

New Entrants to Farming



**Farm
Advisory
Service**

New Entrants News

Autumn 2022

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Welcome to the Autumn edition of New Entrants News. The overarching theme of 2022 thus far has been turbulence. So far, we have seen the war in Ukraine and associated consequences on escalating feed, fuel, and fertiliser costs, resulting in very high levels of inflation not seen before in the lives of many new entrants. We have also experienced political change with our third prime minister this year and a change in the monarchy following the passing of Queen Elizabeth II.

Despite this turbulence and uncertainty, it has been refreshing to return to face-to-face meetings and meet many young, enthusiastic new entrants. Read on for a summary of the first Ayrshire and Caithness local group meetings and the alternatives to land ownership north region meeting.

The Scottish Government have launched a consultation on the forthcoming Agricultural Bill which covers the future payment framework, agricultural wages, and a means of modernising agricultural tenancies. A summary of the content is provided in this edition, but all would be encouraged to read the bill, attend the in-person or online consultation events, and complete the online survey as this is an important opportunity to shape Scottish agricultural policy for generations to come. The elements relating to modernising agricultural tenancies and skills, knowledge transfer, and innovation will be of particular interest to new entrants.

To test some of the elements that may feed into the conditionality payments proposed, a new scheme – Preparing for Sustainable Farming (PSF) has been launched. A summary of the elements of this is provided in this edition as part of our demystifying grants and schemes series.

Also in this edition is an update and signposts to the array of new resources to support and inspire new entrants which are now available online.



Scottish Agricultural Bill – a summary

Following the Scottish Government's Vision for Agriculture launched in March 2022, a new Agricultural Bill proposed for implementation from 2023 has been sent out for public consultation. The new Agriculture bill aims to ensure food security is balanced with a need to provide farmers with a fair income and tackle climate change and biodiversity loss. There are six elements to the consultation: future payment framework; delivery of key outcomes; skills, knowledge transfer and innovation; administration, control, and transparency of payment framework data; modernising agricultural tenancies; and Scottish Agricultural Wages (Fair Work).

A summary of the Bill is provided below.

Future Payment Framework

- **From 2025 onwards, agricultural support will be split into four tiers.**
 - **Tier 1 – direct base level payment to support farming and food producers.**
 - **Tier 2 – direct enhanced payment for businesses that reduce greenhouse gas emissions; restore and enhance nature; and improve business efficiency.**
 - **Tier 3 – indirect elective payment targeting support for priority species or habitats and conversion to organic farming alongside innovation and supply chain support.**
 - **Tier 4 – indirect payment for CPD, tree planting, peatland restoration and areas of natural constraint. This may also include voluntary coupled support for the sheep and beef sectors.**
- **There will be a mixture of competitive and non-competitive funding.**
- **Half of payments will be conditional on producers meeting essential standards on farming activity, climate, biodiversity, and business efficiency.**

Delivery of key outcomes

- **A series of powers and mechanisms will be developed to enable:**
 - **Conditional payments to be made to farmers, crofters, and land managers to deliver national climate change mitigation and adaptation objectives and support integrated land management.**
 - **Protecting and enhancing biodiversity including clean air, water and soils and local flood risk management.**
 - **Changes to food rules and continuing current support for the agri-food sector to align with the EU following Brexit.**
 - **Continuing support for rural development including community led development; collaboration and sharing of ideas; innovation in agriculture, food production, forestry, and land management; and public access.**
- **Animal Health and Welfare and Plant Genetic Resources and Plant Health also feature.**

Skills, Knowledge Transfer, and Innovation

- **Identify and develop the skills needed for regenerative and sustainable farming, changes of land use and adaptation to the changing climate.**
- **Enable more new and young entrants into farming.**
- **Establish a national reserve and regional reserves.**



Administration, Control, and Transparency of Payment Framework Data

- [Set up a similar administration and control system to the EU IACS](#)

Modernising Agricultural Tenancies

- [Expand options for diversification and include these in calculation of way go payments and amend rules of good husbandry and good estate management, especially for activities that support biodiversity or mitigate climate change.](#)
- [Adopt a hybrid approach in the rent review process by balancing comparable rents for secure or fixed duration tenancies; using farm budgets to determine the earning potential and consider the following 3-year economic outlook.](#)
- [A new valuation process for resumption \(termination of the lease on all or part of an agricultural holding by the landlord\).](#)

Scottish Agricultural Wages

- [Fair Work First \(FWF\) conditions are to be applied to all workplaces, with Scotland aiming to become a Fair Work Nation by 2025.](#)
- [All Scottish agricultural workers should be paid the Real Living Wage.](#)

To read the consultation paper in full visit: <https://www.gov.scot/publications/delivering-vision-scottish-agriculture-proposals-new-agriculture-bill/> where you can also find a PDF version.

A series of face-to-face events are planned across Scotland to provide a general overview, and four online virtual events focusing on specific themes within the Bill are planned. You can find the timetable and book a place at any of the meetings here: <https://www.ruralpayments.org/news-events/agri-bill-consultation-events--schedule.html>

You have until **21st November** to share your views on the consultation <https://consult.gov.scot/agriculture-and-rural-economy/proposals-for-a-new-agriculture-bill/consultation/>.

Demystifying grants and schemes – Preparing for Sustainable Farming

Preparing for Sustainable Farming (PSF) was launched in 2022 and will run for three years (2022 – 2024).

This scheme is designed to help prepare businesses for the changes set out in the Agriculture Bill by understanding their carbon emissions and sequestration and identifying opportunities to lower emissions and increase efficiencies.

There are currently two options available in phase one of PSF.

1. [Carbon audit](#)
2. [Soil sampling and analysis](#)

A second phase is in development which may include Animal Health and Welfare and Biodiversity options. These options are being tested and may form part of the enhanced payment of tier 2 in the new Agricultural Bill.

Any business registered for funding with Scottish Government Rural Payments and Inspections Division (SGRPID) and with a Rural Payments and Services (RP&S) username and password is eligible to apply.

RP&S logon details are used for the claim process once you have approved the new mandate for the national test programme (NTP). If you don't yet have a RP&S online account you can easily register here: <https://account.ruralpayments.org/publicsite/futures/register/> and on this online portal you can update your mandates.

If you have any queries, please contact the FAS advice line on **0300 323 0161** or advice@fas.scot.

For most new entrants, the first step in a PSF application will be to have a carbon audit completed (unless you have already completed one within the last three years i.e. since 1st January 2019 for a 2022 claim). Carbon audits are designed to understand your carbon footprint, identify ways to use resources more efficiently, and highlight opportunities to sequester carbon. Your carbon footprint quantifies your greenhouse gas emissions (carbon dioxide, methane, and nitrous oxide) depending on the source and enterprise. Any 12-month period can be audited. This can be a calendar year, financial year or production year e.g. September – August for arable farms or November – October for sheep farms. Much of the information you require to complete a carbon audit is readily available in existing documentation including your SAF/IACS for areas of each crop grown; livestock records for births, deaths, purchases, and sales; fertiliser and spray records for quantities and type; and business account invoices for purchase of feed, bedding, fuel, and electricity. It will take a FBAASS advisor approximately 3 – 4 hours to collate and input all the data into the carbon auditing tool of their choice. Through PSF £500 of funding is available for completing a carbon audit and once completed it is valid for three years.

To be eligible for PSF, carbon audits must align with PAS 2050 standard, e.g. AgRECalc: Farm Carbon Calculator, Cool Farm Tool, Solagro (JRC) Carbon Calculator. Other suppliers may be suitable, but you will need to check they align to the standards. You must also have recommendations from a FBAASS advisor to highlight areas for improvement. You can find your nearest FBAASS advisor by contacting the FAS advice line or searching here: https://www.scotland.lantra.co.uk/fbaass-search?search=&county=24&field_expertise_target_id=All

For advice on how to get started with your first carbon audit watch this short video https://www.youtube.com/watch?v=8_QZQHkJU8Q which details the information you will need and where to find it.

Not only will having an up-to-date carbon audit help you access future subsidy support; it may help you access funding from banks and lenders and enter new markets as buyers are increasingly seeking 'low carbon' suppliers and more funding from banks and lenders is being tied to 'low carbon' projects.

Once you have a valid carbon audit, you can then access funding for soil sampling and analysis. The aim of this is to measure the nutrient content of the soil, focussing on pH level, phosphate (P), potash (K) and carbon (Loss on Ignition (LOI) or Dumas test). This information can then be used to build a nutrient management plan based on the Technical Notes for Scottish conditions to reduce unnecessary fertiliser applications.

The level of funding available through PSF for soil analysis is dependent on the area of region 1 land claimed for BPS in your SAF/IACS. Unfortunately, region 2 and 3 land is not eligible for funding through PSF. You can use the LPIS mapping function on RP&S to determine what region each of your fields is classified as.

To work out how much you may be eligible for you will need the region 1 area claimed for BPS on your 2022 SAF/IACS, divide this figure by 5 to get 20% of your region 1 area then multiply by £30/ha. E.g. 100 ha of region 1 was claimed for BPS therefore 20 ha is eligible meaning the maximum soil sampling allowance for this business is £600. Should your holding be under 50 hectares, you can receive a maximum of £300 for soil sampling to acknowledge the extra costs associated with small businesses.

Whilst the allowance calculation is based on 20% of your region 1 claim area, there is no restriction on the proportion of your land that you sample, so if you wish you can sample your entire holding in one year. If the value of this exceeds your maximum allowance, you can split your claim across multiple years providing you submit a claim in the year of sampling. If you take the soil sample yourself then an additional £4 per sample will be paid.

In our last edition of New Entrants News we covered soil sampling and nutrient planning so take a look at this <https://www.fas.scot/downloads/new-entrants-newsletter-spring-2022/> and our video on how to take a soil sample https://youtu.be/_MGGpA6ZJOW to get you started.



In your first PSF claim year you can also access a £250 personal development payment. This can be used to expand your knowledge of carbon, nutrient management, or any other relevant topic. You can only submit one claim per option per scheme year, so it is best to wait until all your soil sampling for the year is completed.

The PSF claim process is completed online at <https://account.ruralpayments.org/claims/application/PSF/welcome>. Carbon audit claims can be made now, with the soil sampling claim section due to open in November.

If claiming for a carbon audit you will need the company you used to complete your carbon audit, your FBAASS agent number, date of completion and your total GHG emissions of your farm. You will also have to upload invoices and bank statements. Soil analysis results will also need to be uploaded if applying for this option.

New Resources

Since our last edition, we have produced a suite of new material specifically for new entrants which is summarised below.

Engaging with consumers

Consumers are key to a successful diversification business, so to help new entrants we have produced a video and webinar showcasing two diversified businesses that have engaged with consumers to develop and grow their business and two factsheets to share some top tips for connecting with your consumers and highlight some funding opportunities and useful resources.

These can be found here:

Wilson's Farm and Kitchen video <https://youtu.be/44KmTHORuvq>

West Moss-side Organic Farm webinar recording <https://youtu.be/lu6JfgD-Nq4>

Engaging with Consumers – Part 1 factsheet <https://www.fas.scot/publication/engaging-with-consumers-part-1/>

Engaging with Consumers – Part 2 factsheet <https://www.fas.scot/publication/engaging-with-consumers-part-2/>

Setting up a successful farming business

To provide new entrants with the business skills, knowledge, and confidence to develop a successful farming business we ran an event at Craigie's Farm Shop, South Queensferry in the summer for a farm tour and hear from John Sinclair the farmer entrepreneur responsible for Craigie's. Also speaking at the event were Andy Ritchie, Regional Marketing Partner at Azets; Claire Pollock & Nikki Storrar from Ardross Farm; and Sandy Wilkie ex-Wisemans who offer their hints and tips for success in this short video: <https://youtu.be/7qD5oJSGqeg>. If you are interested and would like to take advantage of the opportunity to join a small group of new entrants to access further webinars, publications and podcasts then complete the application form here: <https://forms.office.com/r/U53bgtU712> or contact Ceri Ritchie at Ceri.Ritchie@sac.co.uk.

New Entrant calendar

As a new entrant it can be hard to keep up to date with everything that needs to be done and know when these tasks should be completed, so we have created a series of technical videos summarising the top tips on each topic. Some of the videos already released cover grassland weed identification; best practice for silage making; shearing sheep and control of blowfly strike; weaning lambs; marketing lambs and pre-breeding checks.

Also coming up over the next few weeks in this series are videos on considerations for housing cattle this winter and another on grazing strategies to demystify the difference between rotational grazing, mob grazing, deferred grazing and set stocking and how to implement them on your unit. We will also have an end of year round-up and reflection. You can find all the videos here: <https://www.fas.scot/new-entrants-calendar/>

Inspirational Stories

Diversifying the family farm enabled new entrant Ian Buchanan from Kinross-shire to produce rare breed free-range pork and grass-fed beef which he sells direct to the public through farmers markets and catering events. You can watch Ian discussing how he established Rootin' and Roamin' Pork here: <https://www.youtube.com/watch?v=R1QprEEoz4s>

Keep an eye out for more case study videos over the coming weeks and months including those featuring new entrants diversifying into Angora goats, market gardening and cheese making. We also have videos of new entrants sharing their story of how they got started in farming through buying a farm, securing a tenancy, forming a joint venture, and taking on a croft due for release soon.

Alternatives to land ownership – North Region event summary

With land values escalating and growing competition from non-agricultural businesses, buying land to start farming is increasingly becoming out of reach of many new entrants. However, this is not the only route to get a foothold within the industry, so to highlight the alternatives we headed to Sittyton Farm, Newmachar, Aberdeenshire in conjunction with SAYFC on Saturday 24th September.

New entrants Clarke Hibberd and Meg Clarke have recently taken on the 5-year SLDT tenancy of Sittyton Farm, but their journey started when Clarke moved from Ayrshire to Aberdeenshire aged 17 and started working on beef and sheep farms. Clarke then became self-employed and operated seasonal grazing lets across the Northeast from Aberdeen to Elgin, with Clarke never lambing in the same location each year. The 100 acres at Sittyton is farmed organically alongside a further 300 acres of seasonal land where they grazed their 1000 ewe flock. Clarke and Meg have collaborated with local organic vegetable farmers who are seeking livestock to graze their grass leys to improve soil health and fertility. In addition to sheep, Clarke and Meg rear turkeys for the Christmas market, shear sheep, and train sheepdogs. This enthusiastic young couple are the perfect example of how hard work and grasping every opportunity that comes in their direction can pay off, even if it takes longer than expected.

We were also joined on the day by Allan Young of the Scottish Land Matching Service (SLMS) who shared a series of examples of joint venture agreements he has helped facilitated. Anyone seeking a joint venture should sign up on the SLMS website (<https://slms.scot/>) and not be put off by the apparent lack of opportunities advertised on the website. Only a selection of the joint ventures available through SLMS are advertised on the website, as some farmers seek privacy. The process of setting up a joint venture between two parties can be a lengthy process, but this is to ensure a good match.

Jane Mitchell of Johnston Carmichael Chartered Accountants covered business planning and finance for new entrants by summarising the different business structures commonly found in farming and ways of financing land, equipment, and livestock. In a very thought-provoking exercise, members of the audience shared a summary of their business ideas, assumptions they made, and why they thought they could be successful to demonstrate that business planning should not be an intimidating process. Jane's top tips were:

1. **Write down the business plan and start early, not the week before the tenancy application window closes.**
2. **Build a network of five (maximum) trusted advisors.**
3. **Know when to walk away – if you are not making money within the first three years it is best to move on.**



We will be heading to the West Region on Saturday 12th November for an opportunity to hear how Stuart & Chloe Graham secured the tenancy of Upper Cleugh Farm in 2020 alongside running contract farming operations and several diversification projects. A similar event is planned for the East/Central region with the date and location TBC.

Local Group Round Up

We travel round the local groups to hear what they have been up to in their first meetings of the year – the first face-to-face meetings for New Entrants since early 2020.

Ayrshire

By Kirstyn Blackwood, Ayrshire New Entrants group facilitator

The Ayrshire group headed to The Coo Shed on 26th September for their first meeting of the year on establishing and growing a business in changing times. A mixture of 32 new entrants to well-established businesses from Ayrshire, Renfrewshire, Argyll & Bute, and Dumfries & Galloway attended.

David Young from William Duncan & Co accountants spoke about making tax digital and the programs they use as an accountancy firm and emphasised the importance of forward budgets as a tool for forecasting and making plans. He also covered capital allowances, tax implications and the importance of the partnership agreement.

Anne Anderson and Andrew Glover from Rural Finance covered lending criteria for a variety of options such as an agricultural mortgage, HP, loans etc. They said it is important to know your figures and your accounts inside out to give banks confidence when putting a proposal to them for lending.

In the afternoon, the speakers along with SAC Consulting's Robert Ramsay were on a panel where we had a Q & A session. It was clear from these discussions that new entrants need a lot of capital to get started in farming and further challenges include increasing bank interest rates and limited availability of tenancies. However, the farming population is an aging one so it is hoped there will be more opportunities for new entrants to come. New entrants are key to the success of Scottish agriculture's future. The takeaway message from this meeting was for new entrants to gain experience working on farms or through seasonal lets and joint ventures to build experience and capital until the market eases.



Caithness

By Willie Budge, Caithness New Entrants group facilitator

We held a guide to buying livestock meeting at Aberdeen & Northern Marts, Caithness Livestock Centre at Quoybrae on Sunday 18th September. Gemma Duguid of ANM conducted a mock auction in the sale ring with some cheviot tups to allow attendees to experience the market buying process. We then took a step back to the processes required before buying livestock:-

- **obtaining a location code**
- **business refence number**
- **registering as a sheep keeper**
- **records required**

Following that we discussed the considerations required buying:-

- **What type of livestock**
- **Cattle, sheep etc and why?**
 - **Breeding or fattening**
 - **Lambing and/or calving**
- **What breed and why?**
- **Land type and availability of buildings**

Gemma then explained the mart process, selection, points to look for in livestock, bidding, and potential finance availability.

The top tips for purchasers were:-

- **Set a budget before bidding**
- **Look round the pens before the sale and keep a note of animals you like**
- **Ensure animals you select are sound on their feet and have all the attributes you want**
- **Always concentrate on what the auctioneer is saying**
- **Ensure it is your bid the auctioneer has; you might think you have the highest bid, but it might be someone else**

To round the day off, attendees were given a tour of the mart premises by Gemma.



There are six groups located throughout the country for you to join, so please contact your local group facilitator (details below) to register an interest and ensure you are kept aware of upcoming events.

New Entrants Group	Facilitator
Aberdeenshire	Kirsten.Craig@sac.co.uk
Ayrshire	Kirstyn.Blackwood@sac.co.uk
Caithness	Willie.Budge@sac.co.uk
Inverness-shire	Malcolm.MacDonald@sac.co.uk
Morayshire	Laura.Henderson@sac.co.uk
Lanarkshire	Hazel.Laughton@sac.co.uk

If none of these groups are local to you, please contact Laura Henderson so we can determine the demand for such groups across the country.

Upcoming events

We have a busy calendar of events for new entrants over the coming months. Here is a taster of what is coming up.

Saturday 12th November 10am – 1pm

Alternatives to land ownership – West Region

- **Upper Cleugh Farm, Lockerbie, DG 11 2SH**
- **An opportunity to hear how Stuart & Chloe Graham secured their tenancy, contract farming and several diversification projects as new entrants.**
- **Includes panel discussion featuring Andrew Jardine, Laura Hinnekens and SLMS representatives.**
- **Book your space here: <https://www.fas.scot/events/event/engaging-with-sayfc-west-region/>**

Tuesday 15th November 7.30pm

Ayrshire New Entrants Group – Fertiliser, Grass & Nutrient Planning

- **Training Room, John Niven Building, Auchincruive, Ayr, KA6 5HW**
- **SAC Consulting's Lorna Galloway will help you forward plan for next year and get some top tips in these challenging times where input costs are so volatile.**
- **Book your space here: <https://www.fas.scot/events/event/fertiliser-grass-and-nutrient-planning/>**

Keep an eye on the FAS events page <https://www.fas.scot/events/> and our Facebook page <https://www.facebook.com/NewEntrants> for upcoming events near you.

