

ABOUT THIS MONITOR FARM

Farm name	Whitriggs, Denholm, TD9 8QR
Meeting Number	13 – Planning for the future & Making tax digital
Meeting Date	Wednesday 7th November 2018
Next Meeting	Wednesday 23rd January 2019

Whitriggs Farm, near Denholm, is run by Robert and Lesley Mitchell and their son Stuart, with support from Stuart's brother, Alistair, during busy periods.

The Mitchells currently farm 442 hectares of mainly semi-permanent and permanent grassland.

Cattle; 140 Shorthorn X and AAX, with all calves not required as replacements finished on the farm.

Sheep; Currently 1000 Easy Care and Blackface lambs on a B&B basis. Future flock is under review.

Arable; 28ha of Wheat & Oats fed to cattle, 30ha of spring barley to be sown 2019

Deer; 125 Red Hinds due to calf in 2019, with a further 30 calves which will calf in 2020. Currently planning on building to 215 hinds, close herd and breed own replacements.

Management Team; Andrew Tullie (Chair), Robert Catlin, Scott Girvan, Giles Henry, Megan Mabon, Andrew Robinson (Vet) and Jonny Williams

Chairman Andrew Tullie welcomed around 35 farmers and trade to the 13th meeting of the Borders Monitor Farm. He re-iterated the "farmer led" element of the programme and urged the group to complete the short survey which would enable the management group to ensure that the meeting topics were of use to as many people as possible.

The theme of the meeting, was planning for the future. Both in terms of sorting out business structure to meet challenges ahead, which often involved succession. As well as dealing with changing legislation in particularly making tax digital. He stated no business can stand still and it was only through making time to think clearly about our plans and what we want can we deliver that.

KEY MESSAGES

- It is never too early to plan, but you must have one
- Start succession conversations with family before there is any conflict.
- Making Tax Digital becomes live in April 2019, for those who are VAT registered and anyone still using paper based reporting should speak to their accountant to work out a solution.
- Although seen as an issue for businesses, it is also an opportunity to think about how you use financial data to improve your business.

AREAS OF DISCUSSION

Heather Wildman talked the group through the benefits of planning for the future, including the importance of having a vision for yourself and your business, no matter how audacious if you don't have a vision and importantly say it out loud then you will never achieve what you want similarly it is important to ensure that there is communication within family businesses.



- **Vision** – goals, dreams, ambition
- **Communication** – write it down, say the words out loud, share it with others who will be involved or impacted, and most importantly own it
- **Collaboration** - can you do it alone, if not who or what do you need to help you?

Important questions to ask yourself are stated below. Once you have the answer to these then you can start to put in place a plan.

- Do you know what you want?
Are you ready to make the change?
- Have you a time frame in mind?
Do you have an exit / retirement plan?
- Have you done the numbers / what is the reality?
- Do you know what your spouse / children want?
- Have you discussed this with your family?

The group were encouraged to write down their five and ten- year goals along with who they needed to help make them successful. Small steps are an important part of starting the process, the list below gives an outline of where to start.

- Create a plan
- Take advice
- Take control
- Communicate within the family
- Use a facilitator?
- Wills/Power of Attorney
- Know your numbers and business



Making Tax Digital

Coming into effect on in April 2019, businesses who are VAT registered will be required to keep digital records of transactions. This will be followed by other taxes in 2020. There have been some rumours that MTD will be delayed or won't be happening, but it is happening and it is important that all businesses understand the implement the necessary changes to their procedures.

This also brings opportunities with real time data a potential aid for decision making. Other benefits are listed below.

- One set of accounts -work closer than ever with your accountant
- Auto Entry—reduce bookkeeping time & errors
- Figures -livestock, crop and production tracking, budgeting and forecasting

FARMERS UPDATE

Since the last meeting all of the ewes have been tested for MV, unfortunately 80% of the flock were positive. 716 out of 901 (150 were gimmers were not tested due to being tested positive in the winter) in total 866 out of 1050

- Of the main group of 700 ewes less than 20 were negative
- Of 50 tups only 16 were negative
- 2/3 of gimmers who tested negative in January are not positive, so the “clean” flock didn't work.
- This made the decision for us to dispose of the flock, and look to re-stock in spring/summer 2019
- Current progress with selling our own lambs is 978 away and 826 still to go.
- 1000 Easycare and blackface lambs on a 'bed and breakfast' (b&b) basis organised by Farmstock, will only leave here direct to slaughter.
- Our current questions are; sheep/no sheep? our sheep or b&b sheep? Indoor or outdoor lambing? Stick with Lleyms or Innovis or Cheviot Lleyms or Easycare or other?
- In addition to the extra b&b lambs we have sown 15ha of winter barley and 12 of winter oats and plan to sow 30ha of spring barley and are currently applying to SQC for accreditation.
- We have also managed to get a hold of at least 100 stag calves which will arrive around Christmas time and will be finished next Christmas.

Cattle

- With the sheep problem, we want to keep the cattle as clean as possible and are joining the premium health scheme entirely for our own knowledge and hopefully peace of mind.
- All cattle have been with the bull for 6 weeks only. They will be pregnancy scanned shortly after housing and weaning (early December.)
- All calves have been vaccinated against pneumonia with Bovipast and had pour on Ivermectin.
- All cattle are still outside and only receiving additional straw as roughage.
- No bulls were bought this year, but the Angus has covered the heifers the past 4 years. He has grown too big and we are thinking of AI'ing all heifers in the future as it was a success last year.

Deer

- The rut is happening now with stags roaring and fighting for dominance.
- The stags were introduced when bought on the 1st of sept and will be removed on the 15th Nov. Which will mean our calving will finish by the 4th July with an expected start date of the beginning of June.
- The only thing that has happened to the deer is they have moved fields once.
- This was very easy, and I was pleasantly surprised how easy it was especially during the rut.
- On the 15th Nov we have another 75 hinds arriving which have been ordered since last December. This gives us a total of 125 calving next spring.
- 4000m of deer fencing erected in the last month of which a new entrant capital grant has greatly helped. The handling system is in construction and the winter feed pad for the hinds is almost ready too. Hopefully another month until it is needed.
- Hoping to get the handling system ready for scanning the hinds mid-December. We will have to see if this is possible or not.

OPPORTUNITIES/CHALLENGES

- It's not often that a business has an opportunity to start with a blank sheet of paper as is possible with the sheep flock from this point onwards.
- Opportunity to use making tax digital to make better use of data as well as allowing Kate to have an active role in the family business.
- Making the right decision on the sheep flock won't be easy.

ACTIONS FOR NEXT MEETING

- Options for sheep enterprise to be narrowed and discussed
- Report back on decision on financial software.

FACILITATOR CONTACT DETAILS

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