



# THE OXFORD FARMING CONFERENCE

inform • challenge • inspire

**inform** **inspire**  
**challenge**

## Oxford Farming Conference Research 2011

“The Value and Viability  
of UK Farming”

In partnership with Syngenta and Volac. Conducted by England Marketing.

**syngenta**

**volac**

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## Research that informs, challenges and inspires

A key charitable aim of the Oxford Farming Conference is to help inform the farming industry. Over the past few years specially commissioned research has become an important part of meeting this goal. This year we have built on previous research into the public perception of agriculture and the future needs of agricultural science, by looking at the value and viability of UK agriculture.

The conference's new logo is Inform, Challenge and Inspire and we believe this research does just that by identifying the strengths and weaknesses of UK farming along with the challenges and opportunities it faces.

Market research company England Marketing was commissioned to interview key agricultural leaders, farmers, supply chain executives and young farmers. The research was only made possible by the generous support of research partners Syngenta and Volac for which the Oxford Farming Conference gives its thanks.

The results of the research are illuminating, encouraging and challenging.

There is significant confidence in the ability of British farmers to play a more important role in feeding the nation, with most respondents believing that the fortunes of farmers will improve over the next few years.

But it is important to recognise that the research identifies the need for significant improvement in a number of key areas. One of those areas is the need for a more joined up agricultural strategy across the sectors and also more collaboration throughout the supply chain. It is clear that if such a strategy is to be developed then all parts of the chain would need to be involved including farming, processors, retailers and the Government.

There are two other major areas of concern – lack of investment in scientific research and development and concerns over the future of the farming workforce.

More than half of those asked thought that the way agricultural research and development is conducted and implemented is either poor or very poor with improved funding identified as a key need. Cereal respondents were most satisfied with the scientific support they receive, but there were greater concerns among the livestock sectors.

When it comes to skills and training, most respondents thought that the business management and technical skills of today's farmers are adequate, but there were major concerns about the

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attracting the right people to choose farming as a career with two thirds thinking that farming is an unattractive career choice.

It is encouraging that the farming industry is already taking these issues very seriously and this research plays a significant role in helping to formulate strategies that will see the UK remain at the forefront of agricultural science and professional development.

The Oxford Farming Conference urges everyone to use this research as freely and widely as possible and to that end it is available on the conference's website at [www.ofc.org.uk](http://www.ofc.org.uk).

The research informs the Oxford Farming Conference and the 2011 conference will see the launch of a new Science With Practice award. Meanwhile, skills and training are likely to play a significant role at the 2012 conference.

The UK farming industry can be confident that it has a strong future, but it will be even stronger if it addresses the issues highlighted in this research.

**Cedric Porter, lead research director of the Oxford Farming Conference**

## **A fascinating insight into the key issues affecting our industry**

This year's Oxford Farming Conference research has provided a fascinating insight into the key issues affecting our industry.

As an industry we need strong and clear leadership to ensure we have a sustainable and successful future. The research indicates that there are many opportunities and threats for our industry so I hope the work will be of value to our leaders who need to work together to address these issues, develop our strategies and create stimulus for action.

Great leadership starts with a clear strategy and the research highlights that there is an overwhelming need to develop joined up strategies across all sectors. This can only be achieved through a truly collaborative approach between Government and the whole supply chain. We all have a responsibility to listen to different points of view, commit to a unifying strategy and communicate with one voice for the benefit of the industry as a whole.

It's clear that the UK is seen as an ideal location to support a wide range of animal and crops production systems. This is very encouraging but in order to maximise this opportunity and meet the growing production demands of a sustainable world the research indicates we need to urgently reappraise the way we prioritise and conduct R&D as a priority.

Finally, who will be the next generation of agriculturalists? The findings are clear – we need to do more to educate today's children on how our food is produced, make farming a more attractive career and secure the future of our unique and valuable industry.

I would encourage you all to take the results of the Oxford Farming Conference research as a catalyst for leadership and for change.

**Andy Richardson Corporate Communications Manager Volac**

## **New challenges = new opportunities**

In 2009 Syngenta sponsored the OFC's research that looked at public attitudes to farming. That research demonstrated how society as a whole has significant respect for farmers and their work.

So it's hugely encouraging that this year's research highlights how positive the farming industry is about its own role in the future. The overwhelming majority of those interviewed believe that farming will grow in importance to the UK economy over the next 10 years. No doubt OFC attendees will be delighted to be part of an industry that clearly recognises it has a key role to play in meeting the challenges ahead.

This new research offers a snapshot of the areas where industry leaders believe UK farming can make best use of its skills and resources but also clearly indicates those areas where we will need to take action if we want to remain competitive in an international context.

As you will know, UK farmers operate in an increasingly complex environment. They balance production with protection; manage price volatility, meet an ever expanding range of production requirements, work to maximise resource use efficiency, and ensure long term commercial viability all against the backdrop of a potential shift in the CAP subsidy framework in the next few years and growing international competition.

Maintaining the UK's position as a leader in a number of areas will require investment in ever efficient and productive farming systems – ones which enable farmers to grow more from less. And as this research identifies this will mean bringing together the wealth of knowledge and experience in UK farming and allying it with innovative technologies, processes, and practices.

The UK has been a global leader in the application of science in agriculture through technology. We maintain strong national resources in agricultural science – public and private - and this is one reason why Syngenta remains committed to its research base at Jealott's Hill in Berkshire, the biggest commercial agricultural R&D site in Europe.

However, this research also highlights concerns about the future direction of agricultural science in the UK as well as fears that not enough young people are choosing agriculture as a career.

While it is important that enough people do become involved in agriculture, the research suggests that the focus should be on the skills that those new entrants will need.

The research also clearly stresses the need for greater collaboration among the supply chain. Not only is this key to improving marketing opportunities, it also means that the farming industry is seen as a part of the food industry giving it more clout economically and politically. Syngenta hopes to play its part in working to make such collaboration happen with the launch of the UK Food Chain Alliance early next year of which we are one of the founder members.

**Luke Gibbs, Head of Public Affairs (UK and Ireland), Syngenta. For more information on Syngenta see [www.syngenta.com](http://www.syngenta.com)**



## England Marketing

England Marketing Ltd is a full service market research agency which specialises in the food and agriculture sector. As one of the few agencies with experience of undertaking research throughout the food supply chain, they have experience in gaining the opinions of farmers and growers through to retailers and consumers.

This breadth of experience means that they have a full appreciation of the structure and workings of the sector and are able to bring expert knowledge and understanding of the issues which affect it. They have variously worked with public sector agencies under the umbrella of DEFRA as well as trade associations, growers, food manufacturers and retailers.

England Marketing's team members all have a commercial background which means that they are able to interpret findings effectively and provide useful insight and perspectives to their clients. They are adept at being able to inform clients' strategies and guide their implementation of action plans to achieve the desired commercial outcomes.

Managing director, Jan England, is also a partner in the family farming business and brings a practical perspective to all the work England Marketing undertakes. Jan is also Vice Chair of the Chartered Institute of Marketing (CIM) Food, Drink and Agriculture Group. The team keep abreast of industry developments through membership of organisations such as the CIM, the Food and Drink Forum and Tastes of Anglia.

Jan England says;

*"It has been a privilege to work for the Oxford Farming Conference, engaging with industry leaders on a topic that we feel passionate about."*

England Marketing is a Market Research Society (MRS) Company Partner, has been recognised as an Investor in People since 2004 and holds ISO 9001: 2008 accreditation.

## SUMMARY OF KEY FINDINGS

The majority of respondents think that agriculture is either important or very important to the UK and that this importance will increase over the next 10 years due to the growing population and the need for food security.

Over 80% of those interviewed said that there is a need for a joined up cross sector agricultural strategy which should be a collaborative initiative involving government, the food supply chain and the farming industry. Two thirds of respondents felt that there is not enough collaboration within the industry.

Agriculture does have a wider role to play within UK society because not only does it contribute to the health and well-being of the nation, but it also determines the environment in which we live, influences leisure activity in the countryside and plays an important role in the economic health of the rural communities.

All respondents felt that price volatility is important with over half saying that it has a negative impact on UK agriculture, in particular in the livestock sectors where feed costs account for such a large proportion of production costs as it is hard for growers to plan and gain investment. Those in the cereals sector and the generalists were more inclined to see price volatility as positive, seeing an opportunity to focus on profitability and for farmers to rise to the challenges and improve their production capacity.

In terms of accessing capital, there were mixed responses and not everyone felt that they were in a position to comment. In broad terms it is easier for landowners to access finance from the banks than it is for tenant farmers. Capital funding from private sources or venture capitalists is quite low in agriculture because these investors expect greater returns on investment than agriculture can typically provide. Nearly 90% of the respondents felt that investment in the farming sector is inadequate, citing that it is either poor or only satisfactory.

In comparison with the competitor countries the respondents believe the UK experiences higher labour, land and input costs. The costs of capital are broadly the same as the competitor countries due to lower interest rates globally.

Respondents felt that the UK Government understands and supports agriculture to a lesser extent than governments in the competitor countries largely because the other countries employ more people in agriculture and are closer to food production.

Over three quarters of respondents felt that the UK takes regulation and legislation more seriously than the competitor countries. This generally has a negative effect on the competitiveness of UK agriculture because it adds to the cost base and creates an uneven playing field. However, one comment was made that our reputation is enhanced by having stricter regulation.

Devolution has either had no effect on England or has been negative but has had a more positive impact upon Scotland, Wales and Northern Ireland, mostly due to the fact that their respective governments have supported agriculture to a greater extent and have increased the competitiveness.

The UK is regarded as either poor or merely satisfactory at trading competitively in world markets.

Two thirds of respondents feel UK consumers have benefitted from farmers receiving EU support because it has artificially kept down the prices of food. However, several commentators felt that tax payers were paying for the subsidies indirectly, therefore in real terms consumers have not really benefitted.

Two thirds of those interviewed also felt that farmers are quite dependent on EU support, but that CAP reform is largely an opportunity because respondents felt that the UK is ahead of other European countries with regards to its understanding of the market. This means that UK farmers will continue to be more market focussed as restructuring takes place and will therefore be in a much better position than their EU counterparts.

The UK is only at a satisfactory level in identifying priorities for R&D in agriculture and less than satisfactory in sectors such as Horticulture. We are poor in how we conduct and implement R&D in agriculture, in particular in the Protein and Oilseeds sector and in the Beef and Lamb sector.

R&D in the UK is poorly resourced especially in terms of funding and less than half of the respondents feel that our technical reputation is better than the competitor. Our technical reputation is particularly poor in the Dairy sector.

Over 80% of respondents think that the current position in Europe towards biotechnology hinders our development.

Our business management skills are satisfactory but this view varies by sector, being poorer in the Beef and Lamb sector. However, technical skills within Beef & Lamb are good compared to the satisfactory rating given for technical skills in the remaining sectors.

Respondents feel that the UK education system does not encourage pre-16 school children to enter a career in agriculture and, although a greater number of respondents feel there are effective training schemes and systems in place for post-16, the take up of these has not been high in recent years.

Three quarters feel that not enough young people are choosing careers in agriculture and that it is not an attractive career option. However, careers in the arable sectors seem to be more appealing than those in the livestock sectors.

As a result, the lack of available skills is having a significant impact on the industry, as are lower-perceived wage levels. This is resulting in an older, skilled labour force although it is felt that these issues are similar in the competing countries, particularly in Europe.

The quality of UK institutes and colleges are good or excellent and training is good or at least satisfactory. However, education on food production is much poorer, particularly amongst consumers.

Nearly 60% of respondents said that there is no cross sector agricultural sustainability strategy although in some sectors these are starting to be developed. However, the majority of respondents feel that it is important for such a cross-sector strategy to be developed.

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Our climate is generally regarded as good or excellent for agricultural production with half those interviewed saying that our growing conditions are better than the competitor countries. Our other advantages over the competitors include better water availability, close proximity of production to consumption, natural hazards cause less negative impacts, animal welfare and environmental protection and management is better, as is our commitment to reducing the environmental impact of agriculture. However, our reliance on imported inputs and our ability to achieve higher value are generally worse than the competitor countries.

The vast majority of respondents (89%) think that growth in the UK population is an opportunity for the farming industry on the basis that there will be greater numbers to feed. Very few think that we have the capacity to become self sufficient unless we fundamentally change our diet but it is unlikely that the cultural composition of the country would make this a reality.

Overall, UK food manufacturers perform satisfactorily compared to those food manufacturers in the competitor countries.

Nearly two thirds of the respondents think that consumers have some influence or a great deal of influence on what is grown and produced in the UK but nearly 90% feel that the retailers have more influence. Today, the balance of power is considered to lie with the retailers although this is unlikely to change in the next decade, due to the dominance of a few major retailers. However, it is felt that the relationship between retailers and producers is largely improving.

It appears that consumers have lost touch with how their food is produced but over the last few years there has been a revival in interest in provenance and ethical issues, which is resulting in consumers gradually re-acquainting themselves with how and where their food comes from.

It is believed that the UK agricultural industry will rise to the challenges of greater consumer demands for good quality, locally produced food but that communication and joined up thinking within the industry needs to improve in order to meet these challenges.

The overwhelming majority of respondents are confident in the future of UK farming but are conscious that the industry needs to address its weaknesses by attracting more people into each sector, investing in R&D and improving communications in order to instil confidence in a sustainable, profitable industry.

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## BACKGROUND

One of the key themes of the Oxford Farming Conference in 2011 is to debate the competitiveness and viability of UK farming in relation to the other major agricultural economies and to highlight the challenges and areas of opportunity. To inform the debate throughout the conference, research was carried out to gather the views of agricultural leaders, specialists and farmers on a range of issues. The research was sponsored by the Oxford Farming Conference in partnership with crop protections company Syngenta and dairy nutrition company Volac.

England Marketing undertook the research.

## AIMS OF THE RESEARCH

- To compare and contrast attitudes to UK agriculture with other key countries with a broad agricultural base in terms of viability and competitiveness.
- To highlight areas of opportunity for the UK.
- To consider the key challenges for the UK and identify how these can be addressed .
- To inform and stimulate the debate at the 2011 Oxford Farming Conference

## METHODOLOGY

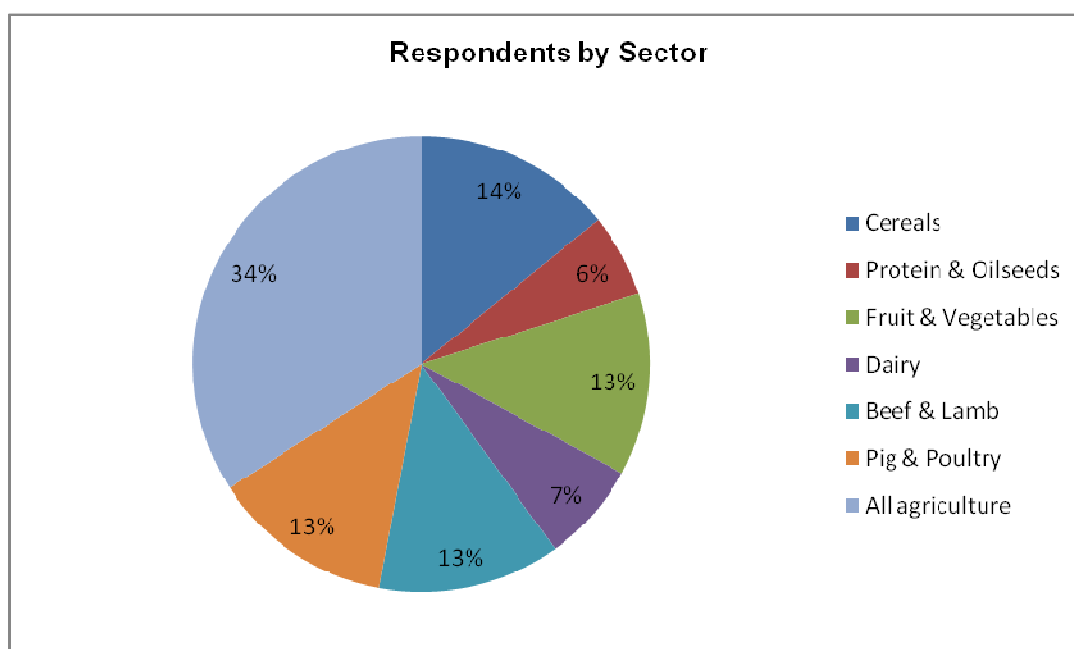
Over 150 leading figures in UK agriculture were contacted to ask for their views towards a number of issues affecting UK agriculture over the next decade. Of these, 67 key industry experts agreed to take part, representing the views of agriculture in general and across the Cereals, Proteins & Oilseeds, Fruit & Vegetables, Dairy, Beef & Lamb and Pig & Poultry sectors. In some cases, respondents chose to self-complete the questionnaire but the majority used the opportunity to engage in an in-depth telephone discussion.

The research was conducted between September and November 2010 and the questionnaire, which formed the basis for the discussion, is attached as Appendix 1.

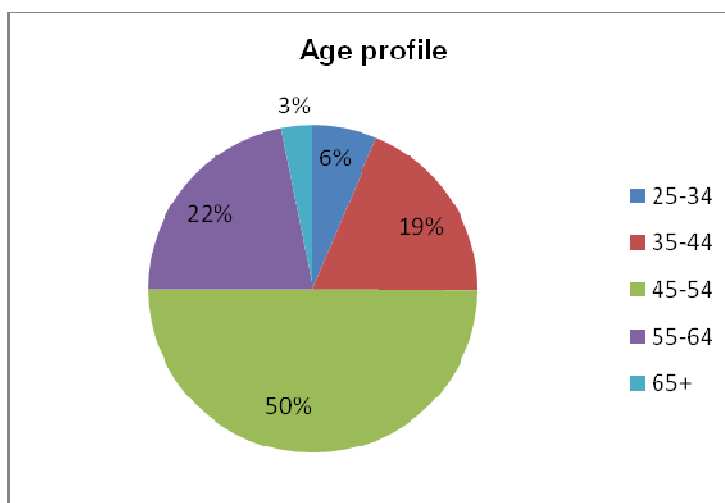
## RESPONDENT PROFILE

The following charts illustrate the respondent profile with regards to Sector and Age.

For the purposes of this report, those representing agriculture in general will be referred to as the “All Agriculture” and “generalists.”



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At the beginning of the discussion, respondents were informed that the research was to compare the UK's competitiveness in relation to the following 6 countries that were deemed to provide the strongest competition for UK agriculture:

France

USA

Brazil

Ireland

Russia

China

These countries were chosen by virtue of the size of their output in all sectors based on FAO figures from 2008. They countries were ranked by sector and the rankings added together to create this list.



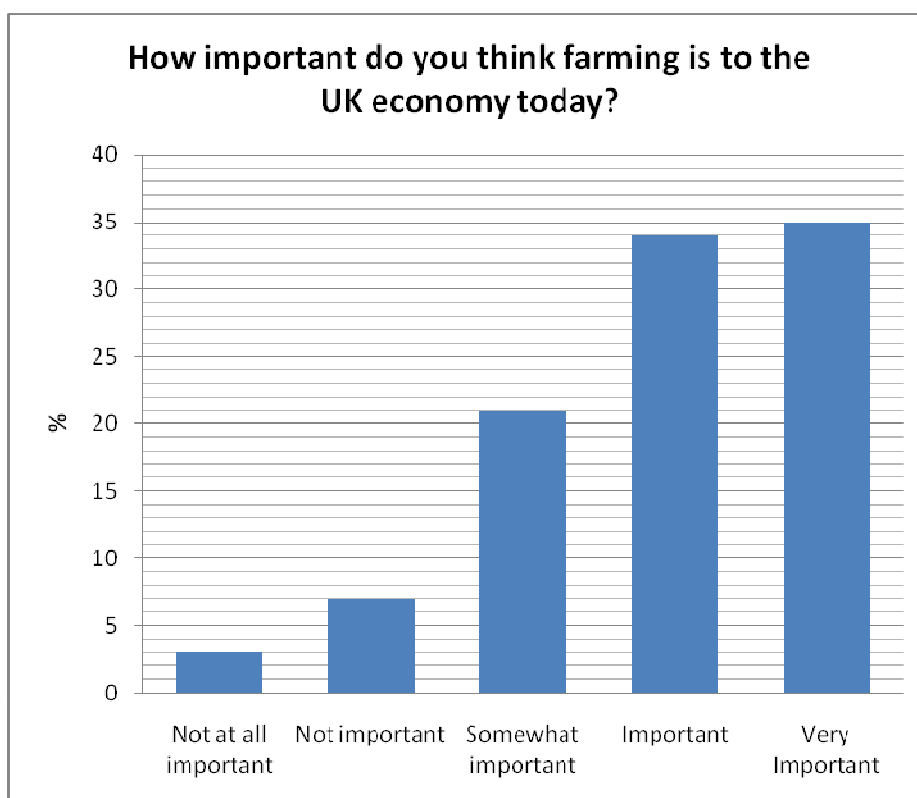
In addition, respondents were asked for further countries that they felt provided significant competition for their sectors. Those mentioned most frequently included New Zealand, The Netherlands, Australia, Denmark, Spain, Germany and the Ukraine.

As the study is qualitative in nature, there is no empirical evidence to support the relative strength of these countries compared to the UK and all evidence is based on perceptions.

## RESULTS ANALYSIS

### GENERAL QUESTIONS ABOUT UK FARMING

How important do you think farming is to the UK economy today?



Overall 90% considered UK farming to be important to the UK economy with 69% respondents rating it as Important or very important and 21% rating it as somewhat important. Just 10% indicated that farming was not important, stating that in real terms, farming's contribution to national GDP was lower than other industries. However, respondents feel that farming is important to the economy with regards to food security but that this is not widely appreciated at

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the moment, although a few commentators made the point that in terms of value to the economy farming is comparatively low.

### Comments

*Most important industry, we all have to eat.*

*Sometimes the UK is overlooked. Farming is a major contributor and integral part to the food industry.*

*As a percentage age of GDP, it is low but as a percentage of land managed by British farmers it's very high. Potentially we could get most of our food from other countries so agriculture's worth to the economy is not as good as farming thinks it is.*

*For the financial economy, agriculture is sort of important but for food supply and food security, it is vital.*

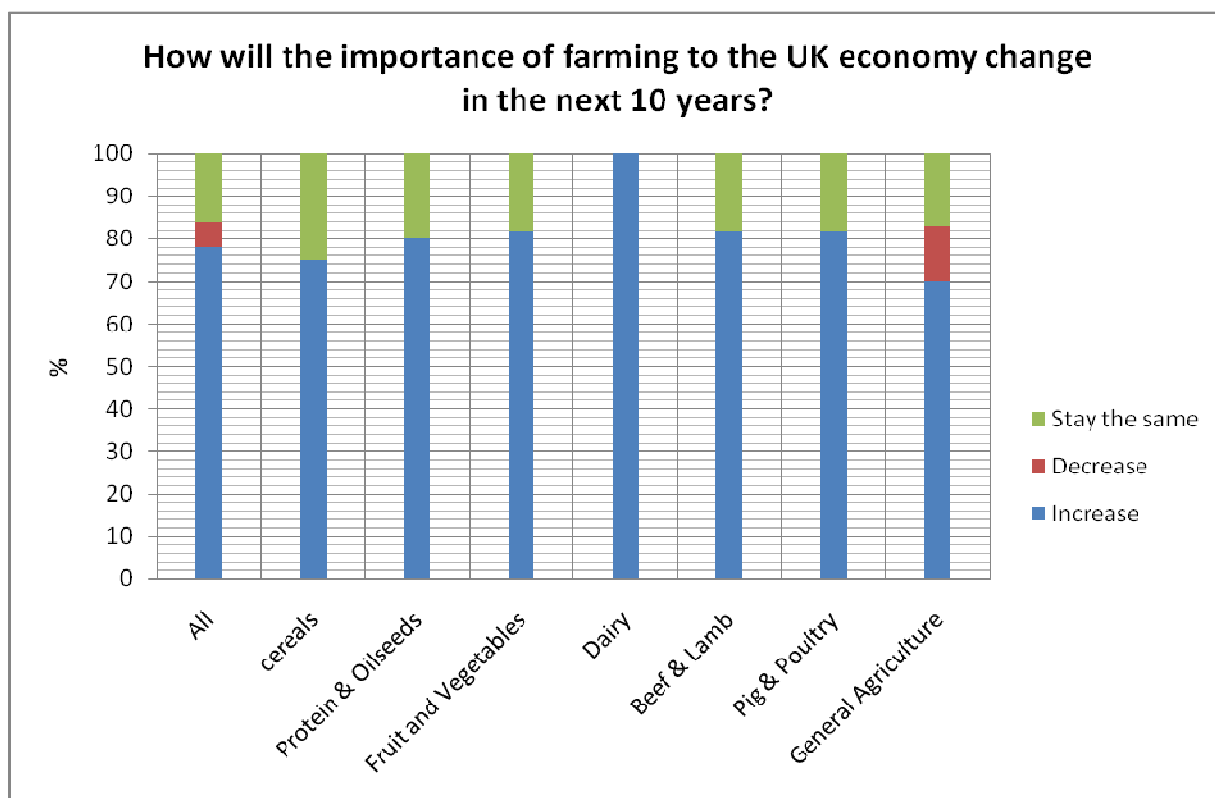
*One of our biggest industries and important due to food security debate.*

*Very marginal part of economy dominated by services and manufacturing.*

*When you look at agriculture as a percentage of GDP it seems low but it underpins the food industry which underpins the economy and agriculture is intrinsic to some UK communities.*

**In your opinion, in the next 10 years, do you think this importance will increase, decrease or stay the same?**

Nearly 80% of respondents believe that the importance of farming to the UK economy would increase over the next decade, with only 16% believing that its importance will stay the same. These views are representative across the sectors. However, a few respondents (within the generalists) felt that the importance would decrease over time.



**LEADERSHIP**

**Do we need to develop a joined up cross-sector agricultural strategy?**

We were interested to find out to what extent the sectors felt that there was a need for a cross-sector agricultural strategy or indeed whether or not in their opinion such a strategy already existed. 82% of respondents indicated that there is a large demand for such a strategy. 10% of respondents believed that such a strategy already existed, with this view more widely held within the Protein & Oilseeds, Cereals, Fruit & Vegetables and Generalist sectors.

The key exceptions were in Dairy and Pig & Poultry sectors where no respondent felt that such a strategy existed.

Counts Analysis % Respondents	Total	Do we need to develop a joined up cross sector agriculture strategy?		
		Yes	No	Already exists
<b>Base</b>	<b>65</b>	<b>53</b> 81.5%	<b>6</b> 9.2%	<b>7</b> 10.8%
<b>Which sector are you from?</b>				
<b>Cereals</b>	<b>12</b>	10 83.3%	1 8.3%	2 16.7%
<b>Protein &amp; Oilseeds</b>	<b>5</b>	5 100.0%	-	1 20.0%
<b>Fruit &amp; Vegetables</b>	<b>11</b>	9 81.8%	-	2 18.2%
<b>Dairy</b>	<b>6</b>	5 83.3%	1 16.7%	-
<b>Beef &amp; Lamb</b>	<b>11</b>	10 90.9%	-	1 9.1%
<b>Pig &amp; Poultry</b>	<b>9</b>	8 88.9%	1 11.1%	-
<b>All agriculture</b>	<b>29</b>	22 75.9%	3 10.3%	4 13.8%

**Comments**

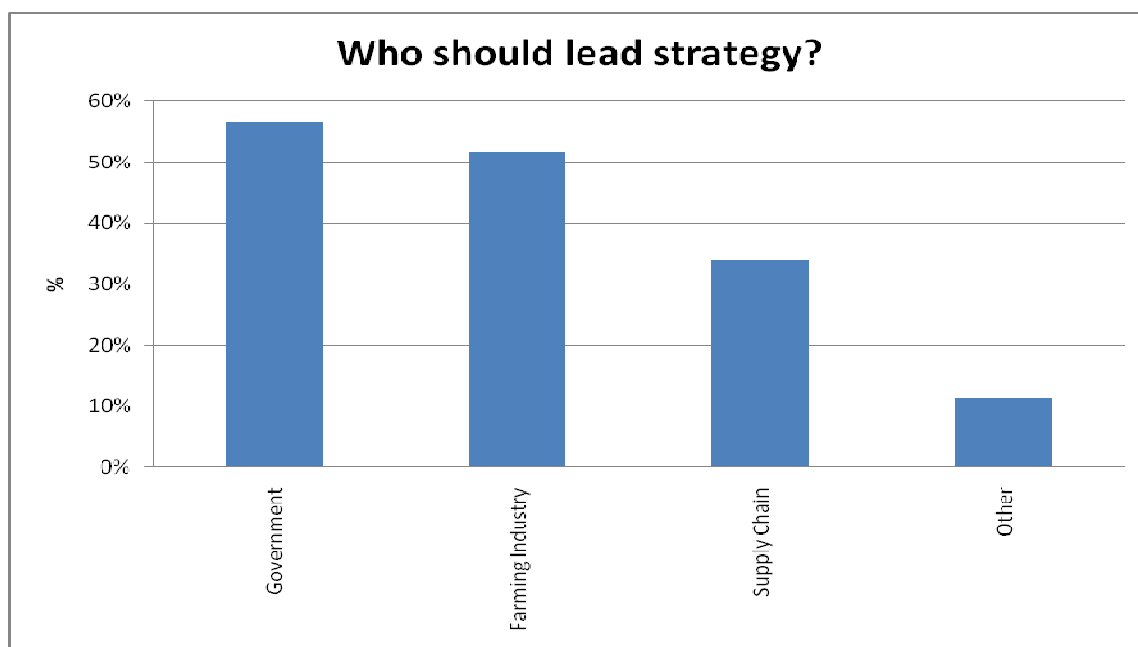
*Need coherent sector strategies first to underpin it. Dairy*

*The Campaign for the Farmed Environment and Defra's Farming for the Future Programme represent strategic visions for the future of agriculture. Dairy*

*We could go further and say we need a cross food - chain strategy. Generalist*

**Who in your opinion should be leading this strategy?**

If a cross-sector strategy was to be developed then overall respondents feel that government would be slightly better placed to lead this *but* in conjunction with the farming industry. These views were consistent across the majority of sectors however, respondents in Dairy and Beef & Lamb are more favour of the farming industry leading the strategy. Noticeably relatively few respondents felt that the supply chain should lead the industry and very few (11%) felt that responsibility should be shared by a combination of the government, the farming industry and the supply chain



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**Comments**

*Has to be government and farming industry. Government has to have an input prompted by the farming industry. Similar to the approach for the Dairy Supply Chain Forum which aims to undertake horizon scanning and come up with a 5 year plan.*

*Market volatility changes so much so a joined up strategy could help even out fluctuations across the sectors. So government, farming and supply chain should work together.*

*The farming debate is a political decision they need to allocate the resources, then it is up to the businesses to find the most efficient market solution to that framework.*

*There should be a joined up approach for leading the agricultural strategy and government would be secondary to the farming industry and supply chain in taking the lead.*

*Needs to be lead by a joined up chain which is then supported by government.*

*But the problem would be identifying and agreeing who would lead/do this as there are so many individuals and organisations within the industry each with their own agendas, hidden or otherwise. It should be an agriculture strategy created by agriculturalists.*

**Do you consider that agriculture has a role to play in wider society within the UK?**

All respondents consider that agriculture has a role to play in wider society in the UK. For the most part the opinions can be summed up with the following comments which are typical of the many made.

**Comments**

*Environment, countryside, health and nutrition of products produced, food security and education.*

*Social cohesion in rural communities, employment in rural areas and in improving environmental standards.*

*Socio-economic and the environment. There needs to be greater recognition i.e., for eco-system services, landscape value and socio-dimension to rural communities which don't receive recognition at the market.*

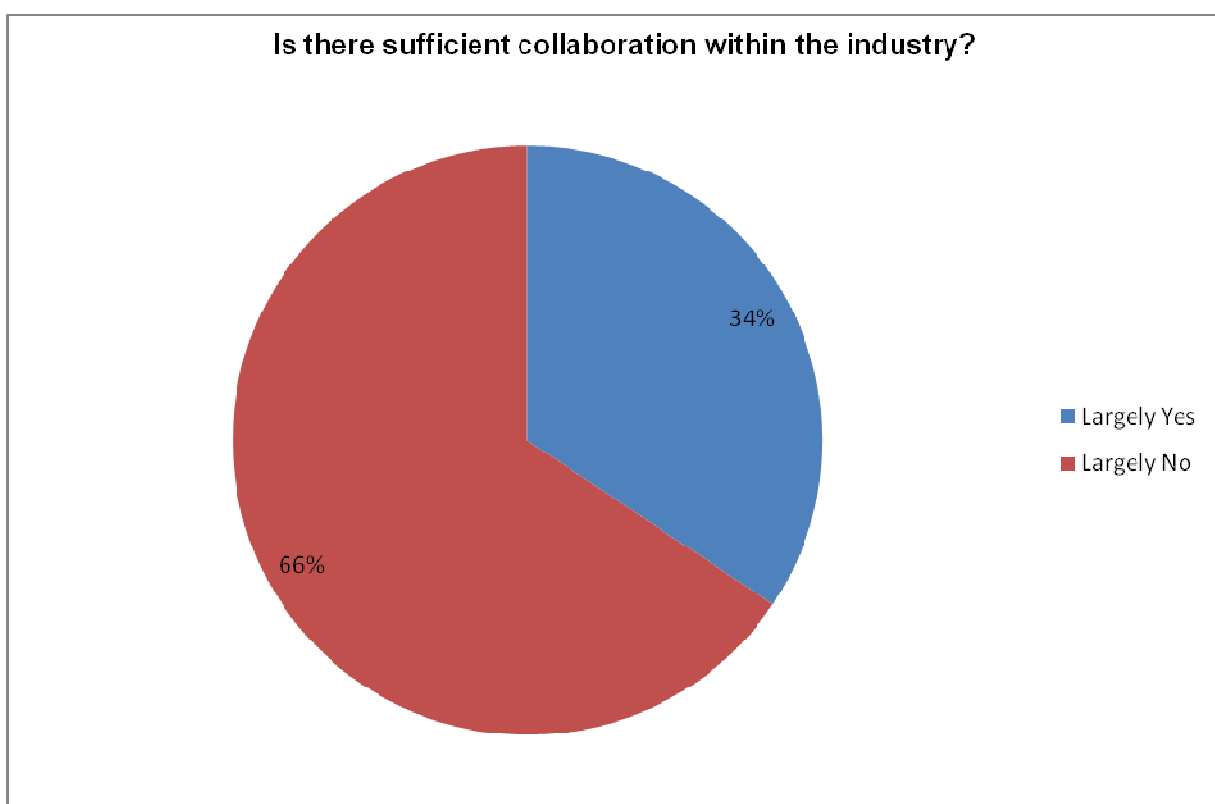
*Partly tourism in some areas of the country. Partly education. Also food security. Without agriculture, a lot of rural areas just don't work.*

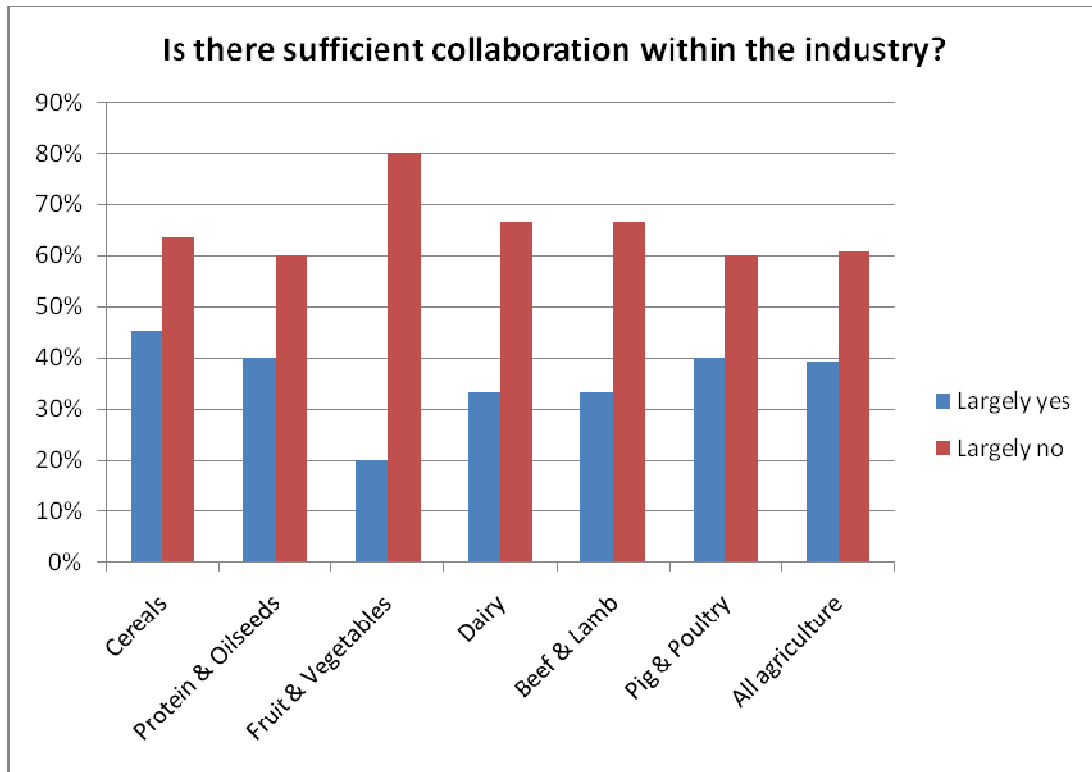
*People should understand dependence and importance of food, in terms of wellbeing and diet. Gateway to nature should provide access.*



**Is there sufficient collaboration within the industry?**

Overall, respondents feel that there is not sufficient collaboration within the agriculture industry. This view is consistent across all sectors with only respondents from the Cereals sector being slightly more positive towards the level of collaboration than others.





**Comment**

*Vertically, there is sufficient collaboration, horizontally not but not necessary - Cereals*

*Historically no - but it is improving and this must continue. To address a lack of collaboration across the industry, in 2002 Defra created the Dairy Supply Chain Forum. This boosted the level of collaboration but more can be done. - Dairy*

*Collaboration is a bad word; lip service is paid to it - Beef*

**What would help agriculture deliver more value to society?**

The key point to this question was that everyone felt that there should be more communication from the agriculture industry to raise awareness of the value of agriculture amongst members of the public and more joined up thinking within the industry to ensure this happens.

**Comment**

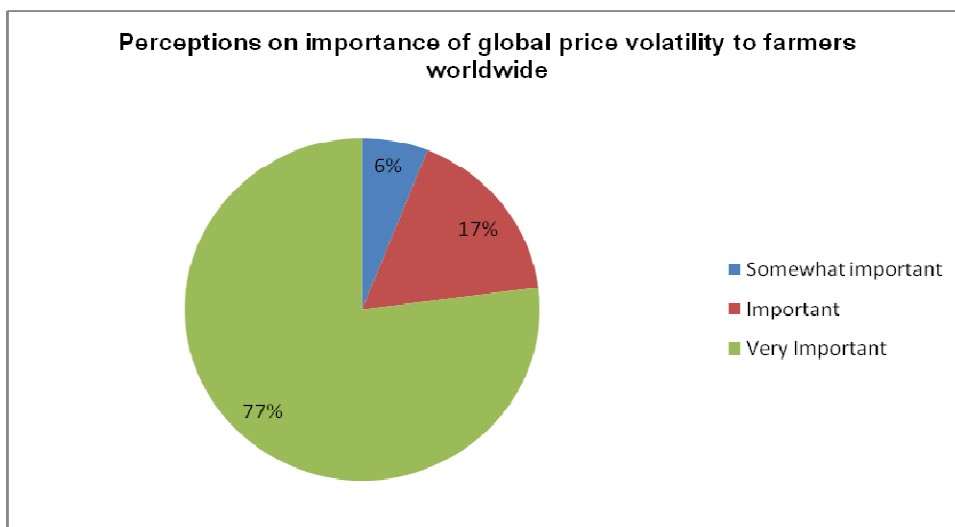
*I strongly believe that the public have an abysmal knowledge of where food comes from or what agriculture delivers in terms of care for the environment, countryside issues and have no appreciation of the value agriculture does deliver so anything to increase public awareness would help. I think agriculture has to recognise that it needs to earn the right to deliver more to society. Needs to stop moaning and stop the view that "British is Best" and wake up to the fact that it is a global market.*

*More farmers should engage with kids and the public generally. The industry should not shut itself off. More cooking, growing etc should be encouraged.*

*More openness and more engagement with end customers. Farmers should go shopping more! Customers appreciate the direct contact. Farmer gets value. Farmers need to be enthused to shape their own destiny.*

**In your opinion, how important is global price volatility to farmers worldwide?**

Global price volatility was seen as very important (77% of respondents) to farmers worldwide with all respondents indicating that volatility is important.

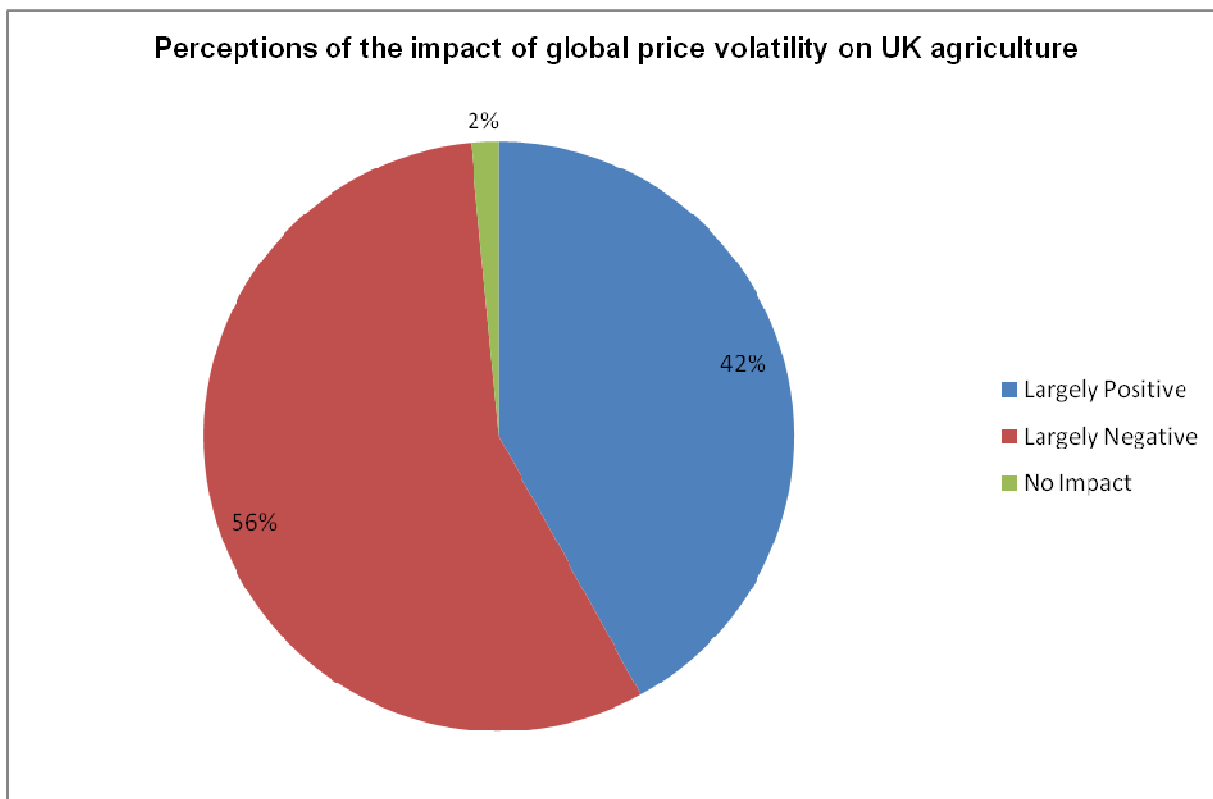


**Comment**

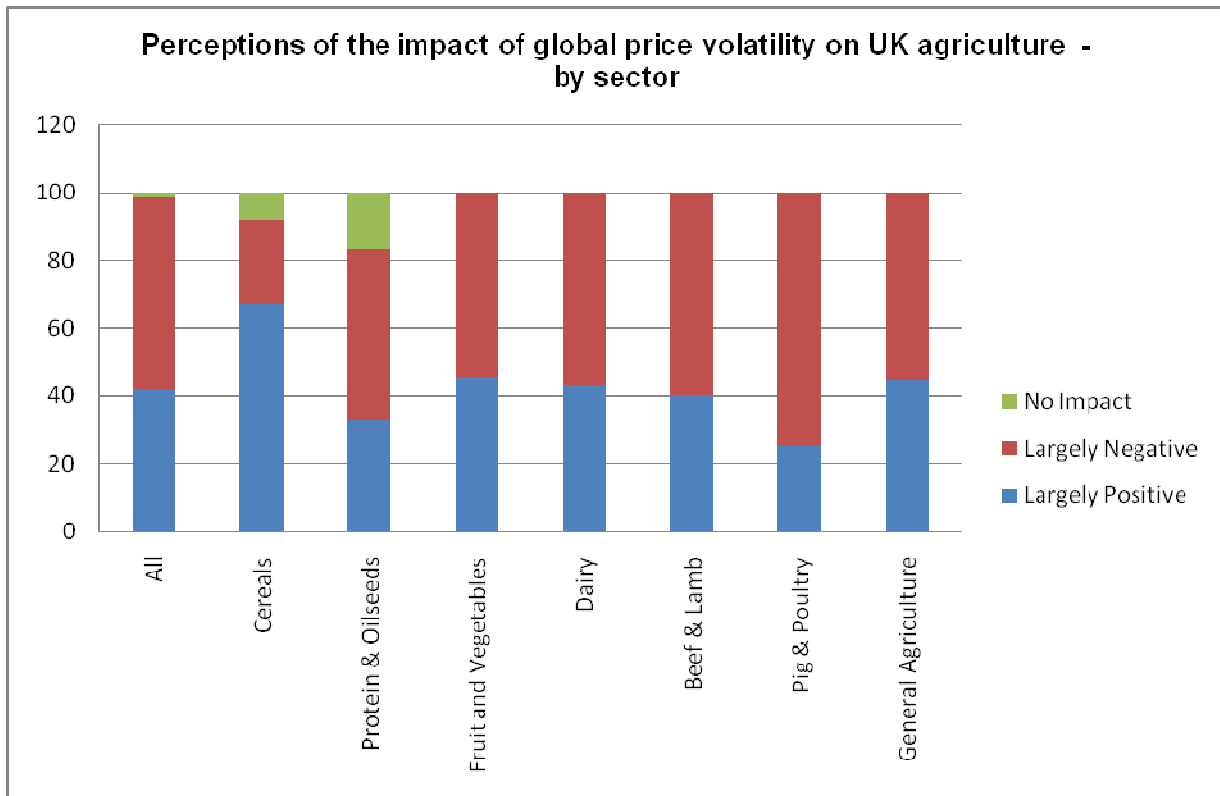
*Farmers are clearly concerned by volatility but they should not focus on price alone. Costs and yields also suffer from volatility. It is more important to focus on price compared to costs (margins and competitiveness). Income volatility (rather than price volatility) is therefore a more important feature of farming worldwide*

*It's a hugely important issue that affects individuals' ability to be able to forecast profitability. This in turn has a big impact on ability to borrow from banks, creating working capital challenges for SMEs. For large businesses like ours, volatile price inflation is unhelpful as we fix prices with clients at catering service level, so we have to absorb any price increases. Price stability should be a goal to all - apart from commodity speculators of course!.*

**What impact do you think that this volatility will have on UK agriculture?**



Predominantly it is thought that global price volatility will have a largely negative impact on UK agriculture. Only respondents in the Cereals sector consider price volatility to be largely positive. The sector that appears to be most negatively impacted is Pig & Poultry, as rated by the majority of the respondents in this sector (75%).



However, the comments below illustrate the differences in opinions across all sectors. Some respondents feel that price volatility will make the industry more focussed and that the best farmers will benefit, however, others feel that the uncertainty will lead to problems in investment and planning for the long term.

**Positive comments**

*For example, the low Russian wheat yield has affected cereals prices, raising that achieved for UK farmers.*

*If we play our cards right, what one sector does will affect the others -peaks and troughs are more frequent we should be smarter and collaborative.*

*It gives greater recognition of where some market value is and what mechanisms there are and gives opportunities to extract more value from that.*

*Prices, generally trend line higher than previous decades. Volatile prices tend to favour those farmers able to adapt more quickly to changing market circumstances which British farmers tend to be good at.*

*It will eventually bring out the best of some of UK agriculture's very best.*

*We need a sustainable farming industry in the UK which needs to be profitable - the volatility with make people focus on this more.*

### **Negative Comments**

*Inability to plan whilst experiencing high levels of volatility*

*For tenants especially, it's hard to plan when it's not a stable environment.*

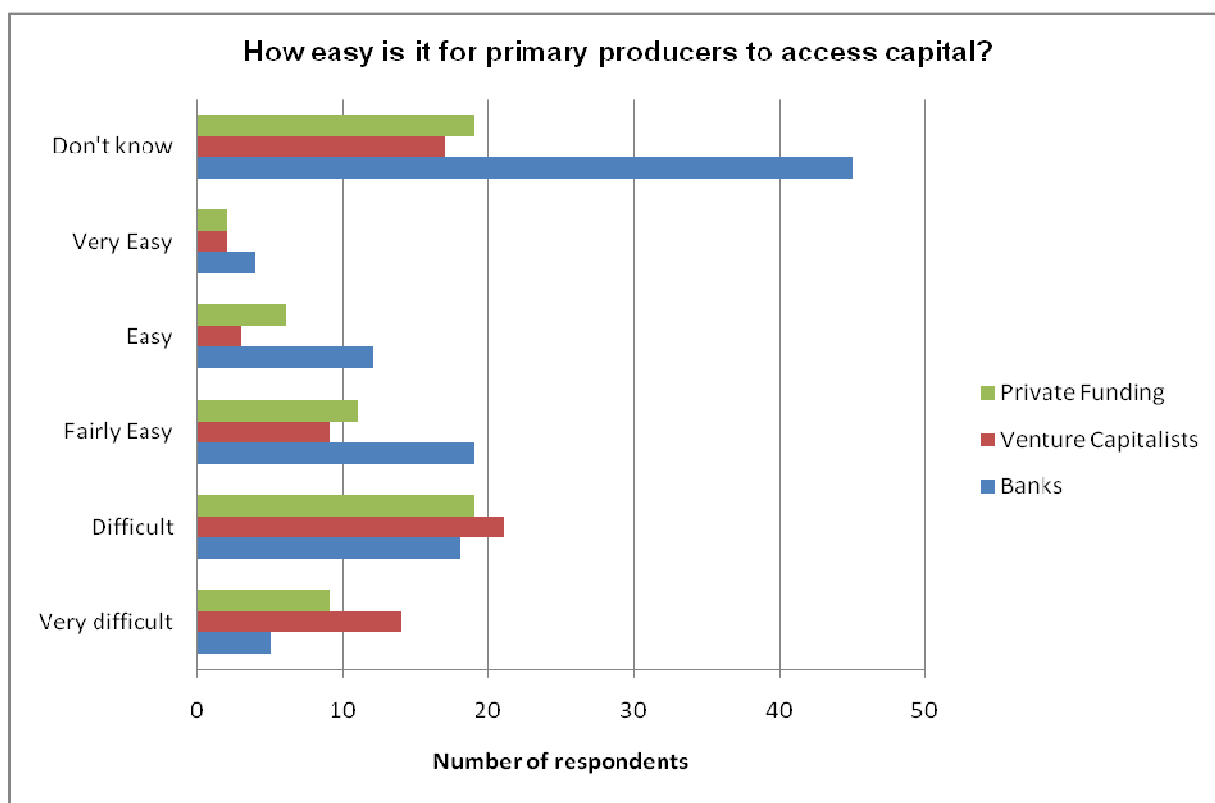
*It depends on how you deal with it and if you deal with it properly. I think it can be an opportunity but I don't think the UK agricultural sector will respond well because of the "head in the sand" mentality. It's hugely important issue that affects individuals' ability to be able to forecast profitability. This in turn has a big impact on ability to borrow from banks. Creating working capital challenges for SMEs. For a large business like ours, volatile price inflation is unhelpful as we fix prices with clients at a catering service level, so we have to absorb any price increases. Price stability should be the goal of all - apart from commodity speculators of course!.*

*It is difficult for farmers and processors to recover increased costs through pricing through retailers "too little too late". Producer bears the costs.*

*Because prices are changing so rapidly, it makes it impossible for farmers to plan their business. For example, if finishers buy stock cattle at a price based on his intended sale price by the time he has come to sell, the costs will have sky rocketed so that he cannot even break even. All these costs are outside his control.*

### How easy is it for primary producers to access capital?

We asked respondents to comment on the ease of access to capital for primary producers from a number of sources and about 23% of respondents could not comment or had no experience of seeking access to capital. On the whole it is still considered difficult for primary producers to get funding, although funding from banks is more readily available than from the other sources. A number of respondents commented that a lot of the funding decision depended on whether or not the applicant had adequate security for the loan; i.e. it was therefore probably easier for farmer owners to get funding than for tenant farmers but also where farmers had a good business plan, it was regarded that this would make access to funding easier.





**Comment**

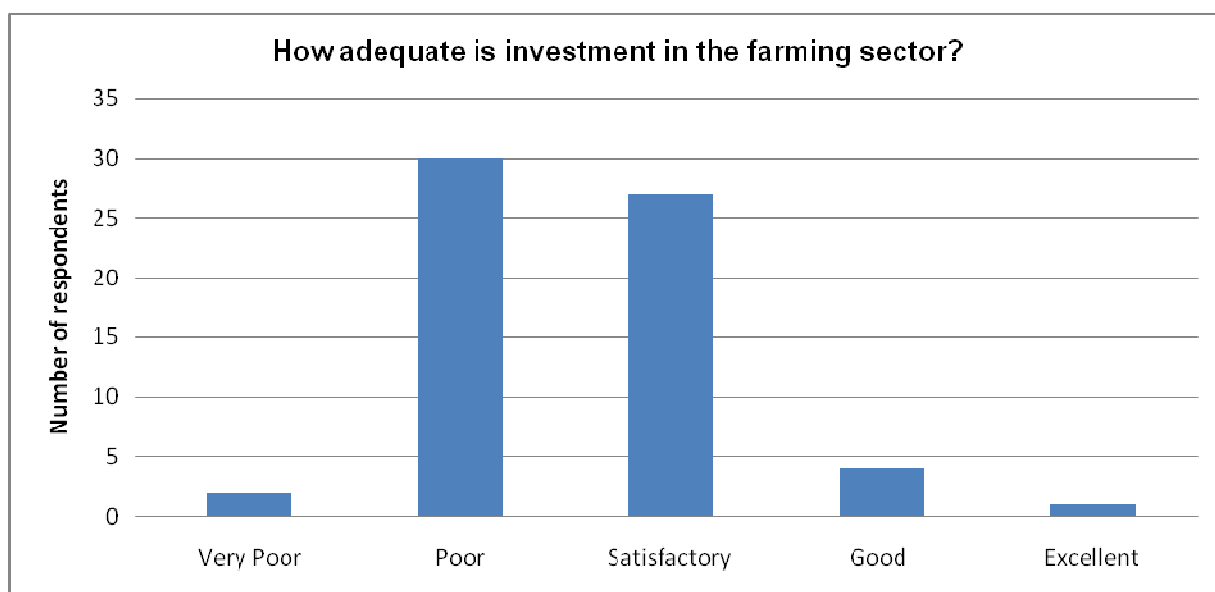
*Access to capital is not as easy as it was but it's easier for farming than it is for other industries as usually farmers have assets to off-set against the capital.*

*Generally, the high levels of collateral available to many producers (i.e., fixed farm assets) make access to capital relatively easier compared to others who require capital. Although access to capital has been more difficult across the whole economy recently due to the economic crisis, lending to agriculture has been less affected than other sectors for these reasons. It is worth drawing a distinction, however, between producers who are owner-occupiers and tenant farmers, who may find access to capital more difficult.*

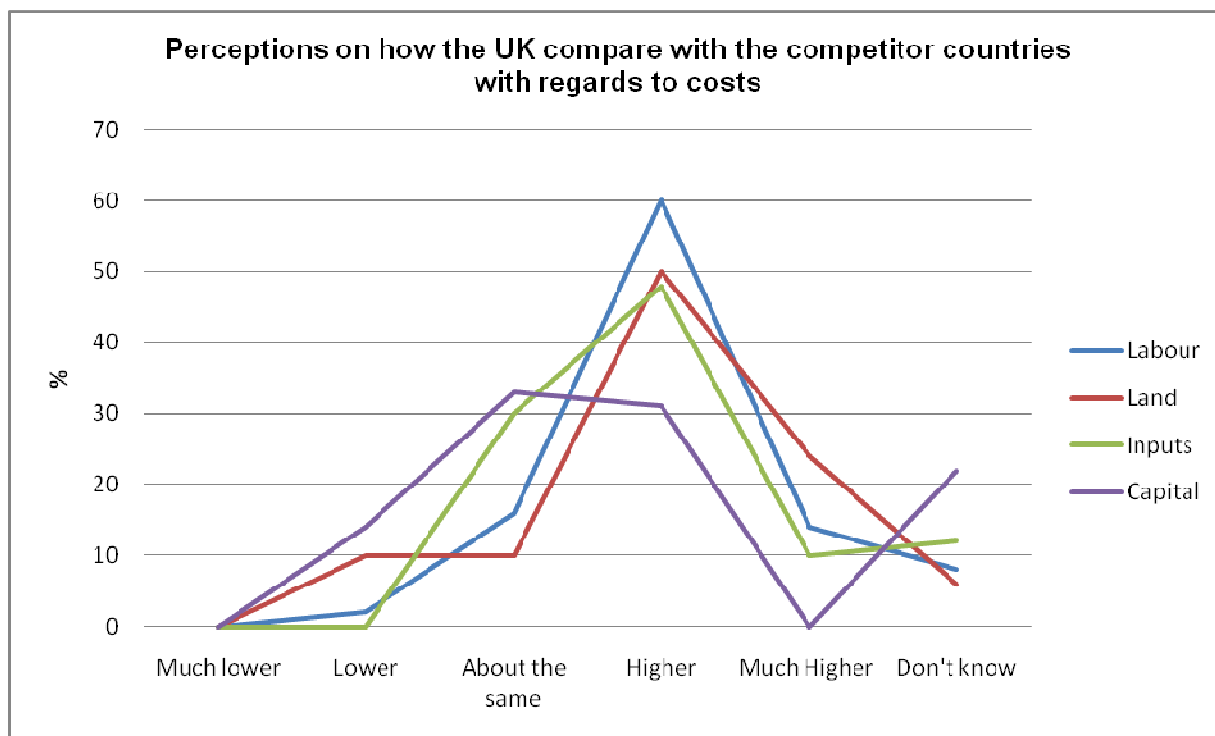
*Whether or not producers can get capital really depends on their accounts and profitability and also on the banks {lenders} ability to see the long term potential in that producer's business.*

### How adequate is investment in the farming sector?

Levels of investment in the farming sector are generally considered to be poor to satisfactory with 47% of respondents citing poor and 42% stating that it was satisfactory. Just a small minority of 8% considered investment to be good or excellent. A further 3% categorised investment in the farming sector as very poor.



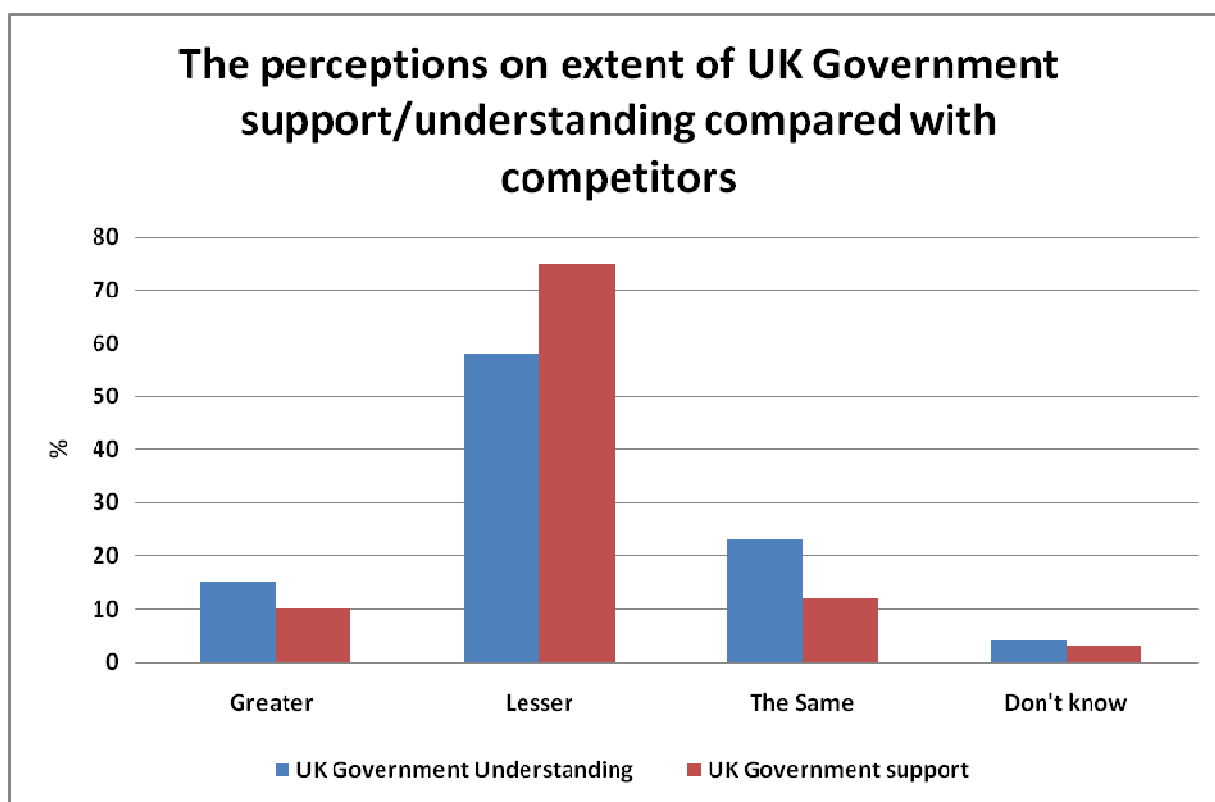
**How does the UK compare with the competitor countries with regards to costs**



The UK is seen overall as having higher labour, land and input costs than the competitor countries but that generally, capital costs are about the same. However a number of respondents explained that this varied according to whether the comparison was between other European Countries or countries in the less developed world.

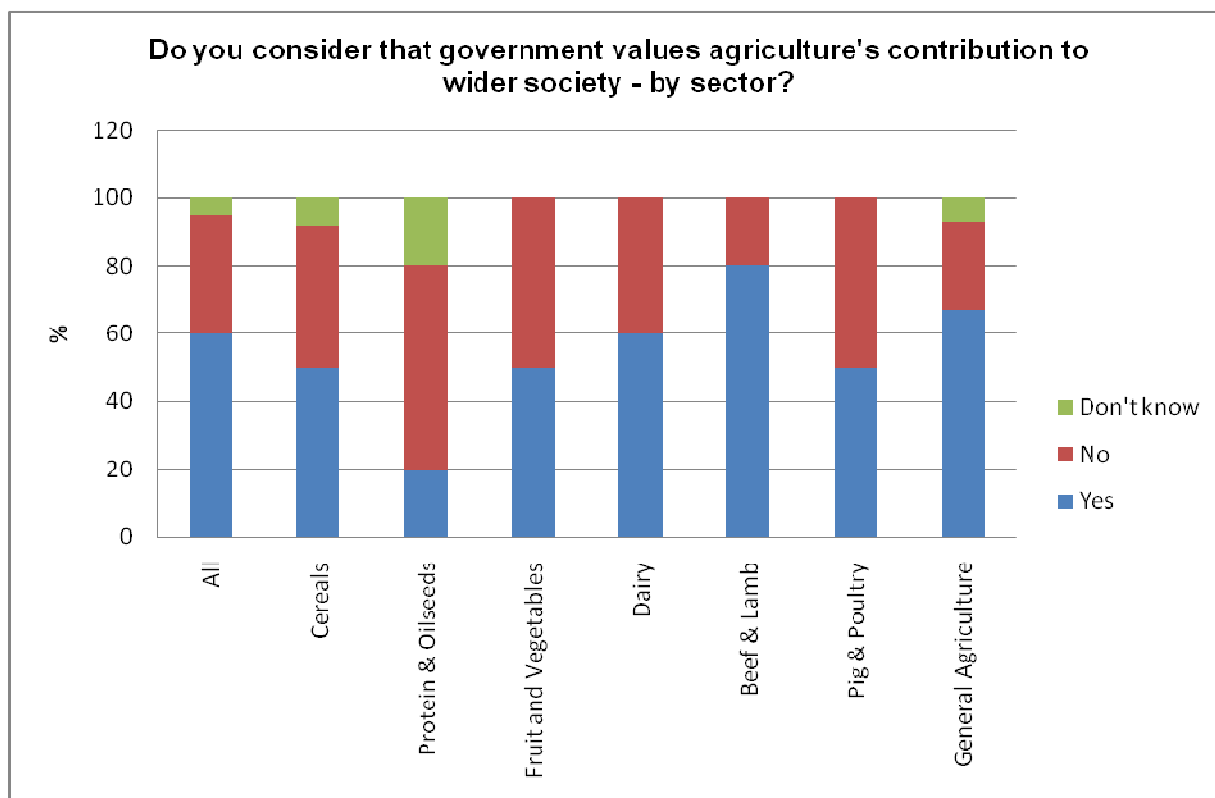
**Do you think that the UK government understands/supports agriculture to a greater or lesser extent than governments in the competitor countries?**

We questioned respondents' attitudes towards the extent to which the UK government understands and supports agriculture in this country relative to the competitor countries and overall the feeling is that UK Government understands and supports agriculture in this country to a far lesser extent than other governments.

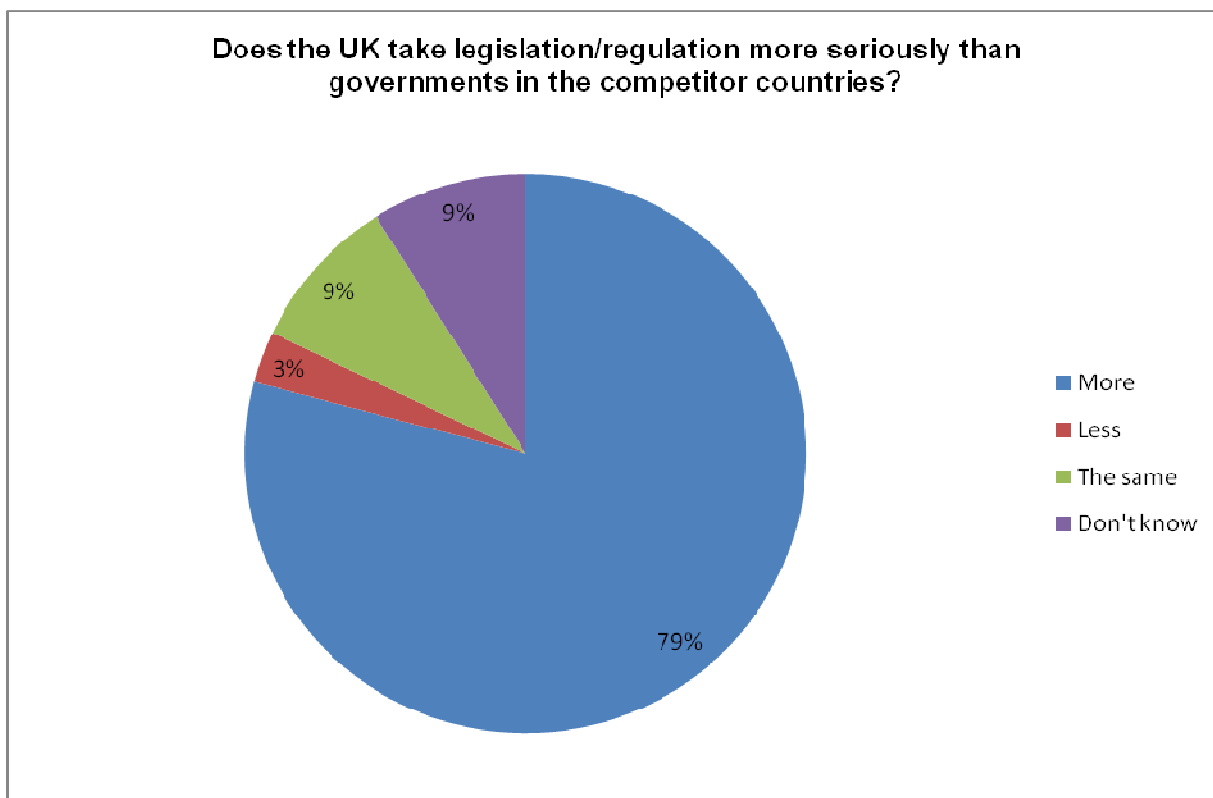


**Do you consider that government values agriculture’s contribution to wider society?**

The majority of respondents (60%) consider that the government does value agriculture’s contribution to wider society. However, variances exist when looking at the responses by sector. The Beef & Lamb sector gave the highest response (80%) followed by Dairy (60%) and Cereals (50%). Respondents in Proteins & Oilseeds sector gave the lowest response, with just 20% of the view that government values agriculture’s contribution to society.



**Does the UK take regulation/legislation more seriously than governments in the competitor countries?**



Nearly 80% of respondents believe that the UK takes legislation/regulation more seriously than governments in the competitor countries and this view is consistent across sectors.

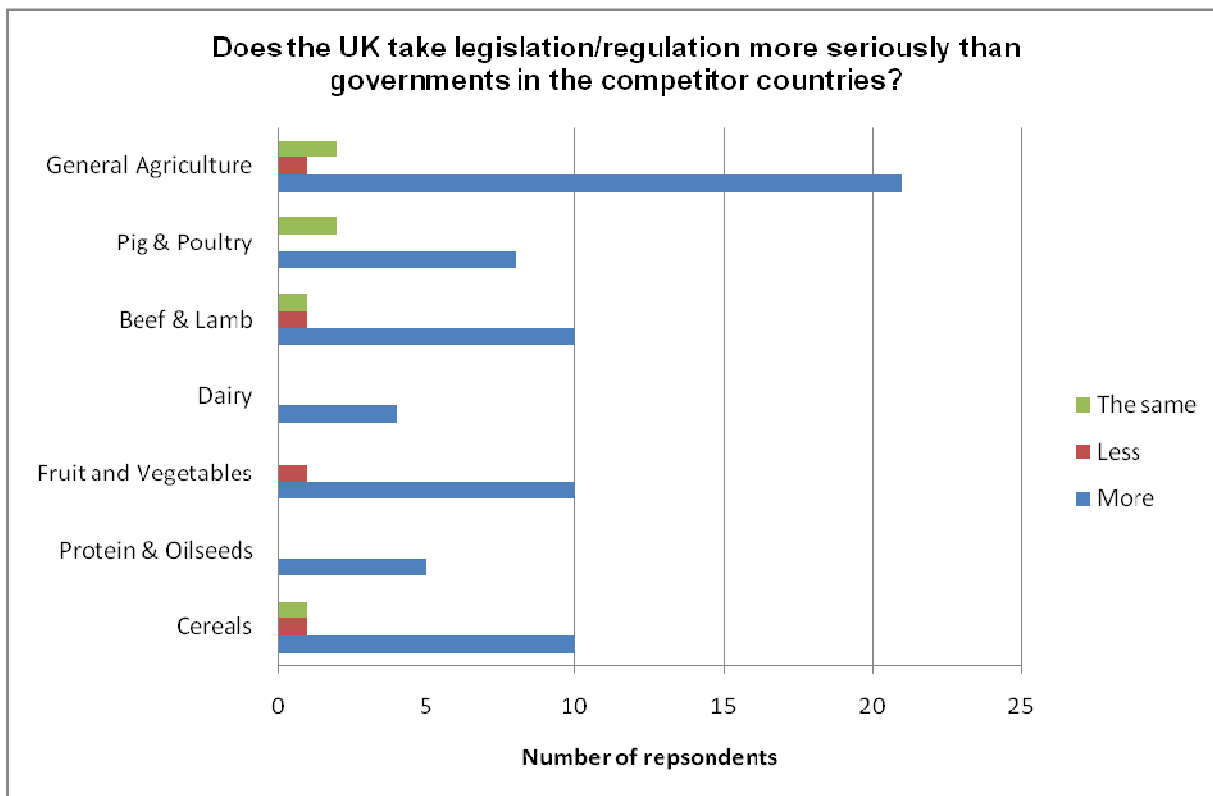
**Comment**

*Penalties are imposed if UK farming doesn't follow legislation so we follow it to the letter. When I talk to my opposites in other countries about how to handle particular situations, they look blank because they are just not regulated to the same extent as we are in the UK.*

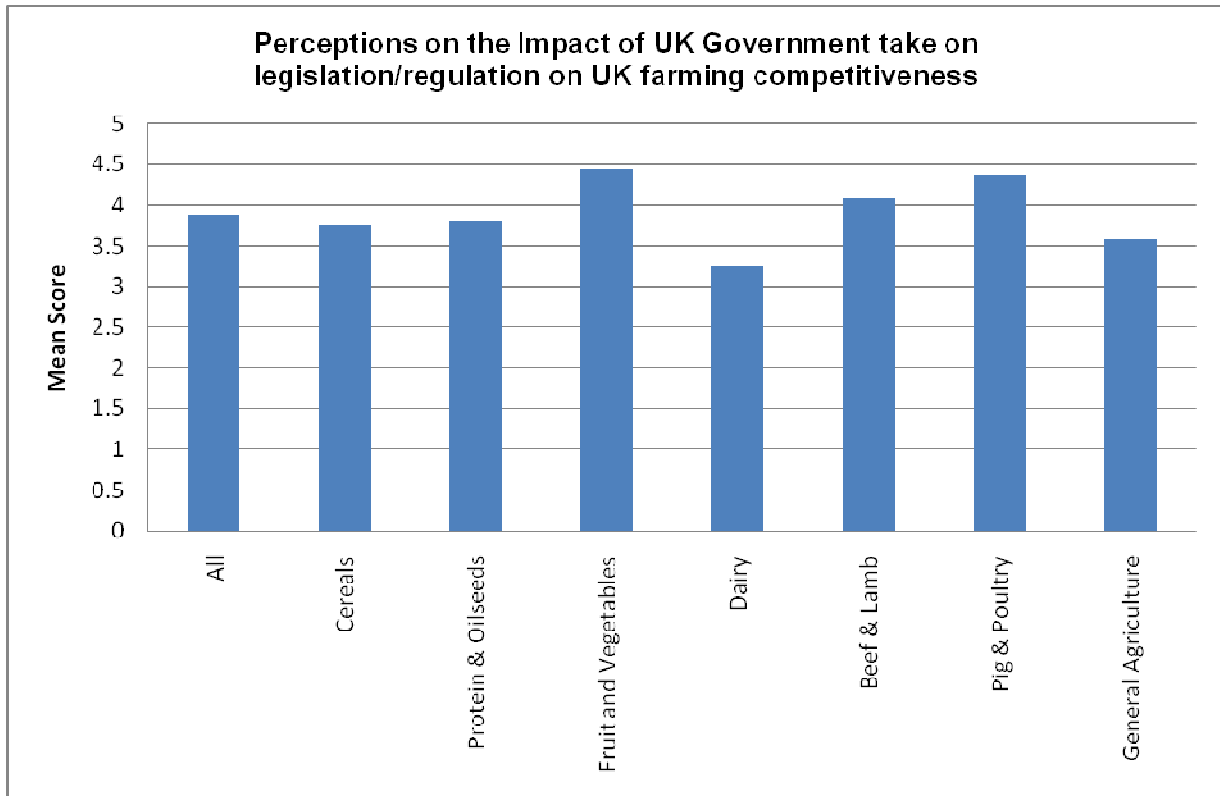
*In the UK, a regulation is something we must conform to. In some other countries, a regulation is something you try to achieve (a goal).*

*Regulation and enforcement are different but UK does it with limited common sense.*

*We tend to gold-plate legislative requirements.*



**What impact do you think this has on UK farming competitiveness?**



The UK government's take on legislation/regulation has a negative impact on the competitiveness of UK farming, with the overall mean response being 3.87 out of 5 (where 1 is No Impact and 5 is Great Impact). Looking at responses by sector, Fruit & Vegetables rated the impact at 4.45 followed by Pig & Poultry at 4.36 and Beef & Lamb at 4.09. Only respondents in Dairy feel that this has less impact on their sector, with an impact rating 3.25. Comments received were mainly negative.

**Comment**

*It makes us less competitive and possibly affects access to some products or services to help our business. i.e. GM crops - the UK government are trying to encourage R&D*

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*here, or rather not standing in the way of bio-tech R&D, but the regulations have impacted what could be done.*

*It affects the cost of production and the investment farmers are prepared to make in their farms and process plus it makes farmers feel uninspired as they are being told to regulate things that they have been doing quite happily for a very long time and often know better than the politicians who are imposing the regulation.*

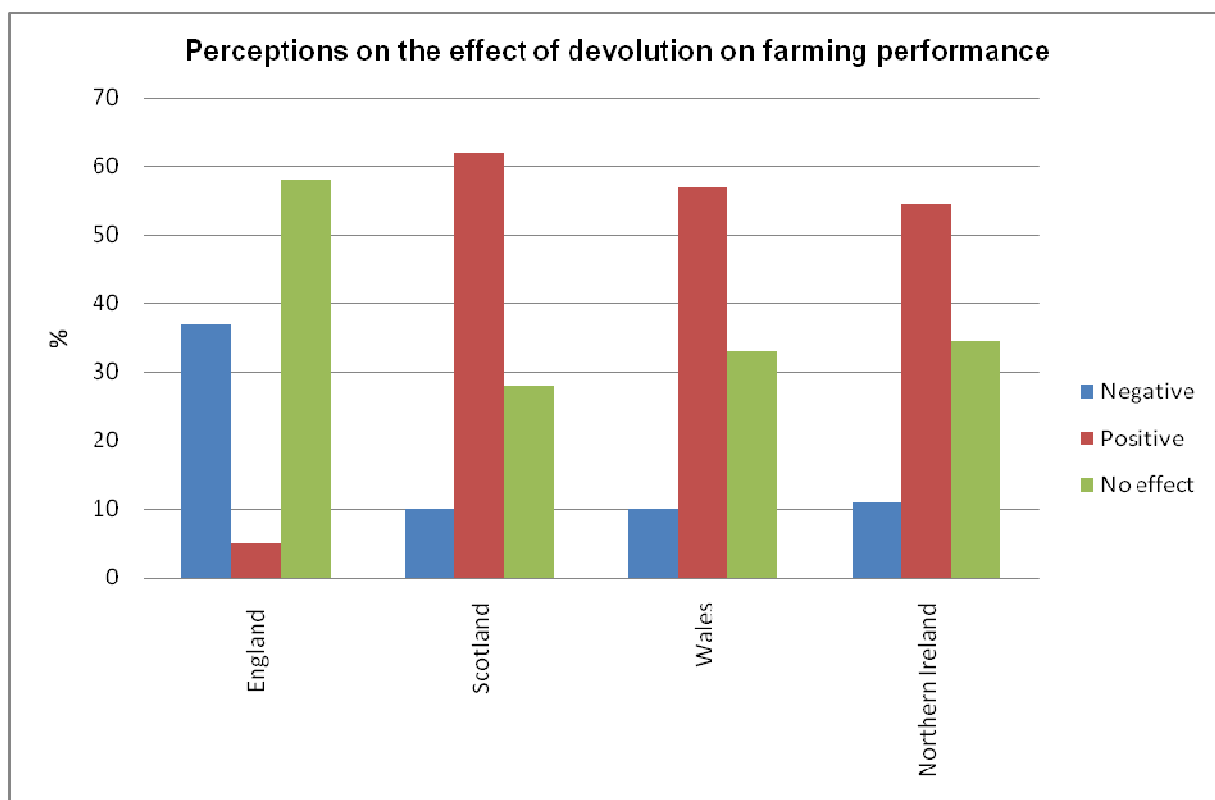
*Because we have to take legislation to extreme - builds in an extra layer of bureaucracy and cost.*

*It creates an uneven playing field.*

*In my sector, this is having serious effects on availability of crop protection products.  
(Fruit & Vegetables)*

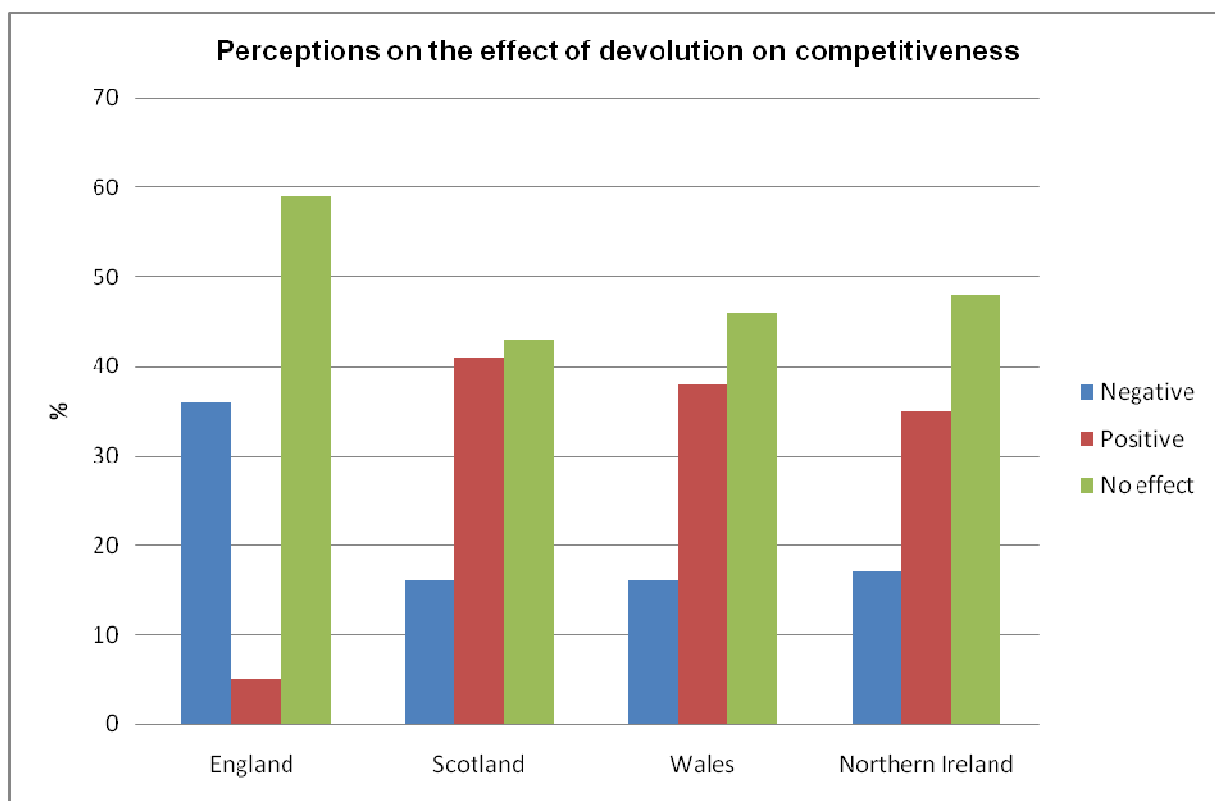
### The effect of devolution on farming performance and competitiveness?

The majority of respondents felt that devolution has either had no effect or a negative effect on farming performance in England but a more positive effect in Scotland, Northern Ireland and Wales. By farming performance we considered profitability and ease of conducting business in each of the countries.



#### Comment

*All on different support systems so trading between the countries, different animal health systems and infrastructuring. Costing the country to run this. Scotland is isolating itself.*

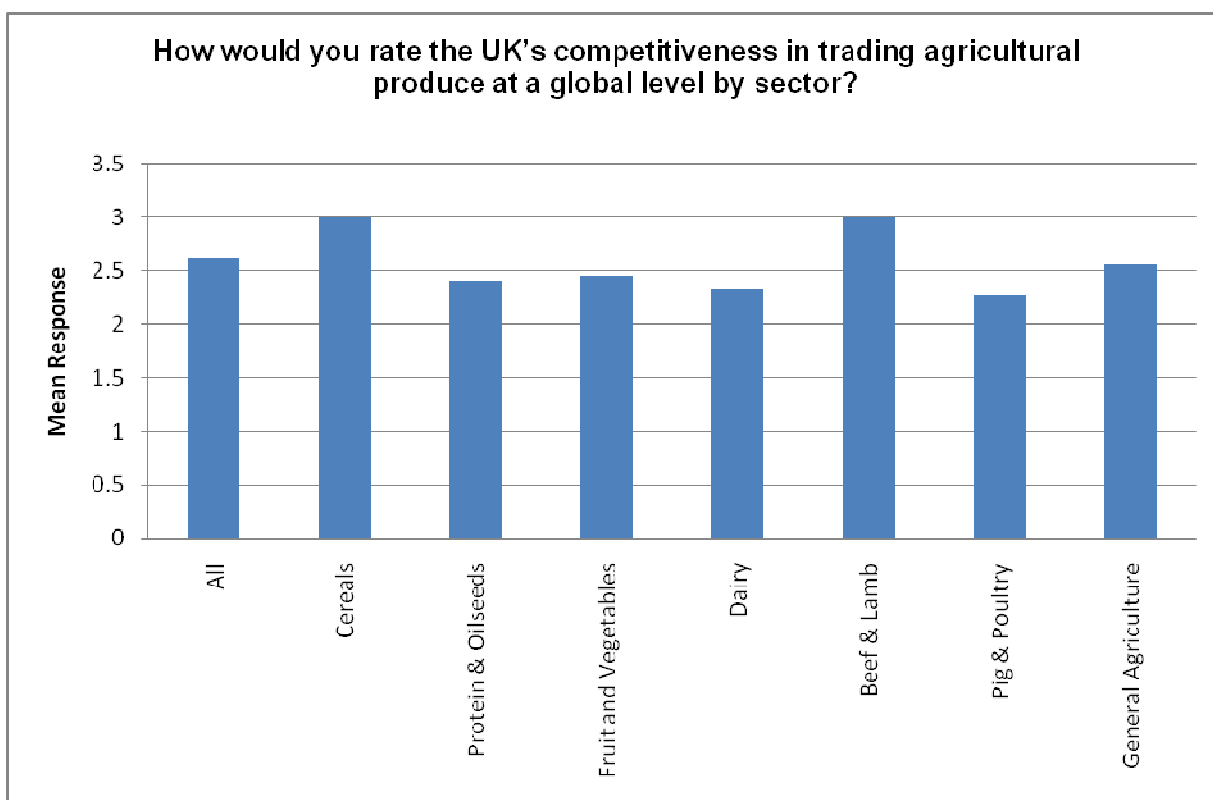


With regard to the effect on farming competitiveness, responses were split with a slight majority believing that devolution has had no effect with a slightly smaller percentage thinking that the effect has been largely negative in England. The country that is deemed to have fared best is Scotland.

**TRADE INCORPORATING SUPPORT**

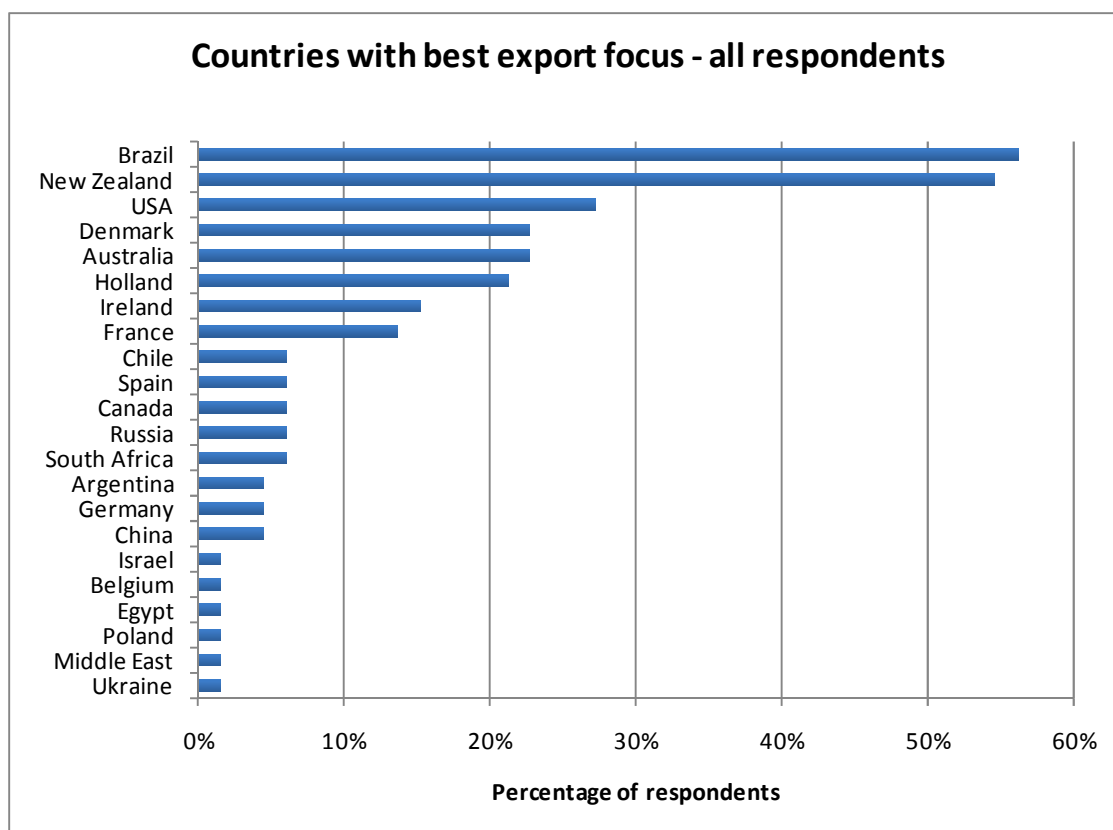
**How would you rate the UK's competitiveness in trading agricultural produce at a global level?**

The UK was rated as either poor or satisfactory at trading agricultural produce at a global level compared to the key competitors.

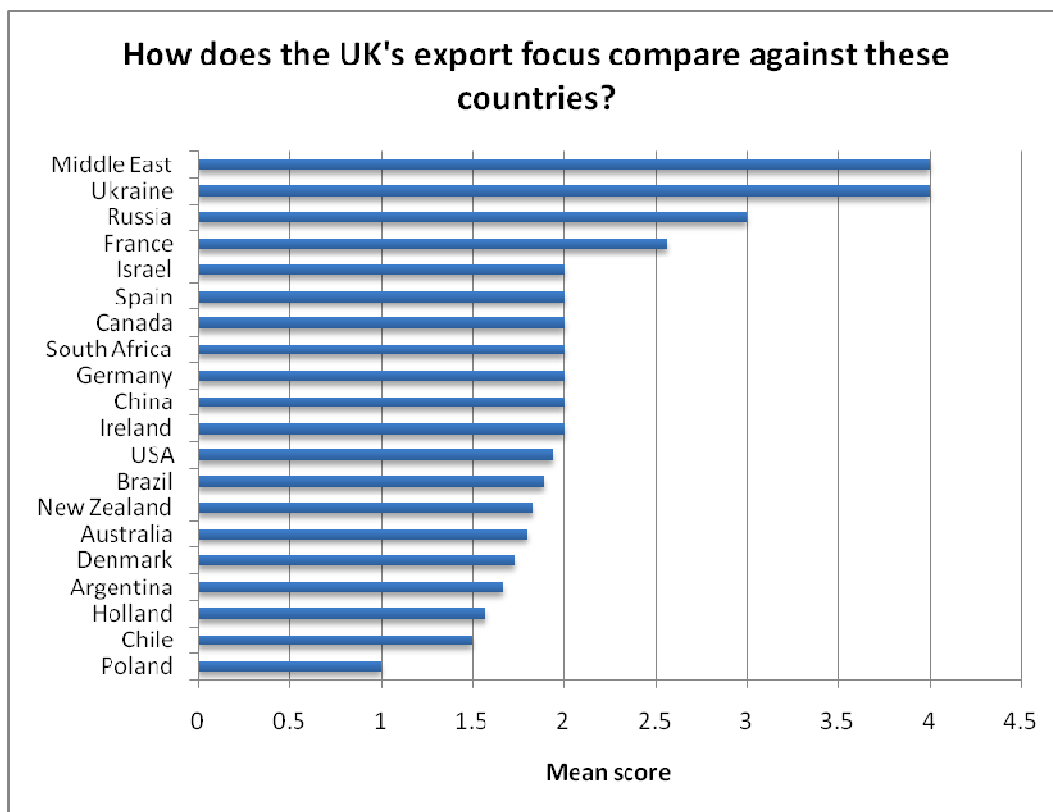


### Countries with Best Export Focus

Respondents were then asked to list 3 countries that they felt had the best export focus and to compare this focus with the UK.

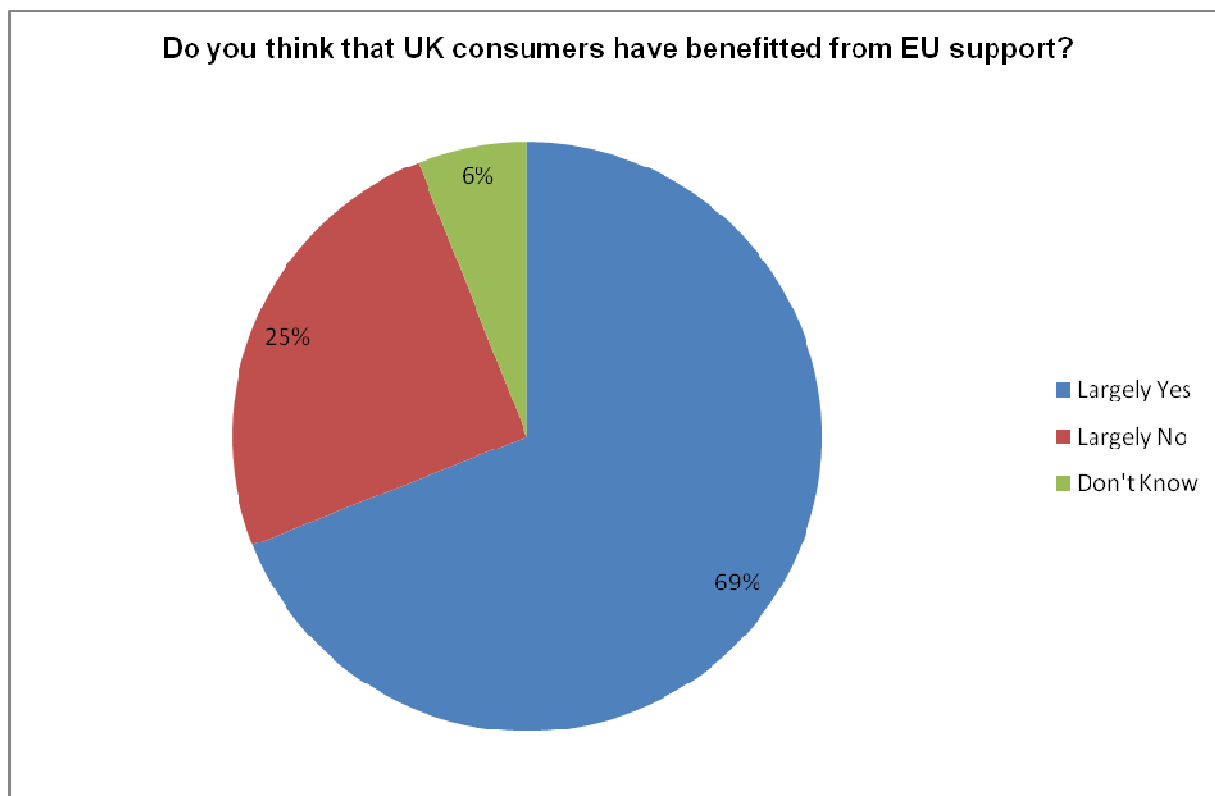


Brazil and New Zealand are overwhelmingly the most frequently cited as the top two countries in terms of export focus. A number of respondents also rate the USA, Denmark, Australia and Holland as having a good export focus. When compared to these countries, the UK generally performs poorly against the top countries. However a number of respondents pointed out that the UK does not need to perform well at exporting as it has a large domestic market and just occasionally has a need to export a surplus.



Scale: 1 = Very poorly, 2 = Poorly, 3 = Satisfactorily, 4 = Well, 5 = Very well

**Do you think that UK consumers have largely benefitted from EU support?**



Across all sectors it was felt by the majority (69% of respondents) that UK consumers had benefitted from EU support.

**Comment**

*Because they have been given a consistent supply of affordable food and have had money channelled to give environmental benefits and fund landscapes and biodiversity projects.*

*Cushioned from big price rises. Food has never been so cheap.*

*Cheap food. Investment in agriculture and horticulture made UK farming more efficient and able to increase yields and quality sold at lower prices- excellent value to tax payer.*

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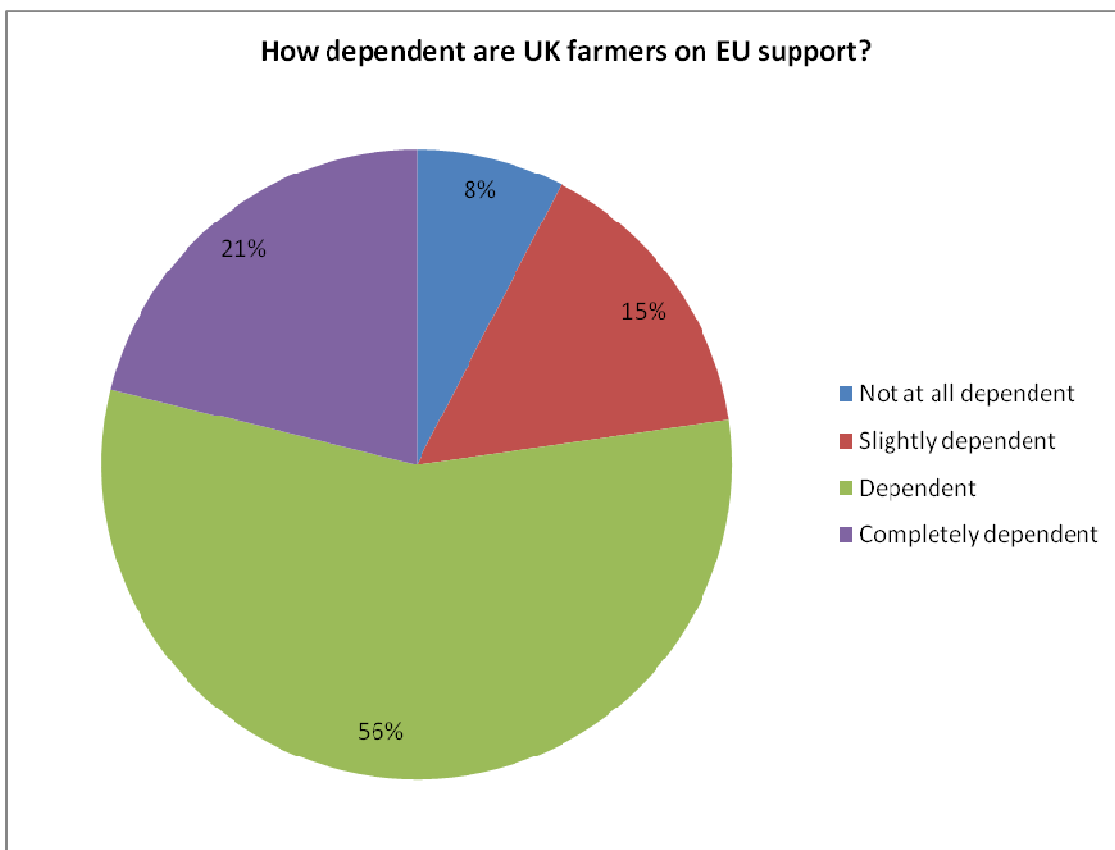
Where the respondents felt it had not benefitted consumers the following comments were made.

*Yes - for those who are not tax payers. No - for those who ARE tax payers. No real net gain.*

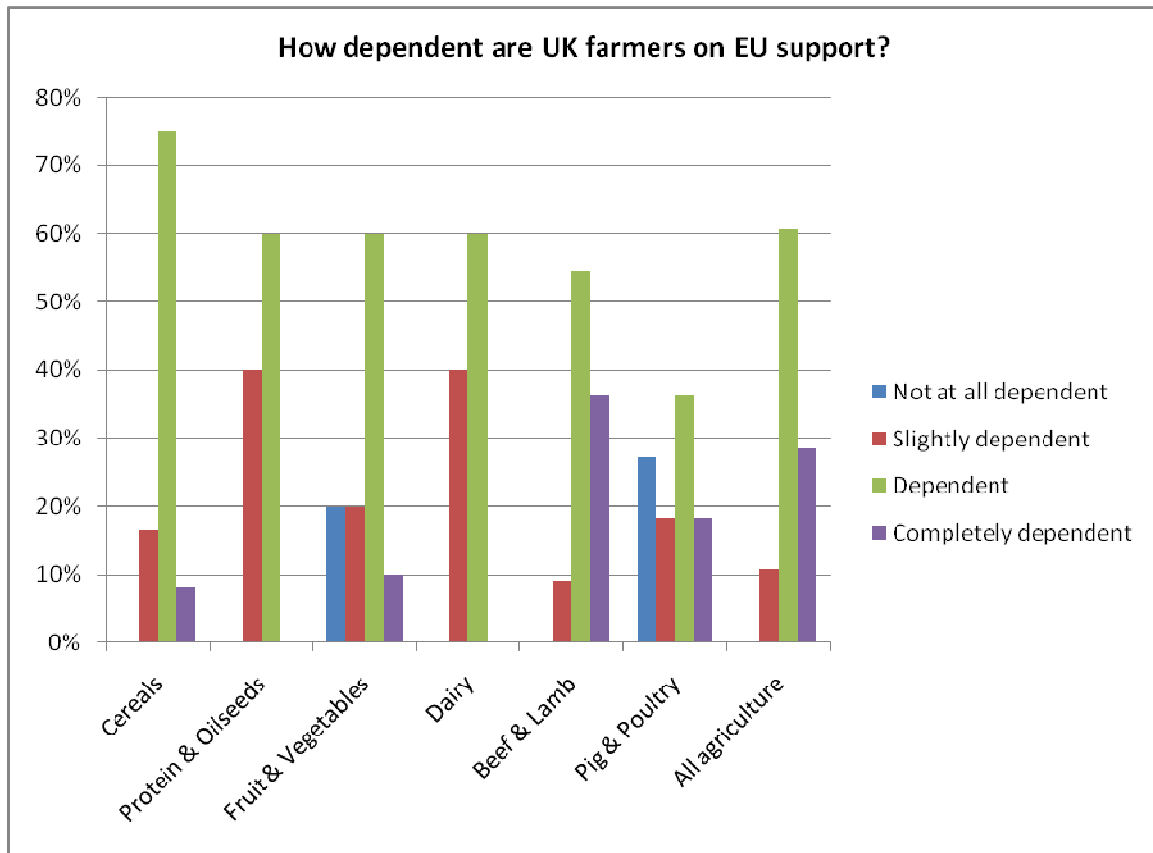
*It has kept agriculture dependent on "yesterday" while the multiple retailer has grown, to be far more influential than in other countries. The balance is wrong.*



**How dependent do you think UK farmers are on EU support?**



77% of respondents feel that UK farmers are either dependent or completely dependent on EU support. This view is consistent across sectors, with the only significant variances being that nearly a third of respondents from Pig & Poultry sector and a fifth of respondents from the Fruit & Vegetables sector stating that their farmers are not dependent on EU support.



**Comment**

*Direct support is valuable as most profits on farms equal the payment they are given. Without it they'd lose money and would stop producing and the country can't have that as we need food production and security.*

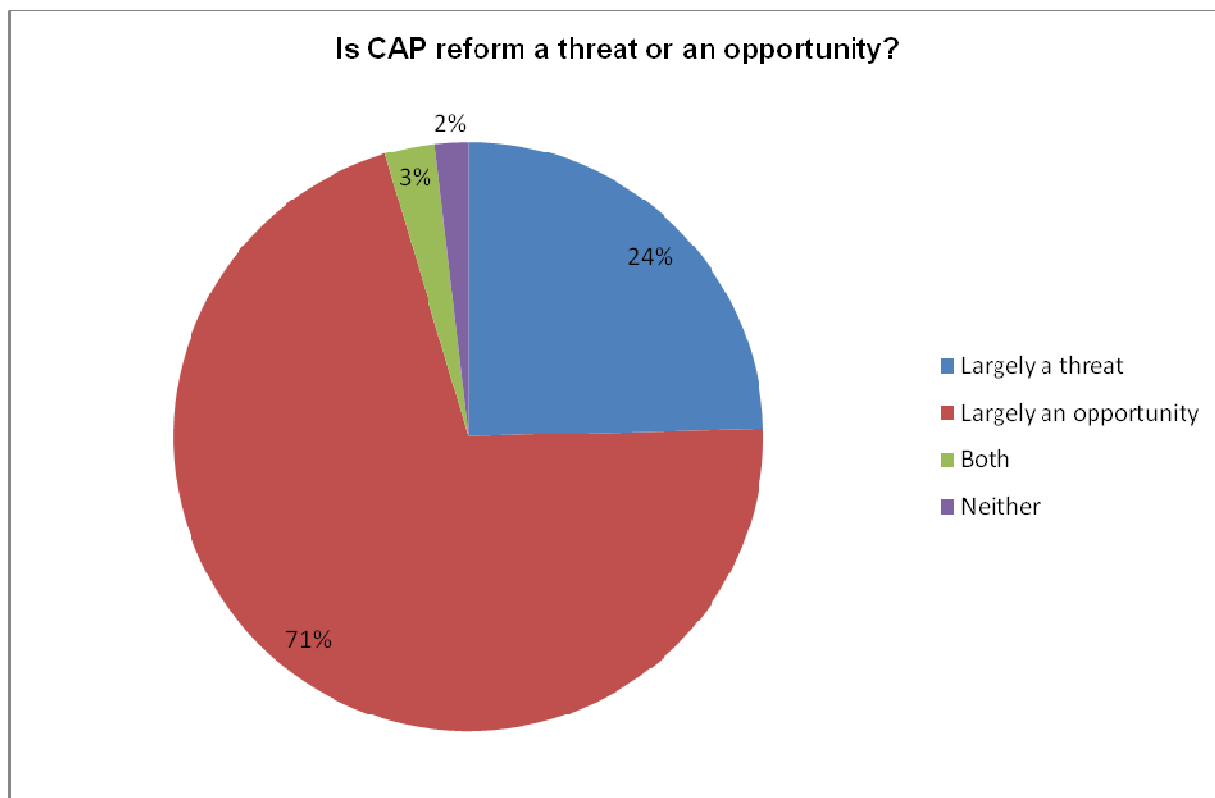
*I think prices are generally higher than they would have been with the absence of EU support.*

*It gives them their profit. It's giving farmers insight into how important marketing is in adding value.*

*We'd pay more for food. Consumers are paying farmers rather than at the till.*

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**Do you think that CAP reform is a threat or an opportunity for the UK?**



CAP reform is seen by 71% of all the respondents as largely an opportunity as it is felt that it will encourage the sector to be more commercial and to be driven by true market forces as opposed to making decisions on the basis of how that influences subsidies.

*Because it means that the sector will need to be more market orientated and not merely responding to EU policy.*

*If it's properly executed, helps farmers' transition to open competitive market.*

*Largely, we're dependent on subsidies as long as our direct competition are subsidised but with a level playing field, I believe that UK agriculture can be a competitive industry.*

*Current rules don't work that well. Change is an opportunity, more market orientation if things go well.*

*Because it will produce more business and more opportunities to farm and will not continue to prop up inefficient businesses that can't or won't ever change.*

*It is likely to give European agriculture more market focus playing to Britain's strengths.*

*Gives more flexibility in delivering goods and lets the market find its own level.*

Respondents that see CAP reform as a potential threat were concerned that the rationalisation that would be inevitable as part of the reform would be damaging and that the sector is not ready yet to lose the protection afforded by CAP.

*The government is not really sympathetic to the protection that CAP provides farmers .*

*UK farming would need to change significantly to cope with a removal of EU support.*

*For UK farmers - UK farmers would lose out because they are bigger than the new entrants to EU.*

A number of respondents think it is neither an opportunity nor a threat and that it is too soon to determine what the effect of CAP reform will be.

*Neutral on balance. There is a threat to some and complacency or arrogance would be disastrous. Opportunities for others are entrepreneurial ones.*

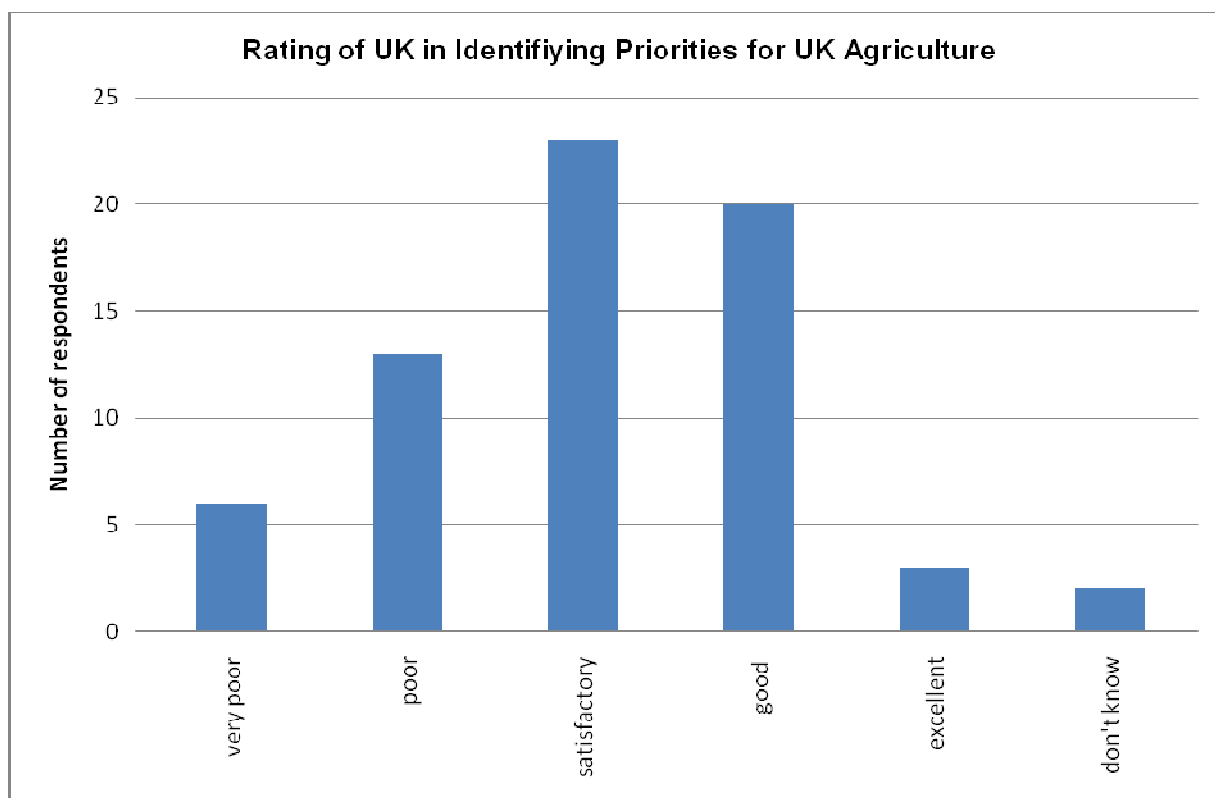
*Difficult to tell, depends on how it is restructured and how much government supports it.*

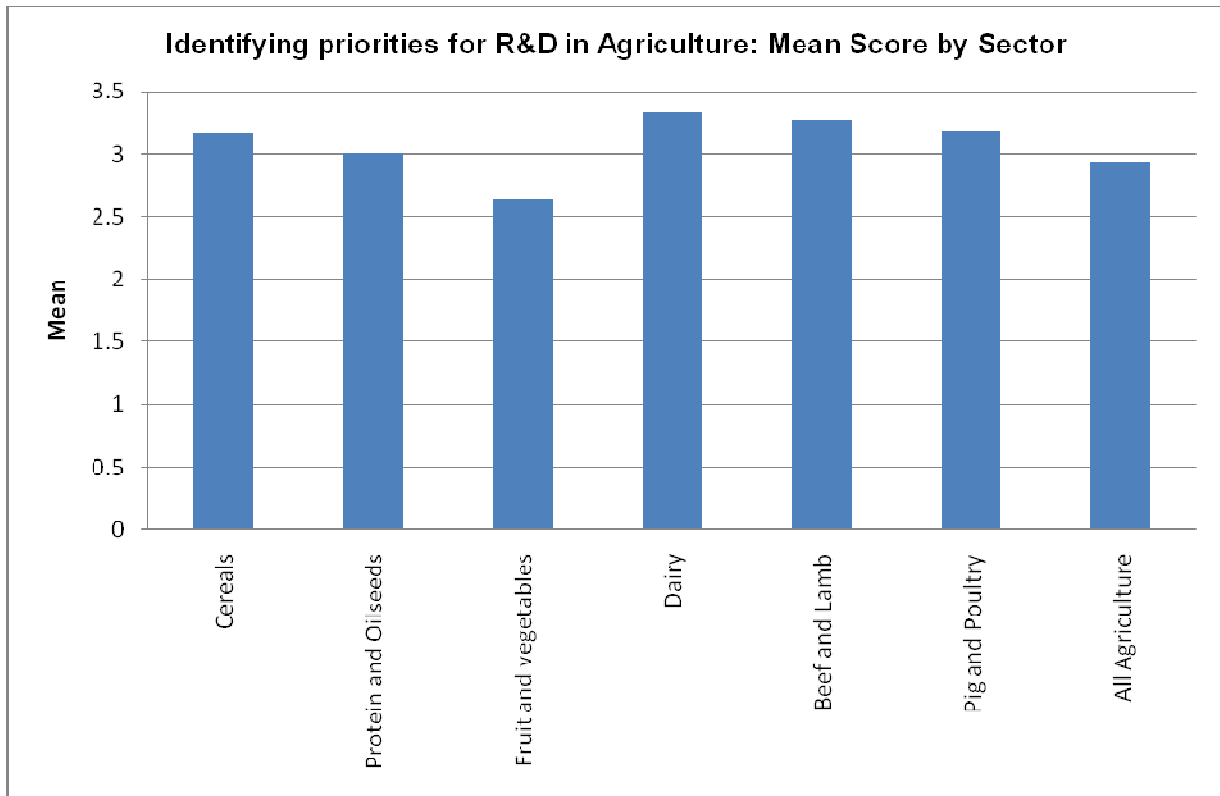
*In terms of motivating producers to act. Many believe it will not change.*

**TECHNOLOGY**

**How would you rate the UK in identifying the priorities for R&D in agriculture?**

Overall the respondents rate the UK as only satisfactory in identifying priorities for R&D in agriculture with a mean score of 3.02 based on a 5 point scale. When split out by sector, the rating is fractionally higher in the Dairy and Beef & Lamb sector but still only just above satisfactory.





**Comment**

*The industry would embrace the technology if it was affordable - i.e. R&D going into sustainability but consumers are against it because they don't understand it.*

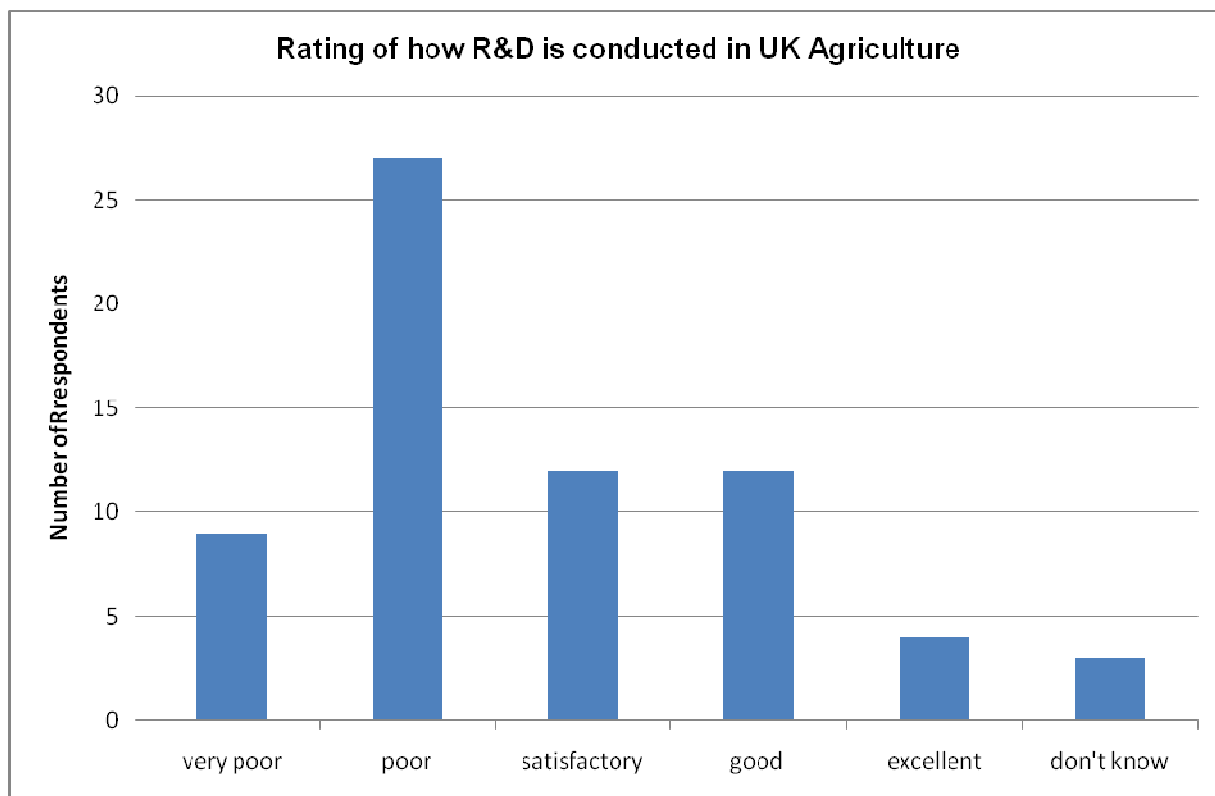
*UK Industry is good but the UK government is appalling.*

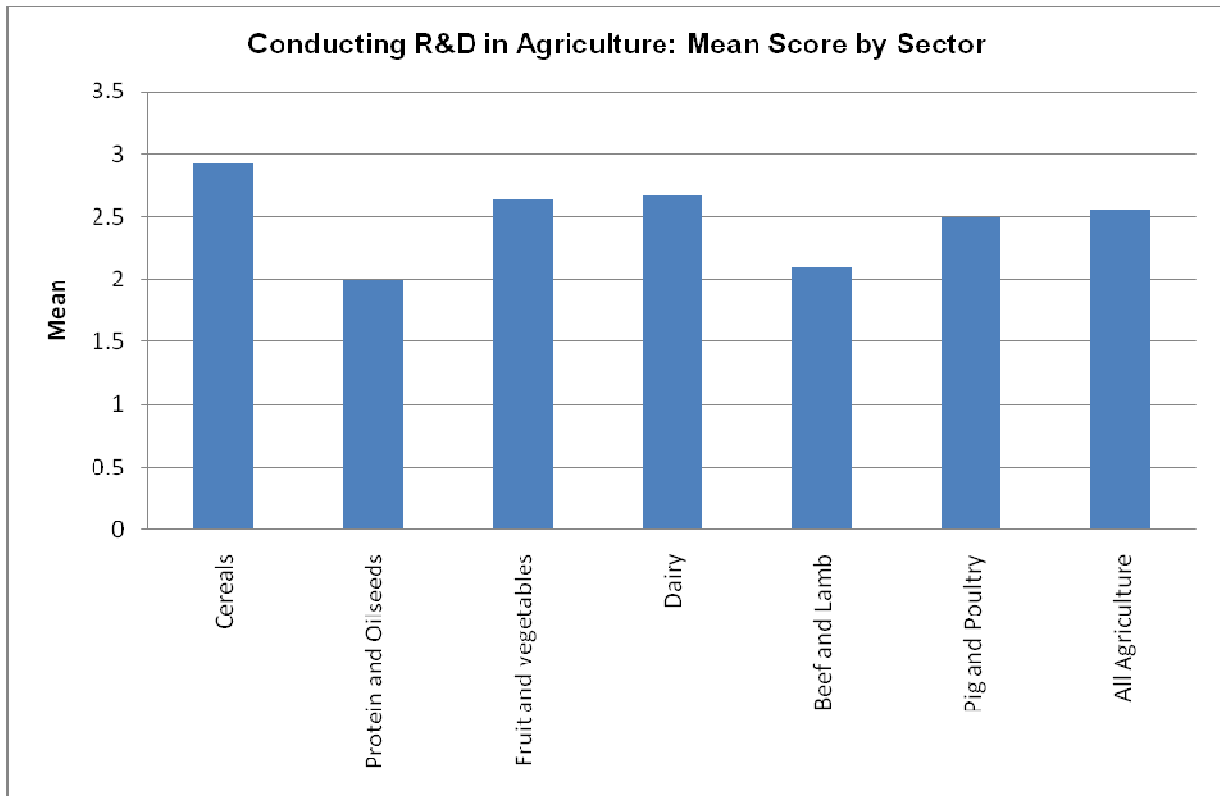
*It is on the cusp of falling apart at present.*

*There is a lot of lip service to do more R&D but rarely extends to significant government support.*

**How do you rate the way in which the UK conducts R&D in agriculture?**

In terms of how R&D is conducted, the overall rating is poor with a mean score of 2.74. The Cereals sector is slightly better than the other sectors but is still not regarded as satisfactory.





**Comment**

*Funding is a problem so we're poor at being able to conduct and implement R&D.*

*Only satisfactory through the private sector.*

*It is not very impressive. There is not a huge amount of R&D support forthcoming.*

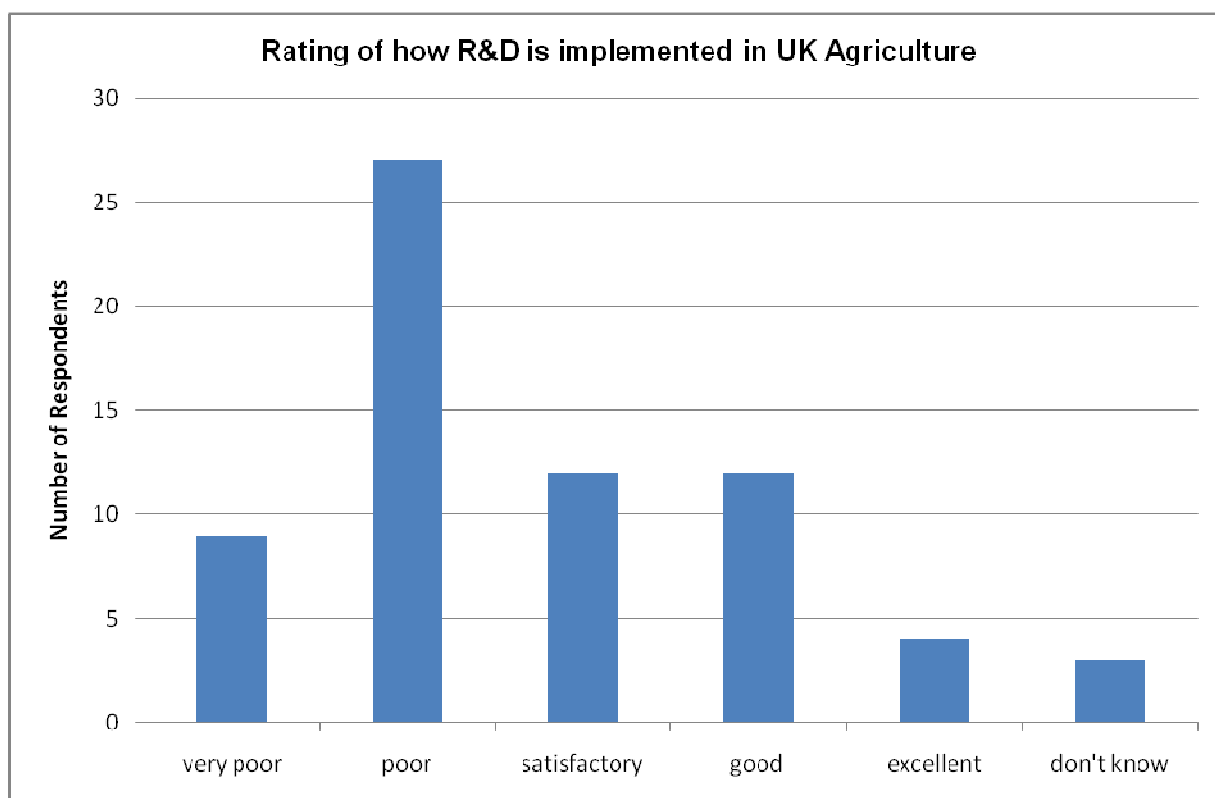
*World class scientists with 3rd world resources. Not enough investment.*

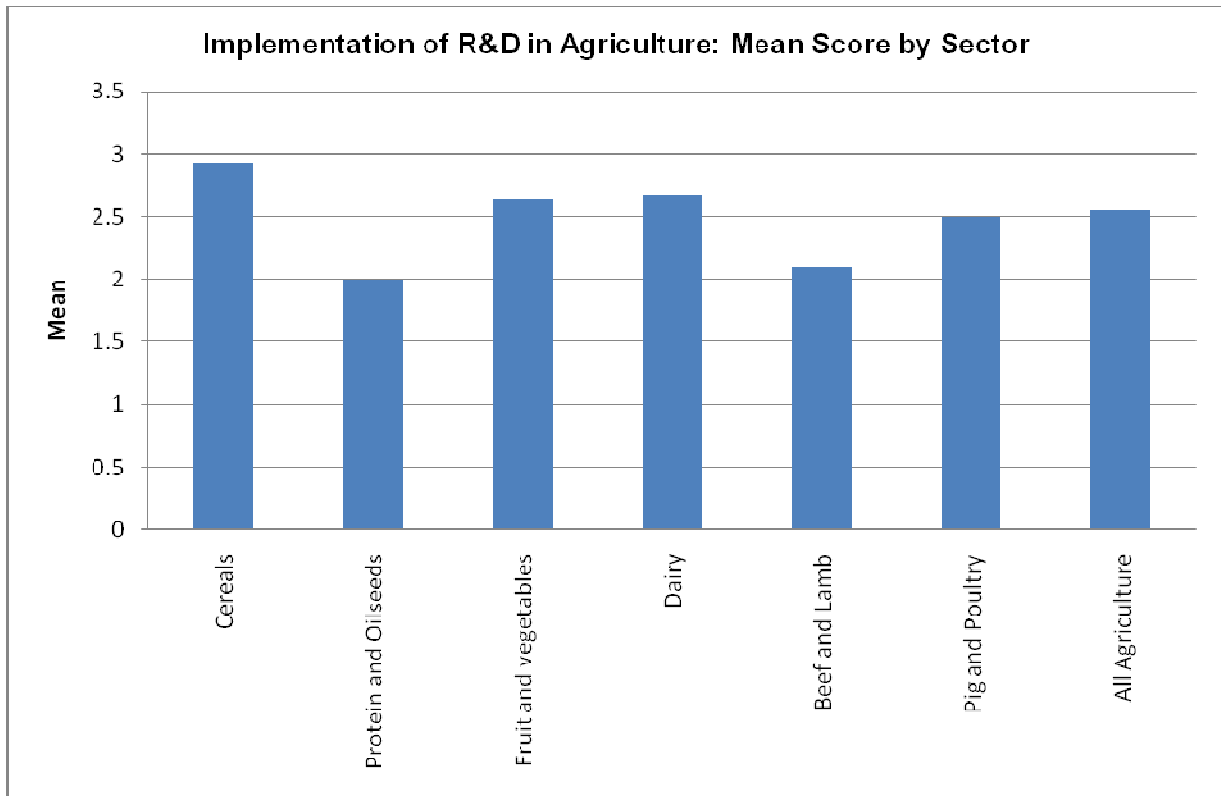
*Lack of government support.*



**How would you rate the way in which the UK implements R&D/technology at a practical level?**

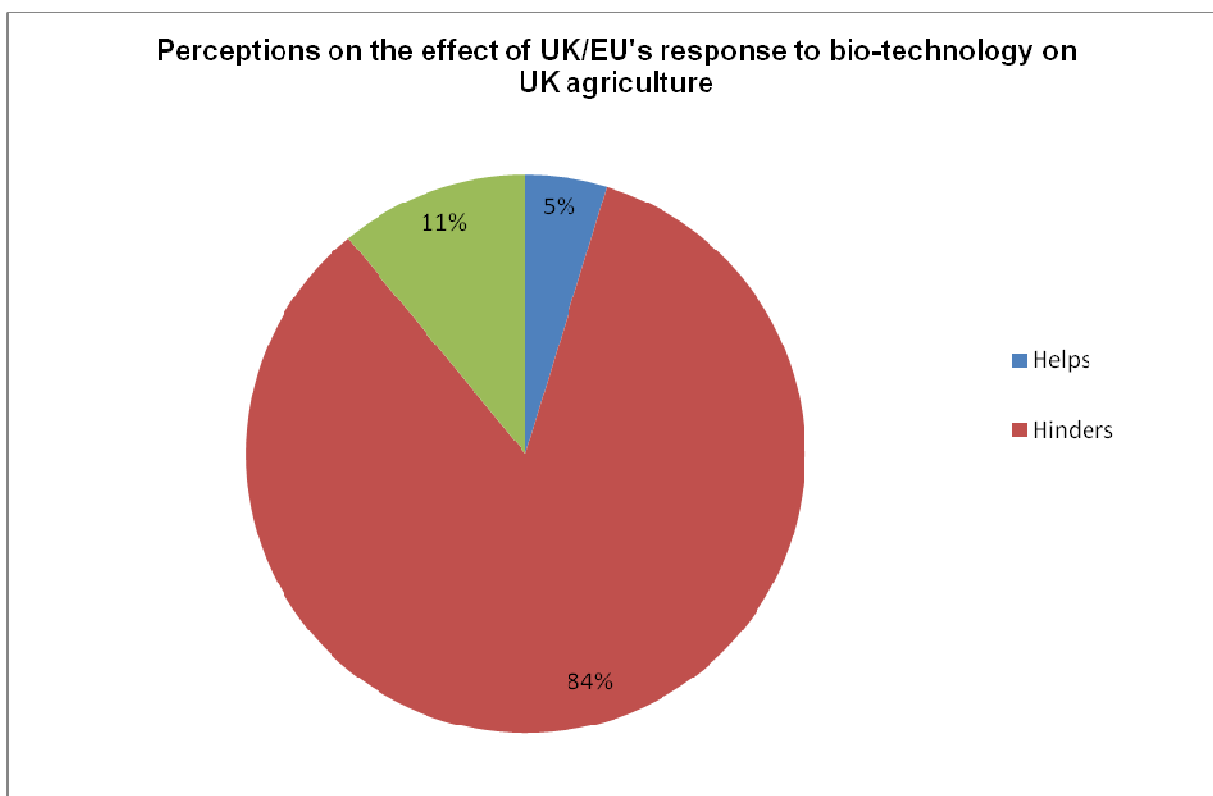
With regards to the implementation of technology, this is also regarded by the respondents as poor with a mean score of 2.61 out of a possible 5. Again on a sector basis, Cereals scores slightly higher than the other sectors but still does not reach a satisfactory level.

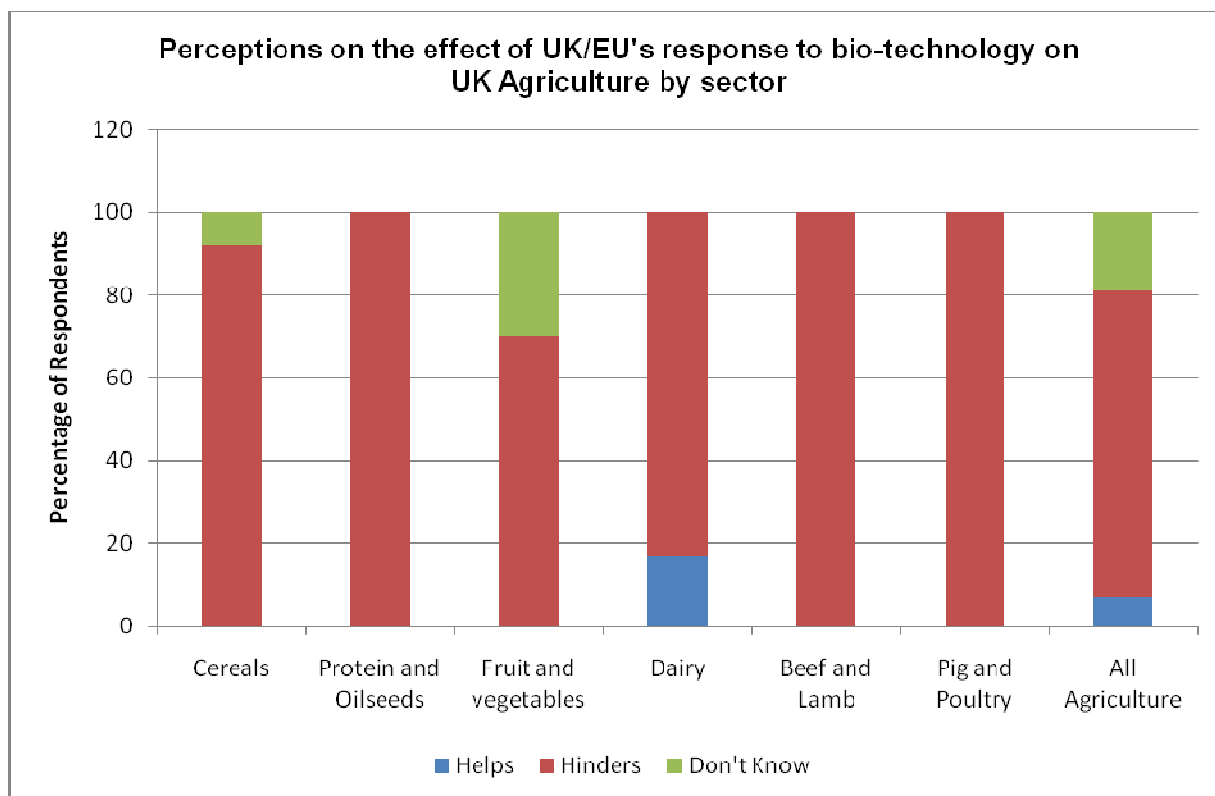




**Do you think the UK and EU’s response to bio-technology helps or hinders UK agriculture?**

The majority of respondents (84%) feel that the UK and EU’s attitudes towards biotechnology hinder the development of agriculture, and this is particularly true for the Beef & Lamb, Pig & Poultry and Protein & Oilseeds sectors. The only significant variance is within Dairy where 20% of respondents felt that this response helped UK agriculture. Similarly, approximately 5% of the generalists also indicated that it helped UK agriculture.





The following comments illustrate the strength of feeling

*Because they haven't come out and supported bio-technology and there is a potential crisis as to where all the food is coming from if they don't embrace new ideas.*

*Because both the EU and UK governments have a negative attitude to biotechnology and have over regulated the sector. They have said goodbye to biotechnology. Research and development in the UK which means there is no research on UK relevant crops and farmers in the UK do not have the access to the technology available to their competitors worldwide.*

*Challenging in terms of GM discussion. We could look at other techniques, not just GM, need to be open-minded and keep up to date.*

*Massively hinders. If you are serious about producing high quality affordable food, minimum carbon footprint hindered.*

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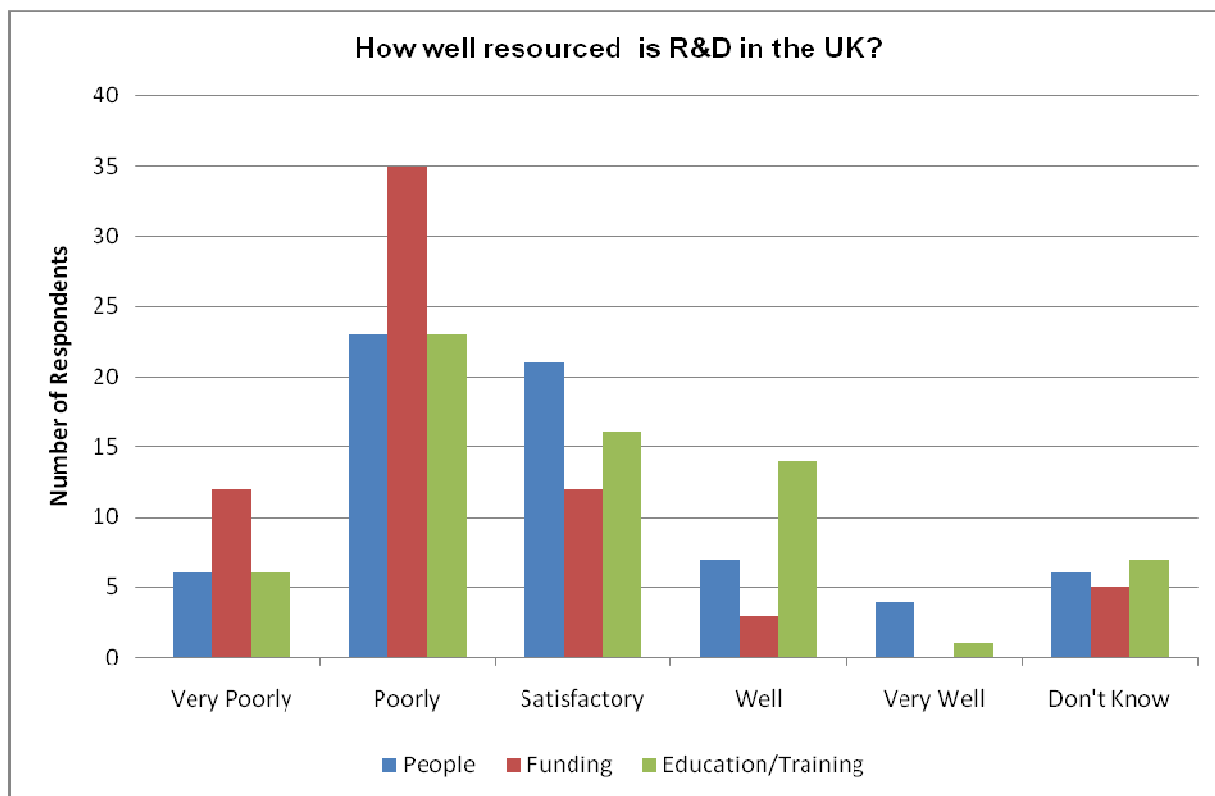
*There is a difference between the UK and EU. The UK is broadly open-minded and the EU is very anti-GM. Feeling holds back opportunity development across Europe.*

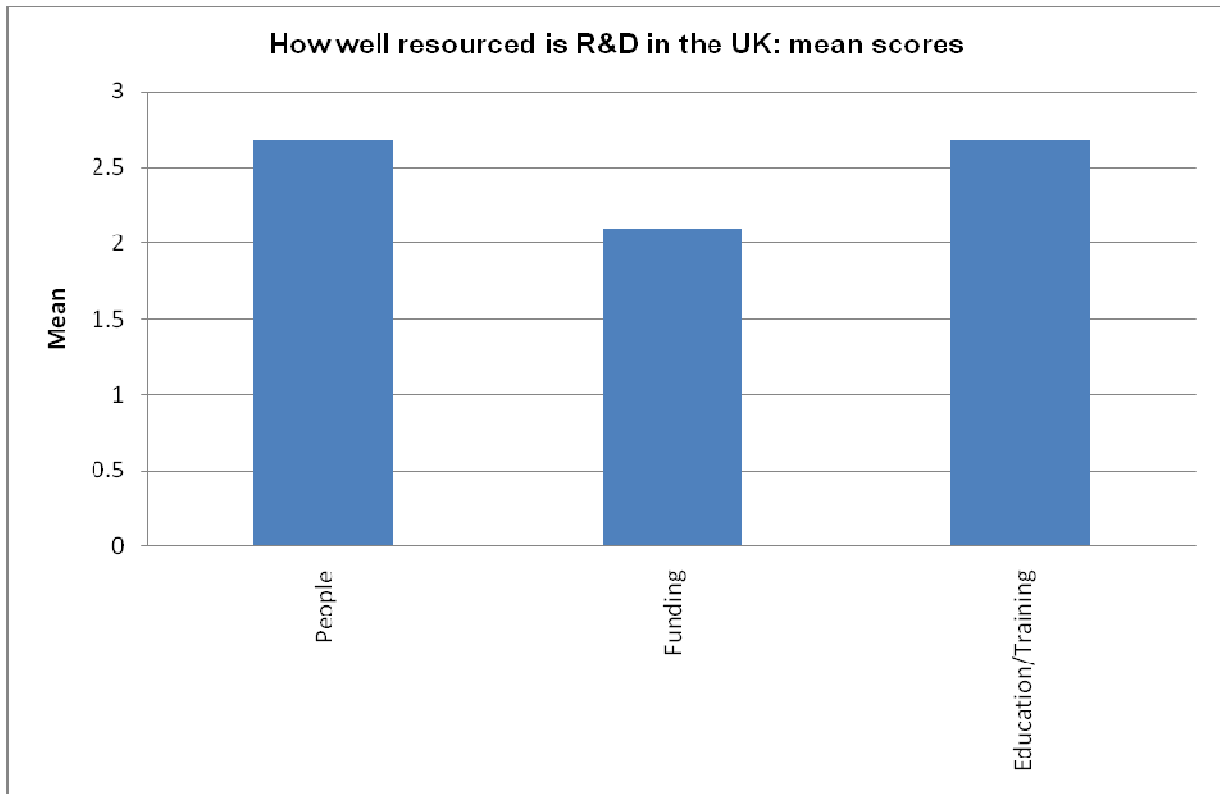
*It restricts our ability to use some technologies but expects us to compete on price with those that can use those technologies.*

*There should be a science led approach and we need to make sure this is followed, communication needs to be a lot better to get consumers on board. Be open and transparent.*

**Compared to the competitor countries, how well resourced is R&D in the UK with regards to People, Funding and Education/Training?**

The respondents feel that the UK is quite poorly resourced, particularly in terms of funding, although each element of resourcing achieved low scores of below satisfactory (below 3).





**Comment**

*Ability to do it is good, problem is getting it done.*

*Education is mixed we could do better.*

*Finds could be used more effectively the return on education is questionable.*

*Good research community but all getting old, not attracting new blood.*

*I think we're quickly getting rid of people as the focus has switched to the environment rather than agriculture, so those good people are transferring their skills but we still have some excellent people in the institutions; just not the funding*

*Not enough resources compared to the opportunity and size of industry.*

*Skills shortages in applied R&D will go critical soon.*

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*There is more funding available in the competitor countries and US and China particularly invest in getting their skills levels up.*

*We have good research institutes and good people but we are lacking in the technology transfer - good at the theory but not good at putting it into practice.*

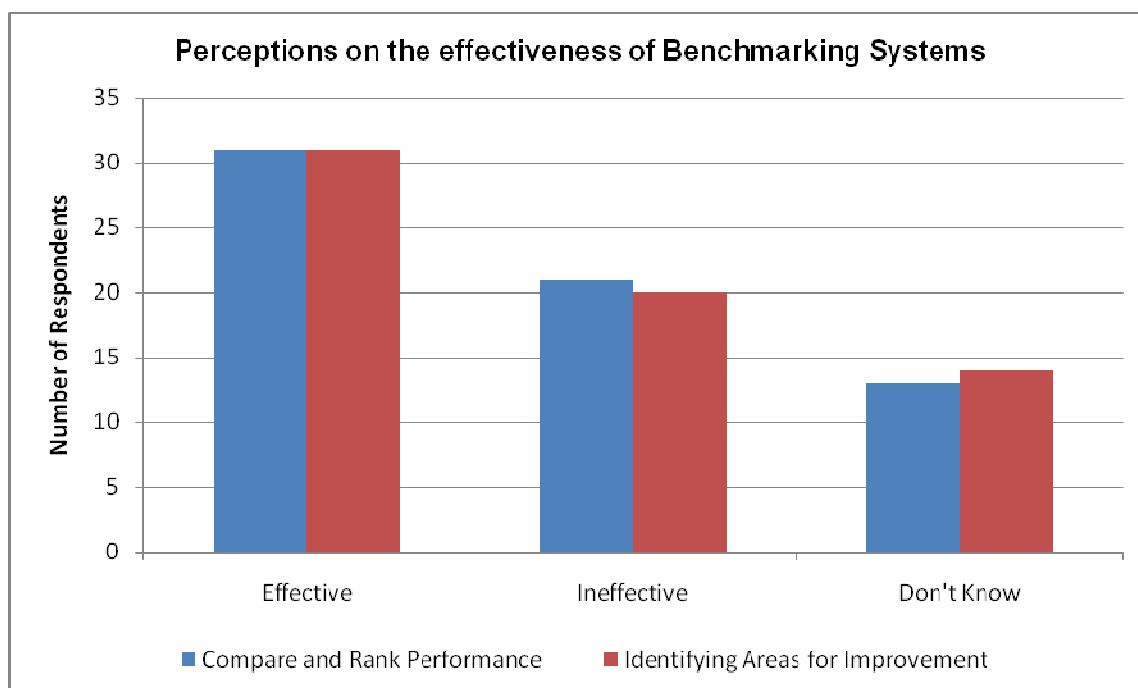
*We have the capabilities but not the money.*

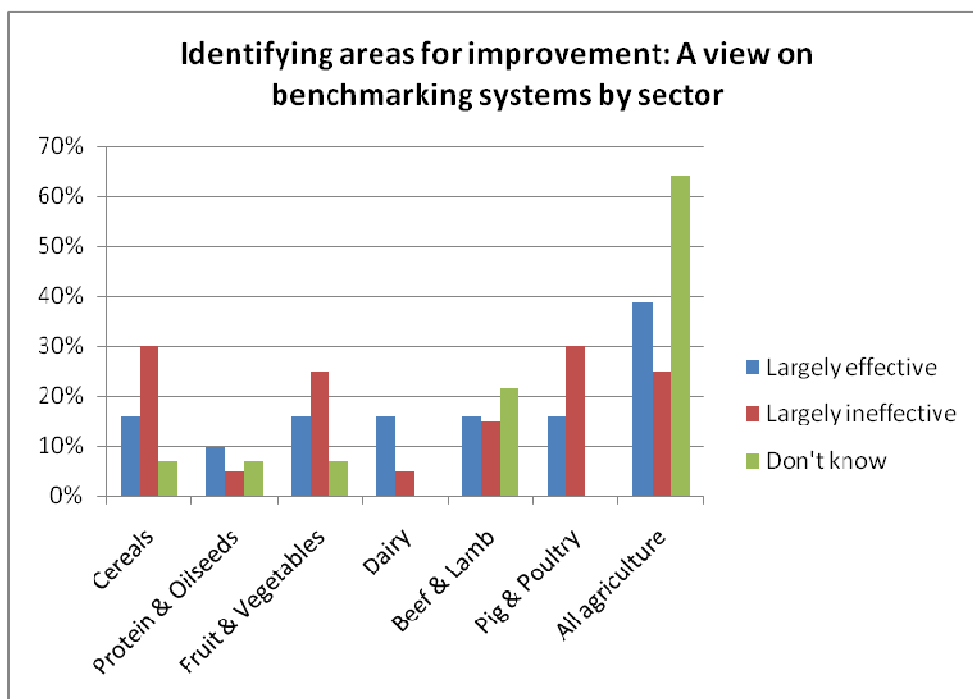
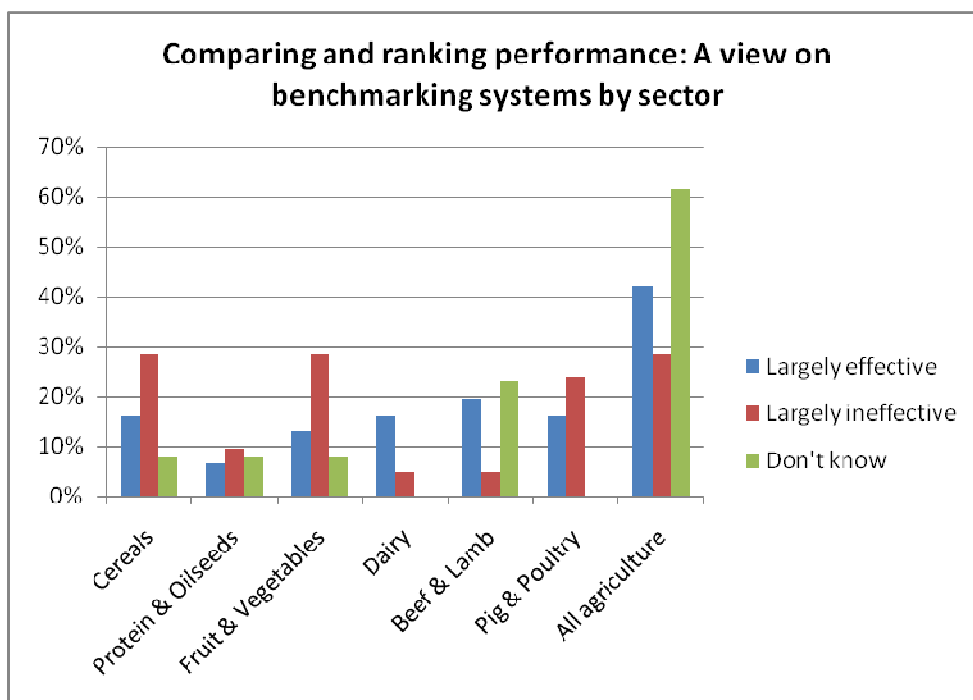
*We've responded in a very reactionary way and don't look long term e.g. lots of agricultural courses are going.*



**How effective are benchmarking systems for comparing and ranking performance and identifying areas for improvement?**

Benchmarking systems are generally quite effective although this opinion varies between sectors. Whilst systems are in place, some respondents feel that they are often not used effectively. It was also felt that the effectiveness varied across the sectors with some e.g. Dairy and Beef & Lamb better than the others e.g. Pig and Poultry.





**Comment**

*Not applied well.*

*Largely effective for cereals/meat/dairy and largely ineffective for horticulture.*

*Do they use them?? Younger people getting better.*

*Getting better and not enough farmers using them.*

*I think farming is an internally competitive industry so it's probably more a case of whether or not people are actually using the systems!*

*I think it's a mess; there are some benchmarking systems that are effective and some that are not, it's hard to generalise.*

*In the pig sector we've not worked out why people should use the benchmarking systems, they have no effect for us.*

*Is not a system problem as I think the systems do work, it's just they are not taken up.*

*It is not a problem of systems it's a problem of uptake because in the beef and lamb sector we have a very large number of small businesses run by people in their late 50's with little interest in professional development or change.*

*Problem is getting farmers to believe in them.*

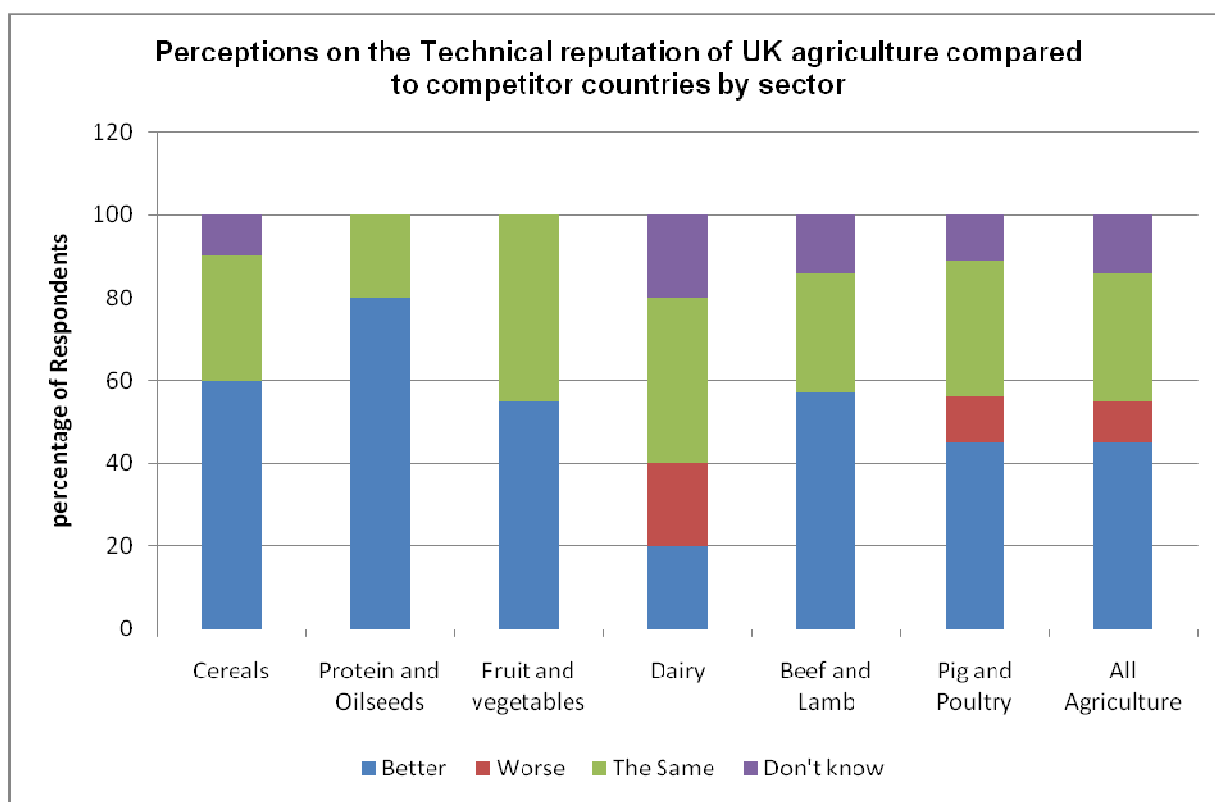
*Should have public benchmarking e.g. in biofuel.*

*There are some benchmarking systems used in the dairy sector which enable the engaged producers to compare, contrast and identify their weaknesses or strengths. We would support wider application of benchmarking through the sector to encourage greater focus on margins and competitiveness (rather than e.g. price alone), whilst ensuring animal health and welfare standards and minimised environmental impacts.*

*Varies massively by sector. Fresh produce fragmented except soft fruit.*

**What is the UK's technical reputation relative to the competitor countries for all agriculture?**

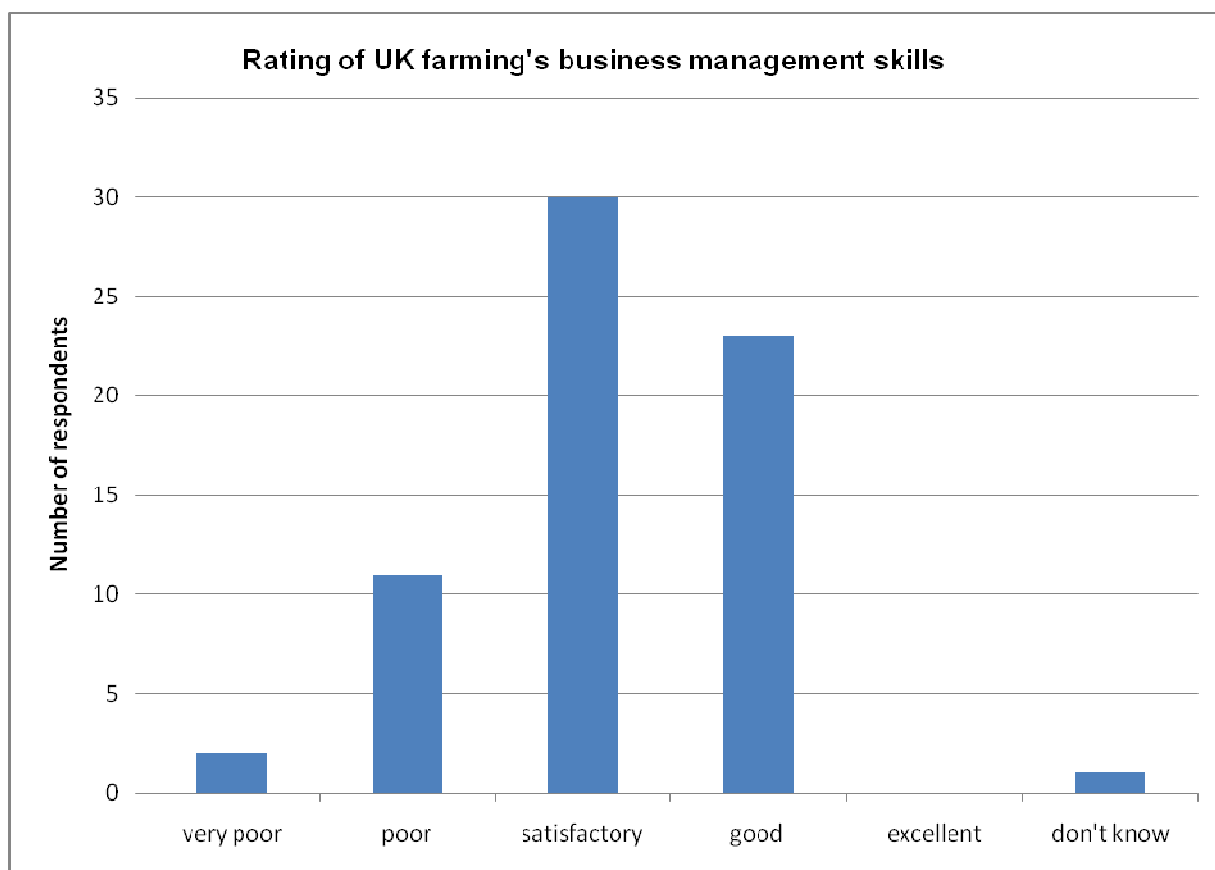
The UK's technical reputation is regarded as better by just under half of the respondents across the board for the whole of agriculture. The technical reputation is better in Protein & Oilseeds and Cereals compared to the competitor countries but is regarded as particularly poor in the Dairy sector.

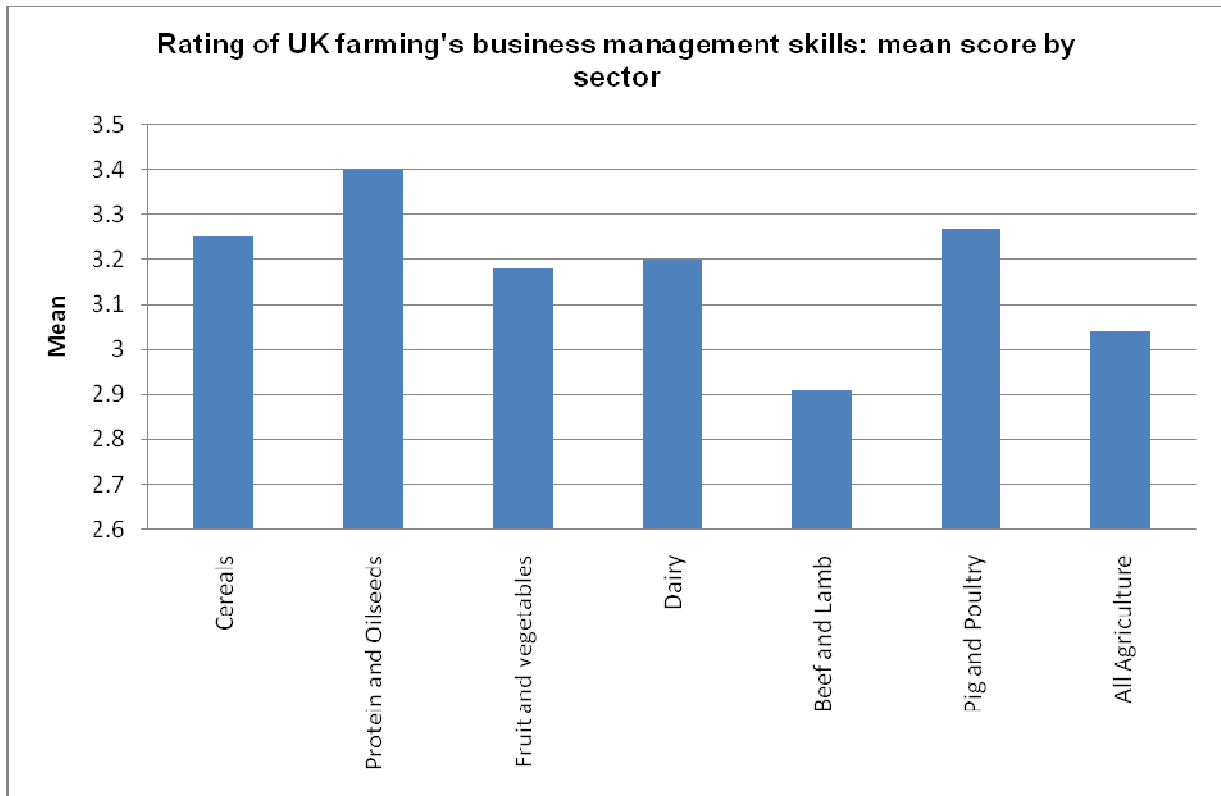


**SKILLS AND TRAINING**

**How would you describe the UK farming industry’s business management skills?**

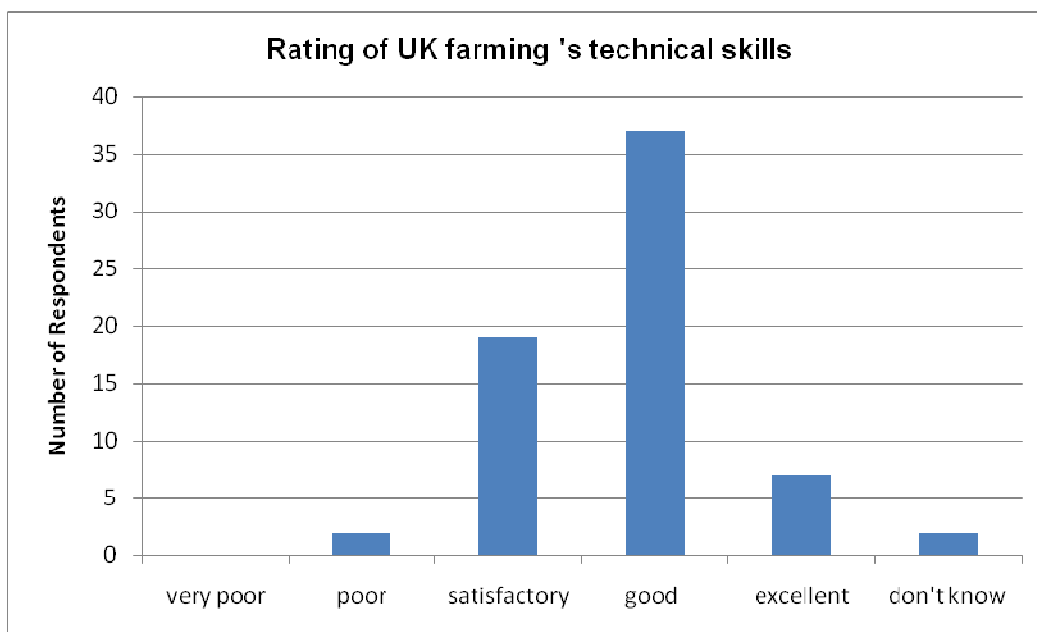
The UK’s business management skills are rated as satisfactory by all respondents, achieving a mean score of 3.12. When sectors are compared, respondents feel that the skills in the Protein and Oilseeds and Pig and Poultry sector are slightly better.

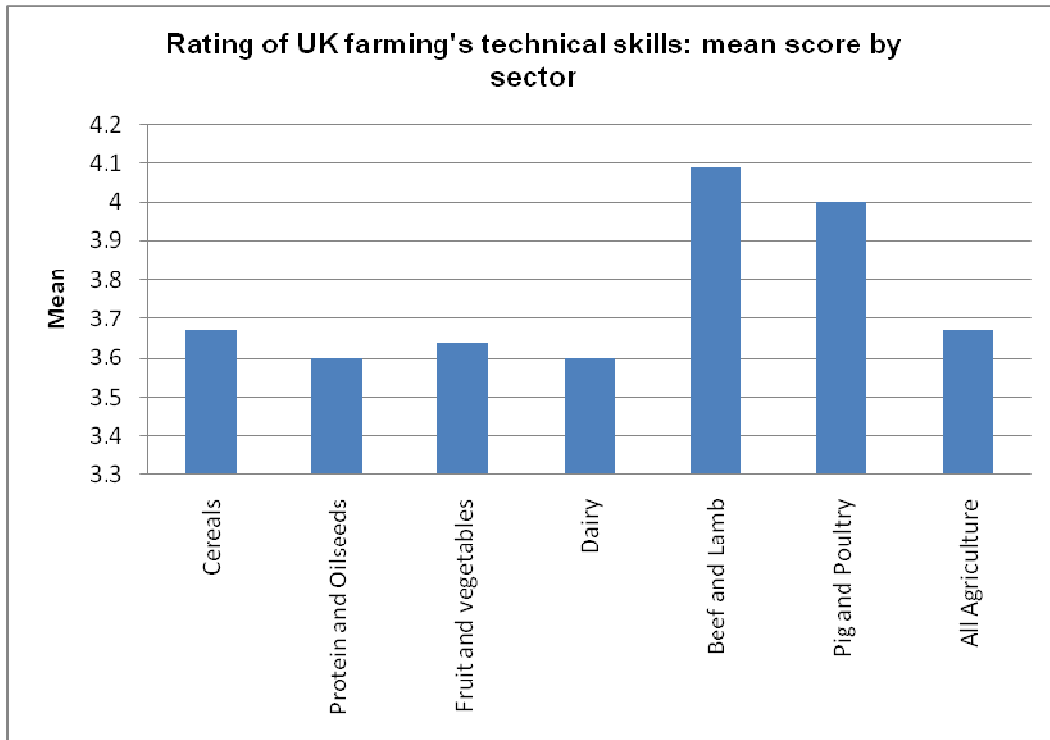




**How would you describe the UK farming industry's technical skills?**

In terms of technical skills, the respondents feel that the UK is good, achieving a mean overall score of 3.75 out of a possible 5. The Beef & Lamb sector and the Pig and Poultry sector score most highly, reaching a mean score of 4 out of 5.

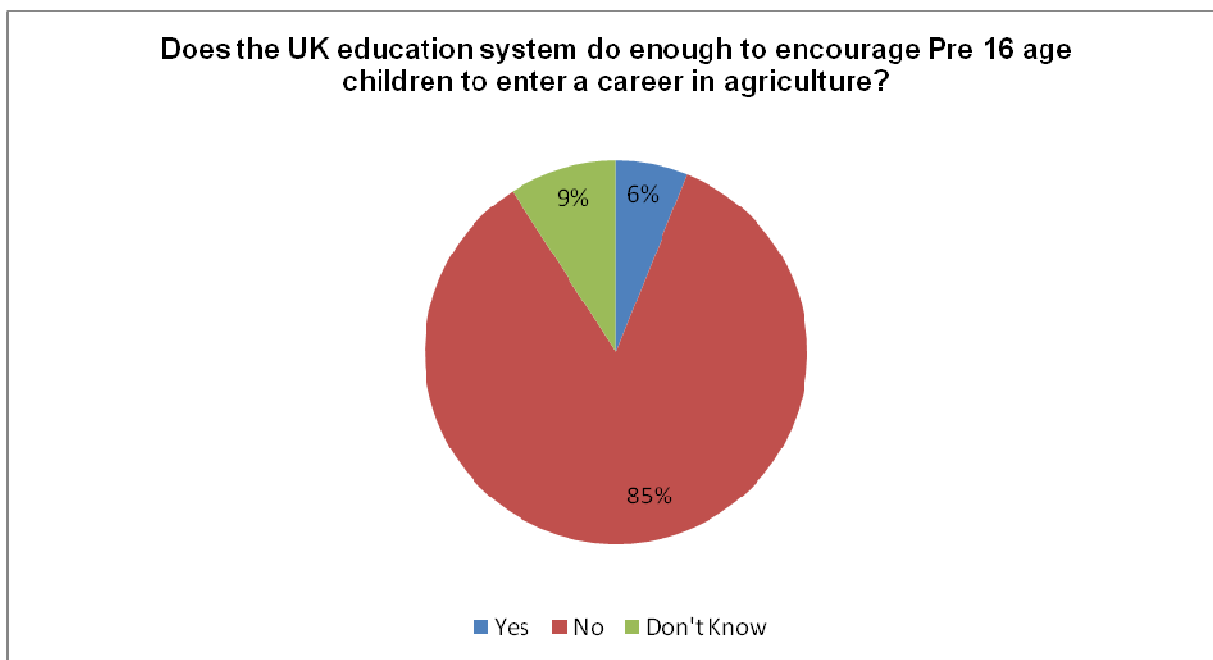






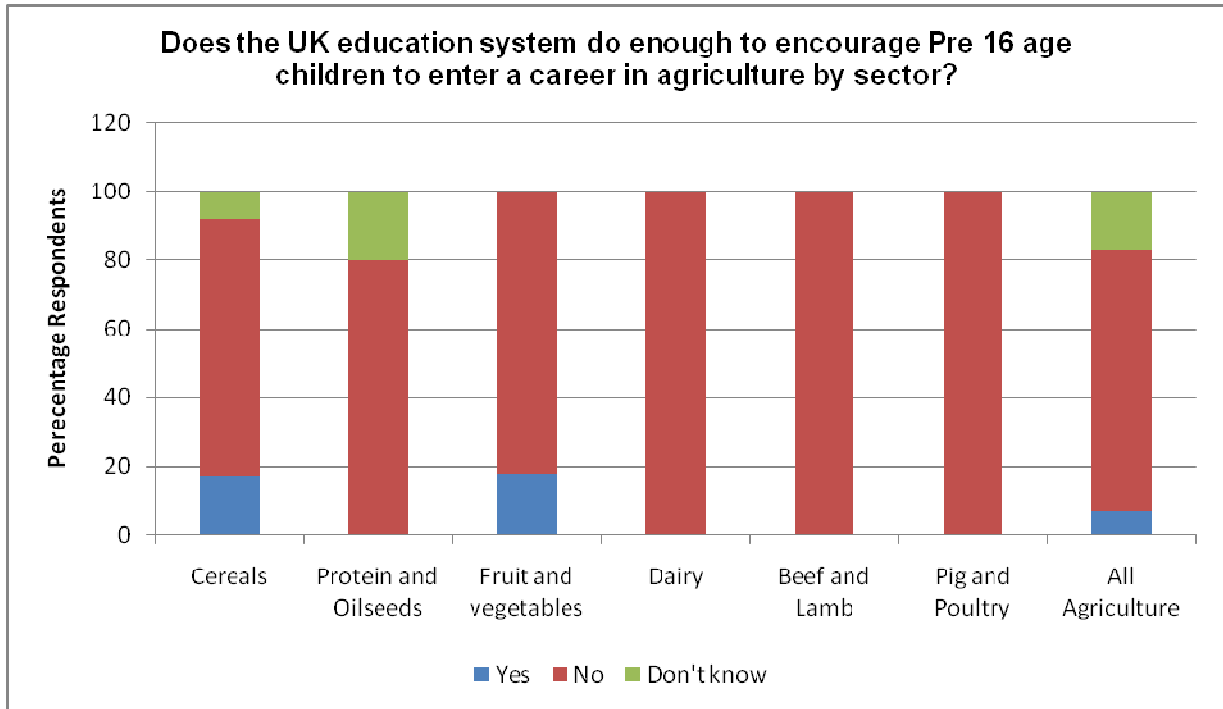
**For pre-school children, do you think that the current UK education system does enough to encourage them to enter agriculture as a career?**

Respondents do not feel that the UK education system does enough to encourage children to enter agriculture as a career and this was more marked amongst those in the livestock sectors.



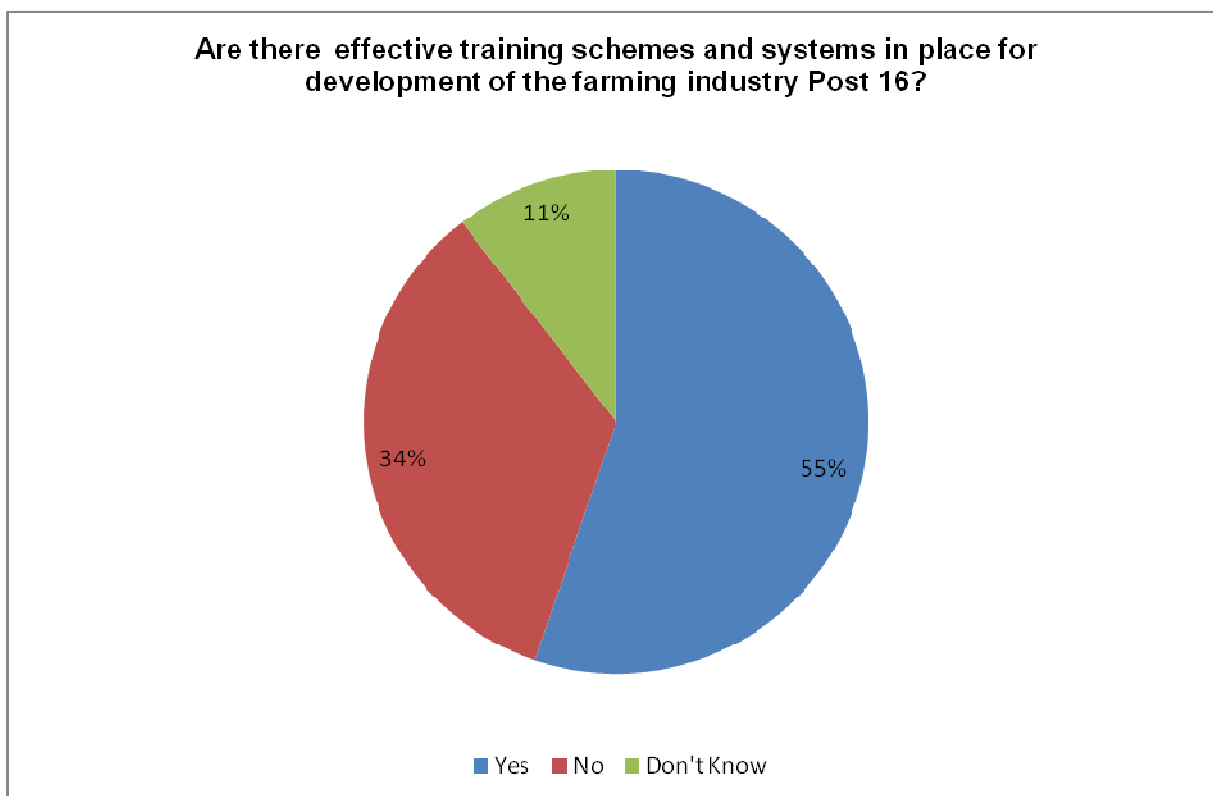
**Comment**

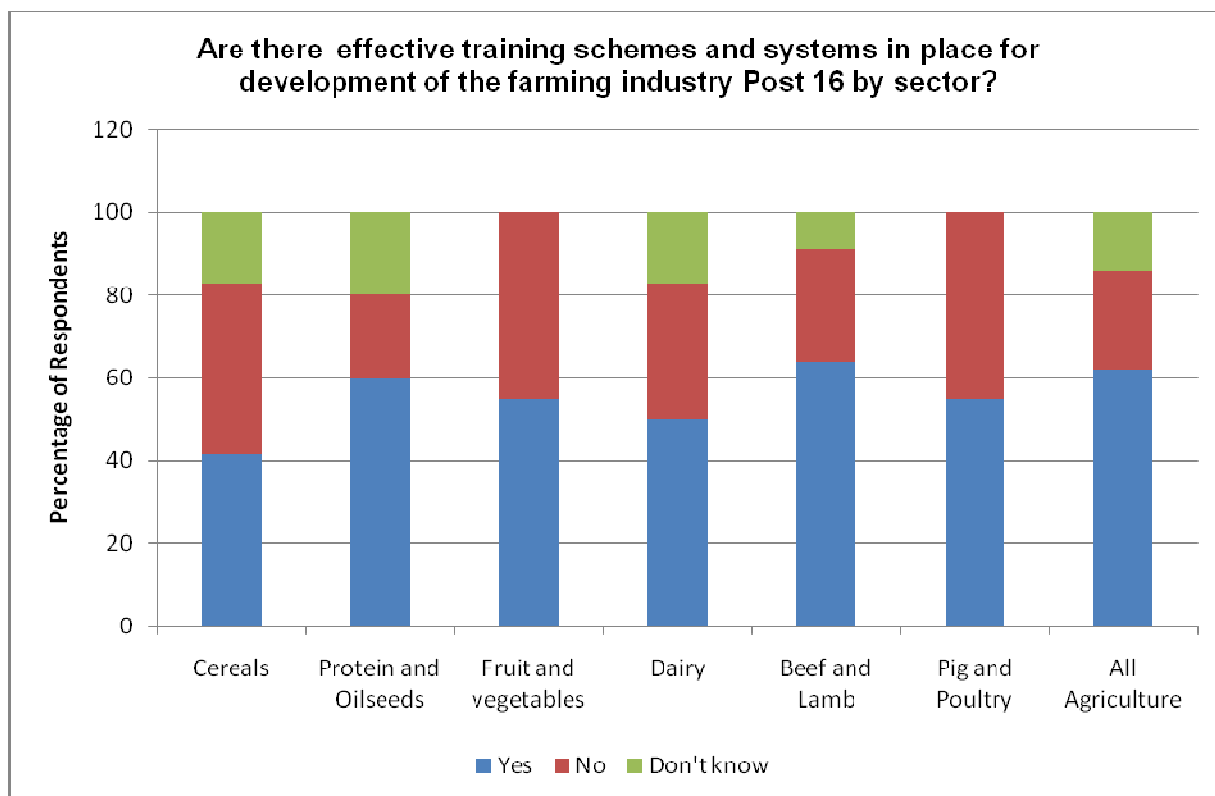
*It is up to the industry to encourage Pre-16 school children to enter agriculture.*



**For post-16, do you think that there are effective training schemes and systems in place to help the development of the farming industry?**

Views on the extent to which there are effective training schemes in place for school leavers and beyond were more mixed. The majority (55%) of the respondents felt that there were effective schemes in place but that take up is not as high as it could be. A further 34% believe that there are not sufficient numbers of schemes, or types of schemes in place, to develop careers in farming.





**Comment**

*Adequate at the moment.*

*All courses are filling up so its improving. Money back into straight agriculture e.g., Reading has 50 students now.*

*Apprenticeship schemes work if colleges/liaison officers are enthusiastic and keen for the young person to succeed. The schemes are driven by individuals and we need champions for the industry.*

*But these need improving. There was a particularly bad period but we are getting better and putting schemes and systems in place.*

*Can always be improved. It is down to the number of people going into the industry and numbers in higher and further education e.g., look at number of universities and agricultural departments that have been closed or reduced.*

*Colleges always playing catchup. Big dis-connect between what's offered in colleges and what industry needs but there has been improvement.*

*Lack of awareness of Continuing Professional Development programmes. Complex area with a wide range of courses. They need to have a co-ordinated pathway.*

*Need Continuing Professional Development/skills recognition to encourage training through working life.*

*Need to provide more on farm work placements. Reach out to kids in urban environments, look for proper career development in farming and be less elitist. Create a more diverse community.*

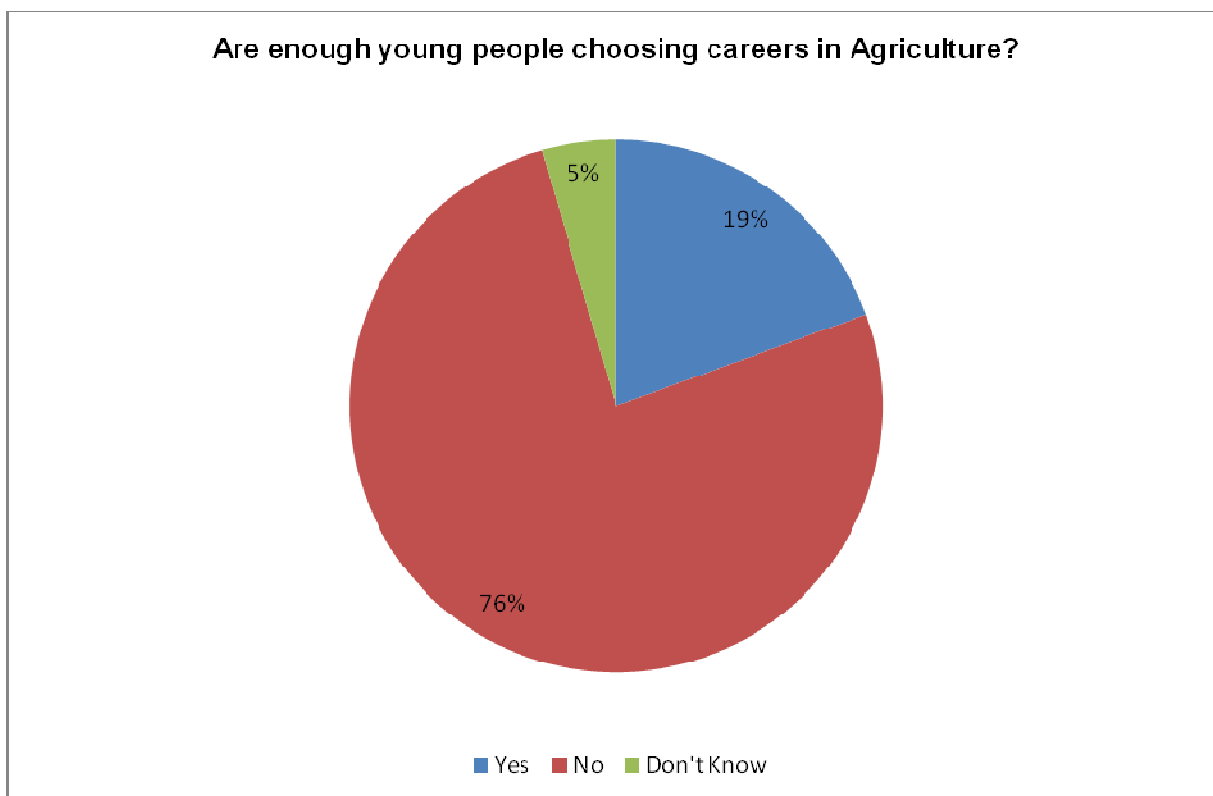
*There are schemes and systems in place but getting interest in them from the students is the hard thing.*

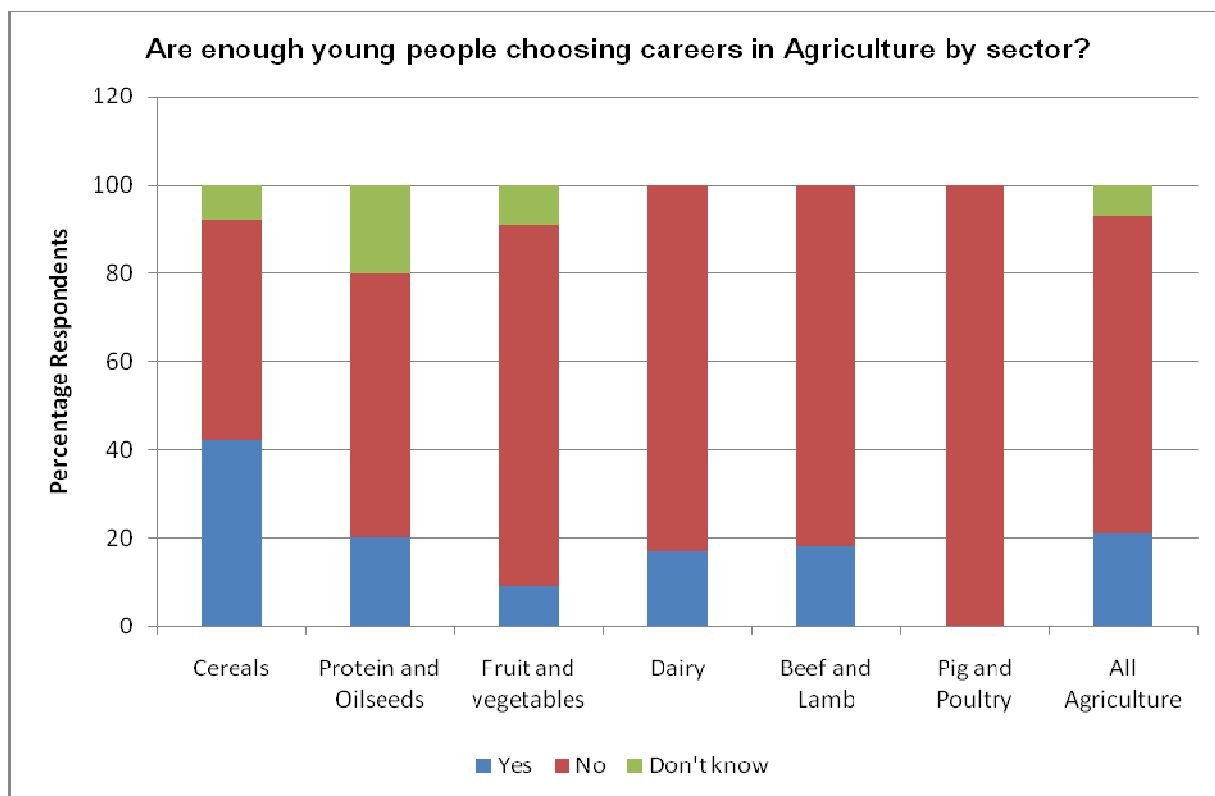
*We have very good colleges such as Harper Adams but the number is shrinking and they need help to develop. LANTRA offers certificates/NVQ's etc but I'm not sure of the value or if people actually do anything with them.*

*A lot of other industries are "sexier" than agriculture. But we don't market ourselves effectively - agriculture is in the food business but there's a perception that its dull and boring. Need to change marketing tack. A lot of agricultural roles are technical and specialised but there is a lack of agriculture courses, particularly business-specific courses for advising how agriculture can work.*

**Do you feel that enough young people are choosing careers in agriculture?**

The majority of respondents do not feel that enough young people are choosing careers in agriculture and this was more significant in the livestock sectors and in horticulture. The respondents generally felt that what is needed is increased awareness through education and promotion of the industry from within. It is felt that that there is a need to demonstrate that farming can be a viable career choice, with plenty of opportunities across a variety of skilled jobs.





**Comment**

*The opportunities are less clear within agriculture and there needs to be greater engagement lead from the farming community. There needs to be a greater connection between education and food production at government level. A huge amount of the National Curriculum can be covered by on-farm experience and the children get so much from it and find it very satisfying. The benefits cover health and social benefits that we haven't even scratched the surface of.*

*Profitability is the main barrier. If you like the farming lifestyle then its attractive but there is nothing else to really encourage young people.*

*The industry needs to come together and work out how to focus on the universities and colleges to show what careers are available in agriculture. The days of the "milk round"*

*are over but the AIC could do a lot to help promote agriculture and link it back again to the food industry, which is perceived as a better career option than agriculture.*

*I think the image portrayed over the years has damaged young people's perception of agriculture so we need to improve the images and let people access agriculture and experience it for themselves.*

*Ongoing education of farmers to keep the skills levels high would be good plus we need to raise awareness that farming and agriculture are actually highly skilled careers.*

*There needs to be a structured career path with recognised training systems in place so that students can gain transferable skills and see the way through down the career path.*

*Retirement/mentoring schemes. Older farmers should encourage young people to come on rather than using indifferent contractors.*

*I think that views towards agricultural careers are changing especially with the economic and political landscape now but the industry needs to demonstrate that it is profitable so that all society are aware and understand the financial and other benefits of agriculture.*

*Industry needs to look at image and what it portrays in the media, should it be doom and gloom.*

*It needs to be presented in a completely and utterly different way. They need to think they can make money doing it and understand/be aware of the benefits to be had, notwithstanding the practical realities.*

*We are not a very transparent industry, we do not market ourselves as a great place to come and work.*

*We need ambassadors for farming to extol the virtues and positive aspects of a career in agriculture as well as being open about the realities. Too often all the industry does is complain about the long hours, the money etc whereas the industry should be self-promoting and more positive.*

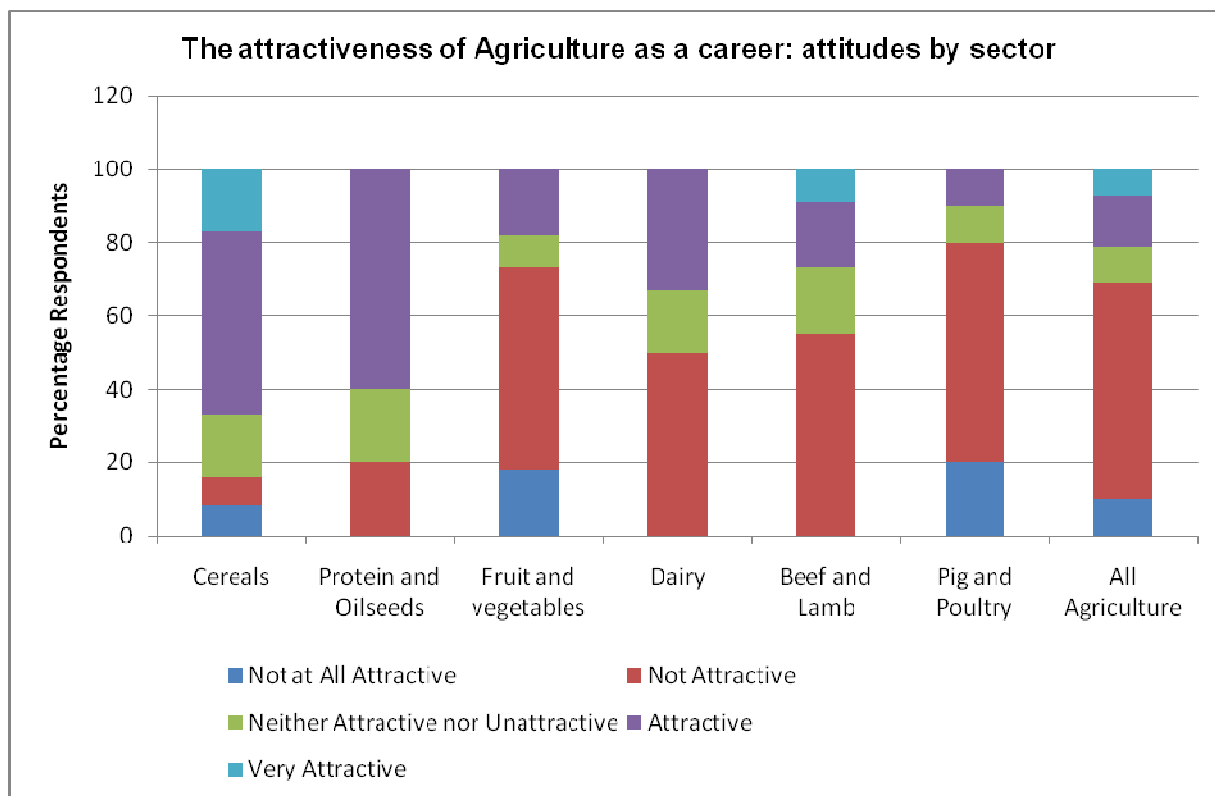


*Increased awareness amongst young people of what is available. Good PR and media coverage need to keep getting the positive stories out there and generate interest. That will bring them in.*

*Better communication, bring what happens into the classroom in a variety of ways.*

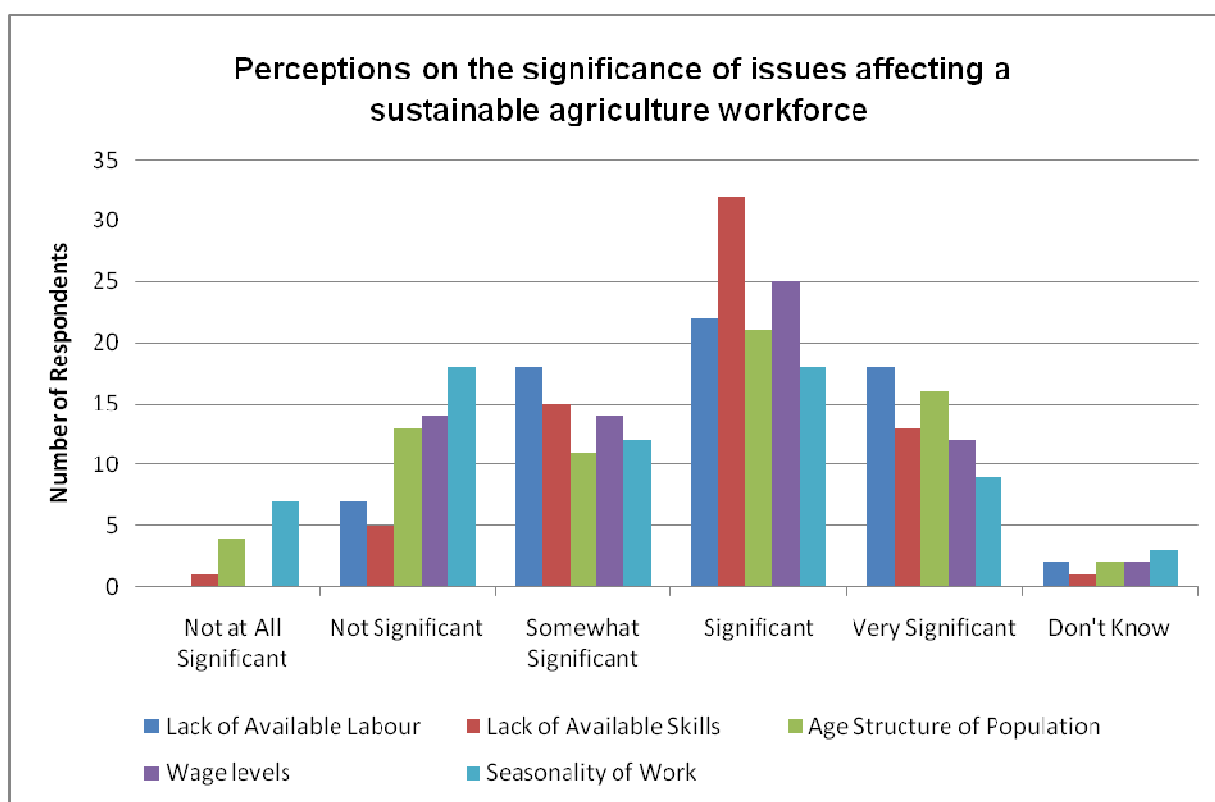
### How attractive do you think agriculture is as a career?

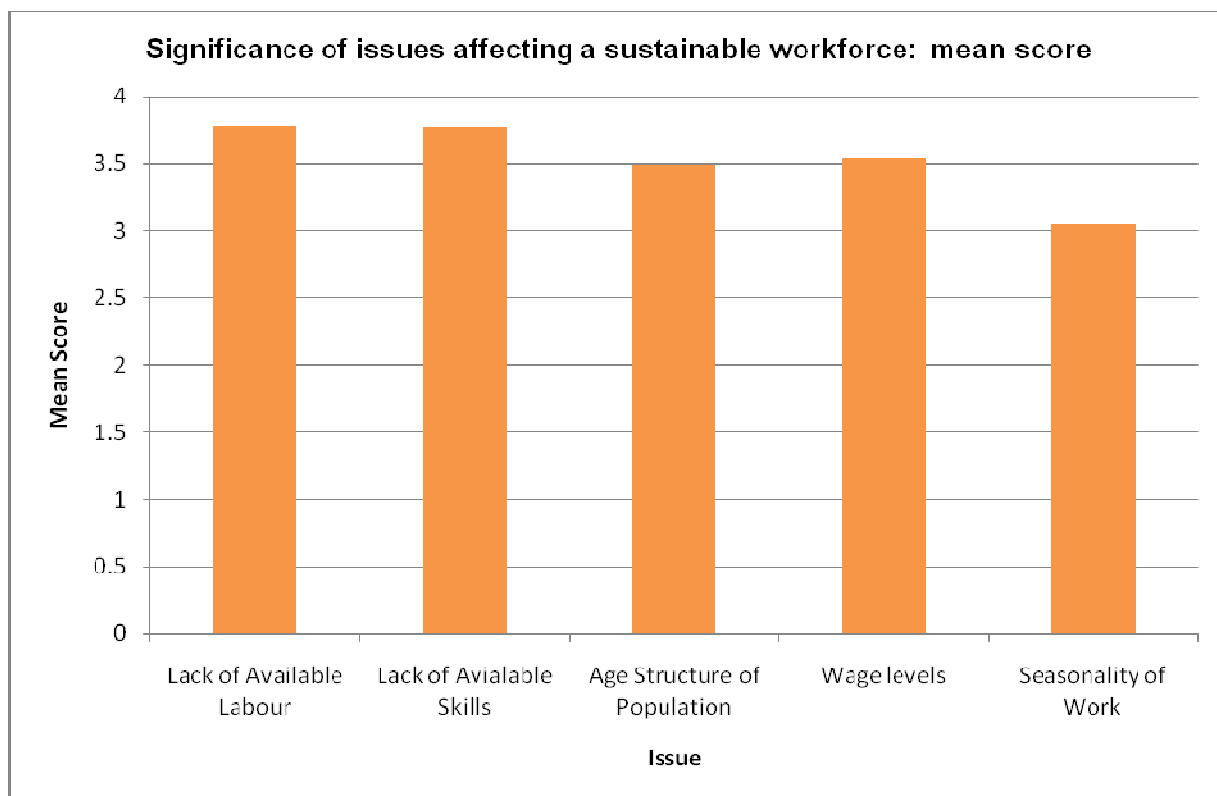
Overall, two thirds of respondents do not feel that agriculture is attractive as a career. However, in the combinable crops sectors, it is regarded as more attractive.



**How significant do you think the following issues are for UK agriculture to maintain a sustainable workforce?**

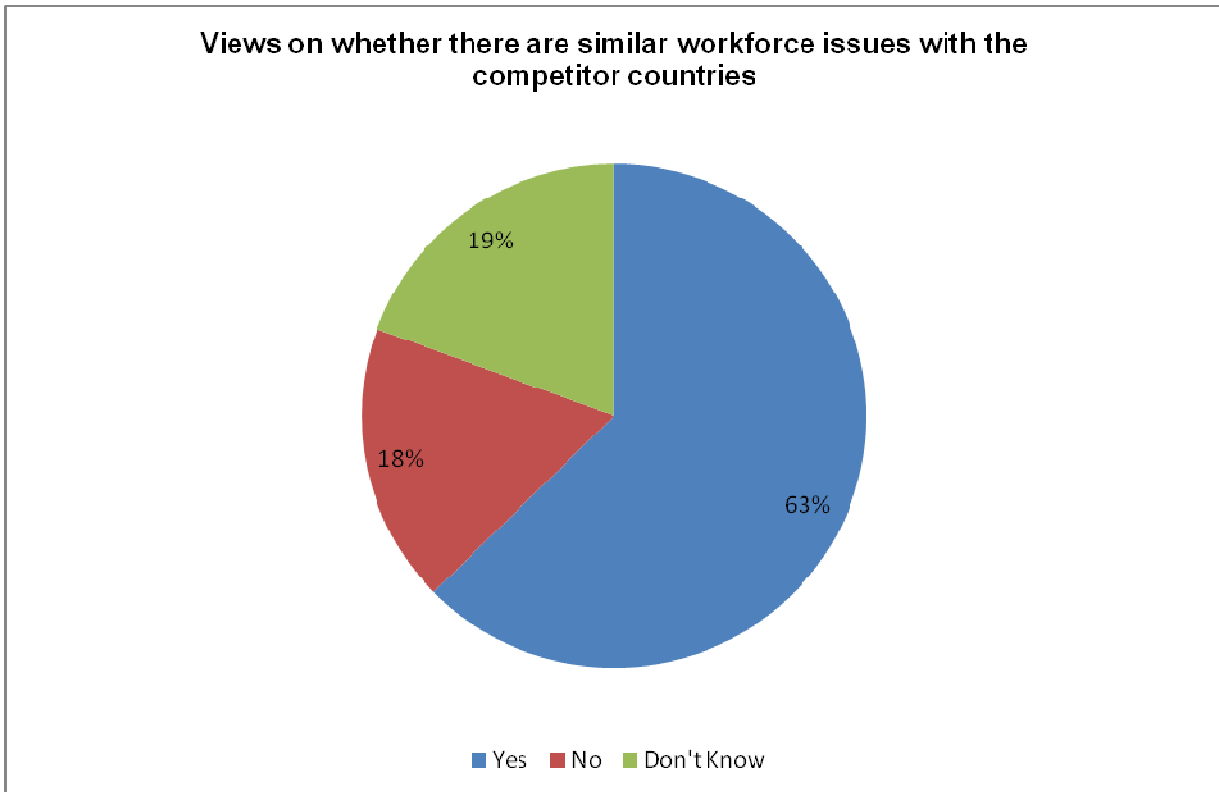
Lack of available labour and lack of available skills were seen as the key issues affecting a sustainable workforce in the UK. Other issues cited by respondents were the lack of appeal of rural life in terms of the quality of life and available amenities in these areas compared with cities and towns, the cost of housing, negative perceptions of the industry and Government's immigration policy.





**Are these issues similar to those experienced in other countries?**

When asked, the majority of respondents (63%) felt that these issues would vary from country to country but largely they were considered to be similar to those experienced by the competitor countries.



**Comment**

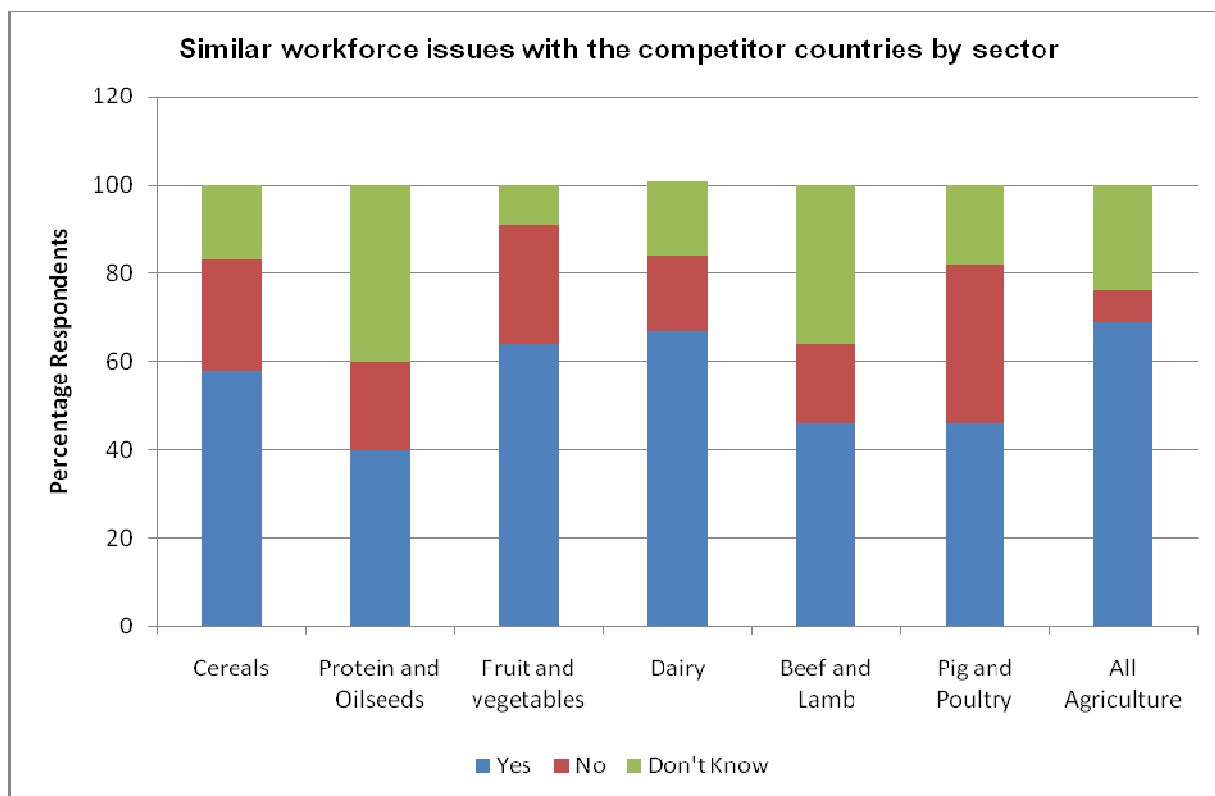
*Especially other European countries.*

*It's a global issue, not just a UK specific one.*

*Same the world over.*

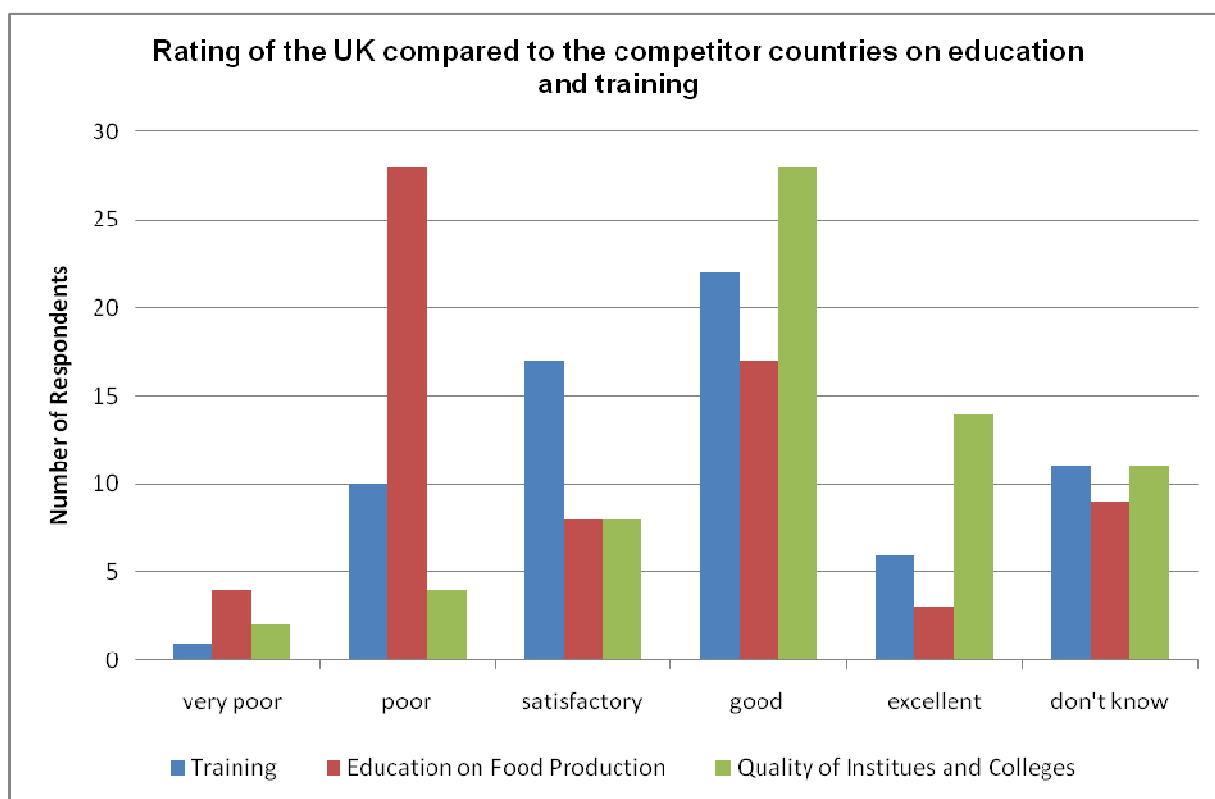
*Same across the world, will even become an issue in China.*

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**Compared to the competitor countries, how good is the UK with regards training, education on food production and the quality of institutes and colleges?**

Respondents felt that education on food production in the UK is poor relative to the competitor countries, that training is satisfactory to good and that the quality of our institutes and colleges is good to excellent. However, the existence of good colleges/institutions alone is not sufficient and there was a general feeling amongst a number of respondents that there is poor utilisation of the available resources.



**Comment**

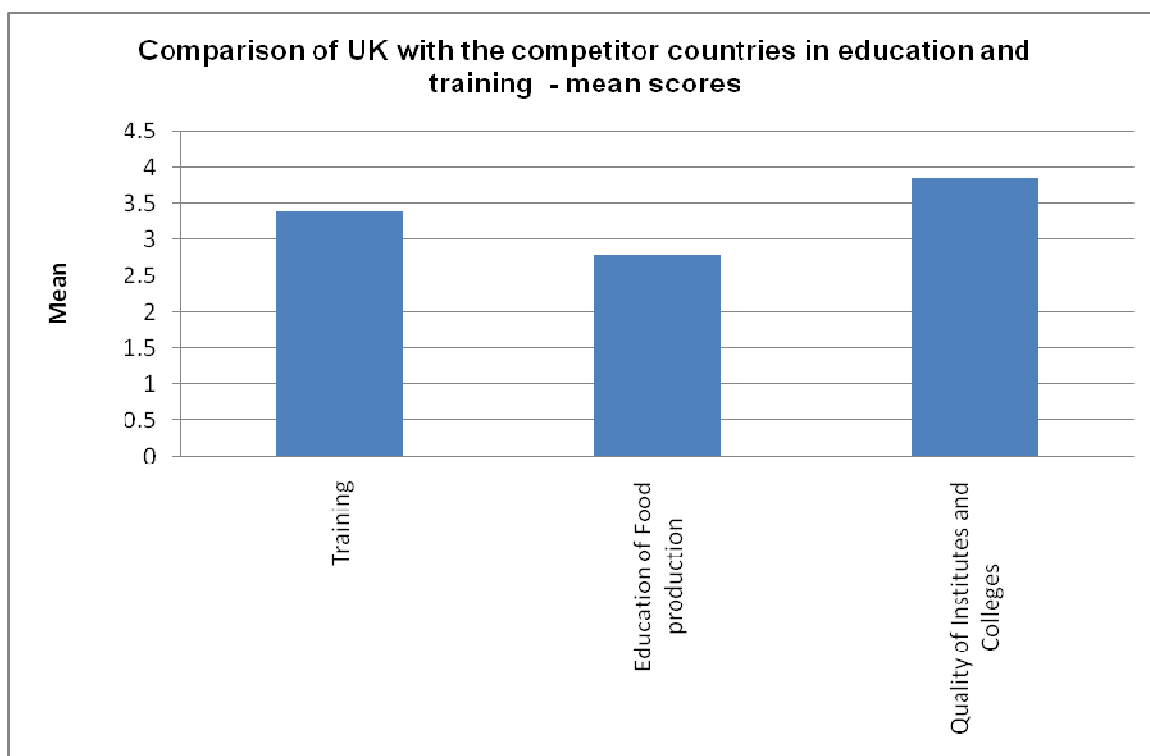
*For training, getting people into the courses is the real problem. For food education, there are some good programmes going on but lack of funding is affecting this and inhibiting the quality of the institutions.*

*The institutes and colleges are good enough the problem is getting the right people there to study agriculture.*

*In education on food production very good for farming and poor for consumers.*

*Lots of agricultural colleges and universities some are world class. Government needs to nurture these.*

*The competitor countries have a structured approach which is dedicated to agriculture. The UK have a wishy-washy rural focus that encompasses everything from horses and the countryside to production.*



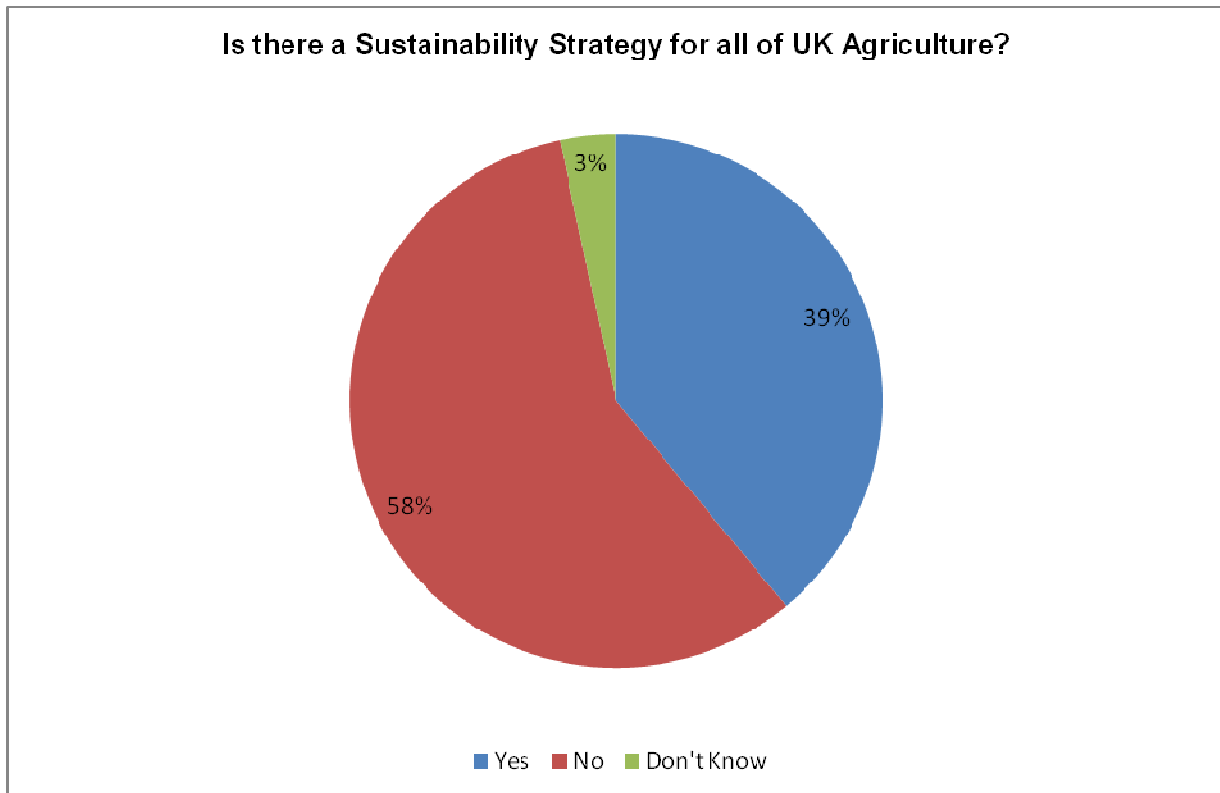


*There is scope for improvement. The issue is you can provide all of these things but that doesn't necessarily mean that they will be taken up and used properly.*

*We have some of the best training facilities in the world especially agronomy people are sought after.*

**SUSTAINABILITY**

**Is there a sustainability strategy for all of UK agriculture?**



The majority of respondents (58%) said that there is no sustainability strategy for UK agriculture but that there should be and that that should be distinct from regulation and subsidy policy. There was comment that there is a greater need for sector specific strategies in the first instance.

**Comment**

*There are different strategies but not a joined up agricultural strategy, which is how it should be.*

*Not for the whole of UK agriculture but a separate one for each sector.*

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*Yes, but it needs to be government inspired and industry-participated.*

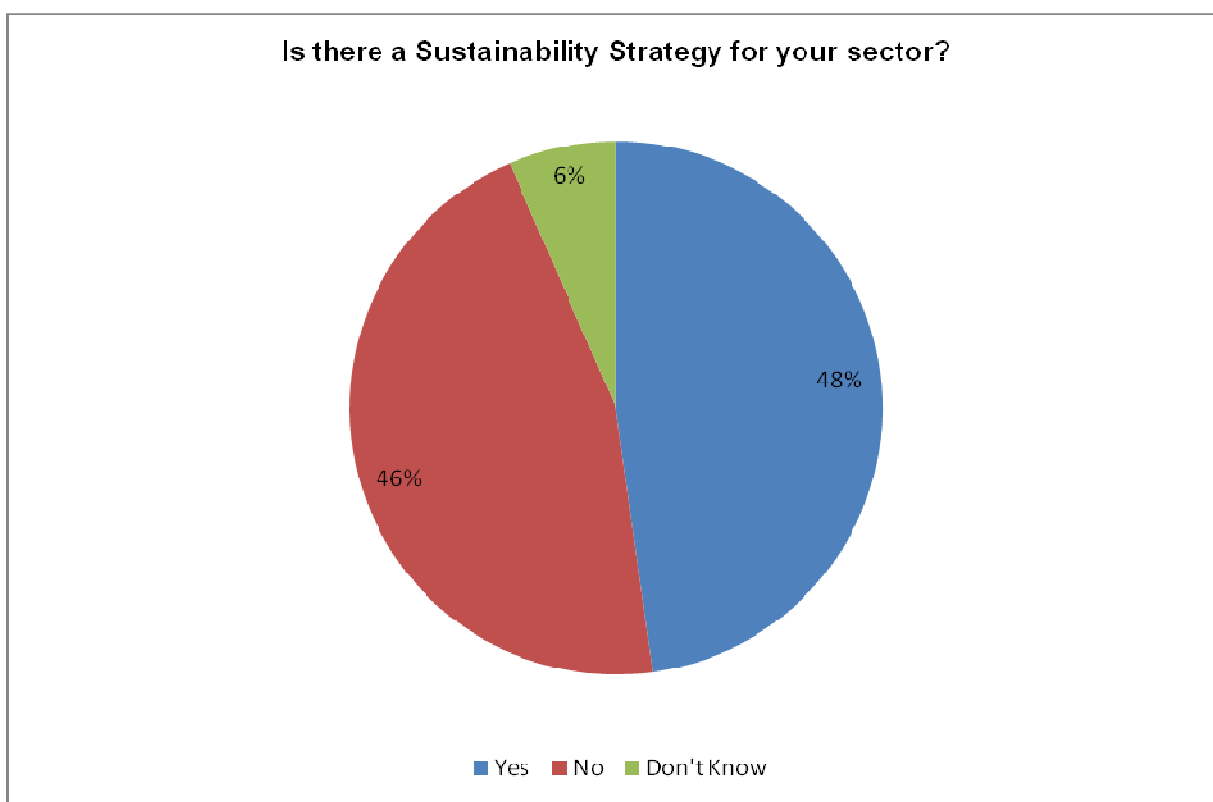
*It keeps being changed. Developed in response to CAP but regulation does not relate to sustainability should be evolving.*

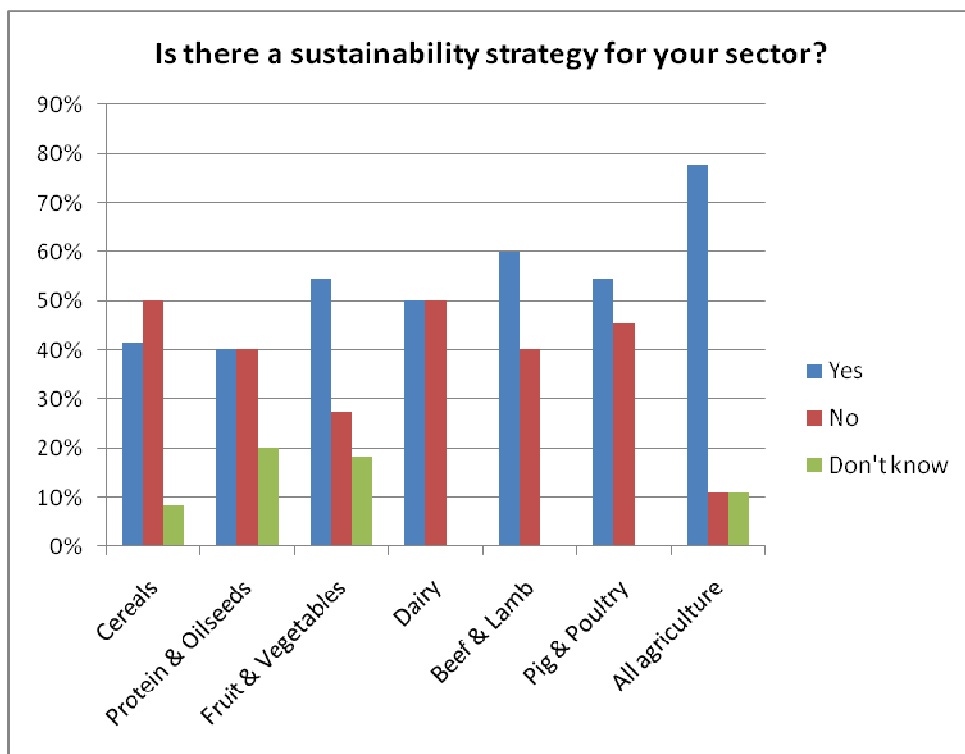
*Sectoral strategies need to be developed first.*

*But it is not understood widely and it has been hijacked by politicians and The Daily Mail. It is about the efficient use of available resources and this may be different in the future. We need to progress in all areas including ethical sustainability, as well as economic and environmental. You can't have one in isolation but all 3 must move forward together otherwise it will be just the same as it is now. Every farm is different and needs to be looked at as an individual unit. The people on the ground need to be responsible for this. A strategy is part of a larger framework made up of individual pieces and needs to be measured on outcomes.*

**Is there a sustainability strategy for your sector?**

Opinion as to whether or not a sustainability strategy exists for individual sectors is divided with slightly more respondents (48%) believing that such a strategy did exist for their sector compared to 46% who were not aware of any such strategy. Respondents from Dairy, Beef & Lamb and Pig & Poultry sectors were most aware of specific strategies/schemes that existed in their sector that have been developed and promoted by their levy boards, EBLEX and BPEX.





**Comment**

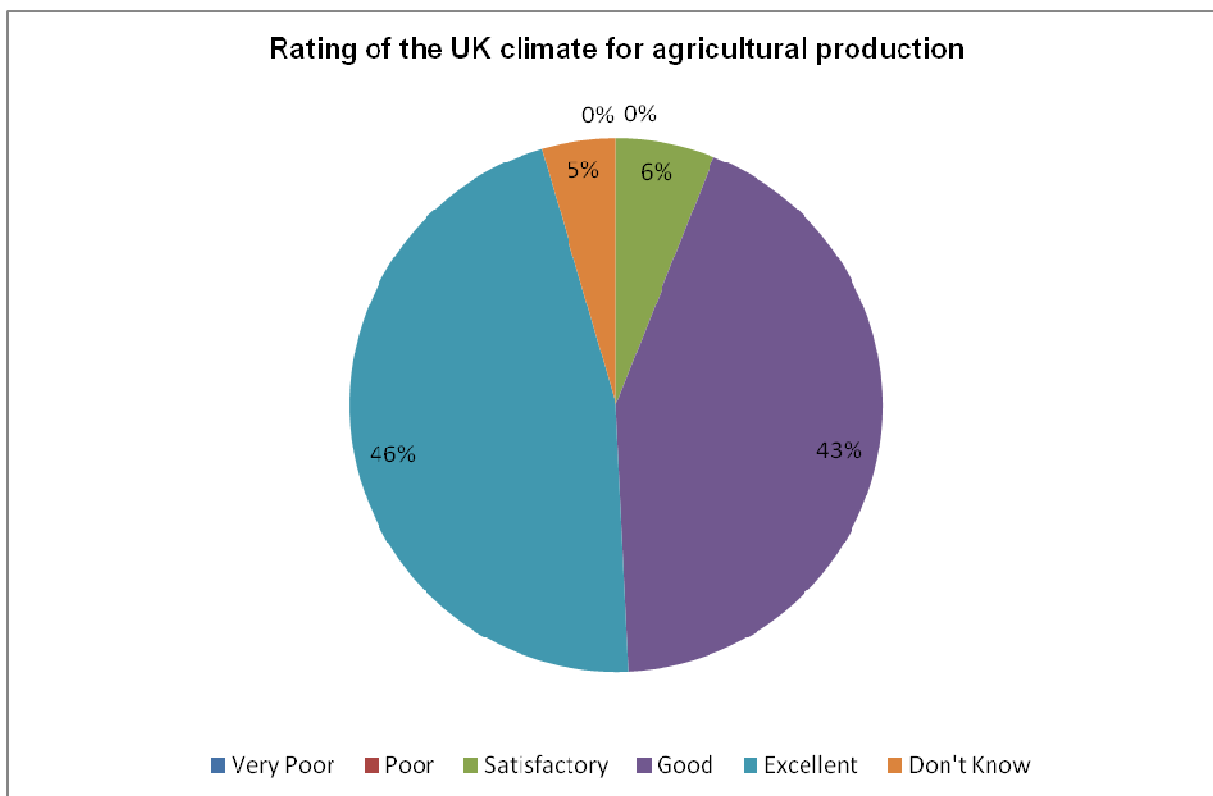
*Again, there should be a joined up strategy across beef and lamb. EBLEX have a sustainability strategy, for example, although I'm not sure how closely it is being followed, but there isn't a single one for the whole of the beef and lamb sector.*

*Dairy has roadmap for carbon and beef is developing.*

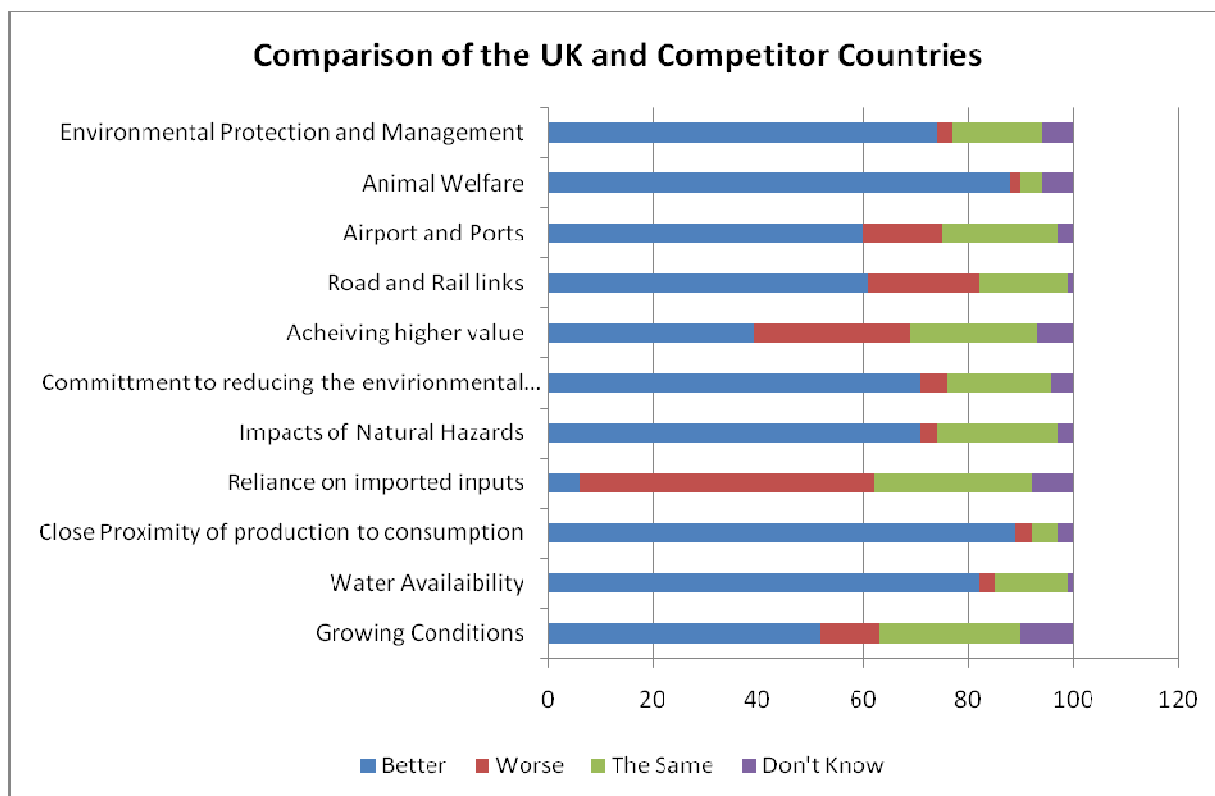
*There are things developing within sectors - beef and lamb, chicken and pork.*

**How would you rate the UK's climate for agricultural production?**

The UK is seen as having an excellent climate for agricultural production by the majority of respondents (46%) with a further 43% rating it good.

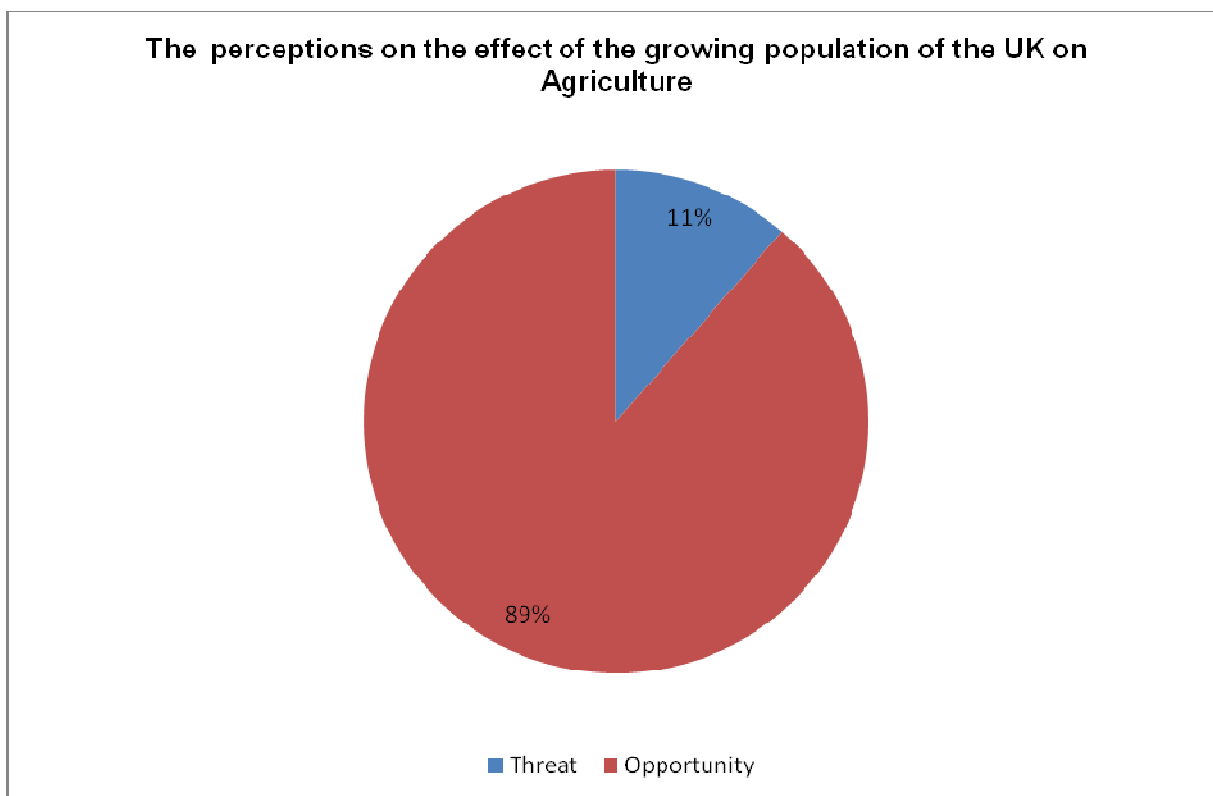


The respondents were then asked to compare the UK with the competitor countries on a range of issues including climate, infrastructure and attitudes, as detailed in the chart below.



**Do you consider the expanding population in the UK to be largely a threat or an opportunity?**

An overwhelming majority of respondents (89%) rated the growing population in the UK to be an opportunity for agriculture largely on the basis that there would be a greater demand for food and more available workers.



**Comment**

*People need food so a growing population presents opportunities.*

*Basically more people, more opportunity to make money!*

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*Potentially increased demand and possibly an increase in the level of available labour if they can be persuaded to work in agriculture.*

The 11% who thought it would represent a threat were concerned that there would not be sufficient resources to meet the increased demand.

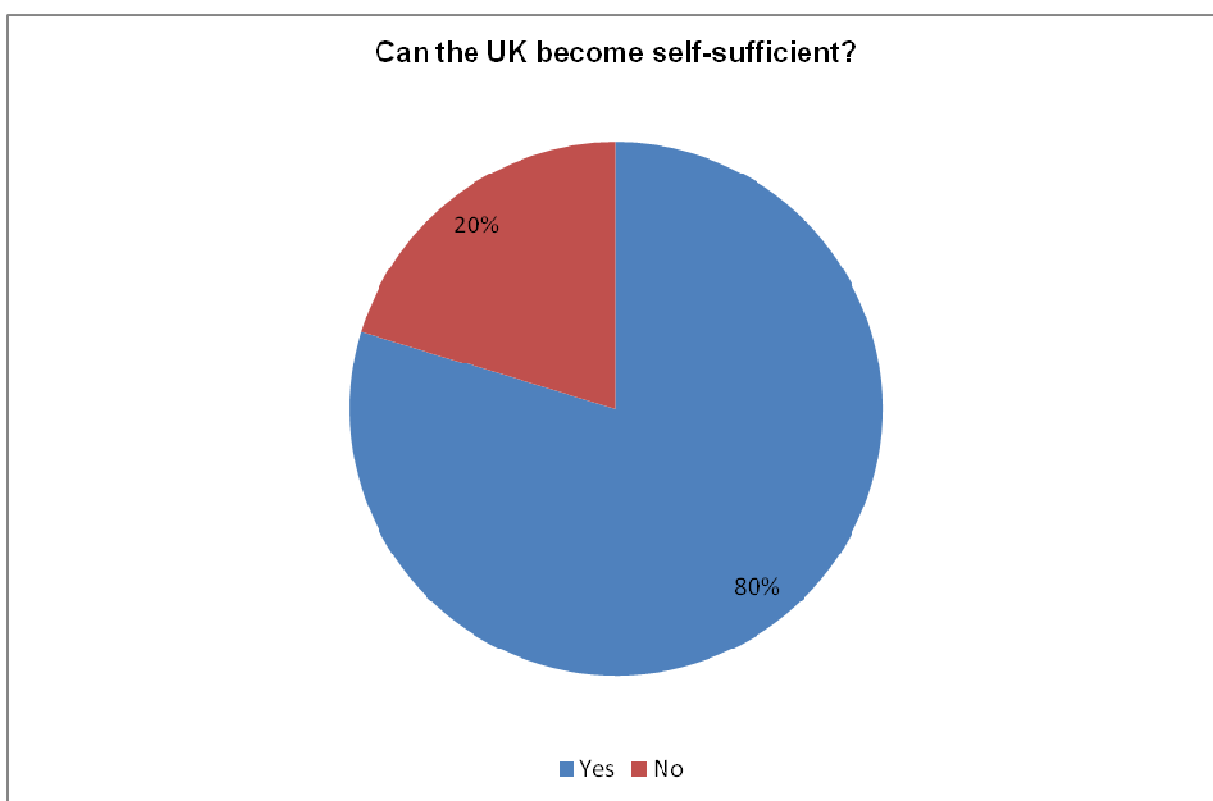
*Availability of agricultural land and more pressure on planning process.*

*Land is a finite resource.*

*Not enough grass to feed the animals to feed us. More people need feeding, pressure on resources.*

**Do you think that the UK has the capacity to become self-sufficient?**

A large proportion of respondents (80%) indicated that they think the UK has the capacity to become self-sufficient. However, whilst a significant number felt that this was possible, respondents do not feel that it should be an aspiration or aim as it would be too short sighted and not beneficial for the industry. Respondents believe that there are more benefits from trading in a global open market.



**Comment**

*Consumers expect to be able to buy foods all year round which means that self-sufficiency is not an option. Plus food chain security means that you shouldn't really have all your eggs in one basket; you need to spread the risk.*

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*I don't think that this should be the aspiration.*

*I think this notion of self-sufficiency is misplaced. We created an empire to import food and we're not going to change that now. We are and always will be a net importer of food. We need to realise we can't have it all. I'm not saying it can't be done but we need to make up our minds as to what we want. I think we should trade added value products globally.*

*I think it is ludicrous to aim to be self sufficient in all foods in the UK as clearly fruit and veg for example it's far more efficient to grow them elsewhere in the world. I do not think we should improve our levels of self sufficiency in the UK as it's the lowest it's been for 50 years and needs to be higher.*

*Never has been. We are a trading nation, rely on getting food from elsewhere, the most crowded country in Europe, can't produce as much as others, not necessary.*

*Shouldn't be self-sufficient. Not enough land. Not sustainable enough. Some products we don't grow, we are a trading country.*

*Society is multicultural which likes choice and we are the oldest trading nation and trade is good.*

*We can feed ourselves but diet would need to change.*

*We should produce what we are best at and everyone else should do the same and everyone share surplus, joined up thinking for the most efficient production.*

*Wouldn't advocate it, consumer demands stuff out of season and stuff we can't produce. Open market is best.*

**What is the UK’s main natural advantage and it’s disadvantage?**

Overwhelmingly, respondents feel that our climate is our main natural advantage. Other advantages cited include:

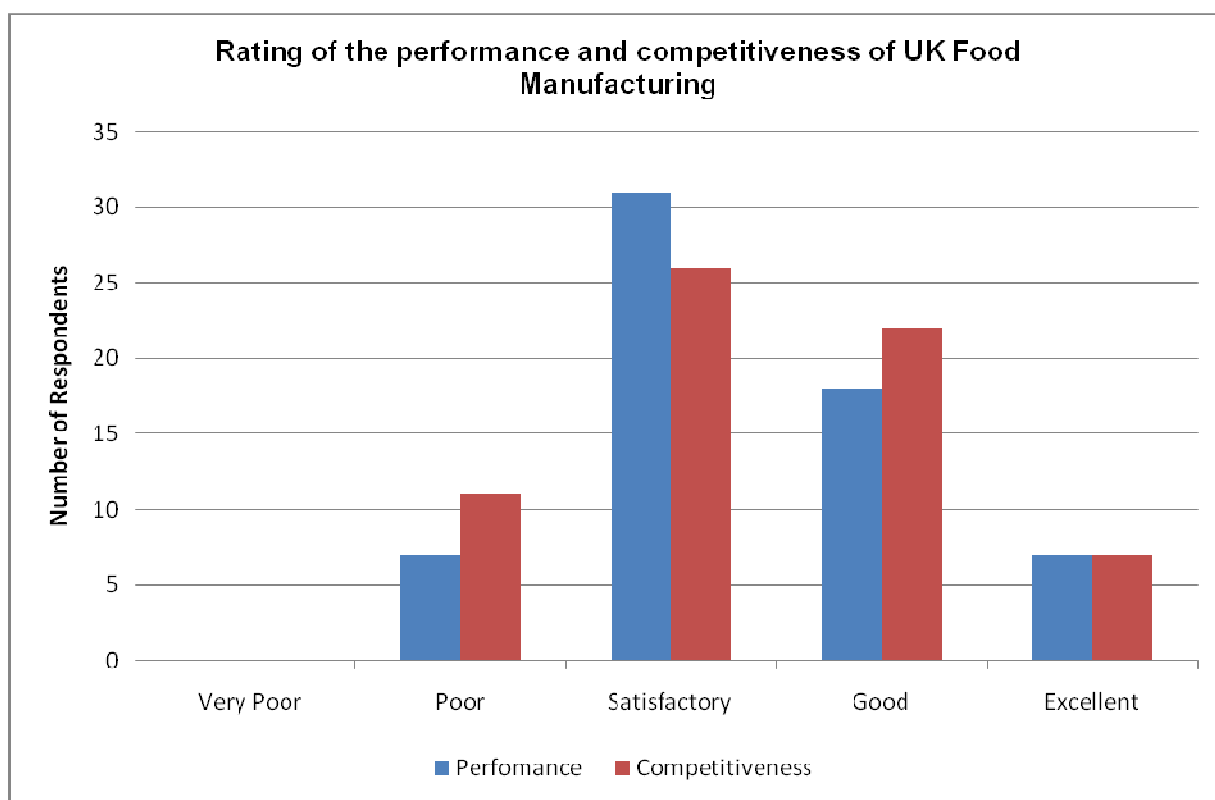
<b>Main natural advantage</b>	<b>No. of mentions</b>
Climate	41
Quality of Land	12
Farming expertise/skills	8
Proximity to market	3
Availability of feed	1
Size of market	1
Government support	1
Good supply chain	1
Temperature	1
Animal welfare	1
British brand	1
Population	1
Farming investment	1
Cost of production	1

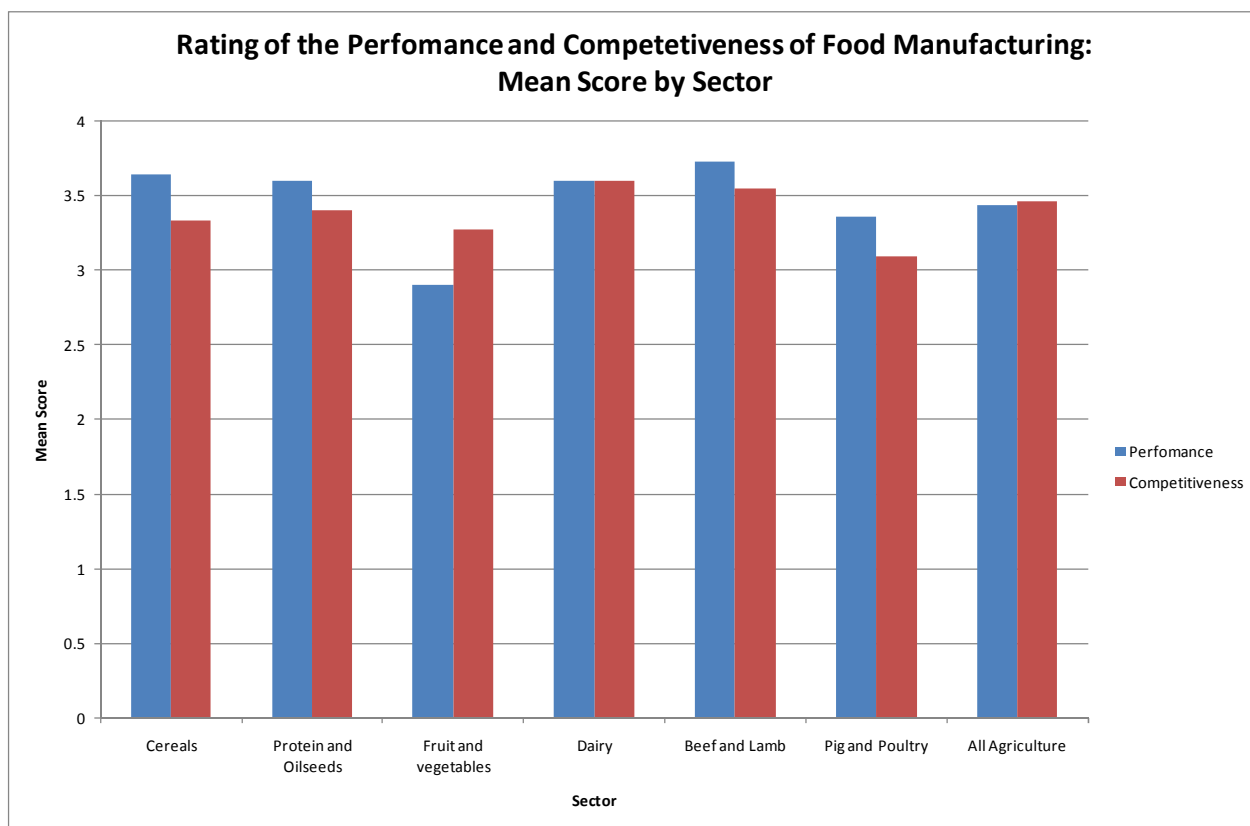
As far as disadvantages are concerned, these were more varied ranging from a lack of land space to grow more through to infrastructure problems, over regulation and lack of Government support. In some cases, climate is regarded as a disadvantage as the UK climate is not suitable to grow everything we consume.

**FOOD CHAIN AND CONSUMER RELATIONSHIPS**

**How would you describe the performance of UK food manufacturing with regards to profitability?**

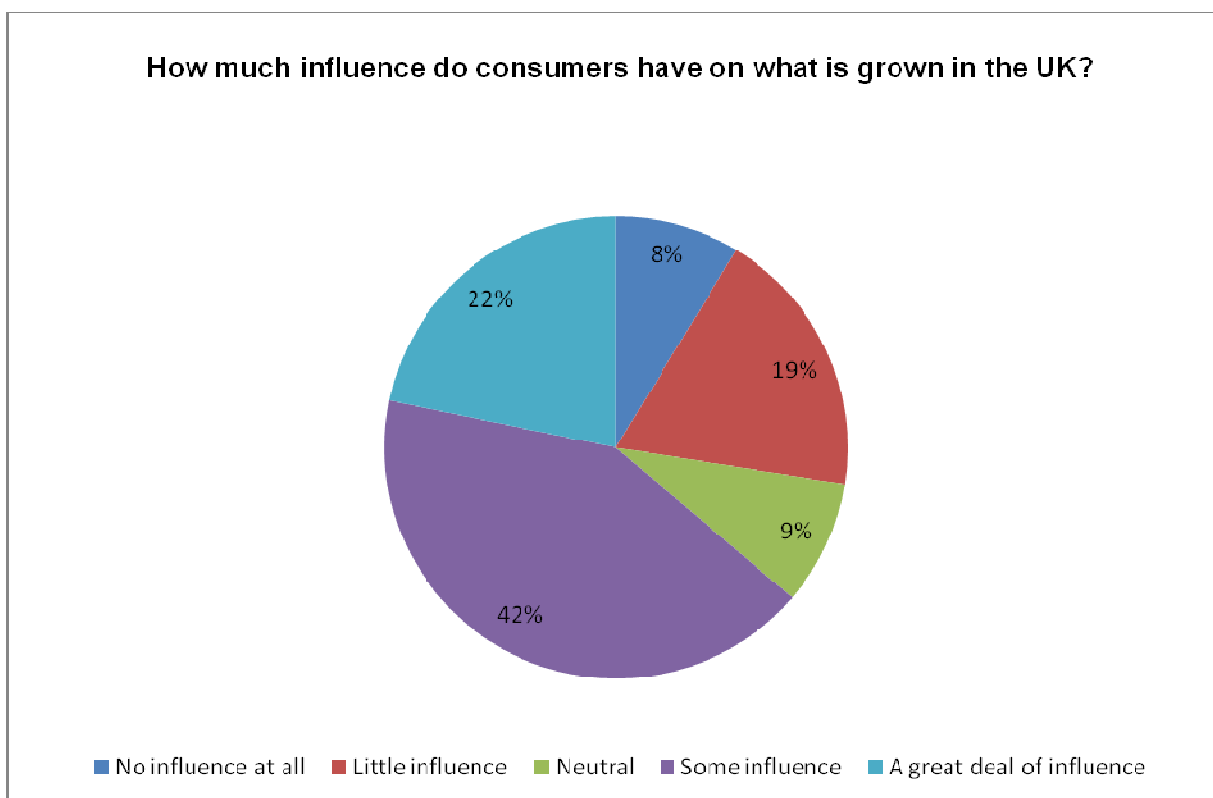
Overall, respondents rated the performance and competitiveness of UK food manufacturing as satisfactory to good, with a mean score of 3.40 for performance and a means score of 3.38 for competitiveness. These views were consistent across all sectors with the only notable difference being that respondents in the Fruit & Vegetable sector rated the performance of UK food manufacturing at 2.90 which is just below satisfactory.

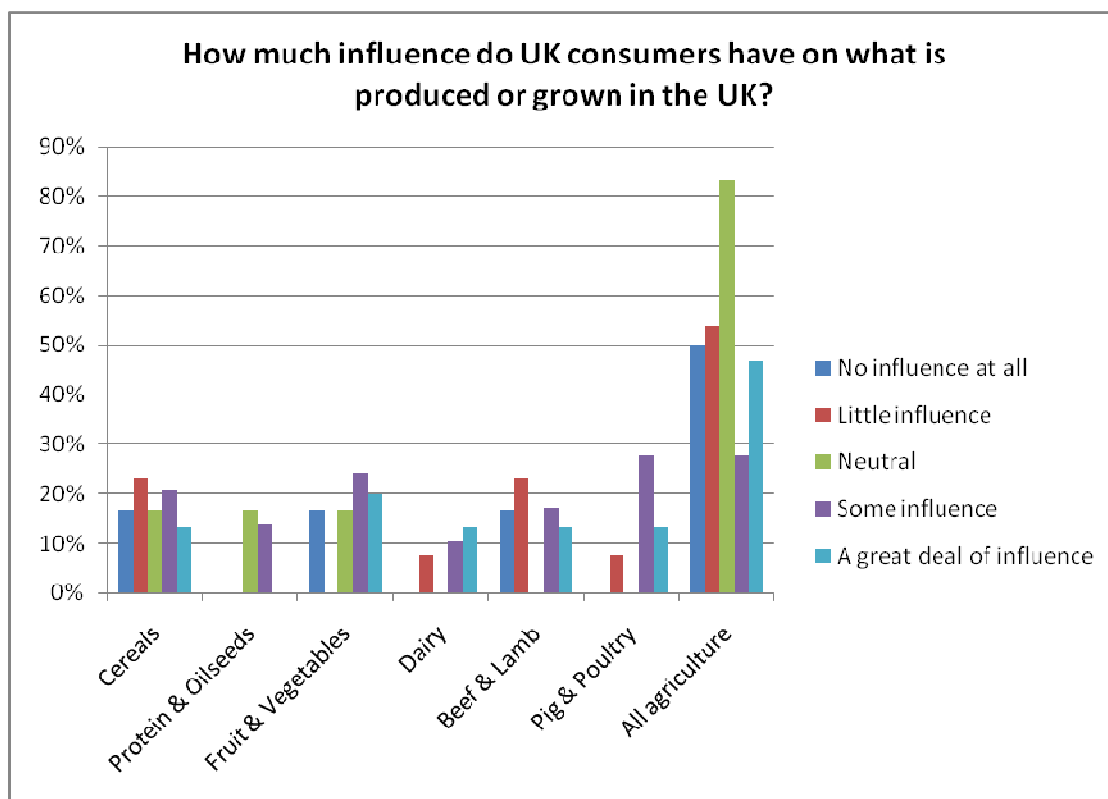




**How much influence does the UK consumer have on what is produced/grown in the UK?**

Respondents generally feel that UK consumers have at least some influence on which is grown or produced in the UK and this view is consistent across all sectors.



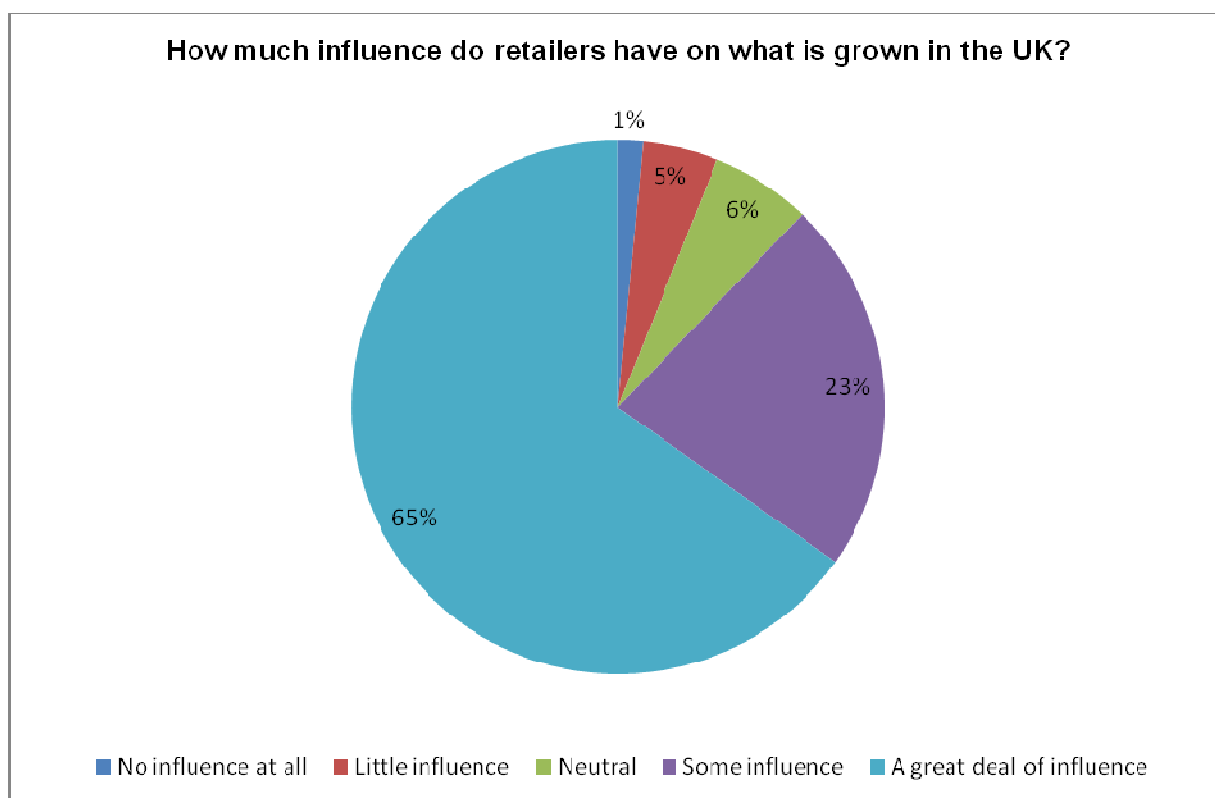


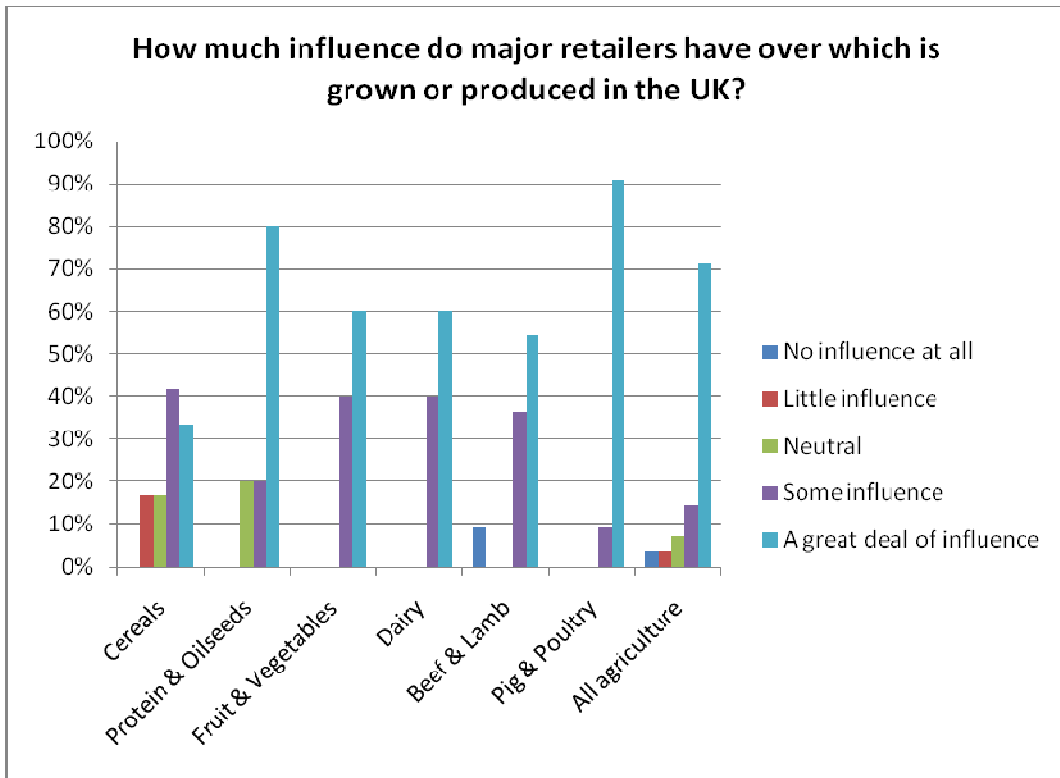


**How much influence do the major retailers have on what is produced/grown in the UK?**

Looking at the influence of major retailers, however, and there is a marked difference with 65% respondents feeling that retailers have a great deal of influence over what is grown or produced in the UK.

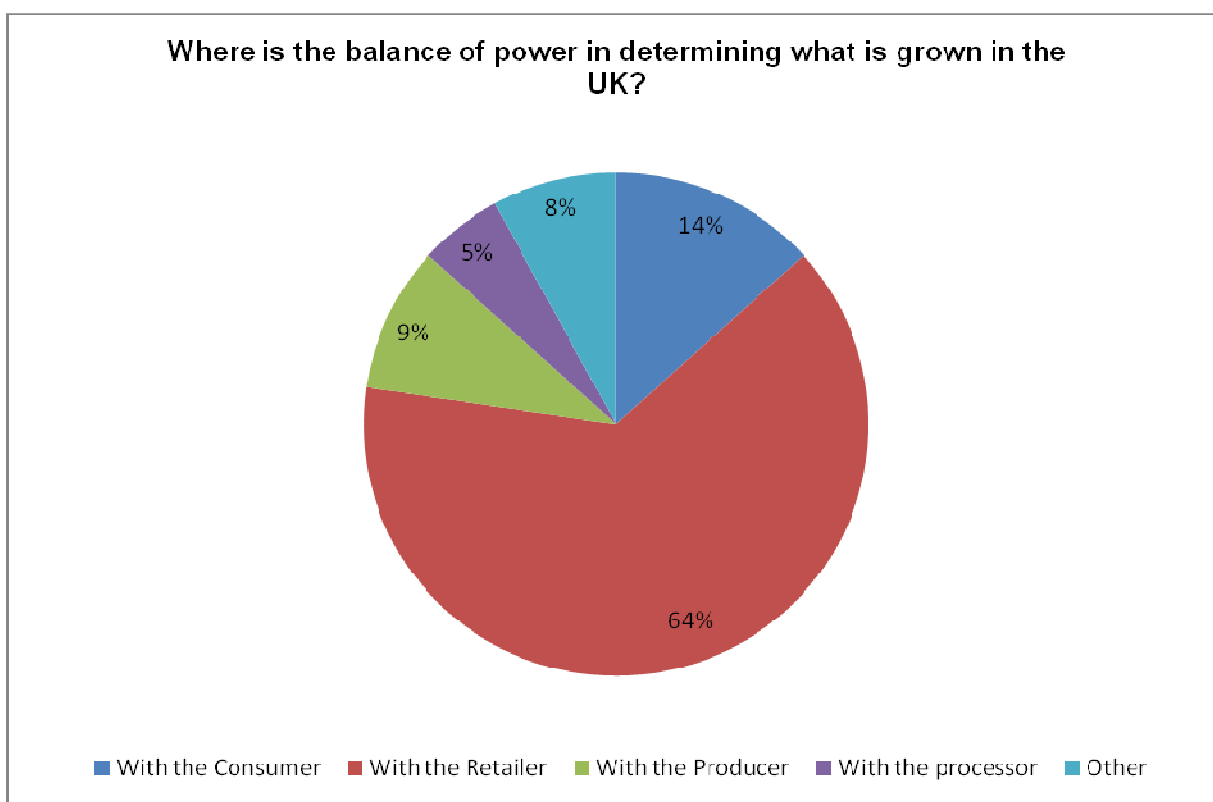
Again, this view is consistent across all sectors. The only notable difference comes from respondents in the Cereals sector who feel that major retailers have less influence over production in their sector, with just 33% citing little or neutral influence compared to 41% and 33% respectively citing some or a great deal of influence.





**With regards to what is grown and produced, where do you think the balance of power lies at the moment?**

The majority of respondents (64%) believe that the balance of power lies with the retailer with just 14% stating that demand is predominantly consumer-driven. Others indicated that it was a combination of retailers and consumers but very few respondents felt that producers or processors had any influence.



**Comment**

*It's with the retailer and the consumer split 80:20.*

*Retailers are purporting to represent the views of consumer.*

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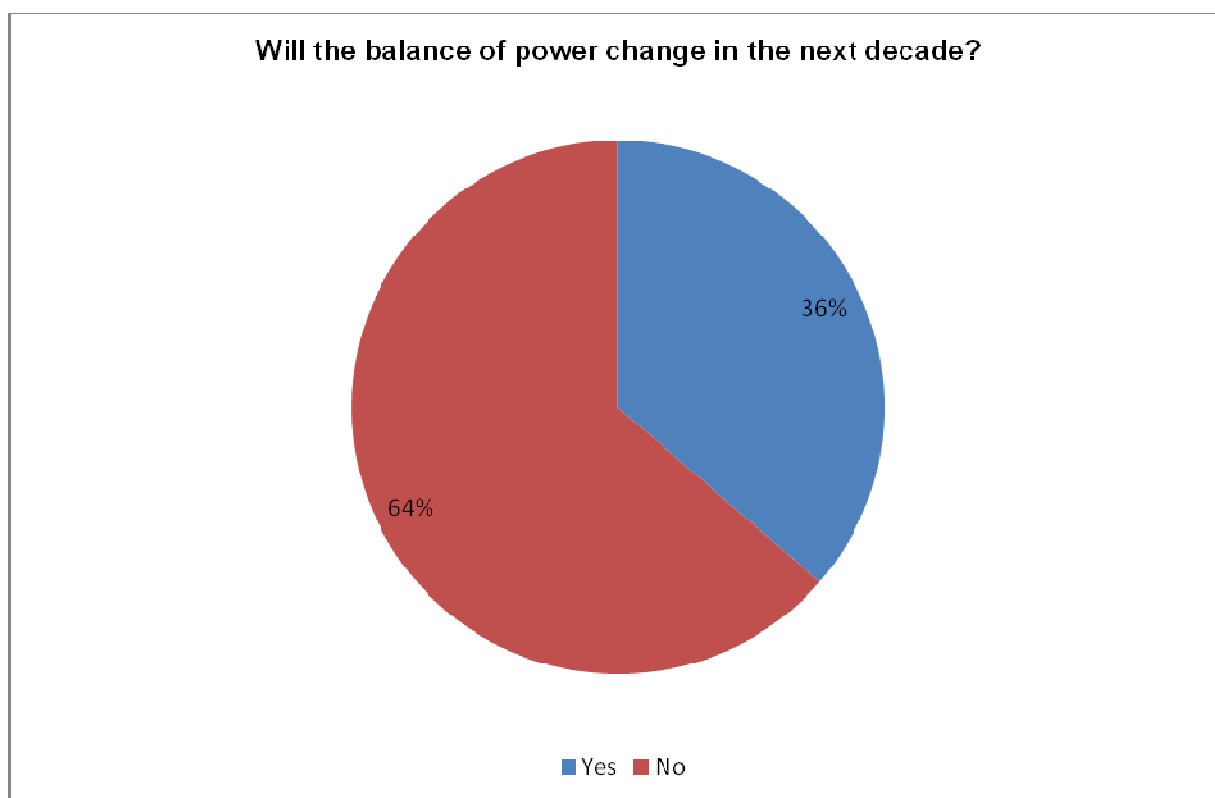
*Retailers are responding to consumer needs and are innovating by creating consumer need and being catalyst for a change.*

*Retailers have power to shape and lead demand.*

*Supermarkets are slavish followers of consumers, equal balance between consumers and retailers.*

**Do you think that this balance will change in the next decade?**

The majority view (64%) is that this balance of power will not change in the next 10 years because of the extent to which retailers have control over the market. They are also consolidated whereas the producers are much more fragmented. Where the change in balance is expected to shift is that consumers will gain more power but overall retailers will maintain the most influence.



**Comment**

*Consumers drive the retailers who drive the supply chain, ultimately accept or reject products.*

*Consumers will always determine what they want over the long term.*

*Few retailers control, 75% of grocery market, unlikely to change.*

*I think it will take 20+ years for this to change.*

*If anything, I think the retailers will get stronger.*

*No supply chain in any sector/industry is equitable so why should we expect it to be in agriculture? We need to stop trying to look at agriculture as being different from other industry sectors and get on and deal with the issues. There is always going to be an inherent inequity and the major retailers are not going away and I actually don't think we have an issue.*

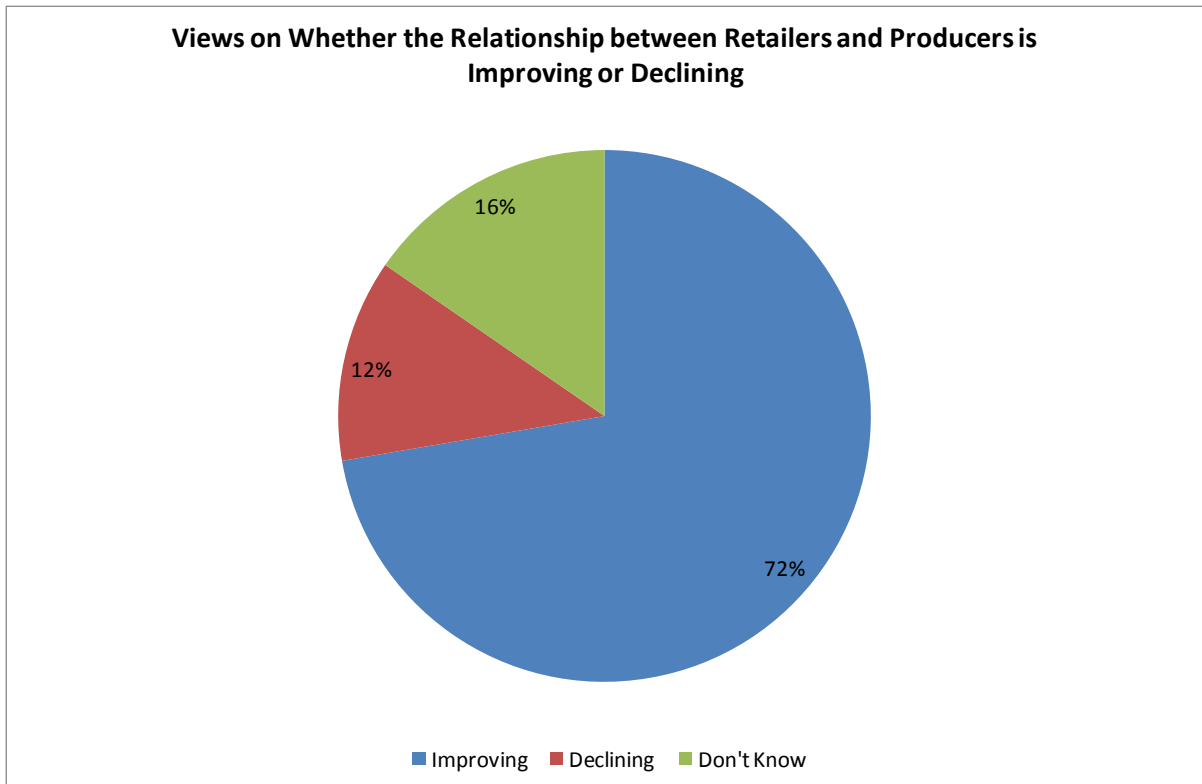
*Not without a change of competition law and the retailers get split up.*

*Not without effective government intervention because of how powerful the retailers are.*

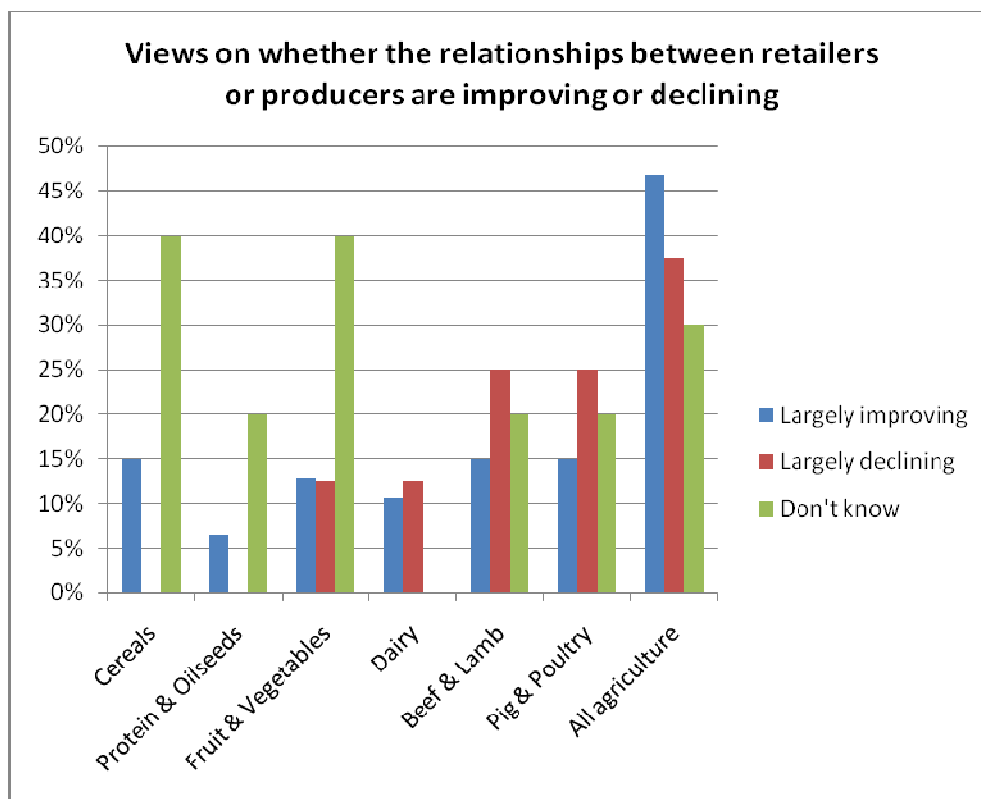
*Retail structure is too concentrated.*

**Do you think that the current relationship between producers and retailers is improving or declining?**

Despite the power of the major retailers, respondents believe that the relationship between producers and retailers is largely improving.



However, looking at views by sector and more respondents from the Dairy, Beef & Lamb and Pig & Poultry sectors feel that relationships are declining compared to respondents who feel that they are improving.



**Do you think that the UK public have lost touch with agriculture?**

*300 years ago! But it hasn't got worse recently. The public start to get into the countryside more but consumer kept in comfortable hazy view of farming 40 years ago. Myth around modern production and intensification.*

*And I think that the public has lost touch with agriculture due to lack of education.*

*Become very urban centric - more affinity in other countries at grass roots level.*

*But I think that there's a massive inquisitiveness now and a desire to have knowledge of where food comes from, but the public lost touch with agriculture years ago when the nation moved away from agriculture to industrialisation so the rural links have been broken.*

*But it's not their fault; the blame is with the farmers. They need to engage more with people and the public.*

*But it's starting to be addressed now.*

*Does it matter to them? They just want safe, good quality food. Do only farmers worry about this?*

*They have a lack of fundamental understanding of how food is produced or about the role of agriculture and the environmental benefits it provides.*

*To a large extent, but why should they, they are only buying food.*



**What demands are changing consumer attitudes bringing to the whole of agriculture? Do you think that the agriculture sector will be able to meet these demands?**

Greater awareness of animal welfare, food provenance and environmental responsibility are having the most impact on consumer attitudes with regards to demands on agriculture. However respondents are confident, feeling that that agriculture industry will be able to meet these demands. The long list of comments reflects attitudes.

<b>Consumer demands</b>	<b>Number of mentions</b>
Awareness of animal welfare	14
Food provenance	12
Environmental/Sustainability responsibility	11
Value for money	9
Improved food safety / standards	9
Quality assurance	3
Year round supply	1

**Comment**

*A much greater awareness of how food is produced on animal welfare, ethical production systems and is driven by education and information.*

*Access to countryside, accountability for biodiversity pesticide use and opening up of explanations.*

*Awareness of animal welfare, some sustainability issues especially climate change and provenance.*

*Better food safety, improved animal welfare.*

*British, local, higher provenance, higher welfare, environmental.*

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*Concentrate on quality, taste - more discerning and better educated (top 40%) generates 75% of margin.*

*Consumers are looking for improved standards, food security etc.*

*Country of origin of foods, regional/local foods.*

*Economics are affecting how much people will spend, plus issues such as animal welfare, where food comes from, food miles, local vs global are attitudes that we're seeing now; the top 20% of consumers are shaping this and producers are mindful of that and do their best to meet expectations. There is also a lack of education about what is good or bad welfare too, for example, a member of the public might report a sheep looking ill-cared for but in reality it's absolutely fine.*

*Environmental. Animal Welfare.*

*Expects more, quality assurance, food safety, animal welfare. Adds cost to the chain, things don't happen overnight. Diets are more varied, consumer groups are more fragmented.*

*Farmers have greater understanding and interest. Produce food not just farming.*

*Focus of organic and minimal pesticide usage. Lack of chemicals – (impact of EU legislation) will create future production problems.*

*Food security is important and affordability. Choice, taste, authenticity also have a role.*

*Food security. Retail food prices.*

*General public are appreciative of what we have and like to see agriculture - i.e. they like to see the farmer walking down the lane with his cows; they wouldn't like the reality of the man in a white coat with the lorry of cows.*

*Healthier food options.*

*Higher degree of responsibility.*

*Hopefully make it more profitable rather than living on a shoestring.*

*How product is priced, transparency around where the product has come from and farmers need to get used to the profile.*

*Impact on how things being produced e.g., animal welfare, slow but better understanding of what agriculture is all about.*

*Increased consumer connection means that they expect to have regional produce. Consumers still ignorant on sustainable issues.*

*Influencing what is being grown and much is to be paid for it. Consumers are influenced though mostly by price as opposed to environment, organic etc.*

*Interest on waste and the countryside.*

*It is just in terms of what they buy and what their preferences are. It is where it all starts from.*

*Largely positive drive for traceability and provenance driving best practice through.*

*Less pesticides, GM debate and improved quality requirements.*

*More environmentally friendly products but they are very confused. What they do and what they do with their cheque books are not the same.*

*More focus on animal welfare, produced environmental impact and more qualitative views on factors for production not just prices.*

*More focus on production methods and environmental impact.*

*More local, improved welfare, not wanting tunnels and dirty roads.*

*Price is the key.*

*Provenance and trust from consumers as to where their food comes from.*

*Relentless drive for convenience over 20-30 years - money rich/time poor. Shopping activity suggests they are sticking with this. Retailers respond to this skill, slowing the pace of change. As people get older, get more interested?*

*Rising standards and market focus is positive.*

*Significantly they have a bearing on how fat cattle or sheep should be, welfare standards, pesticides, traceability and provenance.*

*Some greater awareness of food provenance.*

*The discipline of market focus.*

*The retailers use perceived consumer demands to beat producers round in the end. Consumers want the most food for the least money.*

*There is a greater requirement to understand food provenance.*

*They are more aware of where their food comes from.*

*They are very demanding re price, provenance and animal welfare. Lends to tighter margins.*

*They have changed in the last 10 years. More people were indicating willingness to pay for quality but the brakes are back on since the recession.*

*Unfortunately what is classified as consumer attitudes are actually the views of special interest groups and retailers and driven to these. As I think most people are completely unaware of what agriculture does I don't think the majority are necessarily making demands just a minority.*

*Value for money appearance, freshness, all year round supply.*

*Willingness of most consumers to buy imported food puts great pressure on UK agriculture. The current focus on price and promotions has made this worse.*

## How will UK agriculture respond and meet the demands?

*Agriculture sector is always good at responding, easily led so important to get strategies right.*

*Already doing it e.g., animal welfare, production methods are adapting.*

*Always been minorative and challenging and enterprising industry with good players in it.*

*Build farms to give consumer what they want.*

*But lots who don't care yet - compared to fresh produce.*

*By listening to the consumer and starting changes.*

*By slowly changing relationships within food and farming so that there are more partnership opportunities used so that the supply chain is responsive to the consumer and works together.*

*Can't go much further in terms of efficiency, almost at breaking point unless they get more money.*

*Changing consumer attitudes have caused increased demand for skimmed milk (up 40% over 10 years) and semi-skimmed milk (up 14% over 10 years) and a corresponding decline in demand for whole milk (down 33% over 10 years). There is also increased demand for yogurts (up 32% over 10 years). These trends reflect increased consumer demand for healthier products. The market has responded with the development of alternative low fat products such as '1% milk'. Consumer concerns and interest in 'ethical' production may present the potential for new market opportunities (e.g. differentiation by production methods and/or perceived benefits) in addition to established growth in sales of organic dairy products.*

*Education, communication, collaboration and then communication, communication, communication.*

*Farmers generally understand consumers' needs and, for the most part, accommodate.*

*Farmers in dedicated relationships, it's much better. Haves and have nots.*

*Farmers very used to taking hints and look at what they are doing.*

*Generally, breeding new varieties and getting better products.*

*Hopefully not everyone has the skills.*

*If demand is consistent and people are prepared to pay then the industry can respond.*

*If the consumer is happy to pay.*

*Invest more time and energy.*

*It can, it will and it does in a myriad of ways.*

*It has in the past and will do in the future.*

*It has to so it has a saleable product. Has to lobby for fairness.*

*IT systems to produce labels! and show traceability and environmental issues.*

*It will respond but don't know if it's right thing to do as the key influences are not right.*

*Retailers in general don't give a toss if they use British suppliers or not it's all down to price. The interest groups push GMO free rubbish and pesticide residue reductions with very little understanding of the whole of agriculture and the bigger picture.*

*Mechanical cultivations - extra costs.*

*More farmers have sharpened up on what they do and becoming business people.*

*Most people want cheaper food at the moment. The retailers bombarded people with these offers.*

*Needs to be more engaged with the public.*

*New technology, new markets for healthier food e.g., grass-fed beef.*

*Primarily through responding to market opportunities but also through industry initiatives.*

*Produce what the consumer wants!*

*Sector has been amazingly responsive and will continue to be so.*

*Through good business management, R&D implementation and innovation.*

*Through innovation or imports.*

*Try - depending on what demands are.*

*We always have.*

*Well geared up with local food hubs compared to USA - World.*

*With country of origin labelling we require the diagnostics to back the labelling up (stable isotope analysis).*

*Work together across the supply chain.*

## How would you describe your confidence in the future of UK agriculture?

There is a high level of confidence amongst respondents in the future of UK agriculture across all the sectors. Respondents think there will be challenges and a degree of change in the industry but that it will be a positive process.

*A few rocky years ahead following the economic problems but good opportunity to get involved.*

*Bloody fantastic.*

*Confident because population will rise and food versus fuel land use will increase demand and prices.*

*Extremely confident. It's in fantastic shape and can only get better.*

*Fairly confident. I think it will change, it will look different but I am optimistic. I think we are at the real point of change at the moment - a pivotal time.*

*Good, optimistic because I think the importance of agriculture will increase and people will always need to be fed.*

*I am pretty confident, as long as this government is in power, we will have more opportunities. I believe the importance of agriculture to the country and feeding the public will become more appreciated.*

*I hope it's good. I'm not sure yet. It will definitely be different, they'll be fewer hopefully better farmers.*

*I think there are reasons to be confident. It will be different and primary producers/farmers need to get their heads round the fact that they will need to become risk managers and even international traders but there are very positive messages for the long term we just have to survive the short term to get there.*

**Oxford Farming Conference Research 2011 in partnership with Volac and Syngenta**



*My glass is half full. Huge challenges but believe we can find solutions and meet the challenges.*

*Optimistic as UK farmers are very adaptable and I am relatively confident that they will adapt but it won't be easy.*

*Very exciting place to be, so many opportunities particularly with new government.*