



FARMER LED, FARMER DRIVEN

Farming Partnerships: A Match Made in Hectares

Buccleuch Arms, St Boswells

21st February 2024



Contract Farming Agreements

Farmers gathered at the Buccleuch Arms, St Boswells for a meeting exploring the practicalities and potential of farming partnerships.

The event provided valuable insights into Contract Farming Agreements (CFAs) and the importance of trust, communication, and financial transparency.

The meeting, chaired by **Jack Frater** from Edwin Thompson, featured presentations and discussion from:

- **Rob Playfair-Hannay** (Playfair Farms, Morebattle Tofts and Clifton on Bowmont)
- **Annabel Hamilton** (Bee Edge Farm)
- **David Mitchie** (SAOS)
- **Ali Freeland-Cook** (Freeland Cook Farming)

Rob, Annabel and Ali are all involved in CFA's as either the contractor, owner or both.

The Growing Popularity of CFAs

Jack Frater highlighted the rise in CFAs, especially as tenancy legislation evolves in Scotland. "In the last 10 years, contract farming has increased significantly. It started in arable farming but is now common in livestock too," he explained. CFAs allow landowners to retain control while contractors bring expertise and share the rewards.



Speaker insights

David Mitchie from SAOS provided insights into the cooperative model's potential to enhance farming partnerships. By joining cooperatives such as the **Borders Machinery Ring** or **Farm Stock Scotland**, members can access shared machinery, secure better market prices, and improve efficiencies. He also highlighted the importance of long-term collaboration: "Cooperatives are bigger than the sum of their parts, fostering innovation and minimizing risks through shared expertise and investment."

Neighbouring

Joint ventures

Co-operative business

- **Pool resources**
- **Reduce power & machinery costs – improving profitability**
- **Minimise risk**
- **Bring in different skills, knowledge, and experience**
- **Enable investment**
- **Access markets**
- **Take hassle away**
- **Access innovation**

Rob Playfair-Hannay emphasized the importance of clear agreements and trust, noting, "The devil is in the detail. Good communication and respect between parties are key to success."

Annabel Hamilton highlighted the flexibility of CFAs and the value of transparency: "Solving problems, not creating them, is our motto. Trust and robust financial decisions are essential."

Ali Freeland-Cook stressed the need for adaptability and open communication, saying, "You have to justify decisions, especially financial ones, and ensure alignment between both parties' goals."



CFA Q&A



The meeting led to the creation of a detailed **Contract Farming Q&A guide**, capturing the panelists' advice and addressing common concerns. Key topics included:

Setting Up Agreements: The guide emphasizes the importance of clear communication and expert legal advice to avoid pitfalls such as inadvertently creating a tenancy or employment relationship.

Finding Partners: Farmers are encouraged to approach trusted neighbors or advertise opportunities while ensuring alignment in goals and values with potential contractors.

First-Year Challenges: Panelists warned about unforeseen issues like drainage repairs and emphasized accurate budgeting to ensure profitability from the outset.

Building Trust: Trust was repeatedly highlighted as critical to successful CFAs, achieved through transparency, open communication, and regular check-ins between parties.

New Entrants: For those new to farming, CFAs offer a low-barrier entry point, especially in livestock enterprises, allowing contractors to build businesses with minimal initial investment.

The full Q&A is now available on the Monitor Farm Scotland website by clicking [here](#).

It serves as a practical guide and advice and insights from those with direct experience in CFAs.

Some highlighted questions and answers include:

- **How do CFAs benefit farmers and contractors?**

Farmers retain control of their land while accessing expertise and reducing risks. Contractors gain opportunities to expand operations without the need to buy or rent land. Both parties benefit from shared profits and reduced costs.

- **What are the red flags to watch out for?**

Agreements that are vague or poorly structured can lead to disputes. For example, failing to account for maintenance costs upfront, such as fence repairs for livestock CFAs, can strain relationships.

- **How can contractors build trust with farmers?**

Being proactive in solving problems and maintaining high standards is key. Panelists shared examples like managing fields as if they were their own and justifying decisions to landowners to build credibility over time.

- **What should new entrants know about CFAs?**

For those starting out, CFAs can offer a valuable foot in the door. Panelists suggested starting small, such as contract shepherding, and working up to larger agreements while learning the business's intricacies.



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