

## LOTHIANS MONITOR FARM

Farm name	<b>Prestonhall &amp; Saughland, Pathhead, Midlothian</b>
Meeting Number	<b>13 – “Is your business fit to survive?”</b>
Meeting Date	<b>Wednesday 27<sup>th</sup> February 2019</b>
Next Meeting	<b>Livestock Tuesday 21<sup>st</sup> May &amp; Arable Thursday 23<sup>rd</sup> May 2019</b>

Prestonhall Farms and Saughland Farm independently run arable and livestock enterprises at Pathhead Midlothian. Pete Eccles is farm manager at Saughland and Bill Gray at Prestonhall. The businesses work collaboratively on arable operations. Livestock at Saughland; 65 AAX suckler cows running with Lim & Hereford bull plus 2,300 Chev, Lley, Aberfield, Mule ewes with Tex, NZsuff, Abermax lambs at foot on rotational grazing system. Arable at Prestonhall; Combinable Crops, WW 175ha, WB 80ha, SB 160ha, WOSR 65ha, WO 20ha, Grass 75ha.

**The management group** is chaired by Willie Thomson and includes Jill Bathgate, Russell Calder, Andrew Clark, Rob Forrest, James Hamilton, Ross King, Graham Lofthouse, James Logan and David Paul

Willie Thomson welcomed 35 farmers to the meeting at the Stair Arms Pathhead. Willie explained that, given the current uncertainty ahead, the aim of this meeting was to challenge our thinking on how we manage our businesses in future and gain an understanding of the potential of new technology.

## KEY MESSAGES

### Sharon Flannigan – James Hutton Institute

- Initial Interviews have shown good engagement in the Monitor Farm programme
- Inclusive facilitation, approachability, open discussion are good

### Oliver McEntyre – National Agricultural Strategy Director (Barclays)

- Improvement in UK Agriculture productivity from 1992 to 2103 has been slower than, NZ, USA, France, Holland and Germany
- Agricultural Industry Gearing – UK 5.3% v NZ 18% (NZ has 3 X gearing of UK)
- Agricultural Industry Gearing – Under 25% low Risk, 25-50% Optimal, Over 50% High Risk
- UK Farm debt is 62% of gross annual income – NZ debt is 5 times gross annual income
- CAMPARI - People are Key – Character, Ability and Means
- CAMPARI – Purpose, Amount, Repayment and Insurance are secondary to the people
- Must pay loans from trading
- To improve, something needs to change, worry about your circle of influence not your circle of concern
- All UK Sustainable Development goals include agriculture in some form



### Donald Ross – Agriscot - Arable Farmer of the year

- Soils are key
- Benchmarking highlighted areas for improvement
- Yield potential – the Innovation gap is waiting to be filled
- YEN is about like-minded farmers learning together on best practice
- YEN provides real value in the detailed feedback received

## AREAS OF DISCUSSION

### Oliver McEntyre – National Agricultural Strategy Director (Barclays)

Oliver McEntyre, head of Agriculture at Barclays led the “Is your business fit to survive?” session. Oliver presented some background information on the financial position of agriculture and farming businesses in the UK. He challenged the group to think differently about how farmers manage their businesses and encouraged them to embrace change. When compared to USA, NZ, Germany, Holland, and France, UK agricultural growth has lagged behind in productivity from 1992 to 2013. However, Oliver did point out, we may have been at a much higher level to begin with. UK productivity per ha is low but UK has vast areas of LFA and moorland.

The UK agriculture industry is not as highly geared at 5.3% compared to NZ at 18%. The UK total debt is 62% of gross annual income where as the USA is nearly 1 to 1 and NZ debt is over 5 times the gross annual income. Oliver explained how the bank prioritise and value people and assess their character, ability and means before lending money. There are guidelines on the loans amount available and serviceability but the people are key. The group were challenged to think about how they can grow and develop their businesses in the future. Oliver asked them to change focus from the things they can not influence (brexit etc) and concentrate on the areas which they can. Control. Move focus from their circles of concern to their circles of influence. Farmers need to move from a hands on/work harder mentality, to a ‘work smarter’ attitude. They will need to engage with benchmarking and know their costs to proactively manage their businesses. Oliver highlighted that most UK Sustainable Development Goals include agriculture in some form.

### Group Session

The group were tasked with answering 3 questions on how they would make their business fit to survive.

What are you going to change to future proof your business?	What tools or support do you need to do this?	What is the key factor for you to thrive?
Ignore the things we can not change Marketing plans Invest in machinery and advice Reduce fixed costs Benchmarking Maximise assets/diversification/property Off Farm Income Co-operation/Collaboration/Machinery Public perception Succession Plans Invest in Staff and upskilling Natural Fertility and Soils Carbon & Environmental Sell direct to consumer	Vision/Strategy/Plan Incentive Finance Professional Advice Business Plan/Business Structure Specialist Knowledge Benchmarking Group Technology Loan consolidation Training/Mentoring Knowledge Transfer & Exchange Support Systems Time Removal of Subsidies High Health status livestock	Open Mind Confidence & Desire Profitability Efficiency Enjoy your job Support (Functional & Moral) Defined Roles/Structure Sound Business Principles Support team Don't be afraid to adapt Market Place Enjoyment Informed and acting on information

## Nigel Douglas – Batcam Agri – Drone Cost/benefit

Nigel gave an overview on the potential for drones in agriculture and some of the global predictions for growth in the drone market. He gave an overview on the current limitations with the 500m horizontal limitation (CAA), battery longevity and the visual line of site rules. However, the drones’ market is moving quickly and there is increasing potential for commercial fixed wing drones in agricultural. Nigel lives locally and will return later in the year for an outdoor demonstration

## Donald Ross – (Agriscot - Arable Farmer of the year)

Donald Ross, from Rynie Farm near Tain talked to the arable group about his farming system and the changes he has made over the last few years. He highlighted the importance of soils on his farm and the value of raising the soil pH to 6.1-6.4. as well as the value of an integrated livestock and arable to maintain soil structure. Donald noted how he had improved his use of N, P & K and trace elements. Benchmarking has been critical to the business as it highlighted the areas which needed to be addressed.

Donald spoke of the huge benefits he had seen from participating in YEN and being part of the Scottish YEN group. He talked through the principles behind YEN . There has been limited progress in yield over the years and the how YEN brought competition, analytical information, explanatory data, ideas and networking to his business. After indepth discussion on potential fields at Reosemains, Donald and Bill lead the group to look at some crops.



## Saughlands Livestock Update

Community group members visited Saughlands where the discussion focussed on Pete’s away wintering of store calves and management/use of fodder crops.

Store calves – due to a lack of winter fodder and a focus on reducing costs the stores were transported to Robert Flemings farm in Glenluce in late October. Pete is retaining ownership of the cattle and a potential profit share being worked out. The trial will evaluate whether Pete is better to retain and house his calves or move them to an earlier grass farm with more specialist knowledge. The calves will likely be sold store at the end of April. The findings will be shared at the next MF meeting in May.

Fodder Beet- The group walked the last of the fodder beet being strip grazed for the B mob ewes, both strip grazing and lifting the beet had proven successful. The yield of DM per Ha was considerably higher comparison with an equivalent silage yield from the same area. There was consensus that the fodder beet had yielded well in the dry conditions of 2018/19 and should be incorporated into the rotation at Saughlands in future years (noting that 18/19 had been an ideal year).

Although the ewes looked well, questions were asked about how to know whether the ewes were receiving an appropriate diet/nutrition before lambing when they were not being fed a controlled diet, and when some ewes were more dominant in accessing the strip grazed forage? It was agreed that blood testing a random sample of the ewes was the best way to check that they were receiving the correct nutrition.

## FARMERS UPDATE

Bill gave an overview of activities at Prestonhall since the last meeting. Winter Barley looking good, 4 tillers, mildew has died back, and it has just received 50kg of N. Winter Wheat is too strong for an N application now but min-till WW has 3 tillers and is getting N now. Winter OSR, root structure outstanding but pigeons causing problems. Winter Oats looking good. Spring Barley cover crops (black oats and phacelia) to be sprayed off, one cultivation and then drilled. Rosemains AECS scheme was accepted and there is a lot of work to be done by June which will also need to be accounted for in cashflow projections. Marketing, still some wheat to sell and watching the markets. The grain store is due to start but there is a change in bank manager and loan security funding details to be finalised along with some voluntary registration work, which is keeping everyone busy. Peter informed the group about his trip to NZ and how David and Neil had done a great job in his absence. Ewes have done great on the fodder beet and the group would be working through his proposed plans for summer grazing and next season's fodder crop options. There is 6000m of fencing and 5000m of hedges to go in as part of the AECs scheme. Some changes have been made to the original plan with hedges being moved to the perimeter fences to create bio-security barriers.

Lambing starting on 10<sup>th</sup> April and planning the grazing will be key.

## FACTS &amp; FIGURES DISCUSSED

- All facts and figures are on the Monitor Farm Hub

## OPPORTUNITIES/CHALLENGES

- YEN, challenging farmers to concentrate on their circles of influence

## ACTIONS

## FACILITATOR CONTACT DETAILS

Colin MacPhail	07747 046461 <a href="mailto:colin@macphailconsulting.co.uk">colin@macphailconsulting.co.uk</a>
Stephen Young	07502 339613 <a href="mailto:stephen.young@saos.coop">stephen.young@saos.coop</a>
Fergus Younger	07771 966649 <a href="mailto:Fergus.younger@saos.coop">Fergus.younger@saos.coop</a>

