

Review

2014

The magazine for Bell Ingram

bellingram.co.uk

Diversify into deer farming

Taking advantage of new opportunities

Fracking: A landowner's guide

Making the most of your land assets

Estates, environmental science (and economics?)

Engaging with Scotland's newest university

Land Reform at all costs – but who pays?

The debate with more questions than answers



Review

2014
The magazine for Bell Ingram

The reluctant TV star

Page 3

Diversify into deer farming

Page 4

Fracking: A landowner's guide

Page 5

Lifting stones

Page 6

Maximising renewable returns

Page 7

A curious tale of fin and fur

Page 8

Politics, economics and salmon conservation

Page 10

Full Circle

Page 12

Land Reform at all costs — but who pays?

Page 13

Conservation in action

Page 14

Greening the CAP

Page 15

Estates, environmental science (and economics?)

Page 16

Timber prices

Page 18

Recent appointments

Page 19

Editorial contact for Review

Victoria McCusker
Marketing Manager
victoria.mccusker@bellingham.co.uk
01738 621 121

Cover photo

Ali Loader, Culquoich Farm

Welcome

Graham Lumby
graham.lumby@bellingham.co.uk
Perth Office

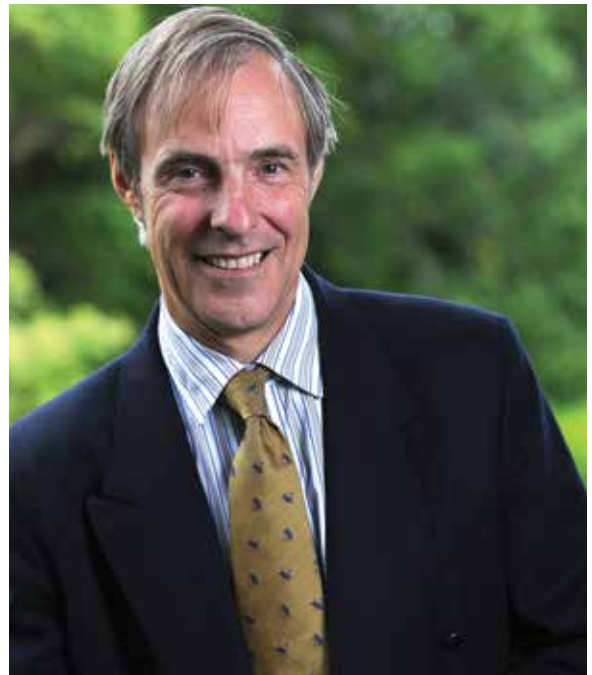
Since I welcomed you to our last Review twelve months ago, the economy appears to be picking up, and with the recession hopefully behind us, there are now new challenges lying ahead, particularly in the property sector in Scotland. Some of my colleagues, along with our guest writers, explore some areas of uncertainty in this issue of the Review.

In England, in particular the South East, residential house prices have been rising fast, with a 17% rise in house prices reported in London over the last 12 months, although this is unlikely to be sustainable. In Scotland however, whilst some of our Estate Agents are seeing an increase in instructions to sell properties, purchasers do not seem as committed as they usually are at this time of year. Is the forthcoming Independence Referendum casting some doubt in people's minds about committing to moving house in Scotland? It could well be.

The Scottish Land Reform Group's recently released report is being debated strongly in the press and by many landowners and agents. Some recommendations, if implemented, will have significant impacts on estate, farm and forestry owners throughout Scotland, with one headline recommendation being a cap in size of any landowner's property or holding.

Not content with reviewing Scotland's landownership, the Scottish Government is also considering the management of our wild fisheries, rivers and loch systems which bring in so much income into the Scottish economy. One of our guest writers, Andrew Graham-Stewart, sets out some fairly strong views, which many estate owners and fishermen are likely to support, but which may not be as well appreciated by other readers, who may prefer Alasdair Reynolds's fishy tale: *Fin and Fur*.

Still in Scotland, the Green Party MSPs have recently produced a report on a proposed Land Value Tax, which would apply to all property in Scotland,



including farmland, hill and upland, as well as garden and amenity land for residential property. The tax, it is suggested, would be based on land values and one has to wonder who is going to be given the task of valuing every piece of land in Scotland!

Other challenges ahead, both north and south of the border, include CAP reform with subsidy and SRDP changes due to be announced in the near future.

Another subject, of concern to some, is fracking (shale gas abstraction); is this an opportunity for a landowner who may have shale gas reserves below their property, or a potential geological disaster waiting to happen if shale gas is abstracted?

As surveyors, it is our job to keep up to date with all the challenges in the property sector, so that we can inform and advise landowning and farming clients of the best way to meet the challenges that lie ahead. Hopefully you will find our Review informative with, notwithstanding the challenges, some positive messages about the future of landownership and management.

The reluctant TV star

Archie Melville
archie.melville@bellingram.co.uk
 Perth Office



View from the ruined crofter's cottage on the Island of Wiay, taken during filming for the BBC



When it was first mentioned that a TV company might want to follow Bell Ingram's Agency Department, my thoughts were not of a positive nature! This form of media has a reputation for distorting facts and twisting footage to suit their own agenda and having the business portrayed in a good light is often a rarity.

After some considerable coercion and huge suspicion, I agreed to meet the production company on a given day in May 2013. What I understood to be one day of filming then suddenly transformed into six months of regular visits to shadow me whilst in the course of my duties.

These days involved being permanently attached to a recording device and microphone, having a camera on the car windscreen and a cameraman in close attendance when

out of the car. My first reaction was to say nothing to incriminate myself but after long silences I progressed from monosyllabic to a full sentence.

Much of the coverage ended up being with a wonderful aged couple who were moving from Strathtummel to the Home Counties to be nearer relatives. Each visit entailed tea and scones listening to their wonderful stories whilst soaking up one of the best views I have ever seen, overlooking Loch Tummel. The other property was the Island of Wiay off Benbecula in the Outer Hebrides. The airline did their best to stop the cameraman from travelling due to his extensive equipment but once on Benbecula we were blessed with wonderful weather and an easy boat trip to the island.

The resident eagle flew across the island right on cue, and James the

cameraman – wearing flimsy plimsolls – was very soon immersed in peaty water! Back at the airport, without any spare shoes or socks, his ploy was to dry said articles under the Dyson Airblade which promptly resulted in passengers fleeing to the further reaches of the terminal – not easy at Benbecula.

On reflection, it was an interesting time and much to my amazement the Beeb portrayed events exactly as they happened with a slight question mark on the moment where it seemed I was lost on Benbecula. There are only two roads on the island so it is impossible to get lost and furthermore I used to be in the Army and my map reading was always impeccable.

There has been much positive response from the documentary and some rudeness too – with particular regard to my wellington boots!

Diversify into deer farming

Charlotte Gilfillan
 charlotte.gilfillan@bellingram.co.uk
 Forfar Office



Venison has been described as the ultimate red meat and justly so. With its distinct flavour, fine texture and numerous health benefits it can come as no surprise that demand for this meat is increasing rapidly. In Scotland, a strong marketing approach through organisations like the Scottish Venison Partnership and endorsements from celebrity chefs has seen a 20% rise in demand each year and it shows no sign of slowing down. The problem is that now Scotland just cannot produce enough venison to keep up.

For many years there has been speculation that the wild deer population in Scotland is increasing, with some estimating the total number to be in the region of 400,000. This begs the question as to why we cannot produce more venison. However, wild deer and their management is a complicated issue and it is not simply a case of culling more animals. In reality the wild red deer cull is fairly static, producing on

average 3500 tonnes of venison each year. Consequently Scottish game dealers are importing 25,000 red deer carcasses a year from New Zealand and Europe to meet the shortfall.

The future for venison therefore looks bright, but the question is, how does Scotland take advantage of this dynamic and growing market. The answer lies in farming more deer. There are currently around 30 deer farms in Scotland which produce approximately 50 tonnes of venison per annum but it is estimated that a further 400 farms are required to meet the increasing demand.

Farmed deer are grazed on grass, supplemented by hay, straw, and roots in the winter. Deer farmers typically specialise according to geography with store calf producers in the uplands and finishers on the low ground better pastures, just like other livestock industries. Prime farmed venison comes from deer of less than 27 months

which are slaughtered and processed under the same regulations as red meat. Although a small proportion of Scottish farmed deer go through a specially designated abattoir, most farmed venison sold in Scotland has been field-shot.

For more details on the Deer Farm Demonstration Project visit www.deerfarmdemoproject.scottish-venison.info

The Scottish Government have invested nearly £100,000 in developing two demonstration farms to enable those looking to diversify into deer farming the opportunity to see what is involved. Last year the Venison Advisory Service was also set up by deer farming pioneer John Fletcher, along with Alan Sneddon and Dick Playfair. Its aim is to offer early stage advice through to project management on setting up and running a deer farm, filling the gap in consultancy services on offer from the conventional farming sector. This coupled with subsidy that will be available under Pillar 1 of the CAP reform means that more people than ever are looking at deer farming as a real possibility.



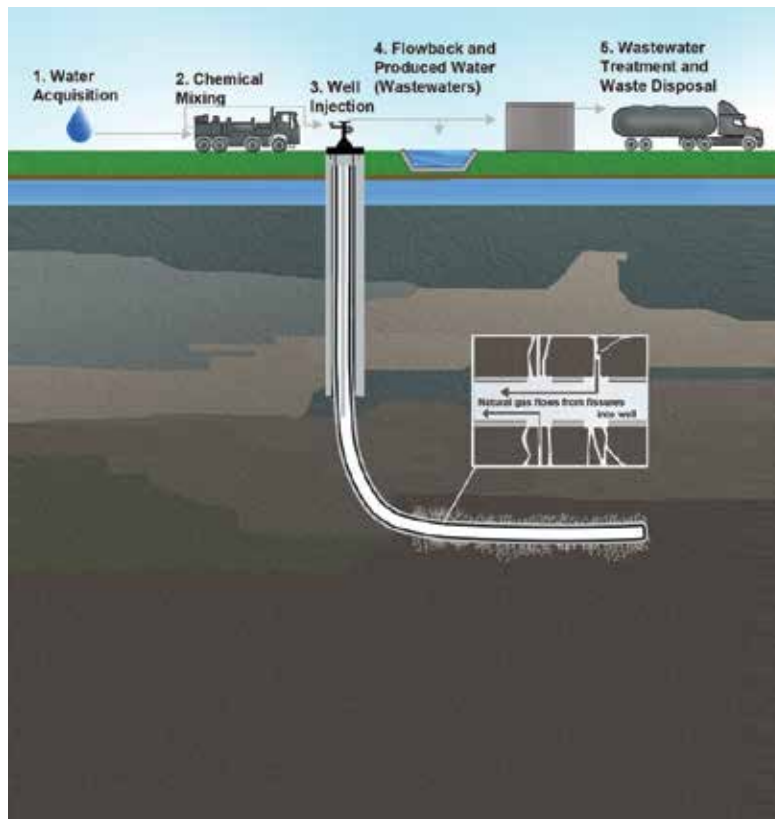
Photo: John Fletcher

Fracking: A landowner's guide

Lucy Roberts
lucy.roberts@bellingram.co.uk
Northwich Office



Hydraulic fracturing
related activities



The ongoing fracking debate is becoming part of everyday conversation between farmers and landowners, particularly in northern England which is rich in shale gas reserves. The British Geological survey has estimated the shale gas resource is located between Wrexham and Blackpool in the west and Nottingham and Scarborough in the east.

Fracking (hydraulic fracturing) is the method used to extract gas from shale rock. After initial exploration of shale deposits, a vertical borehole is drilled into the bed rock, followed by a horizontally drilled shaft. A combination of water, sand and chemicals are pumped at high pressure along the shaft to fracture the shale and release gas which is captured within the well head of the vertical borehole.

The UK Government appears committed to shale gas extraction. Pressures of rising energy demand,

combined with decreasing fossil fuel supplies indicates shale gas is set to become a significant UK resource. Fracking has revolutionised energy production in the US, with positive benefits in tax revenue, decreasing fuel imports and reducing domestic energy bills, all of which support UK energy efficiency policies.

As with any other industrial process, fracking poses a variety of risks. Induced seismicity from the release of energy when cracking rocks has caused low magnitude earthquakes, as experienced in Lancashire in 2011. However, the UK government has introduced regulations for operations to be stopped if a 0.5 magnitude event is recorded.

There is also potential for surface water pollution from mixing and storage of chemicals at the drill site and fluids that return to the surface from the borehole. Potential pathways for

groundwater contamination include poor well design and well decay. Long term integrity of wells remains a technical risk, which should be closely monitored to avoid drinking water contamination.

Since fracking involves horizontal drilling, a number of land rights issues have arisen with disputes over whether a fracking company has access to certain segments of land. Although the gas itself is owned by the Crown, its extraction will involve access through strata covered by mineral rights. Landowners should ensure their ownership records and deeds are accurate and up to date; mineral rights should have been registered by 12th October 2013.

Shale gas operators need to negotiate access rights over land to carry out initial exploratory and extraction works, alongside the surface land occupation for the plant and machinery. Landowners should carefully consider what they are being offered by an operator. Initial terms should be drawn up within an option agreement to understand landowner obligations and determine developer funding being invested into the project. A short term exploratory lease of up to 5 years, followed by a longer term extraction lease should then be negotiated.

Due to fracking being a fairly new concept, comparable rents are difficult to determine. To date, trends have followed comparables for renewables and onshore oil, being either a minimum base rent with a percentage of revenue staged throughout the lease, or an exploration rent of around £10,000 - £15,000 per acre per annum followed by a 25-35% uplift for extraction.

The recent announcement of Government proposals to change trespass laws has caused concern amongst the landowning fraternity. Shale gas extraction requires landowner consent under existing regulations. However, legislative changes could enable companies to run drills and pipelines under privately owned land without permission.

While fracking will remain controversial, landowners should be encouraged to work alongside the fracking industry to extract shale gas out of the ground and into our economy. Although it is not a perfect technology, shale gas will likely allow the UK to tackle climate change and meet energy policy requirements.

Lifting stones

Mark Mitchell
 mark.mitchell@bellingham.co.uk
 Perth Office



Some would argue whether, in this digital age, there is any need for a Property Search Agent when anyone can turn on their tablet, type in 'property for sale in Perthshire', wait a few seconds, and then sit back with a coffee and biscuit to browse at their leisure.

The simple answer is that you can very easily interrogate any particular online search engine and be provided with properties that match your criteria. Unfortunately, the 'clunkiness' of even the best filtering tools means that the results are either too numerous and largely inappropriate or too few and far flung.

Sifting through the search results, eliminating those that don't make the grade, downloading the brochures of those that do, before repeating the process to generate a viewing short list can take an eternity. Whether you seek a hideaway house, cavernous

castle or extensive estate, finding that perfect property is a time-consuming and often depressing business. Lifting stones on a beach looking for a dropped gem may seem a more promising exercise.

The 'self-search' approach may suit if you are buying locally and have the time to view numerous properties, but is less practical if you seek to move across the country or even into a new country. Estate agents have earned a slightly dubious reputation precisely because the content of sales brochures often belies what is written between the lines and local knowledge is required to interpret that language.

Bell Ingram's in-depth knowledge of the property market gained over 115 years allows us to safely guide both buyers and sellers through the sometimes turbulent waters of the industry. Our experts are buying,

selling and valuing properties across Scotland almost every week of the year; from Aberdeenshire to Argyll and Dumfries to Durness. As such, we have fingers on the pulse of the market and can advise buyers on properties available both on and off market.

A good Search Agent should do more than send emails with brochures attached. They must listen to their clients and understand their needs: such as proximity to a championship golf course, a quality salmon river or perhaps an international airport; a south facing garden; or the scope to extend to accommodate elderly relatives.

A good Search Agent should do more than send emails with brochures attached

All of these points should be recorded and then appropriate properties selected, viewed and an informative report presented to the client.

The Search Agent should continue to be involved with the process right up until entry takes place: advising on relocation factors such as schooling, chivvying solicitors, and ensuring that the client is kept informed of progress and not surprised by any complications that can occur during conveyancing.

At Bell Ingram, we provide a highly professional property search and buying service by building up a close rapport with our clients. We guide our clients throughout the process; providing them with a market commentary, details of local schools and services, investment opportunities, and management issues. We inspect and provide a fair assessment of properties on the market, advise on asking prices and, more importantly, counsel on how to negotiate with sellers and their agents and where to pitch offers.

While the digital age has increased access to property information for many buyers, the sheer plethora of properties for sale can be demoralising. Those who are looking to move long distances, are time-poor, or seeking scarce properties can find the benefits of a trusted Property Search Agent invaluable. As your experienced advisor, our role is to take the time to lift the stones to sift through the property on the market and see through the dross to find the elusive gem you are seeking.



Maximising renewable returns

Joe Fergusson
joe.fergusson@bellingram.co.uk
 Ayr Office



More than a quarter of all farmers now have solar panels and/or wind turbines installed on their farms



The popularity of renewable energy systems on farms including wind turbines, PV, biomass and hydro schemes remains strong. Advice on designing and building these schemes is easy to find but rectifying inefficiencies and taking advantage of on-going improvements in the technology are key to making them economically successful long term.

Once a turbine or PV array owner has been able to watch the pattern of generation from their system for a year or so, the greatest potential gains may be from adjusting consumption patterns and/or installing controllers which enable them to use more of the electricity they are generating. The steady flow of FiT payments should give confidence for the necessary added expenditure to fit controllers to divert surplus power to thermal stores, storage heaters or wood-drying facilities for example.

Another recommendation is to

remain in touch with the supplier of your system and maintenance services and ensure that you don't miss out on software upgrades which could refine and optimise the efficiency of the system. Don't just wait for the annual service. In relation to biomass boilers, a 1mm layer of soot on a water jacket/heat exchanger will reduce its efficiency by around 9%, meaning 10% more biomass to generate the same heat and RHI payment, so don't overlook that regular manual clean out.

In the context of wind generation the biggest risk is the continuing reliability of the turbine itself. It is very educational to revisit established installations to see how they are getting on after a few years of operation. Unfortunately there are few that have seen everything going to plan, with a variety of technical and administrative problems taking time and resources to straighten out. The good news is that the healthy financial returns mean

that they have almost always proved a worthwhile investment but buying a comprehensive insurance policy through a knowledgeable specialist broker is essential to ensure loan repayments remain on track.

Finally, if you find that something about your renewable energy system is not right – typical examples being a low cost hydro intake screen that takes a lot of cleaning, a PV string unexpectedly affected by shading, a wind turbine affected by turbulence or a biomass boiler with an awkward refuelling arrangement – don't suffer it but bite the bullet and change it straight away so as to enjoy the potentially much greater benefits of the corrected set up for as long as possible. An even better investment than this, however, would be in our top quality independent renewables advice, so as to avoid such issues cropping up in the first place.

A curious tale of fin and fur

Alasdair Reynolds
 alasdair.reynolds@bellingram.co.uk
 Perth Office



We had awoken to another damp morning on the Friday of our annual May week on the Cassley. We had picked up a fish here and there but there seemed to be fewer fish in the river than usual. We made our way down to the river and spotted a couple of otters on the far bank of the Round Pool. We discussed what effect they might have on our fishing but they soon disappeared in that extraordinary way that otters do and I forgot about them.

By the rota, I was due to start at the top of the upper beat which meant fishing the Cemetery Gorge from a rock ledge. I made a start with a series of short casts across the narrow deep gorge. I was just musing to myself that in all the years I have come to the Cassley I had never had a fish from the Cemetery Gorge when BANG and I was suddenly into a good one.

I had been told previously that when a fish takes in the Gorge accepted practice is to try and lead it downstream into the main body of the Cemetery

Pool so this is what I did: so far so good. Shortly, the fish took a strong run back up the Gorge so I had to follow it to avoid my line getting snagged on rocks and ledges. Some way up the Gorge I managed to stop the fish going further, or so I thought.

There seemed to be more weight on the line so I kept a steady pressure on when there was a curious commotion which came to the surface. I could not immediately understand what had happened but I quickly realised that my fish had a young otter wrapped around it! I now had the weight of both on my line. The two creatures were absorbed in their own tussle and started, with application of pressure by me and the force of the current, to come back into the body of the Cemetery Pool where I could perhaps attempt to unravel this mess.

I could see that my line was in danger of getting hopelessly entangled. I am actually very fond of otters but I was, I think, understandably angry with this

young one which I could now see was no larger than the salmon that I estimated at about 7lbs. I was shouting at the otter to get off my fish to no avail and I fear the air was quite blue notwithstanding my proximity to the cemetery.

Eventually, I got both creatures quite close to the bank. I was contemplating how to encourage the otter to release its grip on my salmon when finally it seemed to realise that I was there and let go. Through this entire tussle my fly had held firm and my fish was still on. When it felt the pressure once more of my fly in its mouth it made another run for it across the pool. However it tired quite quickly and I was able to bring it to the net without further difficulty. Thinking

I could not immediately understand what had happened but I quickly realised that my fish had a young otter wrapped around it!

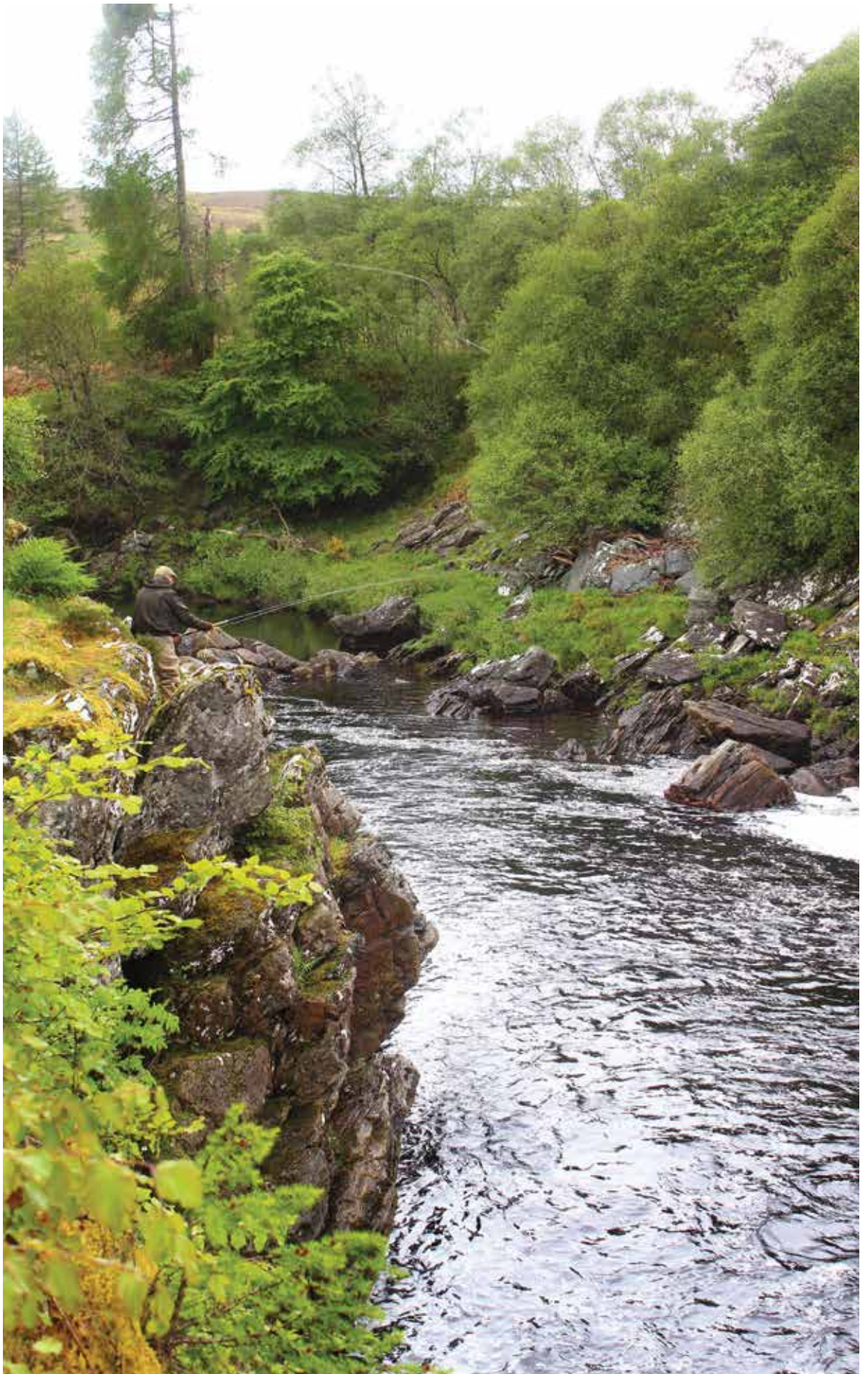
it must be severely scarred by the otter, I thought that with regret I might have to kill it. However it seemed remarkably unharmed and once I had extracted my fly I held it in the water and soon it swam away quite strongly.

I made my mental apologies to the residents of the cemetery for some rich language and departed to tell this strange tale to my incredulous friends and our ghillie, Donald Morrison. Notwithstanding a rich local fund of angling tales and anecdotes, Donald could not remember such a situation as mine. Looking back on this incident, I concluded that when the salmon ran back up the gorge by applying pressure I slowed it sufficiently to enable the young and inexperienced otter to catch up with it and get a hold.

My photos of my friend Charles Jesper fishing the Cemetery Gorge and the Cemetery Pool hopefully give a flavour of the place. I would like to have been able to illustrate this with a photo of the two entwined creatures but it was really all I could do to cope with the fin and fur on the end of my line! Donald remarked that I was quite fortunate to have witnessed such an extraordinary event. I didn't think so at the time but in retrospect I realise he was quite right.



Charles Jesper
fishing the Cemetary
Gorge, taken from
the Crow's Nest



Guest contributor

Politics, economics and salmon conservation

Andrew Graham-Stewart
 Director
 Salmon and Trout Association (Scotland)



Salmon angling is hugely important to rural areas

As part of our series of guest articles, Bell Ingram has invited Andrew Graham-Stewart, Director of the Salmon and Trout Association (Scotland), to share his thoughts on the forthcoming Wild Fisheries Review. His views will no doubt resonate with many of our readers and possibly exasperate others. If you would like to share your own thoughts, please drop us a line at enquiries@bellingham.co.uk and we will feature a selection of your comments on our website in the lead up to publication of the Wild Fisheries Review.

Those who own, manage or work on Scotland's rivers are only too aware of the importance of salmon fishing to the rural economy. It contributes some £120 million annually, provides direct employment for over 2,000 and supports countless other jobs in ancillary businesses, often in the 'shoulder' months outside the main tourist season. Properly managed, with due regard to exploitation levels, it is entirely sustainable – and indeed it has been for well over a century.

It would seem the sort of economic activity that any government would

seek to promote, particularly as it requires no subsidies and, to date, it has required minimal input from or supervision by the state. But no, it is becoming ever more apparent that, far from being a priority, the future of salmon fishing is, from a government perspective, expendable or at least no more than a sacrificial pawn of secondary importance to the interests of politics or economics.

In the West Highlands and Islands successive Scottish governments have sacrificed wild migratory fish for economic expediency – in order to enable the inexorable growth of salmon farming. There can be little doubt that there has been a conspiracy to suppress any evidence or to delay possible research that might prove definitively the degree of damage caused by sea lice emanating from salmon farms to juvenile wild fish. The powers that be are determined to champion aquaculture whatever the environmental consequences. Scottish Government is not open to persuasion (as was all too evident during the passage of Aquaculture and Fisheries

Bill). The only viable options now for wild fish interests, in order to rein in salmon farming, are possible legal challenges and increasing the pressure on the supermarkets to demand that their suppliers adhere to more stringent standards.

It is ironic that, in the medium term, economics may yet be the saviour of salmon and sea trout on the west

In the West Highlands and Islands, successive Scottish governments have sacrificed wild migratory fish for economic expediency

coast. Once the capital costs of closed containment salmon farming, involving huge tanks on land with filtered recirculation systems and complete biological separation from wild fish, come down, then it will make little

sense to locate the farms in the most inaccessible part of Britain – rather than close to the major markets and supermarket hubs in the south.

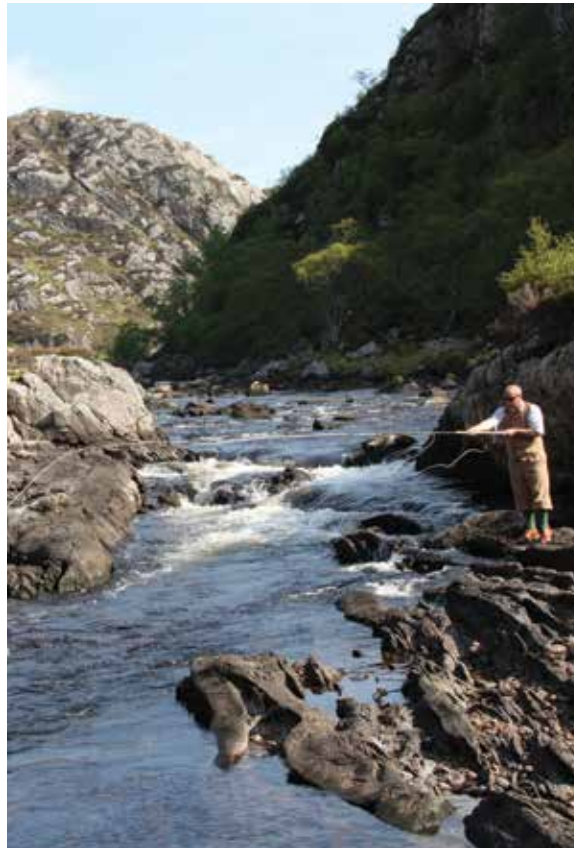
For rivers flowing to the east and north coasts (where cynically there is an official ‘presumption against’ salmon farming) the major (avoidable) threat to migratory fish numbers is that of mixed stocks netting. Here the high level of political backing for an activity (the indiscriminate killing of fish that may be destined for rivers where stocks are below conservation limits), which supports no more than 100 mainly very part-time jobs and is anathema to accepted best practice in salmon management and contrary to our international obligations, is on the face of it difficult to fathom. Until, that is, one appreciates that those currently in power view many owners of salmon fishing rights on rivers as representative of a bygone age of privilege; championing the netting industry is a means of undermining this. Salmon netting is now actually increasing (the declared catch in 2013 was 50% up on 2012).

The management of our rivers is currently the focus of the Wild Fisheries Review. This is also clearly politically driven (aided by a politicised fisheries department) – hence the timetable; it must be delivered with unseemly haste by October, thus allowing the SNP administration to legislate while it retains its overall majority. If, as is mooted, the Review recommends that the Board system is dismantled and is replaced by local organisations without real powers and overseen by a central body reporting directly to Ministers, then, given the lamentable track record of the latter (we still await numbered carcass-tagging for net-caught fish), the outlook for salmon conservation is surely bleak.

If such a centralised system becomes a reality, then the role of independent organisations such as Salmon & Trout Association (Scotland) in holding the Government to account will be critical.

The Salmon & Trout Association (Scotland) focuses its resources on the main issues relating specifically to Scotland, including salmon farming and mixed stocks netting, with a view to influencing Scottish Government and its agencies and holding them to account.

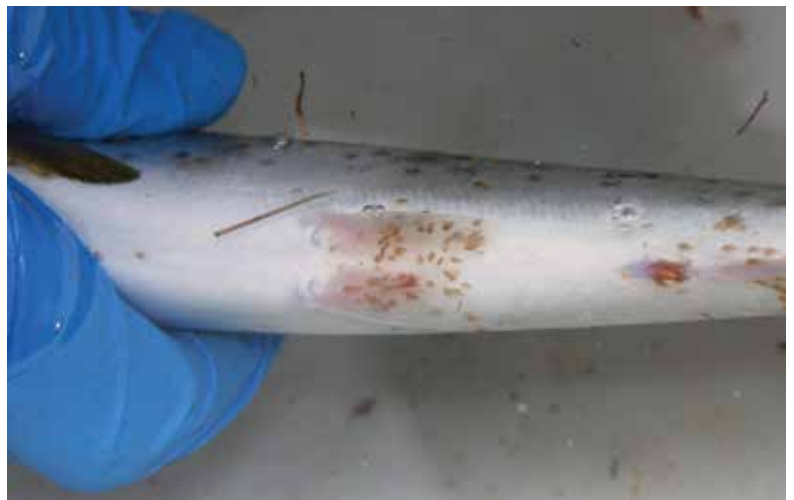
www.salmon-troutscotland.org



Left: Salmon angling at Laxford

Below: A sea trout from a Wester Ross sea loch (where two salmon farms are located), very heavily infested with sea lice (all the brown dots)

Bottom: Part of a morning's catch from salmon nets by Gardenstown, which have recently been re-activated after being dormant for two decades



Full Circle

Rory Clark Kennedy
 rory.clarkkennedy@bellingram.co.uk
 Ayr Office



Rory Clark Kennedy, a farmer from Carsphairn, has joined Bell Ingram's agricultural consultancy team, specialising in agronomy advice. Having recently returned to farming in Scotland, Rory tells us what brought him back and provides us with some insight into his career to date.

Growing up on an 800 hectare hill farm in South West Scotland, I have always had a keen interest in agriculture. I completed a BSc (Hons) in Agriculture at Harper Adams in 2002 and then spent some time travelling and working in Australia before returning home in 2004. I spent 5 years working for a farm management company called Velcourt;

firstly as a student, quickly gaining promotion onto their Farm Management Training Programme. Ultimately, I reached the role of farm manager of a 1200 hectare arable and dairy business in Suffolk. Whilst I was happy being hands on, a change of direction led me to work for Strutt and Parker where I remained for 4 years.

I joined Strutt's Farming Consultancy team in Chelmsford and found that my farm management experience was directly relevant to the work I was required to do as a consultant. From agronomy to Single Farm Payment claims, accounts to farm meetings, the role was extremely varied

and allowed me the freedom to organise my own workload to get things done.

In October last year, the opportunity arose for my wife and I to move back to my family farm. She was lucky enough to secure employment with Bell Ingram and I have been working on the family farm while undertaking some consultancy work. With a view to building my agronomy consultancy work over the coming years, I have linked with Bell Ingram to complement their existing consultancy teams and respond to market demand.

Being FACTS and BASIS qualified and a member of the Association of Independent Crop Consultants (AICC),

The opportunity arose for my wife and me to move back to my family farm. She was lucky enough to secure employment with Bell Ingram and I have been working on the family farm while undertaking some consultancy work

I am keen to continue providing agronomy services as an independent agronomist across the South West of Scotland. I am comfortable with all crops and consider grassland one of the most important. I also include fertiliser advice, planning and recommendations alongside the chemicals and crop protection products advice, as the two are directly linked to crop performance. Nutrition is an area often overlooked and I am able to tailor fertiliser plans and crop requirements to maximise output and efficiency. All of this also helps ensure farmers are complying with the relevant rules and regulations associated with the industry.

I still enjoy engaging with farmers looking for more traditional consultancy advice; often relating to Single Farm Payment changes, legislative updates, tenancy agreements, record-keeping for sprays, environmental management schemes, and general enquiries from investment buyers. My experience as a farmer, both on the family farm and under contract to other farmers, means I have a privileged insight into the challenges facing today's farm businesses.



Land Reform at all costs – but who pays?

Malcolm Taylor
malcolm.taylor@bellingram.co.uk
Forfar Office



The Land Reform Group final report which was released on the 23rd of May 2014 has prompted widespread support and criticism from all sectors involved in land management: owners, lobby groups and individuals.

There is no question that the report contains radical proposals, many of which can and should be supported by all those involved in rural land ownership and management, but we must not forget that this report will have an impact on urban property ownership as well.

It is disappointing that this is another Government review that focuses on things being in the 'public interest', but yet again nobody has defined what the public interest is. It would be unfortunate to discover that the only members of the public who are really and passionately interested are those who hold the radical view that all land owners in Scotland, small or large, are basically bad.

The proposal to set upper limits on the area of land that can be owned begs the question – who decides? How big is big? Is an owner-occupied arable farm of 3,000 acres looked at in the same way as a small estate or grouse moor owned by Trustees on behalf of a charity? Scotland has always had a relaxed attitude to who owns land; are we now to have a test

of 'Scottishness'? What will happen to the large landholdings of bodies such as the RSPB, National Trust for Scotland and The John Muir Trust? Is their management any better than that of a private individual?

We would hope not as the diversity and acceptance of all is one of the fundamental characteristics of the Scots as a nation.

We all welcome the initiative to promote rural housing but we have been here before. Scottish Homes has, in the

It is disappointing that this is another Government review that focuses on things being in the 'public interest', but yet again nobody has defined what the public interest is

past, had a grant scheme to renovate rural property for affordable rent but, as usual, the politicians moved on and the funding was diverted to brownfield urban housing. Where will the money come from this time?

In the same vein, the issues of

local taxation, sporting rates, land tax and the removal of the current fiscal regime for farms can only mean one thing: higher food costs and even fewer new entrants to farming, something the Scottish Government is trying to promote. The Government are sponsoring and promoting deer farming through the demonstration farms and are trying to encourage more uptake in this market as Scotland's venison market is booming, yet we cannot supply the demand. Are additional taxes going to encourage more entrants?

The Freshwater Fisheries Review is currently looking at the world of fishing in Scotland and, providing the proposals have a sound financial basis, this sector will continue to provide many millions of pounds to the rural economy. Similarly, the review being carried out by the Agriculture Holdings Legislative Review Group must produce the hoped for sustainable, dynamic and vibrant tenanted sector for farming. In all sectors of the land and urban debate, all sides need to look beyond their own narrow vested interests.

All of the proposals of the Land Reform Group come at a cost. There is the fear that setting up all the recommended review groups and working parties will be expensive and will result in many of the proposals getting lost as there are simply too many proposals.

Land managers and owners, both urban and rural, must move with the times and embrace change, hopefully not just change for change's sake and not at any cost. In the end, we will all bear these costs.

Conservation in action

Susan Burness
susan.burness@bellingham.co.uk
 Forfar Office



Walkers in the Angus Glens who make the ascent up Tulloch Hill on the lower reaches of Glen Clova and Glen Prosen cannot fail to notice the magnificent Airlie Monument is suffering at the hands of the elements. Despite previous roof repairs, the building is not wind or water tight and significant water penetration is now evident.

The monument was erected to commemorate the death of Lord Lieutenant-Colonel David William Stanley Ogilvy, the 9th Earl of Airlie, who was killed at the battle of Diamond Hill, near Pretoria on 11th June 1900 whilst commanding the 12th (Prince of Wales Royal) Lancers. It was originally proposed that the structure, with its small projecting tower at the top, would be used on occasions of national or estate rejoicing. However, the 65ft high monument is urgently in

need of repairs and renovation to secure its sustainable future.

Conservation experts from Bell Ingram are leading a campaign to restore the monument and undertake urgent remedial works. Director Susan Burness, who is a conservation architect accredited by the Royal Incorporation of Architects in Scotland, is leading the project from Bell Ingram's Forfar office. She explains: "the building is an important landmark for both locals and visitors and we want to ensure that they have full access to the building once again."

Susan and her team estimate the repairs will cost in excess of £150,000. They have approached Historic Scotland and hope to access funding through grant assistance available to war memorials. Bell Ingram's proposal would once again allow the building to be used for both recreational and

educational purposes. The small room below the signal tower would be used as a display and interpretation centre which would seek to increase public knowledge of the Boer War.

The Bell Ingram team has considerable experience in restoration projects and secured the opportunity to work on Airlie Monument following the success of their work on Webster Memorial Theatre and the Brechin

It was originally proposed that the structure, with its small projecting tower at the top, would be used on occasions of national or estate rejoicing

Townscape Heritage Initiative (THI) projects. Susan is confident that Airlie Monument will enjoy a productive future: "Bell Ingram has handled many complex and difficult projects such as this with great success in the past and we are sure that we have the capability to restore the monument to its former state."



Airlie Monument,
 Cortachy, by
 Kirriemuir

Greening the CAP

Steve Parlett
 steve.parlett@bellingram.co.uk
 Morpeth Office



In England and Wales, 2015 will see the biggest reform in agricultural subsidies since 2005 when a variety of beef, sheep and arable subsidies were replaced with the Single Payment. Many aspects of the proposed Common Agricultural Policy (CAP) reform have yet to be finalised but, at the time of writing, the proposed direction of the reforms is becoming clearer.

Changes will include:

1. *New name*

Single Payment will become Direct Payment and the Single Payment Scheme will become the Basic Payment Scheme.

2. *Active farmer test*

In an attempt to divert more subsidies to actual farmers, there will be additional criteria to decide who actually is an active farmer:

– Your claim will need to be a minimum of 5ha.

– Businesses that do not have significant agricultural activities will appear on a 'negative list' and eligibility will be withdrawn (eg airports and water companies).

– To remove themselves from this list, our corporate clients may need to demonstrate their agricultural

activities are 'not insignificant' or subsidy will be 5% of non-agricultural receipts.

3. *Subsidy Ceiling*

It is argued that the Single rate payment over-subsidises large scale producers who already have alleged economies of scale of production. A cap of say £250,000 will be announced and it is expected that Direct Payments over this cap will be reduced by 5% – 10%.

4. *Alignment of Payments*

Currently payment rates under the SP5 are approximately:

1. Lowland – £210 per ha.
2. SDA – £169 per ha.
3. Upland (Moorland) – £30 per ha.

It is our belief that the gap between lowland and SDA land will be narrowed and that the upland or moorland payment will be considerably increased.

5. *Greening*

Farmers currently need to satisfy the requirements of Cross-Compliance commonly known as GAEC's, this is an acronym for Good Agricultural and Environmental Condition and there are pages of rules – far too long to mention here.

In 2015, this will be supplemented by 'Greening' which is an attempt at crop diversification although I am at a loss to understand the environmental significance. The rules of Greening have already been published and include:

– Farmers with 10 – 30ha of arable land will need to grow 2 crops. However, this includes temporary grass as a crop (provided it is 5 years old or less). This also includes winter and spring sown varieties of crop as 2 crops.

– Farmers with more than 30ha of arable land will also need to grow at least 2 crops but the largest crop cannot occupy more than 75% of the arable land. Again, temporary grass is included as a crop.

All of our clients who claim Single Payment need to be aware of the above to ensure that this autumn when sowing arable crops they do not fall foul of the Greening rules.



Guest contributor

Estates, environmental science (and economics?)

Prof Stuart W Gibb

University of the Highlands and Islands



As Scotland's newest and most distinct university, the University of the Highlands and Islands (UHI) is adopting a partnership approach to helping develop and sustain the socio-economic fabric of the region. The Highlands and Islands area is heavily dependent on the use and management of a diverse range of natural ecosystems and environments; perhaps unsurprisingly given that the 'environment' accounts for over a quarter of Scotland's GDP. In seeking to represent the area within which it is based, the University focuses heavily on issues affecting local communities, such as: fisheries, aquaculture, forestry, agriculture, sport, leisure, tourism, and marine renewables.

With a long history of wild game hunting in the Highlands and Islands, deer stalking contributes £105million per annum to the UK economy with £70million staying in Scotland. Informed deer management decisions are required to be underpinned by sound science. The UHI has established a partnership between stalkers and owners, game-keeping students, and researchers to collect data regarding the importance of various factors which may affect red deer condition, such as trace element nutrition, land use, climate and the prevalence of parasites and disease.

In a similar vein, the UHI has applied its partnership approach to another traditional interest; namely, wild salmon. By bringing together the Environmental Research Institute and Inverness College to form the Pentland Firth Salmon Initiative, the University is promoting understanding of migratory salmonids in the Pentland Firth and beyond, particularly within the context of marine renewables.

Although salmon angling generates around £90million for the Scottish economy, surprisingly little is known about the migratory behaviour of salmon as they pass through Scottish coastal seas. Furthermore, Scotland's coastal landscape is evolving in response to the realisation of its marine energy potential. While the value of the renewable energy industry to the region is not disputed, there remain a plethora of questions surrounding the impact of renewable installations on migratory fish during construction, operation and maintenance. A core research activity of the University is therefore to use hydrodynamic modelling to study the capacity of wild salmon to navigate marine renewable developments.

Notwithstanding the above, the UHI is not just concerned with traditional interests and is also heavily involved in emergent issues of local and global, such as energy, biodiversity

and climate change. In this regard, it is worth noting that human activity currently releases twice the amount of carbon dioxide as can be absorbed by the world's 'carbon sinks'. As sea levels rise, sea ice and glaciers retreat, and habitats are disrupted, the UHI has initiatives aimed at supporting global agendas to decarbonise modern society.

Scotland is widely recognised as having a disproportionate renewable energy capacity; with 10% of Europe's wind and wave resource, 25% of Europe's tidal resource, but only 0.6% of the same region's population. However, Scotland is less well known for its potential to reduce our carbon footprint through carbon capture and storage.

Carbon-rich soils such as found in peatlands are the UH's largest terrestrial carbon store. While 75% of the UK's peatland resource is north of the border, historically, Scottish peatlands have been perceived as remote and unproductive. Activities such as drainage, forestry and extraction have contributed to loss and erosion. However, the recognition of Scottish peatlands as globally important in the capture and storage of carbon has demanded a radical reappraisal of their environmental and economic value. Use and management of peatlands needs to be informed by

With a long history of wild game hunting in the Highlands and Islands, deer stalking contributes £105million per annum to the UK economy with £70million staying in Scotland

sound knowledge and UHI is seeking to address this challenge through robust interdisciplinary research.

The recent development of the UK Peatland Code, which has been designed to provide the scientific and regulatory basis for peatland restoration, will provide guidelines for projects in the quantification of carbon and other benefits of restoration like the ones UHI are involved with. The Code delivers a framework for investment and Corporate Social Responsibility (CSR) and taxation offsetting. In recognition of the importance of peatland in tackling carbon emissions, the Scottish



Government is offering funding for peatland restoration work through the Scottish Rural Development Programme; available to estates, land managers, and crofters.

In setting up and coordinating the Flow Country Research Network, the UHI is collaborating with the Natural Environment Research Council's (NERC) Centre for Ecology and Hydrology (CEH), the James Hutton Institute, the Royal Society for the Protection of Birds, the International Union for the Conservation of Nature's (IUCN) UK Committee as well as most universities across Scotland to establish the Flow Country as a UK focal point of peatland science and address the knowledge gaps. Initiatives include the pursuit of a baseline assessment, modelling tool, and cost-benefit style analysis of peatland management which, it is hoped, will help achieve Scotland's restoration targets.

The UHI's partnership approach is evident in all these initiatives but is also supported by an ethos and culture of collaborative working aimed at informing policy and management

decision-making. Commissioned research is undertaken alongside joint regional, national and international projects. As well as graduate placements, staff and students undertake exchanges or placed on secondments, wherever possible, to facilitate an integrated and holistic understanding of key issues affecting the Highlands and Islands and Scotland as a whole.

Commissioned research is undertaken alongside joint regional, national and international projects

If you are interested in engaging, supporting UHI or hearing more about any of the above initiatives, please contact Professor Stuart Gibb (Stuart.Gibb@ubi.ac.uk) or Nuala Boyle, Head of Development (Nuala.boyle@ubi.ac.uk).

Timber prices

Richard G Till
richard.till@bellingram.co.uk
 Perth Office



The recently published Forestry Commission Timber Prices Index for Great Britain shows a 15.6% uplift in coniferous standing sales values for the year to March 2014. Stripping out inflation, this still leaves a real term increase of 13.5%. This good news supports our own experiences of a vibrant timber industry competing strongly for available supplies, with spruce logs particularly in demand.

Recent timber sales tenders on behalf of Bell Ingram clients have attracted competitive bidding and, for the first time in many years, we have seen the standing value of green spruce logs from some clear felling exceed £40.00 per tonne.

Although boosted by signs of recovery in the construction industry, assisted by a relatively mild winter when the anticipated slowdown

in demand never materialised, the most significant impact upon these current prices has been from import substitutions with the weaker pound rendering imported timber significantly less attractive. One of the challenges for the industry going forward will be to continue to improve the quality and supply of home grown timber to hold onto this market gain as price competitiveness narrows.

These recently published statistics support the longer term observations of general volatility within the timber markets with regular oscillations around the general inflation curve. For example, a strong 35% recovery in real term timber prices during 2010/ 2011 was followed by a 7.5% reversal in 2012/2013.

Interestingly, looking at these timber price trends over a longer

period reinforces the current feel good factor for woodland owners that their timber has a value and is worth thinning and investment to maximise saw log protection, as standing sale values are currently 48% higher than five years ago and 104% up over a ten year period, again when expressed in real terms. However, looking back beyond twenty years possibly gives us hope that the current situation is not a temporary peak as the long term true value of timber is still nearly 40% down.

Investment in the Scottish timber processing industry continues at a pace. The new BSW mill at Fort William is building up capacity, James Jones are significantly increasing production of timber joists, and Norboard have announced plans for a new press at the Dalcross plant, whilst numerous smaller pallet and fencing mills are

The recently published Forestry Commission Timber Prices Index for Great Britain shows a 15.6% uplift in coniferous standing sales values for the year to March 2014

also experiencing healthy demand and growing competition for the supply of small round wood as the bio fuel industry matures.

Woodland owners and investors certainly seem to be buying into this general feel good factor around the timber industry as some of the prices currently being paid for good commercial conifer woodlands must, in part, be justified by the assumption that timber is still an undervalued resource and the current trends in price rises are sustainable. Even more reason why the Government must back up its commitments to support the industry, as reaffirmed at the recent conference in Edinburgh, and to address the very valid concerns expressed by Confor that the industry needs the annual commitment of at least 6,000 hectares of new productive forest to continue well beyond the normal horizons of politicians, if our forest industry is going to continue to feed these processing plants with home grown sustainable crops, provide rural employment and help meet our environmental ambitions.

Recent appointments

Clockwise from top left:
Amy Clark-Kennedy
Andy Robertson
Ian Ramsay
James Petty
Rory Clark-Kennedy
Sarah Tyson
Stuart McArtney



Amy Clark-Kennedy

Amy Clark-Kennedy joined the Ayr Office as a Land Agent. Her expertise includes Compulsory Purchase, valuations, and landlord and tenant issues, particularly in relation to the Utilities Sector.

Andy Robertson

Andy Robertson joined the Ayr Office as a Land Agent in July 2013 from the Scottish Government's Rural Payments and Inspections Division (RPID) and will be providing an IACS checking service as well as identifying and securing a variety of grant funding.

Ian Ramsay

Ian Ramsay joined the Perth Office as a Wayleave Officer supporting Fiona Ogg in delivering utilities projects. Ian is beef and cereal

farmer with a Masters in Agribusiness Management.

James Petty

James Petty has joined the firm to head up the Aberdeen Office as Senior Associate. He comes to us from Aberdeen and Northern Estates where he was their main Registered Valuer as well as an appointed valuer for the Agricultural Mortgage Corporation (AMC).

Stuart McArtney

Stuart McArtney joined the Perth Office in February 2014 as a Forestry Manager with responsibility for woodland management. He previously worked as a forestry consultant.

Sarah Tyson

Sarah Tyson joins Bell Ingram's Perth office from CKD Galbraith as

a Senior Associate. She specialises in the valuation of all types of rural property, including forestry, and is an appointed valuer for the Agricultural Mortgage Corporation (AMC).

Rory Clark-Kennedy

Rory Clark-Kennedy is a farmer from Carsphairn and joins Bell Ingram's Ayr office as a consultant specialising in agronomy advice. Rory is BASIS and FACTS qualified which allows him to offer expert agronomy advice for both grass and cereal production.



Head Office

Durn
Isla Road
Perth PH2 7HF
Tel 01738 621 121
Fax 01738 630 904
Email enquiries@bellingham.co.uk

Aberdeen

Tel 01224 621 300
Email aberdeen@bellingham.co.uk

Arran

Tel 01770 303 900
Email ayr@bellingham.co.uk

Ayr

Tel 01292 886 544
Email ayr@bellingham.co.uk

Bonar Bridge

Tel 01863 766 683
Email bonarbridge@bellingham.co.uk

Forfar

Tel 01307 462 516
Email forfar@bellingham.co.uk

Inverness

Tel 01463 717 799
Email inverness@bellingham.co.uk

Mayfair

Tel 0870 112 7099
Email info@mayfairoffice.co.uk

Morpeth

Tel 01670 790 723
Email morpeth@bellingham.co.uk

Northwich

Tel 01606 523 030
Email northwich@bellingham.co.uk

Oban

Tel 01631 566 122
Email oban@bellingham.co.uk

Thirsk

Tel 01845 522 095
Email thirsk@bellingham.co.uk



This Review is prepared for general information only. Whilst care is taken in its compilation, neither Bell Ingram Limited nor its employees or officers accept any liability for the contents or their application to any individual circumstances. Readers are strongly recommended to contact Bell Ingram to obtain advice appropriate to their needs.

Land & Sporting Capital Values – Scotland

Best Arable	£7,000	to	£12,000	Per acre
Secondary Arable	£3,500	to	£7,000	Per acre
LFA Arable	£2,000	to	£3,500	Per acre
Permanent Pasture	£850	to	£3,000	Per acre
Rough Grazing	£450	to	£1,000	Per acre
Hill	£50	to	£750	Per acre
Productive Conifer Woodland	£1,200	to	£4,000	Per acre
Pre-Production Conifer Woodland	£750	to	£1,750	Per acre
Stags	£18,000	to	£40,000	Per Stag
Driven Grouse	£3,500	to	£5,000	Per Brace
Salmon	£2,500	to	£10,000	Per Salmon

Land Values – North England

Best Arable	£9,000	to	£13,000	per acre
Secondary Arable	£7,500	to	£10,000	per acre
Permanent Pasture	£6,000	to	£9,000	per acre
Rough Grazing	£3,000	to	£5,000	per acre
Hill	£1,500	to	£3,000	per acre