

Formidable Farmers:
Growing through
diversification



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Foreword:

275 years of supporting the agricultural sector

Farming is one of the oldest industries in the UK, and it has a vital role to play in providing the food we eat, contributing to a vibrant rural economy and maintaining and sustaining the British countryside.

Barclays' support of rural businesses began 275 years ago, and we have seen the industry evolve as society has, from urbanisation to changes in consumer food trends.

Now, we see farmers faced with more opportunities and challenges, from exploring the rise in green and renewable energy, to water availability, tech and labour, all against a backdrop of uncertainty arising from Brexit.

The 'Green' revolution of the latter half of the 20th century was underpinned by new genetics, pesticides and modern fertilisers and we are now in the midst of a new agricultural revolution using data robotics and biotech innovations.

This means that the already dynamic farmer, who is a scientist and chemist, must continue to evolve and add computer scientist and digital engineer to their already long list of skills.

Our dedicated relationship managers, based all across the UK, harness the heritage and knowledge to give farmers a genuine insight into the challenges rural businesses face and the agricultural finance solutions that could help.

In this report, we profile five formidable leaders in agriculture, all entrepreneurial in their own right, and showcase how they are embracing new ways to make the most of their assets, to thrive.

Whether growing tea to sell to China, using GPS technology to measure soil quality or converting old buildings into contemporary office space for other fledgling businesses, these estates and farms are taking steps to help ensure their success for years to come.

We hope this report will inspire others as we profile some of the most successful methods of diversification in farming today – from investments in agri-tech and improvements in sustainability, to broadening portfolios with more products and produce.

These formidable farmers demonstrate how the industry can not only survive, but thrive.



Mark Suthern

Barclays National
Head of Agriculture

Farmer:
Rick Davies

Farming since:
2012

Location:
Buckinghamshire

Stats:
8m loaves of bread
per year

3.6m bottles of beer
per year

1.5% increase in soil
organic matter



Newton Lodge

Multiple revenue streams guided by one clear principle

Fourth generation farmer Rick Davies might have been driving a tractor since he was 11 years old, but these days he's just as likely to be managing potential tenants for one of his converted pig buildings as he is cultivating the land. Rick took over the family farm in 2019 and in partnership with his parents, Mike and Chris Davies, he has been the driving force behind turning the cattle enterprise into land that also serves the local community.

Not only does Newton Lodge rent out converted storage containers and office space to a range of local businesses, it also delivers meat boxes to the local area, grows milling wheat for breadmaking and grows barley to brew beer. Rick's latest venture is growing spring beans which are being exported to Egypt and the Middle East to make falafel. George Davies, Rick's brother, also runs his turf supplying business from the farm.

"All I ever wanted to be was a farmer," he explains. "The family has had the farm since 1926, but things have changed a lot since then. For a small farm like this, offering a single product, whether it's livestock or arable, simply isn't sustainable. I want us to be here in another four generations' time. That means finding new ways to make the best use of what we've got."

It also means growing. As well as plans to expand the container storage business, providing more space for his commercial tenants and moving into composting with his brother, Rick is looking into a shared farming venture designed to help restore nutrients into the soil, making the farm truly sustainable.

"I think the knowledge we have now means that we're far more aware of what we need to do to keep farming for longer. As farmers, we have a responsibility to the land. We want to profit from it, certainly, but we can only do that if we look after it as well. Restoring nutrients is, in effect, investing in the future."

Throughout all his ventures, Rick has followed one clear principle – to make sure he has a definite market for what he is trying to achieve.



“If supermarkets weren’t buying wheat, or local businesses didn’t need storage or office space, we would have done something else. There was a clear market need, and I knew that we could meet that, and even surpass it.”



Timeline

- 1991
Converts pig sties into offices
- 2012
Takes over Newton Lodge
- 2013
Opens container storage business
- 2014
Doubles the size of arable enterprise to 400 ha

Farmer:
Martin Lines

Farming since:
1989

Location:
Cambridgeshire

Stats:
2-3 pairs of grey
partridge now exist
per field

7 years without using
insecticides on the farm



Papley Grove Farm

Using satellites to improve soil quality

Farming has long been at the forefront of innovation, whether it's using new machinery to plant, cultivate and harvest faster, creating new crops capable of producing greater yields, or deploying the latest technology to identify where best to farm. At Papley Grove Farm, Martin is constantly looking for ways in which he can use new solutions to improve the productivity of his land.

“Our aim is to have a prosperous, profitable farm that has a positive effect on the landscape,” he says. “That means being conscious of the impact of the work we do on the local wildlife.”

To that end, Martin uses GPS technology to work out which parts of his land are best to use. When he identifies poorer soil quality, he takes that area out of crop rotation, returning it to wildlife. As the average crop yield improves over time, he can then get higher return from the whole field.

“We trialled it in 2014, and have since rolled it out across the entire farm.” However, the investment in GPS is not simply for his own land. “Because we've seen positive results, we've been able to get other farms interested, which means we can hire the service out to them and create a new source of income.”

Connecting and collaborating with other farmers has also led to working with a national group involved in political lobbying and other activity, with and on behalf of nature friendly farmers. “Our farms and revenues might be different, but we all face the same challenges – the weather, machinery breakdowns and just the general everyday unpredictability. Plus, it's a good way of seeing what's working for other people and thinking about how we might be able to use it.”

Martin's use of technology goes beyond GPS. Since taking over the farm from his father, who sadly passed away in 2018, he has started investing in more modern machinery, including a seed drill with remote data transfer he can control from his office. Future plans include exploring more public-facing amenities, such as farm-shops, campsites and even learning centres to educate people on farming and the role it plays.

For Martin, having an open mind has meant he's been able to explore new ventures and see the benefits of diversification. His advice to those considering new ways to improve their business is to speak to others that have done it.



“If you’ve got an idea, talk to other people in a similar situation. If you can, see it in person, and get to know the market you’re trying to be part of.”



Timeline

- 1994
Partners with his father to run the farm
- 2013
Started to invest in GPS
- 2018
Business grew 30% taking on more work
- 2019
Invests in seed drill with GPS and remote data transfer

Farmer:
Emma Robinson
and Ian O'Reilly

Farming since:
2004

Location:
Lancashire

Stats:
1580 the year the
farmhouse dates back to

76 species of wildflower
within the meadows,
which are Biological
Heritage Sites



Gazegill Organics

Supplying demand for sustainable products

Emma Robinson and Ian O'Reilly have long been on the hunt for ways to diversify their business, opening a farm shop over a decade ago. "We saw the demand for local produce as people started to take a real interest in where their food came from, so we converted an old piggery into the shop", Emma said.

Initially only open two days a week, the shop soon moved to a seven-day operation to cope with demand, along with attending farmers' markets in the wider area. "The two together meant we could reach local people during the week, and then spread further at the weekends."

However, the operation, now called Gazegill Organics, was restricted by the markets they chose. "Ultimately it's hard to scale physical presence. That's when we started to look at using the internet." The result was an e-commerce operation, with the ability to reach and deliver to people across the country.

Shifting to online, combined with the farm shop, has been so successful that they have now stopped selling at weekly markets. "We sell 600 boxes of organic produce a week online – the cost of doing that through farmers' markets wouldn't be sustainable." To aid this, they've streamlined the process of internet orders and automated booking couriers, saving around four hours a day.

Alongside the retail arm, Emma and Ian are also looking at becoming more self-sufficient, reducing costs by investing in renewable energy sources.

"We've got a turbine, solar panels and ground-source heat-pump. It means we have more control over our energy supplies, and in the long term will help bring bills down significantly." They're also investing in an on-site eco restaurant with no food miles, powered by solar energy, with all food sourced from the farm, and plans to build holiday lets above the farm shop.

Being prepared to try new things and not be held back by what has worked in the past has been key for Gazegill Organics' continued success.



“We’ll continue to invest in our farm’s sustainable activities, supplying consumers with organic produce – there’s a clear demand for it across the UK and investing in this will continue to propel us forwards.”



Timeline

- 2006
Emma and Ian take over the farm from Emma’s parents
- 2007
Farm Shop opens
- 2008
Raw milk sales commence
- 2012
E-commerce operation starts
- 2019
Work starts on the Eco Dining Project

MD of Trading:
Jonathon Jones

Farming since:
1996

Location:
Cornwall

Stats:
39% Increase in domestic
tea sales over the last
five years

140% Increase in
international tea sales
over the last five years



Tregothnan Estate

Growing tea in the UK

In order to continue to prosper and run sustainable estates, many farmers look to diversify, supplement or replace traditional crops and livestock with new revenue streams.

The Tregothnan Estate is home to a large botanical garden and nursery, and it had been looking to diversify and increase its output. Jonathon Jones, MD of Trading, joined in 1996 and identified that the local climate, soil and weather meant that there was a unique opportunity to grow tea.

The first Tregothnan Estate tea was grown in 1999, and on its twentieth anniversary the estate is proud to be Europe's fastest growing tea garden, exporting as far as China. "It's exciting to be creating something that hasn't traditionally been a part of the estate," Jonathon says. "Tea was one way of diversifying to create new revenue."

As well as growing and selling the leaves, the tea gardens are also an opportunity to create a new type of customer experience. "We run it much like an estate in Darjeeling – guests can come in, have a tasting, visit the gardens and see first-hand how we're growing tea in Cornwall. It's an added attraction to the business, along with our gardens and the nursery."

While tea provides the main revenue, the estate also makes its own honey, runs a floristry business and hosts holiday cottages. It even grows the world's first trademarked fruit, the kea plum, which can only be grown on 20 acres of their own land to protect it from overharvesting. "While the businesses we run may be new, the idea of a self-sustaining estate is not – that's how things have always been done. The difference is, what might once have generated enough income now needs to be supplemented by other areas."

As Tregothnan looks to the future, it is also trialling robots that will help it to farm its tea plantations more productively.

While tea may seem an unusual choice of crop for the UK, it underlines Jonathon's approach to diversifying.



“When we were looking for alternatives, we considered our strengths – our location, the local climate and our soil. We get warm summers and mild winters, with a degree of humidity. Once we had identified our assets, we were able to decide what opportunity we should explore further. We’ve applied that principle to everything we’ve done since.”



Timeline

- 1996
Jonathon joins
Tregothanan Estate
- 1999
First tea grown on the
Tregothnan Estate
- 2019
Twentieth anniversary,
Europe’s fastest growing
tea garden

Farmer:
Isaac and Kerrie Benson

Farming since:
2006

Location:
Cumbria

Stats:
20m people visit the local
area of Windermere
each year

Ensures the next
generation remain a
positive feature in the
future of farming



Lakeland Farm Visitor Centre

From award winning livestock to sharing traditional processes with the wider public

As wider trends for reconnecting with the land, supporting local businesses and eating more sustainably continue to grow, traditional organisations that have long followed these philosophies have an opportunity to capitalise on this renewed interest. That's certainly been the case for Isaac and Kerrie Benson, who recently invested in a visitor centre on their farm in Windermere, in the Lake District.

"We wanted to address some of the challenges we face with farming," explains Isaac. "We were a bit too reliant on public subsidies to cover the shortfall when the livestock isn't profitable and creating the visitor centre is a way of being more sustainable."

The centre acts as a hub for a range of activities, from a farm shop to a meat subscription service, a demonstration arena and a range of workshops, including cookery classes, drystone walling and wool spinning. The ethos is very much about making people more aware of traditional methods and products, something that Isaac and Kerrie are passionate about.

"We are very proud of our livestock, and the demand we have for them," Isaac says. "Part of the reason for that interest is that we've kept things traditional in how we raise and care for them, so we want to keep that going in the centre too."

Moving from purely raising livestock to combining it with a visitors centre has meant acquiring new skills. "We have more staff at the visitors centre, and there are more members of the public on the farm now, so we're learning the best way to deal with issues, keep people happy and make changes with our employees when needed. Moving from purely wholesale to a more retail environment means looking at ways to attract customers, so we're learning more about marketing the centre as well."

Investing in the centre may seem like a big step, but something they needed to do.



“We studied the market, our location and surrounding area, and saw an opportunity for something a bit different. It’s been a big investment, but one that’s starting to pay off. Social media has also really helped in bringing people in.”



Timeline

- 1999
Won first livestock award when farming in partnership with Isaac's father
- 2003
Bought the site for Lakeland Farm Visitor Centre
- 2019
Opened the Visitor Centre

Five ways to diversify your farm

It's important to make sure you get diversification right. To that end, Barclays has compiled our insights from the farmers featured in this report to help you plan your own approach:

1.

Know your market

Rick Davies makes sure he has a market demand before he introduces new crops.

“If supermarkets weren't buying wheat, or local businesses didn't need storage or office space, we would have done something else. There was a clear market need, and I knew that we could meet that, and even surpass it.”

2.

Build on your strengths

Jonathon Jones looked at Tregothanan Estate's assets before planting tea.

“When we were looking for alternatives, we considered our strengths – our location, the local climate and our soil. We get warm summers and mild winters, with a degree of humidity. Once we had identified our assets, we were able to decide what opportunity we should explore further. We've applied that principle to everything we've done since.”



3.

Invest in new skills

Isaac and Kerrie Benson have spent time learning about marketing to ensure their visitor centre is a success.

“Social media has really helped bring people in, and it’s not something we really would have considered before the centre and needing to make customers aware of it.”

4.

Collaborate with others

As part of a wider group, Martin Lines can share ideas and learn from what others are doing.

“If you’ve got an idea, talk to other farmers, other people in a similar situation. If you can, see it in person, and get to know the market you’re trying to be part of.”

5.

Be prepared to change as needed

Emma Robinson and Ian O’Reilly had seen success with farmers’ markets but realised moving to ecommerce could help the farm develop even further.

“We need to be looking forward. What might have got us to this point might not be the best thing to take us forward, so we need to look at things with a clear head and be focused on what we’re trying to achieve.”

