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1 Overview

1.1 Introduction

It is difficult to imagine a sector of the economy that has undergone as dramatic a change as that which British agriculture has endured over the past ten to fifteen years. The sector that is responsible for the maintenance of around three quarters of the UK's land area has recently witnessed a series of difficulties. These have ranged from the challenging rises in oil prices which have lead to an increase in production costs and an increase in the value of the pound, leaving home products more susceptible to foreign competition, to the catastrophic, and well documented BSE and foot and mouth crises.

These recent events have now led many to speculate about the future of agriculture within the country based on the current state of affairs. It is the pursuit of answers to these questions that has led Buckinghamshire County Council to commission a project specifically to address these issues at a county level.

1.2 Aims and Objectives

The project was borne out of a need to acquire baseline statistics on the current condition of agriculture at county level, and to have a document consolidating all available data into one coherent source. The brief for the project required research to be conducted on;

- The economic impact of agricultural activity in Buckinghamshire
- The age of direct farming employees
- The nature and land use of farming activity- arable, livestock, horticulture, tourism
- Numbers of owner-occupiers and tenant farmers
- The extent of current and potential diversification activity
- The Rural Development funding accessed by Buckinghamshire
- Mapping of farming support functions
- Analysis of current 'subsidy affect' of farming in the county
- Analysis of future market opportunities for direct agricultural employees

The report, as well as collating data on the aims and objectives of the brief, also aimed to, where possible, include historical data so as to better understand the trends that are occurring within the industry.

The primary aim of the research was drawing together information which will identify the state of agriculture in the county and enable the County Council to better consider how it can support the industry in the future.

1.3 Methodology

Initially the process started by collating as much relevant data on the agricultural situation specific to Buckinghamshire as could be attained. This was done primarily through desk research.

The Department for the Environment, Food and Rural Affairs (DEFRA) conducts a June Agricultural Census which provides data on the size of agricultural holdings, on the types of land use and on employment figures. These figures, and the trends drawn from previous annual censuses provide an interesting scope for comparison and hints of noteworthy change emerging.[1]

Once the data had been brought together that mapped changes over the course of the last ten years, the results were taken out to people within the industry and in the county to gather their views on what the data meant for the present state and future of agriculture.

[1] This data has been included at the beginning of the study, preceding the questionaire.

The responses from the interviews brought out many interesting personal perspectives about how the industry is changing, though to some extent the interviews posed more questions than answers, and many anecdotal viewpoints could neither be confirmed nor denied due to the paucity of Buckinghamshire specific research.

A detailed questionnaire was therefore produced in an attempt to tackle some of the issues raised by the interviews and desk research. The questionnaire was split into five separate sections, Business and Land Use Profile, Diversification, Business Support Agencies, Farming Practises and the Reform of the CAP and General Comments.

The questionnaire was distributed to 232 Buckinghamshire farmers listed in the Yellow Pages. A further 52 copies were distributed to farmers listed in the Buckinghamshire Business Directory. In total 88 responses were received, which represents a return of around 31%. The local NFU branches were unable to release any contact details due to the Data Protection Act, so it was decided that the Yellow Pages and the Buckinghamshire Business Directory provided the best available public sources covering Buckinghamshire Farmers. The Yellow Pages had previously been used in another Buckinghamshire related agricultural study[2]

The responses to each question were then put together in chart form to facilitate the analysis of the data. These graphs, together with the analysis are included within this report.

Other research data and information that has been accumulated over the course of the study, has been included in a separate section that follows the analysis of the questionnaire.

The organisations and the people contacted during the project are detailed in appendix E.

2 Findings and Conclusions

2.1 Findings

- A declining financial contribution of agriculture to Buckinghamshire's economy. Agriculture is worth just over 0.5% of the county's Gross Value Added
- Only a relatively small number of people are employed within agriculture across the county; the 2001 census shows just 1.58% of people are employed in the sector
- These numbers have come off the back of a 20% fall in total agricultural labour in the county since 1990
- The number of full and part time farmers has increased since 1990 against a fall in the number of agricultural employees and managers
- The majority of Buckinghamshire farmers are over forty-five (nearly 75%) with close to one third of them being over the traditional retirement age of sixty-five
- 30% of farmers indicated that they would retire within the next ten years.
- 33% of farmers suggested they would sell their farm upon reaching retirement age rather than have a family member continue to farm it
- The number of medium-sized previously family farms are falling, whilst being off-set by a substantial increase in the number of very small holdings and an increase in the very large holdings
- There has been a significant increase in the number of non-traditional farming holdings. The land-type classified by Defra as 'other' has more than doubled in usage since 1995. Cereal and Cattle and Sheep farming has roughly remained the same over the same time period though the numbers of Dairy farmers has dropped markedly since 1995
- Diversification has been undertaken by 62% of Buckinghamshire farmers of which 53% have diversified since 1995. The overwhelming majority from those who diversified stated that the principle reason for diversifying was that their 'traditional business was becoming unprofitable'
- The letting of Tenanted Buildings has been the most common form of diversification activity for farmers across the county. Equine and Off-Farm income also represent popular choices of diversification activity
- Difficulties with Planning is regarded as the primary obstacle to diversification

[2] *Stress in Buckinghamshire Farming,* David Campbell, 2001

- 47% of farmers reported they had received some form of free business advice for their farm
- 9% of farmers were unaware of the free business advice service available to them and 8% of farmers were ignorant of any farming based grants
- 68% of farmers indicated they felt the application procedure required for accessing rural grants was either 'too long' or 'too complicated'
- 33% of Buckinghamshire farmers confirmed they have received at least one type of farming based grant
- 40% fear that the recent CAP reforms will make their business worse off
- 43% have considered further diversification measures purely as a result of the reforms. However 46% deem themselves well prepared to meet the changes brought in by the Mid-Term review of the CAP

Conclusions

1. The Ageing profile and the dearth of young farmers joining the industry is a very real cause for concern. **More detailed research is required on what are the principle obstacles for young people joining the industry, together with more analysis on the possible future consequences should the present state of affairs continue**

2. Difficulties with planning remain the principle obstacle to farmers looking to diversify. **Further investigation is required into the County Planning Policy and the planning process. Greater publicity of positive case studies need to be given to farmers across the county**

3. 43% of farmers are considering further diversification as a result of the CAP reforms. There is a danger that potential diversification areas may become over-supplied. Many comments made in the questionnaire warned that enterprises such as commercial letting are 'now overdone'. In contrast a recent review of Bed and Breakfasts in the region[3] showed that there is evidence of a 'frustrated demand' for self-catering establishments in Buckinghamshire. **A document needs to be produced that highlights potential diversification areas that are over and under-supplied in Rural Areas, so farmers are better informed to make choices regarding changes of enterprise**

4. 68% of farmers found the grant application procedure 'too long' or 'too complicated'. An additional 8% of farmers expressed ignorance of any form of farming based grants. This is highlighted in the case study whereby Mr Hodges was unaware that a farm of his size was eligible for Rural Enterprise Scheme funding. **Defra need to look at the current publicity and application demands of their grants schemes and review the whole grant application procedure**

5. The separation of the link between production and subsidies enacted in the Mid-Term review of the CAP means that "intervention purchasing can no longer be relied upon as the market of last resort" and so more frequently in the future co-operation will be vital to help growers exploit the opportunities ahead. **Producer Groups such as the Buckinghamshire and Milton Keynes Food Group must continue to fulfil a very important role in uniting and strengthening the links between the smaller food producers**

6. "The public is blissfully unaware of what farmers do for the environment". **Pro-active steps need to be taken to bring to the Public's attention much of the unsung work farmers perform. Events such as Farmers' Markets provide an excellent vehicle to interact with the public and sell the industry**

7. **A copy of the report to be circulated to Milton Keynes, Oxford and Buckinghamshire Business Link to analyse the business advice data**

[3] Self-Catering Sector Study for the Southern Region, Southern Tourist Board

3 Defra Agricultural Census Data

3.1 Number of Holdings According to Size of Farm-Buckinghamshire

Figure 1 exhibits a number of traits that characterise the present state of British Farming. Firstly, note the vast increase in the number of smallholdings (i.e. those of a size less than 5ha). This comprises, at least in part, to the breakdown in the medium sized farms shown from 1995 to 2002.

These former traditional 'family farms' are susceptible to either the economies of scale, whereby only the largest farms can viably make a profit from farming; or at the other end of the spectrum have been broken down into more numerate smaller holdings as land agents sell off converted barns for housing. In many cases these segregated smaller holdings retain an agricultural holding number, though the occupiers aren't compelled to farm the land for their living.

Buckinghamshire's proximity to London, according to the Royal Institute of Chartered Surveyors between April and June of 2003 is seen as a cause for 56% of rural property purchases in the South East to be made by non-farmers. [4] As Julian Sayers, rural spokesman for the RICS points out 'there is a trend for people to buy small to medium sized farms to live in the house with no intention of farming the land for themselves'.

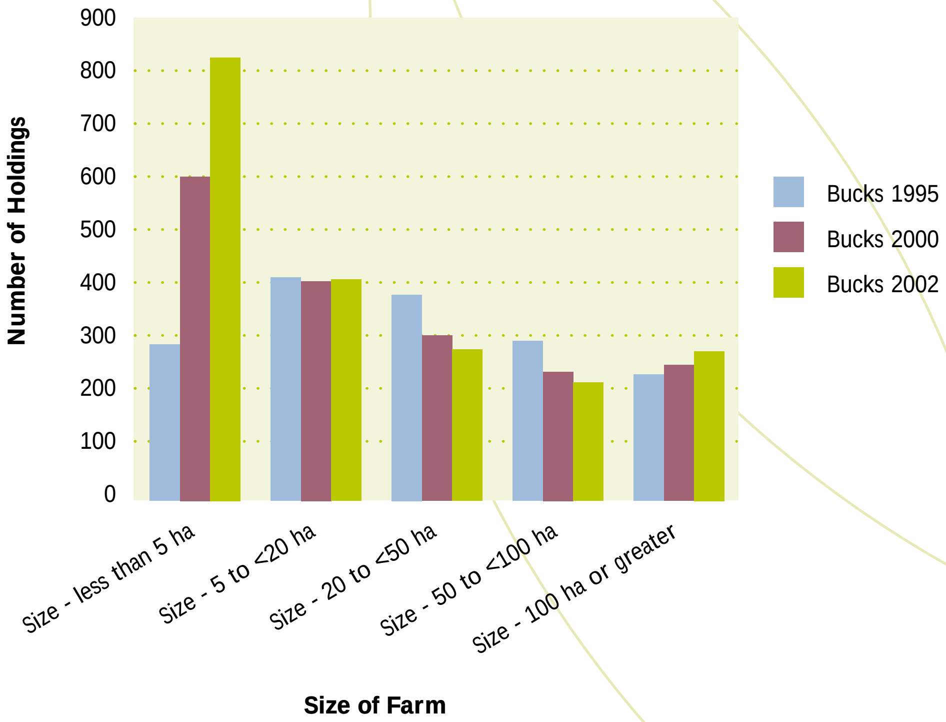

Fig 1: Defra 2002

[4] The Rural Land Survey, Royal Institute of Chartered Surveyors

3.2 Land Use by Farm Type- Buckinghamshire

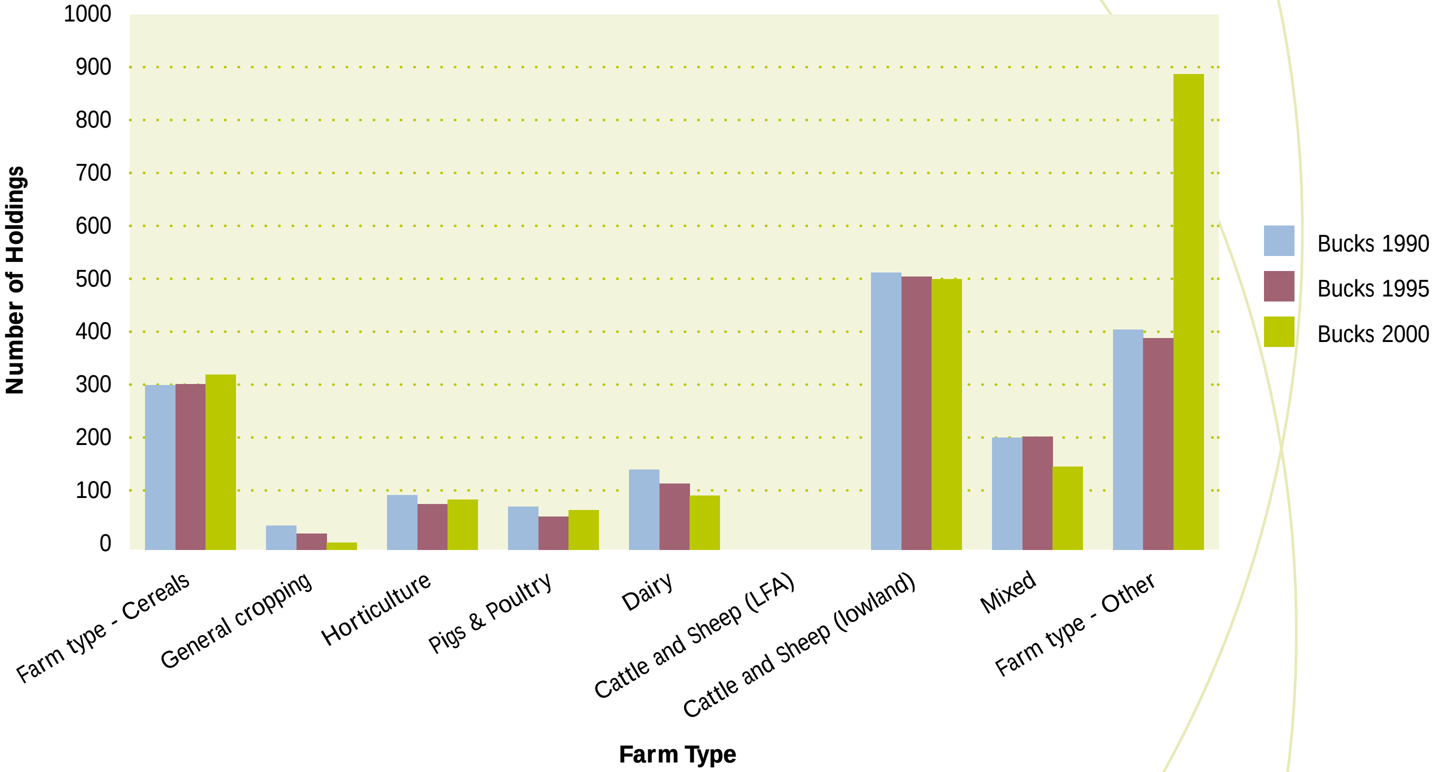

Fig 2: Defra 2002

Figure 2 is notable for a number of reasons. Firstly it displays the steady decline that many people have associated with dairy farming. Notoriously labour intensive, the days of the traditional small holding dairy farmer now appear largely unsustainable; and only the largest farms are producing enough dairy to be viable. The impact of milk quotas and the huge purchasing power of the supermarkets have made it increasingly hard for those who don't have the capital to expand, to stay in the industry. The consequences of this are highlighted by the final column in the chart.

The farm type listed as 'other' is defined by Defra as 'not fitting well with mainstream agriculture, such as specialist mushrooms, specialist goats and specialist horses, or which are of limited economic importance, such as specialist set-aside, specialist grass and forage and non classifiable holdings. Specialist grass and forage holdings consisting only of fodder crops, or only of grass or rough grazing and having no livestock. Non classifiable holdings are holdings consisting of fallow or buildings and other areas only.'

This farm type is now by some distance the most common type of farm within Buckinghamshire. Anecdotal evidence suggests that much of this increase can be attributed to the significant rise in 'horseyculture' across all areas of the county, but more particularly in the South.

The increase can also be attributed to the significant rise in holdings under 5ha that was displayed in section 3.1. The assumption being that non-rural people have purchased the property but left the land un-farmed.

The numbers of cattle and sheep, pig and poultry, horticultural and cereal holdings have remained roughly stable over the twelve years examined.

3.3 Number of Agricultural Holdings Rented and Owned in Buckinghamshire

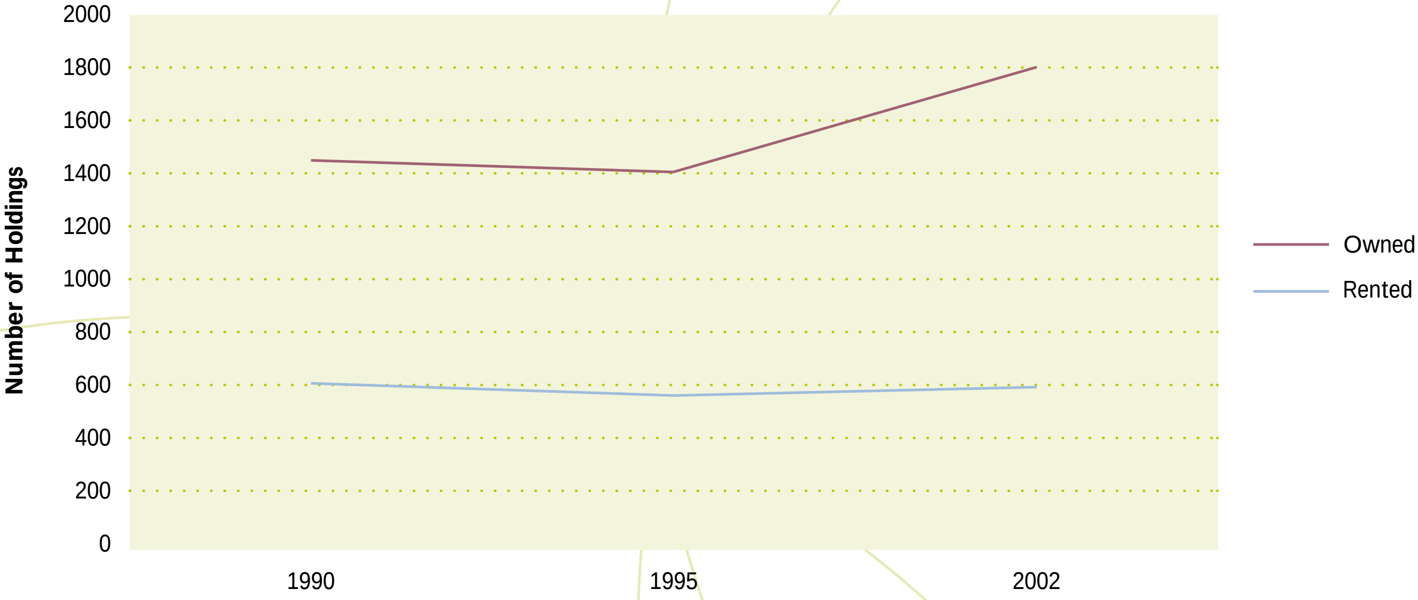

Fig 3: Defra 2002

The graph shows that around 30% of agricultural holdings within the county are rented, whilst nearly 70% are owned. It can be seen that there has been an increase in the total number of holdings since 1995, this has occurred as a result of the splitting up of former medium sized family farms into a greater number of smaller holdings.

3.4 Farmers; Full and Part Time - Buckinghamshire

Figure 4, drawn from Defra's agricultural census data shows that there has been a slight increase in the number of full and part time farmers in the county. However the increase to some extent can be explained by the rising number of smaller farms as a result of the splitting up of the traditional, medium sized farms.

The graph also illustrates the level of farming activity across the districts of the county; we can see that well over half the number of farmers are placed in the Aylesbury Vale district and are thus farming in the northern half of the county.

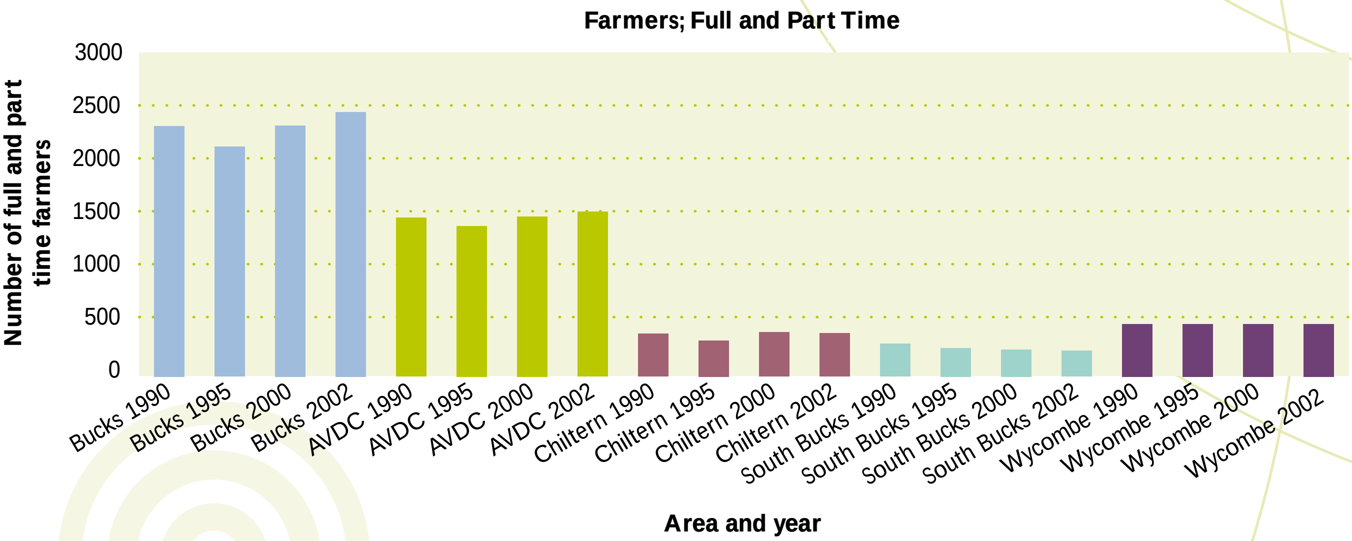

Fig 4: Defra 2002

3.5 Total Agricultural Labour in Buckinghamshire

The Agricultural Labour information shows a more familiar picture of the industry. In this respect, the decline comprises of seasonal workers, casual staff, general farm employees and farm managers. The fall from around 4500 total agricultural staff to less than 3700 represents a loss of nearly 20% of agricultural jobs in Buckinghamshire since 1990.

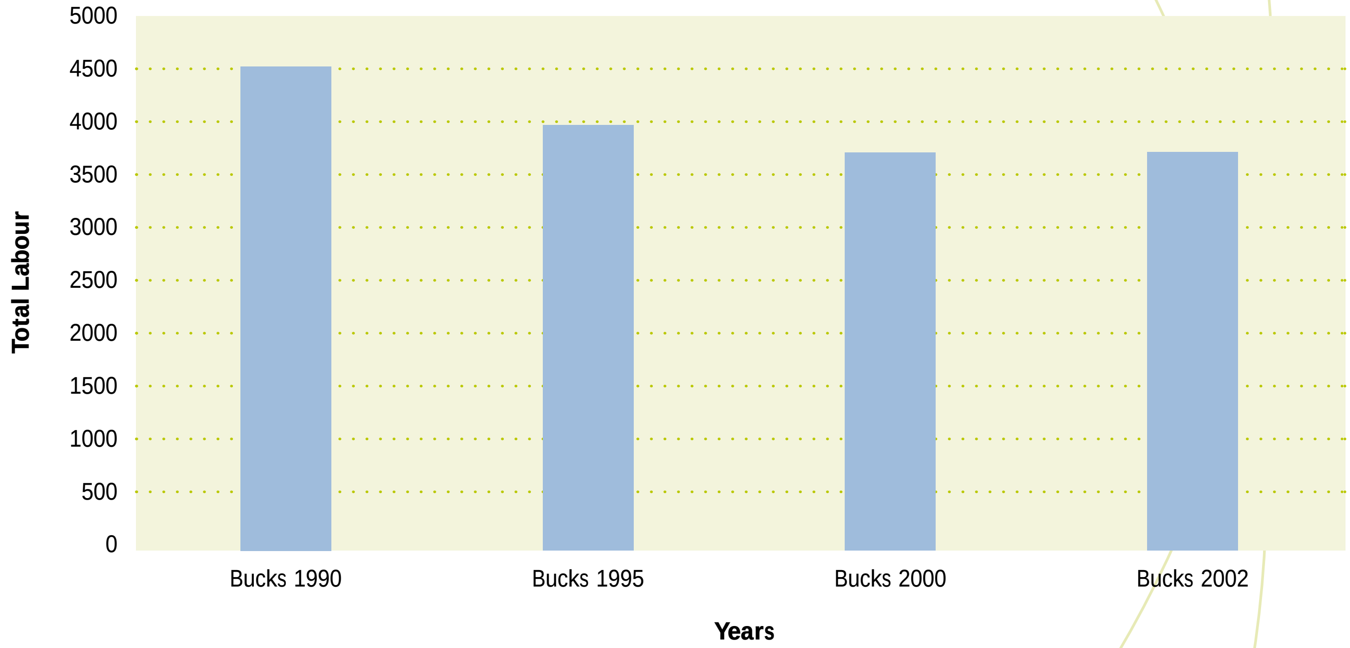

Fig 5: Defra 2002

3.6 The Impact of Agriculture on the Buckinghamshire Economy

- The 2001 census shows that only 1.58% of people of working age are employed within agriculture across Buckinghamshire. In contrast “wholesale and retail trade and repair of motor vehicles” constitutes 16.53% of jobs within the county, manufacturing 14.23% and “real estate, renting and business activities” 19.10%.

- Agriculture’s Gross Value Added contribution to the county in 2000 was £42 million, this was down from £58 million in 1995. In contrast the Gross Value Added of service activities in Buckinghamshire in 2000 was £6258 million. Agriculture is worth just over half a percent of the county’s Gross Value Added at current basic prices.

4 Questionnaire

4.1 Survey Methodology

A Business and Land Use profile

This section sought to gain a more defined understanding of the nature of farming enterprises within the county as well as attempting to pin point patterns into the changing character of how farmland is utilised in Buckinghamshire. It also sought to gather a more comprehensive profile of the employment situation within the county.

B Diversification

This section looked to draw a greater comprehension of the types of diversification activities that have been undertaken. It endeavoured to pick out reasons as to why people in the county felt the need to diversify and where they had, it sought to gauge how successful they had been. Other areas for focus in this section included farmer's thoughts on the merits of diversification, as well as ascertaining any reasons that might have discouraged farmers from diversifying their business. By better understanding reasons for the latter, the report is better equipped to draw conclusions about how to rectify and improve the situation in the future whereby farmers wont necessarily preclude their business from diversifying.

C Business Support agencies

This section attempted to audit the current level of business support services open to farmers within the county. Again it aimed to draw on farmer's perceptions of the service available to them and where improvements might be made. It also examined farmer's awareness of the grants system, and their opinions on the current procedure.

D Farming Practises and the reform of the CAP

This section was concerned with one of the most pressing topical issues in farming, namely the Mid-Term review of the CAP. It aimed to focus on how farmers are preparing themselves for the proposed changes to be introduced plus whether and how they will be ready to meet the changes.

E General Comments

The final section of the questionnaire sought primarily to analyse the future of farming amongst the respondees and what they consider the prospects of their farming business.

4.2 Questionnaire Result's Contents

Section A

Section B

Section C

Section D

Section E

Fig 6: Fields in Ashendon

4.3 Business and Land Use Profile- Section A

The purpose of this section was to help gain an understanding of the type of farms that were replying to the questionnaire. Moreover the section looked to question the respondents on the financial status of their farm and farm enterprises over the course of the last eight years as well as their staffing situation.

4.3.1 Farm Size

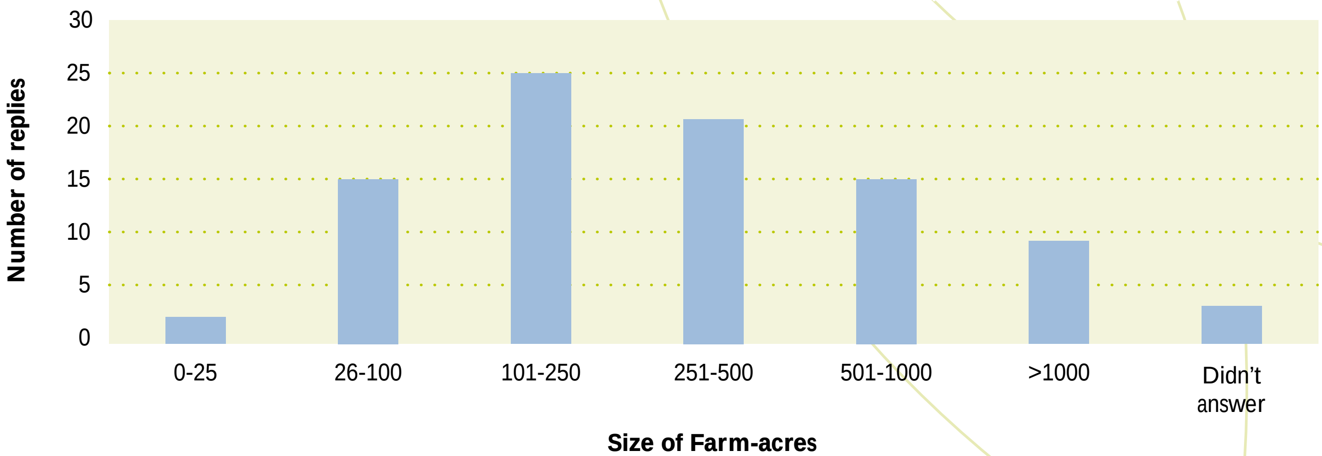

Fig 7

In figure 7 it is possible to see the broad assortment of farm sizes from the replies to the questionnaire. Indeed the farm sizes ranged from a maximum of 3650 acres to a minimum of 9 acres. The mean average farm size was 444.8 acres (180 hectares). The greatest number of responses were from farms sized between 101 and 250 acres.

4.3.2 Farm Enterprise and Profitability Relative to 1995

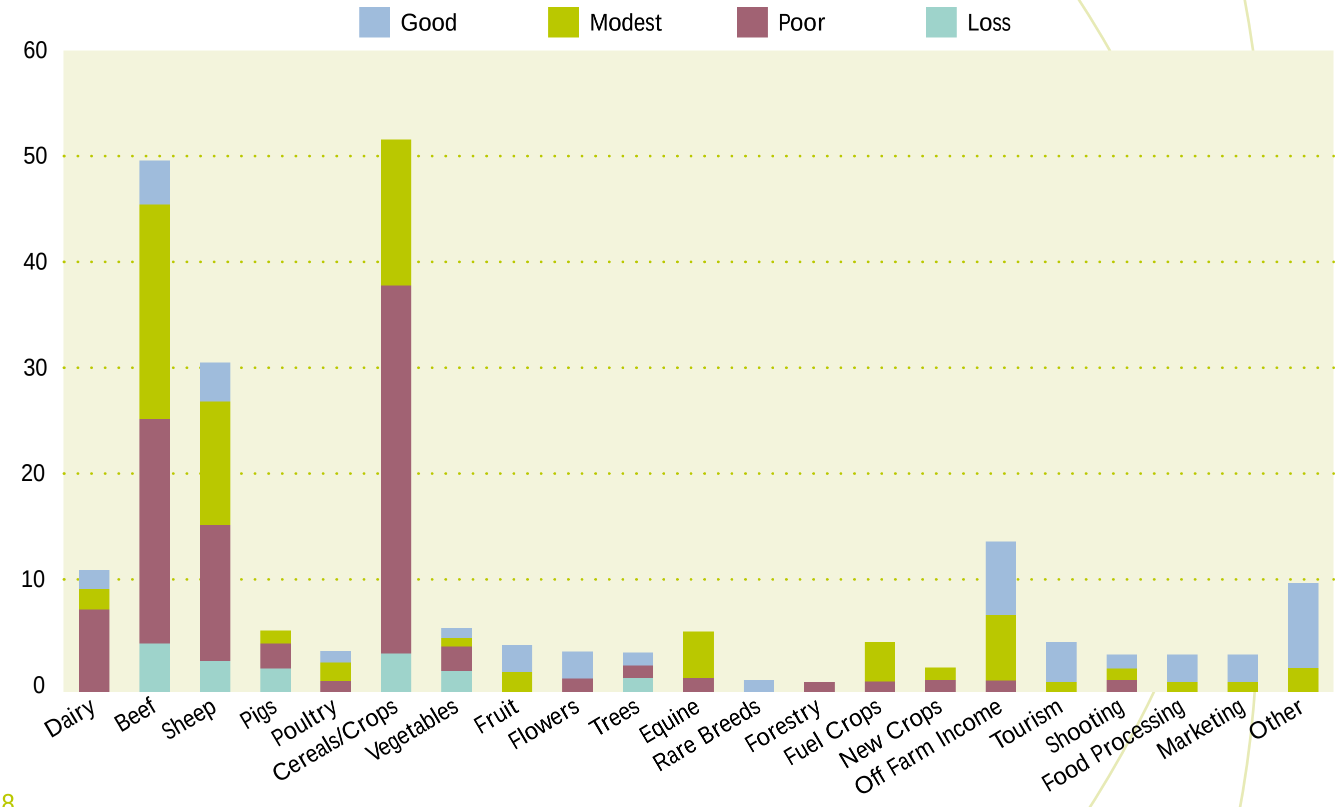

Fig 8

Figure 8 shows that the traditional agricultural businesses still represent the majority of the activity, with around 50 of the 88 farmers responding citing involvement with either beef farming and/or cereal farming. However it is these traditional farming enterprises that have appeared to endure relatively harder times in recent years.

Not one cereal farmer from the responses reported a 'good' level of profit relative to 1995, and the vast majority recorded a 'poor' level of profit. A similar pattern can be seen as occurring amongst dairy and pig farmers.

Contrastingly 'younger' enterprises such as tourism, marketing and food processing, though smaller in number have enjoyed a more fruitful period of profitability, for instance, of the four farmers involved with tourism, three expressed a good level of profitability relative to 1995.

The 'other' category included farmers involved with activities such as agricultural contracting, landscaping, and letting redundant buildings; it is particularly interesting to note that these farms conveyed only a 'good' or 'modest' profit since 1995.

Thirteen respondents, the fourth largest response, specified they had worked away from the farm and as can be seen this was generally for either modest or good profitability since 1995. The couple of respondents who specified the nature of the Off-Farm Income both noted that their wives had taken up work away from the farm; one farmer noted that his wife's earnings as a primary school teacher were "100% essential to the continuation of the tenancy".

4.3.3 Staff Numbers since 1995

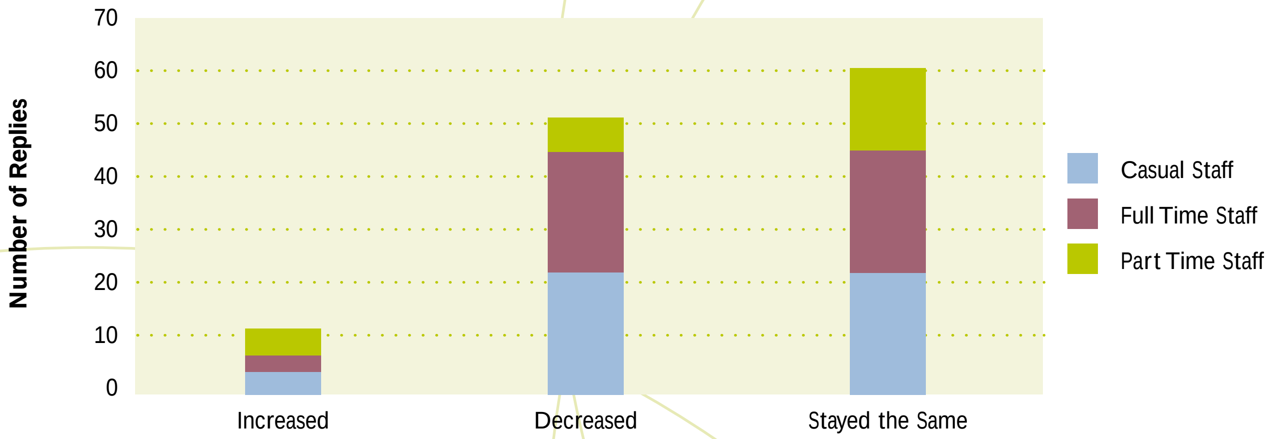

Fig 9

Looking at the make-up of personnel involved in farming in relation to 1995 it can be seen from figure 9 that in general a large number of responses stated that their staffing situation was similar to 1995, those that did report a change however were more than four times more likely to report a decrease than an increase. This decline was particularly apparent in the number of full and part time staff. The number of casual staff has remained roughly unchanged across the period in question.

4.3.4 Percentage of Responses by District

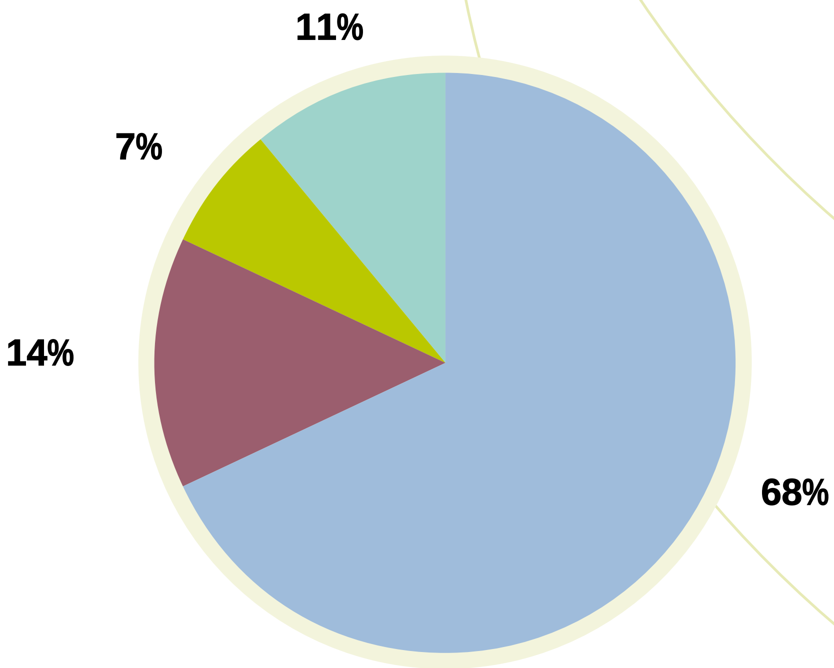

Fig 10

The questionnaire drew the majority of its responses from farmers located in the Aylesbury Vale District (68%). The other three districts located further south in the county showed a cumulative response of 32% with the Wycombe District being the largest of the three.

4.3.5 Comment and Analysis; Section A

- Beef and cereal farming are the most common enterprises undertaken in the county
- The greatest number of farmers reporting 'poor' profitability was found in cereal, beef and sheep faming. However dairy farmers showed the greatest percentage of farmers reporting poor profitability (73%) from the enterprises involving more than ten respondents
- Farms registering 'good' profitability could generally be found in the less traditional branches of agriculture. The majority of farmers involved in food processing, marketing, tourism, and 'other' farm enterprises cited that they had experienced a 'good' level of profit relative to 1995
- Most farmers responding noted work on their farm involved more than one enterprise
- The number of staff employed has decreased dramatically since 1995. The decrease has been particularly pronounced in the numbers of full and part time staff. The number of casual staff though has remained roughly the same across the eight years
- The size of the farms responding to the questionnaire generally appear to be slightly larger than the average size of farm recorded in the Defra Agricultural Census Data section
- The responses from the questionnaire analysed by District shows a close correlation to Defra's figures on the spread of Full and Part Time Farmers in the County. The limited information on South Bucks farmers matches the profile in Defra's statistics and therefore in terms of responses by District the questionnaire can be regarded as drawing a good sample

4.3.6 Case Study A) Bucks County Council's Farmland

Over the years Buckinghamshire County Council has held a sizeable number of agricultural holdings all across the county ranging from horticultural patches in the south around Denham and Iver to arable lands in the north of the county. These farms historically represented a starting point for young farmers to begin learning their trade as they leased the land from the county. However within the last ten years, owing to budgetary pressures, and a more stringent economic justification of county property, the council has gradually gone about the process of selling off a significant percentage of the farms it owns.

The County Council has undergone this process through its land agents, Bruton Knowles, and it provides some interesting case studies of what is happening to farmland across the whole county. It gives an insight into what kind of people are currently purchasing the farmland and to some degree offers examples for the Defra statistics.

Bruton Knowles' objective is to maximise Buckinghamshire County Council's return from the sale of their farmland. It has set about this course by adopting three types of sale.

1) A typical way of achieving this goal was demonstrated through the sale of Cranwell farm, a 60-70 acre former dairy farm that sits just outside Waddesdon. The farm was split and sold off in two lots. Firstly the prized possession of the farm-house was sold off equipped with fourteen acres of surrounding land. Importantly, fourteen acres is generally presumed the optimum size for a private individual to own paddock land for horses. The remainder of the land in this example was purchased by the neighbouring, very large, Waddesdon estate, which then continued to farm it.

2) The second type of farm sale has been where the farm possesses no development or conversion potential and the farm is therefore sold as one lot to "people who purport to farm it but not necessarily in a traditional way".

3) The third type involves farm buildings being sold off for residential conversion, with the farmhouse being sold off with a small area of land and the remainder of the land has then tended to be purchased by a neighbouring farm.

The roughly even split between these three types of sales occurring amongst farmers and non-farmers, appears to mirror recent findings made by the Royal Institute of Chartered Surveyors which showed that between July and September, 56% of farm purchases were made by people from outside agriculture.

4.4 Diversification- Section B

This section aimed to draw a picture of the type of diversification activities that have been adopted by farmers in Buckinghamshire, as they move away from the traditional 'food-producing' side of agriculture. Additionally questions were put forward in an attempt to gauge what obstacles farmers considered impeded them from diversifying. The section also looks at reasons why farmers felt the need to diversify into other areas and also it tried to gain an impression of when many have chosen to diversify.

4.4.1 Diversified Activity

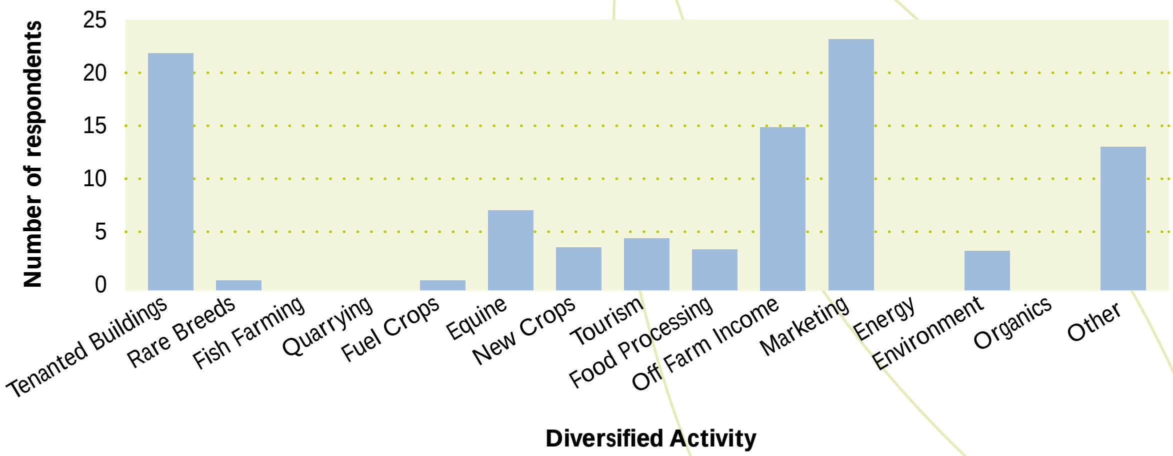

Fig 11

Looking at where farms have diversified, figure 11 shows that tenanted buildings are the most popular choice of diversification activity. Some respondents noted how they had converted some of their previous farm buildings, either for offices or light industry. Other farmers had gained an increased income from letting out farmhouses that were previously provided for farm workers.

The 'other' category is made up of a wide variety of diversified occupations. Amongst the respondents were farmers who diversified into catteries, set up plant nurseries and farm shops, established hunting and fishing facilities and one who had moved into corporate hospitality.

Working 'off-farm' represents the second most common diversified activity from the responses. As mentioned in the farm enterprise and profitability question, the couple of respondents who specified an off-farm income both noted that their wives had undertaken non-agricultural work.

Finally it would seem worth pointing out that Defra's attempts to encourage the expansion of organic production through initiatives such as the Organic Farming Scheme have so far proved wholly unsuccessful in Bucks (at least in terms of this questionnaire) with not one farmer from the responses declaring any involvement in organic farming.

4.4.2 When Did You Take the First Steps Towards Diversification?

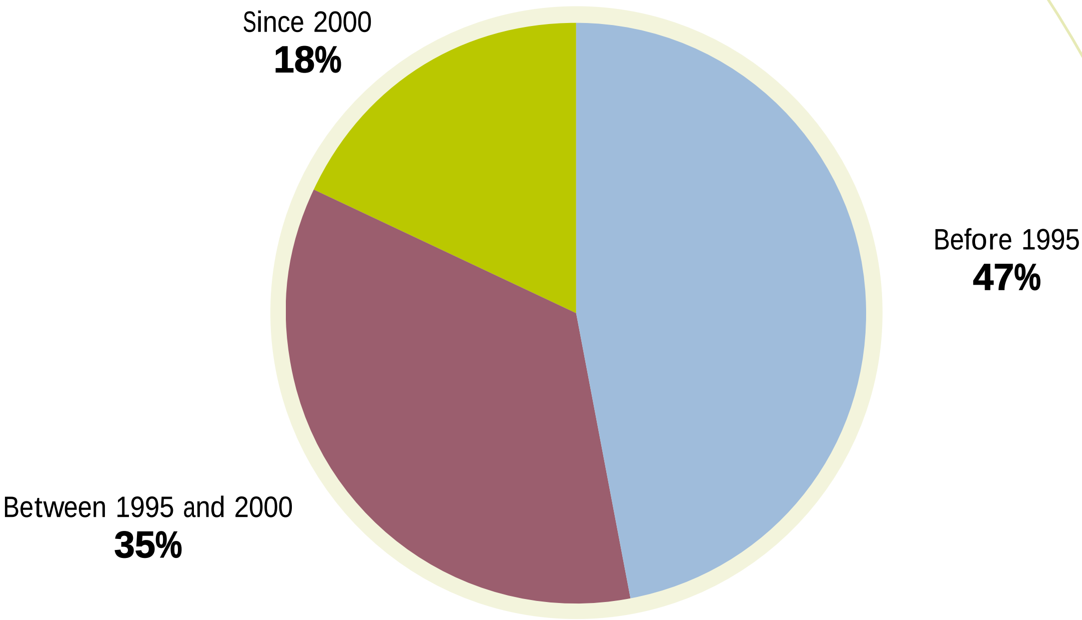

Fig 12

Of the 62% of respondents who confirmed they had diversified their business, over 50% of them have done so since 1995. This suggests that change is occurring now. As the question 'diversification reasons' highlights, the vast majority of farmers cited the fact that their traditional business was becoming unprofitable as their primary reason for change. This seems to correlate with Defra's own figures on farmer's total income that, shown below in figure 13, exhibits a dramatic fall since 1995 of UK farmers total income from farming and thus offers an explanation as to why 53% of Buckinghamshire farmers have only started to diversify since 1995.

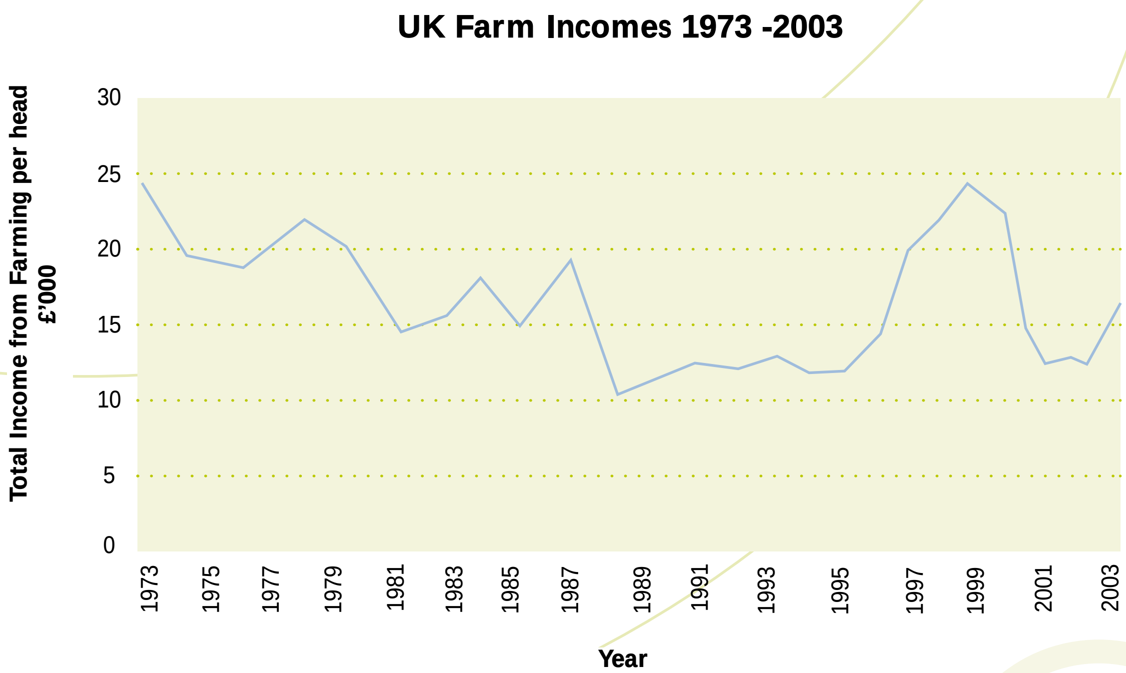

Fig 13: Defra 2003

4.4.3 Diversification Reasons

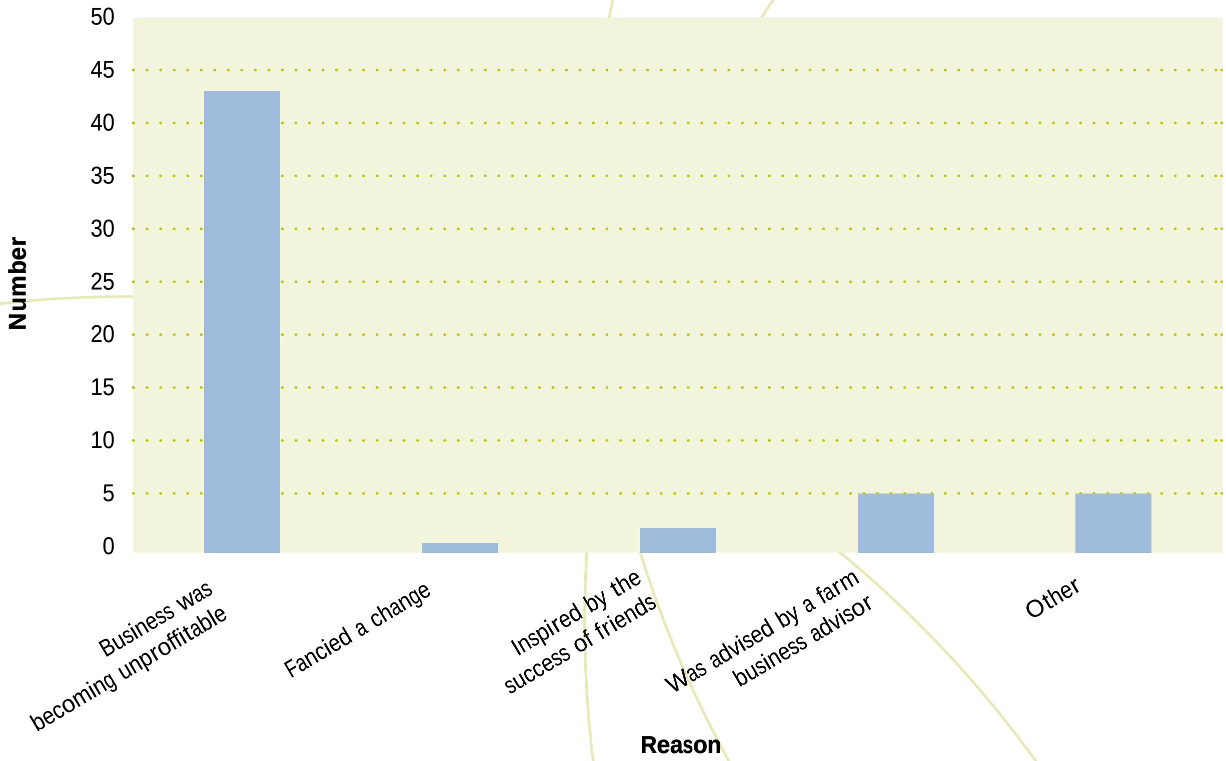

Fig 14

Figure 14 illustrates that the overwhelming majority of those who diversified stated the fact that their traditional "business was becoming unprofitable" as the primary cause behind their decision to alter their operations. This would seem to indicate that diversification often arises as a last measure, opted for out of necessity rather than choice.

Comments such as "it would have been difficult to survive without" and "we were forced into direct marketing due to closure of contracting business due to foot and mouth" and "we had to diversify to pay the rents asked by the landlords or else go bust" certainly echo this sentiment.

There were some exceptions to this. For instance, a few farmers noted that they were inspired by the success of friends, while others pointed to the guidance they had received from Farm business advisors as their principle reason for change.

The 'other' category included motives for change ranging from 'opportunity' to 'a desire to get away from an insular existence'.

4.4.4 Diversification Obstacles

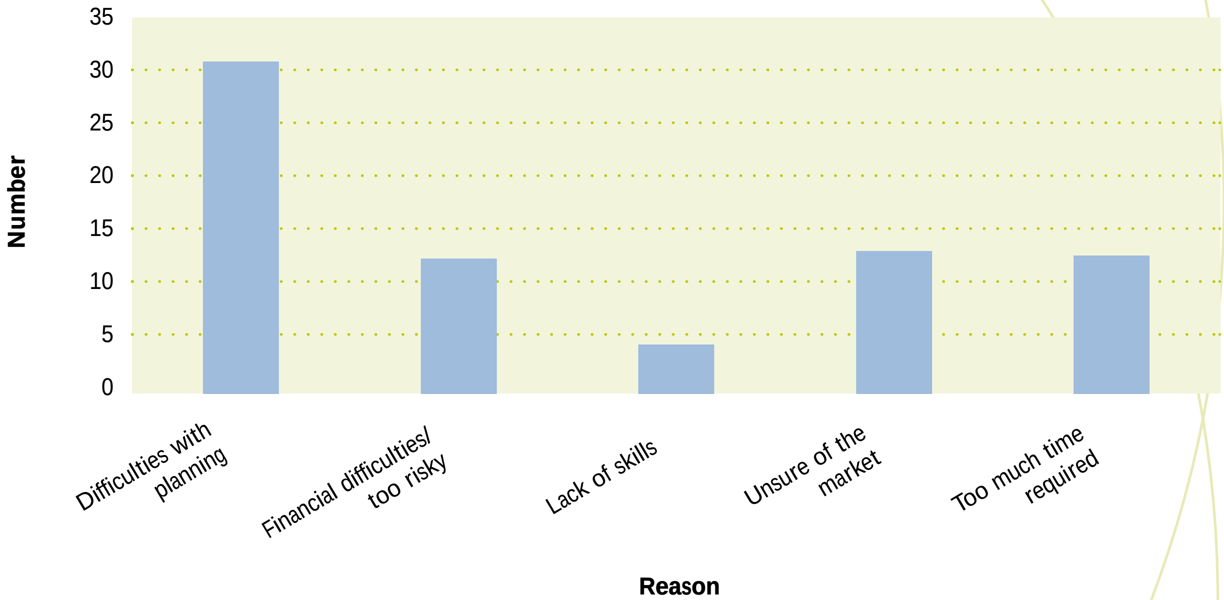

Fig 15

The results of this question were drawn from both farmers who had diversified and those who had chosen not to, highlights that problems with planning remains the major factor discouraging farmers from diversifying. As can be seen from figure 15 this factor is more than twice as likely to deter a farmer from diversifying than any other reason. Uncertainty regarding the new market, combined with the inevitable financial risk associated with a change of operations also represents a conscious block for some farmers when considering a variation in their business activities.

Similarly time constraints also weigh heavily in the thought processes of some farmers, and to a lesser extent *"a lack of skills in the field I considered diversifying"* causes some farmers to think twice about a change.

A few 'other' comments were made that ranged from the practical obstacles 'I'm restricted to the terms of my tenancy' to the psychological 'there is a certain sadness in seeing farm buildings being used for other purposes'.

4.4.5 Comment and Analysis; Section B

- Diversification has been highlighted in the study as primarily occurring at a point where the traditional business is no longer sustainable on it's own and therefore opted for only out of necessity. The remarks made by the Chief Executive of the Royal Agricultural Society of England, Mike Calvert, seem particularly print worthy at this point;

"I can think of no other industry that runs a hugely unprofitable core business and spends all its time cross subsidising it from diversification, new ventures and even the owner's pocket"

- Problems with planning have long been recognised as a reason for many farmers to shy away from diversification. However there has equally been a recognition of policy makers that this represents a problem. Thus a number of documents have been produced over recent years designed to make planning departments aware of the farmer's plight (i.e their financial need to diversify) as well as the effect of diversification on the countryside. However this clearly still represents a problem as over 30 farmers, comprehensively the most significant number, cited problems with planning as a primary obstacle to diversification

- The questionnaire's results show that there has been a shift away from traditional farming to a more varied rural business. The willingness for many to convert parts of their farm to tenanted buildings either for offices or private dwellings indicates that farmers have had to be pragmatic in order to continue to survive working the land

- The relatively low number of farmers that have diversified into equine reported within the questionnaire is surprising when one considers many of the people personally interviewed pointed out that 'horseyculture' had in their experience expanded considerably in recent years, especially in the south of the county. However a closer inspection of the results shows that 33.33% of the South Bucks farmers had diversified into equine compared to 3.33% of farmers in the Aylesbury Vale

- Of the 62% of respondents who confirmed they had diversified, almost every diversification project resulted in an increase in the farm's average annual profit; some went as far to report a 300% increase though generally more modest increases were recorded. Not one respondent registered a decrease in his farm's annual income following diversification

- A notable statistic that arose was that only 32% of farms (from the 62% that diversified) had diversified into more than one activity. This figure could be seen to indicate many things, one for instance being the sheer time and effort deterring some farmers from continuing into other activities. Anecdotal evidence however suggests one reason might be that farmers first and foremost are farmers and thus are loath to move away from their primary line of business unless absolute necessity dictates otherwise

4.4.6 Case Study B) Rowan Tree Goat Farm

Rowan Tree Goat Farm is a small agricultural holding of just nine acres situated outside Chesham in a village called Ley Hill. It is a family farm run by Paul and Mandy Hodges. The farm previously operated as a farm selling milk to a local cheese maker, however it now produces, markets and sells its own particular brand of Goats Cheese at farmer's markets across the South East.

The Farm is a positive example of diversification. The herd of over 150 goats produces milk for over 5000 Goats cheeses that are sold monthly at farmers markets from Islington to Abingdon has been achieved through dedication and the receipt of well considered, free business advice (provided by the Farm Business Advisory Service). Plus a successful grant application for a three years funding (in this case the Rural Enterprise Scheme) to help him meet 40% of the diversification programme's cost.

Mr Hodges is now seeking to expand his goat herd up to 500 goats and is actively making plans to place his business on the internet (initially just for publicity purposes).This has been achieved through hard work and a fair share of opportunism.
Initially Mr Hodges had assumed that his farm was too small to benefit from grants, neither had he considered his initial ideas being on a grand enough scale to be applicable for grant support. He understood that grants were only available for expenditure of £70000 and upwards. A meeting with Farm Business Advisors at a seminar given at Marsh Hill Farm in Aylesbury made Mr Hodges aware of the opportunity for his farm to obtain funding for the diversification measures that he had already planned.

Rowan Tree Goat Farm has managed to go from a struggling farm selling milk to a local cheese maker to producing, marketing and packaging their own brand of Goats Cheese. As Mr Hodges explains "The FBAS advice gave us a real chance of overcoming the difficult situation we faced during and after the foot and mouth crisis. Not only have we been able to increase our herd but we now have a new goat house and are currently in the process of converting another building.The Defra funding has also enabled us to explore new retail outlets and we are now looking to improve our marketing strategies."

Rowan Tree Goat Farm thus provides interesting scope as a case study; the current success and optimism for the future have to some degree only arisen from a one off chance meeting, as Mr Hodges says 'most farmers aren't clued up' on many of the schemes open to them, indicating there is a case for pushing the publicity of such schemes even further.

4.5 Business Support Agencies- Section C

The main goal of section C was to gain a clearer perspective on how well used the free business support advice is in Buckinghamshire. The Farm Business Advice Service (FBAS) is open to all farmers who spend at least 75% of their time working on their core business. The service offers three days of free business advice from a farm business advice consultant and is funded by Defra. The service is operated by Business Link. However the responses highlighted that Business Link was not the only free business advice agency that farmers had used in the county.

Additionally the section looked at the level of grants that have been accessed by rural workers across the county as well as their opinion on the application process required for such grants.

4.5.1 Usage of Business Support Agencies

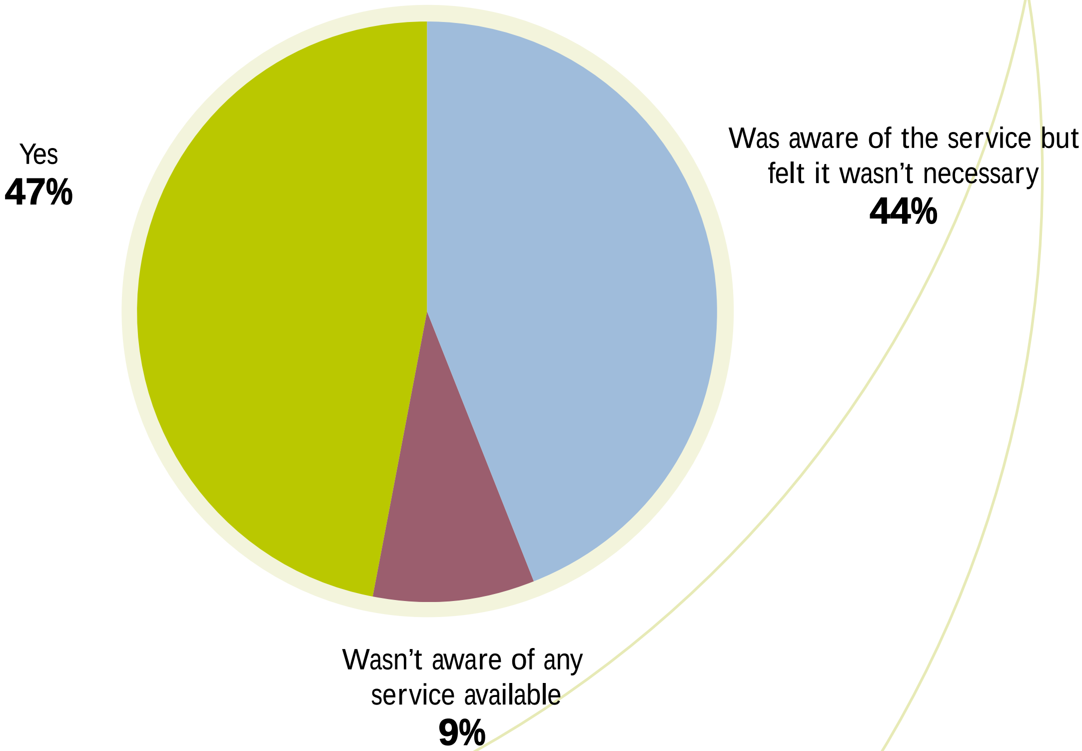

Fig 16

In terms of business advice figure 16 shows that near on half of the farmers who responded, noted that they had received free business advice of some description.
The substantial majority of those who indicated that they had not received any free business support consisted of people who were aware of the services available but felt that they weren't necessary. 9% of the questionnaires answered, specified an ignorance regarding free farm business advice.

The agencies listed as providing free business advice, included amongst others Business Link, the Farming and Wildlife Advisory Group (FWAG), Defra and the NFU.

Fig 17: Fields near Westcott

4.5.2 Consideration of Further Business Advice Post CAP Reform

Fig 18

Figure 18 shows that of the forty farmers that specified they had received free business advice, over half, twenty-two, declared that they were considering seeking further advice as a result of the CAP reforms. A further fourteen farmers from the forty-six who had previously opted not to receive any business support, confirmed they would consider opting for business support purely as a result of the reforms.

4.5.3 Are You Aware of Farming Based Grants?

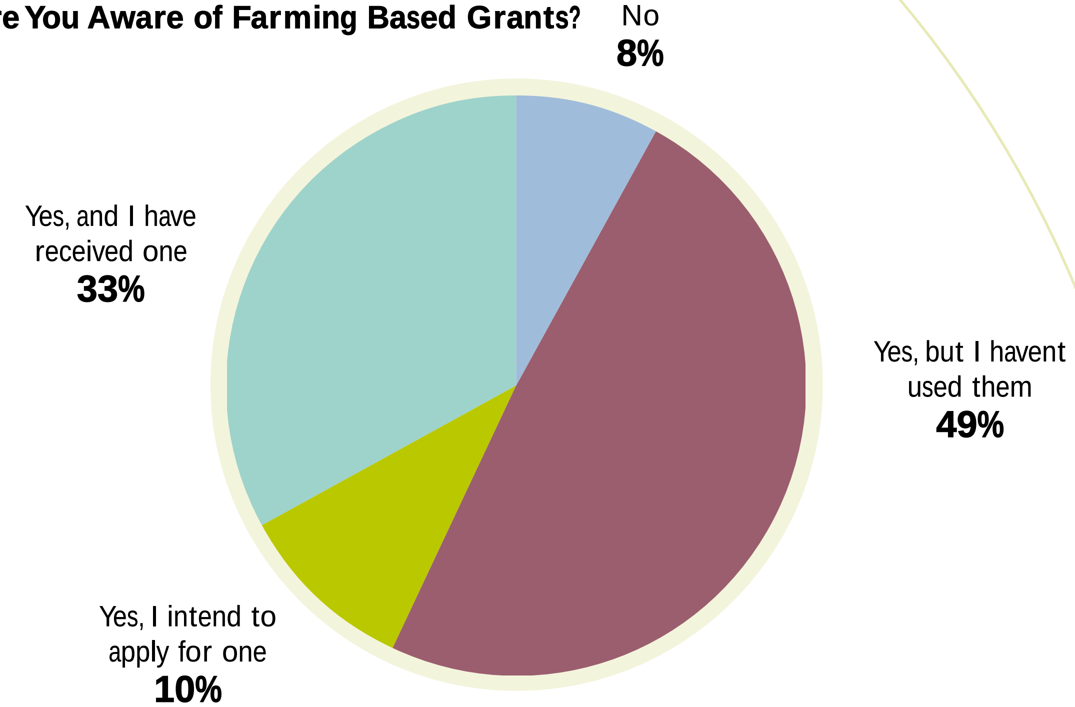

Fig 19

The chart in figure 19 shows that 92% of farmers have an awareness of farming based grants. Though just under half of the total respondents pointed out that they hadn't used any type of grant, close to 45% had either received one (33%) or intended to apply for one (10%).

4.5.4 How Did You Find the Application Procedure?

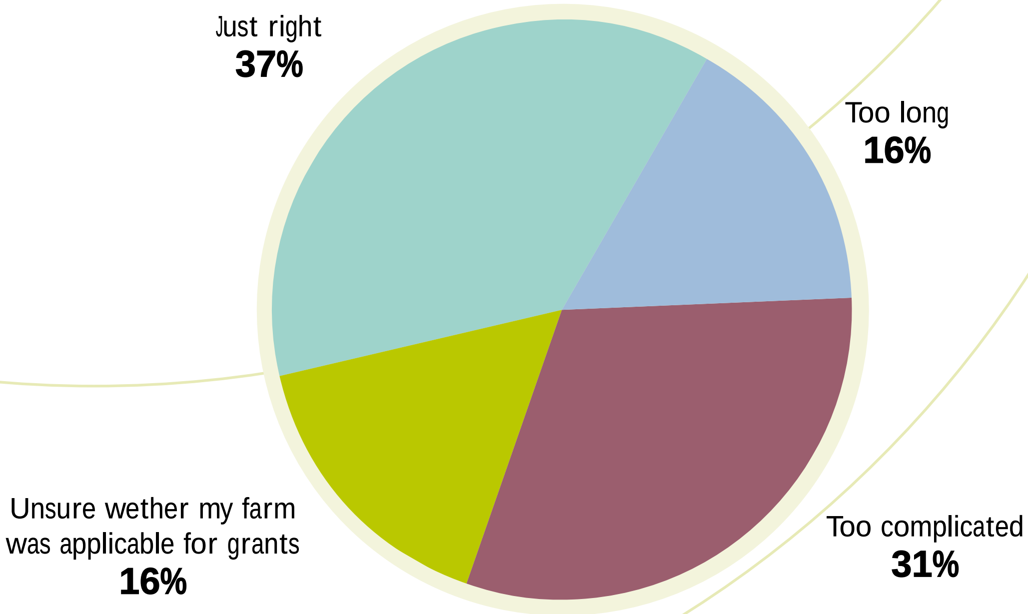

Fig 20

Figure 20 shows that (37%) said that they found the application procedure 'just right'. This shouldn't detract from the 31% that found the procedure 'too complicated', the 16% that commented it was 'too long' and the further 16% that explained they were unsure whether or not their farm was applicable for grants.

4.5.5 Comment and Analysis; Section C

- In terms of farmer's scoring of the Free Business Advice they received, a table has been included in appendix D. Though the wide range of ratings are unsurprising, the markings are on the whole pretty favourable

- The majority of respondents indicated there were barriers associated with the grant application procedure. A total of 63% of those replying found the procedure either too long or too complicated, or in other cases were unsure whether their farm was eligible

- Awareness of the opportunity to access free business advice is strong. Only 9% of farmers were unaware of the free advice service open to them (fig 16), which to some extent proves that the promotional and marketing of the service has been successful within Buckinghamshire. 47% of farmers reported they had received some form of free business advice

- It must be appreciated that the application procedure needs to be competitive; however many farmers signalled that they were put off applying for grants because of either the length of time or the added complication involved in preparing a grant application. Some respondents commented that they were compelled to employ consultants to complete bid applications on their behalf. The cost of this could in act as a deterrent to some who would have other-wise considered diversifying

- The three days of free business advice offered under Defra's FBAS scheme is only open to farmers (who spend at least 75% of their working time on farming activities) to use the service on the one occasion. This represents a problem to the farmers who specified that they were considering seeking further business advice as a result of the recent CAP reforms. Indeed figure 16 shows that more than half of the 40 farmers who had received free business advice in the past mentioned that they were considering seeking further advice to help them plan for the effects of the reform

4.6 Farming Practises and the Reform of the CAP- Section D

This section aimed to determine how farmers across the county were preparing themselves and their business for the effects of the change in subsidy payments and the new legal conditions tied to the subsidies brought in by the Mid-Term review of the CAP. It sought to establish whether agriculture across Buckinghamshire would change further from it's traditional food producing base and asked to what extent farmers were considering further diversification outlets purely as a result of the reforms. The section also asked for an assessment on how the reforms might affect the farm and the farmer financially.

Fig 21: Sheep in a field, Kimble

4.6.1 How Will the Reforms Affect You Financially?

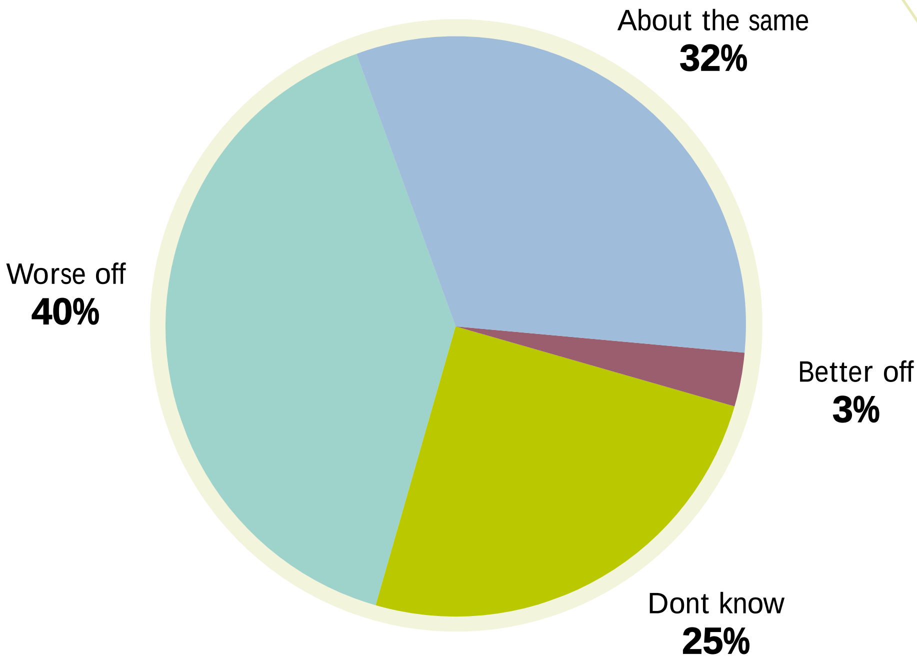

Fig 22

The effect of how reforms will affect farmers financially could be considered a slightly weighted question. Figure 22 illustrates the scepticism, as 40% fear that they will be made worse off by the reforms. Only 3% expect better returns as a result of the reforms, whereas 25% remain uncertain as to how it will affect their business. The remaining 32% appear to envisage that reform won't have too great an effect on their business, at least in financial terms.

4.6.2 Have You Considered (Further) Diversification Measures as a Result of the Reforms?

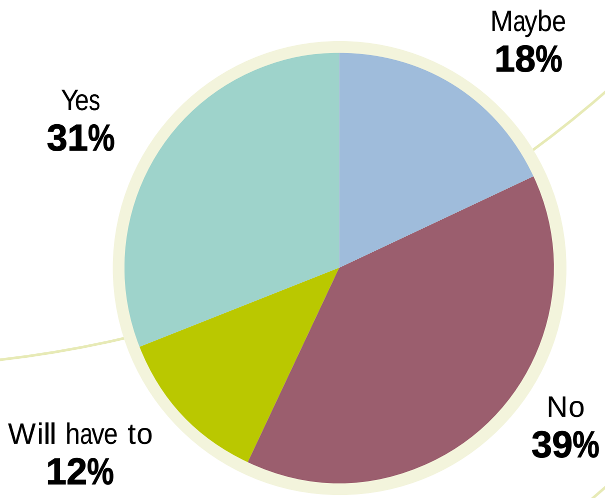

Fig 23

The pie chart in figure 23 shows there is pretty much an even split regarding how farmers within the county are looking to deal with the consequences of the Mid Term Review of the CAP. 39% of farmers categorically reject the need for further diversification; 43% suggest that they have considered changes to their current business and 12% of farmers noted that as a result of the proposed reforms, diversification is now an absolute necessity. When the 'maybe' total is added in, it might be stated that over 60% of the county's farmers have all recently considered to varying degrees diversifying options for their farm.

4.6.3 How Well Prepared do You Consider Your Business to be to Meet the Changes Brought in by the Reforms?

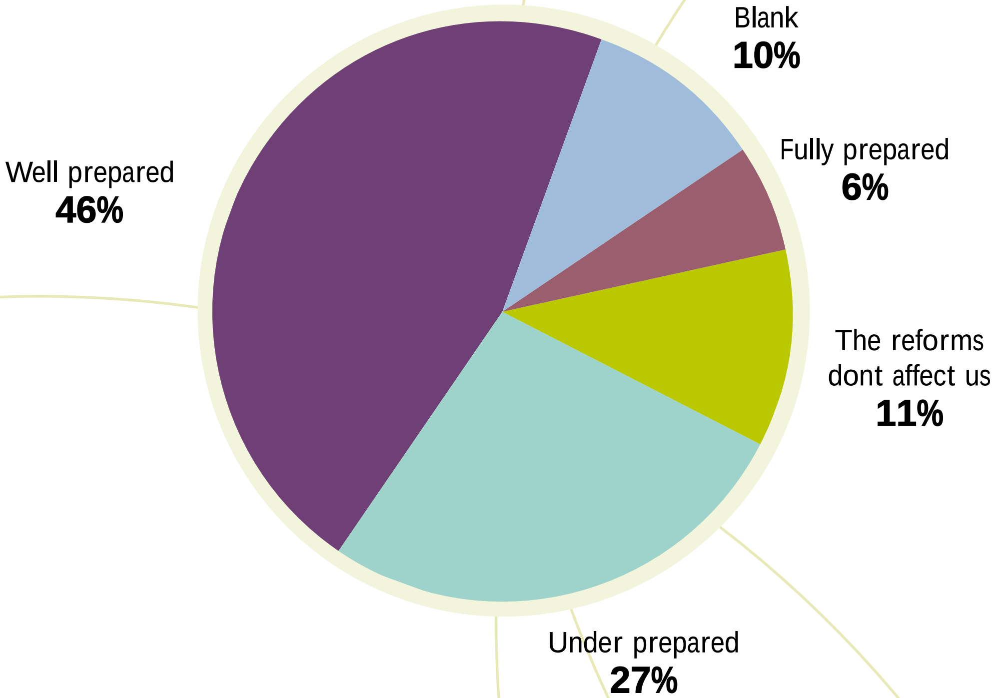

Fig 24

Though the exact nature of how the government will implement the reforms set out in the Mid-Term Review is as yet unknown, this question attempted to examine the confidence within the industry about the near future and about the how their business might cope with potentially significant change.

As the pie chart in figure 24 shows, the most emphatic 'slice' of 46% consider their business to be 'well prepared' to meet any changes brought in by the reforms, moreover a further 6% class themselves as 'fully prepared'. However there does remain a cautious 27% who are clearly concerned by the effects of the reforms as they classify their farm to be 'under prepared'.

Fig 25: Horses in Fields, Weston Turville

4.6.4 Comments and Analysis; Section D

- The questionnaire provided an opportunity for the respondents to add any personal comments as to how they felt the reforms would affect them and their farm. These comments have been included in appendix C

- In terms of economic impacts, 43% of farmers noted that they would consider further diversification (12% specified it would be essential). This is not surprising given the proximity of agricultural land to large urban centres of population in Buckinghamshire and which ensures a greater opportunity for diversification

- Some farmers commented on how diversification, away from farming, post CAP reform, remains essential. "Lletting out redundant buildings will continue to further support our farming activities"

- 40% of farmers made it clear that the reforms would adversely affect them financially. "CAP reforms will reduce our support income substantially and we are therefore seeking to reduce our fixed costs to minimise the detrimental effect of the CAP reforms"

- Significantly, most of the comments expressed revealed an amount of uncertainty regarding exactly how the reforms will be enforced and consequently an uncertainty about the future effects on their farm. This is highlighted by the 25% of responses who indicated that they "didn't know" how the reforms would affect their business

4.6.5 The Mid-Term Review of the Common Agricultural Policy

The Common Agricultural Policy has been the main European Agriculture support mechanism since it was established in 1957 to ensure consistent food production across the European Community following the shortfalls endured during the Second World War. With increased food production across Europe as a principle purpose of the CAP, the provision of farming subsidies has helped ensure this key objective has been met. However this has partially ensured that the effect of market forces on agriculture has been reduced.

A significant and increasing part of the EU budget has been spent financing the CAP over the course of the last forty-six years, and consequently there have been a number of attempts to reform it. The need to modify has been accelerated in recent years due to accession plans bringing in many, predominantly rural Eastern European states which meant the CAP in its current form was unsustainable.

The latest reform measures, The Mid Term Review, followed the agreement reached in late 1999 known as Agenda 2000. This reform package followed the pattern of previous reforms and cut prices to tie them closer to those of the world market.

The package of reform measures that were settled on the 26th of June 2003 had a number of key proposals

- A single farm payment, independent from production. This attempted to break the link between subsidies and production. Most direct payments will be fully 'decoupled' from production[5]
- The payment is linked to a number of statutory environmental, public and animal health and welfare standards (Cross-Compliance)
- A strengthened Rural Development Policy
- An ongoing commitment to remove traditional support from agriculture (Pillar 1 support mechanisms) towards rural development and the environment (Pillar 2 support mechanisms); this will be conducted under a process known as modulation
- A Farm Advisory system to be set up across all member states by 2007 in order to assist farmers meet all their new obligations

[5] Though there may be a limited 'coupled' elements where land and production abandonment is likely

The comments made by Defra on what they believe the new arrangements will help accomplish are provided below

- Free farmers from the need to grow particular crops or keep specific numbers of animals, instead allowing them to gear their production to the market;
- Reduce the negative impact of the CAP on the world's poorest farmers by cutting over-production of subsidised food;
- Remove the incentive to intensify production and damage the environment;
- Allow the EU to engage positively in the WTO negotiations with a significant offer on agricultural trade.

4.7 General Comments- Section E

The final section of the questionnaire mainly sought to gain an idea of the general age of farmers responding as well as how many years they expect to continue farming. It also drew together responses on what the respondents believed would most likely happen to their farm upon their retirement.

4.7.1 Age Breakdown

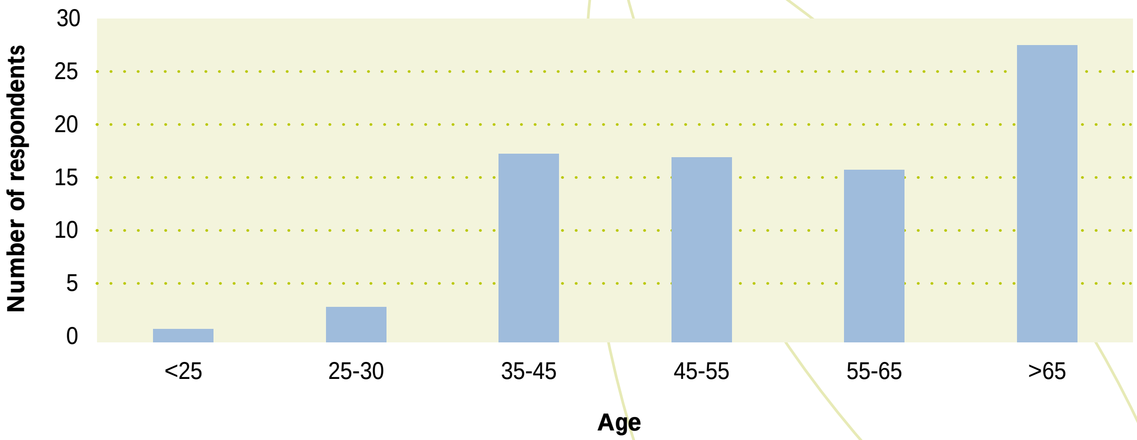

Fig 26

Figure 26 shows the age of farmers replying ranged from twenty-four to those who are well into their eighties. However the figures tend to underscore the concerns that the age profile of farmers in the Southeast is heavily skewed. Indeed the 4.7% of Buckinghamshire farmers fewer than thirty-five falls below the 5% national average.

74% of farmers reported that they were aged forty-five or over with almost one third (32.9%) aged over the standard retirement age.

4.7.2 Retirement Plans

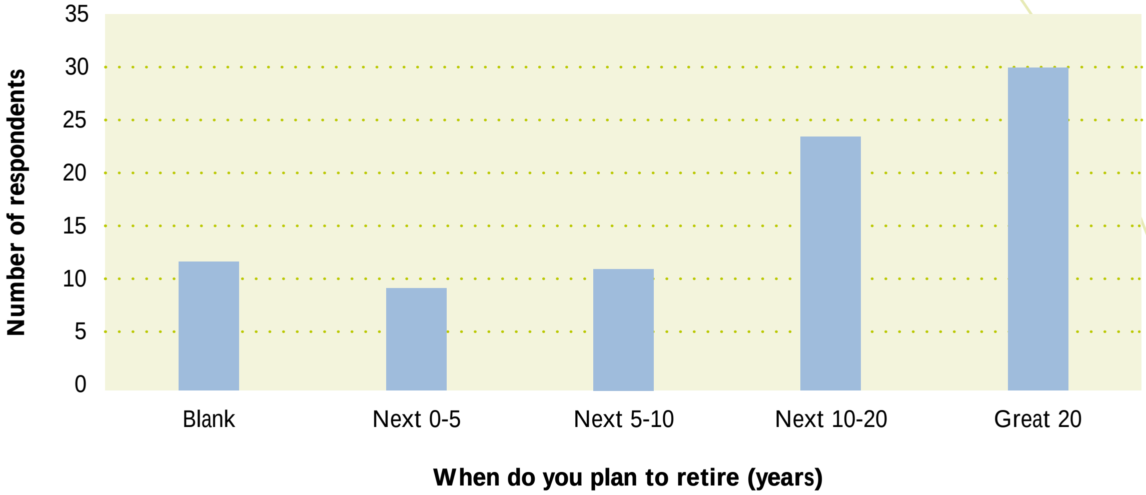

Fig 27

In spite of the age demography, figure 27 shows that farmers within Buckinghamshire appear overwhelmingly defiant in terms of retirement plans with the vast majority citing they have no immediate plans to retire. Though it should be noted that of those who answered this question nearly 30% indicated that they planned to retire within the next ten years.

4.7.3 Plans for the Business Following Retirement

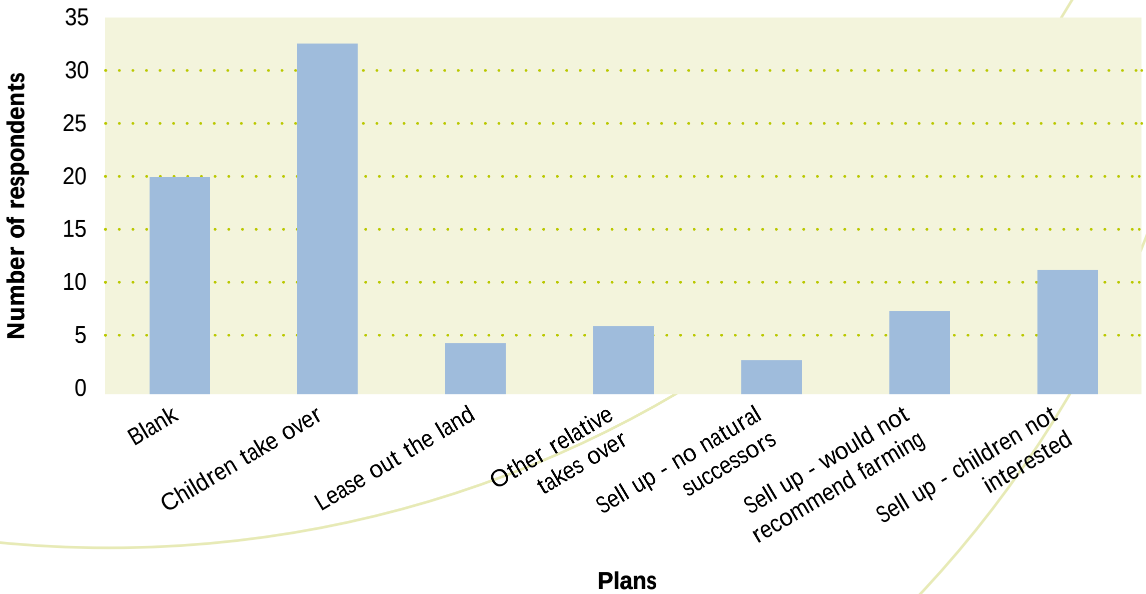

Fig 28

Many respondents found it either too early to say or too difficult to speculate as to what their retirement plans might be. Figure 28 illustrates the largest number of responses indicated that they expected either their children or another family relative to take over the upkeep of the farm (59.7%).

Nearly one third (32.9%) of the respondents though, indicated that upon retirement their farm would be sold, either because none of their family wanted the responsibility of continuing a farming life or because they themselves have grown disillusioned with farming.

4.7.4 Comment and Analysis; Section E

- Of all the findings within this survey, it is perhaps this last section that must really make everyone sit up and take notice. 33% of farmers being in excess of 65, whilst only 4.7% responding as being under thirty-five tells its own story. Indeed much of the time spent conducting this report took place in the halls of residence at Hampden Hall, a former agricultural college, where young farmers used to begin to learn the nature of their trade and now used, in part, as offices for Buckinghamshire County Council

- It begs the question, 'where are the next generation of farmers going to come from?' These figures have immediate implications and it would appear that Buckinghamshire's position is at the more critical end of the spectrum. The situation in the South East is made more acute by its proximity to London ensuring a high proportion of people being able to live in the country whilst work in the city, and thus price farmers out of buying a farmhouse and land in the country

- Despite the concerns raised by the increasing aged profile of farmers, the responses to the final question illustrated that about 60% of farmers expected a relative to take on the running of the farm with most farmers expecting their next of kin to take over

- Over one third of farmers noted their plan would be for their farm either to be sold or leased out following their retirement.

- Over 70% of farmers expected to continue farming in Buckinghamshire for at least another decade with 40% of them indicating they anticipated to stay farming for a minimum of another twenty years. Some commented that they planned "to farm forever"

- 30% of farmers suggested they would retire within the next ten years

5 Other Research and Information

This section focuses on other documents and research that has been undertaken. The section will be divided into the same sub-sections as the questionnaire and is designed to provide an additional perspective to the responses gained from the questionnaire. The section also includes a report on Lord Haskins' Rural Delivery Review which was published in November 2003.

5.1 Lord Haskins' Rural Delivery Review

The Haskins Report was a year long review, commissioned by Defra in an attempt to assess the current arrangements of how Government rural policies are delivered, and then consider proposals to maximise value for money and streamline rural services. Published in November 2003, Lord Haskins outlined 33 separate recommendations that were designed to improve the delivery of rural services.

The review drew attention to a system that is 'over-centralised and simply does not take account of local and regional needs'. Therefore his report seeks to bring delivery closer to the customer by devolving greater power to regional and local organisations to deliver economic and social policy. It is expected that Regional Development Agencies will develop a more important role in future.

Haskins recommends that Defra is reduced to more of a policy development role whilst delivery is set further down the chain at more of a local and regional level. He goes on to suggest that Defra's slimmed down role might ensure that funding streams will be made clearer to people in the countryside who are presently "unsure about both their entitlements and obligations". As the review notes "a lot of the programmes are about how good you are at filling in forms rather than your need".

In addition to the perceived over-centralisation problems, Lord Haskins' report also paints a picture of there being too many rural players. Thus agencies such as English Nature, the Countryside Agency and the Forestry Commission stand accused of failing rural Britain as a consequence of confusion, inefficiency and overlapping responsibility.

His proposal to counter this is to combine these agencies plus Defra's Rural Development Service into one integrated land management agency with responsibility to execute policy on everything from wildlife and conservation to recreation, access and farming.

The implications for the County Council then, if the Haskins report and recommendations are to be accepted are significant, it will transform the relationship of the Council with Government and the owners and managers of land.

The report advocates a deepened responsibility for local delivery with targets being agreed with Defra in terms of performance. In addition the report highlights the importance of strengthening local partnerships, and therefore the involvement of the Bucks Strategic Partnership and Buckinghamshire Rural Affairs Group will prove to be even more important.

5.2 Business and Land Use Profile

- In terms of farm sizes in the South East, the Institute for European Environmental Policy speculates the reforms will likely have the effect of accelerating structural change across the region. The trends that were alluded to on the Defra statistics section, showing a polarisation starting to occur in terms of an increase in the number of small farms (under 5ha) and larger farms (over 100ha) at the expense of small to medium sized family farms are likely to continue and potentially gain speed. The reasoning behind this being that on the one hand there exists only the most productive, commercial farms and on the other smaller, part-time and possibly diversified farms

- The CAP reform is anticipated to have an effect on the nature of Farm Enterprises and Land Usage. For instance the single farm payment can be received so long as farmers undertake 'good agricultural practice', which means that farmer's are no longer obligated to farm the land to receive the subsidy. This could mean more land being set-aside for conservation purposes

- A potential problem of decoupling on farm enterprises is that cereal farmers, who no longer have to plant crops to receive payments, may shift to other commodities such as potatoes or vegetables. This might lead to over supply in these areas which would adversely affect existing producers of these commodities

- Market demand could also ensure a further shift away from 'traditional crops'. A move away from production subsidies in New Zealand in the mid 1980's for instance saw farmers shifting to more 'non-traditional' crops such as kiwi fruits which meant a reduction in the number of sheep farms. However New Zealand did not offer decoupled payments to farmers

- In terms of staff numbers, the decline witnessed in the agricultural labour force of the South East, highlighted in the questionnaire, is cited by Defra as partly attributable "to increasing mechanisation and partly to the increasingly poor return from labour intensive forms of agriculture such as livestock rearing"

5.3 Diversification

- Diversification is a fact of life, latest figures from the Inland Revenue show as little as 40% of universal farm revenues coming from agriculture and horticulture. In the United States it is reckoned that only 10% of farm income derives from the farm, one must ask the question about whether the UK is heading the same way

- Buckinghamshire sits in the most affluent region of the country and therefore its position in the South East provides a larger potential market. Findings from a Defra sponsored report undertaken by the universities of Plymouth and Exeter in 2002 shows the South East possesses the highest level of diversification across the UK at 68% compared to the nation-wide average of 58%. In addition the study showed that diversification has been increasing and shows that nearly one in five diversified holdings has no conventional agricultural activity at all

- In contrast to other diversification activities; the Self Catering Sector Study for the Southern Region undertaken by the Southern Tourist Board in 2002 indicates that there is evidence of a frustrated demand of about 16 weeks in terms of self-catering establishments for Buckinghamshire

- Defra's recent publication, 'Farm Diversification; opportunities for non farming income in the South East' points out that "farmers' dependence on non-farming income is likely to increase in the years ahead" and advocates a greater consideration of the present state of the farm business

- Defra's document includes other potential market opportunities for agricultural employees in the region. As well as tourism, the publication points out how the demand for pre-school care places exceeds supply in many areas and suggests that "some farms have the facilities and a good location for the development of pre-school nurseries"

- In terms of food and catering it is shown that about 35% of all household expenditure on food is for consumption outside the home. Again it is noted that this statistic is especially pertinent to the affluent consumer base of the South East

- A number of tenant farmers responding to the questionnaire remarked they were precluded from the option of diversifying as a result of tenancy agreements. However recent proposals by the Tenancy Reform Industry Group and accepted by Defra have sought to tackle these problems. The new measures include:

  - A Code of Good Practice on diversification for tenant farms, and a new adjudication scheme to handle disputes
  - Removal of barriers to ensure that diversification does not prevent tenancy succession
  - Greater flexibility for landlords and tenants to agree rent review provisions
  - Flexibility for landlords and tenants to agree limits on compensation payable at the end of tenancies

5.4 Business Support Agencies

- Regarding business support, recent research conducted by Business Link for Oxfordshire shows that there is no typical type of farmer who chooses to use the FBAS; they have provided assistance to all age groups of farmers with all manner of farm types and sizes

- Figure 29 shows the breakdown of grants paid to approved diversification projects across the counties of the South East. It illustrates that Buckinghamshire does comparatively well in accessing rural development grants

County breakdown of grants payable	Rural Enterprise Scheme	Vocational Training Scheme	Processing and Marketing Grant
Berkshire	£82,215	£185,572	£426,688
Buckinghamshire	£ 598,935	£71,242	£0
Hampshire	£ 340,034	£70,277	£198,720
Isle of Wight	£ 452,739	£ 4669	£0
Kent	£1,227,257	£241,391	£1,674,463
Greater London	£24,968	£210,367	£0
Oxfordshire	£ 542,469	£1525	£0
Surrey	£ 232,281	£15,072	£0
East Sussex	£ 684,818	£100,813	£107,462
West Sussex	£ 528,151	£185,572	£632,688

Fig 29

- The 33% that confirmed in the questionnaire they had received at least one type of farming based grant more or less matches Defra statistics that shows that of the 807 Buckinghamshire farms of greater than 20ha, there are currently 282 approved schemes (or around 35%). The near future promises a new agri-environment entry-level scheme where Defra, perhaps optimistically hope for around a 60% uptake of farms right across the county. However the small percentage that signalled in the questionnaire they were not aware of any type of farming based grants has to be viewed as a positive improvement as traditionally there was a shortfall of knowledge of what exactly was out there

- Research in 2002 from the Universities of Exeter and Plymouth on diversification showed that only a little over 5% of all diversified holdings had received grant aid in setting up the diversification. This percentage does not include woodland grant and agri-environment schemes

5.5 Farming Practises and the Reform of the CAP

- The notion of change breeding uncertainty seems particularly prevalent to farming at the moment. This is understandable as change incorporates a shift in what a farmer has to do to receive his subsidy. This has led to many seminars and documents being produced as organisations and institutions seek to assess what the likely implications are to be on their region

- A publication by The Royal Institute of Chartered Surveyors[6] predicts that the main impact of the move to a reduction in market related support and more liberal farm trade in terms of farm tenure will be that "rented land should become cheaper, even more so where full decoupling has been applied" and that "bargaining power will shift to the occupier and away from the landlord"

- The Royal Institute of Chartered Surveyors' publication specifies that it expects that 'the single farm payment could be the catalyst to farmers thinking of diversifying'. This statement is backed up by the 43% of farmers answering the questionnaire who indicated they were considering diversification measures purely as a result of the reforms

- Though the questionnaire unsurprisingly points to caution regarding farmer's perspectives on the Mid-Term Review there are some within the farming community who welcome the break from production and subsidies. "The CAP reform of 2003 gives UK farmers in particular, a marvellous opportunity to move away from what has of necessity become a prime preoccupation with support payments and ensuring that all the rules are observed" thus "from 2005, farmers will have the chance to be much more in control of their own destinies"[7]

- Below are the four comments made by the Food and Farming Minister Lord Whitty on what he believes the benefits of the reformed CAP are:
  - provides for a market-oriented and profitable European system of farming
  - is a regional and social policy for transferring resources into rural areas and communities
  - is an environmentally sensitive policy to protect and enhance Europe's landscapes
  - facilitates fairer world trade in food and agriculture

- The Government has announced that it will implement the new CAP single farm payment from 1st of January 2005

[6] Implications for land use and rural communities of reforms to agricultural policy regimes
[7] Sir Ben Gill, President of the NFU

5.6 General Comments

	Persons	Percent
Under 35	10,789	5%
35 to 44	36,165	18%
45 to 54	52,661	26%
55 to 64	53,875	26%
65 and Over	52,072	25%
Total	**205,563**	**100%**

Figure 30 shows the age profile of farmers across the country. The 25% recorded as being over 65 compares favourably to the 33% of Bucks' farmers over 65. Though the low National average of 5% under 35, roughly corresponds to the same figure found in the questionaire

Fig 30

- Despite the concerns raised by the aged profile of the industry, it should be recognised that farmers traditionally work past their retirement age. Research from America[8] shows that farmers are twice as likely to continue working beyond age 65 as are people of similar age doing other jobs

- The lack of numbers coming through and the closure of the last remaining agricultural college within the county brings to the fore the question of what are the levels of adequately trained staff? The fact that the Vale Training Group[9] offers and fills courses on 'basic tractor driving' and 'sheep shearing' suggests the necessity for such courses and implies there is a shortage of even the most basically trained staff

- The Southeast Skills Insight Business Needs/ Competitiveness Survey 2002/3 asserts the point that Agriculture sits fourth in terms of proportion of organisations experiencing recruitment difficulties by industrial sector. The research notes that around one third of Agricultural organisations are enduring recruitment difficulties which places it above the all industry regional average of just over 25%

- The Oxford Farming Conference that took place in January 2004 looked at the difficulties of attracting younger people to the sector and the problem of basic skills shortages. Robin Maynard[10] cited the problem as being "that the average wage is only £12,500-well below the national average of £17,000. This country provides no incentives to young people –unlike countries such as France which actively encourage new entrants". He pointed to a survey conducted by the Farmers Weekly that showed 80% of people would love to work in the countryside

[8] Illinois Council on food and Agricultural Research
[9] A training provider to rural business based at Marsh Hill Farm, Marsh
[10] National co-ordinator of pressure group Farm

Appendix A

Buckinghamshire County Council

The Buckinghamshire Farming Study Questionnaire

Please return by 11th November 2003

Farm ....

Address ....

....

Tel ....

Contact Name ....

Email ....

Section A Business and Land Use Profile

1) Business Profile - What type of farm do you own?

Family Farm	
Freehold Land	
Tenant	

Other? Please specify

....

2) Land Use - What type of land do you own and what acreage is covered?

Land Use	Acreage	Have you increased or decreased this land use since 1995?
Arable		
Livestock Pasture		
Equine Pasture		
Horticulture (protected)		
Horticulture (unprotected)		
Woodland		
Other-Please specify…		
Land intended for Purchase/ Sale		
Total		

3) Enterprise Type: Please specify which of the following enterprises you own and their current profitability

Enterprise	Profitability- Relative to 1995			
	Good	Modest	Poor	Loss
Dairy				
Beef				
Sheep				
Pigs				
Poultry				
Cereals and Cropping				
Vegetables				
Fruit				
Flowers				
Trees				
Equine				
Rare breeds				
Fish Farming				
Quarrying				
Forestry				
Fuel Crops				
New Crops				
Off-farm income				
Tourism				
Shooting				
Food processing				
Marketing				
Energy				
Organics				

Other? Please specify

. . . .

4) What are the number and average ages of staff employed in your business?
Could you also please tick whether this number of staff has increased or decreased since 1995?

Number of Full Time Staff	Average Age	Increased	
		Decreased	
		Stayed the Same	
Number of Part Time Staff	Average Age	Increased	
		Decreased	
		Stayed the Same	
Number of Casual/Seasonal	Average Age	Increased	
		Decreased	
		Stayed the Same	

Section B Diversification

By diversification we mean any strategy that you have used to increase your farm's income

5) Have you diversified your business?

Yes
No

6) If yes... what have you diversified in to?

Rare Breeds	Tourism
Fish Farming	Food processing
Tenanted buildings	Off-farm income
Quarrying	Marketing
Forestry	Energy
Fuel Crops	Environment
Equine	Organics
New Crops	

Other? Please specify

7) When did you take the first steps towards diversification?

Since 2000
Between 1995 and 2000
From before 1995

8) What made you choose to diversify your operations?
Tick all those that apply

Traditional business was becoming unprofitable
Felt like a change
Was inspired by the success of friends
Was advised by a farm business advisor

Other? Please specify

9) Has anything discouraged you from diversifying?

Difficulties in getting planning permission
Financial Difficulties/too risky
Lack of skills in the field I considered diversifying
Unsure of the market
Too much time required

Other? Please specify

10) What effect has diversification had on your farm's annual income?
Please tick the relevant box

Increased	
Decreased	
No effect	

11) By what percentage has your farm's annual profit increased/decreased since you took the decision to diversify?

+/-____%

12) From your experience what advice would you give farmers who are presently tempted to diversify?

Section C Business Support agencies

13) Have you received any free business advice from any particular agency?

Yes
No

a) If no- why not?

I) Was aware of services but felt they weren't necessary
II) Wasn't aware of any services available

b) If yes can you list the agencies from which you received advice

14) On a scale of 1 to 10, how do you rate this free business advice?
1 being no use at all, 10 being a great benefit. (Please circle)

1 2 3 4 5 6 7 8 9 10

15) What form did or does this advice take?

16) Are you aware of Farming based grants?

Yes, but I haven't used them
Yes I intend to apply for one
Yes, and I have received one
No

17) Could you list any grants that you have applied for and whether or not you were successful in receiving them?

18) How did/do you find the application procedure?
Tick all those that apply.

Too long	
Too complicated	
Unsure whether my farm was applicable for grants	
Just right	

19) Please feel free to add any further comments you have about the grants procedure and whether you have been put off from applying for grants

Section D Farming Practises and the reform of the CAP

20) In your opinion do you think the CAP reforms will make you financially?

Better off
Worse off
About the same
Don't know

21) Have you considered (further) diversification measures as a result of the reforms?

No
Yes
Yes (I will have to)
Maybe

22) Are you considering seeking further business advice to help you plan for the consequences of the reforms?

Yes
No

23) How well prepared do you consider your business to be to meet the changes brought in by the reforms?

Very well prepared
Well prepared
Under prepared
The reforms don't affect us

24) Please use the space below to comment on how the CAP reforms will affect you and your farm.

Section E General comments

25) Age Group

(please tick what age group your fall under)

<25

25-35

35-45

45-55

55-65

>65

26) When do you plan to retire?

Next 0-5 years

Next 5-10 years

Next 10-20 years

Over 20 years

27) What will you do with your business then?

Children take over

Sell up – no natural successors

Other relative takes over

Sell up- would not recommend farming

Lease out the land

Sell up – children not interested

Other? Please specify

. . . .

Appendix B

Comments made by farmers about diversification

- In the present farming climate there is no other choice but to diversify
- Be prepared to invest, make sure you have a market. Use all the grants and take a 10 year plan. If inviting the public make sure the farm is spotless. Be prepared to change your lifestyle
- Check your market carefully. Use paid advice. Discuss your plans with local people, check all avenues for grants and other funding, include a budget for final marketing
- Way up the pros and cons. How much time can you spare before you neglect the farm? Do a realistic profit forecast. Do not expect overnight results.
- Don't spend too much money to start with, start slowly, test the market, do what you are used to. Don't take too much notice of experts, borrow more money than you need
- Be very careful. There are endless L.A regulations. Commercial letting is now overdone (offices, units etc) so that's no solution. Do things in a small way, unofficially, or you'll probably be squashed.
- Farming operations might have to change so as not to conflict with the diversification you have chosen
- Look carefully at the market you are aiming at, take plenty of advice before spending large sums of money, look carefully at whether should still be farming in present form if diversification income exceeds farming income
- Give the project as much if not more effort than you would farming to make your project a success. Try to bring extra income in without major capital investment
- Selling produce at farmers markets takes a great deal of time and is only really worth while to small producers
- Look at business overheads/ fixed costs of traditional farming first
- Don't destroy your farm for short-term gain
- There is no point in considering diversification unless the local council is sympathetic to your plans. Thousands each year is 'wasted' on projects, just to be victimised by local authority
- It is important that farmers thinking of diversifying research the market completely-talking to other farmers already in the field helps. Then be BRAVE
- Talk to neighbours, local councillors to improve the understanding of the challenges and changes to keep farming viable
- Research it carefully. Take business advice and listen to it. Be positive.
- Only take this course if the farm is not making a sustainable income for survival. Always cost out any change in business practise carefully and honestly before making any changes
- Don't believe the so-called experts! Do your sums and market surveys yourself and don't go into businesses you don't understand and are not comfortable with
- Everybody is trying to gain income by converting barns into offices now there are too many office type conversions for demand. Many stand empty, Bucks CC need to be more flexible in alternative uses.

Appendix C

Comments on how the farmer perceives the CAP reforms will affect his farm

- In my case, they probably wont affect me very much, but when the Government makes up its mind (and they have not as yet) we shall have to see what is in the small print. Some farmers, through no fault of their own are in a very vulnerable position. A mighty lot depends on the Government
- Should enable a move towards environmental schemes with emphasis on wildlife and habitats moving away from production orientation
- Letting out redundant buildings will continue to further support our farming activities
- We have grade three land and I may if possible put all the arable on set-aside. Whatever is the most profitable.
- I do not know how the reforms will operate – i.e. historic, average etc. I have F.B.T's that may not receive any subsidy! We do not have a clue yet what will happen
- We don't farm the land any more so any CAP changes will only affect those who rent our land
- Will have to put land aside for conservation purposes to claim the finance available
- We are now a very large dairy farm (400 cows) and have invested in a modern unit. Therefore I believe we can cope with lower returns. However not good for the long term outlook
- As a tenant/owner it just feeds the landlords greed, as it distorts the market.
- May allow me to reduce food production but still enhance the visual impact of the farm and its wildlife
- De-coupling subsidies from production is needed to enhance the value of our quality farm produce. Market driven (non-distorted) prices will lead to removal of subsidies over next 20 years
- Easier to receive subsidy and great freedom to farm, but subsidy can be easily reduced by politicians
- Until we know the actual reform measure it is impossible to prepare, especially as the payment figure is uncertain
- Family have farmed here since 1926, yet new CAP reform will mean we will get no payment at all for our grassland (50% of farm), as we have let this land for the last 3 years. Therefore we cannot farm animals ourselves if we wanted to, as was the original plan. If CAP reform goes through in its present form –historical payments as opposed to flat rate land payments. There will be a quota mess up for the next 10 years (and our family farm will not be able to claim on half its land) and therefore force the pace of change forward even faster nationwide
- Voluntary set-aside will be deducted from the SFP, therefore will be worse off as I was doing 50% set-aside while the grain collapse (£60/ton averaged 2002/3) in 1985 averaged £125 + average payment!- about 5X the value in real terms
- I sold my other farm some years ago because it was hard to make a living out of growing wheat. I feel sorry for the poor mugs that are still trying
- More friendly to the environment but worse off financially
- We don't know what they are yet-they have not been finalised
- Depends whether DEFRA goes for RAP's or historic payments and also what happens to commodity prices
- Still too early to say but imagine it will be for the worse
- Interference in our markets has had a devastating effect on the industry. Further interference will cause more havoc. There are too many middlemen producing nothing but adding to our costs. Obviously that makes us uncompetitive.

- We receive no subsidy at present but de-coupling will encourage more farms to produce and sell hay to stables in competition with my established trade
- At this moment not knowing the full extent of the reforms, will be able to judge better when know the full facts
- No great effect on arable crops- but proportion of set-aside might be increased. For livestock farms, I can see a great reduction of grazing livestock; this will be to the detriment of the landscape in Britain, as well as for the Balance of Payments with overseas countries
- Not enough detail on CAP proposals to decide on future. I expect a gradual reduction in subsidies to adversely affect farm profitability. Single Farm payment may be an opportunity to reduce extensive hours worked-especially time spent on form filling
- If the payments are regional and land based, will be financially devastating. Having taken this tenancy in 1990 all sheep quota has had to be purchased. This and the suckler cow quota at least had a value. If payments are land based a tenant will be left with nothing.
- CAP reforms will reduce our support income substantially and we are therefore seeking to reduce our fixed costs to minimise the detrimental effect of the CAP reforms

Appendix D

Rating	Business Support Agency
	Business Link
4	Business Link
2	Business link-on site visit
4	FBAS-(business link)
8	Business Link
5	Business Link-discussions on diversification and general management woodland grants
7	BL
1	Business Link. Useless computerised report, reiterating all I had said to the advisor. Had I been more depressed this could have been the last straw!!
10	Business Link
	Defra, Business Link and other agencies
5	Defra, Farm Business Link, Reading University, FWAG
4	Defra, BL, Training Group, FWAG
9	Defra + Business Link
9	Defra through Messrs Smith-woolley-complete review of whole farm business
8	DEFRA
1	Defra
3	A lot of info from defra, bank etc but they were all too bureaucratic and time consuming and theoretical
	FWAG and other agencies
3	ADAS, DEFRA, FWAG, E.N.
8	FWAG
7	FWAG + ADAS
2	FWAG- we used to frequently discuss projects with MAFF NAAS and ADAS before politicians destroyed them
	Miscellaneous
9	Bidwells- RPA
5	Bidwells
5	Abbott, Anstey, Reader-Deciding what best to do with some of my farm buildings"
5	Witten
8	Soil Association
8	FBAS-Smith-Woolley
8	Samuel Rose, regular meetings followed by diversification plan
6	MAFF
10	Came out to the farm and talked about what business I would like to go in for and drew up a plan
5	Farm visits + meetings
3	Suggestion for further diversification- sources of grants
5	all sots of agencies
5	Dairy Farmer magazine + others. -Researching the market, realistic pricing of foods and services
4	asking people who have already completed some project
3	"Unknown"

Appendix E

People and Organisations Consulted

NFU	Virginia Stollery, Aylesbury Robert Dunleavy, Marlow Tim Whitlock, Buckingham
Milton Keynes, Oxfordshire and Buckinghamshire Business Link	Sue Scott Geoffrey Adams Roger Seed
Defra	Terry Bradfield
Bucks County Council	Pat Ward Richard Lipscombe Bill Chapple Phil Bowsher Sandy Kidd Mike Woods David Pickering Alison Griffiths Claire Herbert
Bucks and Milton Keynes Food Group	Elizabeth Village
Aylesbury Vale District Council	Stephen James
Vale Training Group	Kate Mason
Bruton Knowles	Simon Millard
Chilterns AONB	Simon Fisher
Farmers	Andy Page Bryan Edgely Keith and Elizabeth Bennett Paul Hodges