

New Entrants to Farming Programme



**Farm
Advisory
Service**

National Advice Hub

T: 0300 323 0161

E: advice@fas.scot

W: www.fas.scot

Case Study

**Duncan Morrison
and
Claire Johnstone**



“Create a business plan to plan for the future, but don’t be afraid to break the plan when an opportunity arises”

A short biog ...

Duncan was brought up on a farm near Inverurie, where his father and uncle were in partnership. Having a brother and cousins, Duncan didn't see succeeding the business as an option for the future.

He studied agriculture at SAC Craibstone, before starting a career as a stockman on a farm near Torphins. He had a keen interest in the Aberdeen Angus breed and noticed a job advert for a stockman for a herd of 200 Angus cows, which he applied for and started work in spring 2013. Duncan enjoyed the job, but he had a passion to become a manager rather than a stockman. He interviewed successfully for a managers job back in Aberdeenshire. In June 2015 he became the farm manager responsible for 400 acres and 100 suckler cows.

Being an Aberdeen Angus enthusiast Duncan was part of the society youth development programme, with which he obtained a scholarship to travel to New Zealand for three weeks. When Duncan returned home, he was told he was being made

redundant by his employer, who was planning to sell the cows and lease out the land seasonally.

Instead of getting frustrated at this news, Duncan saw an opportunity to allow him to start farming on his own right, by purchasing the cows himself and renting the land. With a business plan constructed, Duncan was successful in gaining loan funding from the Royal Bank of Scotland as well as securing finance through Aberdeen and Northern Marts new entrants finance scheme. With this Duncan purchased 49 cows and let the land on a seasonal basis. This allowed him to start his own business, along with working for a fencer, securing an income for himself.

Although this allowed the start of his business, it did have its problems in that, the herd was based some 20 minutes from where Duncan lived and involved a vast amount of time and fuel to travel to the animals daily.

Through the grapevine the couple heard that Duncan's past employer at Torphins was going to retire and his tenancy at Meikle Maldron would be coming available through Leys Estate. Armed with this news, Duncan spoke to his ex employer, who had already suggested him as a successor to this tenancy. Negotiations were made between the land owner and the two gentlemen, resulting in Duncan, Claire, the 49 cows and bull moving into Meikle Maldron in November 2016 to begin their 5 year SLDT of 226 acres.

Due to the land being predominately arable, they have sown a vast amount of grass since entry into the farm, which is based on a rotational grazing system. The cows are all out wintered on kale, which has allowed for a great break crop before grass. While the young stock are housed.



What is your main motivation?

To produce a low cost, efficient calf, suitable for the prime market. This will leave a suitable return to allow for reinvestment to the land and to create a living for our selves.

In addition there is motivation to grow the business, with the aim of reaching 100 head of cows.

What has been your biggest challenge as a new entrant?

Sourcing funds to initially purchase the cows, maintaining cash flow and the initial ingoing valuation for the farm.

Luckily at this time Duncan had just completed the Young Farms Cultivating Leaders course, which had a focus on creating a business plan, sourcing loan funding and applying for a tenancy. Through this he had key contacts with RBS, which he feels helped hugely.

What hurdles have you had to overcome?

The largest hurdle was sourcing finance, but due to family helping, bank funding and market finance this was overcome for purchasing the cows and ingoing valuations.

Managing cash flow has been a learning point, where being a self employed fencer has aided greatly in ensuring cash is coming in to the business steadily throughout the year. The business is focussed on only one enterprise, which restricts cashflow at certain times through the year.

The business also takes on grazing sheep, allowing for a guaranteed income with low risk and no capital requirement. This further aids cashflow.

What advisory assistance have you received?

Duncan and Claire have attended the North East Farm Advisory Service workshops and have gained both business and technical advice from this to help their business.

Duncan is involved with the Farm Profit Programme and attends regular meetings and updates which aids the business.

The knowledge gained from the Cultivating Leaders course was invaluable to the pair in sourcing finance and business decisions when applying for the tenancy.

What financial assistance have you received?

The basic payment for the farm was transferred between tenants for a basic fee. The income from this has allowed for improvements to the holding e.g. fencing, sowing grass, etc.

Duncan has applied to the New Entrants Capital Grant and is currently waiting to hear if his application has been successful to assist towards a cattle crush and fencing.



What advice would you give to someone thinking of entering the industry?

- Aim high, don't be scared to take a risk
- Design a business plan to aid with applying for a tenancy or to source funding. But don't feel you have to stick to it, if an opportunity arises grab it while you can!

What's next

The couple have big plans for the future including doubling the cow numbers, finishing all stock rather than selling store, introducing techno grazing, joining a health scheme for the cattle and applying for an agri-environmental scheme to name a few.

With the business set to expand in the future and a growing fencing business, they are now at a stage where labour will need to be employed, which is a further challenge for the business in terms of sourcing this labour.



Sadly Duncan's father passed away a number of years ago, and now he is in a position to succeed a proportion of the land at home, which will increase the area farmed to 311 acres. With this additional land the plan is to finish the calves rather than selling store on a techno grazing system, which will allow for an increased stocking rate using environmentally friendly methods.

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