

New Entrants NEWS

March 2018



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Welcome to the March edition of New Entrants News. We have had a very busy few months delivering numerous events including;

- The New Entrants to Farming Gathering
- Added Value Event
- Succession workshops
- Numerous local new entrant workshops
- Creating new guidance notes and case studies

This packed edition will give you a flavour of the various events as well as signpost you to further information.



Speakers at the New Entrants to Farming Gathering, 2018

From left to right - Lee-Ann Sutherland, Jim Booth, Maureen Muldowney, Bob Prentice, Kerry Allison, Henry Graham and Gordon Whiteford. Absent from the photo, Michael Shannon.

New Entrants to Farming “get with the” Programme

There is a network of new entrants across the country at various stages of developing their businesses. You can join in:

- www.facebook.com/NewEntrants
- www.fas.scot/new-entrants/
- Regional workshops

For more info contact Kirsten Williams, Consultant, SAC Consulting, Clifton Road, Turriff, 01888 563333, Kirsten.Williams@sac.co.uk

There are useful free resources on the website too:

- Case studies—learning from the experiences of other new entrants.
- Guidance notes—benefit from advice tailored to assist new entrants to farming.
- Also see: www.gov.scot/Topics/farmingrural/Agriculture/NewEntrantsToFarming



Check out the key messages delivered from the Gathering in the short video
<https://www.fas.scot/news/8553/>



Scottish Government
Riaghaltas na h-Alba
gov.scot

News from the “Gathering”

Despite threatening snow, a vibrant audience gathered to hear a strong line-up of speakers. Following the success of the last two years, Perth Racecourse provided the venue for this year's FAS New Entrants to Farming Gathering. Once again, the experience and energy emanating from the speakers stoked the fire of enthusiasm on this wintery day.

The large crowd were keen to hear from the first speaker of the day, Henry Graham, who is chairman of Lantra Scotland and one of the Champions advising Scottish Government on a Future Strategy for Agriculture. Mr Graham provided more detail on over 1,000ha of new land being made available, as announced the previous day by Cabinet Secretary Fergus Ewing. “This created a lot of interest and will hold great opportunity for some in the audience to get onto that first rung on the ladder” said Kirsten Williams, SAC Consulting, chairperson for the day and New Entrants to Farming Programme coordinator. She continued, “Mr Graham laid out a need for a change in mind-set to achieve a successful future in farming, which set the tone for the rest of the day.”

Jim Booth, Head of Co-op Development, SAOS, highlighted the strength in co-operation, whether it is informal or through structured co-ops. He surprisingly noted that cooperation is currently stronger within larger farming units and that it had great potential for smaller farmers to gain economies of scale.

Maureen Muldowney, a Dumfriesshire dairy farmer, spoke of building a grass based dairy business based on partnership agreements.

Asked whether scale or the system was most important, Mrs Muldowney noted that having a clear and active business plan was important, and “definitely keep it simple”.



That was something reiterated by other farmer speakers, Michael Shannon, Gordon Whiteford and Bob Prentice who all recounted how they travelled and tapped into a lot of advice and positive farmers and professionals along the way in order to continue challenging their own ideas and to progress their farming dreams. Linking to this, one of the last speakers of the afternoon was SAC Consulting, Food & Drink Team, Kerry Allison. Drawing on years of industry and consultancy experience her key message for the day was “remember the ‘why?’, why do you do what you do, and [when it comes to marketing] make sure you sell that passion”.



A big thank you to the speakers and everyone who came along. Feedback has been great and I hope everyone can take a lot of positivity from it.



New Entrants Gathering 2018



New Entrants Opportunities on Public Land

It has been well documented in the agricultural press that there are opportunities for new farmers...

1,000 hectares of opportunity!

This land will be offered for tender this spring from a range of different bodies including, Forestry Enterprise Scotland, Scottish Water, Highlands and Islands Enterprise, East Lothian and Highland Councils. This should allow opportunities for up to 50 new farmers.

This land is a result of the Governments commitment to identify and release more public and private land for new farmers, driven by the Farming Opportunities for New Entrants (FONE) group .

Forest Enterprise Scotland have a vast amount of land available. Applications will be weighted in favour of new entrants, details of the land and information on the application process can be found at <http://scotland.forestry.gov.uk/supporting/grants-and-regulations/farm-woodlands/grazing-opportunities>



Added Value to Farm Produce

The two day introductory workshop on 'Adding Value to Farm Produce' was the first of its type within the Farm Advisory Service New Entrants to Farming Programme; taking a small group of enterprising farmers to develop and accelerate their ideas into practice. This course offered an opportunity to take that next step in progressing from the theory and act as a catalyst to spur development of their own added value food projects.

The course was held in the teaching facilities at SRUC Elmwood where Lecturer (and qualified butcher), Willie Balfour, talked delegates through butchering a lamb carcase and opportunities to add value.



Robert Logan, Livestock Business Consultant, SAC Consulting facilitated conversation, raising discussion about what type of food business they wanted to be and how they valued success. He then spoke to attendees about business appraisal and planning techniques. He finished by saying "little of this is easy. A few numbers on a scrap bit of paper is fine but much of it is about what you want the product/brand to be (ethos) and how that fits with market demand."

"The business plan should give confidence that there can be enough margin left at the end!"

Mark Barker, Food Lecturer (and qualified chef) provided the next demonstration session on adding-value to soft fruit – an industry that has grown rapidly in Scotland over recent years.



Ceri Ritchie, SAC Consulting Food and Drink Team provided an overview of the market place and understanding the market place before stimulating discussion in culturing thoughts on their own brand identity and how the logo/shape/service/price-point/place of sale has to match that.

Roz Graham, SRUC Elmwood Hospitality Lecturer also gave an engaging, interactive and informative workshop on food legislation from field to fork. Noting it is a huge but massively important area. A quiz coupled with ensuing debate and discussion provided an excellent started to engage those new to the food sector.



Added Value to Farm Produce

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Key Messages.....

- Don't be intimidated by the carcass. It is fundamentally the same, whether working with beef, pigs or sheep, only the scale is different.
- Take time to understand the carcass and its cuts. That way you can add real value to the animal. If you are adding value you must be producing something your customer wants, which is in turn enhancing your USP. Think about the cost benefit of e.g. leg roast v's deboned leg v's leg steaks. And always ensure it is made appealing, convenient and easy for the customer.
- When starting out think about cash needs first. How much do you require from the enterprise/business venture for private drawings, loan capital repayments and business growth. By adding on operating costs to this will give a gauge for how many sales and what margin per unit sale is required each year. Do this to test rough viability before building a detailed business plan.
- Gain a good understanding of the end goal. It might change, but having no clear objectives wastes time and (potentially) money.
- Identify Key Performance Indicators (KPIs). These are not an end in themselves but it does tend to be that what we pay attention to grows and benchmarking and setting targets for a few key areas helps us pay attention.
- Be honest and open about the business ethos and objectives and refine that into your business plan so everyone knows what is important. Also, scenario test (stress test) the robustness of the plan e.g. if a significant input cost changed, a customer deferred payment, sales changed over forecast etc – and where possible have a plan to mitigate the negatives; be prepared.
- Act fast – brain storm. Give yourself a short deadline to work under some pressure, it helps focus and blitzing ideas and avoids losing valuable months on research before you even decide what might work for you.
- Keep it simple. The more processes you put into a recipe the greater the risk of variability.
- Write it all down and once you have a formula, stick with it. You need consistency - note that a business plan is there to remove as many mistakes as possible on paper first, the same is true by writing down the affirmed recipe.
- Get to know what is trending. There is no point thinking you have a good idea if it doesn't actually have a market.
- Don't be scared of failure. Get started, if it doesn't work, move on but learn from the mistakes. The drive is in finding solutions not in the solution itself.



Succession Event and More from the Gathering

Focus on Succession

A series of working lunch meetings were held in collaboration with Johnstone Carmichael focussing on succession. The aim of the working lunch was to highlight the questions that agricultural business owners should ask themselves with regard to succession planning.

Key take home messages included:

- Communication is paramount
- Plan for the future and discuss the plans with other partners, next generation, etc.
- Identify what each generation actually wants from succession
- Hold meetings, with a set time limit and agenda with an independent person to ensure the agenda is followed and discussions are valuable
- Early engagement discussing your plans with your banker, solicitor, accountant
- Evaluate the full impact of the change in terms of management and finances
- It's never too late to plan for the future

We plan to hold more succession events in the coming year, to highlight various opportunities for retiring farmers such as share and contract farming as well as accountancy topics.

Audience Participation from the Gathering

At the new entrants to farming gathering we asked the audience a series of multiple choice questions. These were answered using an audio visual system, the results were as follows:



The audience was split 50/50 from being farm successors and looking for their first opportunity to get on the farming ladder.

The largest obstacle to taking the next step was thought to be money - funds and finance - by 76% of the audience.

Half of the audience admitted to not knowing where to start with business planning, 28% have something written with no detail, while 22% have a business plan ready, waiting for an opportunity.

The majority (77%) of the audience saw themselves farming in the next 5 years.

When asked if they embraced new technology, over half of the audience were using calving, aids, cameras, EID readers or similar, while 44% stated they could not afford such technology, 8% answered the internet speed was not adequate.

This information will aid forming the New Entrants to Farming Programme 2018/19.



News from the groups

Stacey Hamilton updates on the Angus Group

Angus

The Angus New Entrants to Farming group met in December to focus on livestock health and nutrition. Speakers on the night were Karen Stewart, SAC Nutritionist, and Tim Geraghty, SAC Vet.

Tim explained the role of the SAC vet labs and the importance behind investigating health problems in your livestock. One of the main topics that came out of Tim's presentation was the advantage to undertaking a post-mortem and understanding there results to benefit livestock health and performance. Tim also discussed the use of medicines and antibiotic/anthelmintic resistance. This topic was of great interest to the group and proved to be a good talking point and source of discussion of when to treat and when not to treat and the effective use of wormers sparked a lot of questions.

Karen spoke to the group about livestock nutrition and how to match silage quality with the most appropriate class of livestock. Karen challenged the group on their feed knowledge, using 10 different feeds, to see how many the group could identify. A further group exercise was conducted to work out the energy requirements for cattle throughout different life and reproductive stages and how then to calculate the required amount of forage.



The key messages from the meeting were:

- Post-mortems are a must if you have any suspicions over the cause of death in livestock.
- Medicines should be used sparingly on farm and only if required, to help reduce resistance i.e. do faecal egg counts on stock to see if worming is actually required.
- Analysing your forage is essential to know your are feeding the right amount.
- Body condition score and feed appropriate to cows condition.
- While energy is most important, protein deficiency can impact on calf birth weight, absorption of colostrum and therefore calf survival.



News from the groups

Willie Budge updates on the Caithness Group

Caithness

“Using Figures to Make Money” was the topic in December for the Thurso group, introducing attendees to figures, business planning and benchmarking. The speaker for the night SAC’s Kev Bevan, who provided the attendees with some useful tips and advice on how to use quick simple calculations to help gauge the right business decision that is most viable to them and their enterprises.

Kev’s explained how the power of numbers need not be complicated or anything to worry about. This was demonstrated through some useful calculations, that primarily focussed on beef and sheep enterprises, which were most relevant to the attendee’s.

Kev also touched on Key Tools & Techniques and how important the use of an Action Plan can be when implanting a business decision.

Key Messages:-

- If you don’t measure it you can’t improve it
- For a suckler herd a good KPI would be kg of weaned calf per kg of cow
- An excellent target for lamb growth rates would be 300g/day
- Weigh scales are a key piece of kit on beef and sheep farms
- Use partial budgets to make strategic decisions on farm, such as whether to fatten cattle or sell store
- Use an action plan

A Livestock calculator is now available from the FAS website that can help with your calculations.

<https://www.fas.scot/topic/farm-business/>

In addition further tools are available on the FAS website including, an interactive understanding accounts tool to show you how best to use information in your accounts to make better business decisions as well as a cash flow budgeting tool to aid budget the year ahead.

<https://www.fas.scot/topic/farm-business/>



£4m to Support New Entrant Farmers

The Rural Secretary Fergus Ewing has announced that £4.2 million will be awarded in grants to support new farmers to pursue a career in agriculture.

The latest award sees 81 successful applicants receive a share of the funding, which will help to create and develop their businesses,

The funding is part of the New Entrants Start-Up Grant (NESUG) and Young Farmer Start-Up Grant (YFSUG) schemes, resulting in 23 NESUG and 58 YFSUGs applications being approved.

Announcing the funding, Mr Ewing said "It's vital to the sustainability of agriculture in Scotland that we do everything in our power to encourage new entrants to farming. With the average age of Scottish farmers currently close to 60 years old, there is of course an emphasis on encouraging young people to farming, but new entrants of any age are welcome, and can help drive innovation and improve best practice across the industry, whilst contributing to the economic viability of the sector."

This brings the total funding from EU and Scottish Government to over £13.8 million, supporting the development and creation of almost 256 new farms across Scotland.



Claim up to £2,200 worth of grant funding for your new business

Funded by the Scottish Government, the Farm Advisory Service (FAS), exists to help new farmers and crofters grow their business through a range of business development support and one-to-one advisory services.

As a new farmer or crofter, you are entitled to access a range of subsidised expert business support – **worth up to a total of £2,200** – to help you increase the profitability and sustainability of your new business. FAS can also arrange for an experienced farm adviser to visit your business, perform a critical assessment and offer you expert advice on a range of farming related topics, tailored to your specific business needs.

One-to-one support services:

- [Mentoring for new entrants](#),
- [Integrated Land Management Plans \(ILMPs\)](#),
- [Specialist advice](#),
- [Carbon audits](#).

For more information, please contact advice@fas.scot, call 0300 323 0161 or visit www.fas.scot

