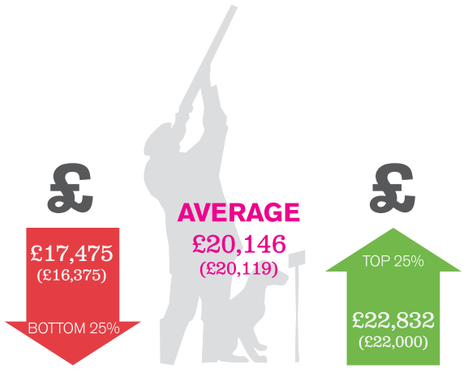
Staff salaries stay the same but shoots tighten up on benefits

The shoots provided the details of salaries, packages and benefits for 166 staff.

Although average salaries are almost exactly the same as last year, the benefits that keepers receive, including paying for utility bills, clothing allowances and giving them keepers days, have been reduced to control costs.

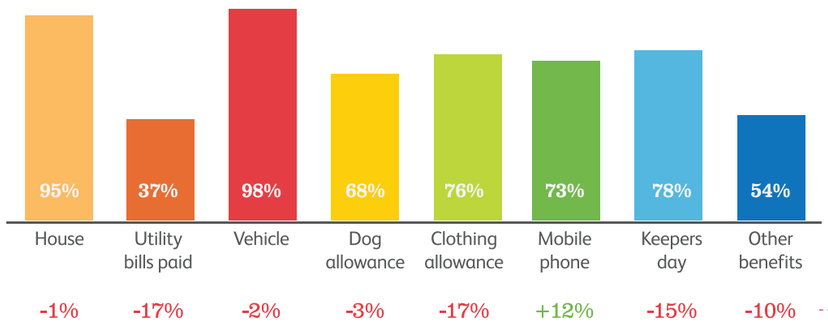
Beater and picker up costs are rising with shoots spending a third more on beaters and pickers up than in 2009/2010. Commercial shoots pay £5 or more per day than non-commercial ones.

Average salary for Head Keepers

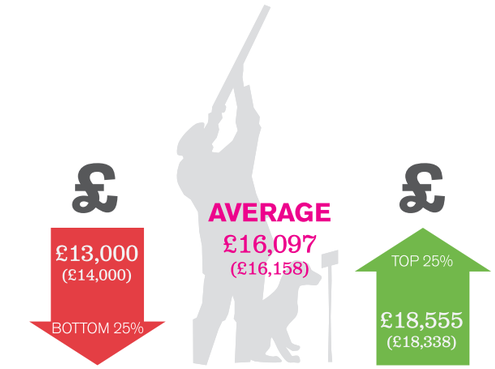


(09/10 figures shown in brackets)

% of Head Keepers provided with benefits

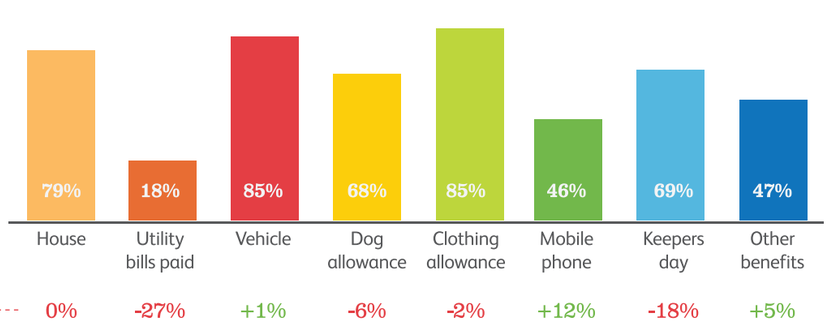


Average salary for Gamekeepers



(09/10 figures shown in brackets)

% of Gamekeepers provided with benefits



% change from 09/10

Average rate paid per day for beaters and pickers up

Beaters

Commercial	£27
Non-commercial	£23

Pickers-up

Commercial	£33
Non-commercial	£26

PROFITABILITY

What makes some shoots profitable and others loss making?

42% of commercial shoots are loss making; it was a similar proportion last year too.
Analysis has revealed what loss-making shoots could do to become more profitable.

AVERAGE COSTS PER BIRD PUT DOWN (£) UNLESS OTHERWISE STATED	PROFIT MAKING SHOOTS	LOSS MAKING SHOOTS
Total cost per bird put down	£9.86	£13.74
The difference in performance is in fixed costs, especially staff costs, more than variable ones		
Variable costs per bird put down	£6.52	£7.62
Birds	£2.65	£2.82
Feed	£1.88	£1.80
Beaters and pickers up pay	£0.93	£1.15
Fixed costs per bird put down	£3.61	£6.44
Staff salaries	£2.36	£4.15
Vehicle and trailer costs	£0.33	£0.60
Rent paid to third parties for land	£0.14	£0.35
But the difference in staff costs does not appear to be a race to the bottom as the salaries of full time head keepers are higher for profit making shoots — the difference is that they look after more birds		
Full time Head Keeper salary	£22,069	£17,753
Number of birds put down per FT staff	9,240	7,118
There is also a difference in shoot performance — profitable shoots put down more birds, have more let days, larger bag sizes and charge more. But it is not just large shoots that can be proftiable — over 40% of the profit making shoots put down less than 10,000 birds		
Number of birds put down	24,056	8,436
Number of let days shot in a season	35	13
Average bag size per let day	200	169
Price charged per bird — pheasant (exc vat)	£32	£28
Price charged per bird — partridge (exc vat)	£30	£28
There is little or no difference in returns, bookings within three months of the start of the season or the price paid per poult. All of the above translates into massive differences in the income each let day generates		
Net income per let day	£1,084	-£1,792

The keys to profitable performance therefore appear to be:

1. **Spreading costs**, especially staff costs, across more birds put down
2. **Generating more income per let day** — from bigger bag sizes and higher charges per bird
3. **Selling more let days**

SMITHS GORE AND GUNSONPEGS ARE DELIGHTED TO OFFER A SHOOT SEMINAR PROGRAMME TO GROUPS OF 10 OR MORE SHOOTS, WHERE WE WILL EXPLORE SHOOT PERFORMANCE AND PROFITABILITY

PLEASE CALL JAMES (0207 4911 363) OR DAVID (01904 756316) TO ARRANGE