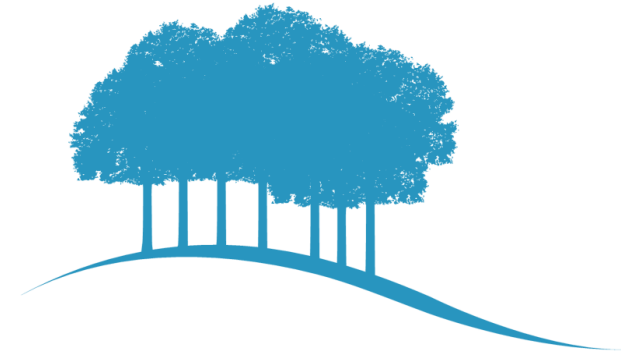


Farm for the Future

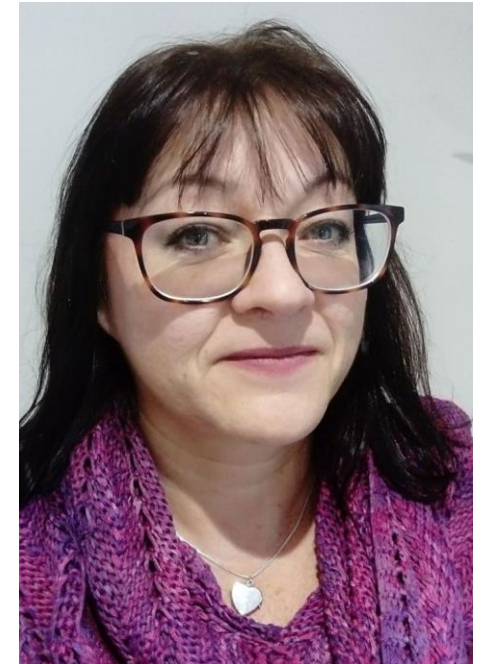
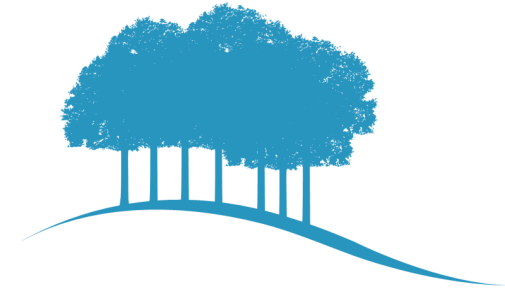


Wednesday 29th November 2023

Jo Maynard BSc (Hons) MRICS FAAV
Chartered Surveyor and Agricultural Valuer

Jo Maynard Ltd

Some of our growing Team



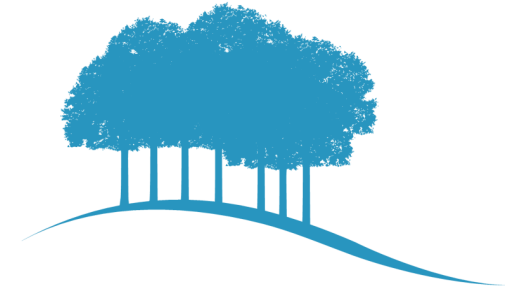


Lots of change...

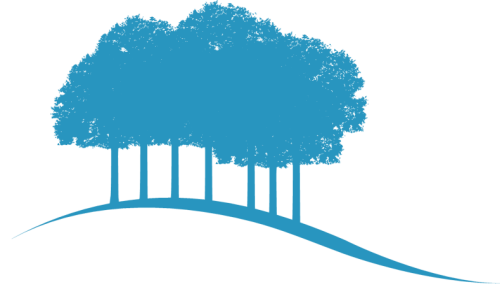
- De-linked payments (reducing)
- Stewardship and grants (schemes evolving)
- Natural capital (soils, water, air)
- The weather (storms, drought, water)
- Commodity prices (increased variation)
- Availability of labour (local, foreign)
- Planning policy and regulation
- Potential change in Government?



Is your business resilient to these changes?



- Do you know how well your business is performing?
- Is it profitable?
- How does your business compare against other similar businesses?
- What opportunities are there?
- Have you made a **plan**? (in your head, on paper, with help?)
- Does your longer-term plan include succession or a sale?



Direct Payments

**%
Direct Payments**

54%
8%
84%
17%
40%
108%
101%
33%
48%
53%

Average Farm Business Income (£)

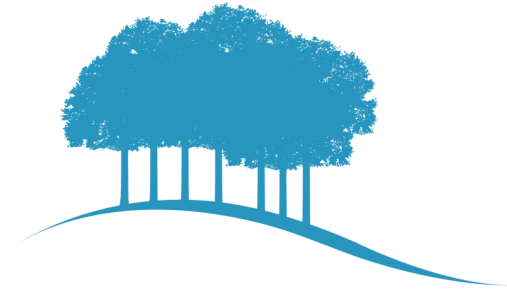
All
Horticulture
Mixed
Poultry
Pigs
Lowland Grazing Livestock
LFA Grazing Livestock
Dairy
General cropping
Cereals

Business Performance - financial



- Gross margins
- Turnover/Income/Output
- Variable costs
- Fixed costs
- Net Profit
- Profit as a % of turnover
- Increasing or decreasing pattern of profitability?
- What is the aim?
- Sufficient drawings; or salary and dividends?
- Sum for reinvestment?
- Gearing and stress testing

Benchmarking



What Is Benchmarking?

Benchmarking is a process where you measure your company's success against competitors to discover how to improve your performance.



BPS and De-linked payments

Amount types	2020 amount (€)	2021 amount (£)	2022 amount (£)
BPS gross value	€ 26,696.12	£34,089.80	£34,089.80
Greening gross value	€ 11,553.71		
Young Farmer claim value	€ 0.00	£0.00	£0.00
Total value	€ 38,249.83	£34,089.80	£34,089.80
Euro to Sterling exchange rate (2020)	0.89092	Not applicable	Not applicable

Total gross values in Sterling	£34,077.54	£34,089.80	£34,089.80
Total reference data	£102,257.14		

Progressive Reductions



Calculation

Reference Amount	£34,085.71
Less	£17,247.14
Balance for 2024	£16,838.57

2025 ?

2026 ?

2027 ?

2028 Zero

Calculation	Value
Total reference data (sum of BPS 2020, 2021 and 2022 gross amounts)	£102,257.14
Divided by 3 to give an average	£34,085.71
Delinked payments reference amount	£34,085.71

Progressive reductions applied to your claim by scheme year

Payment band	2024
£30,000.00 or less	£15,000.00
Amounts above £30,000.00 and no more than £50,000.00	£2,247.14
Total progressive reduction	£17,247.14

Percentage reduction for 2024

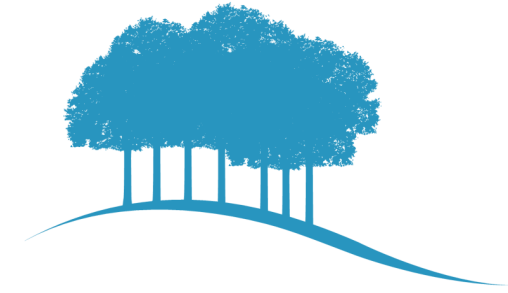
Scheme year	2024
£30,000.00 or less	50%
Amounts above £30,000.00 and no more than £50,000.00	55%

Performance – optimisation of the core business



- Units of production (e.g. livestock numbers)
- Unit selection (e.g. breeds)
- Land area (e.g. acres/hectares available)
- Land security (basis of occupation)
- Infrastructure (buildings, services)
- Equipment (machinery – purchase or lease)
- Labour (family or employed; availability of skilled labour; training)

SWOT analysis

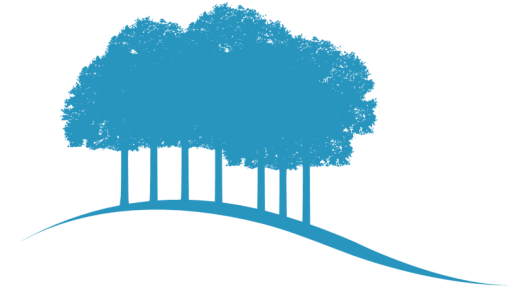




Performance - diversification

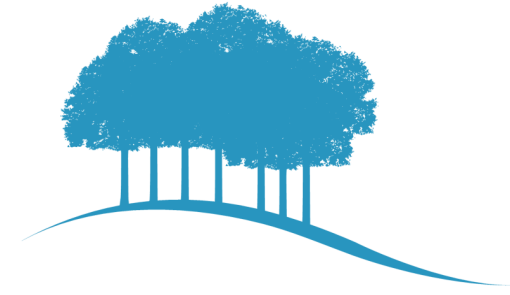
- Added value – direct selling
- Added value – processing
- Change of use of land or buildings
- Natural capital opportunities
- Tourism – a saturated market?
- Education

The plan



"He who fails to plan is
planning to fail"
- Sir Winston Churchill

The future plan



Tax planning

- Income tax
- Corporation tax
- SDLT
- Capital Gains Tax
- Inheritance Tax

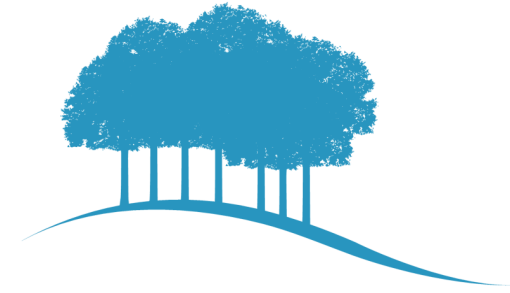


Succession or sale?



- Does the business end with you?
- How are you going to achieve a smooth transition to your successor?
- For AHA 1986 tenancies, does your preferred successor qualify?
- For FBT tenancies, is your relationship with the landlord positive?
- For owner occupied holdings, how will you cater for the wider family?

Change...



Brings **opportunities**

Thanks for listening