

Tynegrain posts record profits amid 'volatile and challenging' global market

North East cereal farmers cooperative Tynegrain has reported record profit and says it has helped many members enjoy a bumper year.

The membership organisation, which operates a deep water export dock at the Port of Tyne that can despatch 200,000 tonnes of products across the world each year, said pre-tax profit in the year to the end of June was £6.17m, an increase on £291,519 last year. In the same period, income increased from £181.1m to £215.3m.

The results came despite Tynegrain describing the year as one of the most volatile and challenging in the history of its Grainco Ltd business, when perceived global shortages and the outbreak of war in Ukraine led to "massive" daily movements in the market. The business, which gives member farmers the opportunity to pool and trade grain, oilseed and pulse, saw strong demand.

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Under Grainco, the group operates a large scale plant – Pelletco – that mainly produces biomass pellets for the renewable energy sector. During the year it produced nearly 30,000 megatonnes of pellets from oat husks removed by household brand Quaker during the oat milling process and then returned to the company for pelleting. Tynegrain said it had enjoyed a "profitable years trading with good volumes of bulk and bagged wood pellets traded into the industrial and domestic household sector".

In a review accompanying its annual accounts, Tynegrain also said its Tyne Dock export operation continued to benefit from previous investment with a final phase of upgrade – including replacement of elevators and conveyors on site – due to take place over the next two years. The works are designed to improve intake speed and storage flexibility.

Bob Davison, Tynegrain director, said: “It is great to see Tynegrain continuing to thrive after so many years. With the group of companies doing well it continues to allow the board to invest in upgrades and repairs so the store is maintained at a high standard and continuing investments can be made to improve the services the group can offer to its shareholders and the wider farming community.”

On the back of the performance, £831,000 was distributed to shareholders in the form of a drying rebate and a distribution of Tynegrain’s mutual surplus. The move means the mutual has now made £3.3m of returns to shareholders in the past five years, and £1.5m in dividends and returns in mutual surplus.

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