

## NEW ENTRANTS TO FARMING

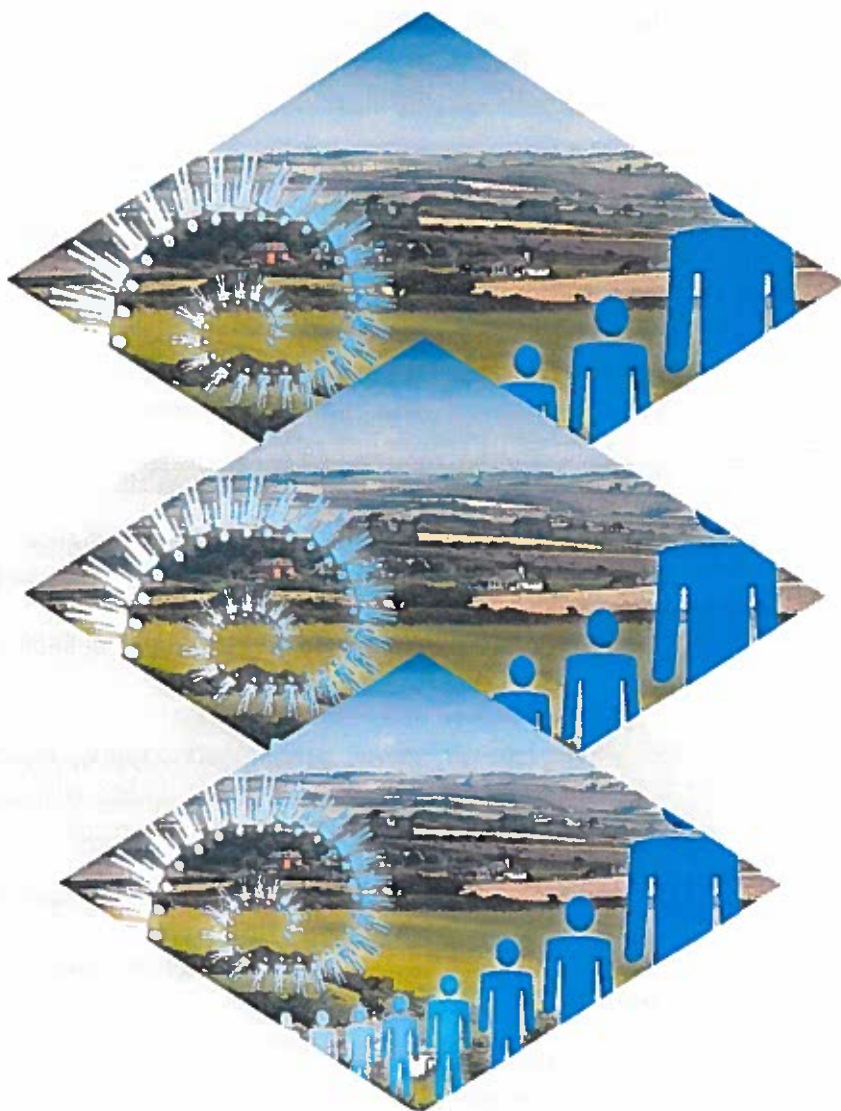
Green Valley  
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5/10/16



# The Scottish Government's New Entrants to Farming Programme



## Guidance Note: Renewable Energy Opportunities



This programme is funded by the Scottish Government  
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## **Renewable Energy – the opportunities?**

The main incentive for new and young entrants is a profitable business which provides good opportunities for business growth. Whilst there has been interest in, and uptake of, farm diversification opportunities for some time, there has, in recent years, been significant growth in interest in renewable energy opportunities and the potential for growing non-food crops.

The range of type and scale of possible diversification, renewable energy and non-food crop projects is extensive and tends to be limited by the market opportunity and natural resources of the business. Estimates suggest that almost 50% of farm businesses have diversified and there has been significant growth in renewable energy (small and large scale) across Scotland's land based business in recent years, particularly since the introduction of Feed-in Tariffs and Renewable Heat Incentive.

As a new entrant to farming, this guidance note will help you start to identify which technology will best fit with your farm and your objectives. Confirming whether or not a renewable technology will be economically and technically viable on your farm will require a detailed and thorough appraisal. You may find independent expert advice useful in this process; for complex projects this will be essential.

Renewable energy offers an excellent opportunity but only if it is carefully planned to fit with your business and your farm! Firstly, there are three important questions for you to consider:

### **1. Why should you invest in renewable energy?**

Renewable energy can be an excellent choice for farmers seeking a diversification opportunity. The key benefits of renewable energy to your business are:

- An opportunity to generate a sustainable income for up to 20 years through Government incentives;
- Makes use of on-farm resources;
- Energy generated can be used to reduce electricity and heating bills on-farm, and the excess can be sold to generate additional income; and
- Reduction in emissions of carbon dioxide.

### **2. Which renewable energy technologies are suitable for farms?**

The renewable energy technologies which offer the best diversification opportunities for farms are:

- Wind energy
- Hydropower
- Biomass
- Solar photovoltaic

### **3. What are your objectives for considering renewable energy?**

Each renewable energy technology has different characteristics which will influence whether or not it is suitable for your farm. You need to carefully consider what your objectives are and

what you want out of a renewable energy installation. The following factors are important to consider before deciding which renewable energy technology option(s) you wish to investigate:

- How much capital do you have access to for investment?
- What is the scale and pattern of your energy demand?
- What resources do you have available on your farm?
- How much risk are you willing to take?
- How important is it to you to purchase locally?

More in-depth information can be found at [www.sruc.ac.uk/renewableenergy](http://www.sruc.ac.uk/renewableenergy).

## **Incentives for Renewable Energy**

### **Feed-in Tariff**

- Designed to encourage the installation of small scale (up to 5 MW), low carbon electricity production.
- Makes a payment of every unit of renewable electricity produced. The FIT Scheme pays two types of tariffs:
  - Generation tariff: Payment made for every unit of electricity you generate.
  - Export tariff: Payment for every unit exported to the electricity grid.

### **Scottish Renewable Obligation Certificates**

- Designed to encourage the installation of large scale renewable electricity production.
- Accredited renewable electricity installations are issued with Scottish Renewable Obligation Certificates (ROCs) for the electricity generated on a monthly basis.
- Electricity suppliers have an obligation to generate a given number of ROCs. If they do not meet their obligation, they must buy ROCs from other parties.
- Renewable electricity suppliers can then trade their ROCs with these energy suppliers.
- For the majority of farm-scale renewable electricity installations the FIT tariff will be the preferred option.

### **Non-domestic Renewable Heat Incentive**

- Designed to encourage the installation of renewable heat technologies. It makes a payment of every unit of renewable heat produced.
- The scheme is open to non-domestic properties or domestic properties on district heating schemes (it is not open to single domestic premises).
- A farmhouse on its own would be classed as domestic, unless business rates are paid on all or part of the property (e.g. because it is substantially used as a B&B).

**A Domestic RHI for single domestic premises is expected to open in summer 2014!**



## **Technologies – Summary Comparison**

### **Wind Energy**

Key benefits	<p>High financial returns with little input once operational.</p> <p>Long-lasting and robust technology; turbines will last in excess of 20 years.</p> <p>Require a small footprint of land which means that agricultural land loss is minimal.</p>
Main issues	<p>High risk – upfront costs can be considerable with no guarantee of gaining planning consent, i.e. submission of a planning application for a single medium to large scale wind turbine can cost upwards of £25,000.</p> <p>Grid connection costs may be significant and are dependent on the distance to the nearest connection point, line capacity and any upgrades needed. This cost may result in a project not being economically viable.</p> <p>Adverse impacts on the surrounding environment – careful assessment needs to be conducted to ensure any impacts are minimal and this would be addressed through the planning process.</p> <p>Wind flow is not constant and varies in force and with the seasons. There will be times when no electricity is produced at all.</p> <p>Wind energy may be a controversial option depending on the location and opinion of local communities.</p>

### **Hydropower**

Types of technology	<p><i>Storage based:</i> rainfall and surface drainage water is stored behind a man-made dam and then released to provide a constant, or demand-based, flow of water to the turbines to generate electricity.</p> <p><i>Run-of-river:</i> water is taken out of a stream, then fed downhill in a pipe and returned to lower down river via a turbine.</p>
Key benefits	<p>Annual energy output and seasonal variation is relatively predictable, varying with annual rainfall patterns.</p> <p>Slow rate of change e.g. the output power varies more gradually following a rainfall event than output from a wind turbine does as wind speed changes.</p> <p>Good correlation with demand i.e. output is maximum in winter.</p> <p>Low environmental impact when installed on a suitable site.</p> <p>Long-lasting and robust technology</p>

Main issues	<p>Environmental impact – storage based systems can have a significant ecological impact due to the effect of the dammed water course on the surrounding environment. SEPA guidance requires the quantity of energy produced to be sufficient to justify any negative environmental effect to the watercourse and therefore sites with shallow falls may not be suitable.</p> <p>Locating a suitable site – it can be difficult to find a site with all required characteristics, including both sufficient head and year-round water flow.</p> <p>Grid connection costs may be significant and are dependent on the distance to the nearest connection point, line capacity and any upgrades needed. This cost may result in a project not being economically viable.</p>
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## Biomass

Types of technology	<p>There are several types of biomass boiler:</p> <ul style="list-style-type: none"> <li>• Woodchip boilers.</li> <li>• Pellet boilers.</li> <li>• Log boilers.</li> <li>• Straw boilers.</li> <li>• Multi-fuel (e.g. straw and logs, log and pellet).</li> </ul>
Key benefits	<p>Fuel bill savings – price per kWh for biomass fuels is usually significantly lower than oil, LPG or electricity</p> <p>Biomass boilers produce water at the same temperature as conventional fossil fuel boilers, so there is no need to change your existing wet heating systems.</p> <p>Technically and financially viable on almost any farm.</p> <p>Generally no external barriers to installation e.g. if required obtaining planning permission is usually relatively straight forward.</p> <p>Tried, tested and efficient technology.</p> <p>No specific resources are required on-farm, only a heat demand.</p>
Main issues	<p>Poor design and installation – can lead to systems which do not function efficiently.</p> <p>Poor design of the fuel store – can lead to inefficient and expensive deliveries.</p> <p>Mismatch of boiler fuel requirements to the type and quality fuel available locally.</p> <p>Poor fuel quality – issues such as high moisture content, contaminants or out of specification particles, will lead to a variety of problems.</p>

## Solar Photovoltaic

Types of technology	<p>There are several PV systems that can be used:</p> <ul style="list-style-type: none"><li>• Solar panels retrofitted onto building roofs.</li><li>• Solar tiles and slates integrated into roofs (usually new build).</li><li>• Ground mounted solar panels.</li></ul>
Key benefits	<p>Easy to install and can be retrofitted to existing infrastructures.</p> <p>Require minimal maintenance.</p> <p>Very few external barriers to installation.</p> <p>Short lead time from feasibility to installation.</p>
Main issues	<p>Intermittent electricity generation – entirely dependent on weather and seasons. Times of electricity generation may not match the times of your electricity demand.</p>

### **For further information on renewable opportunities please go to:**

[www.scotland.gov.uk/energy](http://www.scotland.gov.uk/energy)

[www.sruc.ac.uk/renewableenergy](http://www.sruc.ac.uk/renewableenergy).

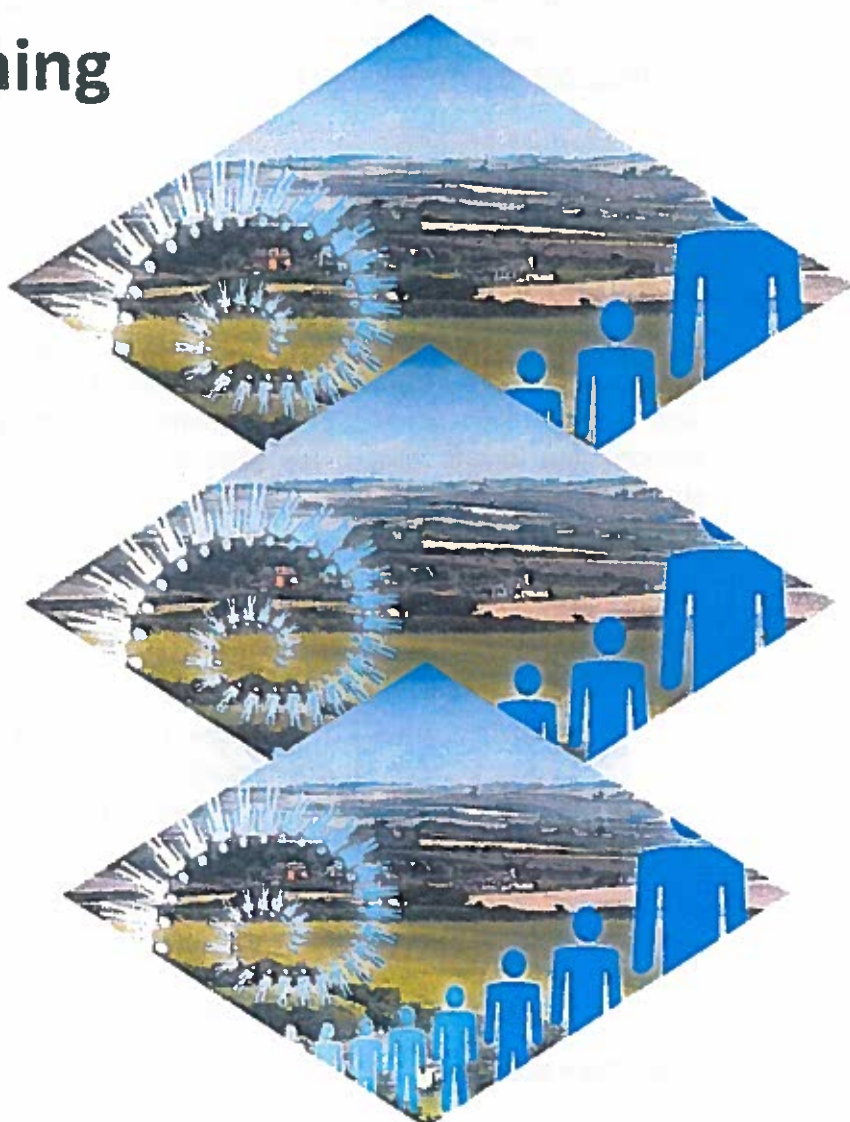


# The Scottish Government's New Entrants to Farming Programme



## Guidance Note: Joint Venture Farming

- Contract Farming
- Share Farming
- Equity Partnerships



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## **Joint Venture Options**

Farmland tends to have a high asset value relative to its income earning potential. Therefore, there is a substantial financial barrier to entry into farming for aspiring farmers, and expanding businesses alike through land purchase. Separating or partially separating the role of 'asset' ownership from 'operator' can help reduce this barrier.

There are various mechanisms currently available to facilitate a step onto the farming ladder including a range of rental arrangements and joint ventures. Traditional, formal tenure arrangements are covered by Scottish legislation, and there is growing interest in Joint Ventures as an alternative entry route to farming. Therefore, this fact sheet concentrates on the **Joint Venture** agreements, namely:

- Contract Farming
- Share Farming
- Business equity partnerships

## **An Introduction to Joint Ventures**

The phrase "Joint Venture" can be used to describe a wide spectrum of collaborative agreements. A Joint Venture can be considered to be some form of co-operation, formed in a legal manner, between two or more parties to form a business relationship, other than as landlord and tenant. There are various benefits and reasons for their creation, including sharing risk, improving return on capital through combined resources and expertise and accelerated growth.

Another reason why these arrangements have been devised, in a farming context, is to avoid the need to create a formal farm tenancy. Examples of common circumstances in which joint ventures can be beneficial include:-

- Land coming back in-hand after being let out. The owner may be inexperienced but wishes to retain vacant possession.
- The farm may not be large enough to be a viable holding on its own.
- The farmer may wish to release equity.
- To obtain economies of scale through splitting the cost of farming with others.
- The business may be in need of large capital investment.
- The owner may want to retire, not having a natural successor, but not ready to sell.
- There may be a substantial tax advantage.

## **What they are not...**

Genuine joint venture agreements work well but must be more than a written document. In practice it is important for both parties to abide by the governing rules in order to retain the advantages (including tax benefits) and avoid it being construed as an alternative legal entity such as a tenancy, partnership, or employer/employee relationship.

## Guidance Note - Joint Ventures

Three different joint venture opportunities have been presented in this document. Note that each agreement will be different. SAC Consulting prepared this factsheet to provide general guidance. This does not substitute the need for specialist and specific advice or a professional agreement, as required.

If you are thinking of undertaking one of these joint ventures, speak to your solicitor and accountant to discuss tax implications as well as insuring legal documents are drawn up for both/all parties to agree and sign.

## Contract Farming

A standard Contract Farming Agreement (CFA) is the terms of understanding between two parties. That is, a landowner / occupier (known as the "farmer") who has engaged the services of another (known as the "contractor") to undertake farming operations over a fixed period (typically 3 to 5 years) on pre-arranged terms – it may be more simply understood as farming with contractors.

### Obligations:

The farmer normally provides the land, buildings, fixed equipment (if required or agreed), a dedicated bank account, pay the required bills, finance to administer the agreement, and any farm knowledge. For this, they will receive what is commonly termed a basic retention/fee. This is agreed with the contractor in advance of the start of the agreement.

The contractor provides the labour, machinery (including its incurred costs) and management expertise. The contractor could be a neighbouring farmer, large farming company or traditional contractor. For this, they receive a basic contractor's fee (usually quarterly or half-yearly).

Either party, via a separate livestock hire agreement, can supply breeding livestock (if applicable). Both parties agree farming policy and the share of any divisible surplus in advance and meet regularly throughout the duration of the agreement to make management decisions and monitor progress.

### The mechanics of a CFA:

1. Agree a land "retention" and "contractors fee"
2. There are three bank accounts (no. 1 farmers a/c; no.2 CFA a/c; no.3. Contractors a/c)
3. The Farmer establishes a No.2 a/c to be distinct from any other of their activities
4. Dwelling accommodation or industrial buildings are excluded from the agreement but may be available by separate negotiation with a residential or commercial lease

An example of how the three accounts work is shown below:

	No.2 A/C	Farmer Income	Contractor Income
Sales	£80,000		
Variable Costs	£30,000		
Gross Margin	£50,000		
Fixed Costs	£5,000		
<b>Contractors Basic Fee</b>	<b>£15,000</b>		<b>£15,000</b>
<b>Farmers Retention</b>	<b>£10,000</b>	<b>£10,000</b>	
<b><i>Divisible Surplus</i></b>	<b><i>£20,000</i></b>		
<i>Contractors Share (70%)</i>	<i>£14,000</i>		<i>£14,000</i>
<i>Farmers Share (30%)</i>	<i>£6,000</i>	<i>£6,000</i>	
<b>TOTALS</b>	<b>£0</b>	<b>£16,000</b>	<b>£29,000</b>

**Benefits to the farmer:**

A properly constructed CFA can avoid creation of a tenancy and maintains the 'farmer' status for subsidy and tax purposes. It is a very flexible and adaptable agreement. It can generate a reasonably stable income through a basic fee / retention and avoid much of the reoccurring capital and maintenance cost of machinery. It may also avoid the need to directly employ staff, having reduced day-to-day involvement compared with an in-hand farm.

**Disadvantages for the farmer:**

Maintenance of "farmer" status demands some time involvement in the venture and the farmer must retain some risk. The farmer incurs the administration costs, for example, to manage the agreement and prepare separate financial accounts. For simplicity, a contract ('No2') account is preferable for associated sales and input costs, although it is not essential. The No2 account is not a separate business so the farmer will need to reclaim any VAT and transfer back to the account.

**Benefits to the contractor:**

Contractors can benefit from economies of scale (spreading fixed costs) by taking on more land without tying up capital through land purchase or full duplication of machinery. This makes it a relatively quick way to expand. There is a guaranteed regular payment per hectare (or per animal) through a contracting charge, with an incentive to maximise the financial surplus.

**Disadvantages for the contractor:**

Despite having the flexibility of rolling from one agreement to the next, CFA's do not provide long-term guarantee, which can make longer-term planning difficult. There can be a higher administration fee for budgets and accounts. It does also rely on both parties getting on well together. While a CFA can provide economies of scale it may be difficult to build capital.

**How to make it work:**

The biggest factors in a successful arrangement are:

1. Trust, honesty and pragmatism
2. Robust terms
3. Good incentives for the contractor to concentrate their efforts (this will also reward the farmer through a share of a higher divisible surplus).
4. Third party involvement to set up agreement

Consideration should be given to profit sensitivity to price, technical performance and weather impacts since the agreement also needs to work in more challenging times. Agreement clauses cannot safeguard against every eventuality, but a concise agreement will help structure important but easily omitted issues such as mutual responsibilities for cross-compliance, health and safety and associated insurance.

The "farmer's" overall return under a CFA can be comparable or better than under an in-hand farming operation as significant capital is released from investment in machinery etc. (enabling invested elsewhere). A Contractors costs are invariably also less than the farms existing overheads due to economies of scale.



## Share Farming

Share farming is an arrangement between two independent businesses. It is often confused with contract farming but there are some differences, for example:

1. These are two entirely separate businesses working the same land.
2. As separate businesses they share the value of the farms output (typically sales) rather than a fee plus share of net profit.

There is no standard share farming agreement. The details are a matter for the parties involved but each party needs to bring complimentary resources and skill sets. The share farming structure is not as popular as contract farming in the UK but it is commonplace in New Zealand. It is possible to start as a share farmer with only a small share then progressively build equity share (within the terms of the agreement) until owning most or all of the stock and/or equipment. There are three conceivable paths for the agreement:

1. It may be a step towards farm succession.
2. If agreed, share farmer equity in livestock could be increased on renewal of the agreement.
3. Terminate the agreement:
  - a. allowing the share owner to follow an alternative plan.
  - b. to allow the share farmer to buy into another or larger farm.
  - c. liquidate to enable the share farmer to purchase their own farm and likely become a share owner.

### Obligations:

Typically, the share owner / occupier provides the land, buildings, fixed equipment, fixed machinery, major maintenance of buildings and expertise along with paying a certain percentage of certain input costs. The share farmer / operator will provide the working machinery, moveable equipment, and technical ability and pay the balancing cost of inputs. Livestock are usually held in undivided shares. Output and certain input costs (direct costs) are split using pre-agreed allocations.

### Benefits to the share owner:

Share farming can be a useful mechanism to release capital from machinery and livestock to focus on alternative investments. It is also useful if wanting to retain management involvement without the day-to-day operational role. It is a tax efficient method provided 'farmer status' is maintained. It can also facilitate the owner to retire gradually, while profitability could improve through tapping into the drive and skill set of the right share farmer. Share farming can allow for a new enterprise to be introduced to the farm, of which the owner may not have expertise in.

### Disadvantages for the share owner:

The length of any agreement may be limited if the share farmer has the opportunity to move to a larger farm business – although exit clauses can be defined in the contract agreement. While performance might improve, volatile markets and profit margins mean operators will need to be top performers to achieve adequate returns for each party.



Benefits to the share farmer:

It presents an opportunity for significant involvement in a farm business for someone with the necessary skills, but limited capital. Share farmer assets are transferable and can therefore move if a greater opportunity presents itself.

While it has proven a successful mechanism for new entrants in New Zealand the success of the share farmer to accumulate sufficient funds to achieve any of the above aspirations (previous page) largely depends on profitability, commodity prices, breeding stock value and land markets.

Disadvantages for the share farmer:

There are few share farming opportunities in the UK, therefore, progression beyond the existing agreement could be limited – this is most likely to progress to a larger contract farming agreement or equity partnership in the UK. In a share farming agreement the owner often remains in the farm house, resulting in no house being available for the share farmer.

How to make it work

There needs to be a clear understanding of why both parties are entering into an agreement. Clear and honest discussion is required to frame expectations. This should also cover the philosophy to farming policy. For this reason, many agreements work best between parties that had a prior relationship.

In addition to technical ability, there needs to be comfort in the knowledge that a prospective share farmer has the management potential to move from potentially being an employee to business owner status – requiring a different skill set.

As with a contract farming agreement, careful construction of the agreement is necessary to ensure, as far as possible, each party has a reward relative to their involvement (responsibilities / time / skills / equity / risk). Careful consideration is also required to deal with, for example: issues of responsibility; terms and timing of payment of shared costs; or stock and machinery pay-out upon termination of the agreement. Sensitivity analysis on budgeted figures is imperative.

Having a written share farming agreement alone is not sufficient evidence of a proper share farming arrangement being in place. Care should be exercised to ensure that the arrangement is implemented in practice, and on examination, cannot be construed as some other legal structure or relationship. Genuine share farming by contractual agreement is not a tenancy and consequently avoids the associated rights and obligations governed by legislation. Neither is it a partnership or employer and therefore avoids any potential liability associated with a share farmer's debts or employment law respectively.

## Equity Partnerships

An equity partnership is an alternative way to invest in farming for those who are unable to finance a farm tenancy or ownership as an individual. It can also be an opportunity for outside investors and for existing farmers to grow their business. It may also benefit those wanting to release capital from land for alternative investments or allow partial retirement as part of structured succession, particularly with non-family members.

An equity partnership is most likely formed as a company, with potentially multiple investors. These shareholders will pool their capital (equity), and possibly skills or resources, in the aim of generating higher investment growth. The company will identify and assess an investment option, purchase the land, livestock plus necessary machinery and plant. This is funded through shareholder equity and bank debt, borrowed by the company.

There are various structures and the most appropriate will depend on the type of investor. Often one of the partners is employed as the farm manager, known as an equity manager. The board of directors will run governance. Each partner normally appoints one director to the board. This works well provided directors have the necessary and complimentary skills. This responsibility or process can be contracted out, particularly where investor(s) are time limited, remote from the operation or opt to be a 'sleeping partner'.

### Benefits of an equity partnership:

It is a route to establishing an ownership interest that may otherwise be out of reach. The intention would be that pooling capital and resources results in greater scale and a focused board to encourage faster growth and return on capital. It also spreads risk across multiple partners. A transparent share agreement – any financial surplus is shared by each partner and reflects their capital shares held in the company.

### Disadvantages for an equity partner:

The biggest factor to success through this mechanism is good relationships. Two or more investors increase the risk of disagreement over strategic direction or losing confidence during any period of successively low profits. Decision-making can become bureaucratic and slow. Changes in business or personal objectives of one partner can affect the other(s).

### The need for clear understanding:

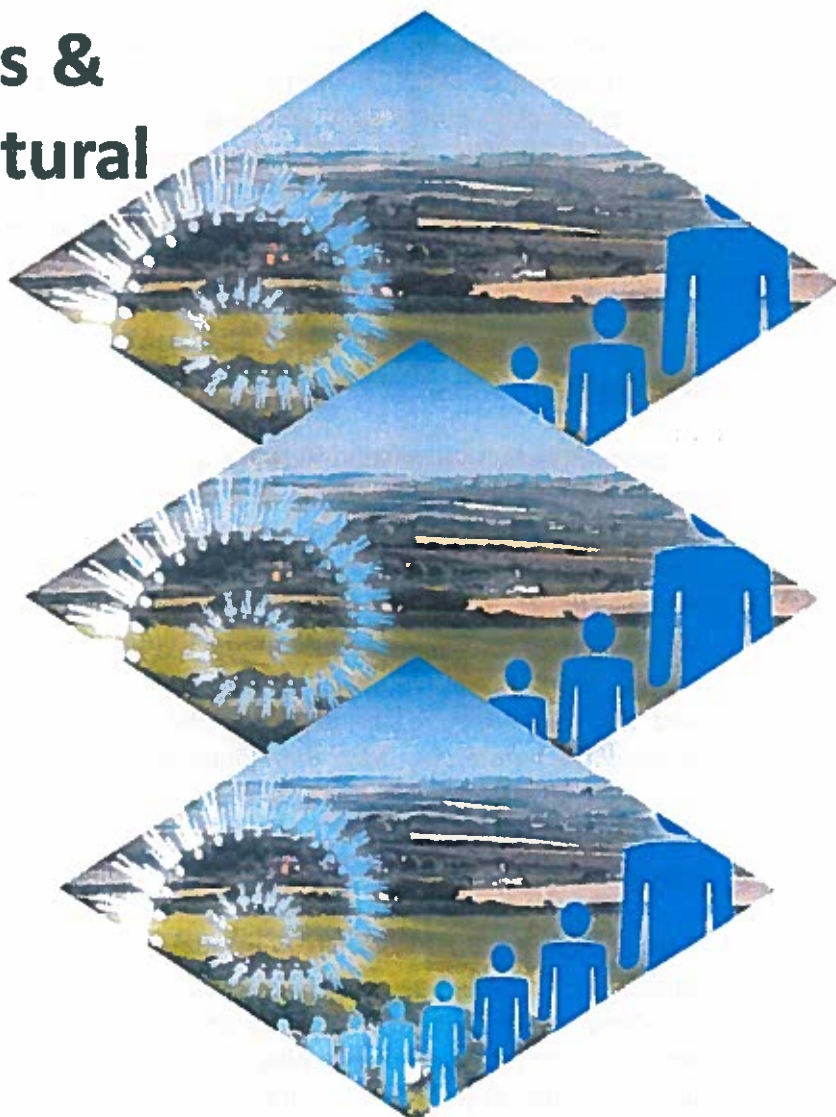
Each partner needs to have a clear understanding of their role and responsibilities within the partnership and be honest about their motives. A robust process (due diligence) is required to ensure the people you are looking to invest with have similar values, purpose and vision. Regular board meetings are required to aid communication and help drive the business.

The rules need to be laid out in legal documents. A structure for the partnership needs to be established which is fair to all, tax effective and flexible (including an exit strategy and contingency plan). A sound business plan outlining farm policy, cashflow and capital budget is required, with a robust sensitivity analysis to ensure each partner has realistic expectations and understands their risk exposure – this is best practice for any business including the family farming partnership but the structure arguably instils greater focus.

# The Scottish Government's New Entrants to Farming Programme



## Guidance Note: Business Structures & Taxation of Agricultural Businesses



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## **Business Structures – Which Should I Use?**

Having made the decision to be your own boss, it is important to decide the best legal and taxation structure for your enterprise. The most suitable structure for you will depend on your personal situation and your future plans. The decision you make will have repercussions on the way you are taxed, your exposure to creditors and other matters.

The possible options you have are as follows.

### **Sole Trader**

This is the simplest way of trading. There are only a few formalities to trading this way, the most important of which is informing HMRC. You are required to keep business records in order to calculate profits each year and they will form the basis of how you pay your tax and national insurance. Any profits generated in this medium are automatically yours. The business of a sole trader is not distinguished from the proprietor's personal affairs so that if there are any debts, you are legally liable to pay those debts down to your last worldly possession.

### **Partnership**

A partnership is an extension of being a sole trader. Here, a group of two or more people will come together, pool their talents, clients and business contacts so that, collectively, they can build a more successful business than they would individually. The partners will agree to share the joint profits in pre-determined percentages. It is advisable to draw up a Partnership Agreement, which sets the rules of how the partners will work together. Partners are taxed in the same way as sole traders, but only on their share of the partnership profits. As with sole traders, the partners are legally liable to pay the debts of the business. Each partner is 'jointly and severally' liable for the partnership debts, so that if certain partners are unable to pay their share of the partnership debts then those debts can fall on the other partners.

### **Limited Company**

A limited company is a separate legal entity from its owners. It can trade, own assets and incur liabilities in its own right. Your ownership of the company is recognized by owning share in that company. If you also work for the company, you are both the owner (shareholder) and an employee of that company. When a company generates profits, they are the company's property. Should you wish to extract money from the company, you must either pay a dividend to the shareholders, or a salary as an employee. The advantage to you is that you can have a balance of these two to minimize your overall tax and national insurance liability. Companies themselves pay corporation tax on their profits after paying your salary but before your dividend distribution. Effective tax planning requires profits, salary and dividends to be considered together.

There are many advantages as well as disadvantages to operating through a limited company.



There are additional administrative factors in running a company, such as statutory accounts preparation, company secretarial obligations and PAYE (Pay As You Earn) procedures. A big advantage of owning a limited company is that your personal liability is limited to the nominal share capital you have invested.

### **Limited Liability Partnership**

A limited liability partnership is legally similar to a company. It is administered like a company in all aspect except its taxation. In this, it is treated like a partnership. Therefore you have the limited liability, administrative and statutory obligations of a company but not the taxation and national insurance flexibility. They are particularly suitable for medium and large-sized partnerships.

### **Taxation of Agricultural Businesses**

HM Revenue & Customs gives advice on starting your own agricultural business at [www.hmrc.gov.uk/courses/syob/farm/index.htm](http://www.hmrc.gov.uk/courses/syob/farm/index.htm) and this gives guidance on how to register yourself and business for tax, national insurance, PAYE, VAT, etc as required.

The main taxes that you will have to deal with are:

#### **Income Tax**

Income tax is charged on the profits for a sole trader, partnership and on monies drawn from a company as salary or dividends.

The income tax rates are currently 20%, 40% and 45% and individuals under the age of 65 have an annual tax free allowance of £9,440 in tax year 2013/14.

#### **Corporation Tax**

Companies pay corporation tax on their profits. The tax rate is currently 20% on profits up to £300,000.

#### **National Insurance (NIC)**

Partners and self-employed people pay both Class 2 and Class 4 NIC. Class 2 is paid at a rate of £2.70/week and class 4 for 2013/14 is charged at 9% on profits between £7,755 and £41,450 and at 2% above that. Employees and directors of companies pay Class 1 NIC on salary at 12% and the employer pays Class 1 NIC at 13.8% on the same salary. Class 1 NIC is calculated on weekly and monthly pay and there are separate rules for directors.

#### **VAT**

VAT does not apply to all sales and for agricultural businesses many sales are zero rated. It can often be beneficial to register for VAT before you reach the statutory sales threshold of £79,000 so that VAT can be reclaimed on purchases.

Registration for most of the above taxes can be done online by visiting HMRC website [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

All the taxes have specific rules and reliefs which apply to specific trades such as agriculture and it is advisable to seek the advice of accountants who specialise in this area. It is also advisable to take advice on the financial records you need to maintain or employ the services of an experienced book-keeper.

From the above summary of the tax treatment of various business structures, it would seem reasonable to suggest that operating as a company and paying tax at 20% is more tax efficient than operating as a sole trader or partnership if earnings take the tax rate into 40%. However, the decision to incorporate a business needs to consider many more aspects than just income tax savings.

In order to benefit from lower income tax rates in a company there needs to be a clear understanding of the future of the business in order to make plans to avoid additional costs and taxes and to protect assets for future generations. As noted above, there are points to take into account that involve more than just accounting and taxation considerations and it is advisable to seek advice from accountants with particular knowledge in this area.

*This guidance note was prepared by Robin Dandie, Head of Agriculture at Johnston Carmichael chartered accountants [www.jcca.co.uk](http://www.jcca.co.uk).*

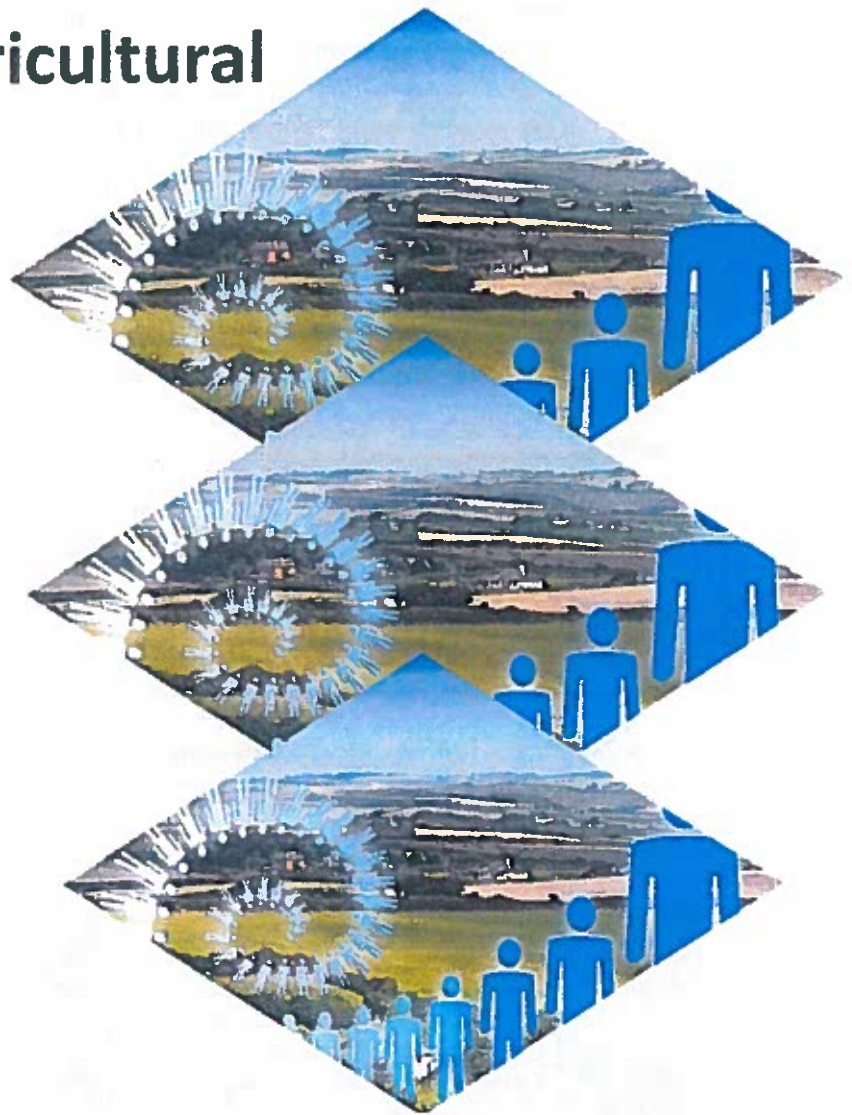


# The Scottish Government's New Entrants to Farming Programme



## Guidance Note: Starting Up An Agricultural Business

- Registering
- Recording
- Rules



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## **Starting Up An Agricultural Business**

There are various and specific rules and regulations that must be adhered to when keeping farm livestock and managing land. This guide aims to compile many of these requirements and useful links to further detail.

### **Register your business**

You must register your holding with Scottish Government Rural Payments and Inspections Division (SGRPID). This can be done online ([www.ruralpayments.org](http://www.ruralpayments.org)) or by contacting your local RPID office and completing a registering a business form (PF01). The form is relatively simple to complete. It requires information about you, your land and the type of business you will be operating. Your business will then be allocated unique identification, County Parish Holding (CPH) or Location Code and a Business Reference Number (BRN). These will be required when moving animals and corresponding with RPID.

If you intend or are keeping livestock, you must also register with the Animal and Plant Health Agency (APHA). Again, this is very simple to do. It requires details about you, the type of animals you are keeping and the land. You also need your Location Code when registering with APHA, so you must firstly register the business with RPID. Registering with APHA allows for a unique flockmark or herdmark to be allocated to you. These are required for animal identification, required by law – see sections below. You must also register with your local council/trading standards if you are mixing feed stuff for livestock on your premises.

You may also wish to voluntarily register and join industry bodies such as a quality assurance scheme, high health schemes for livestock or farmers union.

### **Compliance Measures**

Farmers and land managers must legally comply with various cross compliance measures. There are two main measures of cross compliance including:

- Statutory Management Requirements (SMRs)
- Good Agricultural and Environmental Conditions (GAECs)

There are 13 SMRs in total, these are summarised below.

SMR 1	Nitrate Vulnerable Zones	SMR 2	Conservation of Wild Birds
SMR 3	Conservation of Flora & Fauna	SMR 4	Food & Feed Law
SMR 5	Restrictions on the use of Hormonal or Thyrostatic action & Beta-agonists in Farm Animals	SMR 6	Pig Identification & Registration
SMR 7	Cattle Identification & Registering	SMR 8	Sheep & Goat Identification
SMR 9	Prevention & Control of TSE's	SMR 10	Restrictions on the Use of Plant Protection Products
SMR 11	Welfare of Calves	SMR 12	Welfare of Pigs
SMR 13	Welfare of Farmed Animals		

Full details of all of the SMRs are available on the Scottish Government's website ([www.ruralpayments.org](http://www.ruralpayments.org)). This note will concentrate on SMR 6, 7 and 8, identification and registering of pigs, cattle and sheep. These regulations are intended to improve traceability and likelihood of spreading disease. They are required by Scots law and are essential for animal health and food safety.

## **Pig Identification and Registering**

You must register as a keeper of pigs with APHA within 30 days of first keeping pigs. Pigs must be identified, a holding register must be kept and all movements must be notified.

- **Identification**  
Pigs must be identified with either an ear tag, tattoo or slapmark, showing your unique herd number.
- **Holding Register**  
You must keep a separate register for each holding you use. The register must contain the following information

Keeper Details including CPH number	Date animals moved
Address and CPH of location moved from	Address and CPH of location moved to
Number animals moved	Each identification

The information must be recorded within 48 hours of a pig movement occurring. A stock-take of pig numbers on the holding should be recorded in the holding register annually.

The online 'ScotEID' database is an excellent tool for managing pig movements and also provides a useful holding register. It is free to use and requires a simple registration to get you started. The holding register must be kept for a minimum of 3 years from the last entry and be available for inspection as required.

- **Movements**  
All pig movements must be recorded in your holding register and notified prior to the movement taking place or on the day of the movement. These movements can be notified electronically via the ScotEID database or by telephone or writing to ScotEID. The keeper receiving the animals must confirm delivery of the pig(s) within 3 days of their arrival.
- If keeping 2,000 pigs over 30 kg or more or 750 places for sows or more, you must apply for a Pollution, Prevention and Control licence through SEPA.



## Cattle Identification and Registering

At Calving	Keep Records up to Date (order tags in plenty of time before calving)	
<b>Tagging</b> <b>Beef Calves</b> Double tag by <u>20 days of birth</u> <b>Remember update records within 30 days of birth</b>		<b>Dairy Calves</b> One tag within <u>36 hours of birth</u> , second tag within <u>20 days of birth</u> <b>Remember update records within 7 days of birth</b>
<b>Passport Applications</b>	Apply before <u>27 days of age</u> – remember to apply barcode label, sign and date passport Passports should arrive within <u>7 days</u> (electronic applications) or <u>14 days</u> (paper applications)	
<b>Movements</b>	Report to BCMS within <u>3 days</u> all 'on' or 'off' movements – markets and slaughter movements done automatically Movements include – private sales, shows, between separate herds, between holdings (unless a link is set up with CTS) <b>Remember to apply barcode label, sign and date passport</b> <b>Remember to Update Records within 36 hours of movement</b>	
<b>Deaths</b>	Report death and return passport to BCMS within <u>7 days of death</u> Animals over 48 months of age ..... New style (one sheet) passports (CPP52) ..... Cheque book passports (CPP13) ..... Old (blue/green passport and COR) ..... Remember to complete death details on passport, apply bar code label, sign and date	Contact collector within 24 hours Leave Cut off Strip (TSE) with Carcass (in plastic bag) Leave a Movement Card with Carcass Leave a Movement Card with Carcass <b>Remember to Update Records within 7 days of death</b>
<b>Lost or Illegal Tags</b>	Replace within <u>28 days</u> of when loss or damage is noticed Animals born after 01/01/1998 – replace with original tag ID Animals born before 01/01/1998 – either replace with original tag OR double tag with new ID, let BCMS know new ID, return old passport (CPP1) and certificate of registration (COR) to BCMS <b>Remember to update records within 36 hours if new ID used</b> (should be able to cross reference with old ID)	
<b>Farm Records for Cattle</b>	Minimum Required is - Ear Tag ID, Date of Birth, Sex, Breed, Dams ID, All Movements, Date of Death, Replacement Tag ID Records should be kept for 10 years	

You must be a registered keeper of cattle and all cattle must be registered on Cattle Tracing System (CTS). Herd registers can be kept on farm software packages, your own management sheets or red and blue herd books. You must register as a keeper of cattle with APHA within 30 days of first keeping cattle.

### Sheep and Goat identification

As with pigs and cattle, you must register as a sheep or goat keeper with APHA within 30 days of first keeping sheep and notify all holding numbers where you keep sheep. There are three main recording elements:

- Identification

All sheep must be tagged by the time they reach 9 months of age or when they leave the holding of birth (unless there is a concession). Sheep must be electronically identified, there are four types of sheep tag that can be used as well as other forms of identification e.g. bolus.

Type	Tags
Full EID	Two tags, one electronic, one visual. Matching numbers including UK flock number and unique sequential number <b>All sheep over 12 months old</b>
EID Slaughter	One single electronic tag Showing only the UK flock number <b>Only sheep under 12 months old</b>
Replacement Red Full EID	Replacements for purchased animals
Replacement Red Slaughter	Replacements for purchased animals

\*\*EID (Electronic Identification)

If any tags are lost they must be replaced within 28 days of discovery.

- Holding Register

You must keep a separate register for each holding you use. Once you register as a sheep keeper you will receive an "orange book" as well as a movement book. The "orange book" is the holding register and contains the following

- Record of Replacement ID
- Record of Identification
- Continuous Register

All tagging and re-tagging must be entered in the identification records. All moves on and off the holding as well as deaths must be recorded in the continuous register. Every year you will receive a Sheep Annual Inventory from the Scottish Government, this must be returned showing the number of sheep you have on the holding at a given time. This number should then be entered into your continuous register and updated on every entry.

- Movements

Movements must be recorded for all sheep unless under a concession. The movement form should be completed fully with all sections being completed including haulage details and food chain information. Individual identifications of all animals should be recorded on the document or attached in another form. All sheep sold through a market or abattoir in Scotland will have their tags read, these will be uploaded on to the ScotEID database, which you can access. Sometimes read rates can be poor, it is advised to read all your own tags and record before they leave the holding.

## Keeping Poultry

There is no requirement for registering as a poultry keeper unless you own/manage over 50 birds (including chicks). Once you own/manage 50 birds or more you must register your premises on the Great Britain Poultry Register. This must be done within one month of being in possession of the birds, online or by paper, this is relatively simple to do. If you keep poultry on a number of premises, each premise must be registered on a separate form. If 40,000 poultry places are farmed, you must apply for a Pollution, Prevention and Control licence through SEPA.

Poultry includes the following:

Chicken	Turkey	Duck	Geese	Partridge
Quail	Pheasants	Pigeon (meat)	Guinea Fowl	Ostriches
Emus	Rheas	Cassowaries		

## Recording

Once you register as a keeper of livestock and/or a land manager you should receive numerous documents from the Scottish Government that will require attention. These include:

- Sheep Annual Inventory – compulsory to return stating number of sheep on holding.
- December and June Census Returns – twice a year compulsory agricultural census
- Single Application Form – to receive a Basic Payment from the Scottish Government you must complete a Single Application Form on an annual basis.

Additional records you may need to keep as a livestock keeper/land manager are:

- Nitrate Vulnerable Zone Records
- Nutrient Management Plan
- Spray Records and Inventory
- Medicine Records and Inventory
- Financial Records
- Feed use Record
- SEPA licences e.g. waste, irrigation, Pollution, Prevention and Control etc.



## Getting Further Help

Rules and regulation requirements can depend on your location, farm type and chosen enterprises. There is detailed guidance on the Scottish Government website for all compulsory agricultural legislation. It is advisable to speak to your local RPID office or an agricultural consultant to ensure you are keeping the correct records and adhering to legislation.

## Sources of Assistance:

Contact your local RPID office at <https://www.ruralpayments.org/publicsite/futures/topics/contact-us/>

Animal and Plant Health Agency - <https://www.gov.uk/government/organisations/animal-and-plant-health-agency>

Cross Compliance Details -

<http://www.gov.scot/Topics/farmingrural/Agriculture/grants/Schemes/Crosscompliancesection/ccompliance>

Scottish Government Guidance on Livestock Identification and Traceability -

<http://www.gov.scot/Topics/farmingrural/Agriculture/animal-welfare/IDtraceability>

Cattle Tracing System - <https://www.gov.uk/cattle-tracing-online> and

<https://secure.services.defra.gov.uk/wps/portal/ctso>

Cattle Movement Guidance - <https://www.gov.uk/guidance/report-and-record-cattle-movements>

ScotEID sheep movement details - [https://www.scoteid.com/scoteid/sheep\\_guidance](https://www.scoteid.com/scoteid/sheep_guidance)

ScotEID pig movement details - [https://www.scoteid.com/scoteid/pig\\_guidance](https://www.scoteid.com/scoteid/pig_guidance)

ScotEID – [www.scoteid.com](http://www.scoteid.com), phone – 01466794323

Pollution, Prevention and Control Regs - <http://www.sepa.org.uk/media/162852/sepa-s-standard-farming-installation-rules-how-to-comply-incorporating-ppc-application-guidance.pdf> and

<http://www.legislation.gov.uk/ssi/2000/323/contents/made>

Registering poultry - <https://www.gov.uk/guidance/poultry-registration>

Statutory Management Requirements (SMRs) -

<https://www.ruralpayments.org/publicsite/futures/topics/inspections/all-inspections/cross-compliance/detailed-guidance/statutory-management-requirements/>

Good Environmental and Agricultural Conditions (GAECs) -

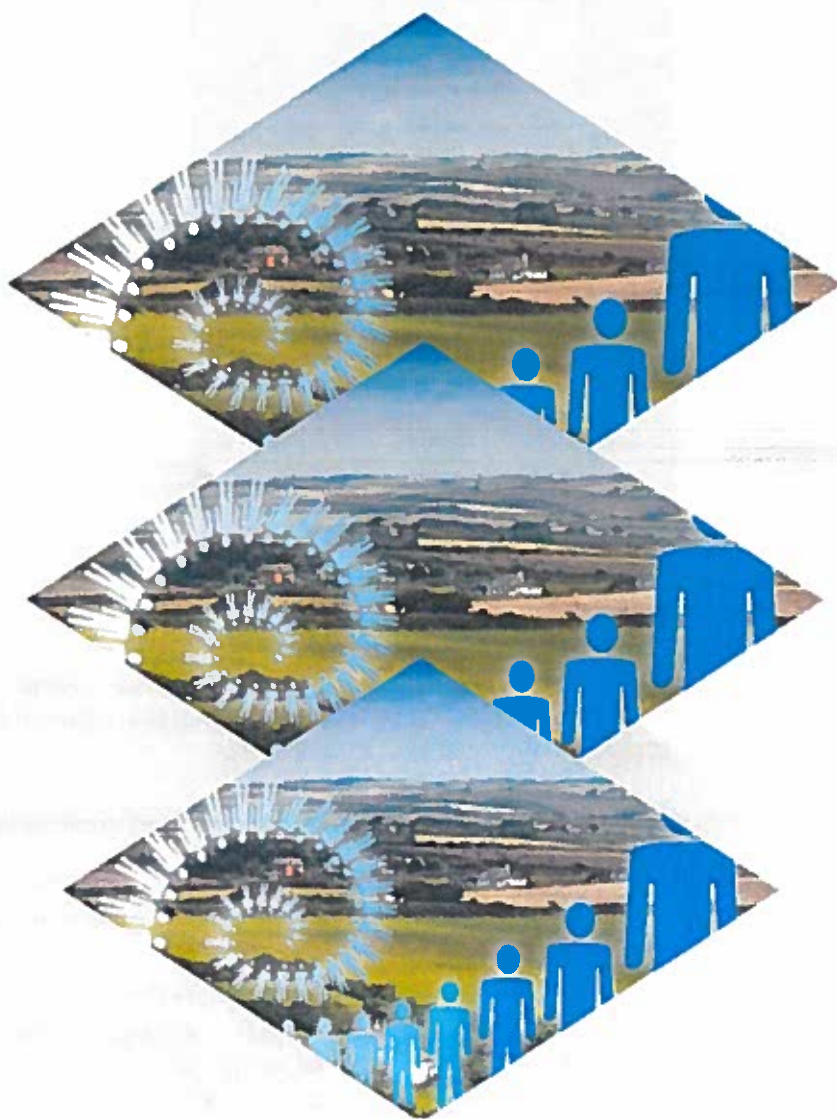
<https://www.ruralpayments.org/publicsite/futures/topics/inspections/all-inspections/cross-compliance/detailed-guidance/good-agricultural-and-environmental-conditions/>



# The Scottish Government's New Entrants to Farming Programme



## Guidance Note Employing People

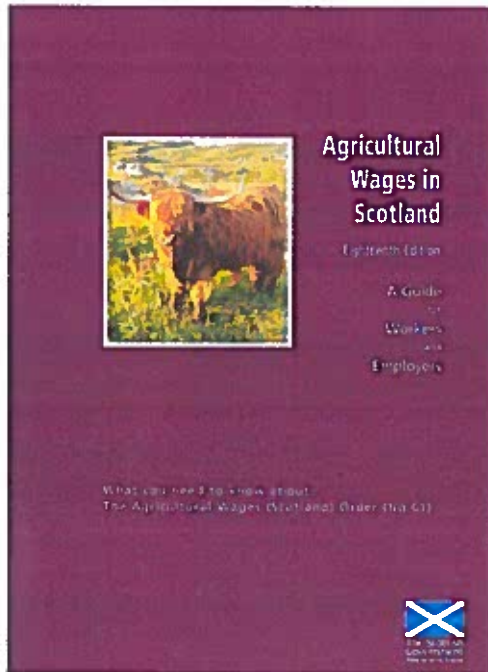


This programme is funded by the Scottish Government  
as part of its New Entrants to Farming Advisory Activity.

*Leading the way in Agriculture and Rural Research, Education and Consulting*

## Introduction

Employing people can be a daunting thought, or is it just common sense? Employees are most firms' greatest assets, so it's worth spending a bit of time making sure you get it right. This note summarises some of the main points to consider.



For those considering employing agricultural workers, the best place to start is the current version of 'Agricultural Wages in Scotland' <http://www.scotland.gov.uk/Topics/farmingrural/Rural/business/18107> produced by The Scottish Government which summarises the key elements of the 'Agricultural Wages (Scotland) Order and gives details and guidance on topics such as holidays, absences due to ill health, benefits and dog allowances.

For non-agricultural employees more general advice is available at <https://www.gov.uk/browse/employing-people>.

## Recruiting People

Hiring employees, if done badly, can be costly, it can lead to: poor performance, unnecessary training, increased supervision, wasted management time, higher absence and employee turnover and lower morale.

There are 5 key things you need to do when employing staff for the first time.

1. Decide how much you need to pay someone: you must pay your employee at least the relevant minimum rate as set out in The Agricultural Wages (Scotland) Order for agricultural workers.
2. Check if someone can legally work for you.
3. Get employment insurance – employer's liability insurance as soon as you become an employer. It must cover for at least £5 million and come from an 'authorised insurer' – you can find one online.
4. Register with HM Revenue and Customs (HMRC) and pay your employee: You need to register as an employer, make any deductions for Pay as You Earn (PAYE) and give a pay statement (pay slip) to your employee. You are also required to notify HMRC about wages and deductions on an ongoing basis through their new Real Time Information (RTI) system [www.hmrc.gov.uk/payert/getting-started/payebasics/rti.htm](http://www.hmrc.gov.uk/payert/getting-started/payebasics/rti.htm).

5. Send details of the job (including terms and conditions) in writing to your employee:  
If you employing someone for more than a month, you need to give them a written statement of employment.

Good employment practices can help businesses anticipate employment problems and so improve managing the business. Employees know where they stand, what they can and can't do.

## **Making employment decisions**

It is important to try and anticipate employment needs not just for next month, but for next year and if possible for further ahead. But this is not always possible. Look for your employment needs. Are there peaks and troughs throughout the year e.g. lambing or harvest?

## **Understanding the requirements of the job**

Once the decision has been made to employ someone, there are a number of steps which should be considered before advertising.

1. Job description / job specification – this should detail the purpose, tasks and responsibilities for the job.
2. Person specification – this allows you to profile the ideal person for the job such as skills, aptitudes, knowledge, qualifications and experience required for the job.
3. Pay - decide what you would want to pay the individual taking into account equal pay. More information can be found on [www.business.scotland.gov.uk](http://www.business.scotland.gov.uk). You must also ensure that you comply with the provisions of current Agricultural Wages (Scotland) Order [www.scotland.gov.uk/Topics/farmingrural/Rural/business/18107](http://www.scotland.gov.uk/Topics/farmingrural/Rural/business/18107) in terms of pay rates, holiday entitlements, absences due to ill health etc.
4. Set a closing date
5. Decide on how you want your candidates to apply – CV.

Once the job has been clearly defined the search can begin.

By law an employer may not discriminate on the grounds of:

- Age
- Race
- Sex
- Marriage
- Disability
- Sexual Orientation
- Religion or belief.

All stages of the recruitment process must treat all races and both sexes equally.



## Advertising

It can be difficult to know where to place your advert. There are a number of options available such as;

1. Job Centres – a free nationwide recruitment and advisory service.
2. Employment agencies – they can assist in the recruitment process and charge a % fee of the salary or placement.
3. Adverts – in the farming press or local newspapers. There is a cost for this service dependent on the size and layout of the advert.
4. Internet – there are a number of recruitment websites available which charge a fee to place an advert on the site for a set period of time. Applications can be made direct to you through these sites.

## Interviews

An interview is one of the best ways to determine if someone is suitable for your role. It is important to note that it is not just the applicant who is being judged but the employer also. A badly prepared interviewer can create an unfavourable impression of the company.

Interviews need to be planned –

1. The interviewer has the candidates CV or application form
2. There are no interruptions
3. Think about applicants who may have a disability
4. Make the candidate feel at ease
5. Ensure that your questions get the information you are looking for and are not closed questions which prompt a 'yes' 'no' response
6. Applicants are given the chance to ask their own questions at the end.

## Employment Contract

Once the employee has been selected they should be issued with a contract of employment.

1. A contract of employment is an agreement between an employer and employee and is the basis of the employment relationship.
2. Most employment contracts do not need to be in writing to be legally valid, but it is better if they are.
3. A contract 'starts' as soon as an offer of employment is accepted. Starting work proves that you accept the terms and conditions offered by the employer.
4. Most employees are legally entitled to a Written Statement of the main terms and conditions of employment within two calendar months of starting work. This should include details of things like pay, holidays and working hours. Appendix 1 of 'Agricultural Wages in Scotland contains a useful list of the type of information which should be included.



5. An existing contract of employment can be varied only with the agreement of both parties.

It is important to note that when self employed people are hired for example for contract work, the resulting contract is fundamentally different for an employment contract. Further information can be found at [www.gov.uk/employment-status](http://www.gov.uk/employment-status) [www.hmrc.gov.uk/employment-status/index.htm#5](http://www.hmrc.gov.uk/employment-status/index.htm#5)

## Rules and Procedures

Good rules benefit both the employer and the employee. They make clear what conduct the employer considers to be acceptable and what is unacceptable. They also make sure that employees conduct and job performance meet certain minimum standards. It also clearly indicates what actions will be taken if the rules are broken.

The ACAS code of practice Disciplinary and Grievance Procedures when dealing with disputes gives guidance on disputes but in the first instance guidance should be sought from the secretary to The Scottish Agricultural Wages Board (SAWB), see contact details below. ACAS will also provide advice and guidance where necessary. <http://www.acas.org.uk/index.aspx?articleid=2174>

## Further Guidance

The Scottish Agricultural Wages Board (SAWB) is the body responsible for overseeing the drafting and implementation of the Agricultural Wages (Scotland) Order and also provides guidance to employers and employees. Contact details:

Scottish Agricultural Wages Board,  
Saughton House,  
Broomhouse Drive,  
Edinburgh, EH11 3XD.

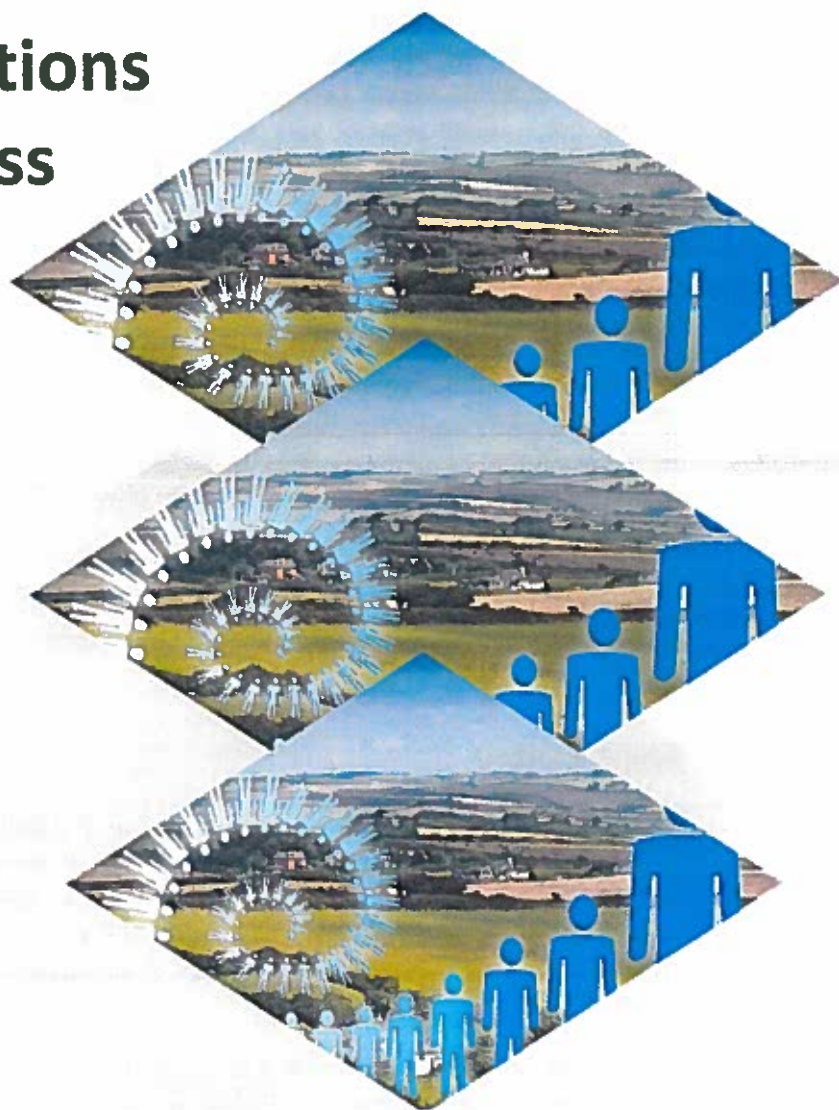
E-mail: [sawb@scotland.gsi.gov.uk](mailto:sawb@scotland.gsi.gov.uk)  
Tel: 0300 244 9749



# The Scottish Government's New Entrants to Farming Programme



## Guidance Note: Laying the Foundations for Business Success



This programme is funded by the Scottish Government  
as part of its New Entrants to Farming Advisory Activity.

*Leading the way in Agriculture and Rural Research, Education and Consulting*

## Introduction

As a new entrant new to managing a business you will need to develop new skills. Your past experience might involve working in a family farming business or working for an employer. But now you are in sole charge, making your own decisions and being responsible for financial success of the enterprise. This requires the learning of new skills and the knowledge of where to look for advice.

The Border Union have a motto for their annual crop and grassland competition, which is expressed in the Lowland Scots vernacular – “It’s nae whit ye hae, but whit ye dae wi whit ye hae”. Translated into standard English “It’s not what you have, but what you do with what you have.” Whichever way you read it this is a very apt philosophy for anyone running a business. This Guidance note looks at ideas and tools that help you make the most of what you’ve got – recognition of your strengths and weaknesses, skills you have to work on or tasks you can pass on to others, training opportunities, sources of advice, business planning skills and decision making ability - and ideas that can help hone your skills and assist you to make better decisions at this early stage in your business career.

Every building needs to be built on strong foundations and a successful business is no different. If recognising your strengths and limitations establishes the hard ground on which to start building, accepting the need for continuous improvement is the hardcore and developing good business management habits the concrete on which you start building the bricks or breeze blocks that are the decisions you need to take to lay the foundations for a successful business. And the earlier you start thinking this way the longer you are likely to reap the rewards.

This Guidance note covers a number of ideas and techniques that can be used to start forming these good business techniques and habits.

## Skills analysis

Before deciding on priority training needs it is useful to assess your skills and abilities. There will be some things that come naturally or you have considerable experience of and others where you struggle. However a range of skills are required for running your own business and you are more likely to succeed if you can improve in your weaker areas. Skills needs assessment is a useful process to undertake to identify areas where you need to learn or improve.

What skills do you require to be a successful farmer? The list will vary according to the type of business you are managing. Below are a number of general suggestions that might apply to most farm businesses:

- Practical skills – stockmanship, machinery maintenance
- Technical knowledge – soils, fertilisers, sprays, breeds, EBV's, nutrition, animal health
- Financial management – budgeting and monitoring, cash book, VAT
- People skills – family, managing employees, contractors

## Guidance Note – Laying the Foundations for Business Success

- Customer skills – buying and selling, doing deals, promoting and marketing
- Business management skills – planning goals and objectives, developing the business
- Record keeping skills – keeping up to date with legislation and records
- Analytical skills – thinking, reviewing, benchmarking, how could I do things better

A skills analysis involves listing what you think are the main skills you need to manage your business, and rating your performance from excellent to poor. This will work best if you can be specific about the key skills you need for your business. See an example in Table 1 below

Table 1 – Skills analysis, Willie Smith

Skill	Excellent	Good	Average	Fair	Poor
Stockmanship		√			
Machinery repair/maintenance		√			
Record keeping				√	
Accounts/bookkeeping					√
Technical knowledge				√	

The next step is to review the skills rating table and plan how skills can be improved or how difficult tasks can be passed on to others. Willie is a do-er who will prioritise practical tasks and getting on with things. Record keeping and accounts are a lower priority and regularly fall behind. If he does not have the inclination to take on these tasks then the best solution would be to see if they could be done by someone else – e.g. a family member, a farm secretary, if he does then attending a course may be the answer. He doesn't attend meetings or events because he is too busy working on the farm and his technical knowledge has slipped (you have to be honest when filling this in). He should therefore prioritise some time to attend relevant meetings or events and consider using a consultant to keep him up to date.

This is a very general example that highlights some important points:

- Be specific and honest with yourself when filling in a skills analysis grid.
- Getting off farm to attend training courses, meetings or events is an essential part of keeping your skills up to date and although it takes time the information you gain can save time in the long run.
- Recognise your weaknesses and where it would benefit you to pay someone else like a contractor, farm secretary or consultant to undertake the tasks that you either dislike or don't have time for. "Concentrate on what you do best and seek help from others to do the rest" This may free up more time to get off farm for training, or getting new ideas from other farmers.
- Personal development is a continual process and it is recommended that you should review your skills base on a regular basis.

Detail on training providers and sources of advice can be seen on page 6.



## Decision making

Think of a recent purchase or major decision and consider the process you went through and the time it took to reach your conclusion. Sometimes we tend to act on impulse and a decision too quickly, and often we procrastinate then wonder why we took so long. Were you overly influenced by sales talk, others opinions or the shiny new tractor the neighbours just bought, or put off by traditionalists? And what could you have done to reach a well researched and satisfying decision in a shorter frame.

There is a large amount of information on the decision making process and the list below highlights some options you can use to reach a satisfactory decision.

1. Define the issue – does it warrant action?
2. Gather as many facts as you can – information, others opinions.
3. Brainstorm to come up with possible options
4. Consider and compare the pro's and con's – features and outcomes
5. Select the best option
6. Take action and implement it.

Assessing pro's and cons is a useful way to help you close in on a decision. Enter reasons for and against as below and give items a score, which can be weighted according to the importance of each point. The following table shows some of the items that could be assessed when buying a car second hand versus new rated out of 10.

Pro's	Score	Con's	Score
<i>Saves £6000 of outlay</i>	9	<i>Three years older when sell</i>	6
<i>Good reviews for reliability</i>	6	<i>Not the colour I wanted</i>	5
<i>Has most of the features I want</i>	7	<i>Miss out on some new features</i>	5
Total pro's	22	Total con's	16

## SWOT analysis

The SWOT analysis is a simple and useful tool that aids understanding your business and decision making. It involves identifying your Strengths, Weaknesses, Opportunities and Threats and provides an ideal framework for gathering, structuring, reviewing and planning information on your business.

<b>Strengths</b>  <i>Hard working and enthusiastic</i> <i>Land capable of good yields</i> <i>Well located for markets</i>	<b>Weaknesses</b>  <i>Limited Single Farm Payment at present</i> <i>Limited capital for purchases and improvements</i> <i>Poor farm buildings</i>
<b>Opportunities</b>  <i>Agricultural contracting opportunities</i> <i>Add value through sales of performance recorded tups</i> <i>Increase use of clover to reduce fertiliser bill</i>	<b>Threats</b>  <i>Uncertainty over CAP reform outcome</i> <i>Future for business when tenancy ends?</i> <i>Threats to lamb price</i>

## Strategy or action plan

Do you have a vision of where you want your business to be at some period in the future? And if you do have you written it down? It is amazing how much difference it makes when you commit to putting your plan into writing – you have to properly define your goals, think through the actions you will need to take get there and put timescales against these actions. A written plan is less likely to be forgotten and should be reviewed and updated periodically. Discussing or thinking about the items you have written down affirms the commitment you are making, and increases the prospect of action.

Your action plan can be as simple as you want and can divide the objectives into time periods – short term, medium term and long term. All Monitor Farmers have been encouraged to produce objectives at the start of the programme, that are regularly reviewed, and some have made remarkable progress by the end of their three year term, describing “ten years worth of progress in three.” You will not have a facilitator and community group assisting you with your plan, but can share it with family members or others that you trust.

List your main goals and objectives – below are some general examples

- *Grow the business to provide a secure income for self/family*
- *Adopt practices that reduce labour time and working hours*
- *Commit to a two week break with family each year*

Prepare an action plan to identify how you are going to achieve these objectives and helps you prioritise those that are most important. Below is an example format:

Objective	Action	By when	Priority

## Mentoring and networking

As a new entrant you will have had to make some difficult decisions that you will have found very challenging, but you will also have gained from the experience. Think of the one top tip that you would pass on to anyone else who was about to embark on the same new entrant journey.

Then consider the benefit of tapping into the accumulated wisdom of a successful farmer who has continued to grow or innovate their business. Many of the most successful business people have attached themselves to a mentor – someone they could approach to run through their plans or question for advice. It is really all about trust and respect. If you are a member of a New Entrants group then you may have had the opportunity to network and share decisions with other members of the group.

## Sources of training and advice

One of the challenges for any self employed small business person is managing time, particularly for a new entrant who is under pressure to work with limited resources and grow the business to generate enough output to service borrowing, and cover living expenses and reinvestment.

How much time can you afford to be away from the business in this critical start up period? This could be turned around to ask whether you can afford not to take time off to attend events and training. I recall one New Zealand farmers response when asked how many on farm discussion group meetings he attended each year – “I go to them all, I can’t really afford to miss a meeting. If I stay at home I will continue to do what I have always done, these meetings are where I pick up new ideas that make me money.” Below is a list of some of the main current initiatives and what they offer:

### Group based

- Monitor Farms (various funders) work on the basis that one representative farm will be chosen for approx. 18 visits over a three year period allowing a community group consisting mainly of farmers and others in the agricultural supply chain to use that farm as a basis for decision making, trying out best practice ideas and observing the results. Monitor Farmers gain greatly from the experience of finding out what works on their own farm as well as tapping into others wisdom. Community group members gain by seeing things done in their local area that they can adopt on their own farm.
- Planning to Succeed (Scottish Enterprise) and Business Improvement Groups (QMS) involve small groups set up to encourage discussion, a willingness to discuss each others business information and reach common solutions. These groups are based on the trust and openness over time within a closed group and aim to cover benchmarking and business performance as well as undertaking visits to farms and others in the supply chain.
- Rural Leadership Programme (Scottish Enterprise) is targeted at ambitious farmers, rural business people and those working in the agricultural industry and takes them on a 13 day programme of events, over a 6 month period, designed to improve self awareness and leadership skills, increase understanding of key players in the rural sector and how they can influence the political process, as well as production of a specific action plan for each applicant. Networking with other like minded people from different business sectors is a key benefit of this programme.
- Commodity Groups – SAC Consulting and other organisations run local “commodity groups” covering beef, sheep, combinables and potato production that tend to meet around 3-5 times per year. These groups deal in distinct subject areas, which allows focussed, in depth discussion. Processors and retailers and co-ops also run groups for their clients.
- Focus groups – initiatives such as the Scottish Sheep Strategy (QMS), Grassland Development Farms (QMS) and Climate Change Focus Farms (Scottish Government) focus on improvement in specific subject areas.

## Guidance Note – Laying the Foundations for Business Success

- Scholarships – a number of organisations provide travel scholarships that encourage travel and broadening of the mind with a commitment to spread the word and benefit Scottish or UK agriculture.

### Training

- A number of organisations provide training courses including LANTRA, SRUC/SAC Consulting. Assistance towards meeting training costs can be obtained through SRDP funds and the new programme has yet to be determined at the time of writing.

### Examples of Industry initiatives

- Monitor Farms
- Planning to Succeed
- BIG groups
- Scottish Enterprise Rural Leadership Programme
- Nuffield (and other) Scholarships
- Climate Change Focus Farms
- Grass Demonstration Farms
- Scottish Sheep Strategy
- Commodity groups
- Co-op membership

### Example Sources of information

- SRUC/SAC Consulting
- NFUS Bulletins
- QMS/HGCA/DairyCo.Publications
- Newspapers
- Online information
- Social media
- Trade newsletters/contact





# The Scottish Government's New Entrants to Farming Programme



## William Boyd

William grew up on the Lanarkshire family dairy farm. He always had a keen interest in farming but firstly wanted to broaden his experience by going to Strathclyde University, graduating with a degree in Construction Engineering.

He subsequently travelled to New Zealand and Australia working on and looking at different farming systems. William returned home to work for eight years before gaining employment as stockman on a reputed beef and sheep farm.

Throughout this period he steadily built-up his own sheep numbers. When a contract farming agreement became available in the local area that also required the contractor to provide livestock it was too good an opportunity to pass.

He compiled his business plan and was ultimately successful, taking on a 420 acre beef and sheep unit in November 2013.

William continues to build stock numbers and 'bed-in' a system that fits the farm and land type - currently running 30 cows and 650 ewes.



**What has been the biggest challenge you have faced as a new entrant?**

"Probably the biggest factor is generating a cash return quickly.

"It hasn't helped that I'm trying to expand numbers at the same time as commodity prices slumped. I've currently fewer lambs to sell at lower value per head" said William.

**What is your main motivation to farm?**

I am a keen stockman and enjoy farming. I want the challenge to build something and stand on my own feet.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

Find further information, including links to other case studies and the guidance notes, at [www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants)

This programme is funded by the Scottish Government as part of its New Entrants to Farming Advisory Activity.



## What hurdles have you had to overcome?

Another big hurdle was learning how a contract farming agreement works. Building a strong relationship with the farmer, and bank manager(!), is essential.

A sensible, easy to follow, business plan is important, I'd only be fooling myself. I needed to get to know what fields and livestock could achieve quickly too. I don't own the land and the contract agreement is on a rolling basis so my priority is 'doing best' by the farm and farmer to generate a return. We cannot afford to be complacent or sink lots of money into high capital infrastructure.

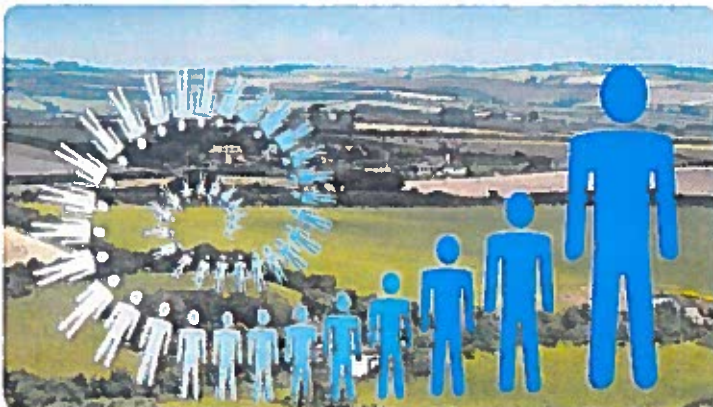
## What financial & advisory assistance have you received?

I have a good relationship with my bank manager and accountant. This is invaluable.

We also received advice at the start from the local SAC office. I was also part of a New Entrant to Farming group (Lanark area) and I am in a local beef and sheep group.

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

Build a wide variety of skills, you will need them, especially at the start. Surround yourself with good people and ask to be challenged. Also, if the business plan is too complicated you lose focus hence my lower input easier care approach.



## What are your future ambitions?

First off, generate sufficient funds to build a viable future in farming. That needs to be through profits, but I need to continue selecting cows and ewes that are low input in terms of labour and costs but generate a high market value - producing what the market wants.

Financials are majorly important, but I aim to build something that is viable and enjoyable.

*"Build a wide variety of skills as you will need them all once farming. Go and talk to people and see different systems; and save everywhere possible - these will help identify then grasp opportunities"*

*William Boyd*

## Looking for some more information?

There is a network of new entrants across the country who are in various stages of developing their businesses and achieving their goals. You can contact this network through various streams including:

- Regional workshops
- Facebook ([www.facebook.com/NewEntrants](http://www.facebook.com/NewEntrants))
- Website ([www.sue.ac.uk/newentrants](http://www.sue.ac.uk/newentrants))

For more details contact

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# The Scottish Government's New Entrants to Farming Programme



Photo courtesy of MacGregor Photography

## Callum Hume

Callum and Duncan Hume are brothers who were given the opportunity to take over the owner occupied family farm of Sundhope, based near Selkirk in May 2007. This was following their fathers decision to pursue a career in politics. At this point the brothers were in their early 20's and accepted the challenge.

The hill farm extends to over 2,000 acres of grassland. Both cattle and sheep are produced by the business in a closed flock/herd basis. The herd consists of 80 Aberdeen Angus cows and 1,200 pure South Country Cheviots bred on the hill. There are a further 300 Cheviots which are crossed to the Suffolk, Texel and Bluefaced Leicester for cross lamb production.

After leaving school, both brothers attended college where Callum studied Agricultural Engineering while Duncan studied Agriculture. They have both travelled and worked in New Zealand, where they gained a wealth of agricultural experience.

They are also very lucky to have a lifetime of agricultural knowledge passed down to them from their father.

What has been the biggest challenge you have faced as a new entrant?

The biggest challenge we have faced, was actually learning how to manage the farm and delegating the day to day tasks involved.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

Find further information, including links to other case studies and the guidance notes, at

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This programme is funded by the Scottish Government as part of it's New Entrants to Farming Advisory Activity.



What hurdles have you had to overcome?

---

As new entrants, we initially found it a challenge to source finance, as we ourselves didn't have a credit history with the bank.

However hard work and determination has paid off, as we now have a borrowing facility with our bank.

What is your main motivation to farm?

---

Farming is a way of life for us and we have a real passion for what we do.

Our motivation is always to achieve more and to produce the best animals that our farm can.

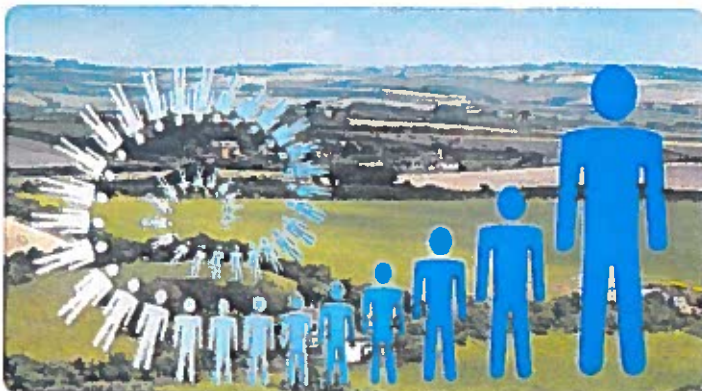
What financial and advisory assistance have you received?

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We applied for funding to assist with a new cattle shed through the Scottish Rural Development Programme (SRDP). As we are new entrants we got an additional 10% funding. We used our local agricultural consultant to provide assistance with this, along with putting together financial projections for the bank.

*"The main thing is that you enjoy yourself, and focus on one area at a time. Ensure you keep on top of the cash flow and budget wisely."*

*Callum Hume*



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

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Our best bit of advice for anyone coming in to the industry would be

"to take your time and enjoy yourself."

What are your future ambitions?

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We would ideally like to expand both the land and the livestock numbers in the future.

If land became available near our farm we would definitely try our hardest to source finance for it. This would allow us to achieve the goal of growing the business

Looking for some more information?

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or

Donna Bell, Senior Agricultural Policy



# The Scottish Government's New Entrants to Farming Programme



## Michael and Fiona Burns

Michael and Fiona are enjoying their first year farming their 114 hectare tenancy at Glenside Farm (plus 52ha seasonal let), with their two young children, Katie and Robert.

Both Michael and Fiona are from farming families, and have spent the last 7 years working towards securing a farm tenancy. A Forestry Commission starter farm tenancy became available for tender in March 2013, and they submitted a business plan in April. 2013. They were selected for an interview in June and found out two weeks later they had been successful. They moved into the farmhouse in Ayrshire in September to begin their 10 year tenancy.

Since this time they have built up a flock of 250 Blackface and Cheviot cross breeding ewes, along with 8 Limousin and 18 Galloway cattle on the grassland unit.

It has been a juggling act with the farm, a young family and Michael keeping on his full time job. Both Michael and Fiona work part-time on the farm and work in unison, taking on appropriate tasks to enable the farm to run smoothly.

What has been the biggest challenge you have faced as a new entrant?

There have been a few challenges ranging from, the lack of additional Scottish Government funding for new entrants, to competing with established farmers to buy stock in the auction ring.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

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This programme is funded by the Scottish Government as part of it's New Entrants to Farming Advisory Activity.





What hurdles have you had to overcome?

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Providing a strong enough application to even get an interview was our first hurdle. Once we had secured the tenancy we had to set up the business, and settle into the lifestyle.

What financial & advisory assistance have you received?

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Michael and I put together the initial business plan for the tenancy with the assistance of our local agricultural consultant, for the final details. She had previous experience of Forestry Farm bids and provided excellent assistance. Our consultant also assisted with gathering the documentation required for the bank. The Royal Bank of Scotland has been very supportive with finance and suggesting useful contacts. It really is worth looking round for someone that is enthusiastic about the business.

Parents and siblings have provided advice along with some financial support. When we were first awarded the tenancy we received small financial gifts from various family and friends, which all helped to establish the farm.

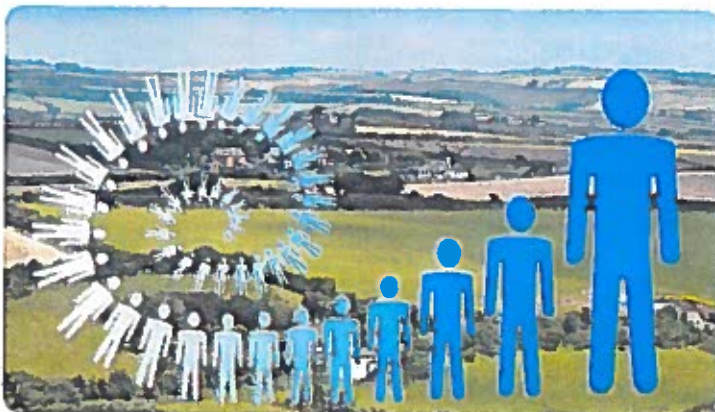
What is your main motivation to farm?

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It's a good lifestyle for the family and we have our own personal goal to establish a successful business.

*"Don't be discouraged if you are knocked back, follow your dream and keep motivated."*

*Fiona & Michael Burns*



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

---

Ensure you know your business plan inside out for an interview so you are prepared for any questions. It will enable you to give stronger answers in interviews as the answers you provide reflects you and your business. You will need to work hard but it will be worth it.

What are your future ambitions?

---

Our future goal is to save enough money to put towards a future tenancy. Having already been through the process with this tenancy we feel this will provide a competitive edge in any future applications.

Looking for some more information?

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563333, [Kirsten.Williams@sac.co.uk](mailto:Kirsten.Williams@sac.co.uk)

# The Scottish Government's New Entrants to Farming Programme



## Ian McKnight

Ian has always been interested in farming, it is in his blood, with his father being a tenant farmer.

Ian's agricultural career began when he left school, at this stage he studied at the Scottish Agricultural College and gained a BSc (Hons) in Agriculture. Following this he travelled on a working holiday to New Zealand and Australia, which he admits gave him valuable agricultural experience. When he returned from his travels he started employment with the Scottish Government Rural Payment and Inspections Directorate. However, just under a year later, Ian decided this wasn't the career for him as he missed the practical side of the industry. He then became an agricultural contractor working at various local farms.

Ian has always had a goal of farming on his own right, which became a reality in November 2011, when Ian inherited a traditional tenancy from his uncle. The hill farm covers 1,600 acres, with the tenancy being located next door to his family's tenant farm.

In the three years since entering the farm, Ian has been building up a sheep enterprise consisting of 500 Scottish Blackface ewes.



Ian continues to offer contracting services to neighbouring farmers to augment the output generated by the farm.

What has been the biggest challenge you have faced as a new entrant?

I had no Single Farm Payment, until I bought entitlements from my uncle after my first year farming. The first year was especially difficult as there was limited support available, yet all the costs still existed. There was no income until lambs were ready for sale, which made cash flow particularly difficult.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

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### What hurdles have you had to overcome?

---

Some day to day duties, such as learning how to efficiently process the paperwork. I'm fortunate I can ask family for advice.

Having enough time in the day and being able to bring in enough of an income to support the family. I didn't have any financial support for the first year.

### What is your main motivation to farm?

---

I grew up on a farm and farming is something I have always had a passion for. I previously had a desk job but I missed the hands on experience and the enjoyment of being out on the land. I know I'm lucky that the farm became available, otherwise it would have been very difficult to obtain any land.

### What financial and advisory assistance have you received?

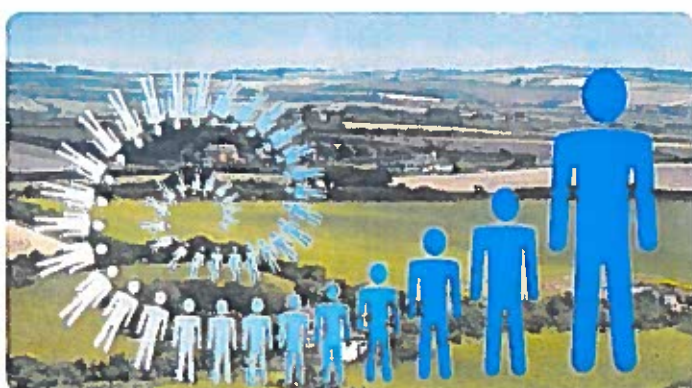
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I have had a whole farm review carried out on my farm funded through the Scottish Government. I have had some assistance for general farm accounts from my own accountant.

I have attended the New Entrants Workshops and found them to be very useful.

*"Be prepared to work hard, you need to do the best job you can to get the desired results. New entrants may feel they aren't getting anywhere for the first few years but stick with it and you will get there."*

*Ian McKnight*



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

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My advice would be to stick in, keep your head down and work hard. The first few years are the hardest, but if you keep focused you will get there.

### What are your future ambitions?

---

In terms of the farm, I would like to continue improvements and expand. Hopefully this will provide a more stable farm income so that I can reduce my contracting hours.

### Looking for some more information?

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# The Scottish Government's New Entrants to Farming Programme



## Katie Francis

Katie Francis was raised on the family farm of Whitmuir in Selkirk. Unfortunately, due to bad health, her father put the 162 hectare less favoured area owned farm out for tenancy 20 years ago. In November 2013 the opportunity arose for Katie to take over the ownership of the unit and farm it in her own right.

Katie, whose husband works full time off farm, has three young children. Being on the farm full time allows Katie to focus all her efforts on the children and establishing the business.

Katie attended university and previously worked as a Land Agent. However she always knew she wanted to go back home and work on the land.

Katie produces 62 hectares of arable crop (winter wheat and winter barley) and is establishing a flock of ewes. The flock is being built up by purchasing breeding hogs, this process began in 2013. The sheep numbers will grow on the holding as fencing works and ground improvements are completed over the unit.

**What has been the biggest challenge you have faced as a new entrant?**

The biggest challenge to date has been sourcing capital, to have enough money to buy start up equipment. Although the land is family owned there was no machinery or equipment. It seems I took over the business when there wasn't as much Government financial help available.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

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This programme is funded by the Scottish Government as part of its New Entrants to Farming Advisory Activity.





What hurdles have you had to overcome?

---

The largest hurdle since I have taken over the farm is sourcing finance. As I am a new entrant, I didn't have any business credit history. Finance has been required for maintenance work on the holding, fencing, etc. and purchasing machinery and live-stock.

What is your main motivation to farm?

---

I have always loved being on the farm. As a young girl I enjoyed helping my father. The farm has been in our family for 300 years, and I feel a real sense of pride being able to carry on farming the same land my family has for generations.

What financial and advisory assistance have you received?

---

I applied for SRDP grant funding for an agri-environment scheme. I used my local agricultural consultant to assist me with applying for the funding, she was very helpful.

I have been very lucky having good neighbouring farmers they have been very supportive with helping me when I have needed anything, and I know I can ask them for advice anytime I need to.

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*"It's very important to know where you want to be in the future and work back from there. Be realistic with your business plans and think carefully about your budgets."*

*Katie Francis*



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

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Be realistic when setting your goals, and remember not everything needs to be achieved in your first year.

What are your future ambitions?

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There is maintenance work to be carried out on the farm such as fixing the fences. I'm looking at biodiversity and the wildlife elements of farming along with focusing on organics.

In the future I would like to have a closed flock of Cheviot Mules.

Looking for some more information?

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# The Scottish Government's New Entrants to Farming Programme



## Neil McKinnel

Neil and his family farm Garrarie in the south west of Scotland, near Stranraer. Neil's career in agriculture began when he left school and attended Barony college to study agriculture, whilst also working part time on the family farm. When Neil turned 20 he became a partner of the family business. Some 12 years later the business was restructured making Neil the majority partner.

The farm is spread over 500 acres of land which includes 60 acres of rented land. The stocking on the unit consists of 160 Simmental cattle with the progeny either being retained for breeding stock or sold store at 12 months old. In addition there are 250 pure Lleyen breeding ewes, with the progeny again

either being retained as breeding stock or sold prime.

The business diversified into harvesting wind in 2012, when a 15kW turbine was erected on the farm. Neil admits that it was expensive, but he feels it was a good diversification project.

What has been the biggest challenge you have faced as a new entrant?

Understanding all of the regulations from cattle records to cross compliance, a series of Statutory Management Requirements and Good Agricultural and Environmental Conditions. It takes time to keep on top of everything, as even the smallest of mistakes can lead to significant consequences for the business.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

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This programme is funded by the Scottish Government as part of it's New Entrants to Farming Advisory Activity.



### What hurdles have you had to overcome?

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The largest hurdle for our business has basically been understanding legislation, ensuring that everything is being adhered to and that we are always compliant.

Our next hurdle will be readjusting the business so that it is still profitable with the new CAP reform system.

### What is your main motivation to farm?

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Our main motivation is basically success. It is to run the farm as a successful and profitable business. It is very rewarding watching calves being born and then a year later selling them for a good price.

### What financial and advisory assistance have you received?

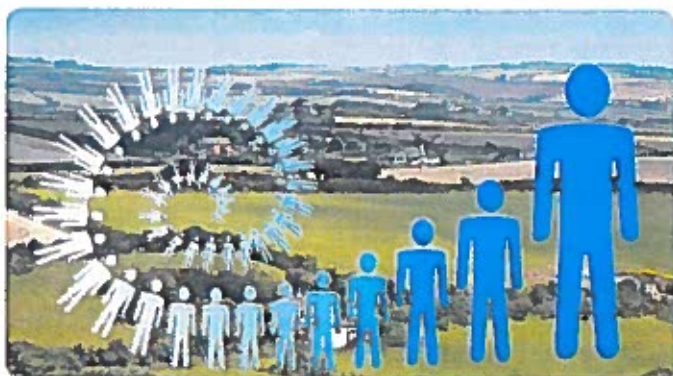
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We have been awarded an SRDP grant for slurry storage and silage clamp. We obtained a 10% top up on the grant for being a young farmer. With this application we had assistance from our local agricultural consultants.

It is good to speak to neighbouring farmers as they may have previously been through similar situations.

*"Ensure you do your homework and that you don't over stretch yourself in any way. It's great that you can get finance towards starting up the business but remember whatever you borrow you will have to pay it all back and that takes time."*

*Neil McKinnel*



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

---

I personally think it would be very difficult for someone to enter the industry without financial backing.

My advice would be to talk to established businesses and to do your homework. Take your time and don't bite off more than you can chew.

### What are your future ambitions?

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The main aim of the business is to be profitable and I'm always on the lookout for new opportunities to expand the farm.

### Looking for some more information?

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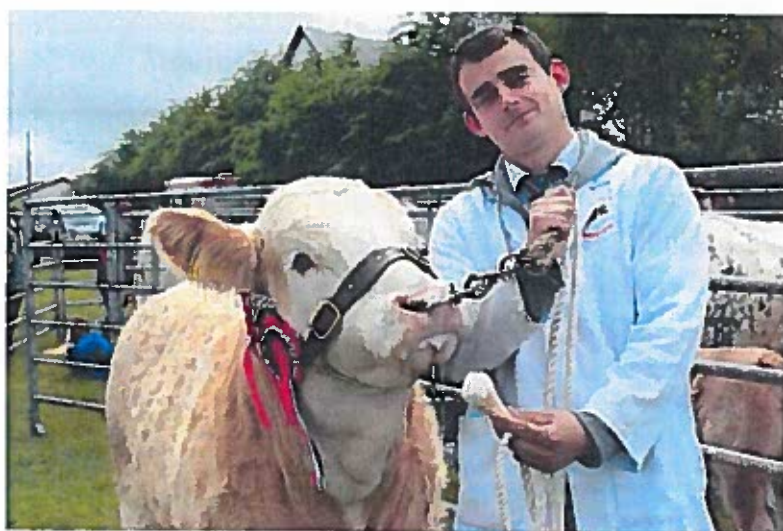
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For more details contact

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# The Scottish Government's New Entrants to Farming Programme



**Stewart Wilson**

Stewart has a farming background, with his grandparents being tenant farmers. Unfortunately he has not been the successor of this tenancy. To fulfil his dream of having his own agricultural business, he has had to venture off on his own, with drive and enthusiasm he did this at the age of 20.

Four years later he now rents 47 acres of grassland for grazing his 35 pedigree Simmental and cross cows. In addition to this, he also cuts a crop of haylage on an annual basis from the land.

He is a busy man, beginning the day as a relief milker, then feeding his own cattle before going to his full time employment of a stockman for a 120 head of pure Simmental cows. After this he then attends to his own cattle which he turns out for shows in the summer months.

Due to the fact that he does not have a tenancy or a permanent holding, he lives in the town of Kilmarnock which is some 15 minute drive from his cattle, this can be especially tricky at labour intensive times such as calving the high value stock.

Stewart's ultimate goal is to gain a tenancy to run his own sustainable business, which would allow him to work for himself.

**What has been the biggest challenge you have faced as a new entrant?**

My biggest challenge has been finding affordable land to rent. It is very hard as a new entrant to be able to compete against more established farmers who can afford to pay a higher rate for land.

## Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

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What hurdles have you had to overcome?

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Capital and cash flow have been my largest hurdle. I don't want to borrow money to establish my business due to high interest rates. From buying my first cow, it took four years to sell her progeny at two years old and release some capital to reinvest in more stock.

What is your main motivation to farm?

---

My main motivation is to be successful. There is nothing more rewarding than watching a new born calf maturing into an animal that you can show or sell and know that you have achieved that.

What financial and advisory assistance have you received?

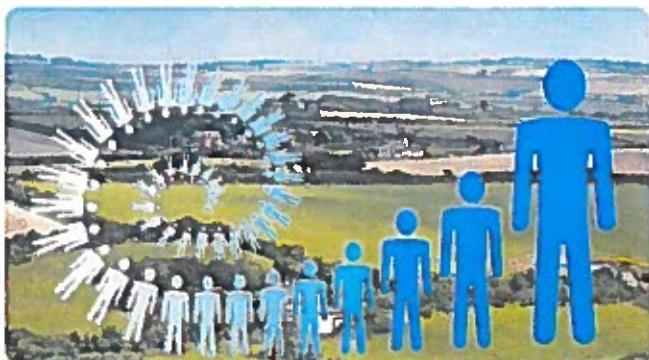
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I have attended the New Entrant Workshops and found them to be very useful in various ways. They provide opportunities to meet young entrants like myself and hear how others have overcome obstacles, and help in identifying new information such as the potential funding under the new CAP reform, business planning, etc.

I have received no financial assistance to establish or grow my business.

*"If anyone wants to start farming they should. There are plenty of people to speak to so don't be shy to ask for advice from the older generation or other farmers as they have all been through the same process."*

Stewart Wilson



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

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I would recommend developing and maintaining the biggest possible network of contacts as possible. People are generally willing to be supportive and are very helpful.

What are your future ambitions?

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To grow my business through being financially self-sufficient. I don't want to have large bank repayments from borrowing capital. This process will mean my business will take longer to grow but at least I know I will have achieved my objectives using my own efforts and minimised the risks taken.

Looking for some more information?

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There is a network of new entrants across the country who are in various stages of developing their businesses and achieving their goals. You can contact this network through various streams including:

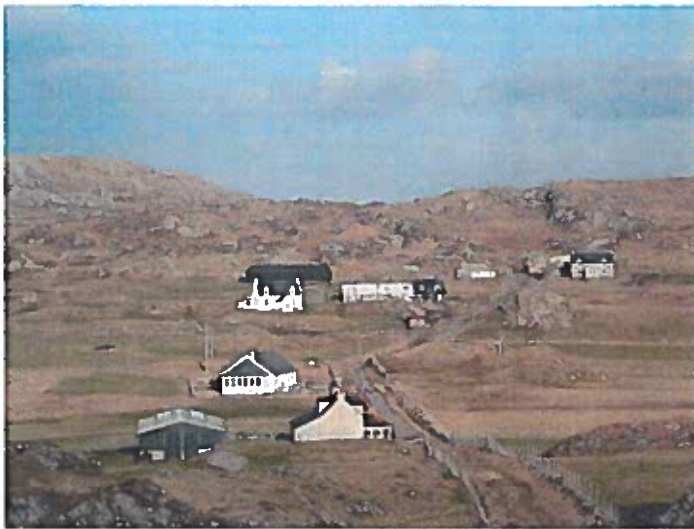
- Regional workshops
- Facebook  
([www.facebook.com/NewEntrants](http://www.facebook.com/NewEntrants))
- Website  
([www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants))

For more details contact:

Kirsten Williams, Agricultural Consultant, SAC Consulting, Clifton Road, Turriff, 01888 563333  
[Kirsten.Williams@sac.co.uk](mailto:Kirsten.Williams@sac.co.uk)



# The Scottish Government's New Entrants to Farming Programme



## Andrew and Lorna Prentice

Andrew and Lorna Prentice took on a new challenge in September 2013 when they moved from a 90 acre unsecure tenancy at Floors Farm, Stonehaven to a 240 acre tenancy on the picturesque Isle of Iona. Andrew, Lorna and their children John and Kelsie have an initial 5 year tenancy with the National Trust of Scotland for Maol & St Columba Farm. The land is made up of 70 acres of improved grassland and 170 acres of rough grazing. The family currently run 200 head of pure Scottish Blackface females, in addition to this Andrew poses as the island mechanic and helps crofters with contracting work, while Lorna works in the local hotel.

The family ran Blackface ewes on their tenancy at Stonehaven but felt they needed more land to warrant farming and something with more security for their family. They applied for numerous tenancies, going through the tendering process and reaching numerous interviews but kept coming to one main stumbling block, capital. The family were determined and kept trying, with persistence paying off when they were given the opportunity to farm Maol and St Columba Farm.

What has been the biggest challenge you have faced as a new entrant?

The biggest challenge to date has been availability of capital. Limited capital is a huge weakness when competing for tenancies against established farmers.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

Find further information, including links to other case studies and the guidance notes, at [www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants).

This programme is funded by the Scottish Government as part of its New Entrants to Farming Strategy.





## What hurdles have you had to overcome?

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The main hurdle for the family has been the lack of opportunity to gain a secure tenancy. Luckily they were open to relocating to fulfil their goal.

## What financial & advisory assistance have you received?

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Andrew and Lorna completed the business plan and budgets themselves for the tenancy, this was to ensure they understood all of the figures in preparation for any questions at the interview. A consultant looked over these figures for accuracy prior to the business plan being submitted.

Prior to moving to the Isle of Iona, Andrew and Lorna attended the New Entrants to Farming workshops.

The couple have not as yet received any single farm payment or LFA payments.

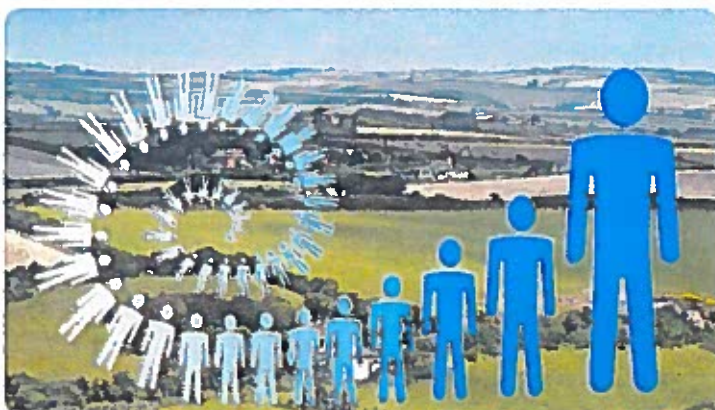
## What is your main motivation to farm?

---

To breed the best animal they can and be successful in the sales and show rings. To build a rural family life for the children.

*"Persistence Pays"*

*Andrew and Lorna Prentice*



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

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To any other new entrant, the couple's advice is to save money as soon as you can to build on capital. If you are offered seasonal temporary grazing take it, as it gives you a start to build your enterprises and finally persistence pays off!

## What are your future ambitions?

---

To increase the flock and possibly introduce some cattle. The main driver for Andrew is to achieve success at the Highland Show with his Blackfaces, ultimately a top three placing and to top the local mart with their breeding females.

## Looking for some more information?

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There is a network of new entrants across the country who are in various stages of developing their businesses and achieving their goals. You can contact this network through various streams including:

- Regional workshops
- Facebook ([www.facebook.com/NewEntrants](http://www.facebook.com/NewEntrants))
- Website ([www.scot.ag-uk/newentrants](http://www.scot.ag-uk/newentrants))

For more details contact:

Search Scotland's New Entrant Consultant, David Campbell, 01843 82001, [dave@scot.ag-uk](mailto:dave@scot.ag-uk) or [www.scot.ag-uk/newentrants](http://www.scot.ag-uk/newentrants)

# The Scottish Government's New Entrants to Farming Programme



## David Cooper-Tardoes Farm, Muirkirk

David Cooper took on his first challenge in 2004 when he was just 17. He moved alone from Dartmoor to the 192 ha unit of Tardoes in Muirkirk with 350 Herdwick ewes and 100 hogs. When he purchased the farm it was made up of 103 ha of inbye land and 89 ha of hill however most of the inbye had been opencast and had been poorly restored.

David worked alone in improving the land and infrastructure and operating a maximum health, minimum input sheep system and built the flock up to 700 ewes.

In 2006 the opportunity arose to purchase part of a dilapidated neighbouring estate and 737 ha of mostly rough hill was added to the land area. The sheep numbers were

increased to 1,200 ewes made up of Herdwicks and Welsh Mountain ewes.

In 2010 a further neighbouring hill block of 830 ha was purchased and the sheep numbers were gradually increased to the present number of 3,000 ewes and 700 hogs.

Herdwicks are run on the harder hill land with Welsh Mountain ewes on the better hills. Ewe hogs are wintered on the inbye. All surplus lambs are sold finished as Euro Lamb by November. Draft ewes are all sold privately.

What is your main motivation to farm?

The first is to improve the land and farm and to leave it in a better condition for the next generation.

The second is to remain profitable.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

Find further information, including links to other case studies and the guidance notes, at [www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants)

This programme is funded by the Scottish Government as part of its New Entrants to Farming Advisory Activity.





## What hurdles have you had to overcome?

---

The biggest hurdle has been borrowing capital to purchase neighbouring land and expand the business. A robust and realistic business plan is required as well as an excellent working relationship with your lender. You must know your costs and margins.

## What financial & advisory assistance have you received?

---

Farming largely without SFP, David has had to rely on LFASS (Less Favoured Area Support) and has used the SRDP (Scottish Rural Development Programme) to secure environmental payments to manage habitats and capital payments to help cover fencing costs. Approximately 1,510 ha of the land is within a Special Site of Scientific Interest.

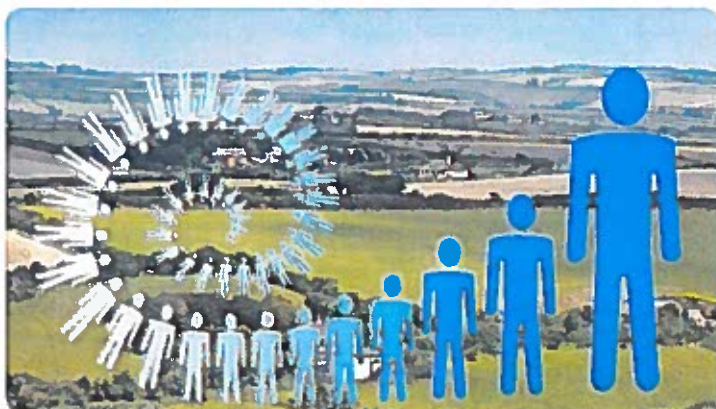
## What has been your biggest challenge you have faced as a new entrant?

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Farming without SFP (Single Farm Payment) on all of the land has meant that the sheep system must be profitable without support payments. David supplements his income by working off farm, as a fencing contractor four days per week.

"Borrow as much money as you can when you are young. It may seem like a lot at the time but in twenty years it will have been a bargain!"

David Cooper



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

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- Keep it simple.
- You define the system, don't be defined by others.
- Every farm is different.
- Don't give up.

## What are your future ambitions?

---

To continue to improve the farm as well as the stock and build up sufficient land and sheep numbers to farm full time.

## Looking for some more information?

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There is a network of new entrants across the country who are in various stages of developing their businesses and achieving their goals. You can contact this network through various streams including:

- Regional workshops
- Facebook  
([www.facebook.com/NewEntrants](http://www.facebook.com/NewEntrants))
- Website  
([www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants))

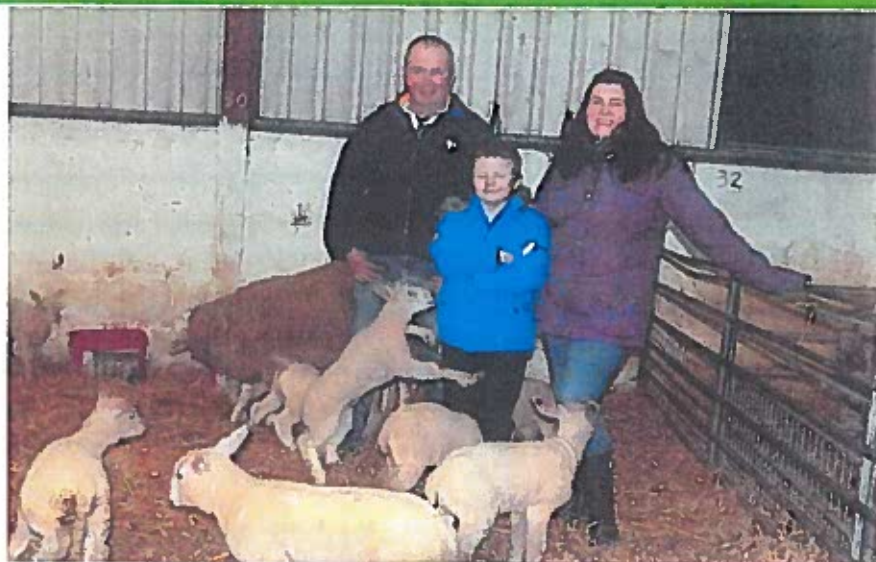
For more details contact

Kirsten Williams, Consultant,  
SAC Consulting, Clifton Road, Turriff,

01843 563333, [Kirsten.Williams@sac.co.uk](mailto:Kirsten.Williams@sac.co.uk)



# The Scottish Government's New Entrants to Farming Programme



## Sandy, Kirsteen and Alexander Douglas

The local Caithness family were successfully awarded a 10 year Limited Duration Tenancy on the Forest Enterprise Scotland Starter Farm on the 1st April 2015 at Achnamoine Farm, near Spittal in Caithness.

Achnamoine extends to 101ha, with 56ha being ploughable improved grassland and the remaining 45ha being rougher in quality.

Sandy was brought up on his family's small holding at Bower in Caithness and has a strong agricultural background. He worked locally on several farms before taking on the role of Head Yardsman with Aberdeen and Northern Marts in 2006.

Sandy's dream was always to have his own farm, but as we all know

the reality of this is very difficult to achieve and opportunities very rarely present themselves. The family are looking forward to running a successful business at Achnamoine where they can build up their herd of 6 heifers and approx. 300 ewes combining a small pedigree flock of Bluefaced Leicester and Charollais, as well as a commercial flock of predominately blackface ewes to establish and develop a prosperous business for their future.

What has been the biggest challenge you have faced as a new entrant?

The biggest challenge to date has been the fact that the farm was pretty rundown on entry with a lot of old grass, poor soil nutrient values and poor stock fencing which has hampered the preferred grazing regime.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

Find further information, including links to other case studies and the guidance notes, at [www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants)

This programme is funded by the Scottish Government as part of it's New Entrants to Farming Advisory Activity.





## What hurdles have you had to overcome?

---

The main hurdle for the family has been the lack of subsidy available during the initial start up year where costs have often been excessive. There has been a lot of expenditure to initially build the business for example increasing stock numbers, investing to improve grassland quality and purchasing basic items of machinery initially with very little income to cover these costs.

The business made an application to the National Reserve and would hope that Basic Payment will be awarded in early 2016—but this is almost 12 months after the business started. Sandy was not entitled to the Young Farmer Start-up Grant as he was over 40.

## What advisory assistance have you received?

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The family prepared their own business plan and asked a local consultant to look over the figures and make any recommendations.

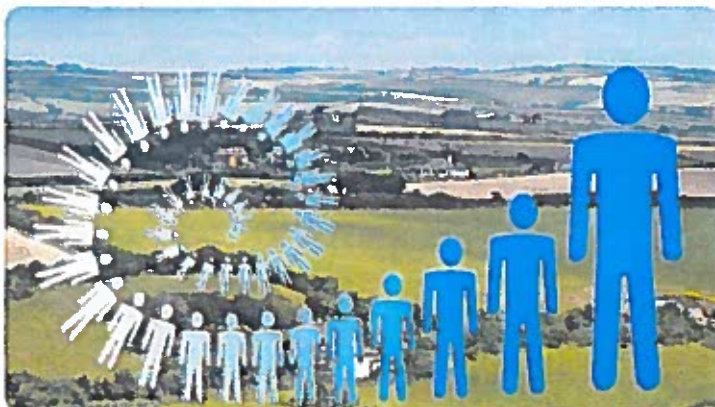
## What is your main motivation to farm?

---

To establish a good quality flock, a robust business and have a good quality of life for the family.

*"Believe in yourself and embrace new skills"*

*Sandy Douglas*



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

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Follow your dreams, don't be scared to try new things and believe in yourself.

Be aware of what subsidy funding is actually available to your situation and be prepared to work hard for it!

## What are your future ambitions?

---

To develop the business in such a way that as the tenancy opportunity ends at Achnamoine the business can be moved to another location and continue to thrive. The system must be simple, financially viable and breeds selected to endure the climatic demands of the far North

## Looking for some more information?

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There is a network of new entrants across the country who are in various stages of developing their businesses and achieving their goals. You can contact this network through various streams including:

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- Website ([www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants))

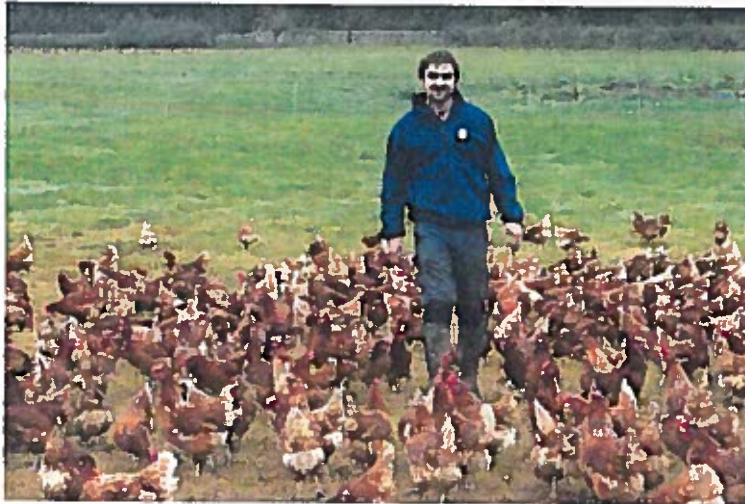
For more details contact

Kirsten Williams, SAC Consulting, Clifton Road, Turriff, 01888 563333, [Kirsten.Williams@sac.co.uk](mailto:Kirsten.Williams@sac.co.uk)





# The Scottish Government's New Entrants to Farming Programme



## Stuart Rutherford

Stuart graduated from the Scottish Agricultural Colleges Auchincruive campus in 2005, with an HND in Poultry Production and Management. His career has seen him work for Grampian Country Chickens and Scotlay Farm Eggs. Stuart managed Scotlay Farm Eggs before setting up his own company—Nith Valley Free Range Eggs in March 2009. He supplied eggs to Scotlay Farm Eggs before becoming a co-director of the company in 2011. Since 2012 he has concentrated solely on his own business, which he is the sole director. The business started on a 10 acre rented site with 4,000 free range hens, increasing to 9,000 hens by 2011 and 14,000 hens today.

In 2013 Stuart took the step of purchasing 30 acres of land around a disused sandstone quarry and relocated his business. The laying

houses are located in a woodland site, which gives a point of difference when it comes to marketing his eggs.

In 2010 Stuart won a Princes Trust Young Entrepreneur Award.

(<http://www.nithvalleyeggs.co.uk/>)

What has been the biggest challenge you have faced as a new entrant?

**Everything!**

The equipment required in egg production is all very expensive.

The purchase of land to secure the future of the business has been a real challenge.

### Case Studies

Learn from the experiences of other new entrants in a series of case studies.

Guidance notes are also available which are tailored specifically to assist new entrants to farming, with their business needs.

Find further information, including links to other case studies and the guidance notes, at [www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants)

This programme is funded by the Scottish Government as part of its New Entrants to Farming Initiative.



## What hurdles have you had to overcome?

---

My biggest hurdle to date has been around the purchase of land in 2013. My bank demanded an unachievable deposit and in the end I had to change banks. This was eclipsed by problems around planning permission: prior to purchasing the site, a planning query was lodged with the Council to make sure hen houses could be built on the site, no objections were raised. When Planning Consent was applied for, it was turned down. It took a great deal of time, determination and money to have the decision overturned. If I'd failed, it would have been devastating for the business.

## What financial & advisory assistance have you received?

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The egg industry isn't supported by subsidy. I've used my own savings and I'm very grateful to my parents for their financial help in getting me started. I haven't had any specific advisory advice. I worked in the industry and managed other people's businesses prior to starting my own.

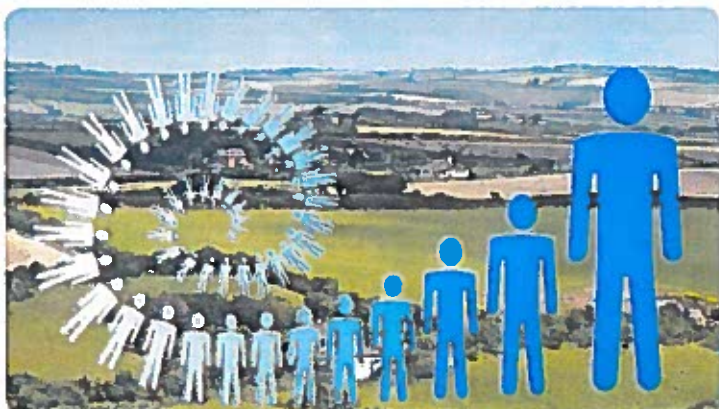
## What is your main motivation to farm?

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I enjoy what I do. There are lots of different aspects to the job- from being an egg producer, a company director and a marketing manager. Being self-employed and in charge of your daily schedule is also a big motivation.

*"You have got to want it, keep focused"*

*Stuart Rutherford*



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

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Being self employed is hard work. Holidays and weekends off are a luxury (especially when you first start) - you have got to want it!

## What are your future ambitions?

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My main goal is to improve the marketing of the eggs and to gain a much higher share of the retail price. I've purchased a grading machine and I'm now able to sell direct to retailers with eggs under my own branding rather than sell into the wholesale market. I'm also looking at "egg vending machines" which have been very successful in Ireland: it allows a direct link to the consumer and a further point of difference over the opposition.

## Looking for some more information?

---

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- Facebook ([www.facebook.com/NewEntrants](http://www.facebook.com/NewEntrants))
- Website ([www.ardaraik/newentrants](http://www.ardaraik/newentrants))

For more advice, contact:  
Kirsten Withnall, Agricultural Development  
Officer, Scottish Government  
0131 226 2262  
[kirsten.withnall@scotland.nhs.uk](mailto:kirsten.withnall@scotland.nhs.uk)





	Young Farmers Start Up Grant	New Entrants Start Up Grant	New Entrants Capital Grant
<b>Funding</b>	€70,000 2 payments (€63,000 and €7,000)	€15,000 2 payments (€12,000 and €3,000)	£25,000 (individuals)* £125,000 (groups)**
<b>Use</b>	Items allowing delivery of business plan, central to core agric. activities e.g. land, livestock, etc.	Items allowing delivery of business plan, central to core agric. activities e.g. land, livestock, etc.	Items to aid & develop business e.g. buildings, hard standings, slurry stores, drainage, feeding livestock, electrical equip, etc.
<b>Eligibility</b>	<p>Within 18 months of starting an agric. business for first time or taking over existing business.</p> <p>Between 16 and under 41 years old at application.</p> <p>Commitment to obtain a minimum of 3ha of land.</p> <p>Standard Outputs between €10,000 and €600,000 by year 4 of plan.</p> <p>Suitable agricultural qualification (at least NVQ Level2) or demonstrate at least 5 years practical experience.</p> <p>Partnership – new entrant must hold at least 25% capital.</p> <p>Legal agreement showing new entrant has control of business.</p> <p>Active farmer status.</p> <p>Registered with RPID.</p>	<p>Started business 12 months prior to submitting application.</p> <p>Must be over 16 years old at application.</p> <p>Minimum of 3ha of land.</p> <p>Standard Outputs between €600 and €9,999 at application.</p> <p>Partnership – new entrant must hold at least 25% capital.</p> <p>Legal agreement showing new entrant has control of business.</p> <p>Active farmer status.</p> <p>Registered with RPID.</p>	<p>Set up as head of holding no more than 5 years before application.</p> <p>Submitted an IACS the year of application.</p> <p>Active farmer.</p> <p>Adequate occupational skills and competence.</p> <p>Partnership – new entrant must hold at least 25% capital.</p> <p>Legal agreement showing new entrant is decision maker.</p> <p>Power to sign cheques and make payments.</p>
<b>Application</b>	1 <sup>st</sup> January and 30 <sup>th</sup> April. 1 <sup>st</sup> July and 31 <sup>st</sup> October.	1 <sup>st</sup> January and 30 <sup>th</sup> April. 1 <sup>st</sup> July and 31 <sup>st</sup> October.	Ongoing application window.
<b>Requirements</b>	<p>Application Form.</p> <p>Standard Output Calculation.</p> <p>Details of partners, directors, etc.</p> <p>Business Development Plan - Current financial position and projected cash flow, sources of finance, milestones, investment plans, training plans, evidence of setting up for the first time, proof of qualifications or testimonies, proof of age, partnership agreement.</p>	<p>Application Form.</p> <p>Standard Output Calculation.</p> <p>Details of partners, directors, etc.</p> <p>Business Development Plan - Current financial position and projected cash flow, sources of finance, milestones, investment plans, training plans, partnership agreement.</p>	<p>Meet scheme objectives. ***</p> <p>At least 2 competitive quotes if value less than £10,000, if over 3 are required.</p> <p>Application Form inc. supporting documents.</p> <p>Business Plan – Demonstrate how the investment will enhance the business, sources of finance, milestones, investment plans, training plans, evidence of setting up for the first time, proof of qualifications or testimonies, proof of age, partnership agreement.</p>
<b>Selection Criteria</b>	<p>Genuine New Entrants rank higher.</p> <p>Composition of business.</p> <p>Sourcing of Finance for Additional Investments.</p>	<p>Genuine New Entrants rank higher.</p> <p>Composition of business.</p> <p>Sourcing of Finance for Additional Investments.</p>	<p>Assessment of degree of new entrant status.</p> <p>Agricultural justification and value for money.</p>

#### \* Individuals

80% of approved costs (LFA) or 60% of approved costs (non LFA). If under 41 years old at point of application and have adequate skills and competence.

If over 41 years old 60% of approved costs (LFA) or 40% of approved costs (non LFA).

#### \*\* Groups

90% of approved costs (LFA) or 80% of approved costs (non LFA). If under 41 years old at point of application and have adequate skills and competence.

If over 41 years old 80% of approved costs (LFA) or 60% of approved costs (non LFA).

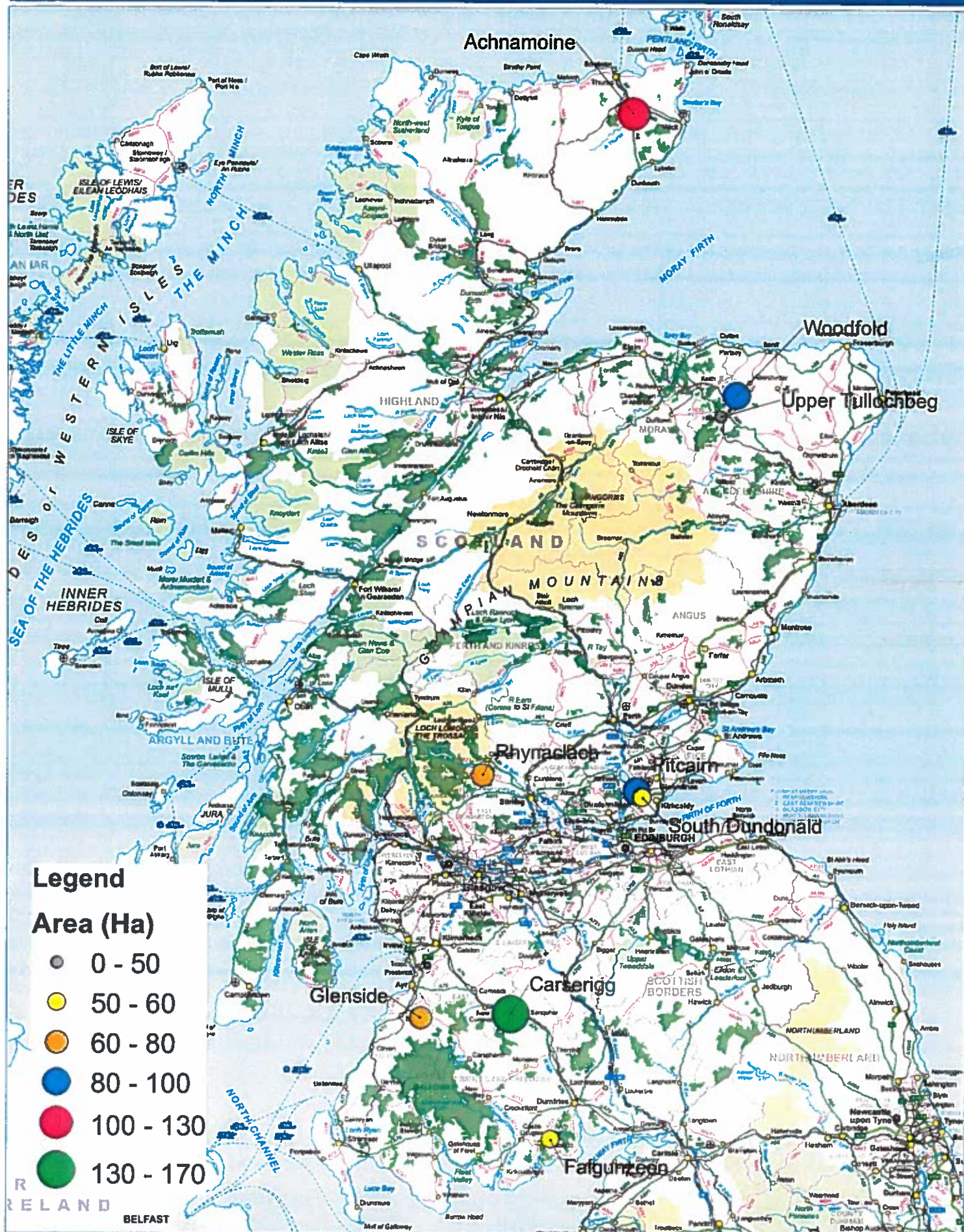
Groups of Individuals, partnerships or companies.

#### \*\*\* Scheme Objectives

Meet at least on of the following, reduce production costs, improve and redeploy production, improve quality, preserve and improve natural environment, hygiene conditions and animal welfare standards, promote diversification of farm activities.











You are invited to attend

# New Entrants to Farming Gathering 2016



## Opportunities for Growth

Tuesday 9th February, 2016  
Coffee and registration 10.45am  
Perth Racecourse, Scone Palace Park,  
Perth, PH2 6BB

Lunch will be provided

To book a place please contact  
SAC Consulting, Turriff 01888 563333  
or email: [FBSTurriff@sac.co.uk](mailto:FBSTurriff@sac.co.uk)

This free event is aimed at Scotland's farmers of the future and has been organised as part of the Scottish Government's New Entrants to Farming Programme.

Industry experts and inspirational speakers will challenge and stimulate the audience to overcome barriers, embrace change and create successful farming businesses.

Following feedback from last year's successful conferences this event is structured around three key barriers perceived by new entrants and young farmers. These themes include gaining finance, accessing land and harnessing opportunities.



*Leading the way in Agriculture and Rural Research, Education and Consulting*

SRUC is a charity registered in Scotland, No. SC003712  
SAC Consulting is a Division of Scotland's Rural College (SRUC)

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Funded through the Scottish  
Government New Entrants  
Programme

# New Entrants to Farming Gathering 2016



9 February 2016 Perth Racecourse, Scone Palace Park, Perth, PH2 6BB

## Opportunities for Growth

### Programme

- |       |  |
|-------|--|
| 10.45 | Tea/Coffee and Registration  |
| 11.00 | Welcome and Introduction<br>Kirsten Williams, SAC Consulting   |
| 11.05 | Basic Payment Update<br>Scottish Government  |
| 11.25 | A Different 'Route/Root'<br>Gordon Caldwell, GC Growers  |
| 11.45 | New Tenant and Contract Farmer<br>Andrew Tullie, young farmer  |
| 12.05 | The Glenrath Story<br>John Campbell, Glenrath  |
| 12.35 | Lunch  |
| 13.30 | Building a Resilient Business – Soil, Opportunities & Technology<br>Gavin Dick, AHDB Cereal & Oilseeds, Scotland Manager |
| 14.00 | Industry Outlook, Risk and My Business Plan<br>Jimmy McLean, RBS Chairman, Agriculture                                   |
| 14.30 | Three Years In – Making a Small Farm Work<br>Rupert Shaw, Gledpark   |
| 14.50 | Summary and Close  |



# New Entrants to Farming Gathering 2016



Tuesday 9th February 2016

Perth Racecourse, Scone Palace Park, Perth, PH2 6BB

## Speaker Short Biographies

### **Kirsten Williams, Beef & Sheep Consultant**



By day, a Beef & Sheep Consultant with SAC Consulting based in Turriff. With responsibility of the Scottish Government's new entrants to farming programme activities.

By night and weekends a Forestry Commission starter farmer. Upper Tullochbeg is 110 acres of grassland on a 10-year tenancy, we specialise in producing pedigree sheep for the commercial and pedigree markets including Beltex, Kros (Beltex X Charollais) and Blue Faced Leicester.

### **Gordon Caldwell, GC Growers**



Gordon Caldwell grows seasonal and local vegetables at Dowhill Farm, on the coastline just north of Girvan. The fertile soils and (usually) favourable climate combined with Gordon's passion for growing fresh vegetables make quite a combination.

Gordon specialises in growing 'hale and hearty' produce that is suited to the Scottish climate and diet! Main crops are Carrots, Leeks, Turnips, Beetroot, Cabbage, Cauliflower, Broccoli, Romanesco, and Parsley.

<http://tasteayrshire.co.uk/gc-growers.html>

### **Andrew Tullie, young farmer**



I am 26, and farm near Hawick in the borders. Since leaving SAC with a degree in Rural Business Management in 2011, I worked as a shearer and self-employed shepherd before taking on a contract farming operation three years ago.

I recently gained a 25-year tenancy of another unit and, also, still work with my father on the family farm. In total, now farming 2500 ewes and 100 cows across four units.

*Leading the way in Agriculture and Rural Research, Education and Consulting*

SRUC is a charity registered in Scotland, No. SC003712  
SAC Consulting is a Division of Scotland's Rural College (SRUC)

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Funded through the Scottish  
Government New Entrants  
Programme



### **John Campbell OBE, Glenrath**

Son of a Greenock butcher evacuated during the war. Father secured the tendency of a farmhouse in Argyll and then later secured a tendency of this hill farm.

I left school at 15 and came home to the farm. I was joined by my brother in 1950. Unfortunately, our father died that same year and mother gave us one year to prove we could farm the farm – we did succeed. We purchased the farm in 1957 as sitting tenants; to this day it was the best deal we ever made. We split the farm in two and went our separate ways. I married a poultry farmer's daughter in 1957. Catherine started rearing pullets.

I sold up and purchased Glenrath in 1961, borrowing all the landlords capital and sold 70 of the best acres – we were in business. The rest is history. We are now Scotland's largest farmers – we own and farm 15,000 acres with a turnover in the excess of £50m.

[www.glenrathfarms.co.uk](http://www.glenrathfarms.co.uk)



### **Gavin Dick, AHDB Cereal & Oilseeds, Manager (Scotland)**

Gavin has a broad working experience in agriculture. Having been brought up on the family farm, he went on to study agriculture at SAC in Aberdeen, before taking on the role of farm manager on a 400-acre arable farm. Gavin then moved to Mackies in Aberdeenshire where he managed a large farming enterprise including combinable crops, seed potatoes, pigs and poultry, although the focus was on the 650 dairy cows producing milk for ice-cream. During his time at Mackies, Gavin was responsible for consolidating the farming enterprise around the dairy herd, including introducing robotic milking.

He then moved to manage an in-hand estate in Perthshire specialising in pedigree beef production and combinable crops, as well as various diversified enterprises including a country house hotel with shooting and fishing interests. Before joining AHDB, Gavin spent some time as a business specialist with SAC working with farmers to broaden their business management skills. He is currently based at AHDB's offices near Edinburgh.

<http://cereals.ahdb.org.uk>



### **Jimmy McLean, RBS Chairman, Agriculture**

Jimmy McLean is Chairman, Agriculture at RBS. He also represents the bank on a number of agricultural groups within the wider financial sector (e.g. British Bankers Association, Committee of Scottish Clearing Bankers).

He holds a number of other positions within the industry, including Trustee and past Chairman of the Farmers Club, London, non-executive director SAC Consulting. He has a BSc (Hons) in Agriculture from Edinburgh University and is a Fellow of the Royal Agricultural Societies.

Prior to joining RBS in 1995, Jimmy spent 16 years working in consultancy, with SAC, initially as an Agricultural Adviser, then Farm Business adviser and latterly as Head of the Rural Business Unit.

<http://www.business.rbs.co.uk/business/start-ups/business-guidance/financial-expertise-by-sector/agricultural.html>



### **Rupert Shaw MBE; Vice Chairman of NFU Scotlands Legal and Technical Committee. Owner, Gledpark**

Proud to be the third generation of his family to have a military career since his Grandfather left Newton Stewart for war service.

A New Entrant farmer on retiring from the Army in Nov 2012. While a military career is not necessarily relevant to farming, whilst serving he deployed to Longtown during the foot and mouth epidemic of 2001 and had oversight of the MODs farm in his final appointment.

Gledpark was the 6th farm to be showcased in the RDI and he spoke at All Energy Glasgow. His suckler herd is QMS assured and enrolled in the PCHS. Gledpark is the first UK business to become a BDFPA/SFQC Park Assured Venison producer and was selected to be a Scottish Government Deer Farm Demonstration unit for 2015.

[www.gledpark.co.uk](http://www.gledpark.co.uk)



You are invited to attend

# New Entrants to Farming Gathering 2015



## Driving Forward with Vision

Tuesday 10th February, 2015  
- 10.15am registration and coffee  
Lochside Hotel, New Cumnock, KA18 4PN

Lunch will be provided

To book your place for either event  
please contact us.

Contact

SAC Consulting, Turriff 01888 563333  
or email  
FBSTurriff@sac.co.uk

This free event is aimed at Scotland's farmers of the future and has been organised as part of the Scottish Government's New Entrants to Farming Programme. It will help you to gain clarity on CAP reforms and how they may impact upon your business. Expert speakers will explore the importance of matching skills, time and resources to improve your business. We will also hear from some inspiring young farmers who have embarked on their own farming journey.

Topics will include:

- CAP reform opportunities for new entrants
- Forestry Commission starter farm tenants experiences
- Fundamentals of getting a foothold in the industry
- New technologies emerging within agriculture

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SRUC is a charity registered in Scotland, No. SC003712  
SAC Consulting is a Division of Scotland's Rural College (SRUC)  
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Funded through the Scottish  
Government New Entrants  
Programme



# New Entrants to Farming Gathering 2015



10 February 2015 Lochside House Hotel, New Cumnock, KA18 4PN

## Driving Forward with Vision

### Programme

- |       |  |
|-------|--|
| 10.15 | Tea/Coffee and registration  |
| 10.30 | Chairman's welcome and introduction<br>- Robert Logan, SAC Consulting                                  |
| 10.40 | Opening address and CAP: challenges & opportunities for new entrants<br>- Douglas Bell, SAC Consulting |
| 11.15 | An insight of different thinking<br>- Jim Baird, Dairy Farmer, Nuffield Scholar and MBA graduate       |
| 11.45 | Applying lean Toyota<br>- Ray McCreadie, LEAN Team GB  |
| 12.15 | Functional tech<br>- Dave Ross, SRUC researcher  |
| 12.30 | Lunch and networking   |
| 13.30 | Beef and sheep, and me<br>- Robert Gilchrist, QMS and farmer   |
| 14.00 | Group led discussion   |
| 14.30 | Define the system, do not be defined by others<br>- David Cooper, Tardoes Farm, Muirkirk               |
| 15.00 | Two years on and the lessons learned<br>- Craig Malone, Pitcairn Farm, FC Starter Farmer               |
| 15.30 | Chairman's summary and close   |

You are invited to attend

# New Entrants to Farming Gathering 2015



## Driving Forward with Vision

Wednesday 18th February, 2015  
- 10.15am registration and coffee  
Eight Acres Hotel, Elgin, IV30 6UL

Lunch will be provided

To book your place for either event  
please contact us.

Contact

SAC Consulting, Turriff 01888 563333  
or email  
FBSTurriff@sac.co.uk

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Funded through the Scottish  
Government New Entrants  
Programme

# New Entrants to Farming Gathering 2015



Wednesday 18th February, Eight Acres Hotel, Elgin, IV30 6UL

## Driving Forward with Vision

### Programme

- |       |  |
|-------|--|
| 10.15 | Tea/Coffee and registration  |
| 10.30 | Chairman's welcome and introduction<br>- Kirsten Williams, SAC Consulting                              |
| 10.40 | Opening address and CAP: challenges & opportunities for new entrants<br>- Douglas Bell, SAC Consulting |
| 11.15 | It's not sexy it is just the fundamentals<br>- Peter Cook, Agricultural Economist                      |
| 11.45 | Going home and co-operative marketing<br>- Fergus Younger, SAOS  |
| 12.15 | See the "land" through the trees<br>- Robin Waddell, Forestry Commission Scotland                      |
| 12.30 | Lunch and networking   |
| 13.30 | Functional Technology<br>- Dave Ross, SRUC Researcher  |
| 14.00 | Group lead discussion  |
| 14.30 | If you don't at first succeed, then try, try, try again<br>- Ross Williams, Upper Tullochbeg, Huntly   |
| 15.00 | Beef, Sheep and Me<br>- Robert Gilchrist, QMS and farmer   |
| 15.30 | Chairman's summary and close   |



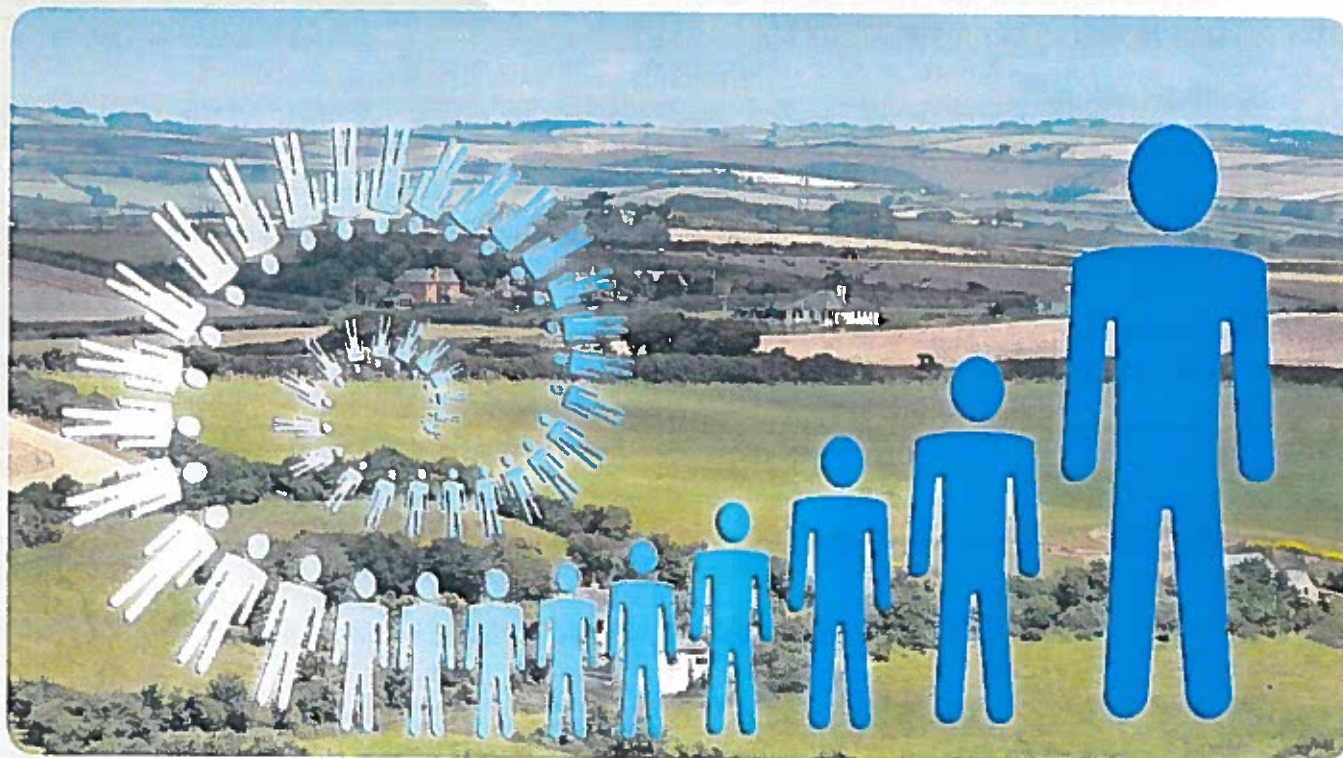


You are invited to attend

## The Scottish Government's New Entrants to Farming Gathering

Wednesday 26th February 2014  
At Murrayfield Stadium, Edinburgh, EH12 5PJ  
Registration and Coffee: 10.00am Close: 3.30pm

To confirm your place as a delegate please register with Janis Forrest,  
SAC Consulting on 0131 6037525 or email [Janis.Forrest@sac.co.uk](mailto:Janis.Forrest@sac.co.uk)  
with your name, address and telephone number.  
For updates and further information please go to [www.sruc.ac.uk/newentrants](http://www.sruc.ac.uk/newentrants)



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Education and Consulting*



This event is funded by the Scottish Government as part of its New Entrants to Farming Advisory Activity.  
SRUC is a charity registered in Scotland, No. SC003712 191740 AD 01.2014

# The Scottish Government's New Entrants to Farming Gathering

This free event has been organised as part of the Scottish Government's New Entrants to Farming Programme. The overall aim of the programme is to help ensure that those who have just joined the agricultural industry and those who are planning to do so are aware of the opportunities which exist and are equipped with the skill set and knowledge to ensure their success within the sector. The agenda for the day has been designed to both inform and inspire the next generation of Scottish farmers but is open to all with a interest in the future of Scottish agriculture.

## Outline Programme:

**10.00 Coffee and registration**

**10.20 Chairman's welcome and introduction**

– *Douglas Bell, SAC Consulting*

**10.30 Opening address**

– *Richard Lochhead, Cabinet Secretary for Rural Affairs and Environment*

**11.05 Agricultural Holdings Review - opportunities for new entrants**

– *Iain MacKay, Torloisk, Isle of Mull*

**11.40 Making sure the 'New Generation' get a fair deal**

– *John Sleigh, Policy Manager, NFUS*

**12.15 Breakout session**

**12.45 Lunch and networking**

**13.45 You might be doing things right.....but are you doing the right things?**

– *Charley Walker, Barnside, Abbey St Bathans*

**14.20 Farming as a new entrant in France**

– *John Flanagan, SRUC*

**14.55 Don't stop believing-the grass IS greener!**

– *Michael Blanche, Culteuchar, Forgandenny*

**15.30 Chairman's summary and close**

