



Royal Highland Show Tug of War Sponsorship - #pullingfortheteam

The Scottish Young Farmers' Tug Of War Competition, held annually at the Royal Highland Show, is a fantastic showcase that demonstrates the power of pulling together as a team.

Last year we were delighted to sponsor the event for the first time. It was a very impressive and powerful event. All the teams displayed real passion and dedication and were well supported by their clubs, families and friends.

We are delighted to confirm that we will be continuing to sponsor the event in the coming years.

#pullingfortheteam works beyond pulling on a rope and has been embraced by our own staff (as well as the Scottish Tug of War team on Twitter!) and will continue. Feedback from young farmer competitors was great - they liked the new look T shirts - so expect to see another kaleidoscope of colour this year.

Good luck to the 20 teams taking part in the finals, which occur at the RHS on Saturday 22nd June - come along and support them.

Working with generations

We begin with a big announcement of how D&R is supporting young farmers at the Royal Highland Show. We're strong believers in encouraging the next generation - both in our own business and supporting others in the rural economy.

#HATTASTIC

"We've had to re-order more hats! Have you got yours?" If you'd like one - **contact your local office.**



Key dates for your farming diary



Spring Seminars - professionals update



The value of your farm tenancy



Spring Seminars professionals update

We're just completing a series of Spring seminars that created much discussion amongst our professional peers.



With BREXIT uncertainty and changing farming times, making the most of your assets and succession planning are even more important. These were just two of the issues discussed in nine seminars held across Scotland and Northern England – but only one was held at a distillery...

The Lakes Distillery was the venue for the Cockermouth office seminar, providing a perfect backdrop to illustrate change of use. The distillery was built from a farm on the edge of the River Derwent.

Each D&R office seminar had topics tailored to their local needs, but all included updates on sales and land values.

At Cockermouth, topics included looking at **woodland planting** to increase value of land and an overview of **environmental grants**, plus a planning update for diversification. Working alongside Planning Consultants can help reach an end goal for farm diversification and hurdle the **planning obstacles**. There was much interest in the issue of 'general permitted development' – especially the Class R clause, which gives farmers the opportunity to use agricultural buildings for flexible commercial use without the need for full planning permission.

D&R Managing Director Martin Hall said "The Town & Country Planning (General Permitted Development) Order 2015 is a golden opportunity for English farm businesses looking to diversify, but it is much under used. Our Cockermouth and Berwick offices work closely with Planning Consultants to support farms looking to diversify – it's becoming more popular, with succession planning for families not wishing to continue in farming. Sadly, this order does not apply in Scotland.

In Ayr, Castle Douglas and Linlithgow, seminar topics included a **Land Reform** update, discussions on **joint ventures**, digital mapping and deed plans and **Integrated Land Management Plans**. Lanark also focussed on **renewable energy** opportunities.

In Forfar, there was keen interest in the multiple ways of **farming without capital**, looking at alternative land tenure like contract and share farming.

Our Maud office event was held at Inverurie - the day the Aberdeen bypass opened. Much discussion focused on **planning and development** and **farm consultancy** and critical IACS dates, which we share here....

Dates for your Farming Diary

Included here is a comprehensive list of the critical dates for schemes running this year:

- **1 Jan** – cross compliance starts. EFA buffers & margin management period commences
- **15 Jan** – EFA fallow period commences
- **1 Mar** – No hedge cutting until 1 Sep without permission from RPID/RPA/LA
- **2 Apr** – Deadline for BPS Entitlement transfers (Scotland)
- **12 Apr** – Deadline for AECS applications
- **1 May - 30 Jun** – Period for calculating 3 crop rule
- **3 May** – Deadline for Higher Tier hedgerow and boundary grants applications
- **15 May** – SAF/BPS submission date (land has to be at the active farmer's disposal on this date)
 - PF06 LMF/RLE 1 forms have to be with RPID/RPA by this date for this claim year
 - All mapping changes to be notified to RPID/RPA by this date for this claim year
- **31 May** – Deadline for changes to SAF/BPS without penalty
- **9 Jun** – Final date: SAF with a late submission penalty. No changes after this date.
 - Final date: BPS National Reserve application supporting docs submitted to SGRPID (final date for RPA 10 Jun)
- **15 Jul** – End EFA fallow period (Scotland)
- **31 Jul** – Deadline for Mid Tier grant applications
- **1 Aug** – End EFA nitrogen fixing crop management period (Scotland)
- **30 Sep** – Euro Exchange Rate set
- **1 Nov** – Green cover crops must be established
- **31 Dec** – End cross compliance scheme year

Demand for on-shore wind farm sites is back

The political appetite for renewable energy and on-shore wind farms is strong in Scotland and renewable energy developers have on-shore wind farm acquisition back in their sights.

In recent months we've fielded calls from multiple renewable energy companies looking for new sites. Land owners and occupiers (secure agricultural tenants) can benefit significantly from such developments.

What's important to developers?

- Sites with strong wind speeds, lying outside high value environmental designations (National Parks, Ramsar sites, etc) and not dotted with residential homes.
- Sites of 400+ acres (enough for 5+ large wind turbines with tip heights of 100 metres or more), so they can achieve installed capacity of 20+ mega-watts (MW).

- Grid capacity - recent infrastructure works in Scotland have seen capacity improving, with new pylon lines erected or old lines upgraded.

- Good road access - turbines are getting bigger, so the limiting factor is whether the blades can be driven around corners, or the construction cranes can be driven over bridges to the site.

Payments are still attractive. New sites are operating in a subsidy free market but can provide a significant diversified income to a farm business. They're not just limited to annual rental for the wind turbines, or to the land holding upon which the wind farm is built. Consider: disturbance payments, payment for aggregates, rent from

substations and more. Neighbours can also benefit from enabling grid connection or agreeing to sell/rent land to widen roads, so turbines get around corners, or for a bridge to be strengthened or constructed.

Advanced technology with bigger turbines and more efficient machines, means sites once written-off, may now be financially viable. It may be time to get previously discounted sites back in front of our current list of prospecting developers.

The key to a successful deal and maximising value is to engage Surveyors, Accountants and Solicitors who understand these opportunities and the current market.

Author: Derek Bathgate (Ayr and Castle Douglas) or speak to your local D&R Office.

Property Management – size doesn't matter

As successive governments continue to implement more rules around private residential lettings, land occupation and subsidy eligibility, the need to be properly advised has never been greater.

D&R has seen increasing demand for Property Management services, winning several significant **Property Management** contracts for private and corporate estates in Scotland and Northern England. But it's not all about size. We advise and assist those with more modest portfolios, from a single cottage or a paddock or block of woodland.

Agreements made with the best intentions but incorrectly documented, can store up future problems and have unintended consequences. Owners should always keep an eye on future plans and tax strategy, ensuring 'here

and now' actions and decisions are not fundamentally prejudicial to reaching the end goal. Those decisions are easier made when properly advised and fully considered.

Taking the long view - retiring and keeping control? From a single house or field, it is important to ensure your property is not only compliant, but is meeting your immediate and long term aims. This can be especially important for retiring farmers wanting others to use the land for day to day farming, whilst retaining control of the property.



Equally, the private letting of farm cottages can be a significant burden for those not well versed in the latest legislative requirements.

We tailor our services for your needs; we support you in everything from advice and preparation of documentation through to full management including invoicing, collection of monies, policing of agreements and property inspections.

Author: Niall Milner (Lanark). For more information about our property services, contact your local D&R office.

Unlocking the value of your tenanted farm



In recent years there has been an increase in deals where landlords have bought out their tenants, or tenants have acquired the farm they tenanted. The registered pre-emptive right to buy now avoids a farm being sold from underneath a tenant. It has also become less politically acceptable in Scotland to be a large landowner. Views differ south of the Border.

Purchasing your farm is a goal many tenants aspire to. Often a landlord chooses to dispose of their interest where the return from tenanted farms versus the return from capital invested elsewhere is greater.

The terms that can be negotiated depend upon a number of factors including:

- Type and terms of tenancy
- Post lease agreement?
- Level of tenant's improvements
- Capital expenditure required?
- Age of tenant, and whether successors exist

Discount on vacant possession (VP) can be considerable. It would be common to buy at 50-60% of VP value. With the VP value of farms being £1m+ the discount 'unlocked' can amount to hundreds of thousands of pounds.

Retiring. Historically tenants 'gave up' their tenancy at retirement and simply received 'way-go' for improvements, UMV's or bound sheep stock value. Today, tenants are more aware of the value of their tenancy and as agents, we regularly negotiate retirement packages, unlocking 'value' from the farm. As a valuation exercise the considerations can be similar to the list above, but approaching it from the other end of the deal. The Tenant Farming Commissioner has now produced a guidance note on this subject.

Assignment for value. Talk of being able to sell a tenancy was strengthened by introducing it in the Land Reform (Scotland) Act 2016. The delay to the introduction of the legislation was caused by the requirement for the acquirer of the tenancy to be a 'new entrant' or 'progressing farmer'.

Whilst it has not come into force yet, deals are being done ahead of the legislation, and this is helping guide the packages that can be negotiated at retirement.

If you are planning to unlock the value in your tenanted farm, these tips may help:

- Prepare a list of improvements
- Engage an agent early on to help guide you through the process
- Understand your own financial parameters, whether buying or selling
- Take a reasonable stance – extreme positions are harder to bridge
- Deals are best achieved when there is a willingness on both sides

Author: Martin Hall MD. For more information contact your local D&R Office.

NFU – the Next Generation



Jenny Brunton NFU Policy Manager, Jenny Baillie and Ian Austin (D&R), Colin Ferguson Next Generation Chair

Jenny Baillie, our Graduate Surveyor based at Linlithgow, is a member of the NFU Scotland Next Generation Committee and is also very involved with the SAYFC.

"I've always been encouraged to think of the bigger picture – improving my business thinking from gaining guidance from peers, listening to industry leaders and those lobbying on our behalf, so it was disappointing to see there were so few under 30's at the NFU Scotland AGM.

I was wearing several caps, one of which was as a member of the Next Generation Committee. We meet regularly to discuss how the Union can help to represent younger farmers and those entering the industry, and the policies and issues that affect them.

The Next Generation Committee aims to host an event in every region of Scotland to gather more grassroot farming individuals and to show off a positive case for agriculture.

I am involved in the Joint Venture Hub that provides Tenancies, Contract Farming or Share Farming opportunities for 'determined youthful farmers' to grasp – helping develop their farming businesses.

It's refreshing to hear that younger farmers are taking up this opportunity, with 26 applicants hoping to find experienced farmers willing to help them learn and grow.

It would be good to see more peers provide young farmers with the chance to make best use of their resources. Since the launch, 4 landowners have registered to the venture hub. There are plenty potential setbacks that new entrants can face, but this shift in operating just might catch on"

Author: Jenny Baillie - Graduate Surveyor

Sales update: Growth in sales

2018 was a very busy year – with 31.5% growth in sales instructions, compared to 2017. This includes whole farm units, forestry, lifestyle and equestrian properties.

D&R Director George Hipwell said "As land and property owners have become more aware of our consistently strong sales performance, the number and scale of properties sold has grown at a pace across our 9 offices. We had strong sales in forestry and residential/lifestyle sectors and grew the number and size of farm sales during the year.

Key highlights include:

- We achieved an average of 12% over asking price
- Properties spent on average, just 6 weeks on the market
- Average time from listing to completion 13 weeks
- 57% sold at closing date

If you are thinking of bringing a property to market, or are looking to buy, contact Fiona Paul – Sales Co-ordinator on 01506 811 812 or contact your local D&R office.



Fiona Paul and Romy Noble

Up and coming - promotions and qualifications

New Associate Director: Fergus Thomson, Berwick Branch Manager has been promoted to Associate Director. Fergus joined us in 2013 and followed our structured graduate training programme. He became Branch Manager when we launched our Berwick office 2 years ago.



Fergus Thomson MRICS FAAV



Kirsten Tait MRICS FAAV



Murray Philp MRICS FAAV

Congratulations to Kirsten Tait - Edinburgh

Kirsten Tait passed her Royal Institution of Chartered Surveyors Exams, to become a qualified Chartered Surveyor (MRICS). She has a double celebration this year also qualifying as a Fellow of the Central Association of Agricultural Valuers (FAAV). Kirsten is based in our Edinburgh office.

Congratulations to Murray Philp - Forfar

Last year Murray became a RICS Chartered Surveyor (MRICS). Based in our Forfar office, he too qualified as a Fellow of the Central Association of Agricultural Valuers (FAAV).

Kirsten and Murray are two of only seven in Scotland to qualify this year and Kirsten was placed second overall.

Introducing new team members:



Joe Bell joins the Cockermouth office as a Graduate Surveyor. He has a BSc (Hons) degree in Estate

Management and a decade of experience as an Estate Agent, Valuer and Lettings Manager.



David Leishman joins our Edinburgh HQ as an Account Administrator, looking after clients and

supporting our team. He has a BAcc(Hons) degree from the University of Glasgow.

Chosen charity of the year

In 2019 we are supporting the inaugural **#mindyourhead** campaign from the **Farm Safety Foundation**. The campaign launched 13th February and we chose it because mental health issues can affect us all.



D&R Team Challenge - Walk the Wall



Hadrian's Wall is 80 Roman miles (73miles) long and was completed in 128 AD. In 1987 it became a World Heritage Site. It is a perfect landmark to celebrate the fact we work both sides of 'the border' with offices at each end of the Wall, so what better location for our summer charity team building event. We will be walking the wall (or most of it) on 14th & 15th June and will also be making a donation to the #mindyourhead campaign too.