



# Engaging with Consumers – Part 2

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**Now that you have decided to diversify your farm business, there are a few things to think about.**

- **Do market research.** Is there demand for the products or services you intend to supply?
- **Who is your target customer? Why should they buy your product or service? What makes your product or service different from competitors? How does it stand out in the marketplace?**
- **Know your limitations.** Don't stretch yourself thinly by running the core farm business and the diversified enterprise.
- **Do a skills audit – you alone may not have all the necessary skills to run a successful business. Consider employing, partnering, or outsourcing specific roles/skillsets.**
- **Marketing: how will you promote your new products or services? How will customers engage with your business? Will you have a website? Will you have an e-commerce website? Which social media platforms are best suited to your target market?**
- **Know your numbers.** As part of your market research, it's important to budget and forecast. What will your costs be? Are they fixed or variable costs? How will they be impacted by inflation? What price point will you charge? What is your profit margin? How much initial capital do you need? Where will it come from? How/when will it be paid back?
- **Cost in your time.** Diversification ventures take considerable time, energy, and commitment to show results. Make sure you pay yourself appropriately – if you had to step away from the business, how much would you have to pay someone else to continue running it?

It is recommended to fully investigate the points above and seek guidance from a 3rd party who does not have an emotional or financial connection to the proposed business. This will help to provide honest, unbiased advice before you commit.

## Is there funding to help?

Professional support is available through Farm Advisory Service Integrated Land Management Plans (ILMP's) where farmers, crofters and land managers can benefit from independent, impartial advice on potential growth opportunities and improvements.

Specialist advice funding is available without the need for a prior ILMP. Farming and crofting businesses can now apply directly for up to £1000 of funding for specialist advice on a range of topics, including farm diversification.

Free ILMP's for New Entrants – if you are a new entrant (businesses operating for 5 years or less), you can apply for up to £1,200 of government funding to cover the full costs of an ILMP. The participating business will only need to pay the VAT element.

For more information visit: <https://www.fas.scot/integrated-land-management-plans-ilmps/>

The following websites and organisations listed below provide information and support to help you with your diversified business.

## Go Rural

Go Rural is a thriving community movement of Scottish farmers and crofters who are passionate about producing the highest quality food and drink, and who are committed to caring for the environment and protecting Scotland's landscapes for everyone to enjoy responsibly.

<https://www.goruralscotland.com/>

## NeighbourFood

NeighbourFood is an online local market where consumers can buy a wide range of local produce and collect from a local venue. All of the products listed in a NeighbourFood market are grown or produced by local farmers or artisan producers.

NeighbourFood is a great way for farmers to sell direct and build relationships with local consumers.

<https://www.neighbourfood.co.uk/>

## Regional Food Groups

There are currently 19 Regional Food Groups across Scotland and they bring together producers, hospitality and tourism businesses, independent retailers and markets and other people or organisations, all interested in growing the local food economy.

Each group works in its own way, but they're all looking to put local food and drink on the map and drive growth.

Find your local group here: <https://www.scotlandfoodanddrink.org/regional-food-growth/regional-food-groups/>

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## Useful FAS Resources

### Capitalising on Assets

If you would like to look at other diversification opportunities and how to add value to your assets, please visit:

<https://www.fas.scot/downloads/capitalising-on-assets-fact-sheet/>

### Writing a Marketing Plan

If you would like to develop a marketing plan for your business, please visit:

<https://www.fas.scot/publication/writing-a-marketing-plan/>

### Social Media to Increase Business

If you would like to develop your social media skills, please visit: <https://www.fas.scot/downloads/social-media/>

For any further advice on Engaging with Consumers, please contact:

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