

BREXIT'S IMPACT ON SCOTLAND'S AGRICULTURAL SECTOR – A LAND AGENT'S OPINION

**RALPH PETERS
HEAD OF ESTATE MANAGEMENT AND PROFESSIONAL, PERTH**



CHANGE IS COMING

- Brexit is to happen in March 2019
- Change to subsidy was coming anyway
- Change to trade and tariffs
- Change can be positive



BREXIT – KEY AREAS FOR AGRICULTURAL BUSINESSES

- Exchange rate impact
- Workforce - large non-UK EU national workforce
- Impact on trade
- Trade with EU – 96% of exported sheep meat goes to Europe
- Trade with rest of world - tariffs
- Farm Support – subsidy accounts for 55% of Total Income From Farming (TIFF) in Scotland
- Land values



WHAT DO WE KNOW?

- Not much is certain!
- Lots of opinion and theory
- Subsidy until 2022 but then.....?
- Reward for providing public benefit
- A modern business will need to be competitive and deliver benefits to society to justify subsidy
- Impact on trade
- We are very good at what we do



WHAT TO DO?

- If not done already benchmark business and identify efficiencies
- Business as usual not an option
- Take the initiative
- Adapt
- Create opportunity



FORESTRY OPPORTUNITY?

- Global shortfall in timber supply forecast over the next 10-15 years.
- UK is the world's second largest importer of wood products.
- Diversification into forestry is a sensible de-risking strategy.
- Once planted, the owner will still have a secure, land-based investment however the crop will grow at approximately 4% p.a. (biological growth continues irrespective of global economics).
- Flexibility on timing of harvest to suit markets and individual needs and meantime crop continues to grow!



BREXIT IMPACT – MEDIUM TERM, LONG TERM

- **Medium Term**

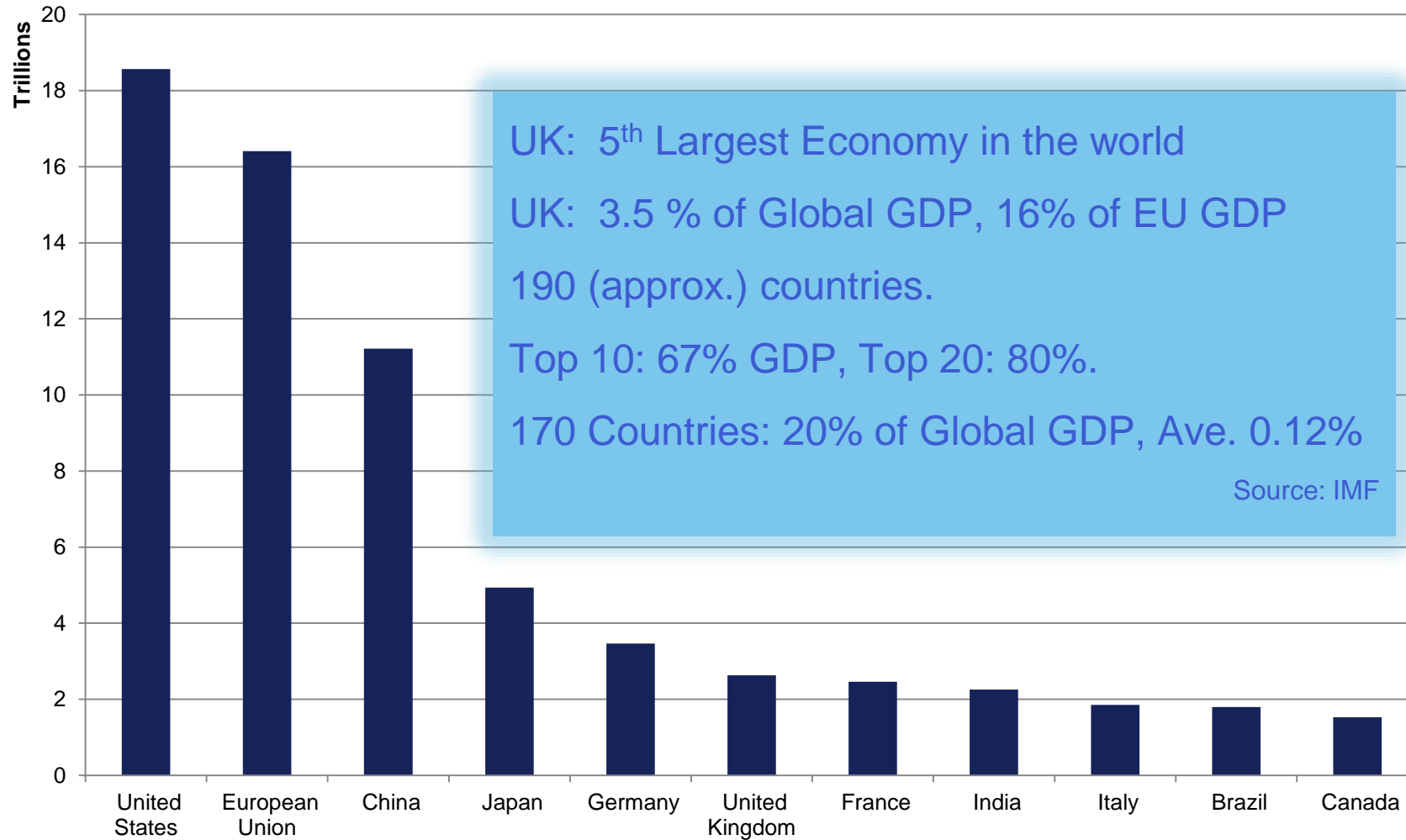
- We need a deal with EU
- We need deals with the rest of the world
- It will not be smooth and there is not much time
- There will be winners and losers
- Industry needs to work together and drive policy themselves

- **Long Term**

- UK is a significant global player in its own right
- We will find our place, we have a strong hand to play



OPTIMISM?



Ralph Peters
Head of Estate Management & Professional, Perth
Bidwells

T: 01738 630666
E: ralph.peters@bidwells.co.uk
www.bidwells.co.uk

Bidwells is a trading name of Bidwells LLP, a limited liability partnership, registered in England and Wales with number OC344553. Registered office: Bidwell House Trumpington Road Cambridge CB2 9LD