

## ABOUT NORTH AYRSHIRE MONITOR FARM

Farm name	<b>Girtridge Farm, Drybridge Road, Dundonald, Kilmarnock, KA2 9BX</b>
Meeting Number	<b>11 - Succession Planning with Heather Wildman from Saviour Associates</b>
Meeting Date	<b>Wednesday 12<sup>th</sup> September</b>
Next Meeting	<b>To be confirmed (October 2018)</b>

Girtridge Farm is run by the business of Messrs John Howie, a partnership consisting of John Howie, his mother Margaret and his sister Mary. The business farms a total of 140 hectares of non-LFA land and 35 hectares of LFA grassland.

### Livestock

**Finished Cattle:** Approximately 230 finishing cattle purchased through the local market and direct off farm all year round. The aim is to sell cattle at R4L deadweight through either Stoddarts or Highland Meats.

**Sheep Flock:** 250 cross ewes put to Suffolk, Texel and Abermax rams. All lambs are sold finished either through the live market or direct to slaughter through Farmstock. All replacement females are purchased privately or through the market.

**Breeding Cattle:** 10 mixed breed spring-calving suckler cows running with a Limousin bull. Calves transition to the finishing cattle system. Suckler cows have now been sold.

### Cropping

**Spring Barley:** 28 hectares of Spring and Winter Barley. All barley and straw is used on farm.

**Forage:** 2 cuts of silage are taken with 7.13 hectares of hay also being produced.

**The Management Group** is chaired by Hazel Muir and includes John Howie, William MacTier, Andrew Welsh, Beth Errington, Gordon Walker, Louise Walker, Iain Reid, James Morrison, John Cowan, John Hunter, John Paterson, James Smith, Matt Mitchell, Philip Close, Robert Munro, Willie Campbell and David Young

## KEY MESSAGES

### Succession

- Communicate with family – create a plan
- Obtain professional legal and accounting advice
- Consider using a facilitator to structure the meeting.
- Keep Wills and Powers of Attorney updated.
- Know the ownership status of your business
- Know your figures – is the business viable?



*Heather Wildman explaining the importance of a Will and the other key areas of succession*

## AREAS OF DISCUSSION

- John asked the group if he should grow an extra field of barley and/or purchase another 50 gimmers – After input from the group, John is considering doing both.
- Good crop of grain harvested however straw is shorter than usual.
- Succession - How to approach the topic, things to consider when looking at succession.

## FARMERS UPDATE

### Sheep:

- 82 lambs sold Dead weight. 18.5kg @ £75 average
- Weaned on the 8th of September
- Getting on top of rotational grazing
- 100 Gimmers purchased from Saughland £140 each
- Purchased 2 Abermax tups- £850 Elite, £700 Select
- To date the most lambs sold have been from AberMax sires (all gimmers lambs)
  - Abermax 49%
  - Suffolk 47% (ewes lambs)
  - Texel 35%

### Barley:

- Spring barley: 2.5t x2 fields & 3.2t x1 field. 4 bales straw/acre. Considering undersowing areas.
- Winter barley: 2 fields- Discussion on sowing the fields or more sheep?

### Silage:

- 79 acres, 98 bales
- 1st cut silage Analysis: 10.9ME, 11.9 Protein, 68.3 D value, 45% DM

### Cattle:

- Buying Store- market & privately due to being busy on sale days
- Selling fat- LW & DW
- One beast was culled as test results were positive for Johnes
- Cattle at Ashyards- Doing well, have the opportunity to sell as fat now.

### Succession:

- The Howies have had a family meeting with Heather Wildman followed by a conference call

### Other:

- Contractor spread fertiliser on grazing ground- 10t Bulk
- FAS Video shot on farm

## FACTS & FIGURES DISCUSSED

### Succession

- It is best to approach family succession early (i.e. before the older generation reach 55) in a calm, structured manner, allowing everyone in the family an opportunity to share their hopes and expectations. This helps maintain relationships and helps avoid family fallouts. Consider using a facilitator to help structure the meeting and ensure everyone has their say.
- Write down a time frame – what age are you now? When do you want to retire? How much money do you need to be able to retire? Have an exit/retirement plan and do some calculations – this gives you a target.
- Each farming business solution is different and unique. Obtaining professional legal and accounting advice will help form a succession plan. Some businesses solely look at the tax avoidance route when discussing succession, however it is important that each family member is happy and doing what they want to be doing. Also, if you received good professional advice, recommend them to friends.
- What are your dreams? What do you want to do/achieve in life? What legacy do you want to leave behind you?
- Having a plan in place allows the incoming generation time to prepare and learn new skills. When talking about the next generation taking over Heather spoke about KASH which stands for Knowledge, Attitude, Skills, and Habits. So, it is worth thinking about what they need to know to run the business, writing a list of suppliers and a “how to” guide on each farm enterprise can be useful.
- How well do you know your business agreements? This includes business structure, tenancy/landowners, and binding agreements pre/post nuptials. Know the ownership status of your business – if in a Partnership ask yourself what you a partner are of? It is worth checking all the relevant documentation is in place. If the farm is tenanted there may be a limited amount of time to transfer the tenancy onto the next generation. Doing a pre-nuptial early as possible helps maintain relationships.
- Can the business support everyone? Be realistic about the viability of the business and consider looking at diversification options if the business needs to grow. It is important to understand the financial performance of the business.
- Review your succession plan often as situations and circumstances can change. Also regularly review and update Wills and Power of Attorneys

## OPPORTUNITIES/CHALLENGES

- Silage analysis was not as good as John hoped for. 10.9ME, 11.9 Protein, 68.3 D value, 45% DM, 114 SIP
- Good crop of grain harvested however straw was shorter than usual.
- John could grow extra barley this year or keep the fields in grass for sheep grazing over the winter.
- John could buy another 50 gimmers –with no extra tup power required to cover these.
- John can discuss succession further with his family and with Heather Wildman.

## ACTIONS FROM LAST MEETING

- 1<sup>st</sup> cut silage was sampled and analysed:
- 100 gimmers purchased from Saughland and 2 Abermax tups purchased from Innovis.
- Lambs weaned on 8<sup>th</sup> September.
- Buying store cattle privately and from the market and selling finished cattle liveweight and deadweight.

### FACILITATOR CONTACT DETAILS

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## FACILITATOR CONTACT DETAILS

These should be centred above funders logos at the end of the report



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