

News from the Farm Advisory Service:



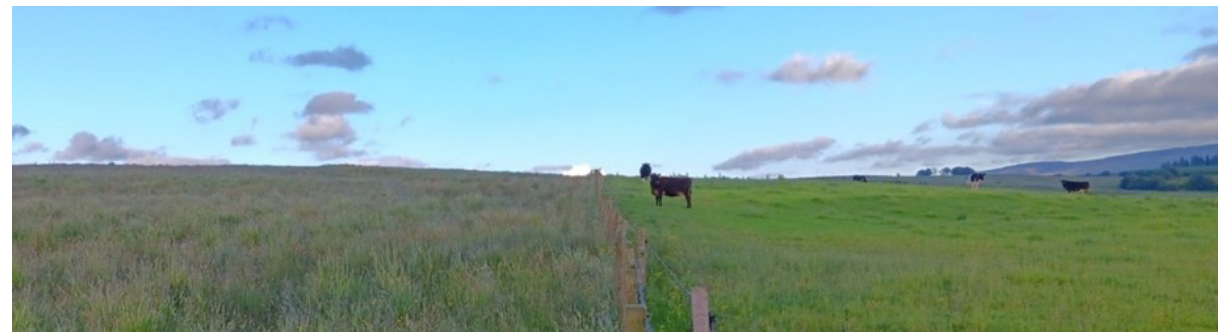
Crofting Matters podcast: Lessons from Ireland

In this episode of Crofting Matters, we look at what we can learn from the Irish system, where farms are similar to our crofts. A group of crofters are just home from a study tour to Ireland, and we hear from Derek Jamieson who crofts in Unst, Shetland, what he took from this exchange of knowledge. We also hear from Keith Fahy, advisor with Teagasc, explaining the Irish subsidy system and improvements being made to their national flock and herd.

To find this episode, scan the QR code below or visit www.fas.scot/sounds



Carbon, biodiversity and regenerative agriculture



Your milk buyer's plans and how to stay ahead of the curve

Milk companies, food manufacturers and food product retailers are increasingly aligning themselves with the regenerative agriculture movement. This means that regenerative agriculture practices now have a real price tag attached to them for farmers. Whilst there is no universally agreed upon set of standards that constitutes regenerative agriculture, there is consensus on the fundamental principles.

1. Minimise soil disturbance
2. Keep the soil covered.
3. Maintain living roots in the soil.
4. Maximise plant diversity.
5. Integrate livestock.

Milk companies are also assessing farm practices in terms of biodiversity gain and carbon efficiency. With milk companies and the Scottish government both offering financial incentives for hitting the same criteria, there has never been a more important time to invest in your farm's natural capital, not just to tick a box, but for the bottom line.

Regen grazing and cropping strategies

Even dairy farms can have large areas that are just cut for silage or used for arable cropping that are rarely grazed by livestock. With housed herds this is especially significant. Beyond the amount of land grazed, the method of grazing is also important with rotational grazing or mob grazing being preferable to set stocking. Sward plant diversity is also a criterion. This could include multispecies leys that are intentionally seeded or semi-natural, and species rich grasses. Where land is used for arable cropping, cover and catch cropping and incorporating livestock grazed grass leys into the rotation can help to meet the regen criteria.

Biodiversity features

Milk companies are also allocating points for the establishment of new, or management of existing biodiversity promoting features. Hedges can help to meet both biodiversity and carbon targets. This is because they provide habitat and a food source for a number of species, and also sequester carbon whilst gaining biomass. Other biodiversity options include wildlife corridors, wildflower strips, ponds, riparian buffer, conservation area, wetland, and silvo pastures. It's worth noting that many of these options also fall under the Agri-Environment Climate Scheme (AECS). As such, there is funding towards the establishment capital and the management of a number of different biodiversity features and habitats that will also satisfy milk company biodiversity objectives.

Freya Lance, SAC Consulting

This article is part of the July edition of Milk Manager News. For the full publication, visit: www.fas.scot/publication/milk-manager-news-july-2024/

Free Events

At the Farm Advisory Service we run a range of events both online and in-person.

Visit www.fas.scot/events to sign up or contact the advice line and we'll help you get booked on.

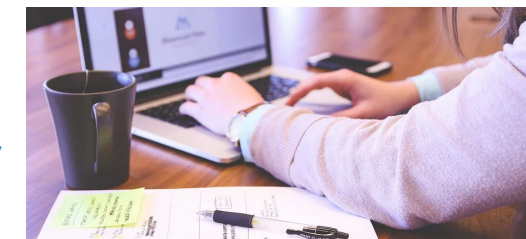
Deer Farming at Reediehill Farm
Auchtermuchty, 30th July, 10:30am - 3:00pm

Test Before You Treat - St Boswells
Hawick, 20th August, 8:45am - 10:45am

Don't Be Sheepish, Plan Ahead - Improving Flock Efficiency
Thurso, 10th September, 11:00am - 2:00pm

Business planning and financial management

A business plan is valuable for both farmers and lenders to help structure business decisions. When trying to obtain funding, providing 3 years of accounts is usually the first step in analysing a business' performance. However, where this is not an option any lending decision would be made on the business plan and the forecasted financial performance.



Business Plan Structure

1. Operations plan

Description of existing setup, along with a practical outline of any new proposals within the business plan.

2. Business objectives

Include specific and measurable short and long term business objectives with timescales.

3. Current financial performance (if relevant)

Analysis of recent financial performance if available. If you don't have 3 years of accounts, you may be asked to include what you have to date.

4. Financial forecasts

Typically, a 3-year cash flow forecast with projected profit & loss accounts and farmer's balance sheet. In order to be financially viable, profits need to cover:

- Personal drawings;
- Capital for reinvestment and major repairs;
- Repayments on borrowing.

A common stress test is to consider viability under a high interest rate scenario. The rate to use will generally be provided by the lender.

5. Financial Control

Consider how you will review actual business performance against the original plan. Monitoring against budget helps to avoid future problems.

6. Marketing and sales strategy

Include details of the target market, sales volumes and timing throughout the year.

7. Management team and staffing information

This should include details of the individuals running the business, their roles and skills.

Monitoring and planning financial performance is key and should be viewed as a high yield piece of paperwork.

Andrew Coalter, SAC Consulting

To read this article in full, please visit:

www.fas.scot/article/business-planning-and-financial-management-an-introduction/

Scotland's Farm Advisory Service is funded by the Scottish Government. It is delivered by SAC Consulting, part of Scotland's Rural College, and Ricardo Energy and Environment.



National Advice Hub
T: 0300 323 0161
E: advice@fas.scot
W: www.fas.scot

If you need more advice on any topic, the Farm Advisory Service has a range of support and help available:

Advice line

For free telephone advice on a wide variety of topics including cross compliance, water framework directive requirements, climate change and other technical issues call us on **0300 323 0161** or email advice@fas.scot. The advice line operates between 9am and 5pm Monday to Friday.

Bespoke Advice and Grants

FAS can also help you to increase the profitability and sustainability of your farming business through Scottish Government grants including Integrated Land Management Plans (ILMPs) – worth up to £2,000.

The ILMP will identify opportunities and cost savings for your business, based on an independent and confidential assessment of your business by an experienced farm business adviser of your choosing. As part of your plan you can choose to benefit from up to two further specialist advice plans.

Online

Our website contains articles, videos and much more at www.fas.scot



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