

farming focus

Summer 2011

Meet the team



Tony Rimmer
MRICS, FAAV
Director



Ros Rimmer
Director



Johnjo Roberts
MRICS
Chartered
Surveyor



Sam Catling
Graduate
Surveyor



Holly Walker
Undergraduate
Placement



Cerys Stockton
Professional
Support



Keighley Stranger
Professional
Support



Sheila Ashdown
Accounts
Manager

Rostons Expands Westwards

Longtime Rostons team member Johnjo Roberts is spearheading Rostons' expansion into North Wales as he combines his role as Agricultural Valuer and Chartered Surveyor with that of his role as a farmer's son.

Johnjo is now taking a more hands-on role at the family beef and sheep farm but will continue as a valued member of the Rostons' team focusing his attention on clients old and new closer to home in North Wales.

Director Ros Rimmer said: "This is a great solution for both Johnjo and Rostons. North Wales has long been an area we identified for expansion of the business but finding the right individual to spearhead this development, in conjunction with Tony and me, has taken some time.

"In Johnjo we have found someone who has the same ethos as us and we know he is committed to providing the best advice possible for his farming clients, in a cost effective manner.

"With his long pedigree in farming, Johnjo knows the pressures and strains that are placed on the farming business and over recent years has shown that he is extremely professional in his dealings and has particular expertise in planning, business re-organisation and AMC applications."

As AMC Agents, Rostons will be happy to talk to farmers through North Wales regarding their financial requirements.

Single Payment Round-up



With the annual round of Single Farm Payments forms recently completed Rostons Director Tony Rimmer is heartened to note a general feeling of positivity in the farming community, ranging from dairy farmers across Cheshire and adjoining counties to Welsh border sheep and beef men, who are currently enjoying high prices.

Almost without exception there is demand for additional land in the majority of areas and while it is accepted that the winter was long and hard, generally people are looking forward with a positive attitude.

Tony said: "I was particularly interested to meet with one farmer's wife, who explained she had been married for 58 years and now has three generations farming on the farm.

Over those 58 years they had gone from walking down the aisle with £150 in their pocket and the rent on a small holding of 16 acres, to a farm now well over 200 acres with 150 plus cattle and all without substantial borrowing.

It was a really heart warming story and it is nice to see what can be achieved and I wonder what will be achieved in the next 58 years by the same farming family."

One of the nice enjoyable aspects of Tony's job is the client contact when completing Single Farm Payment Forms, whilst it is an extremely busy period and he thanks those clients forbearance when he has probably not been able to respond as swiftly as normal, it is on days like a nice sunny day when he was around the Welsh borders above Oswestry that make the whole process worthwhile and makes you realise what a lovely environment those of us with rural connections work in.



Strength in Numbers

Here at Rostons we believe the future of farming lies in the strength of its people – and if we work together as much as we can we will have the best chance possible of ensuring the future strength and robustness of agriculture.

Rostons/Yorkshire Bank Young Dairy Group

This informal and low key group meets twice a year and offers an alternative to the many large discussion groups which the older generation attend.

The Spring 2011 meeting began at Grosvenor Farms, where attendees were given a unique insight into the manure management plan for the dairy enterprise and how it has developed and evolved over recent years.

This was followed by a visit to the impressive Cogent Breeding bull stud at Aldford, the largest in the UK.

Arrangements are being made for the autumn meeting, which is likely to consist of a tour around a milk processing plant. For further information please contact Johnjo Roberts



It's Showtime!

Summer brings with it the opportunity for farmers and agricultural businesses to get together; demonstrate their skills and new products, learn of changes and improvements in our field and have a chance to meet and chat.

Rostons will be attending a number of shows this season and look forward to welcoming you to our tent at any of the following events:

- **Cheshire Show**
Tuesday 21st & Wednesday 22nd June
- **Nantwich Show**
Wednesday 27th July
- **Flint & Denbigh Show**
Thursday 18th August
- **Cheshire Ploughing & Hedge Cutting Society Show**
Wednesday 28th September
- **National Dairy Event**
Tuesday 6th & Wednesday 7th September



Property Sales

Last year's trend to engage Rostons to offer property for sale has continued throughout 2011 and many more instructions have come in since the spring – everything from small parcels of land to whole farms and other rural property.

While many agents have been reporting difficulties in selling property Rostons is definitely bucking the trend and found the market to be quite buoyant with premium values achieved on a number of sales.

Director Tony Rimmer said: "Some years ago we decided to take a new approach to marketing properties and this seems to be paying dividends – we're having successes where agents sticking to the old formulas are not."

The Rostons property sales team employs a variety of methods to find the right buyer, including private

marketing without any formal boards or indeed particulars, to public marketing leading to best and final offers.

As a general rule the market is very different to the one Rostons operated in a number of years ago.

The finance market is more discerning and method of sale is often a key choice and obtaining finance is one of the issues which greatly affects the sale.

In the past it was relatively straight forward for someone to obtain finance but the whole process is much more complicated and if there is an element of development and finance needed, it proves extremely difficult so short timescales are often not appropriate.

If you are considering selling property, then please do not hesitate to contact Tony Rimmer

Agricultural Professionals Group

The Agricultural Professionals group is an initiative group set up by the team at Rostons to bring together like-minded professionals who have interest in agriculture but don't necessarily have the background practical knowledge.

Our aim is to provide an informative experience into the practical day-to-day management of a variety of agricultural enterprises.

The first meeting, sponsored by the AMC, was a great success. We visited Pigeon House Farm, a tenanted dairy holding on the Bolesworth Estate managed on a contract basis milking 400 cows on a New Zealand grazing system, before adjourning to the pub for a bite to eat.

The next meeting is scheduled for the July 5 to visit a broiler unit and an arable unit.

For further information please contact Sam Catling at our Chester office.

What am I Worth - and Should I Re-Organise my Business?

Rostons director Tony Rimmer has noticed a growing number of requests from clients to review, and help with reorganising, their system of farming as well as looking ahead to begin preparations for retirement.

The current difference in milk price between the 'have' and 'have not' - i.e. those on a liquid premium supermarket contract and those on other contracts, and the investment required for the NVZ legislation - is leading a number of farmers to thoroughly review their current activities and to consider making changes.

Prior to the recession and downturn in the residential market, together with the moratoriums on new residential development, barn conversions were a way not only to raise capital but also to ensure that the land could be retained as an asset to pass to the next generation.

But Tony is now very concerned about those still considering barn conversions. They appear to have been a life style demand in early 2000s but a quick drive around Cheshire will show how many barns are up for sale and supply does seem to be outstripping demand – with the possible exception of unique, large, individual barns where there may still be a market.

The insatiable demand that used to exist for the

three/four bedroomed barn conversion in a row of other barn conversions appears to have eased. After all, anyone spending around £500,000 on a home probably does not want to live in what is effectively a terraced house!

While Single Farm Payment remains and there is significant demand from those agri- business farmers who are looking to expand and take on more land, there are plenty of opportunities in all areas to rationalise the business to ultimately become more profitable.

Young stock/heifer rearing is often being looked at. While in the past a rearer might rear for two or three farms, with the continued TB issues it very much needs to be one farmer's stock per holding and as units are getting bigger, this is often easier to accommodate. Arable farming, with the current high cereal prices, remains another option.

Above all the choice of agreement is critical and careful consideration of the tax implications is required but it is often overlooked.

If you are finding profitability is not what it once was, or significant investment is required, please contact Tony Rimmer to look at what other options are available.

AMC Finance to the Fore



As an AMC agent and valuer Tony Rimmer has seen a substantial increase in the number of enquiries for AMC finance in recent months.

Tony said: "I'm sure this is down to the fact that the AMC has a very good long term track record of lending to the agricultural community. They very much operate on a 'lend and leave' basis, provided the repayments are made there are no annual reviews or increases in rates so once the margin is set for the loan, that is preserved.

"The AMC has always been competitive in the market place and continues to be so although currently, with all banks quoting on a different basis, care is needed.

"This is where the Rostons expertise in guiding their clients to what is the best offer is fundamental. While we are AMC Agents, our overriding decision and advice is what is best for you, the client.

"Often when you sit down with two or three offers from different financial institutions, whilst on the face of it they can look the same, they are not."

Some banks are quoting above LIBOR (London interbank offer rate) which is very different to base rate. The three month Sterling LIBOR rate was 0.8225% on May 11 2011 - 0.3225% above Bank of England Base Rate.

LIBOR is much more sensitive than the Bank of England base rate. It is essentially a measure of confidence between banks and can rise much quicker than the base rate as a result of events such as the Greece debt crisis and events in the Middle East.

Many offer fixed rate money usually for a three year term, then a review but care needs to be taken to see how long the money is being fixed for. In addition, set up fees don't appear to be as transparent as perhaps they once were – for example, it's not always immediately clear whether valuation fees are inclusive in the set up fee or added on – so farmers and businesses looking to borrow should ensure all factors have been considered when comparing the offers.

As an AMC agent Rostons is ideally placed to provide accurate advice and assist with AMC applications throughout Cheshire and adjoining Counties and through North Wales

Local Farmers must act quickly to receive Discounted Farm Lending Rates says AMC

Farmers considering making an investment in their businesses are being urged to tap into discounted loan rates from the Agricultural Mortgage Corporation (AMC), but should act quickly to ensure they secure a loan before the EIB funds expire.

AMC has negotiated access to a £250 million fund provided by the European Investment Bank (EIB) aimed at stimulating investment and job creation in small and medium sized businesses, including farming.

Access to this fund allows the AMC to effectively subsidise loans for a wide range of farm improvement and diversification projects, including, building works and livestock housing, machinery and equipment purchases, farm shops, milking parlours and farm energy schemes. The total fund pot is limited and there has already been a

good deal of interest. Farmers with a particular project in mind are urged to contact Tony or Johnjo to discuss the project further.

Tony comments "This scheme provides an opportunity for farmers, who are considering expanding or investing in improving farm efficiency, to access favourable loan rates at a time when interest rates are already historically low."

Those borrowers eligible for the EIB scheme will receive a discount of 0.8% off the normal loan margin. The minimum amount borrowers can apply for in the scheme is £25,000 with the maximum set at £11 million – equivalent to €12.5 million. The discount is available on loans of up to 10 years for projects that have a definite start and end date.

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