What could you do with 100ha and £100,000? Win Grass Farmer of the Future 2014?...

This year's hypothetical scenario for the BGS-NFYFC Grass Farmer of the Future Award poses the challenge of developing a profitable grass-based farm enterprise on a currently failing holding with the help of a £100,000 investment from a city based private funder.

Using the information about the holding and the financier supplied below candidates will need to submit the following to be judged for the competition:

1) Summary of the business plan (1,000 words)
2) Poster highlighting key aspects of the plan (to be submitted electronically as a pdf, BGS will print the finalist's posters on A1)
3) A farm plan showing how the land will be used (see example of current Farm Plan).
4) Profit and loss sheets for the next 5 years, showing the closing valuation for each year and calculation of return on investment

Judges will consider the following points, in order of importance:

1. Economic viability through increased farm profit	40
2. Grassland management techniques	40
3. Long-term potential and growth	10
4. Presentation of written submission	10

Background

Shingleback Farm, south Somerset is a lowland stock farm of 100 ha. Unfortunately it is suffering from a range of problems not all too uncommon in lowland stock farming these days.

The farm is family owned and succession has not been handled well. The elderly father, Mr Thomas, has been unable to agree with his family on what should happen to the farm. Now all the children have careers away from the farm and the father has not been able to up-keep the farm or a profitable business. Though he has tried, he has now reached the point where he needs to fully retire. His predicament is that he wants nothing but to see the farm to reach its full potential.

This is where you come in. The Thomas family don't want to sell the farm and Mr Thomas wants to continue living in the farmhouse. As a solution they have decided to offer the opportunity for someone young and enthusiastic, displaying the right management skills to come in and run their own business on the farm. The only caveats the Thomas family request are that you need to fund it yourself and that it needs to continue with a predominantly grassland system.

The land owner will keep the basic payment (CAP subsidy) and have a 25% share in your business. You will pay a holding rent of £20,000 per year.

The Funding

Gibbs and Moore is a private equity/investment firm from London. They are looking to expand their investment portfolio to appeal to a particular set of private investors interested in agriculture. They are looking for an initial opportunity to invest in a start-up farming enterprise. They are hoping to secure a 20% share for a lump-sum investment of £100,000.

As you can imagine they will be scouring applications for this one-off opportunity and they will opt for the business plan which demonstrates feasibility, proper planning and realistic yet step-wise return on investment.

Existing Situation

The suckler herd and beef finishing business has all but dwindled to a few remaining favourite cows and their off-spring. Much of the land has not been tended, many of the leys have not been reseeded in 20 years and only those closest to the yard have received any grazing or nutrients. Four of the largest fields have been rented out to contractors growing winter wheat over the past few years.
An over view of each of the fields is provided along with the farm plan below.

There are existing buildings and stock. Use of the buildings in included in the deal. You are entitled to apply for additional planning permission/prior notification if you wish. The stock are available to buy from Mr Thomas, his asking price is given.

Current Buildings

Building num	Construction	Area (m)	Current Use
1	Stone built	20 x 10 with adjoining 10 x 5	Calf housing
2	Stone built	30 x 15 with adjoining 15 x 7	Feed, meds and implement store
3	Steel frame, dung cladding and fibre roof	30 x 20	Livestock housing and bale store
4	Steel frame and fibre roof	20 x 15	Machinery cover

Current Stock

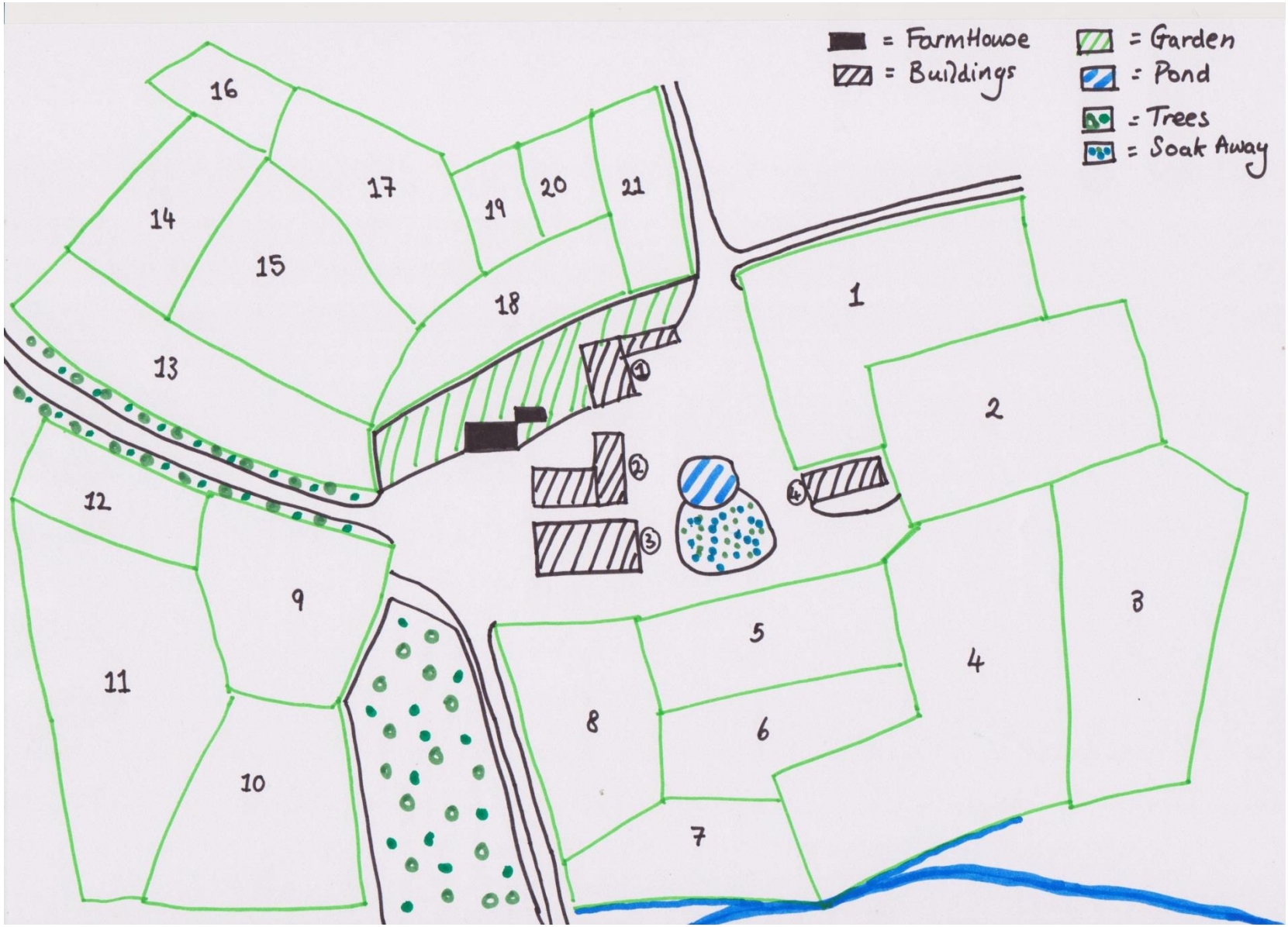
Animal	Age	Breed	Calves	£
Cow	3 y	Limo X	1	800
Cow	4 y	Hereford	2	800
Cow	6 y	Limo X	3	800
Cow	6 y	Char	2	750
Heifer	26 m	Limo X		750
Heifer	20 m	Limo X		700
Heifer	19 m	Char		650
Steer	18 m	Limo X		700
Steer	18 m	Hereford		700
Calf F	6 m	Hereford		300
Calf M	5 m	Limo X		350

Your Challenge

What you do is very much up to you, though you have to show your reasons of course.

Your business plan will need to appeal to the private investors; showing a good likely return on investment (how much the value of the business grows), and it needs to be a predominantly grassland system.

Farm Plan


= FarmHouse
= Buildings
= Garden
= Pond
= Trees
= Soak Away
1
2
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Field num	Area (ha)	Soil type	Aspect	Crop	Composition	Status	Compaction	pH	Nutrients	Notes
1	5.75	SCL	E	WW	~	~	Yes	6.2	P 3, K 2, Mg 1	Traditionally a silage field. WW for 3 years with no break, to be left as stubble
2	7	SCL	E	WW	~	~	Yes	6.2	P 3, K 2, Mg 2	Traditionally a silage field. WW for 3 years with no break, to be left as stubble
3	8	SCL, with C patches	S	WW	~	~	Yes	5.9	P 2, K 1, Mg 1	WW for 2 years with no break, to be left as stubble
4	9	SCL, with C patches	South	WW	~	~	Yes	6	P2, K 1, Mg 0	Two fields until farmer renting for WW negotiated removing a hedgerow last year. WW for 2 years with no break, to be left as stubble. Access to a watercourse.. Old field drainage system.
5	4	CL	S	Grass	5% dock, 10% thistle, also some bracken	20 years	Yes	~	~	Traditionally a silage field. Grazing and outwintering
6	3	CL	S	Grass	5% dock, 10% thistle, also some bracken and bramble	20 years	No	~	~	Has been grazing during winter daytimes causing poaching
7	3.25	CL, with C patches	S	Grass	10% dock 5 % thistle and bramble	15 years	No	~	~	Grazing field with access to a water course and ephemeral springs during wet weather. Old field drainage system.

8	4.25	CL	SW	Grass	90% intended grasses, 7% clovers, 3% dock	1 year	Yes	5.8	P 3, K 1, Mg 2	Was WW 1 year ago, reseeded with PRG, Dip + Tet Intermediate and late varieties and white clover. The field used most for grazing in recent years due to proximity to yard.
9	6	CL	SW	Grass	75% PRG, 5% clovers 20% dock	15 years	Yes	5.6	P 2, K 1, Mg 2	Second most grazed field in recent years.
10	6	CL	SW	Grass	65% PRG, 10% natural covers, 10% buttercup 15% dock	15 years	No	~	~	Can be wet in patches. Old field drainage system.
11	7.25	CL, with C patches	W	Grass	50% PRG, 10% natural covers, 20% buttercup 10% dock, 10% other weed grasses and herbs	20 years	No	~	~	Can be wet in patches
12	5	ZCL	SW and W	Grass	40% PRG, 15% natural covers, 25% buttercup 5% dock, 15% other weed grasses and herbs	20 years	Yes	~	~	Can be wet in patches

13	4	SZL	SW	Grass	30% PRG, 15% natural covers, 25% buttercup 5% dock, 25%other weed grasses and herbs	> 30 years	Yes	~	~	
14	3.5	SC	N	Grass	Weed grasses and herbs	> 30 years	No	~	~	
15	6	SZL	SW and W	Grass	30% PRG, 15% natural covers, 25% buttercup 5% dock, 25 other weed grasses and herbs	> 30 years	Yes	5.3	P 1, K 1, Mg 0	
16	2	SC, shallow	N	Grass	Weed grasses and herbs, including significant thistle and bramble	> 30 years	No	~	~	
17	5	SZL, shallow	NW	Grass	Weed grasses and herbs	> 30 years	Yes	5.2	P 1, K 0, Mg 0	

18	3.25	SZL	SE	Grass	Grasses including cocksfoot, fescues, bent and meadow grasses and herbs, including natural clovers, plantain and birdsfoot trefoil	> 30 years	Yes	~	~	Traditionally hay field. Has been topped to maintain in recent years.
19	2	SCL	SE	Grass	Grasses including cocksfoot, fescues, bent and meadow grasses and herbs, including natural clovers, plantain and birdsfoot trefoil	> 30 years	Yes	~	~	Traditionally hay field. Has been topped to maintain in recent years.
20	2	SCL	E	Grass	30% Bent Grasses, 20% Meadow grasses, 10% Buttercup, 10% Plantain, other weeds	> 30 years	Yes	~	~	Traditionally hay field. Has been topped to maintain in recent years.

21	3.75	SCL	E	Grass	30% Bent Grasses, 20% Meadow grasses, 10% Buttercup, 10% Plantain, other weeds	> 30 years	Yes	~	~	Traditionally hay field. Has been topped to maintain in recent years.

Soil Classification

C= Clay
S = Sand
Z = Silt
L = Loan
Pt = Peat

Crop codes

WW = Winter wheat
PRG = Perennial rye grass

Recommended sources for costs of production and expected sales income:

- HSBC – Agriculture forward planning booklet
- John Nix Farm Management Pocketbook – 44th edition 2014 (section photocopied in training packs).