

Business Support for Farmers: An Evaluation of the Farm Cornwall Project

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## ABSTRACT

Prevents an account of a Farm Support Project in Cornwall

Penwith Whole Farm Advice Service provides support, advice, and an outreach facility for farmers in the Penwith District of Cornwall. This paper describes and comments on an evaluation of the Service which occurred in September 2008. The methodology involved a desk study of the Scheme's objectives, a postal questionnaire, a telephone survey of a sample of client farmers and consultations with a cross-section of stakeholders.

The scheme works in areas that cross the borders of conventional thinking about the farm and the role of the farmer in order to challenge some of the myths surrounding the farm enterprise.

The Scheme asks three kinds of questions about the nature of farming and the status of farmers. The first set of questions includes polarisations about the hegemonic position of farmers i.e. the conflicting ways in which they are perceived by the public.

Secondly, macro-economic, and thus policy, questions concerning the economic 'footprint' of the farmer and the farm's relationship with the economy are posed in Cornwall. This is particularly relevant in a European context as the legislative and economic function of the EU expands.

The third set of questions concerns the economic role and entrepreneurial capability of the farmer in Cornwall.

## Key words

Farm Cornwall, Farmer as entrepreneur, Farmer taxonomy, Entrepreneurial farmer

## INTRODUCTION

The aim of this paper is to describe and comment on an evaluation of the Penwith Whole Farm Advice Service (the Scheme) which occurred in September 2008 and to discuss how effective such schemes are, particularly in an external environment which poses threats to the farm sector in the UK.

The actors who manage and operate within the scheme understand and recognise that farmers are a heterogeneous group comprising different capabilities, enterprise skill sets and diverse social backgrounds and economic circumstances. The scheme functions in areas that cross the borders of conventional thinking about the farm and the role of the farmer in order to challenge some of the myths surrounding the farm enterprise.

Implicitly the Scheme asks three kinds of questions about the nature of farming and the status of farmers. These include polarisations about the hegemonic position of farmers i.e. the conflicting ways in which they are perceived by the public: on the one hand as romanticised guardians/custodians of the countryside and on the other hand part of the economic labour force whose primary role is to produce food for the country.

Secondly, macro-economic, and thus policy, questions concerning the economic 'footprint' of the farmer and the farm's relationship with the economy are posed in Cornwall. This is particularly relevant in a European context as the legislative and economic function of the EU expands

The third set of questions concerns the economic role and entrepreneurial capability of the farmer in Cornwall. Clearly some of the farmers who come in

to the orbit of the scheme are entrepreneurial and have strategic management capability whereas others, from necessity, have to develop these skills or face a bleak future.

This paper describes and comments on an evaluation of the Penwith Whole Farm Advice Service which occurred in September 2008. The methodology involved a desk study of the Scheme's objectives, a postal questionnaire, a telephone survey of a sample of client farmers and interviews with a cross-section of stakeholders. This paper specifically reports on the interviews.

The paper is structured as follows: After this introduction we provide a context. We then describe the work, structure and scope of the Scheme. We then discuss the methodological approach taken and outline the key findings and results and finally, offer a series of recommendations for continued implementation of such schemes across the UK.

## Context

The need for cost efficiency and scale increase in agriculture, the high price offered for land near cities and industries, the decreasing income levels and the growing age of farmers are contributing to the reduction in the number of farmers in the UK. The decreasing numbers of farmers can be considered as part of the marginalisation process of agriculture in society as consumers become less familiar with agricultural activities and processes whilst higher value-adding activities in food production increasingly take place away from the farm.

Recognising business opportunities and planning to exploit them have become major requirements for farmers if they are to find ways to create a profitable business. Co-operation and networking skills, innovative abilities and risk-taking are important requirements to realise business opportunities. Business planning, monitoring and reflection, team-working and leadership are important capabilities which farmers require in order to develop and improve their business.

## Conceptualising the farmer as entrepreneur

Research into 'farmers as entrepreneurs' has not provoked extensive investigation (McElwee 2006b) and there are difficulties associated with defining the entrepreneur; as noted by Palich and Bagby (1995:426), 'when tracing the development of this concept in the literature, it becomes clear that no one definition of the entrepreneur prevails'. Definitions have emphasised a broad range of activities the more well-known of which

include uncertainty-bearing and the sub-contractor who takes risks (Cantillon, 1755), co-ordination (Say, 1803), innovation (Schumpeter, 1934) and arbitrage (Kirzner, 1979). Defining farmers' entrepreneurial activity is complex as they do not conduct similar business activities to their urban counterparts.

Early definitions of 'farmer' and 'entrepreneur' are not so distant as they have since become. Cantillon's 'entrepreneur' as risk-taking subcontractor is not greatly different from the 'fermier' who rented out and tended land at his own risk. Both farmer and contractor operated as risk-taking agents and stood to gain profit or suffer loss through their own efforts. However in common parlance today, the entrepreneur is often considered to be a radical change-maker whilst the farmer can be seen as conservative and risk-averse. This paper will suggest that this is not necessarily the case.

Where enterprise and entrepreneurship is explored in a rural context, studies have tended to focus on the dynamics and behaviours of individuals, often focusing on farmers, as entrepreneurs within a rural setting (e.g. Carter 1996, 1999, 2006; Kalantaridis and Bik, 2006a, 2006b; Kalantaridis and Labriandis, 2004; McElwee 2008a, 2008b, McElwee 2006a, 2006b, 2006c; McElwee et al., 2006). Carter (1998), Carter and Rosa (1998), McNally (2001) and Borsch and Forsman (2001), argue that the methods used to analyse business entrepreneurs in other sectors can be applied to rural businesses such as farms. However, the characteristics of the classical Theory of the Firm, i.e. capital raised by share ownership, separation of ownership and management control and profit maximisation are not readily applied to the farm and in particular the family farm. The relationship

between the farmer and the farm business is a complex issue, as the farmer can be an owner, a tenant, a manager, a sub-contractor or a combination, suggesting that the methods used to analyse business entrepreneurs in other sectors may not be easily transferred to an analysis of farms and farmers.

### Definitions of farm entrepreneurship

The problem of definition is not confined to entrepreneurship for there also are issues of conceptualization when terms such as 'farm' or 'the farm' are used. Furthermore, Beedell and Rehman (2000) suggest that to understand the phenomenon necessitates understanding farmers' attitudes and motivation in a context of environmental and conservation awareness.

However, this position of management and business capability and the extent to which farmers are entrepreneurial is contested, namely by Carter (1998), Carter and Rosa (1998), McNally (2001) and Borsch and Forsman (2001), who argue that the methods used to analyse business entrepreneurs in other sectors can be applied to farmers. In essence, for Carter (1998), farmers have traditionally been entrepreneurial. Furthermore, Carter and Rosa argue that farmers are primarily business owner-managers and farms therefore can be characterised as businesses. Carter draws parallels between portfolio entrepreneurship in non-farm (business) sectors and farm pluriactivity suggesting that farmers have multiple business interests and these foster employment creation and rural economic development. This is a key issue. The definition of a farmer provided above ignores both the

pluriactivity<sup>1</sup> and the social entrepreneurial role of the farmer. These other activities are both necessary for the continued occupation of the farm, in the case of pluriactivity and a role that farmers can play, precisely because they are farmers. Eikeland and Lie (1999) argue that pluriactive farmers are entrepreneurial, but as Alsos et al. (2003) acknowledge 'there is still a paucity of knowledge about which factors trigger the start-up of entrepreneurial activities among farmers.'

This lack of consensus is the central question to be addressed and exposes the danger of generalising about farmers as a group. If Carter is correct and farmers have always been entrepreneurial and manage businesses (farms), then they should already be equipped with certain entrepreneurial and management skills and therefore capable of managing environmental uncertainty. However, if they<sup>2</sup> do not have these skills then they need to learn and develop them or they limit their effectiveness and efficiency. But the strongest likelihood is that some farmers have greater entrepreneurial propensity and capability than others. Where farmers have traded within a supply chain with few buyers and sellers (for example, growing potatoes for Tesco) they may have had limited opportunity to develop the entrepreneurial skills associated with managing multiple customer relationships. The problem is made more acute if the environmental conditions confronting farmers are harsher than in other sectors. This then is the challenge for farmer.

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<sup>1</sup> Pluriactivity is defined as any business activity which the farmer engages in which is off-farm activity. Diversification is defined as on-farm or farming related activity. Thus contracting or Farm accommodation would constitute diversification. Contracting or working in another occupation would constitute pluriactivity.

<sup>2</sup> Note that farmers are not a homogeneous group. In this instance we are referring to owner-managers and tenants and not employed farm managers.

## **THE STRUCTURE AND SCOPE OF THE PENWITH SCHEME**

### The Scheme's aims and objectives

The Scheme was established in June 2002 'to provide an inclusive single point of contact for farming families throughout West Cornwall offering rural outreach with total wraparound business and family support. Championing development by providing "Signposting plus" to individuals and business aspirations. Ensuring that farm businesses maximise the opportunities and initiatives offered.'

The objective of the Scheme is to help farmers and farm families to recognise the need for professional help and to access the most appropriate form of such help. Specific aims are:

- To help farmers become top-flight managers of their businesses;
- To help farmers establish new markets for their products;
- To help (some) farmers to retire with dignity.

The governance of the Scheme is as follows:



The Penwith Scheme provides direct interventions to farmers through a Farm Business Development Adviser, supported by administrator. The Scheme is physically located in the Penwith Farm Business Centre Penzance. The Scheme is managed by a Steering Group comprising eight representatives of the agricultural sector (including tenant and owner-occupier farmers, and a landlord's agent) and Penwith District Council's Rural Economy Officer. The accountable body is the registered charity, Penwith Farming Forum, administered by Penwith Community Development Trust.

The Scheme has some distinctive, if not unique, characteristics and particular attention has been given to a review of the structures of the Scheme in order to inform a potential application for Objective One Convergence funding for its extension, or replication.

### The Scheme's performance

Fundamental to Farm Cornwall's approach is a classification of farms (but emphatically not of farmers) into four categories, from the most secure and successful (Category A) to those at risk of insolvency (Category D). There is a simpler twofold classification into stronger (A&B) and weaker (C&D) farms. Farm Cornwall activities tend to concentrate on the weaker farms, which are more in need of assistance.

<p><b>Category A</b></p> <p>Economically sound and well-established</p>	<p><b>Category B</b></p> <p>Economically sound with affordable borrowings</p>
<p><b>Category C</b></p> <p>Below benchmark performance, often with sizeable borrowings</p>	<p><b>Category D</b></p> <p>Well below benchmark, over-borrowed, struggling to survive</p>

### Aims and objectives

The aim of this paper is to provide a critical review of the achievements of the Penwith Scheme to date, to identify any areas where improvements should

be sought and to comment briefly on the potential for replication of the model to other areas of the UK. The research addresses two research specific questions: Firstly, to evaluate the project against its business plan and secondly, to determine if the project has a USP for ongoing development.

Farm Cornwall has a small office and two staff. Whilst it has formal targets for activities and outcomes, its deeper principle is to 'do whatever it takes' to help farmers in the area. The project was established in 2002. Between October 2005 and September 2008, the project was supported in part by European Union EAGGF (European Agricultural Guarantee and Guidance Fund) funding within the 'Objective One' programme for Cornwall. The balance of funding is from local authorities and other public sector sources, with small amounts from chargeable services and other private sector income. Funding totals more than £100,000 per year and is spent primarily on staff and the costs of a small office. Whilst there is a properly audited balance sheet, assets and liabilities are nugatory - office equipment, day-to-day debtors and creditors, and entries that reflect routine cash flow from the funding bodies to the project.

Farm Cornwall serves a relatively small number of farmers. In 2007 the government's Inter-Departmental Business Register recorded 370 agricultural 'business units' in Penwith district<sup>3</sup>. This figure should not be seen as an accurate count of 'farms', but gives an indication of the size of the community served by Farm Cornwall. The figure for Penwith (370) has

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<sup>3</sup> These are 'local units in VAT-based enterprises'

[http://www.statistics.gov.uk/downloads/theme\\_commerce/PA1003\\_2007/UK\\_Business\\_2007\\_optimized.pdf](http://www.statistics.gov.uk/downloads/theme_commerce/PA1003_2007/UK_Business_2007_optimized.pdf)

been roughly stable for the three most recent years 2005, 2006, 2007, for which IDBR data is available, as has the figure for Cornwall as a whole. The figure is also broadly consistent with the estimate in the original Farm Cornwall business plan (October 2004), which suggested that there were 870 active farm businesses in Penwith and the adjacent Kerrier<sup>4</sup> district (the IDBR figure for Kerrier in 2007 was 545, making 915 in total including the 370 in Penwith). 266 farms were 'registered' with Farm Cornwall. This seems close to the practical maximum given that some businesses in farming as much as in any other sector, will refuse to engage with a venture of this kind.

Interactions with farmers are of two broad kinds: outbound and inbound. Outbound communications occur by phone, through newsletters or mail shots and, most importantly, through actual visits to farms. Farm Cornwall seeks contact with farmers and to understand their difficulties. Inbound communication occurs when farmers take the initiative and contact Farm Cornwall for advice or other assistance. Both are important, but emphasis is on outbound communication: unlike many sources of advice the ethos of Farm Cornwall is pro-active engagement with farmers. Given that Farm Cornwall has been active for several years and that the community it serves is, numerically, quite small, any farm willing to countenance contact has been the subject of numerous contacts in both directions.

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<sup>4</sup> The original plan suggested that the Farm Cornwall service should be extended from Penwith to cover adjacent Kerrier district as well, but this plan was never implemented

Farm Cornwall does not have large resources for grant funding. Its interventions may be decisive, but are necessarily 'light touch'. For instance, help with business planning may be decisive in allowing a farmer to work through trading difficulties and in persuading a bank to provide finance, but in such a case it is bank finance and the hard work of the farmer that are the decisive factors, with business planning work operating as a catalyst.

The heterogeneous and light-touch character of Farm Cornwall's interventions makes it challenging to quantify their impact in ways consistent with the UK standard methodology in HM-Treasury's Green Book.

Before attempting quantification, it is important to characterise Farm Cornwall.

There is, in principle, no reason why Farm Cornwall should not operate in the private sector like any other service provider to farmers; indeed an existing organisation such as a local chartered accountancy practice could (conceivably) provide the service. The immediate reason this will not occur is because the service would not be commercially viable. Charges would be relatively high and would inhibit, in particular, the farmers in greatest difficulty, i.e. those whom Farm Cornwall especially wishes to help, from seeking assistance. The underlying reason, however, is market failure in agriculture. There is no space here to discuss the causes of market failure in agriculture, save to say that agriculture specifically is coming to terms with extensive policy-driven, rather than market-driven, change, and that agricultural businesses, like other mainly small businesses, face market failures associated with information: put simply, farmers and other business people will not invest to the necessary extent in activities such as marketing

and business planning because they do not have the information needed to assess their value, nor, in some cases, access to sufficient capital.

Market failures affecting small businesses are widely recognised. They are, for instance, the main reason for the existence of Business Link. Farm Cornwall is very different from Business Link: much smaller and correspondingly more sector and geographically specific. The differences have advantages and disadvantages. Farm Cornwall lacks the scale economies and administrative efficiencies enjoyed by Business Link, but on the other hand the personal approach, intimately connected to the local farmers that Farm Cornwall can offer, could not be replicated by Business Link.

Advice, and other interactions, are strongly biased towards farms in categories C and D. These weaker farms are where 'safeguarding' is both needed and likely to be effective. In contrast, the larger and better capitalised farms in categories A and B are less likely to require or benefit from safeguarding.

Farmers value highly the advisory and other services that they receive. This is not for 'fun' - the only purpose of the services is the improvement of business effectiveness. The large number of activities and the value placed upon them suggests strongly that business benefits are obtained.

The 370 farms in Penwith employ, an estimated, 1,000 workers, mainly of course the farmers and their families, with some hired labour on the larger units. The target therefore is to safeguard over three years some 16% of jobs, and a somewhat lower share of sales.

Farm Cornwall has had a substantial impact resulting in the safeguarding of considerable amounts of employment and income, especially at farms in categories C and D.

Farm Cornwall offers a cost-effective service in itself and that its unusual approach to close links with farmers is a valuable model that should be, at least, retained and, ideally, expanded.

## METHODOLOGY

### The research problem

The research question is 'how successful is a vehicle such as the Farm Cornwall Project in supporting the actual needs of farmers?' McElwee (2006d) has demonstrated that there is a great deal of literature on entrepreneurship and a commensurate level of literature on farming and the related field of rural enterprise. However, there is very little written which combines these three topics. Consequently, the research outlined here is of qualitative exploratory nature.

### The Methodological Approach

The methodology can be broken down into four principal activities:

Stage one: a desk review of the formal objectives in setting up the Penwith Whole Farm Advice Service,

Stage two: a postal survey of 200 farmers

Stage three: a telephone survey of a sample of the service's client farmers,

Stage four: a series of one to one interviews with stakeholders

In this paper we comment on the results of Stages one and four only.

Getting data implies '[getting] inside situations by empirically generating qualitative data through interaction with a number of key respondents', as Burrell and Morgan suggest (1979:7). Actually identifying key respondents is more complex. Potential interviewees from Cornwall were selected from a list of farms and contacted by telephone in order to request an interview. Efforts were made to ensure a range of ages and farm types and sizes were represented.

The interviews occurred in September 2008. The majority of the interviews took place either in the farm office or farmhouse and their duration varied from just under 30 minutes to over 90 minutes. In total 27 interviews were held.

A methodology was developed which was designed to work within a tight frame, whilst achieving a significant level of stakeholder and farmer engagement.

## **RESULTS**

### Stage One

The Penwith Scheme has a broad scope, encompassing an integrated approach to providing business (and family) support to farmers. This covers, for example, a considerable volume of sign-posting (to training providers, specialist advisers, sources of grants, relevant information, etc.), the facilitation of training (either through existing or bespoke courses), assistance with major grant applications, the development of 'social capital'

through top quality seminars, through to help in accessing sources of social support.

As a drop-in centre, the Centre staff have built up a comprehensive library of information on a wide range of topics of relevance to developing farm businesses, including grant-aiding possibilities, emerging policy and sources of technical information. In addition, and potentially even more valuable, the broadband internet connections on the public access PCs open up the information resources of the World Wide Web. These resources are especially valuable in an area which is geographically remote and its value as a drop-in centre is still in the process of being exploited by its target population.

#### Stage four Qualitative Interview Results

This section reports on the initial findings of the interviews held with stakeholders in September 2008 and is structured as follows. The key issues and observations derived from the responses to each of the questions are presented. The bullet points are direct quotes from the interviewees themselves. Specific quotes from the interviewees have been incorporated into the text where appropriate.

The discussions with stakeholders were undertaken to explore four specific issues:

<p><b>Engagement Issues</b></p> <p>How is the scheme engaging with farmers in the region?</p>	<p><b>Strategy and Management Issues</b></p> <p>How effectively reasoned is the farm support strategy?</p> <p>How effectively known and owned is the strategy by the Steering group?</p>
<p><b>Transitional Issues</b></p> <p>Is the support sufficiently flexible to take account of the varied business support needs of farmers across the region?</p>	<p><b>Delivery Issues</b></p> <p>How effective is the current focus on 4 categories of farmers?</p> <p>How effective is the Steering Group?</p> <p>How effective is the management structure?</p>

The respondents

The interviews were carried out in September 2008 and stakeholders, project staff, steering group member and funders were interviewed.

This section sets out the findings of the qualitative interviews. The purpose of the interviews was to explore: a) how effective the business support provided to the farmers is b) to determine what improvements could be made and c) to determine what support there would be for a wider roll out across Cornwall of the Scheme.

Interviewees were given the opportunity to feel free to describe their experiences in some detail without putting them either under any pressure to respond in a particular way, as much is practicable, or indeed to push them in

any particular directions. After being asked what awareness of the scheme they had the interviewees were asked three broad questions.

What is working well?

What is not working so well?

How could the Scheme be improved?

### Understanding of the scheme

The majority of the respondents were aware of the vision, aims, objectives and management of the structure. There appeared to be variance in responses however regarding the exact number of interventions with each of the named categories. All respondents had significant awareness of the key features of the scheme and its strategy.

The interviewees were asked a number of questions around four general areas. These were:

- A General Understanding of the centre
- B What is working well?
- C What is not working so well?
- D How could the Scheme be improved?

The responses were subsumed into five emerging issues for each of the four general areas. These were:

- The Centre and its management
- The Role of the Farm Advisor
- The Farm Categorisation
- The role of the Steering Group
- General Issues

## Centre and its management

All of the interviewees demonstrated an understanding of the role and mission of the centre. For example:

“The centre provides independent focal point for tenant and independent farms providing free advice and help. The centre provides confidential advice to those who are reluctant to take advice from land agents and other agencies.”

“A resource centre and place for signposting those farmers who need help and support within Penwith. The centre supports a range of needs within the farming community.” “This was primarily the route which was taken – based on an unbiased, direct and helpful approach with a premium on confidentiality and independence.”

There is a clear indication that the

“Business climate has changed dramatically and the role of the centre is to support individuals in this context.”

There is also a general view that the client base and who is supported needs to be clearly defined

“Centre doesn’t need to spend too much time with the A and Bs because they are quite self-sufficient and quick to pick up new opportunities”. However, it’s not just support it’s about a two way thing about what the A & Bs can share with others.”

The work of the Centre and its overall aims, vision and mission are very highly regarded.

“It is working very well but is very dependent on the skills of the farm adviser. From an Estate perspective the Centre is a valuable resource in providing independent and clear advice as it encourages farmers and others to see in which direction they are going.”

“The Centre has a willingness to provide whatever is necessary to achieve its aims.”

#### The Role of the Farm Advisor

As indicated earlier, the Farm advisor is a central figure in the operation of the Centres work and because of the size of the operation, he is singled out for comments. The positive comments about the advisor and his role include:

“[The Farm Advisor] is a provider of information who is able to provide brokerage and support and point to training .....because he is independent he is not afraid to say things that others may not be able to or willing to say.”

“The local farming community has local independent point of contact which employs a ‘trouble shooter’ to bounce ideas around a solve problems.”

This theme is continually reinforced

“What sets us apart in particular is the relationship between [the Farm Advisor] and his farmers and the continuity of the relationship and the trust which he has engendered which is not formulaic.”

“From a land agent’s point of view it is reassuring to note that there is an honest broker in place who is able to work with farmers to ensure that they retain their dignity in unfortunate circumstances, to ensure that cases handled elsewhere can reach effective resolutions. Despite combined efforts tenancy agreements sometimes end.”

### The Farm Categorisation

To reiterate, farms not farmers are classified. The way in which the farms are categorised into A, B, C and D is interpreted variously and perhaps leads to some confusion as will be indicated.

“The A-D categorisation supports the provision of a measurable outcome which is not a bad approach but clearly ‘helpful’ rather than ‘scientific’.”

“C&D farmers – [The Farm Advisor] has had some positive engagement with this group and his input has been well received – he has driven positive and sensible outcomes for these businesses in a way that wouldn’t have happened – in many cases this has been a long process – (not so much evidence of people really exiting) – [The Farm Advisor] has kept a lot of people going.”

“It is the tenant farmers who have the largest challenges as they have no assets – the organisation can be very effective in delivering help to these groups – economic recession on the horizon – all comes at a time with difficult situation with commodity prices and staples.”

### The Role of the Steering Group

The Steering Group (SG) comprises 10 people who in the main have been members since the inception of the group in 2002. The members identities are not formally known outside of the group and conversely the identities of those farmers that are supported by the Centre are not know to the SG. Whilst the SG is seen to be an excellent resource there appears to be a clear view from all respondents that some refocusing may be necessary.

Comments included:

“The Steering group works well, because the members and the advisor are from farming backgrounds.”

“Membership kept confidential which can be both a strength and a weakness”

“Building an effective SG which has a unique character has provided an outlet for the member’s creative outlet and spark but perhaps recently some of this has been lost.”

“Effectiveness of the SG has not always 100 percent. Does it have a role in the future – personal view is that due to the economy farmers will find it acutely difficult to survive and this is where its function and direction will be important in the future.”

**More general comments included:**

“It takes an effective bottom up approach. The industry involvement through the steering group is commendable and is rigorous.”

It has been successful because of the industry approach and the commitment of the SG. The SG is well managed and consistent.

“Internally- it is well managed. Externally it has met with the approval and support of farmers and other agencies as beneficiaries of the service. They understand it”

‘If [the Farm Advisor] puts on an event (they) will know that the event will be well managed and successful as he puts on high quality events’

“Offers facilitated courses which are well organised.”

“It has drawn together groups of people with similar interests.”

Cooperation of the group –cooperation between a group of like minded progressive young farmers “

“The Centre is a mentoring facility for people and a social resource for challenged individuals – provides an element of outreach support. Long term benefits are around this – working with C and D farmers Helping A & B farmers is also useful but in many ways they can look after themselves.”

The Farm Advisor

Many of the comments were about the extent to which the target audience was appropriate, but these are not uniform. Some respondents suggested

that the farm advisor was perhaps not working with the most appropriate farms.

“Perhaps [the Farm Advisor] spends too much time with farmers categorised as C & D.”

These comments are contextualised as respondents discussed the wider role of the farm advisor:

“The role of [the Farm Advisor] has expanded and possibly project overload has detracted from his primary role as farm adviser. There is some ambiguity re his role which has become slightly clouded. He perhaps has not been given appropriate guidance and targets and maybe skill set not quite right for expanded role. It might be a good idea to review the job specification.”

### The Categorisation

There appears to be considerable ambiguity regarding the farm classification.

“I have no idea how many Cs and Ds there are and how many have benefitted, nor do I understand what these labels mean.”

“I don’t fully understand the ABCD classification nor do I know how many are in each category or how many have been supported. Nor do I know how many have exited.”

“Not clear that they A and B farms need the services of the Centre.”

“The concept of a classification is very useful but needs quantification and aligned performance indicators.”

### The Steering Group

All of the interviewees had fairly clear ideas that the SG is not functioning as well as it could.

Comments centred on its appreciation and understanding of the work and performance on the centre itself:

“There is no clear indication or awareness within the SG of how success is measured.”

“Success is difficult to gauge as we are not provided with detailed enough information.”

“The SG is a catalyst for change but its role is not universally understood by its members. Perhaps the members could do with some training and in particular for the role of chairman in order to ensure that it is clear in purpose and role.”

“The early days of the steering group worked well but latterly lost a bit of focus.”

And questions were raised about the membership of the group and its understanding of the realities of some of the less well performing farms.

### How could the Scheme be improved?

The respondents have some clear and professional views on the way in which the Scheme itself can be improved. These focus on the centre itself, the role of the farm advisor, the farm categorization, the role and constituency of the steering group.

All of these comments stress the positive nature of the suggestions and the respondents were keen to stress how important the centre is to Penwith Farmers.

### The Centre

“The centre should be grown, rolled out and its remit fully clarified with clarity of the tangible benefits it offers.”

However to be effective, the staffing base needs to be secure with clearly defined secretarial support. The strategic focus of the centre needs to be realigned:

“The core purpose of the business should be around providing services to C and Ds going forward.”

“Refocus the role of the centre –either geared towards progressive farmers with additional staffing expertise Or initial purpose of C and D.”

“Imperative that the support for the C and D groups is sustained. However, Action plans are necessary for individual farmers with clearly identified timeframes and objectives”.

“The current success of the centre is dependent on the nature of the staff within the organisation – not large enough to have a rounded depth and breadth. C & Ds is the ability to communicate with people – especially in terms of those who don’t want to communicate and the fear of the unknown and facing up to challenges – the confidence to open up in this way is challenging to achieve in terms of isolated communities.”

#### Should it be rolled out elsewhere?

The universal view, apart from some limited reservations, is that the Centre is a particularly good resource and that the model should be ‘rolled out’ as long as the structural changes, staffing and mission were clarified and that a good business case was made.

Comments included:

“It would be a great shame if the FCBC ended and it would be good to roll it out elsewhere in the Cornwall.”

“Concept of business support for farmers is very useful and would like to have something similar in the borders – many of the players in the borders are using professional advice – on the whole very good farmers in Borders – less cooperation and interaction in Cornwall.”

## Key Findings

The key findings of this research are:

- The Penwith Whole Farm Advice Service adds value to the farming community in Penwith.
- The Centre provides an effective service and efficient use of public funds.
- Steering Group members are supportive of the principles and philosophy.
- Stakeholders are generally very supportive of the scheme's breadth.
- The focus, terms and reference and structure of the Steering group could benefit from some updating.
- The Farm advisor is respected but the Role of the Farm Advisor could be refined to take account of emerging trends within business support and the land based sector.
- The allocation of time between those in need of intensive support and those who could benefit in terms of still greater economic success needs more thought.
- The Centre's management systems and procedures are effective but need a more stable administrative support arrangement.
- The option of widening the scheme to cover the whole of West Cornwall is broadly supported.

## Conclusions

In relation to these trends and developments in agriculture, three main strategies for farmers have been identified: Cost price reduction; Added-value strategy and Diversification.

### ***Cost price reduction strategy***

Farms continue to grow in size: further mechanisation and automation and production levels are still increasing. Price competition in the (surplus) market requires a cost reduction strategy to stay competitive with other producers. Scale increase is the main strategy adopted by farmers; although this strategy is also followed in order to meet the demands of supermarkets and retailers for a continuous and large supply.

### ***Added-value strategy***

A cost price reduction strategy is sometimes combined with an added-value strategy, whereby farmers also increase the product quality or add some other value aspects to their product. Farmers in countries or regions with high land and labour costs are less competitive on a bulk product market, and seek niche-markets for special products, e.g. by processing, packaging, growing varieties with a special taste, or production under an exclusive certification (organic) scheme.

### ***Diversification***

A diversification strategy is apparent when farmers combine other agricultural or non-agricultural activities with their farm business. The growing demand for non-agricultural functions and services and the production of public

goods e.g. nature conservation, is the main drive behind this development. Tourism can be an opportunity for some farmers to diversify their business as is the conservation of the landscape and the management of environmental characteristics.

The need for cost efficiency and scale increase in agriculture, the high price offered for land near cities and industries, the decreasing income level and the growing age of farmers contribute to the reduction in the number of farmers. The decreasing numbers of farmers can be considered as part of the marginalisation process of agriculture in society: agriculture is moving towards the margins of society as consumers are less familiar with agricultural activities and processes.

The recognition of business opportunities and strategic planning are major requirements for farmers. Through this, farmers are able to find ways and strategies to create a profitable business. Co-operation and networking skills, innovative abilities and risk-taking are important requirements to realise business opportunities, according to the interviewees. Business monitoring and reflection, team-working and leadership are important issues for farmers to develop and improve the business.

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