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### Overview

This standard is about setting up a croft or smallholding business.

Before setting up your business you need to be clear what you hope to achieve from the business, how it will fit in with your lifestyle and that of your family, why you want to take on what may be a major change in your life, and if you will really enjoy the particular activity. You might be able to explore your idea on a short training course or “taster” day, to give you some basic, practical experience of your dream, to see if it is feasible for you.

Who might do this:

1. People looking for a complete lifestyle change, based on aspirations, hopes, dreams; maybe driven by the desire to achieve self-sufficiency, or by environmental or animal welfare concerns
2. People forced to make lifestyle changes due to redundancy, family considerations, inherited property
3. People wanting to complement a “conventional” life with self-sufficiency in food production.

What it involves:

1. Deciding on the activity that will give the most reward, whether financial or personal enjoyment
2. Deciding on the location for the activity – this will be probably be your home, so you need to consider your family's needs as well
3. Deciding on the work-life balance that will be acceptable to all involved.

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### Performance criteria

- You must be able to:*
- P1 decide if you are aiming to create a financially viable business, or just become self-sufficient
  - P2 ask yourself what activities you would consider e.g. looking after animals (breeding, showing, meat, wool), growing vegetables/fruit/other crops, keeping poultry or birds or managing a woodland
  - P3 decide if you want to use the croft/smallholding for any other activity e.g. crafts, tea room, shop
  - P4 find out what is involved in your various options e.g. visit similar enterprises, contact support groups, go to local shows and talk to the various exhibitors
  - P5 research the resources required – money, time and skills – to set up and run any ideas you may have
  - P6 research the likely market for your products

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### Knowledge and understanding

*You need to know and understand:*

- K1 the commitment required in running a croft/smallholding e.g.
- K1.1. any animal-based activity is a 24hr commitment
  - K1.2. holidays and other breaks away from the venture, though possible, are difficult to organise and need supportive friends or family, or the money to employ paid cover
  - K1.3. you will need to have a basic understanding of animal health and welfare
  - K1.4. the weather can be unpredictable and can have a great effect on crops, management of animals, or the demand for a product

*You need to know and understand:*

#### **Yourself**

- K2 the skills required in running a croft/smallholding:
- K2.1. are you a person who is sufficiently healthy, practical and self-sufficient for this lifestyle? will you be prepared to do the maintenance and/or basic building, fencing and other developmental work on your land?
  - K2.2. what basic experiences and skills do you have? have you worked with animals or crops before?
  - K2.3. if you are going to be working with livestock, do you have the knowledge and expertise to care for them?

*You need to know and understand:*

#### **Business focus**

- K3 how to evaluate different products and services and decide which to incorporate in the business including:
- K3.1. Is there a demand for your product?
  - K3.2. Is your idea a niche market, commanding a premium price?
  - K3.3. Is there a local market for your product or will you have to transport/distribute/ post the product to the customers?
  - K3.4. Can you use the internet to market your product, or do you want to engage more personally with your customers?
  - K3.5. What is involved in being “organic”
- K4 what are the requirements, conditions and benefits of whole farm health plans, and other quality assurance and health schemes
- K5 how to develop and maintain agri-environmental schemes
- K6 how modern technology can be used within the business e.g. electronic tagging

*You need to know and understand:*

#### **Finance and advice**

- K7 how to plan finances including budgets and cash flow
- K8 potential sources of finance including:
- K8.1. banks, existing assets, grants

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- K8.2. sponsorship, franchises, partnerships
- K9 where to get help and advice e.g. Business Gateway, Business Link, Crofting Commission, Defra, Scottish Government Rural Inspectorate and Payments Directorate (SGRIPD), Princes Trust, Highland & Islands Enterprise (HIE)
- K10 legal obligations e.g. company returns, VAT
- K11 how to keep financial records

### **Law and regulations**

*You need to know and understand:*

- K12 business obligations including:
  - K12.1. holding registration, environmental requirements, waste regulations,
  - K12.2. keeping animals involves registration, traceability, medicines records, movement records, transport law
  - K12.3. health and safety regulations, fire regulations, hygiene regulations, public health regulations
  - K12.4. Trading standards, sale of goods

### **Information and advice**

*You need to know and understand:*

- K13 where you can find information and advice to help formulate your business decision e.g.
  - K13.1. Breed organisations, local associations, The National Farmers' Retail & Markets Association (FARMA)
  - K13.2. Scottish Crofting Federation (SCF), National Farmers' Union Scotland (NFUS), Forestry Commission Scotland (FCS), Tenant Farmers' Association, Scottish Agricultural College (SAC), Scottish Natural Heritage (SNH)
  - K13.3. NFU, FSB, Country Land & Business Association etc
  - K13.4. Agricultural Shows, Farmer's markets, local livestock markets, local agricultural suppliers, community websites
  - K13.5. internet discussion groups
  - K13.6. Local wildlife trust, FWAG, Barn Owl Trust, RSPB etc
  - K13.7. Soil Association, Organic farmers and Growers etc.

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**Relevant occupations** Agriculture, Horticulture and Animal Care; General

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**Suite** Crofters and Smallholders

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