



Allathan
ASSOCIATES

49 High Street, Turriff,
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Advising Agriculture

DRUMMUIR HOME FARMS

**Contract Shepherd
Proposal**
for the period 1st October 2017 to
31st March 2020

August 2017

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PROPOSED CONTRACT SHEPHERDING ARRANGEMENT AT DRUMMUIR HOME FARM, EASTER SHENWELL AND MAINS OF DAVIDSTON FARMS, DRUMMUIR, KEITH, BANFFSHIRE

1 BACKGROUND

Drummuir Home Farms operate a mixed farming operation from their base at Drummuir, Keith, Banffshire, AB55 5JE.

The majority of in hand land is farmed organically, with enterprises covering sheep, cereals, forage crops and seasonal grazing lets.

The sheep flock currently totals 587 ewes and gimmers, plus 157 hogs, but there is scope for expansion of the flock and potentially to incorporate a cattle enterprise in due course, and for this to be built in to any Contract Farming Agreement.

Allathan Associates have been instructed to secure the services of a self-employed contract farmer/shepherd to take over the running of the in-hand sheep flock. This document describes the farm and explains, in general, what the Contract Agreement (CFA) might entail, and the specific arrangements that will apply in respect of the land farmed by the business.

2 LOCATION

The sheep unit is based primarily at Easter Shenwell, Keith, Banffshire, AB55 5PY. Replacement hogs are usually grazed within the in-hand grass at the Home Farm unit. A map of Easter Shenwell, showing the location and extent of the farm available to the Contract Farming Agreement, is shown as an Appendix.

3 ORGANIC STATUS

The land at Easter Shenwell is presently fully organic, as is the ewe flock. The in-hand farming enterprise is entirely farmed organically, and is certified under the Scottish Organic Producers Association (SOPA) standards. An Animal Health Plan is in place and is reviewed annually.

4 SHEEP FLOCK

The flock is a commercial flock comprising Lley, and Lley and Cheviot cross ewes. Tups used are Texel, Charollais and Bluefaced Leicester. The aim is to produce replacement breeding hogs, some surplus breeding stock to sell as such, with the main income being from selling fat organic lambs from August onwards.

The contract shepherd will also be expected to manage the welfare and fattening of some third party organic lambs and -over-wintered hogs, for which a share of the wintering charge will be offered.

5 CROPPING

Whilst no arable crops are currently grown on the unit, grass is renewed on a regular basis, with forage crops (usually a turnip/rape mix) grown as a way of breaking up old grass, grown for one season, then renewed the following season by direct re-seed with westerwolds. Second year grass is taken as silage for winter fodder.

6 ACCESS

Access to the fields is off the unclassified road and the farm access track shown on the attached map.

7 BUILDINGS AND EQUIPMENT

There is a modern steading at Easter Shenwell which will be made available to the Contract Shepherd for the purposes of managing the sheep flock, such as handlings, shearing and lambing. The steading consists of:

MODERN GENERAL PURPOSE BUILDING – 27 X 14M

Steel portal frame building with concrete floor and block work walls.

MODERN GENERAL PURPOSE BUILDING - 30M X 18M

Steel portal frame building with concrete floor and block work walls.

Feed/handling area between the two buildings, above.

DUTCH BARN 28M X 9M

Immediately adjacent to the above, useful for post lambing.

GP SHED 18M X 16M

Used for feed storage

MOBILE HANDLING PENS

Owned by the Farm, available to the Contractor

8 BUDGETS

The Farmer expects the attached budget pro-forma to be completed as part of the application process. This will form the basis of agreeing the Contractor's Basic Fee for the period through to 31st March 2018, and thereafter the first year's budget, and which will be firmed up on appointment of the successful Contractor.

The Contractor's Basic Fee will be fixed on a per head of breeding ewe basis as per the proposal for the term of the Contract.

Preparation of budgets and routine monitoring of budget versus actual in conjunction with the Farmer and his agent will form part of the ongoing CFA management, usually comprising 2 formal meetings per year.

9 INPUTS/INVOICING

It is an express condition of the agreement that all inputs that are ordered are made out in the name of the Farmer direct from the supplier. Whilst we accept that inputs may form part of a larger order to secure discounts, we expect the Farmer's share of these, if applicable, to be made out directly to him. Other than the Contractor's Basic Fee and potential fee for Profit Share, or unless otherwise agreed, invoices from the Contractor direct to the Farmer for inputs relating to the CFA will not be settled.

All product sales and any sales contracts are to be in the name of the Farmer.

10 LIAISON WITH FARMER'S AGENT

Allathan Associates will be retained for the duration of the Contract, and will liaise with both Farmer and Contractor on financial, policy and management issues in implementing the Contract and ensuring it operates smoothly with the correct profit shares being allocated.

11 CONTRACT FARMING AGREEMENT

11.1 DURATION OF THE AGREEMENT

The successful Contractor will enter into a Contract Farming Agreement for an initial 30 month period, commencing from 1st October 2017, or as soon as is practical thereafter, through to 31st March 2020. The Agreement will be reviewed at that point. The CFA financial year will run 31st March each year.

11.2 AREA OF AGREEMENT

The proposed area to be subject to the Contract for the current season is 106.45ha (263 acres). Further land may be available on the adjacent unit and within the Home Farm in order to meet the grazing and winter fodder requirements of the flock.

11.3 RESPONSIBILITIES

The Contractor will be responsible for:

- Ordering all supplies, including organic feed, permitted vet and med treatments and sundry sheep expenses such as tags, lambing supplies, etc, (these must be invoiced to the Farmer direct from the supplier, and will be paid from the Farm Bank Account), in accordance with the farm budget and liaison with the Farmer's Agent,
- Providing all the machinery (i.e. ATV, pick-up, livestock trailer) and labour inputs (including lambing) for day to day flock management
- Arranging sheep shearing (payment made by Farmer for this) and sale of wool
- Managing the ewes and lambs to the highest organic standard, including all welfare and husbandry to current standards, and marketing of the progeny in the Farmers name to best advantage

11.4 SINGLE FARM PAYMENT, CAP REFORM AND AGRICULTURE-ENVIRONMENT SCHEME PAYMENTS, ETC

The Farmer or his agent will be responsible for completing the Single Application Form in respect of all the land subject to the Agreement. Any Basic Payment Scheme or such replacement Scheme will be excluded from the divisible income under the Agreement.

The Farmer participates in the Agri Environment Climate Scheme in respect of some of the land on the farm. Annual payments received in respect of either of these schemes will be excluded from the divisible income under the Agreement, with appropriate adjustments to the contract farmed area.

Any LFASS or replacement subsidy pertaining to breeding stock will form part of the divisible income under the Agreement.

11.5 FIXED COSTS

The under-noted Fixed Costs will be included within the Agreement insofar as they relate to the land being managed under the Agreement. For budgeting purposes, these are:

- Contractor's Basic Fee for providing labour and machinery on contract to the Farmer.
- Fencing/Drain Repairs – At cost

- Insurance – Set at £500 per annum
- Professional Fees (Contract Farming Agreement admin and supervision) – Set at £1500 per annum.

12 CROSS-COMPLIANCE AND RECORD KEEPING

The Contractor will be obliged to keep appropriate statutory records of to comply with the cross-compliance rules, including Good Agricultural and Environmental Condition (GAEC) standards, Statutory Management Requirements (SMRs) and those for SOPA.

13 OFFERS

If you wish to tender, please complete the following details, including proposed budget which will form the basis of the Contract Agreement.

Your final tender should be submitted to:

Allathan Associates, 49 High Street, Turriff, Aberdeenshire, AB53 4EJ.

Closing date to be confirmed

The Farmer will not be obliged to accept the highest, nor indeed any tender.

14 FURTHER INFORMATION AND VIEWING

Interested parties may view the land at any time, without seeking prior permission. If you require further information please contact:

James Begg
Allathan Associates
49 High Street
Turriff
AB53 4EJ

Tel: 01888 563464

Email: james.begg@allathanassociates.co.uk

Attached:

1. Tender Document,
2. Farm Map,
3. Budget Proforma (Separate Document)

Further copies of these particulars may be obtained by email on request (see contact details above)

Every care has been taken to ensure that these particulars are correct, but the Farmer and Allathan Associates give no warranty as to their accuracy.

Tender Document for Contract Shepherd Agreement at Easter Shenwell

Name

Business Name

Address

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Contact Telephone Nolandline

Contact Telephone Nomobile

E-mail address

References (x2):

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Signed

Date

EASTER SHENWELL FARM MAP (POST CODE AB55 5PY)

