



December 2017

ANM Group

Members Update





Chairman's Introduction

I am proud of everyone at ANM for their hard work and achievements throughout the year supporting our members and their businesses.

– *Peter Watson*
Chairman

This especially holds true during the late harvest period in September through to October, which affected many farmers in the North and North East of Scotland.

In October, we were delighted to welcome HRH The Duke of Rothesay to our facilities, who visited Thainstone Centre to show his support and empathy for the situation the industry faced as a result of the persistent poor harvest weather. During the visit, he toured the centre, viewed the live auction and met with farmers to hear their stories. The Duke was also fortunate to meet with crofters from Shetland and Lewis who were attending our special sales of Shetland and West Highland suckled calves and store lambs.

Turning to the board, we had two Directors retire this year.

Pat Machray, our past Chief Executive and Chairman, retired from the board in August and we would like to express our gratitude for his input and guidance over the years. He was instrumental in ANM's recovery during a difficult period for the group, ably supported by a key member of the board, John Farquharson, who retired in October. We wish them both well in the future – we know we can count on their continued support.

Earlier this month, we were delighted that Anna Mitchell agreed to join the board as a Director. Anna comes from a diverse agricultural background, having worked on her family's dairy farm in Ayrshire and currently runs the Castleton Farm Shop, which is part of a family business operated by the Mitchells, located in the Howe of Mearns. They have been growing fruit for over 20 years and are now one of Scotland's largest

commercial growers. A combination of this agricultural background, combined with strong business acumen, including a wealth of experience in hospitality and catering, will bring a range of attractive business expertise beneficial to the board. We all look forward to working with Anna and welcoming her to the first board meeting on Tuesday 9th January 2018.

As we move forward into the New Year, and with Brexit negotiations ahead, we look for clarity around the future of the livestock sector to provide confidence for our industry. I am pleased that we have a very strong representative board with a skill-set that matches the diversity of the group.

Thank you to the executive team, our staff and members and customers for their support this year. I wish you all a happy Christmas and a prosperous 2018.





Chief Executive's Update

Whilst 2017 has been tough, the group has made good progress in a number of areas, but most importantly, continues to make a significant financial and social contribution to the local and agricultural economy.

– **Grant Rogerson**
Chief Executive

Our enviable and well-established reputation of delivering best value and service to our members and customers remains our priority as we reflect our co-operative's values.

The second half of the year, as is well documented throughout the update, has been particularly challenging, with poor weather impacting the harvest in addition to the uncertainties that seem to be prevalent in today's world. Our industry again faces real challenges going forward.

It's particularly during these times that we recognise the importance of ANM, when members look to their co-operative for support, with strength in diversity, influence and a strong voice, to continue to provide a service to meet our members' and customers' needs.

And this recognition has seen members' confidence in the group growing with share capital reaching record levels at over £5.9 million, and members loans fully subscribed to a waiting list. It is this loyalty, confidence and commitment that allows the business to progress and move forward, ensuring we remain fit for the future. Thank you for your ongoing support.

Turning to the divisions, your relationships with all the staff at ANM are vital. Our people are the group's biggest asset and the teams across the group have worked extremely hard. Please take time to read their updates

to learn more about what the divisions have been up to, there's a lot of good progress being made. This is as a result of the continued hard work and efforts of all our teams throughout the business – thank you to everyone involved for your commitment and support. Thank you also to the Chairman, board and the executive team for their support throughout the year.

During the year, we've continued to invest in the business, providing training, upgrading our IT and improving our infrastructure, as we look to work smarter and more efficiently. We continue to strengthen our teams, and as you will read in John's update, we have made some senior management promotions within the livestock division. These appointments are well-deserved, and I am confident that the incredible knowledge, professionalism and experience of our teams will ensure the continuity of service provided to our members and customers.

Turning to our property, the hard work continues across the group's property portfolio, which plays a significant role in the business. I have written a great deal about the struggles that we've been having with our planning application, however I am delighted that in June the Scottish Government Reporter upheld our appeal for the Thainstone Business Park extension. The granting of our planning permission in principle however, came with a number of conditions, some of which require to be satisfied prior to receiving the permission (a contribution to Kintore Railway

Station). The time it has taken to get to this stage continues to frustrate, particularly when you consider the strategic importance this development has to the group and the North East.

Scotbeef has also made good progress with plans for the new abattoir at Thainstone, including holding a successful public consultation event. Thanks to all our members and customers who contributed. Whilst there is still much for Scotbeef to do, we are pleased progress is being made. The board recognises the importance of the abattoir to the industry and the North East as a whole, and with the development of the Thainstone Business Park, we are doing all that we can to support the project.

Finally, the combined skills and effort harnessed through all our activity bring a great deal to our co-operative and ensures we are well-placed to overcome the challenging conditions being felt across our industry, supporting our members and customers now, and into the future.

On that positive note, I wish you and your families a very happy Christmas and a prosperous 2018.

Since January, share capital has increased by £478,000

The group's share capital is currently at £5.9 million

Aberdeen & Northern Marts



– **John Gregor**
Executive Director

A year of two halves at the core livestock auction division

Following a positive first half of the year, with excellent numbers of cattle and sheep forward and good prices achieved, the second half of the year saw the farming industry face an unexpected challenge with the pro-longed and difficult harvest in the North and North East of Scotland.

Whilst the lamb sale season started well, the mood quickly changed as the difficult harvest took hold which impacted cattle and sheep prices, including numbers forward for sale. However, and encouragingly, the prime and cull cow trade remained steady throughout the

autumn period, and in addition, we have now seen the overall livestock trade recover with increased numbers forward in the sales rings. This is very encouraging for everyone, and we are optimistic this stability will continue into the New Year, as we are seeing the finished cattle price maintain its current trend ahead of last year.

The cost of fodder has risen, and we are monitoring it to see how the trade continues into the New Year. However, the scarcity and poor quality of winter fodder is a concern to everyone in the livestock sector and may lead to early marketing of spring-born yearlings.

Going forward, we are pleased that the Scottish Government has agreed with the Scottish livestock stakeholders to fund a pilot programme in 2018 to phase in the Electronic Identification (EID) and data transfer systems of cattle. We at ANM, will be fully involved with the pilot project to develop systems and find efficiencies for the cattle industry. We will engage with members and customers as this project unfolds.

The 25th Aberdeen Christmas Classic

In November, we celebrated the 25th Aberdeen Christmas Classic, which once again proved to be a successful two-day winter event showcasing the best of livestock from the North and North East of Scotland. We had an outstanding line-up of entries this year, with a Texel gimmer achieving a record price of

4,500gns in the pedigree section, while the Christmas prime cattle and sheep met a strong trade, with the overall champion realising £4,600. The young farmers competitions were well-supported, together with hundreds of visitors attending the wide-range of shows and sales at the event. Many thanks to all of our sponsors for your continued support and for making the 25th Aberdeen Christmas Classic a tremendous success.



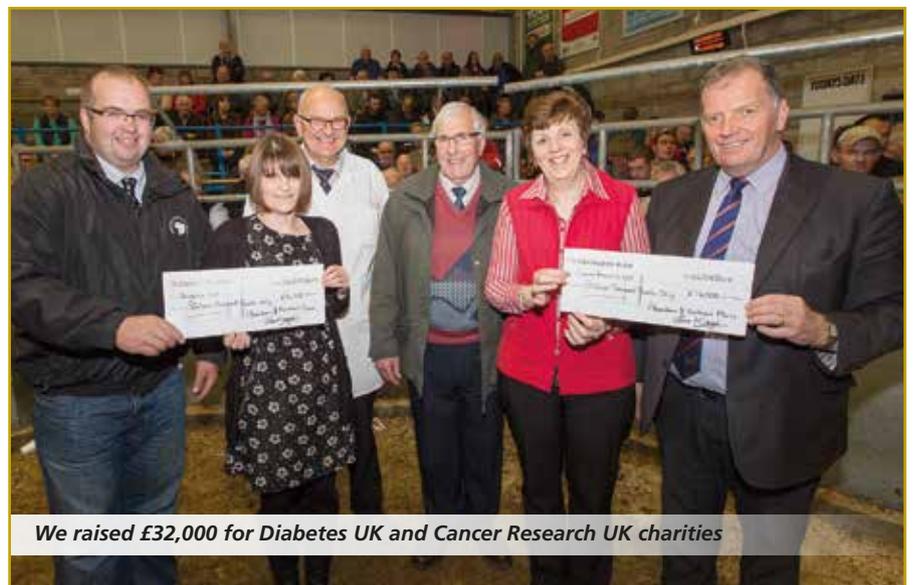
– *The overall prime cattle champion made £4,600*



– *Champion Texel gimmer achieved a record price of 4,500gns*

Caithness 25th Anniversary

In August, Caithness livestock centre in Quoybrae celebrated its 25th anniversary in style with a charity dance and special anniversary show and sale of store cattle. Our team at Thainstone supported fundraising efforts by completing an all staff 'static cycle' completing the return trip from Thainstone to Caithness. Across all these events, we raised an incredible £32,000 for Diabetes UK and Cancer Research UK – two charities chosen by retired Centre Manager John Bremner. We are very grateful to the farming community for the outstanding level of support and generosity received during the celebrations, leading to a great start to the autumn season which saw good numbers of livestock forward locally in the county for the sales.



We raised £32,000 for Diabetes UK and Cancer Research UK charities

Aberdeen & Northern Marts continued

Staff Appointments

We are very pleased that **John Angus** has been promoted to lead the marts division as **Head of Livestock**, with **Colin Slessor** supporting him as **Deputy Head of Livestock**, and **Tim McDonald** stepping into his new role as **Prime and Cull Cattle Manager**.

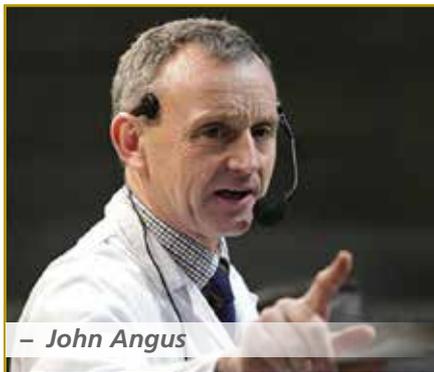
In addition to leading the livestock division and auctioneering team, John will continue to oversee the store and

breeding cattle sales and canvassing for the business, ably supported by Colin, who remains responsible for the division's sheep activity. Tim will lead the sale of the prime and cull cows during the weekly Thursday sale and continue selling store cattle over 400kg on Fridays.

In Elgin, we welcomed David Merchant who has been appointed as Centre Manager and will oversee all aspects of our antique and furniture sales at the auction centre.

We would like to thank Alan Hutcheon, Gordon Pirie, John Bremner and Charlie Morrison for their continued loyal service and contribution to the group's success over the years and wish them well in their retirement.

I am really pleased with how the team is shaping up for the future and look forward to working with the new management team in the New Year, to continue the success of the business.



– John Angus



– Colin Slessor



– Tim McDonald

FARM PROFIT PROGRAMME

Making Livestock Pay



Our six focus farms continue to make changes to their farm businesses to improve profitability. Over the past six months some of the main changes were:

- Rotational grazing – many of the farms have embraced rotational grazing this year with great success. This has led to doubling of stocking rates in some cases, increased weaning weights and improved overall grass production and utilisation on the farms.
- Targeted earlier cuts of silage have increased silage quality on average 5

D-value units. In energy terms, this is equivalent to 1.25 kg of barley. This is helping reduce winter diet costs on the farms.

- Planning for spring grass with targeted closing of fields from mid-September onwards to improve grass growth in spring. The focus farms will also go out with an early application of nitrogen in spring once soil temperatures are adequate to boost spring growth.
- The farms are now weighing cows and calves at weaning to see what each cow has produced for the year. The calf weight is then divided by the cow's weight to see what proportion of her body weight she is weaning. The target is to have all cows weaning 50% of their body weight.

The focus groups continue to meet to discuss challenges and share expertise. Key themes have included grazing management, vaccination protocols and the annual costs of keeping cattle. The participants are keen to get into the numbers and identify areas of their businesses that can be improved.

There are a limited number of places still available in some groups. If you would like to get involved, please call or visit the Farm Profit Programme office in the concourse area at Thainstone, or email farmprofit@anmgroup.co.uk.

You can follow the story of the six focus farms with weekly updates in the *Farmers Journal Scotland*, or online at: www.farmersjournal.co.uk www.anmarts.co.uk/farmersjournal.cfm

Supporting farmers and the agricultural industry

We are delighted to offer simple and flexible finance to help farmers with livestock purchases and enterprises.

Our regulated financial support and advice is backed by decades of industry experience. We also offer assistance to members looking to start out in the agricultural sector.

For more information, please contact any ANM Auctioneer or Fieldsman.

Thainstone Specialist Auctions



This year's top price of £80,000 came from a 2016 Caterpillar 320EL tracked digger

Saturday Sales

Thainstone Specialist Auctions has the largest team of industrial and commercial Valuers and Auctioneers in Scotland, which alongside their colleagues in the livestock division, consistently sell 80% of the lots entered at our Saturday machinery sales, making this the perfect platform for members and customers to buy or sell a varied range of good quality plant, machinery and equipment.

The September sale saw a top price of the year achieved for a 2016 Caterpillar 320EL tracked digger, realising £80,000, and our November auction was the

biggest and most successful sale of 2017, with strong demand evident on the day across all sections. High demand for lots is in part due to increased export activity, which encouraged more bidders to look for good quality, second-hand equipment. We are proud to offer Scotland's largest sale of plant, machinery and equipment to our members and customers and the success achieved this year.

The competitive price discovery mechanism of an auction ensures we achieve the true value of goods for our customers, which remains our main priority. Demand continues for plant and machinery, so if you wish to realise

any of your equipment, please contact one of our team members.

Vehicle Sales

The popularity of our vehicle sales continues to grow, as we experience very strong demand from buyers choosing to purchase good quality, second-hand cars over new.

We are pleased with the results achieved during our commercial vehicle and car sales, which is a testament to the confidence buyers and sellers have in the auction system.

Our last monthly dealer trade-in night of the year took place in November and featured cars direct from the motor trade. The sale's strong reputation in the local area attracted a large crowd of private and trade buyers to Thainstone Centre, with more than 60 cars selling on the night. We look forward to welcoming you to the next auction in the New Year on Thursday 25th January 2018.

Thank you for the fantastic support received from local dealers and the public bidding at our sales. We are always on the look-out for good quality, second-hand cars whilst demand remains strong, and would encourage those interested in selling or buying your next vehicle to please get in touch with Allan Finn on 01467 623864.

Members should take advantage of our

VEHICLE PURCHASE SCHEME

which offers substantial discounts on cars from major manufacturers.



For more information, please get in touch with John Roy on

01467 623863

Valuations

The valuations and sales team has been very busy during the second part of the year. We have travelled thousands of miles across the UK visiting customers and valued more than £50 million of assets for 57 different businesses.

These have included large, complex and high-profile valuations across sectors ranging from oil and gas, hospitality, health and fitness, and engineering sectors.

In 2017, the team has valued assets worth more than **£50 million**

throughout the whole of the **United Kingdom**



– UK locations of places visited for valuations and appraisals

Aberdeen & Northern Estates

After a busy start to the year, we have seen sustained activity in the marketplace for all property types as we move towards the Christmas period. During this latter half of the year, we have taken on a number of diverse new instructions – both in terms of agency and other professional services that we offer here at Thainstone.

Those uncertainties that we illustrated in the last update (namely political uncertainties and industry pressures) have not abated and are still serious considerations by buyers and sellers alike. However, it is with remarkable resolve that those considering selling continue to bring their properties to the market, where they are met with a consistent level of demand despite a less than favourable harvest for most.

As a result, we continue to conclude deals and are frequently gathering sufficient interest to be able to hold closing dates for properties – driving competition and ensuring the best price is secured. Buyers' outlooks certainly seem to look ahead, past the relatively short-term uncertainties of Brexit and take the view that the combination of the right property and favourable borrowing rates is a unique opportunity that will stand the future of their enterprise in good stead.

We are witnessing a growing trend of owners, who are considering selling,



So far this year, we have sold 36 farm properties in the North and North East of Scotland.

being approached by neighbours and other land owners in the vicinity. This might superficially appear to save time and costs involved in marketing the property, but our advice is always that the benefits wrought out by a public marketing campaign will outweigh any perceived savings.

We are firm believers that the only way to maximise the value of a property is to get a number of interested parties to compete at a closing date and put their best and final offer forward for consideration. Our old mantra continues to apply – price realistically and sensitively, market effectively and the property will generate interest and find its value within the marketplace.

A steady flow of new instructions has continued for our other professional

services, including RICS compliant valuations, telecoms negotiations, landlord and tenant matters and compulsory purchase issues.

Despite an ever more complicated legislation and guidelines relating to this type of work, we have worked hard this year to streamline our processes and continue to deliver the highest quality, best value advice available in Aberdeenshire and the North of Scotland.

Helping us to fulfil this are Andrew McEwan and Aileen Law, both Graduate Surveyors who have joined the team full-time since the last update and are already invaluable in their contributions. Looking ahead, we are excited to welcome a new Qualified Surveyor in the New Year.

Porterhouse Steakhouse & Coffee Bar

Porterhouse's reputation for serving the best locally-sourced produce that the North East has to offer is paying dividends, with sales up significantly for the first 10 months of the year.

Our steakhouse is proving to be a popular destination for the local community, with numbers improving weekly during lunch and dinner. Due to increased demand for our Sunday carvery offering, we have extended our operating hours from 12:30pm to 6:00pm. So come along with your family and taste the incredible roasts we have on offer.

Since the last update, we have held two seven-course gourmet evenings showcasing the best locally-sourced meat and fish, which were very successful and well-attended by the local community. This fantastic dining experience offers dishes carefully

created by our Head Chef Victor Garcia and served with the perfect wine or gin pairing.

Congratulations to Victor and Chef Greig Rose for being selected to participate in the final round of the Scotch Lamb PGI annual Surf and Turf Chef of the Year Competition, organised by Quality Meat Scotland (QMS). The two chefs prepared their dishes the 'Porterhouse way' by serving authentic 'field-to-fork' cuisine using quality local produce, which impressed the judging panel comprised of nine distinguished representatives from Scotland's food and drink industry – well done guys!

Please follow us on Facebook to see Victor cook the perfect steak and take part in our regular competitions where you can win a variety of prizes to experience our award-winning restaurant.

From July to December, we have served more than

3,400 STEAKS 
at our Porterhouse restaurant



Don't Forget...

All members are entitled to a
10% DISCOUNT
AT PORTERHOUSE
STEAKHOUSE & COFFEE BAR.

To Book your evening meal or corporate event, please call 01467 623899 and have your member number to hand.

Thainstone Events

Thainstone Events

We have held a number of large conference gatherings at the Thainstone Exchange facility in the second part of the year, including the Blast from the Past car event, Aberdeenshire Wedding Show and Stars of Irish Country music nights. We are pleased to announce that we will again host these popular events in the New Year as well as the Country Music Festival in June.

Our external catering service had a busy period throughout the summer and

during the wedding season. We are delighted to continue our association with the Inverurie Locos by providing our corporate hospitality at home games.

With Hogmanay around the corner, we would like to invite you to dance the night away with Graham Geddes and his Scottish dance band at our Thainstone Exchange facility. Enjoy a delicious four-course menu and get involved in our 'The Mart' festive selfie competition.

To book your tickets today get in touch with us on 01467 623760.

Look out for our 2018 Country Music Nights

Saturday 3rd February
Legends of America Country Tribute

Saturday 17th March
Lisa McHugh

Saturday 7th April
Isla Grant

Saturday 28th April
Robert Mizzell



Marketing

We are working hard to increase our public relations activity by working with the local and industry-specific media organisations to raise the profile of the group. The Knowledge Transfer Partnership with the University of Aberdeen has proven successful in supporting the development of our digital channels, and we are pleased with the results as we look for new ways to better communicate with you, our members and customers.

The Press & Journal was our official media partner for the 25th Aberdeen Christmas Classic event, and we achieved fantastic results through a variety of editorial articles, print and digital advertising, including social media and website campaigns.

As you will have seen already, our social media channels, especially Facebook, are proving very successful in communicating and helping us reach a wider audience. We held a number of highly engaging online competitions this year, with the Saturday sale 'Guess the Price' contest, reaching more than 96,000 people and 1,000 participants commenting.

We hope you find these enhancements beneficial in staying up to date on everything that's happening at ANM Group and its divisions.

We welcome your feedback – get in touch with us by emailing marketing@anmgroup.co.uk.

Saturday Sale 'Guess the Price' Competition

96,245 Users reached

51,442 Video views

1,724 Reactions achieved



Statistics from 29th June 2017

 **FREE Wi-Fi**
at Thainstone Centre



Livestock marketing
Aberdeen &
Northern Marts



Rural and commercial
property
Aberdeen &
Northern Estates



Auction, appraisal and
valuation services
Thainstone Specialist
Auctions



Maverston
Estate & Golf Course



Events and catering
Thainstone Events



Porterhouse
Steakhouse &
Coffee Bar

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To find out more about group activities, or to access members' benefits contact Alan Donald or Avril McLeod on 01467 623752

