



# Capitalising on Assets

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**As New Entrants into agriculture taking on a farm or croft for the first time, there can often be some hurdles to jump over.**

These hurdles may include sourcing land, livestock, machinery, and obtaining finance to fulfil your ambitions. Generating cash flow quickly from limited resources can be a challenge but is the best way to make positive steps and start growing your business.

This fact sheet provides guidance to New Entrants starting their farming or crofting journey and highlights various enterprise options which capitalise on existing farm or croft assets.

## What is an Asset?

An asset is something which has an economic value. An asset could be tangible, such as land, property, buildings, and machinery, or intangible; such as a beautiful view, a landscape, knowledge & skills, a brand, or intellectual property. Identifying and analysing the assets you currently have will help you to decide on a suitable business idea and start generating income.



The European Agricultural Fund  
for Rural Development  
**Europe investing in rural areas**



**Scottish Government**  
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## Where do I start?

Adding value to your assets doesn't need to involve large capital expenditure, new equipment and facilities, or significant changes to your agricultural activities – often small, low-cost ventures maximising the utilisation of existing assets can have a positive impact on financial performance.

Carry out an assessment of your existing assets.

- **Do you have machinery or equipment which could be better utilised or contracted out to other farmers/crofters?**
- **Have you got buildings which could be renovated or used for public events and activities?**
- **Do you have land which is currently unproductive or could be better utilised?**
- **Have you got beautiful, scenic views which could attract customers looking for agri-tourism or rural recreational activities?**
- **What about your skillset and experience? Do you have any personal skills, experience, or qualifications which could be used to generate additional income? For example; sheep shearing, HGV driving, machine operator, forestry & garden maintenance, farm accountancy, book-keeping or administration?**
- **Do you have working dogs which could be used for contract shepherding work? Where are you located? Is the farm or croft located on a busy road with passing traffic and potentially high customer footfall? Or is the farm/croft in a secluded spot off the beaten track? Both offer opportunities, it is deciding on what is right for you and your business.**



It is always worth getting an independent view on your assets. What you view as a run-down old stone-built cottage or outbuilding, may be the perfect location for a small rural wedding, photography and film studio, or other diversification enterprise. A fresh pair of eyes can broaden your perspectives on your existing asset base.

## Things to consider...

1. **Your chosen enterprise should ideally complement the existing farming or crofting business, drawing upon personal skills, interests, experience, buildings, machinery, and/or land capabilities. It is important that you are truly passionate about adding value to your assets as it can take a considerable amount of time and commitment to show results.**
2. **A consumer-facing business, such as agri-tourism, rural-tourism, retail etc. may require a change in mindset and challenge you to think differently about how you present yourself, your farm/croft, farm animals, and natural capital. You will not only be an ambassador for your own business/brand, but for the agricultural sector as a whole. Inviting the public onto your farm for farm tours, leisure activities, tourism accommodation or selling farm produce, requires a specific skillset, personality, and it is important to exhibit the farm, farm animals, and agricultural activities in a positive light. Training courses can help you to develop your customer service skills, or it may be more appropriate to employ part-time or full-time staff to cover specific roles, depending on the enterprise chosen.**



3. **Size isn't everything – it's okay to be small!** In farming there is often a perception that big is best – big tractors, more horsepower, bigger sheds, more land – but this costs money, increasing overheads and can reduce profitability. It is important to understand the numbers – high turnover may not necessarily mean high profitability. Maximising the utilisation of existing farm/croft assets with minimal capital expenditure, is the best way to generate income and return from limited investment. Starting small with a focus on profitability and reinvesting profits over time will help the business to grow sustainably.
4. **Gather your evidence and build your network.** Completing market research and doing a business plan will help to structure your diversification plans. Be careful with who and where you get advice from; be able to apply a filter to what you hear. Speaking to other farmers, crofters, family and friends can be very useful in gaining peer-peer advice but may lead you astray or point you in a direction you may not necessarily want to go. Investing in professional, impartial, advice can go a long way in supporting you to make the right decisions for you, your family and your business, highlighting opportunities you may not currently be aware of.
5. **Be authentic, tell your own farming story, be unique, and stand out from the crowd!** Creating positive public perceptions of agriculture and food production is vitally important, as is selling your brand and your story. We have numerous resources available to support you in creating positive PR and how to write a marketing plan for your business. Please listen to our podcasts here: <https://www.fas.scot/new-entrants/positive-pr/> and see our additional fact sheets here: <https://www.fas.scot/new-entrants/fact-sheets/>

## Examples of low-cost enterprises which capitalise on assets

The options below are not exhaustive and simply provide a flavour of possible enterprises which can allow you to add value to your assets with minimal investment.

**Selling farm produce direct to consumers** – The Covid-19 pandemic, coupled with Brexit, has increased demand for local, traceable food and drink with strong provenance. Consumers want to source locally, connect with farmers and growers, learn about farming and crofting practices, and understand the wider animal health, environmental, social, and economic benefits shopping locally provides. Direct marketing allows you to become a price maker for your outputs.

Selling farm or croft produce via farmers markets can be a great way to add value to your primary produce, meet new customers and producers, and share your farming or crofting story. Visit your nearest farmers market to speak to potential customers, understand how you could fulfil a gap in the market, and actively participate in local food and drink community initiatives.



Throughout the pandemic there has been an increase in demand for local produce available online. If you are a New Entrant, new to the concept of selling produce direct and do not currently have your own website, you could join an online farmers market such as NeighbourFood <https://www.neighbourfood.co.uk/> or the Open Food Network <https://openfoodnetwork.org.uk/>.

There are other community initiatives and online platforms available and it is advisable to contact your local authority or Regional Food Group for more information. Regional Food Groups across Scotland provide excellent networks of industry contacts, food and drink producers, suppliers, wholesalers, and access to professional support and advice. Find out more and contact your nearest group here: <https://www.scotlandfoodanddrink.org/regional-food-growth/regional-food-groups/>

Farm vending is a method of selling fresh farm or croft produce directly to consumers without the overheads of a traditional farm shop. Farm vending has become really popular throughout the pandemic as consumers have turned to local farms and crofts to source fresh produce and milk supporting local farmers and producers. Farm vending machines can be custom built to your requirements and do not need to be staffed like a traditional farm shop. Vending machines should ideally be located close to a main road or in public areas where there is high customer footfall. More information on farm vending can be found here:

Fresh produce vending: <https://www.vendingbyjsr.co.uk/>

Milk vending: <https://themilkstationcompany.co.uk/>

**Agri-Tourism & Rural Tourism** – with ongoing uncertainty over foreign travel, we are seeing staycation demand in Scotland booming throughout 2021. While it is anticipated that foreign travel and overseas trips will return at some point in 2022, the key for agri-tourism businesses will be continuing to develop compelling offers to retain domestic tourists and meet the needs of overseas visitors next year. Farm tours, experiences and educational events are in demand, particularly for families with young children. Farm tours and experiences are fairly easy to set up and can be done alongside the existing farming business at times/seasons which suit you. Farm tours and activities do not need high capital investment, but do need a positive, dynamic personality to engage with a wide range of customers.

**Wild Camping** – wild camping is often seen as a ‘nuisance’ among landowners particularly near well-known beauty spots. Following lockdown, wild camping has seen a rise in popularity as individuals, couples, families, and groups want to enjoy the countryside, reconnect with nature, and participate in outdoor pursuits. Wild campers are always looking for the perfect secluded spot to pitch up for the night, but they also want a sense of security and safety. Wild campers relish total freedom but do like the option of some basic facilities like a toilet and the opportunity to grab some food before returning to their travels. Providing a designated area on your farm or croft for wild campers to pitch their tents can generate income from very little land resource. Toilets can be hired from events companies, or you can purchase or design your own composting toilets at relatively low cost. Additional revenue can be generated by providing picnic benches, fire pits, and providing basic food & drink / camping essentials packs. More information can be found here:

<https://www.pitchup.com/>

<https://www.visitscotland.com/accommodation/caravan-camping/wild-camping/>

**Rural Tourism & Health and Wellbeing** – The pandemic has heightened our appreciation of the countryside, nature, and the benefits the great outdoors has on our mental and physical health. Health and wellbeing tourism is on the rise and farmers/crofters are well-placed to capitalise on this demand. Providing safe and enjoyable countryside walks, wildlife watching, foraging, forest bathing, mountain biking trails, or access to lochs for wild swimming, paddle boarding, and water sports can generate income from little capital or labour resource.

**Safe and secure dog walking** – dogs need regular exercise to keep them fit, healthy, and stimulated. The Scottish countryside offers plenty space for dogs and their owners to run freely, but we all know the consequences of stray dogs on livestock and farming businesses. Demand for pets has rocketed during the Coronavirus pandemic as more people work from home, have felt anxious, isolated, and in need of company during lockdown. At the height of lockdown in May 2020, demand for puppies was up 104% compared to the previous year (source: Pets4Homes, The Impact of Covid-19 on the Pet Landscape 2020).

The increase in demand for puppies has also, sadly, resulted in an increase in rescues and re-homing of puppies across the UK. Puppies need social interaction from a young age. The key socialisation period in puppies occurs between three and 14 weeks and the risk of insufficient socialisation is that puppies can become more fearful and anxious when they face novel stimuli and situations later in life (source: RSPCA, 2021).

With more dog ownership across the UK and a lack of safe, secure space to let dogs run freely, farmers or rural businesses could create safe and secure paddocks for dogs and their owners to exercise. Suitable fencing to keep dogs contained along with an online booking system and keypad entry can control customer numbers and take quick secure payment reducing the need for labour input on site.

Providing a 1-2 acre field with suitable fencing can be charged out for £6.50 - £10 per 30min session, depending on the number of dogs.



**Rural Weddings, Workshops & Events** – hosting on-farm events or renting out space for arts & crafts, photography workshops can be a good way to capitalise on underutilised outbuildings. Creative people often look for rural, countryside spaces to work, participate or run workshops for others, and connect with nature. Hiring out shed space can be a profitable venture with little capital or labour investment required.

Rural weddings have continued to increase in popularity with farms and estates providing the perfect place for couples to host their wedding. There has been a big rise in demand for wedding and events space following the pandemic as there were virtually no weddings taking place during lockdown.

The wedding industry is competitive, and a high-quality facility must be provided. Entering the wedding market may require more capital investment than simply renting out shed space for arts & crafts events, and existing outbuildings may need refurbishment to bring them up to market expectations. It is advisable to seek professional advice from an architect or structural engineer to assess the suitability of your buildings and whether building work needs to be completed adding additional cost to the venture.



There is a growing trend for micro-weddings. Due to ongoing uncertainty around virus transmission and changes in Government guidelines, many couples are now simply looking for photogenic outdoor spaces with a small number of seats for guests. Small, intimate weddings are popular and relatively cost-effective for both landowners and customers.

Careful consideration should be given for how weddings & events integrate within the existing farming activities but can be very lucrative if done well.

**Renewables and connectivity** – renting out land to companies specialising in micro electricity generation, wind turbines, or mobile phone masts can provide additional income to your business. Most of these enterprises take up little land resource, but consideration should be given to how these integrate with farming activities, planning regulations, visual impact on the environment, and leasing arrangements with customers. Specialist legal advice is advisable, so you are well informed before signing any agreements.

Some of these activities may change land use on your farm or croft from “agricultural to non-agricultural” which may have implications on tax, council rates, and eligibility for BPS or other agricultural/crofting support schemes. New activities involving property and/or agricultural buildings may result in a change in insurance cover as they may no longer be used for housing livestock or storing machinery. It is advisable to contact your farm consultant and seek professional legal and accountancy advice.

## Is there funding to help?

Before investing time or capital in a new business venture it is important to carry out market research, a feasibility study and business plan, depending on the scale of your enterprise. Support is available through the Farm Advisory Service Integrated Land Management Plan to help assess your assets. The ILMP provides funding to help you access expert consultancy support to develop a future plan for your farm or croft. Find out more here: <https://www.fas.scot/integrated-land-management-plans-ilmps/>

If you are considering adding value to your assets or have any questions about the information above, please contact Calum Johnston or Kerry Hammond: [E: foodanddrink@sruc.ac.uk](mailto:E: foodanddrink@sruc.ac.uk)