

Cheese producer Wyke Farms profits up despite increased costs

The UK's largest independent cheese producer Wyke Farms has reported growing sales and profit, despite a year it said was "defined" by cost inflation.

The Somerset-based business, which is run by the Clothier family in Bruton, generated turnover of £124m during the year to March 2022 – up from £115m in the previous period – as it sold its cheese and butter in more regions across the world.

The company made a profit of £3.4m, marginally up from the £3.3m recorded for the 2021 financial year.

Bosses said the price of its primary raw material, milk, had risen by 25% during the 2022 financial year and had continued to rise since, with a near 75% total rise in milk price reported.

The firm, which employs around 270 staff, said wages had gone up by as much as a fifth in some areas of the business, amid labour recruitment issues in the wider farming and food sector.

Wyke Farms added that its fuel prices had risen by 70%, wheat prices increased by almost 85%, fertiliser costs were up by around 180% and 50% increases were also seen for packaging and card.

The board said the higher input costs were "too large" for the business to absorb and the support it was receiving from its customers was "critical". Directors said borrowing levels had remained "stable" but financial requirements since last March had increased, as Wyke Farms looks to build its stock levels

to meet demand and service its growing export markets.

The company said this remained a “challenge”, saying where it had around 11,000 tonnes of cheddar maturing, with higher production costs it would require an additional £20m of stock funding.

The business said it had laid the groundwork for future investment in storage capacity at its Bruton headquarters, and it had completed a state of the art packing facility at its distribution hub in Wincanton.

Among the company’s key investments for the year ahead will be rebuilding its butter dairy into an automated plant, while it is also preparing a structural floor for a new cheese manufacturing plant.

The board said the company’s production of renewable energy – including green gas from farm and business waste and power from solar panels – had been a “welcome boost” for the business.

Bosses said having a “green hedge” for parts of its own energy consumption had eased inflation, while it had also provided a “useful” additional income stream, generating almost £12m turnover amid rising gas and electricity prices. They added that a “significant” investment in an anaerobic digester plant had helped negate some of the “volatility” seen in the dairy sector.

Wyke Farms sold almost £30m worth of cheese and butter overseas during the year, around a quarter of its total turnover, with the bulk of its sales in the UK, generating £94.5m.

Read next:

- [Yeo Valley’s private equity arm backs snack brand deal](#)
- [Burts Snacks ‘committed’ to UK sites after Europe Snacks](#)

deal

- Gloucestershire couple turn pizza side hustle into franchise
- Dorset pizza oven firm appoints former Dickies boss as new CEO

Like this story? Why not sign up to get the latest South West business news straight to your inbox.