

Farm for the Future

Christina Hutchings is working with The Royal Countryside Fund to deliver this programme of free support.

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One day all of this will be yours!



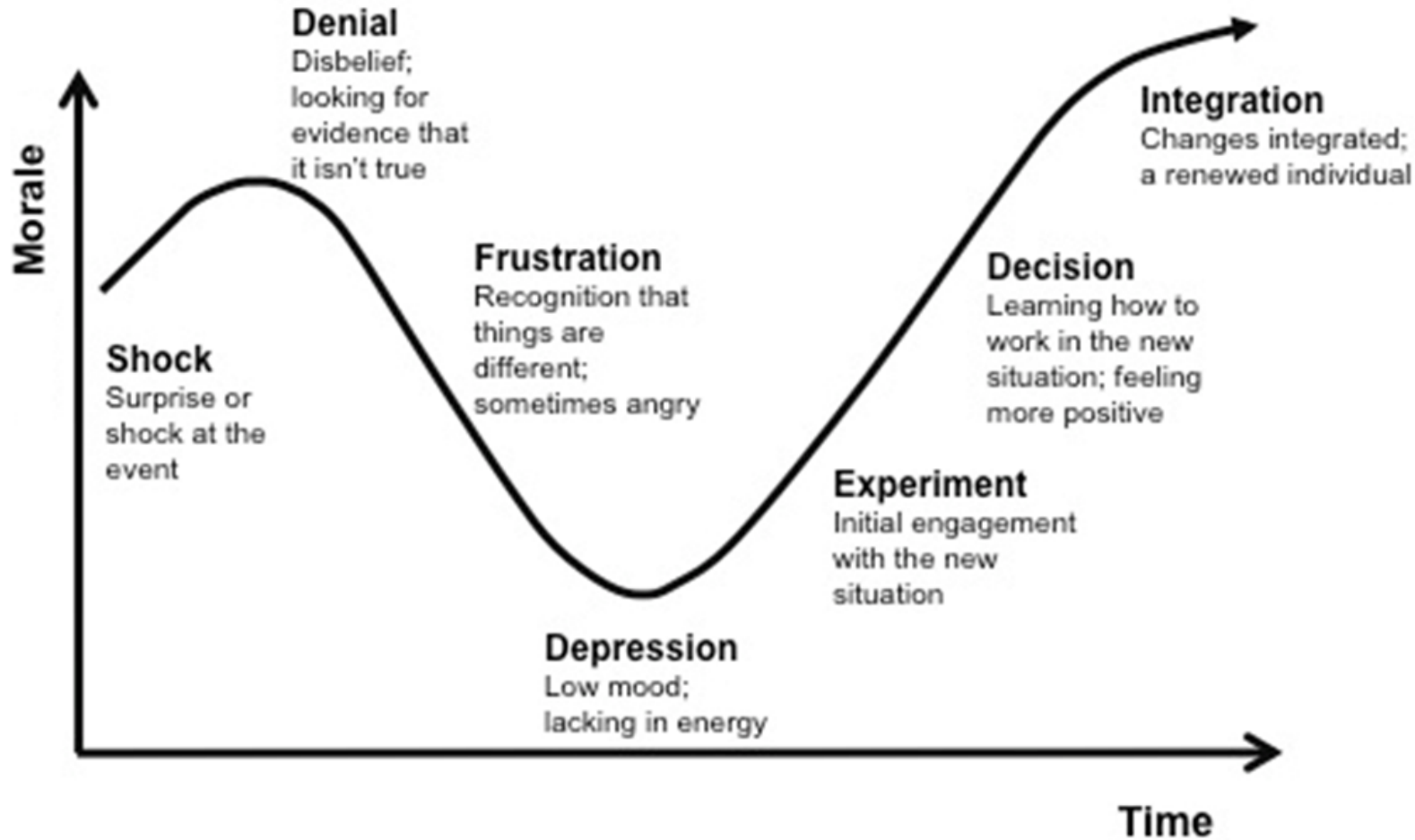
Challenge: The unknown

- Confidence - To build a business & personal vision & culture
- Reputation – To build a culture of doing what we do well and reduce stress
- Viability – Reduce debt, increase business profitability and technical efficiency
- Sustainable – To develop business disciplines to cement solid foundations
- People – To develop, have confidence , trust and support, growing skill sets, looking after health and well being



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The Kübler-Ross change curve



Guiding principles

- Recognise that each family & business solution is different and unique
- Obtain professional legal and accounting advice
- Communicate openly with family members and professionals
- Recognise differences in generational values within the family



Vision, communication, collaboration

- **Vision** – goals, dreams, ambition.
- **Communication** – write it down, say the word out loud, share it with others who will be involved or impacted and most importantly who will own it.
- **Collaboration** – can you do it alone? If not who or what do you need to help you?



“When you truly believe in what you are doing, it shows. And it pays. Winners in life are those who are excited about where they’re going.”

Garry Goodridge

**Me trying to jump over
the obstacles in my life**



Preparing for the 6 D's

- Death
- Disability
- Disaster/Disease
- Divorce
- Disagreements
- Debt



What are your dreams?

- What do you want to have?
- What do you want to do?
- What do you want to be?
- What are you still hoping to achieve?
- Where do you want to live?
- How would you like to spend your time?
- What has been on hold all of these years as you have struggles to develop the farm/croft and bring up a family?
- What did you dream of when you were young and do these dreams still have potency?
- What is the legacy that you wish to leave?

Where are you at?

- Do you know what you want?
- Are you ready to make the change?
- Have you a time frame in mind?
- Do you have an exit/retirement plan?
- Have you done the numbers/what is the reality?
- Do you know what your spouse / children want?
- Have you discussed this with your family?



Reverse budgeting – getting your own house in order

- When will you retire or leave the business?
- What provisions have you to live off – how much money do you need?
- What will retirement look like for you – will you still work PT or leave and start a hobby/new career?
- What skills do your next generation have to take over the business?
- Are these enough, what and where can they go to learn/gain experience?
- How viable is your business?
- Is there enough money in the pot, is the pot big enough to allow everyone to do what they want to do?
- Are there other off farm dependents?
- What professional support will you need to help you?
- Time frame?
- Succession strategy get it written down?

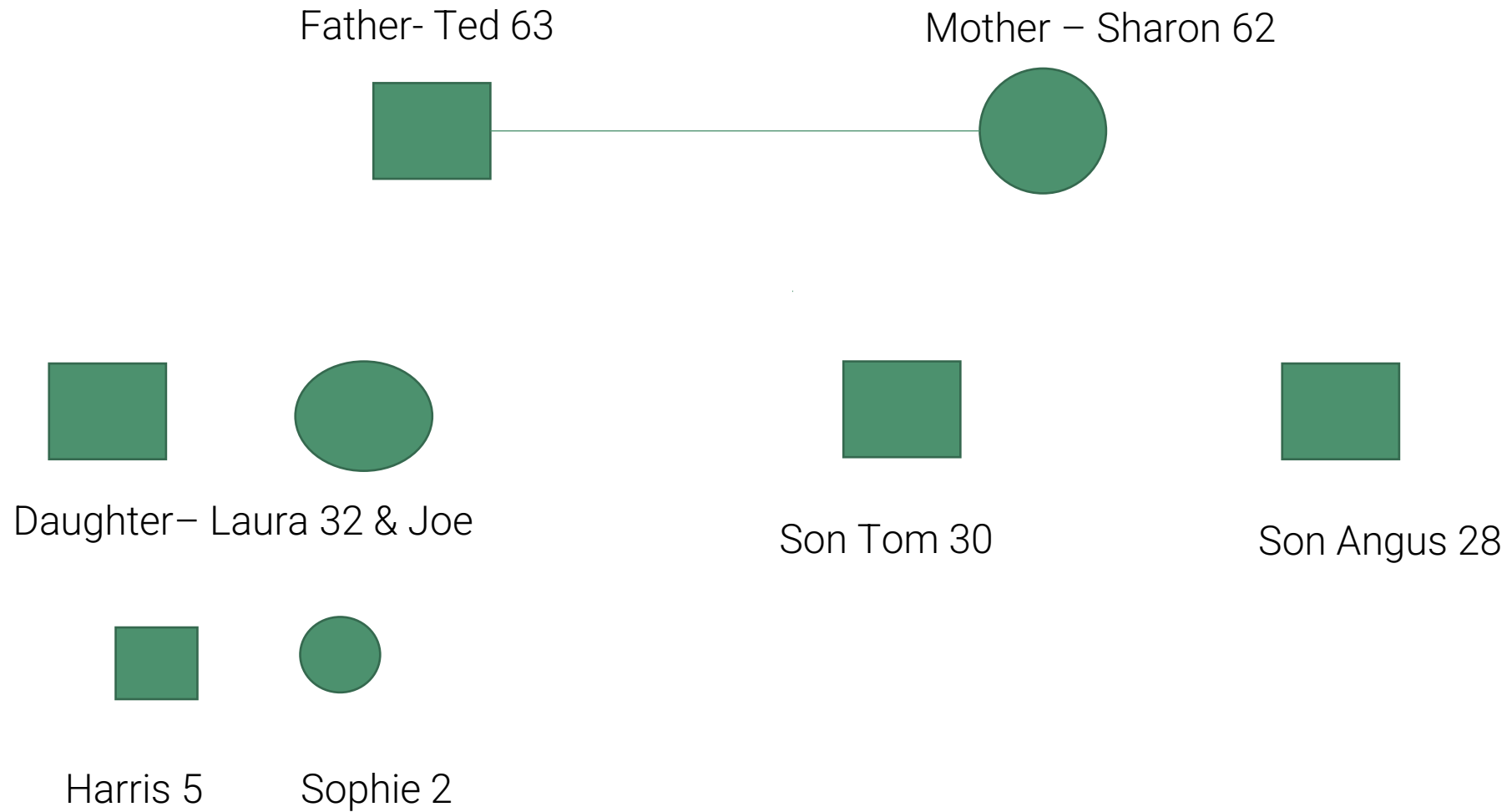
Life

Honesty meeting – every member of your family/team:

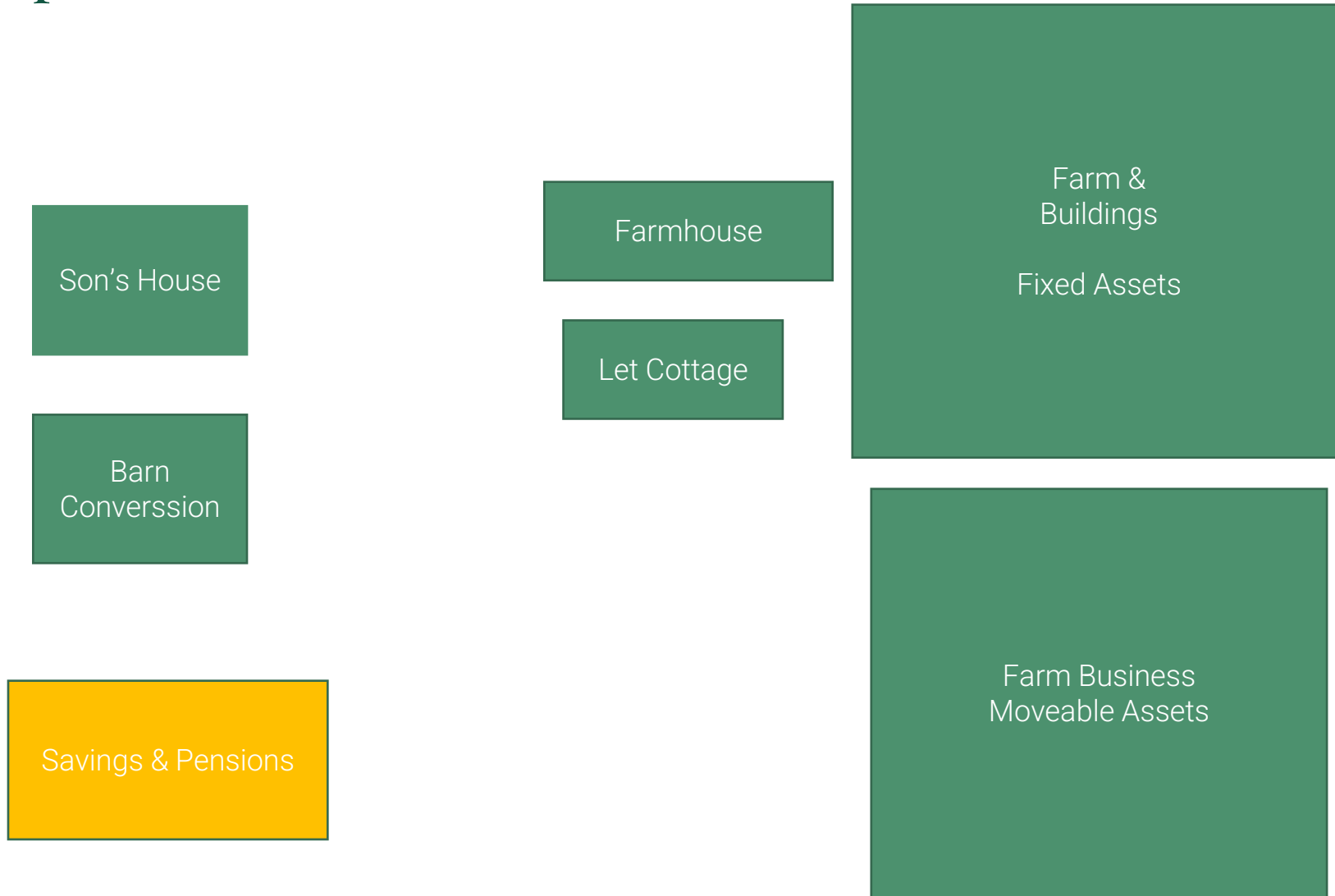
- Why are we where we are?
- Where do you want to be, what makes you happy?
- Or more importantly what makes you unhappy?



Genogram



Options / Assets



Assets

Farming Partnership = % Partners Ted, Sharon, Laura Fixed Assets

- Farm 300 acres
- 4 Bed Farmhouse
- 2 Bed Farm Cottage

Approx Value £3m

- 4 Bed House
- 1 Bed Bed Barn Conversion

Approx Value £400k

Personal possessions
Ted's boat

Pensions:
Ted £36k
Sharon £45k
Approx Total Value £81,000

**Total Amount
£3.8m**

Farming Partnership = % Partners Ted, Sharon, Laura Moveable Assets (approximately)

Sheep	18 x Tups @ £200 =	£ 3,600		
	920 x Ewes @ £120 =	£110,400		
Cattle	3 x Bulls @ £3000 =	£ 9,000		
	72 x Cows @ £1500 =	£108,000		
	62 x Followers @ £900 =		£ 55,800	
Pigs	1 Boar @ £100 =		£ 100	
	2 x Sow @ £200 =		£ 400	
	24 x Weaners @ £150 =		£ 3,600	
			Livestock	Total £290,900.
Machinery				
	2 x Tractors (£40k + £75k) =		£115,000	
	2 x Quad Bikes =		£ 5,600	
	2 x Digger =			£ 10,000
	Cultivation Equipment =			£ 4,000
	1 x Mower =		£ 5,000	
	3 x Trailers =		£ 7,000	
	1 x Pickup =			£ 10,000
	1 x Skoda =			£ 1,000
			Machinery	Total £157,600
			£ 35,000	
Cash in the business Bank Account				Total £35,000
Debt & Loans				
Barn Conversion			£100,000	
Bounce Back Loan			£ 24,000	
Credit Card			£ 2,000	
Tractor HP			£ 33,000	
			Debt - £159,000	
			Total Value	£324,500

Personal Goals next 1, 5, 10, 20 years

- Personal YOU
- Business WORK
- Family HOME
- The whole THE COMPLETE PICTURE

How well do you know your business agreements

- Business structures:
 - Sole trader -
 - Partnership -
 - Trust -
 - Limited company –

- Croft Tenancy or contract farming agreements –
- Life interests –
- Land ownership agreements
- Binding agreements pre / post nuptial –
- Neighbour Collaborations/Partnerships
- **Common Grazing Share Holder**
- **Community roles**
- **Sheep stock club**
 - **Incorporated**
 - **Non incorporated**



Check List - Some of the technical information you need to collect and have ready for your meetings with your professional, legal and advisory teams includes:

Legal will(s) - know your croft status – mention grazing shares

Power(s) of attorney

Property deeds

Mortgages and loan information

Past and any current tax records and information

Past and current financial records

Past and current financial statements

Past and current production and performance records

Bank account information

Savings and off-farm investment information

Retirement planning and savings

A current list of debts and other liabilities

A current list of suppliers and service providers (e.g. lawyer, accountant, nutritionist/feed company, equipment supplier, etc.)

Land Status

- Title references
 - Croft tenant
 - Owner – occupier
- Owner occupier with tenanted grazing shares
Landlord of a vacant croft or
Landlord of a part vacant croft (Purchased part not all)

Small Steps

- Create a plan
- Take advice
- Keep control
- Communication within the family
- Why use a facilitator?
- Wills/POA
- Company or partnership
- Know your number and options



KASH

- Knowledge
 - Attitude
 - Skills
 - Habits
-
- What do you need to know to be able to run the business?
 - Have you got a training/ upskilling programme?

“Surround yourself with those who
bring out the best in you, not the
stress in you”

“Sometimes there is no next time, no
time-outs, no second chances.
Sometimes it’s now or never”

Alan Bennett

Take home action points:

- Where to start



“SUCCESS IS NO ACCIDENT.
It is hard work, perseverance,
learning, studying, sacrifice and
most of all **love** of what you are
doing. ”

Pele

Thank You

Heather Wildman

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