



Special report by SOUTH EAST **Farmer**



**Going beyond farming
to support businesses**

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Managing partner Mark Weaver is proud of the advice CLM has delivered to farmers and landowners over the past ten years – but he is even more proud of what it has done for businesses in general.

“By offering a complete, business-focused service that looks beyond traditional boundaries, we have found ourselves working with farmer retailers, other retailers, construction companies and plant hire businesses,” he explained.

“We have diversified our business by helping other people to diversify theirs.”

Mark was working for G K Denniss Farms in Withyham as estate manager when he decided to set up CLM because, he said, he “needed a new challenge”.

He attended the Worshipful Company of Farmers’ advanced business management course, which turned out to be a catalyst for starting the business to fill what he described as “a space in the market for a company that was prepared to deliver something different”.

That ‘something different’ was based on taking a longer-term view of farm businesses and creating five or ten-year plans that focused on cash flows, provided usable data and took into account inheritance planning and other issues facing the next generation.

Mark, who still looks after the Withyham estate that sparked his career change, has just spent five years working with another complex family business to put it back on to

a sound financial basis while diminishing its liability to inheritance tax.

“We agreed a master plan that included sales and acquisitions, restructuring, moving assets and a fair bit of refinancing, all of it with the same long-term aim of putting the business back on track for this generation and the next,” he explained. “It has taken five years but we have achieved what we set out to achieve.

“Every business needs clarity and it is often easier for an outsider to bring that clarity by taking a fresh look at the issues and the opportunities it faces.”

Sometimes CLM is brought in by an outside agency, as in a recent case when one of the big name banks told a large farm business that if it wanted to keep its overdraft it would need to take professional advice to ensure it was heading in a positive direction.

“CLM essentially sense checks the farmer’s own plans. A light touch is often all that is needed, along with reassurance, clarity and a calm approach.”

Mark enjoyed the work CLM did to help

premium brand Speldhurst Quality Foods become not just premium but, more importantly, profitable.

“The company was going through a difficult patch because although it had a fantastic product that was selling through national supermarkets and local shops alike, it was losing money, essentially because it was selling the product for less than the true cost of producing it.”

The client, who had recently acquired the business and lived in London, needed someone to manage the company on a consultancy basis and find a way of turning it around, which is where Mark came into the picture.

The team realised that the problem was customer perception, since these were premium sausages in cheap packaging. “The answer was to raise enough cash to allow Speldhurst to completely revamp the packaging line and turn out a product that would sell for a higher price,” Mark said.

“We prepared a cash flow budget, arranged investment finance, brought in the new packaging line and helped return the company to profit. The sausages are the same but the bottom line has improved.

“It’s another example of CLM going beyond farming and supporting business recovery. The firm’s skills are transferable – whether it’s growing wheat or making sausages, success comes down to sound business management.”





The CLM team

Compliance is vital

The old idea that claiming a subsidy was simply a matter of filling in a form and then waiting for the money to roll in has long been replaced by a much tighter regime – at least on the part of those who are sharing out the cash.

Partner Anthony Weston and associate partner Kevin Jay head up the CLM team that deals with subsidies and ecological services and focuses on making sure clients are meeting all the right criteria.

“The Rural Payments Agency (RPA) is very keen on checking to make sure farmers are compliant,” said Anthony, “and it’s not just a case of not paying out if something is not right. They can also impose penalties that go well beyond the area in dispute.

“Subsidies are vital, because at £200 per hectare they can make the difference between profit or loss for a farmer, particularly when grain prices are as low as they are today, and to lose that money and face a penalty on top can be disastrous.”

Anthony and Kevin are currently advising clients on the new Basic Payment Scheme being introduced in January 2015 and are focused on ensuring their client’s 2015 cropping is fully compliant with the new greening rules and regulations.

“Most of our existing clients are in good shape for the new BPS payments, which have an increased focus on greening,” said Kevin. “The emphasis that Defra has placed on agri-environment schemes in the past means farming businesses that have taken these up are generally ahead of the game when it comes to complying with Ecological Focus Areas.”

CLM has recently introduced subsidy ‘health checks’ that act as mock RPA inspections.

“The RPA carries out inspections within 48 hours of notifying the farm that is about to fall under the spotlight,” said Anthony.

“Clearly, if you haven’t been keeping your Nitrate Vulnerable Zone paperwork up to date or the gamekeeper has been driving

all over your stewardship margins, 48 hours isn’t going to give you much time to sort these issues out. CLM’s health checks mean that clients are aware of potential issues that the RPA might find and can keep on top of them.”

Carrying out surveys to assess eligibility for subsidy schemes gives the CLM team an insight into the farm business and provides opportunities to identify potential diversifications and advise on other areas.

CLM’s environmental background, strengthened in 2011. The arrival of Alex Macdonald, allows the team to provide the ecological assessments and surveys that

now need to be submitted in support of planning applications.

The team provided surveys and advice in 2014 for applications including new farm buildings, conversions, housing schemes and solar and anaerobic digestion projects for farming and non-farming clients alike.

“Our whole approach is about providing an integrated service. Whether it is advising on new subsidy schemes or providing surveys to support a planning application we think carefully about the wider impact on the business and do our best to make sure today’s decision still looks right tomorrow,” summed up Anthony.



Planned and emergency infrastructure works bring a plethora of rural compliance and compensatory issues all dealt with by Anthony and his team

Introducing the team

CLM, set up by managing partner and founder Mark Weaver ten years ago, together with the late Tim Calcutt, now employs 14 people.

Partners Matthew Berryman and Anthony Weston work alongside associate partners Kevin Jay and Simon Calcutt, the brother of the late joint founder.

Also on board are chartered surveyor Victoria Mitchell, farm management consultants Alex Macdonald and Phil Goscomb, assistant land agent Henrietta Marshall and assistant farm management consultant Adam Keene.

Office and admin support is provided by Mandy Ashdown, Julie Johnson, Becca Scrace and Denise Tereshchenko.



Left to right: Kevin Jay, Matthew Berryman, Anthony Weston and Mark Weaver

Taking a long view

Most modern farmers – and all the successful ones – recognise that farming in the 21st century is just as much a business as manufacturing, retailing or any other way of earning a living.

Increasing costs, the vagaries of a global market place and changing weather patterns mean that the modern farm business has to be lean, responsive, innovative, far-sighted and technologically aware.

Like other businesses, farmers and landowners also need professional advice to be sure of creating a growing, sustainable business that will maximise the return on their investment not just now but into the future.

It is that long-term, business-focused advice that CLM – set up as Complete Land Management ten years ago – specialises in, delivering to farmers and other land-based businesses across the South East.

Set up by Mark Weaver and the late Tim Calcutt in 2004, the firm quickly developed a strong reputation for delivering Higher Level and Entry Level Stewardship Schemes, but over the past ten years it has become equally well known for the quality of its farm and estate management, diversification and professional advice.

Partner Matthew Berryman is clear about what he thinks sets CLM apart from other advisers. “We focus on creating a long-term, sustainable plan to drive the farm forward and we look at the whole enterprise as a business that needs to be profitable not just now but for future generations.”

The firm has offered professional services since 2007 and the 14-strong team includes farm consultants and chartered surveyors to ensure it can deliver a comprehensive service

that can look at the whole business and come up with long-term solutions.

“We don’t divide our client’s operations into ‘farming’ and ‘other’ diversified activities,” explained Matthew. “Our clients may focus mainly on farming but they are usually complex businesses with a diverse range of enterprises.

“As well as growing and selling crops, that business may include letting holiday cottages, stewardship agreements and delivering renewable energy, but all those things are simply additional income streams within the business; they aren’t outside it.”

Being able to provide that comprehensive service backed up by a highly professional team of experts is one of the reasons Matthew joined the CLM ‘new boys’ in 2007.

“I like the freedom I have

to work flexibly and to talk to farmers and landowners about their whole business rather than just delivering a finite part of the jigsaw. I can look right across the piece and I know that I can call upon colleagues here at CLM to input their own expert knowledge.

“What the farmer gets is a well-focused, long-term plan that looks at the whole business, not just at the traditional farming aspects, and is designed to sustain that business not just today but for tomorrow and for future generations.”

Ten years on from its foundation, CLM’s Anthony Weston and his team still provide environmental stewardship and ecological assessment work, but the firm also delivers a full range of professional advice including contract farming agreements, valuations, landlord and tenant work, rent reviews and compen-



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sation claims for pipeline and road schemes.

With its base in Hartfield, just outside Tunbridge Wells, being close to the M25 the firm is able to work with farmers and landowners right across the South East and has clients in Kent, Surrey, Sussex, Hampshire, Oxfordshire, Suffolk, Wiltshire and Berkshire.

Managing partner Mark Weaver commented: "The business has grown beyond all expectations. The practice is much broader than it was ten years ago.

"I believe we go beyond the services a normal land agency would deliver by providing hands-on advice and management that helps make a real difference to the client's bottom line – and we do that by employing the right team of people."

Mark is passionate about that team and the strengths it delivers, not just to CLM but to the clients it works with. "Employing people is a privilege and I am proud of those who have joined CLM over the past ten years. All the key people have stayed with the firm and they all understand what we are about," he said.

As Matthew explained: "We help farm businesses to make sure they are structured properly, are fit for purpose and are making the best use of the technology that is available and the resources they have at their disposal.

"We look at the strategic direction of the business, think about the impact on future generations and then tackle issues such as whether they should buy or rent, let or sell land, how

they will pay back any debt needed for investment and, essentially, how they can make – and keep – the business sustainable.

"Do they need more grain storage? Is the infrastructure right? Can the land be improved and will the improved output repay the investment needed? What about drainage? These are all questions that need to be asked – and answered."

As an example of the kind of issue that CLM can help businesses avoid, Matthew pointed out that 2014's bumper harvest meant many grain farmers had stores stacked to the eaves with grain but some were finding it difficult to sell it profitably.

"There's lots of grain around, but prices are low, and that is a particular problem for farmers who have grown varieties no-one really values. Farmers need to ask themselves if they are growing a crop for a market or just producing a barn-filler. We work closely with specialists like Chichester Crop Consultants to come up with a strategy that works for the farm while producing a crop their customers want."

Matthew took on the management of a 600-acre estate north of Brighton about eight years ago and brought in local contractors to manage the 275 acres of arable land.

"We have invested in drainage and improved the soil structure using compost and now sewage cake," he said. "We have replaced fencing, built a new grain store, installed roof and ground-mounted solar panels and carried out a number of other improvements that have

Continued on next page



Matthew Berryman inspecting the solar panels at the Newtimber Estate



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Matthew Berryman and Gary Lee discussing the seed bed at the Newtimber Estate

Continued from previous page turned an underperforming farm into one that is now really starting to fly.”

CLM also manages the neighbouring farm and has increased the acreage and added a grain store.

“On this 750-acre farm we have advised the owner to switch from in-hand contract farming and have instead let

it on a farm business tenancy,” said Matthew. “We were able to advise him that as there was no farmhouse there would be no inheritance tax issues and we have helped him pass the stewardship agreements and Single Payment entitlements to the tenant.

“By letting the farm the owner has the benefit of a steady income rather than being

dependent on fluctuating markets, and we believe that the tenant will also benefit from the new arrangement by being more in control of his destiny.”

That is important to Matthew, who describes himself as being “obsessed with playing with a straight bat” and added: “A deal has to work for both sides or it doesn’t work at all.”

The financial structure of the business is paramount when it comes to preparing a long-term plan. “It’s easy to produce a budget and cashflow but the client has to be able to use it effectively in order to enhance his or her profitability,” he said. “It’s what you do with it that is the important bit.”

Precision farming is another area where good advice is essential to improve efficiency, reduce costs, minimise soil compaction and tackle diseases without using chemicals that are increasingly being outlawed.

“Precision farming allows businesses to use the right inputs rather than just doing what they have always done in the past,” said Matthew.

When it comes to helping farmers with compensation claims, CLM benefits from the broader farming background that the team has.

“A land agent can advise to a certain extent, but if I am looking at a site that has been disturbed by, say, a new pipeline, I understand more about the impact on the farming, soil structure and other aspects that should also be taken into account,” said Matthew. “In

many cases I have known the farm and the farmer for years and know the whole background to the claim.”

It’s a similar story when it comes to land sale or purchase on behalf of farmers, investors or farm businesses. “You have to know what you are buying the land for and whether or not it is suitable for the end use,” he explained. “Is it in the right place, of the right quality and available at the right price?”

Diversification is increasingly important to farmers and another area where landowners are having to think more broadly and look at their land as a business opportunity rather than as ‘just’ a farm.

“Tulleys Farm in West Sussex is a good example of a business-led approach to diversification,” said Matthew. “It’s a 300-acre farm near East Grinstead that previously diversified into market gardening and horticulture and in the early nineties introduced a farm shop.

“Now, though, it capitalises on its location, close to Crawley and Gatwick, to run a series of ‘scream park’ nights themed around Hallowe’en called Shocktoberfest. It’s not farming, but it’s a great income stream that makes good use of the land, woods and its geography.

“Just farming doesn’t always work these days. Cereal values are half what they were a couple of years ago. It doesn’t matter whether it’s a camp site, solar PV or holiday lets, farm businesses need to add extra income streams, and CLM is here to help.”

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Tackling OSR threats

With current margin projections by CLM indicating that for many growers oilseed rape may actually be a loss-making crop in 2015, there is also plenty of uncertainty about how to minimise the various agronomic threats to the crop.

For Peter Cowlrick of independent agronomy advisors CCC Ltd, the answer to the problems facing growers lies in obtaining sound independent knowledge.

He recalled: "Thirty years ago, when CCC Ltd began advising local farmers, oilseed rape was being grown without neonicotinoid insecticidal seed dressings, and now here we are today once again without them.

"The introduction of neonicotinoid seed dressing Chinook 15 years ago, followed more recently by Modesto and Cruiser, revolutionised winter oilseed rape production, but only now are we realising how reliant on their use the profitability of the crop had become."

Peter believes farmers now have no choice but to focus on using the remaining tools available to optimise the profitability of the crop.

"Seedbeds are crucial, and our farmer clients have definitely recognised the importance of seedbed quality on good establishment this year to help minimise the effects of flea beetle in the early stages.

"Using conventional varieties at higher seed rates has given our growers a margin of safety against plant loss, and combining this with seedbed nitrogen to boost early vigour is often far more effective than more costly multi-nutrient starter fertiliser products.

"However, widespread pyrethroid resistance in flea beetle populations has seen crops in some areas devastated by these pests this autumn, leaving growers with crops that have already been written off."

Research has also highlighted another damaging pest which the seed treatments had largely controlled – the peach potato



Matthew Berryman inspecting the oil seed rape at the Newtimber Estate

aphid. Like barley yellow dwarf virus (BYDV) in cereals, aphids can transmit turnip yellows virus (TuYV) in oilseed rape, with yield losses typically of 10% to 15%, but sometimes as high as 40%. This aphid vector is resistant to pyrethroids, meaning more expensive products such as Plenum or Tepeki will need to be used instead.

With a two-spray treatment typically adding £40 to £50 per hectare to the cost of growing rape, this equates to 6% of the gross output of a 3.5 t/ha crop. An alternative approach is to grow the TuYV resistant variety "Amalie", which only yields around 5% less than current standards such as Trinity and Incentive and helps mitigate the risks in high aphid years.

Two other increasing threats to oilseed rape profitability are light leaf spot and

verticillium wilt. Light leaf spot was widespread this year and in many cases was a key factor in disappointing yields. Because of the declining efficiency of foliar triazole fungicides, growers should now be selecting varieties with good HGCA disease resistance scores.

Verticillium wilt typically manifests itself in overly-tight rape rotations and causes premature senescence of side branches and pods, resulting in small seed. Currently the only solution is to choose varieties with good tolerance as identified in trials.

"Ultimately, growers and advisors are now faced with a plethora of problems in trying to produce a profitable margin from what was recently the best break crop option, which means decision making based upon technical merit and sound independent knowledge is vitally important," said Peter.



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