

# New Entrants NEWS

March 2020



**Farm  
Advisory  
Service**

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Welcome to the March edition of New Entrants News. This edition will give you an update of various events, new initiatives, case studies and success stories from across Scotland.

Since the October edition, we have had a very busy few months, delivering numerous events across Scotland including;

- The New Entrants to Farming Gathering
- Planning for the Future roadshow
- Numerous local new entrant workshops
- Creating new fact sheets
- Creating new paper and video case studies

This packed edition will give you a flavour of the various events and signpost you to further information. As well as summarise industry initiatives for joint ventures.

Visit [www.fas.scot/new-entrants/](http://www.fas.scot/new-entrants/) to view the video summarising “The New Entrants Gathering 2020”



## New Entrants to Farming “get with the” Programme

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

- [www.facebook.com/NewEntrants](https://www.facebook.com/NewEntrants)
- [www.fas.scot/new-entrants/](http://www.fas.scot/new-entrants/)
- Regional workshops

For more info contact Kirsten Williams, SAC Consulting, Clifton Road, Turrieff, 01888 563333, [Kirsten.Williams@sac.co.uk](mailto:Kirsten.Williams@sac.co.uk)

There are useful free resources on the website too:

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

For further information on workshops in your area please see <https://www.fas.scot/new-entrants/> or scan the QRC below.



# Land Opportunities and Mentoring

## Land Opportunities

The Scottish Government set up the Farming Opportunities for New Entrants (FONE) group in late 2016. The aim of this was to provide a coordinated approach to developing opportunities for new entrants. So far, FONE has helped around 60 new entrants into the agricultural sector by providing over 90 opportunities and over 6,400 hectares of land.

The group work with a number of organisations to identify possible opportunities across Scotland. The spring 2020 land opportunities are as follows:

### Forest Land Scotland

Have available a number of small business units. Which will provide new entrants with start-up grazing areas. This will help to build up their farming experience and stock numbers. These smaller opportunities are typically on sites which require low input/output farming methods that enhance our environmental objectives.

Available from - 15<sup>th</sup> April 2020

**Application deadline – 30<sup>th</sup> March 2020**

### Scottish Natural Heritage (SNH)

There is an opportunity at a Site of Special Scientific Interest (SSSI) near Rhynie. SNH consider their environmental and land management objectives can be met by way of low input/output farming methods. There are 7 hectares available for tender.

Available from - 30<sup>th</sup> April 2020

**Application deadline – 31<sup>st</sup> March 2020**

Details available at

<https://www.gov.scot/policies/agriculture-careers/new-entrants-to-farming/>

## Focus on Mentoring for new entrants

### Eligibility

- If you have set up or become head of a farming business within the last five years.
- Registered with IACS and have a BRN number.

### Aim

This can give you access to the valuable skills and knowledge of an experienced mentor, matched to your business's needs, who can guide you through the vital set-up and early growth-years of your business.

### Contact

A mentor is funded to support a business over four days, this can include meetings, phone calls or emails. With the first contact being a face to face meeting. The frequency of these meetings can be decided by the mentor and mentee.

### Mentor

The mentor must have experience in the agricultural industry and manage their own business. They must not have any direct connections with your business.

If you have already identified a mentor, complete a mentor profile and submit with your application, which can be found here <https://www.fas.scot/downloads/mentorin-g-support-new-entrants-application-form/>

If you haven't identified a mentor then state this on the form and FAS will aid you in finding a suitable mentor.



# News from the Gathering

#negather20

The FAS New Entrants to Farming Gathering was held on the 25<sup>th</sup> February at Perth Racecourse. The large crowd gathered to hear the excellent line-up of speakers.

Key messages were to embrace change, never say no to an opportunity and market yourself as well as your product”

First generation farmer, Jenny McKerr, explained how along with her husband, Stephen and three young children they tasked purchasing a farm in Lanarkshire. In addition to building up their livestock and fencing enterprises, the couple have set up a distillery to produce a gin to drink with beef and planted an orchard to provide fruit for their gin liqueurs. “The advice I would give to my daughters is do it your own way, be the black sheep and don’t just follow a farming model,” said Jenny. “Have a plan and make it your own. Chase opportunities or create them. There are so many opportunities out there. Find what makes you happy and do more of it.”

Duncan McConchie returned to the family farm in Dumfries and Galloway after working in the TV industry in Yorkshire. With five acres of poor quality farmland to play with, he built up an outdoor adventure and recreational centre, and has since moved into the wedding market, offering a high-quality venue and accommodation. “Where there’s a will, there’s a way,” he said. “There is a vibrant tourism market out there. We don’t have a fear of borrowing. We have total confidence in the product we have and the customers who are coming to us.”

Rodney Wallace, Agricultural Director, HSBC addressed the audience on gaining finance. Highlighting the opportunities for innovation within the sector. “The industry is changing and businesses must show an adaptability to change for future success”.

Hannah Jackson came into farming as a new entrant and has since set herself up as a contract shepherdess, sharing her experiences on social media as the Red Shepherdess. She said she had faced many challenges along the way, but had overcome them by looking for opportunities to expand her knowledge. “Opportunities are not just going to present themselves to you,” she said. “You have to go out and look for them. Think outside the box. If you’re passionate, confident and enthusiastic, it’s hard for someone to turn you away.”

Andrew Wells, who is responsible for 37,000 hectares of the Crown Estate’s rural and coastal land, explained that businesses must be sustainable, resilient, financially stable and diverse “ensure your passion, innovation and enthusiasm comes over in a farm tender”.

SRUC’s Agricultural Economist Steven Thomson highlighted that business disruption upsets status quo, and gives new entrants opportunities.

Kirsten, who chaired the event, said: “Today’s event has been filled with motivated, inspirational people, who think different, take risks and have built successful businesses.”





# Gathering Trade Stands

## #negather20

The new entrants gathering is a fantastic environment to network with other new entrants as well as key industry contacts. Meeting key industry organisations is extremely beneficial to expand your knowledge and to expand your network.

Thankyou to all of the wonderful stand holders for supporting the day.





# Photo Diary

## #negather20



L-R – Kirsten Williams, Duncan McConchie, Hannah Jackson, Robert Ramsay, Rodney Wallace and Steven Thomson

Below – Andrew Wells and Jenny McKerr



# Back to his roots with a dream

When the chance to purchase land, which was farmed by his grandfather, the opportunity seemed too good to be true for Greg Hooker.

In 2015 he purchased 47 acres. Soon after agricultural activity started on Upper Puldagon, near Wick in Caithness.



Greg's amazing journey continued with the purchase of 12 North Country cheviot ewes and 8 Highland cows with a stock bull coming from Adam Henson's Cotswold farm. Alongside this he started to improve the land with drainage, ditching, hard standing areas, rushes eradication and reseeding as well as improved fencing.

With the help of the Scottish Government's Young Farmer Start up Grant and the Young Farmer Capital Grant he was able to erect a new building on the small holding as well as purchase more livestock.

With limited land and limited opportunities to acquire more land, Greg knew he needed something else to create a sustainable future. His dream was to create a farm shop/restaurant to allow him to sell home produced produce. With financial help from LEADER, his own savings and a lot of blood, sweat and tears, he has realised that dream with the grand opening in August 2019.

Upper Puldagon is now flourishing with a growing reputation in the local area for fine dining and an ever improving shopping experience. His home produced beef and lamb is being sold through the restaurant and the farm shop to provide extra income for the business.



Future plans include creating a social venue by upgrading an existing old building as well as polytunnels to produce fruit and vegetables to supply the farm shop and restaurant.

The main challenge Greg found was the financial constraints in establishing the new farming business and subsequently the farm shop/restaurant.

His main pieces of advice are:-

- Follow the dream
- Believe in yourself
- Believe in the dream
- Never let an opportunity go past





# Scottish Land Matching Service

Since the Scottish Land Matching Service was launched at the end of September 2019. Much of the activity has been around raising awareness of the service – what it is and what the aims and objectives are. That has involved presenting at many meetings around the country from Castle Douglas in the south to Orkney in the North. Attending the NFUS Annual General Meeting and the New Entrants Gathering recently was also a great opportunity to meet people who are potential users of the Service. The media coverage of the New Entrants Gathering event was excellent with interviews on both BBC's Out of Doors programme and STV news highlighting the Service.

All of the people who had registered with the NFUS Joint Venture Hub have been written to inviting them to be registered with the Land Matching Service. It is really pleasing that there has been a significant amount of interest generated from those letters as well as the presentations and attendance at events.

It does however remain a concern that the number seeking opportunities still far outweighs the number of people offering opportunities. It will be important to get those who may be looking to consider their options for the future as they reach the latter end of their careers to do that now and not leave it too late.

Given the period of uncertainty that farming has been through recently it is understandable that some may be wary of change but taking time now to give some thought to the future of the business is something that everyone should consider.



The Land Matching Service is there to help in that process, and anyone can make contact for a free confidential discussion.

The key in any joint venture is the strength of the relationship between the parties and the essential communication that is part of that. It is important that people are aware that some introductions may not lead to a joint venture – simply people may not be able to find that essential common ground and understanding of each other's objectives. Going into a joint venture requires flexibility from both parties.

In the meantime, Ian Davidson, the Independent Advisor to the Land Matching Service is meeting people who have expressed interest. Getting around to meeting everyone who has expressed an interest is taking some time as Ian covers the whole of Scotland. If you haven't had a meeting yet don't worry Ian will be in touch to arrange.



<https://www.nfus.org.uk/policy/joint-venture-hub.aspx>



# Farm Business Incubators

The Scottish Land Commission has launched a report [“Developing Business Incubators for Agriculture”](#).

Farm Business Incubators are commonly used in other sectors of the economy – such as technology, software, and life sciences – and have proved to be a successful way of encouraging innovation.

Typically, an incubator works by inviting entrepreneurs with a strong business idea, selecting the best and then mentoring them – and their businesses – towards sustainability, financial sufficiency, and business growth.

Farm business incubators would be no different: next generation farm entrepreneurs with an innovative business idea would get access to land, resources, facilities, equipment, expertise and routes to market to enable them to test and prove their idea in a low-cost and low-risk context.

Crucially, the incubator approach could help the whole farming sector evolve, by demonstrating what works and removing a significant amount of uncertainty and risk in moving away from conventional farming practices. Already in use in France and the USA, the report highlights how these incubators have experienced significant success and growth over the past few years.

Speaking about the report, Bob McIntosh, Tenant Farming Commissioner, said: “If successful, the farm incubator idea could be used to develop more productive and efficient businesses that are less reliant on subsidies, while helping to address succession issues, improve land availability and tackle climate change.

“While incubators are not going to be a silver bullet, the focus on innovation and entrepreneurialism could deliver significant benefits for new entrants, established farmers and landlords alike.”

An example featured in the report is a combined farming and forestry business incubator. Set to become a major factor in land use decision making over the coming years, much of the land likely to be re-forested is currently being farmed.

Farming and forestry are usually seen as competing land uses, and this is where a farm incubator unit could help by testing out a properly integrated agroforestry model that combines these traditionally opposing interests.

The graduates from such a scheme would be able to evidence a successful, productive, and profitable business model, making them ideal candidates for joint ventures and tenancies – and potential future industry leaders.

Developing Business  
Incubators for Agriculture  
A report to the Scottish Land Commission  
24 February 2020





# Succession and Business

## Crofting

A new resource is available on the FAS website, to help guide crofters through succession, using the interactive succession tool. It is extremely user friendly and points crofters in the right direction for succession.

This can be found at <https://www.fas.scot/succession-planning-crofting/>

## Business

There was a series of webinars run over the winter months including, succession for crofting, how does VAT affect you and tax basics. The tax basics was a very well attended webinar, which covered, the basic points surrounding business structure and income tax for new entrants to farming.

Key points covered included:

- It's vital to get really good tax advice, especially if you have another income other than the farm.
- It is important to understand what you are signing up for when commencing a business. Sole traders are personally liable for debts of the business, and in a partnership partners are jointly and severally liable for any debt – any partner, regardless their share in the business, can be liable for all of the debt. Another thing to consider is credit history of your potential partner which if poor could make obtaining finance difficult.
- Your trading year end can be any time, but best to have one that is correlated to the activity of the business.
- Income Tax is payable on your total income from employment, property, investments, savings, pensions and business profits.
- A self assessment tax return should be completed if you're self employed earning >£1,000. If you are a partner in a business your tax return will include your share of the business profits (or losses).
- If you are over the VAT registration threshold of £85,000 turnover, then you will need to submit your **VAT** return digitally (Making Tax Digital).
- The Annual investment Allowance is £1,000,000 currently but varies from year to year. This is a mechanism to encourage businesses to invest in plant and machinery. This does not include land or buildings though it *might* include some equipment you'd find in a shed such as automatic watering systems or electrical installations. Repairs can also be tax deductible though so it's important to think carefully about where to spend money and not jump straight to 'buy machinery'.
- For a farmer a new tractor falls under the plant and machinery to run your business, However with livestock you can elect to choose whether to class livestock as trading stock or a fixed asset (herd basis). There are advantages and disadvantages to both, so it is important to speak to your accountant about this before starting up.



# Learn from others experiences

## Case Studies

We have a huge range of both paper and video case studies available online. These cover various routes in to farming from farm successors, entering through seasonal grazings, tenancies and even joint ventures. These cover a broad range of enterprises and systems these can be found on the FAS website at, <https://www.fas.scot/inspirational-stories/>

Four new case studies have been added recently including, two video case studies focussing on successful joint venture partnerships. The first being a dairy business with John Warnock and Iain Baillie. The second focussing on sheep with Stephen Withers and Neil Sandilands.



Both of these case studies are excellent examples of joint ventures in practice, where you can hear the experiences of both the land owner and the “contract” farmer.

The key message from both parties is to have strong communication.

Two new paper case studies have been created, describing the journey of two couples who have been successful in building agricultural businesses in the remote islands of Scotland. These feature:

Tanya Wren and Colm McNicol, who relocated to the Isle of Colonsay to run their croft. Where they find help and support from the crofter who sublet his croft to them as invaluable.

Heather and Tom Davis from the Isle of Coll. They purchased their farm, which was made affordable by creating a partnership with another couple, who invested in a smaller percentage of the farm.

### Crofting offers an opportunity for a young family



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#### Case Study Tanya Wren & Colm McNicol

#### A Passion for Ethical Food Production Leads this Young Couple to a Crofting Life on the Isle of Colonsay

Tanya was brought up in a small farming community near Cupar in Fife and Colm was born in London, then his parents moved to Musselburgh where he grew up.

A Shared Desire to Grow When they met it was clear that Tanya and Colm shared a passion for good food production that is sustainable and kind to the environment. They packed up...

Tanya studied university and Colm studied with Tanya following this and learning...

After several harvests working managing a 4 headstock time that Tanya knew of the croft...



### New farming venture for young family on the remote Isle of Coll



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#### Case Study Tom and Heather Davis

#### A Working Holiday on the Hebridean Island of Coll Turns Into Permanent Commitment for one Young New Zealander

Tom Davis detailed the Isle of Coll in 2001 with the intention of shepherding sheep and returning home to New Zealand. However things didn't go according to plan and he ended up meeting Heather Davis, who was also on the island.

Tom continued to work on the island as a self-employed farm worker, builder and fencer, while Heather found part time work on both the island and on the mainland.

In 2010, Tom and Heather heard about a farm going onto the market. After some debate the couple decided that with hard work and perseverance the farm would eventually provide them with a viable farming business and income whilst providing a great life for their young family. "We knew starting a viable business on a remote island was going to be tough, but we had great connections and family already on the island" said Tom, "so we talked about it and then went for it."

The added bonus for the couple was the chance to visit new life into the remote and declining Isle of Coll community that Heather called home.

Purchasing a farm is a pipe dream for most new entrants. Those who manage to secure a basic loan are hit with large capital and interest payments, which can often make the proposed farming operations unviable.

However, things fell into place, when Tom and Heather were approached by another couple on the island who were also keen to invest in a smaller percentage of the farm and the decision was made to form a partnership.

Forming a partnership is a potential gateway into farming for new entrants, who have limited capital available for investment. There are many things to consider, however, the basic principle is that a partnership agreement is drawn up by all parties, with the profits, losses and liabilities divided among the partners. With the majority partners responsible for making the main business decisions.

"We have started a viable business on a remote island, we're going to be in it for the long haul and we're determined to make a work and had great connections and family already on the island"

Isle of Coll - A rough place to farm, but there are some off-fer value!

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