



LOCAL SMALL MICRO FOOD BUSINESS PRODUCERS

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www.teagasc.ie/rurdev

Teagasc Rural Development

- Options Programme
 - Diversification
 - Innovation
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- <https://www.teagasc.ie/rural-economy/rural-development/>



Farm Business Options



Aim

- To give individuals a good understanding of how to turn an idea into a viable business
- To provide a mentor for individuals on their idea and assist in the completion of a business plan
- To introduce individuals to other agencies/parties who may be able to offer tangible assistance for their specific project

Target Audience

- All farmers considering how to improve farm income or with a particular interest in the topics covered in the workshops.



What will you learn?

- Assessing your enterprise
- Developing your idea
- Food enterprise possibilities
- Energy crops
- Forestry
- Renewables
- Organic opportunities
- Rural Tourism
- Marketing and direct selling
- A business plan - the basics
- Applying for grant aid
- Family farm finance
- Business supports
- Succession

Method of delivery

- Series of workshops covering a wide range of topics.
- www.opt-in.ie
- Guest farmers who have successfully diversified will speak at each workshop.
- Teagasc specialists will also be in attendance to answer questions.
- Visits to farms with successfully diversified farm enterprises are a vital aspect of the programme.

Networking with local agencies

- Local Enterprise Office,
- Local Development Companies,
- Education and Training Boards
- Intreo.
- Teagasc Food Development
- Bia Innovator
- Citizens Information

Farm Business Options Pilot

- Roscommon LEO and Teagasc
- Six evening workshops
- LEO mentorship support
- April/May 2022



Questions to ask?

- How productive is my core farming business?
- Could I differentiate what I sell to capture new markets?
- Could I be selling what I produce directly to consumers, especially if I process it myself?
- What business opportunities are there from greater public engagement? (educational or recreational experiences and services to the public)...
- How can digital technology benefit your farm to diversify?
- What are the unique advantages and challenges on your farm?

Research is critical to diversification

- Prevent a new business being out muscled by existing business.
- Search out similar businesses in other parts of Europe or further a field.
- What is successful in regions similar to your own.
- Need to exploit a narrow niche within an existing market – wedding venues
- Major interest in Leisure, health and wellbeing has resulted in examples of e.g. glamping (choosing an accommodation to allow relaxation away from usual surroundings).

Why do farmers diversify?

- Earn extra income
- Provide business opportunity for partner/family member
- Future proof the farm for future generations
- Utilise redundant farm buildings / unproductive land
- Provide income for the short term
- Planning to wind down.

Types of Diversification

- Contracting
- Commercial letting
- Holiday accommodation & events
- Retail and catering
- Renewables
- Dairy produce
- Agri-food

Women and diversification

- Rural women were often under-employed.
- Women are strong in hospitality and people skills.
- Women are good at working in partnerships
- Women thrive on the challenge of food and tourism.
- In some cases rural women have married into farm families, bringing new skills and contacts.

Key considerations in farm diversification

- What are key interests and skills in your rural area?
- What supports are available?
- What are the types diversification enterprise suited to your area?
- What level of investment and education is required, language, marketing etc.?
- What is labour availability in rural areas?

Typical Mistakes

- Access to finance and bridging loans
- Not getting key decision makers involved
- Not investing enough effort in research.
- Not taking time to examine budgetary financials.
- Ensuring diversification projects fit in with core farming within a region.

Training Supports Required

- Ability to shop around for finance deals
- Training that helps project developers to scrutinise terms and conditions
- Making realistic cash flow projections
- Investigating funding grant opportunities
- Specifying identical requirements on quotes
- Ensuring cash flow to account for grant paid in arrears.

Insurance and Risk Management

- Protect from liability claims and enable to stay afloat in the event of serious damage.
- Involve insurers at the planning stage
- Provide some assurance on costs and safety features before the first concrete is poured.
- Employers liability insurance
- Public liability & theft – level of cover
- Train employees to ensure compliance
- Maintaining property in a good condition and clear signage.
- Are you insured for fire, flood or machinery breakdown

Tax and Financial Implications

- Inheritance tax (Agricultural Property Relief)
- Capital Gains Tax
- Self – invested pensions – require expertise and active management.
- The tax treatment of pensions and investments depends on individual circumstances and may change in the future.

Conclusion

- Best projects complement the existing farm business.
- A good project will remove the volatility that exists in the current farming business.
- No substitute for forward planning and looking at every aspect of the business.

Thank you for your attention!