

Rhug estate podcast

Will: Hi and welcome to AHEAD OF THE FIELD, a podcast series brought to you by NFU mutual exploring how farmers are growing their businesses in the Future. I'm Will Evans, I'm a farmer and podcast based in North Wales. This series of podcasts will look at new sources of income, new farming models, new farming technology and our first few episodes will be focusing on farmers who've done something different, who've diversified their businesses and are looking at new ways to secure their farming futures. I myself moved from being a relatively small scale dairy farmer into beef production, arable crops, a free range egg unit, contract bailing business and a little bit of podcasting on the side, and what it's done is it's made our business more robust for the future. According to our research, over 60 percent of farm businesses have done some sort of similar diversification and so we're starting this series by setting out to meet some of the people who've done this, who've met the challenges and are inspiring other people with their successes. We'll hear their stories, we'll walk around their farms, hear what their biggest challenges have been, what they've had to overcome and hopefully get them to tell us some of their secrets and ask what they think the big opportunities are. We'll also talk to the experts who can give us all some insight and advice about what help is out there, if you're considering diversifying your own farming business.

Today we're at the Rhug estate in Wales, in just 20 years Lord Newborough has taken this from being a two thousand acre sheep and cattle farm to a twelve and a half thousand acre business, employing over 130 people, with an international brand export business and an extraordinary reputation for organic food. It incorporates commercial lettings, renewable power generation, a bison herd, a farm shop and even a drive-through restaurant. We're very grateful to Lord Newborough for being our guide today, thank you very much for having us Sir.

So, can you give us a potted history of the Rhug estate and the journey you've been on in the last two decades.

Lord Newborough: In 1998, my father died and I had to make a decision then as to what I was going to do with the estate. It was a low input low output operation up until then and I'd been eating organic food through the 90s, which was hard to come by, and we'd had a series of food scares and it was at that point I decided that what I really wanted to do was farm organically. From there, the business has grown, we started marketing our product through Waitrose and in 2002, we opened what started as our farm shop which was two vans, one was selling burgers and the other one was selling fresh meat, on a busy road with a good location, they became really busy points, where people stopped on their way to Snowdonia. So from that point on we never looked back and I think in 2004 we started to take our meat to London and started wholesaling. After that we started looking at export and we went to Hong Kong, Macau and then Singapore, and in more recent years we go to other places like the Middle East and a little bit into Europe.

So basically the business has grown from just a beef and sheep farm to beef, sheep, chickens, turkeys, geese, venison and a few bison.

Will: Did you have it all planned out or did it just come about naturally, as the demand grew?

Lord Newborough: Erm total seat of the pants, no, very little planning went to it but we found customer demand, I suppose that was the first plan and then we realised that organics had a good place for the future and, the business has grown on the back of that really.

Will: And what were the original reasons for diversifying the business?

Lord Newborough: It was basically, when I had the opportunity was doing something I believed in, something I felt that I was quite passionate about, really following that and my

belief in sustainable farming that really drove me down that route.

Will: And how do you keep on top of all the different enterprises and things you've got going on?

Lord Newborough: I don't! No, no that's not true. I am very lucky I have a brilliant team. I have, a number of passionate managers who will manage the different sectors of the business. They're all experienced in what they do and I rely heavily on them and I probably intervene far too much but that's the nature of the animal I'm afraid.

Will: So if that's okay, can we go on a bit of a tour and have a look around the place please?

Lord Newborough: Yeah, let's go and see what we can find.

Will: So we're here in the shop, we're surrounded by all the produce you can think of, there's a butcher's counter, all kinds of fresh produce, so all the all the meats off the farm; turkey, geese, in the build up to Christmas. There's, behind me those organic duvets made with wool from the farm and all kinds of organic produce, there's honey, sauces, biscuits I can see, everything you can think of and we're here with Lord Newborough and he's going to introduce us to a few of the staff here.

Lord Newborough: Key members of the staff, here I have Graham Webster who's our retail manager and his assistant Amy Kelman who help run the business here. They run the farm shop, the bistro, the takeaway and they're also in charge of the drive-through.

Will: So this originally started out as a van, on the side of the road and look where it is now, I mean you must cover a whole range of different things?

Graham: We've got lots of products in now, it started really to support the farm and sell the meats on the counter so that we could support the animals on the farm. But the whole farm shop has grown around that now and we've got a full range of products, a lot of them are organic, our wines are organic, the honey that you've mentioned, that's actually made on the estate. We've got lots of local ciders and beers, we support lots of local companies as well, lots of Welsh cheeses, honey's, jams, you name it

Will: What are the best sellers here? What do people really come through the door for?

Graham: Our meat continues to sell really well and this year we've seen a real spike in cheese and pies. I think people are looking for a bit of extra quality now, so not just what they can get in the supermarket. They want a point of difference, so they come to us because we've got some different things on offer and with a little bit more special, bit unique.

Will: What were the biggest challenges for you in going from farming into retailing?

Lord Newborough: I think it's a mistake to think that you can, that a farmer can turn into a retailer. I think you need the expertise to retail and it's not it's not anything like farming so it's a steep learning curve if you don't know what you're doing.

Will: What were the biggest things you had to learn along the way?

Lord Newborough: I think to control the margins, control labor costs and generally give the customer what they want and the customers now are more aspiring and they want better. So you've got to think ahead how are you going to improve things as you go along and keep up to date.

Will: What skills did you have to bring in from the outside?

Lord Newborough: Definitely retail skills and also the catering skills. Those were the main things as well as butchery. I mean we have eleven butchers in the cutting plant here, we have counter butchers, we have butchers in borough market, local butchery skills are very important.

Will: Presumably marketing was a big thing as well?

Lord Newborough: Marketing, yes marketing. We had to think about building a brand. So brand development at the early stages was invaluable. And from then we've been able to build on the brand and build on the fact that we're producing a healthy quality product.

Will: And did it help that you progressed gradually rather than just build in the full shop straight straightaway?

Lord Newborough: Well, there were one or two sort of peak points which were a bit of a challenge, like when we first went to London to wholesale. We went to six potential customers and ended up with five active customers at the end of the day. Panic sparks, you know how were going to butcher for five restaurants in London, and how logistically we would get it to London, so lots of challenges along the way and... but seat of the pants stuff, you get there somewhere.

Will: We're just going past the takeaway, looks, it looks a very busy place, what kind of footfall do you get there?

Lord Newborough: We're up to about, half a million people a year now coming up to the centre here.

Will: Wow! And here there's a plaque on the wall says the Prince of Wales opened the place in 2013?

Lord Newborough: Absolutely. We had a great day, visited the farm, we did a farm tour and then he opened whole complex so, and subsequently we've been servicing the Royal households for six years, and this April we got the Royal Warrant.

Will: And the Prince of Wales, obviously, a huge supporter of organic produce.

Lord Newborough: He understands a lot more about organics than I'll ever know and I am a great admirer of his.

Will: So we've just come through into the Bison Grill Bistro, creating a series of restaurants must have added another whole new set of complications?

Lord Newborough: It certainly did. I mean we started, as I mentioned, with the takeaway out of the vans and when we built this farm shop in 2011, we thought to be a good idea to have a restaurant. I got someone in a trained chef, and he came here, put a whole new standard and a stamp behind the Bistro and it's grown ever since.

Will: Fantastic. Then, I guess there's lots of local people employed in the kitchens and the restaurant?

Lord Newborough: Yes, this is a big source of employment, and we have about 17 people working in the kitchen and then there's front of house as well.

[Background noise from restaurant]

Will: Amy, you're the assistant general manager here, do you see lots of people coming back every Sunday for Sunday lunches? Do you see local people, is it tourists, I guess it's the full range?

Amy: Yeah it's a bit of a mixture, obviously over the summer we are very, very touristy and even throughout the winter, to be honest because we're on the main road to Snowdonia, so we have a lot of tourists as well but also local families, we have our regulars definitely on a Sunday that keep coming back. We're also dog friendly so we have a lot of regulars that come here because there's not many dog friendly places in the area, so they keep coming back to us.

Will: So you were a waitress here as well, it must have been very hectic at certain times of the year?

Amy: Oh definitely. Especially over the summer holidays, Christmas, we do a lot of evening events as well throughout the year. But yes, and Sunday lunch is very popular, it's very, very busy.

Will: So, we'll leave the diners in the bistro to it. If you haven't got time to stop here or even at the takeaway next door just through the window, you can call it the newly opened drive through, let's go to have a look at that.

Just before we carry on with the rest of this episode, you might like to know that NFU Mutual has published a report on diversification that you can download right now. Just go online and search for NFU Mutual Diversification and if you're enjoying this podcast, please do make sure you subscribe so that you never miss an episode. Right, back to the program.

Drive-through assistant: Hi, welcome to Rhug drive-through, can I take your order please?

Will: We're here standing in the newest part of the business, the drive-through. What made you first think of the idea?

Lord Newborough: We were already very busy on the takeaway, I saw Starbucks and Costa opening some drive-throughs and I thought where we're in such a good location here with busy main road, that it was an obvious extension to what we were already doing. So here we are, it's another addition to the Rhug food centre.

Will: And this is the first of its kind in the country?

Lord Newborough: It is. This is, as far as I know the only farm drive-through in the country and it's certainly caused a lot of interest.

Will: So you might start a trend?

Lord Newborough You never know.

Gareth: I'm Gareth Jones, the State Farm Manager at Rhug.

Will: Gareth, you've been the farm manager here for 25 years, you've seen some serious changes in your time?

Gareth: One or two, yes. When I started here, it was with Lord Newborough's father and the farmers run on, sort of, conventional lines then, just sheep and a bit of arable and no cattle at all.

Will: So it's been as a steep a learning curve for you as for anyone else?

Gareth: Well most of the staff to be fair you know, I'm of the settled farm staff, I was the last to join, so there are a few staff that have been here a lot longer than I have. So between about six of us we've got a combined service of about 250 years or something.

Will: You'd have to have real breadth of knowledge over all the different kinds of livestock you've got here?

Gareth: Yes, I think, you know these traditional mix farms are becoming fewer and farther between, you know people are becoming more specialised and obviously you can see the binds in that but, you know, a properly self-sustainable farm, an organic farm needs to be a balanced farm. You know, the balance between sheep, cattle and cropping and that's what we've got here of course.

Will: And Merfyn Roberts has joined us as well, he's the local NFU mutual agent. Hi Merfyn, you know this estate well, why do you think they've been so successful?

Merfyn: Yes we've, we have known the estate a long time, we've been, in association with Rhug estate for almost 30 years, and the biggest change we've seen, in the recent history of the estate is the diversification. I think what they've done, very successfully is they've, played to their strengths, they've got a fantastic location here along the A5 road and what they've done also, is to build a team of people around them. It's very apparent that it's about a team building exercise and it's made a big difference to the local economy of the town, it's bringing jobs into the area.

Will: Okay, and what can other farmers learn from their example?

Merfyn: I think, it's not, not being afraid of changes. I think a lot of farmers in this area, traditionally beef and sheep, and I think they're quite reluctant to change. I think you know with possibly Brexit and all the other changes that are facing, I think farming will have to look at diversification, moving forward and there are huge opportunities out there.

Will: What advice and help have you been able to provide them here, over the years?

Merfyn: Well we've, we've worked very closely with Lord Newborough and the team of people that are on the estate and you know we've looked at things like, obviously the insurance, getting the insurance covers right. And also, we've got a team of risk management services who have worked very closely with Rhug estate, because as you can imagine with all this diversification happening on the farm, it's very important that health and safety is looked at very carefully and you know we're working closely on that side of things. What really underlines everything is Lord Newborough's passion about the environment, organics and supporting local businesses and getting local staff into work.

Will: Thanks very much Merfyn.

Lord Newborough: So, here we are now in the office. This is the sales department and we take orders on a daily basis for the wholesale business and I have a team here who are on the ball most of the time, so if I can introduce Joan.

Joan: So here we taking orders every morning for deliveries to London to the some of the top hotels and restaurants in London and to independent delis. We also deal with home deliveries and all the export to Singapore, Dubai, Hong Kong, Croatia and newly to the Netherlands and beyond really. So in the morning it's really buzzing here with people taking orders talking to chefs. It's a very personal service. We like to talk to all our customers whether they're here or in Hong Kong. And that's what gives us the point of difference really. People have worked here,

they tend to stay here. There's a very happy office and you'll find the chefs or people that work in shops they move around a chef you'll be talking to in London where you might be taught him in Hong Kong in six months' time and the keen ones you know the ones that come to visit the farm you'll see them progress which is always really nice.

Will: So in the build up to Christmas now obviously the busy season for turkey is how seasonal is the business for things like that.

Louise: There's always something new and interesting throughout the year. Earlier on in the year say Ah spring lamb comes on and then we move on saltbush lamb. But yet now it's all about turkeys in this. So we start on the farm back in June July they arrive and we get more ready. But in terms of our sales office it's from about September. Things get really crazy and that just builds and builds. So now I've got a graph in front of me now looking at hopefully they're going up to sales and the work in the office does get more intense as the orders coming through.

Will: Would you get many people ordering or butchers and things like ordering door plots or would it be mostly individual families by an individual birds.

Louise: There's a real mix. So we've got lots of wholesale customers that we serve every year and they'll be placing their orders nice and early so we can plan and get things ready for them. And then we have lots of individual customers as well, which a lot of them we tend to see just at Christmas. So they come to us for their Christmas meal, their Christmas meat. So they're very seasonal customers which is why we have this big spike in sales because you know they might order the odd thing throughout the year but then they there's a mass of inflexible orders.

Will: I suppose individual families when they come to pick up their turkey, it's a bit of an occasion I suppose every year but it's a Christmas tradition.

Louise: Yeah. And as the business here has grown into a bigger enterprise it has become like family day out. You know they'll come and they'll pick up their turkey and have a look around the shop. There's places fans have a walk round it. Yeah. So it is it's a lovely event and we love to have you know it's really nice for us to get to meet our customers and have them come to the farm.

Will: I'm with Gary, who's the production manager here at the cutting plant. What's the range of animals you have on the farm, for meat?

Gary: Okay, right, what we do is, we do lamb, Aberdeen Angus, cattle. We do sheep. We've got our salt marsh sheep on our farm in Caernarfon. We do pork, we do chickens, turkeys, geese, we've got rabbits, we've got pheasants, we've got venison, all game, all game birds on site, so it's quite varied.

Will: So just about everything you can think of.

Gary: Yeah obviously, we like to be that way, because obviously a lot of our customers want to be very different and what we produce and if they don't have white meat they can have red meat. So we'd like to be there to be able to make sure that we can service our customers 52 weeks a year.

Will: Is it difficult to keep a constant supply?

Gary: Well what we do is, one of my main positions is I actually work with the chefs, so you talk to chefs about what they want, when they want to change their menus and then what happens is they will say right I want lamb. So then we make sure that we have lamb for three months of the year, that particular cut of lamb they want and then if we haven't got it we talk to them and then

they perhaps might change their minds and go with something else. But it's always about dialogue with our customers to try to make sure that we got one hundred percent service level.

So what I'd like to do is take you to cutting room now, if that's okay.

Will: Yeah, I would love to see it.

There's rows of carcasses hanging up, there's all kinds of meat, there's boxes, crates, everything you can think of. It's very, very cold, as you'd expect. And there's an awful lot going on in here.

Gary: If you walk in on a Monday morning you probably have about eight to 10 beef carcasses hanging up. And then you have 50 to hundred sheep. Obviously chickens, well there's six hundred chickens, because as the week progresses they obviously dwindle out. So there's no beef left, very little lamb left because we've cut it down and sold it. Monday is when our deliveries start coming in. So we have an abattoir, which is a mile up the road, so all the animals come off the farm on a Friday, go to the abattoir, slaughtered ready for us to be processed, come back to us on a Monday morning

Will: It's only a mile away, so you couldn't get any more local

Gary: It's a mile on the edge of the estate. So yeah which is great for us because it helps us, because all real food miles, it allows us to be proactive and try to make the animal less stressful, so it's all about looking after the cattle and looking after all our meat.

Will: And that's something that consumers are talking about more as well, we're all becoming more aware.

Gary: Yeah, everybody wants to know where it's come from, how you treat it, what you do with it and at the end of the day that that's what it's all about. And for us, this is key.

Will: Sustainability does seem to be core to the business?

Gary: It is. But a lot of people want that, they want to understand what they're eating, that it's come from a sustainable farm and the people are there responsible looking after the environment as much as anybody else. And that's what we're all about.

Lord Newborough: When I'm out in the field talking to customers, basically you get the likes the Four Seasons group, now a directive from above that 75 percent of what they source has to be sustainable So, you know, it's key and it's sort of customers we're talking about in London and elsewhere, top end customers, you go to an organic store in Singapore where everything is organic and we always try to take the brand with us.

Will: I mean the brand's really striking as well, you really notice it straight away. That's something you've obviously developed over the years?

Lord Newborough: One of the things that we learnt in the early stages, in developing the brand is to have it highly visible wherever you could, so you'll notice here that meat, meat is shrink wrapped in a bag with that brand on it, so when whoever opens that box is confronted by the brand. And that's what they remember, they remember Rhug, they remember the crest.

Will: Has there been any meats you've seen a real surge in demand for?

Gary: Yes, a lot of poultry. Yeah, our white meat is really gone, because it seemed to be a healthier product, you know. And obviously, you know that's one thing that's really, really gone forward.

Will: And what about the venison, there's a lot of talk about venison as a low cholesterol meat?

Gary: Yeah venison is obviously in season now, obviously with chicken it's all year round, but venison is in season and that is going through the roof, you know, because it's a real, it seems to be a leaner meat, a leaner product, which is obviously a bit more healthy for conscious people at the moment.

Will: And in the run up to Christmas, turkeys, geese?

Gary: Yeah it's the turkey runs up to Christmas. Now we've got a thousand turkeys on site. They've been here with us since June. So as we've seen a lot of room in my fridge at the moment. So we're going to have an interesting scenario trying to fit them all in, but we'll get them all in in the end

Will: Butchery, it's really highly skilled job, I mean I guess you'll be providing training to local people?

Gary: We do provide training. We looking at it opening up an academy, a butcher academy here on site, which has got a lot of guys, a lot of young kids can come in we start learning how to be a butcher,

Will: So we're now joined by Emma who is the property administrator here at the Rhug estate, which types of renewable energy have you got here?

Emma: Yes so we've got, we pretty much cover all the technologies. So we have solar, wind, hydro and also a ground source and air source heat pumps in some of the residential properties. And we also have just a single biomass pellet boiler.

Will: Okay, so that powers all the farm here?

Emma: Erm, it varies, so most of the technologies we just generate and export the power direct to the grid. We use some, some of the power onsite. So, we have a solar array that supplies the estate office and there's one that's also connected to the farm shop business. And then any excess will go to the grid.

Will: So you also manage the commercial lettings and properties here on the estate. How many, how many properties do you have in total?

Emma: I think total lettings is about 170, that includes, say about 25 cottages here around Rhug itself and also the commercial shoots, land from tenanted farms down to gardens, quite a variety. There's also a couple of large industrial units and a few, sort of smaller storage facilities etc. dotted about.

Will: So managing all that is a business in itself then really?

Emma: Yes. Yeah. Everything needs maintenance, everything you know, has some degree of turnover and some planning is needed.

Will: And there's also quite a lot of moorland and woodland here, how do you go about managing something like that?

Emma: Yes. So, I mean, you'll appreciate that it's an expensive habitat to manage, but we're taking a step back and looking at the asset, *again*, deciding what else could we produce from that asset. Do we look, you know to re-establishing a grouse shoot, for example? Do we, maybe develop bird tours? Can those two things coinciding, you know, fit together? Also, we're doing

a small pilot, looking into ecosystems services and how we might be able to trade those services. So that's something we're hoping to fund through a new Welsh Government fund, the Enabling Natural Resources and Wellbeing Fund

Will: what's really come in across looking around here is, is the, the high level of care goes into, not only the livestock and the animals, but also, the land itself and the environment here, is that something that's really central to the business here?

Emma: Absolutely. Lord Newborough's ethos of sustainability does filter through. But we always have to keep a commercial head about us, otherwise, we won't be able to continue doing all this work. Those two things do unfortunately have to come together and sometimes they sit together quite nicely.

Will: Yeah, I think every farmer listening to this will be nodding along at that.

Will: Lord Newborough, what other diversification plans do you have on the horizon?

Lord Newborough: I think the biggest thing to come yet is doing body care cosmetic range using the Rhug brand and my thinking behind that is that I want to create a brand with a story. Use the sort of feeling of the environment that we have around us, the organic bit, the fact that we've got fresh air, we've got natural berries growing in the hedgerows, we've got herbs around, around the property and to incorporate those into a new range of cosmetics that I can go out and market on a global basis.

Will: It does seem to be a natural fit doesn't that when you put it like that?

Lord Newborough: Well I hope so. Everyone thinks I'm mad. I think it's applying the same principles that we're already applying to selling our meat, basically it's selling a product that you believe in. And it's selling a product with a story and selling a product that's produced perhaps using local ingredients and telling the customer about where the environment the product is coming from.

Will: What do you think the next big diversification opportunity is for farmers?

Lord Newborough: I think we, we have to diversify to survive these days. I think the biggest growth area that I see in the meat section is for the healthy option like venison, bison. So you're looking red meat here that lower in fat, higher in vitamins and minerals 50 percent higher in omega 3 than conventionally produced meats and they're also more healthy to eat and fish or chicken.

Will: And are you always looking to grow and diversify or some years is it just about securing and improving what you've got?

Lord Newborough: I think my ambition all along has been to create a secure business that I can pass over to the next generation and something that also is kind on the environment, as something that one believes in. At the end of the day, we're competing on the world stage and we prefer, much prefer to be a niche producer of sustainable products, rather than always selling on price. And I think here we've got something really special.

Will: So before we go, do you have any final thoughts or advice for any other farmers who might be considering diversifying and following your example?

Lord Newborough: I think first and foremost you have to think what the customer is going to want now and to know what they might want for the future. I think that you have to have a story. You have to have a brand and you have to have a belief, and some sort of vision as to where you're going. Seek advice, wherever you can. Go out and look what other people are doing

and learn from other people's mistakes. I think if there's one good point you can take away from a visit somewhere else, and adopt to your new business, do it.

Will: Well I've been, I've been driving past for years and calling, I've been calling in since it was just the two vans on the side of the farm so it's been fantastic to have a guided tour today. Really enjoyed and what's really come through is just the care that you and all your staff have and the team ethic is absolutely fantastic. So thank you so much for showing us around Rhug estate Lord Newborough, and we wish you the very best of luck for the future.

Lord Newborough: Thank you.

If you've been inspired to find out more about diversification, how to do it and what advice is out there for you, NFU Mutual has published a report on the subject that you can download right now. Just go online and search for NFU Mutual Diversification. In the meantime, if you've enjoyed this podcast, please do subscribe through your normal podcast app, that way you won't miss an episode. And while you're there, please do leave us a review as well. In the next episode, we're visiting Portnellan Farm on the banks of Loch Lomond to find out about their move into the world of holiday accommodation, activities and glamping. For now from me, Will Evans, NFU Mutual and everyone here at Rhug estate in North Wales, it's goodbye.