



FARMER LED, FARMER DRIVEN

**How to Grow Your (Farm) Business
Banff & Buchan Monitor Farm Open Meeting
Sauchentree Farm, New Aberdour
29th May 2026**



**A warm welcome to the meet by Kate Rowell,
Monitor Farmer, QMS Chair and businesswoman**

INTRODUCTION

The Irvine Family have grown their business at Sauchentree for nearly 250 years. There's been rapid growth over the last 36 months and Bruce has established a new 32,000 laying hen unit.

Enterprise costings, farming opportunities, banking and entrepreneurship have all featured in discussions within the Banff & Buchan Monitor Farm Management Group.

The presenters at this final Summer Open Meeting bring together these themes under the title,

'How to Grow Your (Farm) Business'.

CONTRACT FARMING

Zach Reilly, Grounded Agronomy is an advocate of Contract Farming Agreements (CFA) as a way for young entrepreneurs to enter farming or grow their business.

A contract farming agreement is common in Scottish arable systems. It is:

- A partnership where the farmer keeps the occupation and risk
- Where the contractor provides labour, machinery and operations
- Where profit is shared via an agreed formula

The **CONTRACTOR** has a role & responsibilities for:

- Labour, machinery, technical operations
- Delivering a cropping /grazing plan
- Maintaining records and compliance
- Demonstrating professional standards and timeliness

The **FARMER'S** role & responsibilities are:

- To provide land, buildings & fixed equipment
- To retain the trading status and business risk
- To purchase inputs (unless agreed otherwise)
- Making strategic decisions



FINANCIAL POSITIONS- THE CONTRACTOR

- A fixed contractor's charge is agreed
- There is a share of divisible surplus
- They have no ownership of the crop
- The contractor does not claim subsidies

THE FARMER:

- Receives crop sales income
- Pays contractor's charge and input costs
- Receives their part of the divisible surplus*
- Claims all subsidies under Scottish schemes
- Usually (but not always) retains the entire subsidy.

Commonly, the crop or livestock sales, minus inputs (seed or feed etc), minus the contractor's agreed charge, leads, hopefully, to a surplus.

*The surplus is split by previous agreement (e.g., 70/30 in favour of the contractor).

BEST PRACTICE IN A CFA

- A clear written agreement is vital
- There must be transparent budgets and governance
- Regular meetings and an annual review are essential
- You must agree and document who (contractor or farmer) has which compliance responsibilities
- Trust is vital between the two parties

For more information on CFAs and whether they might be part of your business growth, you can contact Zach Reilly, on

M: 07495 649888 or

E: z.reilly@groundedagronomy.co.uk

A CONTRACT FARMING OPPORTUNITY

Marc Skivington is the Farm Business Manager at Strathmore Farming Company. The company is an Inhouse Farming Business within Strathmore Estates(5900Ha) based in Glamis, Angus.

There are

- 2830Ha in house

Cropping

- 320Ha Winter Wheat
- 120Ha Winter Barley
- 150Ha WOSR
- 230Ha Spring Oats
- 120Ha Spring Barley
- 35Ha Potatoes – Joint Venture

Livestock

- Run 310 Suckler Cows with followers.
- 400Ha Grass
- Land is rented out for Potatoes, Vining Peas, Pigs & Turnips

THE OPPORTUNITY

Marc is offering the opportunity to tender for a CFA at Strathmore. Why?

It offers Strathmore:

- Access to experienced labour skills
- Reduced capital Investment

While retaining Control and flexibility of land

THE TARGET CONTRACTOR:

- A young farmer / new entrant / small farm looking for growth
- Who will introduce a sheep enterprise on the estate
- Who will utilise areas on the estate, that are not being farmed to their potential
- Who will integrate livestock within an arable rotation.

PRODUCING A PROPOSAL / TENDER

Marc would like to know:

- What would you as a contractor bring to the estate
- How would you contribute to grow this enterprise.

THE ENTERPRISE

- 87Ha
- With an adjoining 48Ha in 2028
- Farm outbuildings – ideal lambing sheds
- Potential accommodation with a refurbished farmhouse
- Grazing of Cover Crops
- Opportunity to expand onto 350ha of rough grazing/heather hill

NEXT STEPS

Contact Marc Skivington

E: marc.skivington@strathmore-estates.co.uk

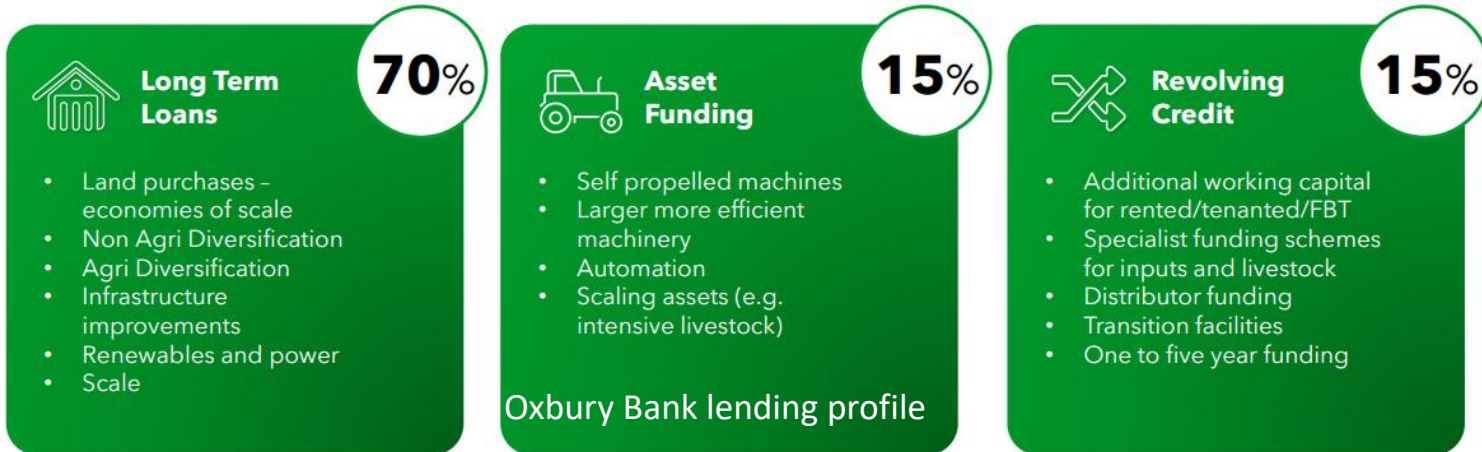
T: 07808 770955



Zach (L) and Marc (R) discuss Contract Farming

RURAL BUSINESS BANKING

A typical agricultural bank can offer a range of different funding options to grow a business from long term options through capital items often on shorter terms.



Long Term Loans

70%

- Land purchases – economies of scale
- Non Agri Diversification
- Agri Diversification
- Infrastructure improvements
- Renewables and power
- Scale



Asset Funding

15%

- Self propelled machines
- Larger more efficient machinery
- Automation
- Scaling assets (e.g. intensive livestock)



Revolving Credit

15%

- Additional working capital for rented/tenanted/FBT
- Specialist funding schemes for inputs and livestock
- Distributor funding
- Transition facilities
- One to five year funding

Oxbury Bank lending profile

KEY FACTORS ASSESSED

Prior to a loan, a bank will want to:

- Understand Entity ownership
- Understand ownership of security
- Work out the numbers – see right
- Debt Servicing/Affordability
- Security
- Credit searches

AFFORDABILITY

- Are the Historic Accounts Relevant?
- Changes to the business
- Change in area farmed
- Change in Livestock numbers
- New Enterprises / Diversification
- Business demerger?
- Abnormal Accounting Entries?
- One-off Costs
- One off Incomes
- Linked Businesses?

TYPES OF SECURITY

- Legal Mortgage over land / property
- Corporate Guarantee
- Personal Guarantee
- Bond & Floating Charge if a Ltd Co.

	Profit/Loss**	80,000
+	Interest	50,000
+	Depreciation/Amoritisation	35,000
	EBITDA*	165,000
-	Drawings/Dividends	40,000
	Adjusted EBITDA	125,000
-	Existing Borrowing-Overdraft	40,000
-	Existing Borrowing-Loan	31,000
-	Existing Borrowing-HP	36,000
-	New Borrowing – Farm Loan	22,500
-	Total Debt Servicing	129,500
=	Surplus/Deficit	-4,500

*Earnings Before Interest, Taxes, Depreciation and Amortization. **3 year average

Table: A typical debt servicing calculation

CONSIDERATIONS

- Loan to Value
- Other Lenders
- Valuation
- Solicitors

SUMMARY

- Banks are here to facilitate business progression and advice from professional advisors
- Debt Servicing and Security are key.

For more information from the presenters,

contact Fergus Rendall, Agricultural Relationship Manager, Oxbury Bank,

M: 07926 285198

E: fergus.rendall@oxbury.com

ADDING VALUE

Gavin McIntosh, Fraserburgh butcher and Gordon Newlands, QMS, gave a butchery demonstration, highlighting the changes in the industry and showing how there are margins to be made with new cuts and preparation of meat.

Gavin's D-type rump steak would have traditionally been cut right across the whole muscle.

Instead, he separated the rump into four muscles and then removed the silverskin. Breaking it down allows a butcher to be creative:

- different muscles cook differently.
- the fat can be trimmed
- the meat can be tenderised
- the cuts can be marinated for different stir fries
- up to 10 different products can be created
- value's added through a tasty, varied display at the counter.
- A half hour of preparation can add as much as £90 to sales compared with selling a standard D-type rump.



Gavin and Gordon show the standard rump

Whether a butcher or a farmer, Gavin's advice to any business seeking to add value is simple:

- think out-of-the-box
- be forward-thinking
- research new products
- always be looking for new ideas
- promote your business and what you sell

Gavin says, 'Use Facebook a lot. People are on it, people watch it. It's great.'

SAVING COSTS SUSTAINABLY

Gavin emphasises his business's sustainability, aiming to be Scotland's [greenest butchers](#). A low carbon footprint is something he thinks all growing businesses should also be aiming for.

His Fraserburgh shop has solar panels, improved insulation and low energy equipment and he's increasing the use of recycled packaging.

Contact Gavin at **Ian J. McIntosh Butcher** mcintosh-butcher@hotmail.com [Facebook](#) and 01346 516913



and the value-added final products!

ENTREPRENEURS AND MARKETING

Gordon Whiteford, Lower Mill of Tynet, has grown his organic business from a 3 hectare poultry unit several years ago to about 150 hectares now.

Instead of being a price taker, he has taken his produce to market; eggs, milk and a 24/7 farm shop.

Discussing marketing and entrepreneurship at the meeting, Gordon said growth has not been particularly planned but has developed in blocks, adapting to challenges and the market opportunities thrown at him; similar to the Banff & Buchan Monitor Farm.

However:

- you need a market.
- you need to do your sums.
- you don't want to jump into something that you can't get out of,
- You test the market
- you need to be passionate about whatever you do
- you need to believe in what you do: that's one key thing!

Gordon feels a sense of amazement for the places his step by step, one step at a time approach has taken him and his family business.



DAIRY

Gordon has a micro dairy with 35 cows. He looked for a unique selling point, different in practice from normal dairy dairies:

- Calves are left on to about six months
- Gordon describes his enterprise it as a cross between a beef and a dairy herd.
- High milk quality: it can be over 5% butterfat and 4% protein.
- 1/3rd of their milk is sold through their 24 hour vending machine.
- They sell milkshakes and make their own ice cream on the farm.
- Their milk is A2 which is bought by people who are dairy intolerant.

STORES

The farm crosses the dairy cows with Angus, selling most store but several animals a year go through the shop.

This might increase with time. Feedback is good – the meat is well marbled.

EGGS

The mainstay of the business is the egg production which is a mix of retail and wholesale.

Gordon notes this is the basis of the business, 'Don't put all your eggs in one basket.'

SOCIAL MEDIA

Facebook, the business shop window, has been really good. The Whitefords write a lot of blogs to let people know what they're doing.

Gordon likes to take people on a journey with the farm which buys them into what is going on.

Gordon farms at
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MONITOR FARM Scotland

To find out more or to sign up, please contact:

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