

## **Appendix 4      Non-Defra support for farm diversification**

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## Notes on non-Defra Funding and Advice schemes for Farm Diversification

A lot of this work has been done previously as part of the Haskins Review. That Report comments that the delivery of funding streams in the rural arena is chaotic and patchy to say the least, with the observation '*a profusion of conflicting or overlapping activities*' ringing very true. Within the limits of the project and according to the brief of the client, the following tables represent an illustrative rather than definitive picture of the complexity of the 'landscape' of rural diversification support.

General searches of a wide variety of websites were made in order to carry out this exercise as we believe websites should provide focussed and up to date information in a field that is constantly changing, as one funding scheme ends and another begins. Nevertheless, it has proved quite difficult to find very much specific material to assist diversifying farmers. Much of what is available is hidden away and has been discovered almost by chance.

Business advice is available, of course, to anybody at a price from the relevant professions such as Rural Practice Surveyors (RICS), agricultural consultants and Chartered Accountants; and that advice can be as easily aimed towards farm diversification as it can towards the core agricultural production businesses. Included within this category is ADAS, which claims to be heavily involved in advising on diversification, on a fully commercial basis.

We looked at such obvious sources as Defra and the DTI first, and then at Business Links, which moves out to a countrywide network. Much of the direct support available is really only traceable at local level and it seems to be a matter of trial and error as to how it is located. Some grants such as the Redundant Buildings Grant appears to be 'dressed up' differently in various Regions and counties, so appears to be different but would probably trace back to the same thing centrally. In some cases, the only path to getting further information was through e-mail and, unfortunately, some requests for information were never answered.

### **Business Link**

This is a good source of diagnostics advice, information and brokerage of specific support. It will no longer be driven by central Government from March 2006 but by regional level government, with each region following its own aims and objectives for business. The Devon and Cornwall Business Link has the Business Link Agricultural Team which provides support to rural and land-based businesses across Devon, Cornwall & the Isles of Scilly. It also has an excellent document 'Cornwall Sources of Finance' giving all the sources of finance available in Cornwall including under the Objective One Schemes.

The advice is brokered out at local level. Much of the advice is provided by local Enterprise Agencies, but these differ in make-up and function from region to region, with (anecdotally) variable quality of service. Such EAs will give a certain amount of free advice to those wanting to start or develop a business which could cover a new diversification business. They are also often responsible for FBAS. The local BL is seen a good first 'port of call' because they have the knowledge and expertise to signpost enquirers in the right direction at a local level. This they can do for business development enquiries or start-ups.

The Business Link websites have a Grants and Support Directory which is searchable by business type or by Grant and Scheme name. It claims to list 2,763 items and is national in coverage. Business Link Devon & Cornwall also has link-up with Grantnet, which is an internet grant finding facility that registered users can use free.

### **Internet Gateways**

The South West Rural Enterprise Gateway (<http://www.sw-gateway.com/>), whilst initially appearing to be a promising site, was in fact very disappointing, with ERDP, the Esmée Fairbairn Foundation (which is probably of limited use to farmers) and Home Grown Cereals Authority grants being just about the only ones listed as available for Agriculture. The exception was Cornwall, which had one or two Objective One funds listed. Farm diversification did not seem to be a major concern on this Gateway. However under Events there were some items of relevance to diversification. The training scheme Devon Rural Renaissance is specifically for non-agricultural businesses.

However the Marches Farm Enterprise Partnership had a useful website with business planning tools and links to further advice, but not to actual funding sources.

### **Objective One**

The Government Office for South Yorkshire and Humberside, on its website at <http://www.gos.gov.uk/goyh/eurofund/o1/260788/261094/>, states that only small areas of the Programme are subject to direct bids and these are generally restricted to major sub-regional projects or innovative actions.

On the Cornwall and Scillies Objective One website a wide range of initiatives were identified. Some deemed specific to normal farm diversification activities, such as tourism and redundant building conversions, have been noted but others may be more obscure and only tangentially relevant at best. Most funds of interest to diversifying farmers are covered in 'umbrella' or delegated funds, where the pain of application is taken by the fund manager/provider and the individual business's application to a particular scheme is much simplified. In Cornwall there appear to be more diversification specific initiatives than in the other two Objective One areas.

### **Objective Two**

Objective Two areas fall for priority action under the ERDP. The Defra website states:

*“(the purpose of Objective 2 is) To support the economic and social conversion of areas facing structural difficulties. Objective 2 areas in England are funded through the [England Rural Development Programme \(ERDP\)](#). All ERDP schemes in Objective 2 Areas operate as in other areas except for some measures under the [Rural Enterprise Scheme \(RES\)](#) “*

(<http://www.defra.gov.uk/rural/default.htm> Accessed 27/10/05)

### **Clearing banks**

Barclays offered a loan scheme for diversifying farmers, with minimum loan threshold £100,000. The other three main High Street banks do not seem to offer anything in particular, other than the usual facilities. All however operate the Small

Firms Loan Guarantee Scheme, which might be used for diversification in some circumstances.

### **Regional Development Agencies as sources of funding for diversification**

The RDAs' websites were examined and on the whole it is difficult to find direct and easy ways to diversification information. Whilst some of them pay lip service to the Rural economy they seem more intent upon the bigger industrial and manufacturing sectors and urban regeneration. The word rural can be hard to find on some sites and deep mining may be needed to turn it up. The North West, South East (which has a hand in the booklet *Diversification Opportunities* jointly with the RDS South East) and the South West proved to be better than such sites as the East and West Midlands. Superficially it would seem that on the whole rural matters do not come very high on RDA agendas. Typically, the potential diversifying farmer who looks at his or her RDA website for guidance on diversification and rural development is not generally going to find it very easily, if at all. Home page links to those parts of the site relevant to rural development do not generally exist.

In spite of EEDA's statement, '*Each of the nine regional development agencies takes a lead role in liaison with a government department. EEDA now represents all regional development agencies (RDAs) in work with the Department for the Environment Food and Rural Affairs (Defra) nationally*' it was not very rural friendly. The funding list for businesses had only one which immediately looks at all hopeful, the Redundant Buildings Grant but it then said it was no longer available.

### **Selective Finance for Investment in England**

Regional Selective Assistance and Enterprise Grants have now been replaced by the above DTI scheme. It is mainly aimed at bigger businesses, though there is an SME section of it as well. As SMEs have 10-250 employees (EU definition), it is only of possible interest to a limited number of farmers for diversification. However, it should be noted that Agriculture is a 'restricted sector' under EU rules for this funding.

Scheme	Grant/ Loan	Host Organisation	Scheme Coverage- Geographical	Scheme Coverage- Project Type and Service provided	Eligibility	Aims	Level of Funding/Support	Linkage to other Schemes	Constraints of application
<b>LOAN SCHEMES</b>									
Small Firm Loan Guarantee Scheme	Loan	Government guaranteed scheme managed by high street banks	UK	Variety of Business needs backed up by a viable business plan.	-UK business with turnover < £3million (£5 million for manufacturing) -Have viable business plan -be able to repay loan - less than 200 employees - Eligible business activity	Aimed at helping small and medium-sized enterprises (SMEs) that have workable business plans, but lack the necessary financial security to obtain bank finance.	Loans of £5,000 - £250,000 for 2-10 years.  Top limit £100,000 if trading < 2yrs.		SFLG guarantees 75% of loan. Guarantee premium of 2%p.a. payable to Government on outstanding balance. Some restrictions on agricultural production, marketing and processing businesses exist.
Finance Cornwall (Objective 1)	Loan	Finance Cornwall Fund Managers Limited	Cornwall & Scilly Isles Objective 1 area	Lend money at a net rate very similar to the banks in spite of increased risk, providing anything from straightforward business loans right through to venture capital, and anything in between.	Business in Cornwall or Scillies starting or expanding. Can be for business moving to area within 12 months. Must have a viable business plan.	We work with businesses in Cornwall and Scilly that need finance to start, grow or for a change of ownership. Our speciality is to fill gaps in funding that the banks and others can't meet.	Start-up from as little as £10,000 up to £250,000. Growth: £10,000 up to £1,000,000.		
Rural Enterprise Loan	Loan	Barclays bank PLC	UK	Income generating diversification projects such as leisure , property development or additional land	Must have collateral and be a Barclays account holder.	Release funds tied up in land/buildings for viable diversification projects	Loans must be >£100,000	None	Not available for amounts less than £100,000
<b>GRANT Schemes</b>									

Objective 1 EAGGF	Grant	DEFRA	<ul style="list-style-type: none"> <li>● Cornwall and the Isles of Scilly</li> <li>● South Yorkshire</li> <li>● Merseyside</li> </ul>	<p>Specified in each area's Single Programme Document (SPD).</p> <p>As well as individual applications, Businesses can apply through Umbrella/Gateway funds aimed at specific needs which simplifies the process.</p>	<ul style="list-style-type: none"> <li>● undertake activities which normally fall within the scope of the EAGGF element of the SPD;</li> <li>● not be eligible for funding under or fall within the scope of another EU funded scheme;</li> <li>● Must comply with the SPD for the area.</li> </ul>	<ul style="list-style-type: none"> <li>● to help to preserve the link between agriculture and the land;</li> <li>● to improve and support the competitiveness of agriculture as a key activity in rural areas;</li> <li>● <b>to ensure diversification of activities in rural areas;</b></li> <li>● to help retain people in rural areas;</li> <li>● and to preserve and improve the environment, the landscape and our rural heritage.</li> </ul>	Depends on umbrella scheme usually	Matched funding from DEFRA is required	<p>Have:</p> <ul style="list-style-type: none"> <li>● a funding package which conforms to the ceilings applicable, appropriately match funded with UK public money and private funds; and</li> <li>● be consistent with the State Aids regulations.</li> </ul>
Rural Tourism Marketing Grants Scheme (Objective 1)	Grants	Cartwheel	Cornwall & Scilly Isles	<p>Tourism businesses:</p> <p><b>1. FAST TRACK: Total scheme Cost £5,000.</b> IT equipment etc. and small marketing schemes i.e. Website creation, leaflets etc.</p> <p><b>2. LARGE GRANT: Total project &gt;£5,000 up to £150,000.</b> Individual and group marketing projects to stimulate new markets- off-peak, year round business drawing on quality products and Cornish Brand strength.</p> <p><b>3. Marketing Consultancy</b></p>	<p>- Must be in Cornwall and Scilly Isles</p> <p>- Must have an agricultural holding number</p> <p>- Must have <b>at least</b> 2ha of land <b>OR</b> annual agricultural turnover of £1,500 or more.</p>	To support small and large farm tourism businesses to accessing improved marketing facilities.	<p>1. Up to 45% of total eligible costs not exceeding £5000</p> <p>2. Up to 45% of total eligible costs between £5000 &amp; £150,000</p> <p>3. Max eligible cost £1,000 (4 days @ £250/day) of which 50% grant fundable.</p> <p>Assistance with finding</p>	Objective 1 and DEFRA funded	Time constraints on project completion.

				<b>Grants.</b> To prepare marketing strategy for new and existing business			consultant.		
Rural Diversification Capital Grant Initiative (Objective 1)	Grants and advice	Business Link Devon & Cornwall - funded by Objective 1 & DEFRA	Cornwall & Scilly Isles only	Capital projects to diversify the farm business away from core agricultural production	Farm and rural businesses with a link to farming wanting to diversify their commercial activities	To help farmers to diversify away from core business	Facilitation and initial casework 100% Consultancy advice for development of business idea 80% CAPITAL: Mainstream: 50% of capital costs up to a maximum grant of £75,000 Fastrack: 50% of total project costs up to £10,000		Limited funding available under Objective 1
Cornwall Food and Drink Partnership Scheme (Objective 1)	Grant	Business Link/Tatse of the West	Cornwall Objective 1 are	Capital/processing equipment, expansion projects, support for new product lines, chillers freezers etc.	Food and drink manufacturers and primary agricultural producers.		Fastrack for schemes <£10,000 Mainstream for projects up to £200,000 (max grant £75,000)	Food and Drink Marketing Grant Scheme	Not for pubs, clubs restaurants, hotels, cafés or fish producers
Marketing Grants Scheme (Objective 1 funding: EAGGF/DEFRA)	Grant	Taste of the West	Cornwall/Scilly Isles Objective 1 area only	Provides grants to help with marketing or developing new markets	<ul style="list-style-type: none"> <li>• It must process, produce or sell quality food and drink using Cornish ingredients wherever possible</li> <li>• It must demonstrate that grant aid will benefit</li> </ul>	This scheme is designed to help promote the business, improve profits and increase competitiveness by better marketing of its products.	<ul style="list-style-type: none"> <li>• Up to 80 per cent of the cost of working with a marketing consultant to draw up a promotional or marketing plan which is then eligible for grant aid.</li> <li>• Fast Track Scheme – grants</li> </ul>	Cornwall Food and Drink Partnership Scheme	

					<p>farmers and growers in Cornwall and the Isles of Scilly</p> <p><b>What is eligible for funding?</b></p> <ul style="list-style-type: none"> <li>• Strategic marketing plans</li> <li>• Promotional literature</li> <li>• New product development</li> <li>• Market Research</li> <li>• Packaging design</li> <li>• Export marketing plans</li> <li>• E-commerce</li> <li>• Shows and exhibitions (unless supported by the Trade Development Programme)</li> </ul>		<p>available of up to 50 per cent of total project cost, for projects up to a maximum total value of £3000</p> <ul style="list-style-type: none"> <li>• Mainstream Grants Scheme - grants available of up to 50 per cent of total project cost, for projects with a maximum total value between £3,000 and £150,000.</li> </ul>		
Rural Progress (Objective 1)	Grants and advice.	Duchy College	Cornwall & Scilly Isles	<p>Funding for training:</p> <ul style="list-style-type: none"> <li>-Attendance at conferences, exhibitions or shows, including travel and accommodation</li> <li>-Study tours/visits to other relevant businesses, suppliers or organisations</li> </ul> <p>Setting up and running groups or forums to share new technology or business improvements and on-site individual follow-on training</p>	<p>Individuals, groups organisations in the area associated with farming, horticulture, forestry or supply or services to those businesses.</p>	<p>Enabling rural businesses to improve themselves</p> <p>. “we won’t tell you what to do”, “we won’t tell you how to do it”</p>	<p>Not clear but funding provided</p>		



				<ul style="list-style-type: none"> <li>-Participation costs and fees for individual training courses</li> <li>- Development and implementation costs for new courses for identified groups</li> <li>Postgraduate training</li> <li>-Vocational courses and study</li> <li>-Distance learning via the internet</li> <li>-Product and service training, eg. learning to use new machinery and software</li> <li>-Grants towards the costs of employing relief labour when you are away from your business on an approved activity</li> <li>Also Funding for Business development- Very flexible</li> </ul>					
LEADER+ in England	Grant	DEFRA through LGOs. EU initiative using European Agriculture Guidance & Guarantee Fund (EAGGF) money	25 areas in England (usually by Local Authority)	<p>EU defined activity areas</p> <p><i>Action 1 - Integrated, pilot rural development plans</i></p> <p><i>Action 2 - Co-operation between rural areas</i></p> <p><i>Action 3 - Networking Partnerships of local organisations and people, called Local Action Groups (LAG), identify development needs within their rural communities which they set out in a development plan. LEADER+ funding assists these local action groups to</i></p>	Individuals, partnerships or companies. Projects consistent with LAG's plan in defined LAG area.	To compliment mainstream rural development programmes by supporting integrated rural development strategies developed and implemented by local action groups – active partnerships acting at the local level.	<ul style="list-style-type: none"> <li>● 50% or £50,000 (whichever is lower) for commercial investment</li> <li>● 50% or £50,000 (whichever is lower) for capital investment</li> <li>● where project generates substantial income (annual return &gt;25% of</li> </ul>	No obvious ones except for need for matched funding.	LEADER+ projects may not duplicate activities funded under other structural funds or mainstream programmes. Work not to commence before decision received. MUST have matched funding of at

				encourage and support the development of small-scale, innovative projects that meet local development needs in a sustainable way. Type varies from area to area.			total investment) it reduces to 35%		least 50% (public or private sector). ● be consistent with the State Aids regulations.
Grants for Historic Buildings, Monuments and Landscapes	Grant	English Heritage	England	<p>This scheme covers grants for the repair and conservation of some of England's most significant historic buildings, monuments and designed landscapes. Grants are primarily offered for urgent repairs or other work required within two years to prevent loss or damage to important architectural, archaeological or landscape features.</p> <p>Projects where there is a lack of alternative sources of funding</p> <p>Most grants conditional on agreement to provide public access.</p>	<p>Organisations or individuals who have a legal responsibility for the repair of a historic building, monument or designed landscape.</p> <p>To qualify for a grant under this scheme, EH would normally expect project to involve one of the following:</p> <ul style="list-style-type: none"> <li>- a building listed at grade I or II*;</li> <li>- a scheduled monument;</li> <li>- a designed landscape that is included in our Register of Parks and Gardens at grade I or II*.</li> </ul>	To preserve Significant elements of the historic environment which are at risk.	Minimum project cost is £10,000 including fees & VAT No Max indicated.		<p>You will normally need to own the building, monument or landscape, hold a full repairing lease which has at least 21 years to run or be able to demonstrate that you have an agreement to acquire the property in question.</p> <p>Of obvious limited but possible value for diversification – i.e. old the barns etc. Work must not begin before written offer received from EH.</p>
Research and	Grant	DTI through all	England	Provides grants for technical	Micro Project for	Enable businesses	Micro:		Only for

Development Grant		the RDAs		<p>innovation. As key to improving business competitiveness etc.</p> <p><b>Micro Project</b> grants help develop a simple, low-cost prototype of an innovative product or process. Project duration: up to 12 months.</p> <p><b>Research Project</b> grants help you assess the technological and commercial feasibility of turning highly innovative technology into a new product or process. Project duration: 6 to 18 months.</p> <p><b>Development Project</b> grants help you develop a pre-production prototype of a new product or process involving a significant technological advance. Project duration: 6 to 36 months.</p> <p><b>Exceptional Development Project</b> grants help with the development of a new technology that is strategically important to an industrial or technology sector. Project duration: 6 to 36 months.</p>	<p>new or existing business with: &lt;10 employees Turnover &lt;€2 million.</p> <p>Other projects aimed at bigger businesses.</p>	to carry out R&D work that will lead to technologically innovative products/processes.	<p>50% of costs up to max of £20,000. Min £2,500</p> <p>Research Project: 60% of Costs Max Grant £75,000 (Higher %ages in Assisted areas)</p> <p>Other levels have different amounts of grant.</p>		technological innovation
The Rural Small Buildings Scheme (RSBS)	Grant	North West Development Agency	Rural areas of North West Region	<p>Conversion or refurbishment of redundant buildings in rural NW:</p> <p>- projects which are intended as, or include an element of, business start-up units</p>	Open to individuals and firms which must be owner occupier, owner intending to	to assist the conversion or refurbishment of redundant buildings in the rural areas of the North West of	<p>25% of eligible costs with minimum project £10,000</p> <p>Min Grant £2,500</p>	None	If building sold or taken out of productive commercial use within 5 years, grant repayable

				<ul style="list-style-type: none"> <li>- managed workspace where shared services and facilities and/or business advice is integral to the project</li> <li>- shops and key services which are otherwise absent locally</li> <li>- home workspace – which is physically separate from the residential element (eg. garage conversion, re-use of outbuilding). This will be piloted using a limited number of projects initially.</li> </ul>	<p>lease out property, or tenants with at least 5 years to run.</p> <p>Key Criteria:</p> <ul style="list-style-type: none"> <li>- Potential for job creation</li> <li>- Need in local terms</li> <li>- Viability</li> <li>- Gap in funding available.</li> </ul>	England in order to bring them back into productive business use or to enhance their current business use.	<p>Max £62,500</p> <p>In exception cases higher percentage considered with in same ceiling.</p>		on sliding scale- 100% first year, 20% 5th year
The Farm Diversification Grant Scheme	Grant	South East England Development Agency(SEEDA) from RDC	South East region	<p>Development of redundant farm buildings for <b>non agricultural</b> business use i.e.:</p> <ul style="list-style-type: none"> <li>-Office space</li> <li>- Tourism and leisure amenities</li> <li>- Adding value through preparation/processing</li> <li>- Farm based retail/whole sale</li> <li>- workshop/light industrial space etc.</li> </ul>	<p>Must be farmers with registered holding number whose:</p> <ul style="list-style-type: none"> <li>- principal income is from farming</li> <li>- plans to continue farming for at least 5 years.</li> </ul>	To provide funds to assist with the conversion of redundant farm buildings for viable business use outside Primary Agricultural Production	<p>Up to 25% of eligible costs.</p> <p>Min £2,500</p> <p>Max £60,00</p>		Not available for New Build. Property purchase, interior fixtures fittings. Must demonstrate need for the holder to continue farming and feasibility of the project.
Redundant Rural Building Grant Scheme for Lincolnshire	Grant	Lincolnshire Enterprise	Lincolnshire	<ul style="list-style-type: none"> <li>- accommodation for manufacturing, service or crafts activities</li> <li>- office accommodation</li> <li>- tourism and leisure facilities, including licensed establishments, bed and breakfast, tearooms, cafes, museums, craft centres etc</li> <li>- serviced tourist accommodation, provided</li> </ul>	<p>Building unused, or unusable for purpose for which required. Must be rural location (less than 25,000 population) Must be for business use once completed.</p>	To bring redundant buildings back into productive use, to address local demand for workspace and to create and safeguard jobs in the County's rural communities.	<p>Not normally exceed 25% of eligible costs which should not exceed £100,000.</p> <p>Min Grant £2,500</p> <p>Max £63,000.</p>	None, but can be used in conjunction with other public funding provided total public funding does not exceed 50% of costs.	<i>Refurbishment</i> of existing business premises and works connected with changes of use of a building for an existing business – e.g. from storage to

				<p>there is evidence of demand and that the project is of a high standard.</p> <ul style="list-style-type: none"> <li>- retail premises</li> </ul> <p>Eligible works:</p> <ul style="list-style-type: none"> <li>- building works</li> <li>- installation of services, including improvements to ICT infrastructure and energy efficiency</li> <li>- access and car parking, and landscaping required by planning permissions</li> <li>- costs of obtaining planning permission etc</li> <li>- other professional fees.</li> </ul>	Must not be for primary agricultural production.				manufacturing - will <b>not</b> be eligible for assistance
DDEP Redundant Rural Buildings Grant Scheme, administered by DCC	Grant	Derbyshire County Council	High Peak and Derbyshire Dales excluding the Market Towns	<p>Priority will be given to buildings which can be converted to high quality workspace suitable for:</p> <ul style="list-style-type: none"> <li>• Manufacturing and service based businesses</li> <li>• Craft and creative businesses</li> <li>• Computer, technology and office based activities</li> </ul> <p>Applications to convert redundant buildings to the following uses will also be considered:</p> <ul style="list-style-type: none"> <li>• Retail stores and farm shops</li> <li>• Tourism and leisure amenities such as licensed establishments,</li> </ul>	To qualify, buildings must be no longer used / required for their original purpose.	The scheme is aimed at encouraging the owners of redundant rural buildings to convert their premises to new economic uses.	25% of costs / up to approx £60,000 (100,000 euros)  The minimum grant is £20,000		All grants will require confirmation that the necessary planning permissions have been approved.

				<p>tea rooms, cafes, museums, craft centres, etc,</p> <ul style="list-style-type: none"> <li>• Additions to current facilities such as games rooms, conference rooms and dining areas for businesses currently providing overnight accommodation.</li> <li>• Provision of high quality overnight accommodation, bed and breakfast and self catering facilities</li> </ul>					
Agriculture Development Scheme	Grant	DEFRA	England	Targeted at projects designed to improve marketing performance and competitiveness, targeting collaborative ventures, benchmarking and spread of best practice. Wide range of possibilities. Not projects covered by other schemes.	The project must involve the marketing of produce from agriculture, horticulture, and fish farming. Mainly but not entirely aimed at producers.	To improve marketing performance and competitiveness, targeting collaborative ventures, benchmarking and spread of best practice.	Up to 50 per cent of costs to a maximum of £500,000 per project		Competitive with limited annual budget. Projects covered by other funds such as ERDP not normally eligible.

TRAINING AND ADVICE SCHEMES										
Scheme	Training /Advice	Funded by	Host Organisation	Scheme Coverage-Geographical	Services provided	Eligibility	Aims	Cost	Linkage to other Schemes	Notes
Rural Business Support Initiative		funded by Objective 1 & DEFRA	Business Link Devon & Cornwall	Cornwall & Scilly Isles only	<ul style="list-style-type: none"> <li>- Action plans – initial analysis, review options, signpost to other support</li> <li>- Business support – preparation of business plans, cash flows, budgets</li> <li>- Full planning process support</li> <li>- Feasibility Studies</li> </ul>	<ul style="list-style-type: none"> <li>- Must be in Cornwall or Scilly Isles</li> <li>- farmers wishing to improve business performance or to diversify away from farming.</li> <li>- Non farming businesses who can clearly show a link to agricultural producers and can show there would be a direct benefit to them may also be eligible.</li> </ul>	To provide consultancy help to farmers wishing to improve business performance or to diversify away from farming.	<ul style="list-style-type: none"> <li>- Action plans 100% funded</li> <li>- Business support 60% funded</li> <li>- Full planning process support – (excludes planning fees) – 50% funded</li> <li>- Feasibility Studies – 60% funded</li> </ul>		
Business Link Web Site	A	Government	Business Link	National	<a href="http://www.businesslink.gov.uk/">http://www.businesslink.gov.uk/</a> Information, Diagnostics and Brokerage. The site provides a wide range of information and very good signposting to advice, training and grants for business. It has various 'tools' on it such as database of grants. There are direct links to local Business Link websites which can focus on what is	Anyone can use it.	Its purpose is to provide businesses with quick and easy access to the advice, information and skills needed to succeed from the widest range of private, public and voluntary business support services.	Free.	Links to all local Business Link websites	Provides a very comprehensive set of online advice and signposting with a variety of 'tools' .

					available locally as well as a central phone number for verbal advice.					
Farm Business Advice Service (FBAS)	A	DEFRA	Managed regionally by RDS through Business Links and Enterprise Agencies. ADAS also involved in some places.	All England	<p>1 day of consultancy help delivered by an approved FBAS consultant to give guidance on Single Payment Scheme as it affects the business. It will:</p> <ul style="list-style-type: none"> <li>- look at the existing Business</li> <li>- update Single Payment Scheme forecast</li> <li>- assess options for the future</li> <li>- signpost to other areas of support</li> <li>- give recommendations for action</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>• Clinics</li> <li>• Workshops</li> <li>• Meetings</li> <li>• Conferences</li> </ul>	<ul style="list-style-type: none"> <li>- Must be a farmer in England claiming the Single Payment (will be asked to provide the Single Business Identifier number allocated to business by the Rural Payments Agency)</li> <li>- Must be involved in the core farming business either as a landowner, a keeper of farm animals or a grower of crops</li> <li>- May be a farm owner, tenant or manager</li> <li>- Must meet the state aid rules.</li> </ul>	The aims of the service are to help farmers to understand the financial implications of the Single Payment Scheme on their business and to give guidance on how they can respond to such issues.	Free	Business Links	
Lantra	T		Lantra	Great Britain	Rather than providing direct training they drive policy, consulting with sector employers. It is more a facilitating role, ensuring that the right training is available where needed to develop the sector. Actual	Anyone requiring training in land based skills.	Lantra is the Sector Skills Council for the environmental and land-based sector, is licensed by the UK government to drive forward the new skills, training and business	Free advice	Various training providers.	



					delivery of training is then left to colleges and other appropriate bodies. They also design and manage the various vocational qualifications. Also provide advice directly to individuals and businesses requiring a wide range of training. Provide a Certificates for a wide range of qualifications.		development agenda for the sector.			
Farmlink	A	North West Development Agency	CREA	Cumbria and Lancashire	Two days of free planning advice from experienced planning advisors are available to rural businesses in Cumbria and Lancashire - help with the formulation of property developing ideas as well as looking at existing proposals	You must be a farm located in Cumbria or Lancashire.	To help farmers develop proposals for diversification of business	Free	Clients referred to advisors via the Farm Business Advice Service (FBAS)	
Farm Tourism North West	A	North West Development Agency	North West Farm Tourism Initiative	Cumbria	free business and marketing appraisals, funding advice (Had own funding capital works and marketing, but finished now). Web site to provide information @ <a href="http://www.farmtourism-matters.org/index.htm">http://www.farmtourism-matters.org/index.htm</a>	Must be a working farm in Cumbria more innovative – for expansion of existing or new projects. Not for replacement of existing.	To assist farmers to start or develop farm tourism business	Free	DEFRA	Ends in 2007
South Yorkshire Rural Skills	Grants and training	Objective 1 (EAGGF) & DEFRA funded	Lantra	council tax areas of Barnsley, Doncaster, Rotherham or Sheffield	Courses on -Computer / Information Technology - Business and Marketing Skills - Other Skills	Farming and forestry businesses and agricultural contractors who pay council tax to Barnsley, Doncaster, Rotherham or Sheffield	to broaden the agriculture and forestry skill base and increase business effectiveness through	Grants of up to 75% towards the cost of vocational training and		

				Councils	-Sustainable Farming / Environment -Forestry Skills  -Legislative training	Councils (includes agricultural and forestry contractors)	training	up to 50% towards statutory/ legislative training.		
North Yorkshire Skills Brokerage	T/A	North Yorkshire LSC and Yorkshire Forward	Lantra	North Yorks.	- A company visit to conduct a full business diagnostic at a time to suit you. - Identification of the most cost-effective skills training - and where necessary sourcing bespoke training for your specific needs. - Sourcing funding from various agencies and applying for funding on your behalf to subsidise training. (Grants up to 30% of technical training and 50% off managerial, entrepreneurial and innovative training.	Eligible industry based in N Yorks. Eligible Industries include: - Agricultural crops and livestock - Land-based engineering - Production horticulture - Equine and farriery - Veterinary nursing - Game conservation - Environmental conservation - Trees and timber - Feed, seed and fertiliser supply chain - Animal health and welfare - Estate and land managers	Aims to provide skills support to meet specific business needs so business develops and increases profitability, productivity and efficiency.	Broker's services are free.		
ADER (Agricultural Development in the Eastern Region)	T	East of England Development Agency	Consortium of the East of England Land Based Colleges	East of England	Free visits to farmers and then courses at the member colleges that provided farmers & staff with expertise to develop the business and to diversify.	Farmers in the East of England region	Aims to provide high quality training and skills courses at local colleges, and to go out and meet farmers and help them develop their ideas. Being farmer focused ADER aims to be the first port of call for all farm development	The ADER visits to farmers are free, as are the beginner's computer courses, with the rest of the short course programme being heavily	Norfolk Rural Business Advice Service	

					Website: <a href="http://www.ader.org.uk/">http://www.ader.org.uk/</a>		requirements.	subsidised so the farmers and their key staff usually only have to pay 25% of the total cost.		
Norfolk Rural Business Advice Service	A	East of England Development Agency + Easton College + Local Authorities	Easton College, Norfolk	Norfolk only	Advice and as a charged service assist with Business plans for grant applications(%age of project) ERDP RES VTS Do training as well Web site @ <a href="http://212.219.114.60/index.php">http://212.219.114.60/index.php</a> for information and signposting	Any rurally based business in county inc. farms.	To prepare Norfolk farming and other rural business to embrace change.	Free advice but charge by %age of grant for assisting with grant applications	ADER for training	
West Midlands Access to Finance Portal	Advice	Advantage West Midlands.	Service provided by Advantage west Midlands & operated by j4b plc	West Midlands	<a href="http://www.westmidlandsfinance.com/Default.aspx">http://www.westmidlandsfinance.com/Default.aspx</a> ?  Web site that requires registration provides a search facility for grants tailored to business information provided on registration.	Small businesses in West Midlands and business advisors.	Aims to help small growing companies and start-ups to find the most suitable finance for them.	FREE		
Rural Enterprise Gateway South West	A	Business Links in the South West	Managed regionally by Business Link Devon and Cornwall, and delivered locally through the Business Links.	South West Region	Website that signposts rural businesses to support, including that needed for diversification. - a 'gateway' service, offering free information and signposting for rural and agricultural business issues on-line and by	Rural businesses in the South West	The Rural Enterprise Gateway aims to help rural businesses, <b>particularly groups of agricultural and land-based businesses</b> through access to information, training and business	Free	Business Links and web site links to variety of funding advice etc.	

					telephone. - Funding also available		development support.			
J4bgrants.co.uk	Search website	Profit making company	j4b plc	UK	Provides - Comprehensive information on government grants for both business and voluntary groups which is updated DAILY. - NEW additional database of publicly funded organisations that provide help & advice.  A website that needs registration and provides an industry specific search facility for small businesses. Finds grants, training and advice.  Location and industry driven search facility.  <a href="http://www.j4bgrants.co.uk">http://www.j4bgrants.co.uk</a>	Any small business	j4b is Europe's expert provider of public funding resources, conducting research into public funding and publishing grants databases. We provide technology solutions that support both grant administrators and grant applicants.	Subscribe to a single industry and location for: - one day (£6), - a month (£10) - a year (£20) or - to all business funding for a year (£99).		
Grantnet	Advice	?	Various Business Links etc.	Countrywide	<a href="http://www.blindandc.com/financial/233_2813.asp">http://www.blindandc.com/financial/233_2813.asp?</a> Web site that requires registration provides a search facility for grants and advice etc for businesses. Focuses on requirements of business making enquiry.	Anyone, individual or business	To provide targeted searches for grants etc.	FREE when accessed through Business link. Not clear otherwise.	Business Link Advice schemes	By accessing through the Business Link it focuses on the area where the business is.
The Kent Downs Rural Advice	Advice	DEFRA through RDS	Kent Downs	Kent Downs AONB	Up to 6 days free professional advice	Landholders or small rural businesses in or	to provide timely advice for	FREE		

Service.					The Kent Downs Rural Advice co-ordinator will arrange for the farmer or landowner to be visited and helped by specialists with planning, environmental and business expertise.	straddling the boundary of the Kent Downs Area of Outstanding Natural Beauty (AONB)	landowners which will help lead to diversification changes that are financially viable, environmentally sound and well thought out in planning terms.			
AgriBip training	T	ESF	West Devon Business Information Point	West Devon, North Devon, South Hams and North Cornwall.	<ul style="list-style-type: none"> <li>• A Training Needs Analysis Farm Appraisal is carried out.</li> <li>• Training in business management, financial management, business planning and ICT by Business Counsellors is then provided. Signpost clients to providers of other specialised training needs</li> <li>• - Mentoring</li> </ul>	Farmers and rural businesses	To enable land based rural businesses to improve their business prospects	Mostly Free or heavily subsidised	AgriBip Business advice service	
Management Skills for Business Competitiveness Project.	T	The Learning & Skills Council	West Devon Business Information Point	North Devon, Torridge, West Devon and the South Hams	Business Support plus training in: <ul style="list-style-type: none"> <li>• Customer Care</li> <li>• Marketing</li> <li>• Human Resources (recruitment, staff development)</li> <li>• Financial Management &amp; Budgeting (to include cash flows)</li> <li>• Assessment and Monitoring business</li> </ul>	Agricultural, rural tourism and rural craft businesses	To work in depth with businesses to support them and improve their profitability	Free	AgriBip Business advice service	Can lead to Certificated qualifications. Delivered, one to one, group sessions or on-line by Learn Direct

					<ul style="list-style-type: none"> <li>performance</li> <li>• Effective management</li> <li>• Problem solving</li> <li>• Environmental management skills to include waste management plans</li> <li>• Promoting your business</li> <li>• Time management</li> <li>• Employment law</li> <li>• I C T skills</li> </ul>					
Rural Enterprise Facilitation Scheme (REFS)	RES	Business Link/DEFRA	West Devon Business Information Point	Objective 2 area of Devon	<ul style="list-style-type: none"> <li>• The preparation of the business plan and financial forecasts</li> <li>• The preparation of marketing plans and market research plans</li> <li>• The preparation of the application to the objectives of DEFRA, the South West RDA and other regional and sub-regional strategic bodies relating the economic, social and environmental benefits of the project.</li> </ul>	farms who are proposing to develop projects including farm diversification, rural tourism, rural craft activities, basic services for the rural economy and quality food product development and marketing.	To assist farmers with applications for funding projects using specific funds	Free	AgriBip business advice service	
AgriBip Transferable Skills project	T/A	ESF funds though GOSW	AgriBip	All South West Region except Cornwall	<ul style="list-style-type: none"> <li>- Improve farm business performance</li> <li>- Help with budgeting</li> <li>- Training to prepare</li> </ul>	Owners and employees of land based businesses	To help land based businesses learn to focus more on profit without subsidy.	Free	National qualifications such as City and Guilds	Requires that client undertakes costings and

					Business plans for diversification projects - One off training courses in a wide range of subjects. i.e. butchery, millinery, computer training				and NVQs	develops a business plan with trainer's assistance Many of the training opportunities lead to qualifications.
Rural Business Facilitation Service	A	All public funding contributed to by: -Lancashire County Council -Bowland AONB Joint Advisory Committee -Lancashire Rural Recovery Action Plan supported by the North West Development Agency -English Nature -Environment Agency -Royal Society for the Protection of Birds -Objective 2	Lancashire Rural Futures	Lancashire and parts of Greater Manchester	- The business advisor will discuss diversification projects, undertaking all planning negotiations and submissions and if appropriate source and submit all capital grant applications. - the environmental advisor will undertake a full farm audit and provide an action plan for the applicant. They will undertake work relating to entry of schemes such as Countryside Stewardship and Woodland Grants.	Farming businesses, however other rural enterprises and community projects may be also eligible. Any scheme, which has economic benefits to rural areas, is eligible for assistance.	Aims to assist rural businesses develop new opportunities.	Nothing though the only costs will be any professional assistance required from outside the project team, but even then the project will assist with 50% of costs.		

Marches Farm Enterprise Partnership (MFEP)	Advice	DEFRA and EU		Design for the March Counties of Shropshire, Worcestershire, Herefordshire	<a href="http://www.mfep.co.uk/about/index.html">http://www.mfep.co.uk/about/index.html</a> Provides an excellent website for diversification: The MFEP web site has been developed to provide: <ul style="list-style-type: none"> <li>- A step-by-step guide to producing a business plan including downloadable working documents eg, balance sheets and cashflow charts</li> <li>- Access to support services offered by the MFEP Business Advisors</li> <li>- An opportunity to exchange information and experiences through our discussion area <ul style="list-style-type: none"> <li>- Success stories - details of farmers who have successfully developed profitable new businesses through the scheme</li> <li>- Useful links and contact details</li> </ul> </li> </ul>	Though aimed at diversifying farmers in the Marches Counties, it is available on-line to anyone who cares to access it.	MFEP aims to help farmers and their families who want to stay in the countryside and who recognise that an economically sustainable future in agriculture depends on the successful diversification into non-farm but 'on farm' business enterprises.	Free use of Web Site. Status of further advice unclear	ADAS, Business Link.	
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## **Appendix 5      Farmers' telephone survey: detailed results**

- **Main analyses** page 140
- **RES and Objective One respondents compared** page 189
- **Diversification: post 2000 diversifying farms** page 192

## MAIN ANALYSES

**Table 1 Sample frame and recruitment**

Sample source	Sample description	Sub samples	Number available*	Target completion	Interviews completed
<b>RES</b>	Applicants to the Rural Enterprise Scheme	Application successful - status 'complete'	819	350	360
		Application refused - status 'rejected other'	568	150	149
<b>Obj 1</b>	Applicants to Objective 1 for measures corresponding to RES	Processed by GO	77	50	57
		Processed by SW Business Link	21		
		Processed by SW Tourism	38		
<b>2002 Baseline</b>	Respondents to the 2002 Baseline survey who were anticipating future diversification activity	Planning a new diversification	277	175	131
		Expanding an existing diversification	280	175	147
<b>Ag. census</b>	Holdings reporting no diversification in 2003 census	SW region	249	50	89
		NE region	240	50	67
<b>Total</b>			2569	1000	1000

\*Net of duplications and excluding cases where no contact number could be found

**Table 2 Support status by sample**

	Diversified - no grants applied for	Diversified - grants applied for but none received	Diversified - grants received	Not diversified - grants applied for	Not diversified - no grants applied for	Total
RES - approved	14	3	329	2	12	360
RES - rejected	18	74	38	10	9	149
Objective 1	0	1	49	0	7	57
Baseline	136	13	47	3	79	278
Census - not div.	23	1	3	0	129	156
<b>Total</b>	<b>191</b>	<b>92</b>	<b>466</b>	<b>15</b>	<b>236</b>	<b>1000</b>
Percentage within sample						
RES - approved	4%	1%	91%	1%	3%	100%
RES - rejected	12%	50%	26%	7%	6%	100%
Objective 1	0%	2%	86%	0%	12%	100%
Baseline	49%	5%	17%	1%	28%	100%
Census - not div.	15%	1%	2%	0%	83%	100%

## Enterprises

**Table 3 Current enterprises, by farm support status**

	Total	Not significant	Significant
	Enterprises		
Diversified - no grants applied for	306	58	248
Diversified - grants applied for but not received	144	14	130
Diversified - grants received	767	95	672
Not diversified	45	45	0
<b>Total</b>	<b>1262</b>	<b>212</b>	<b>1050</b>

**Table 4 Discontinued enterprises, by farm support status**

	Total	Not significant	Significant
	Enterprises		
Diversified - no grants applied for	10	3	7
Diversified - grants applied for but not received	4	3	1
Diversified - grants received	27	10	17
Not diversified	8	0	8
<b>Total</b>	<b>49</b>	<b>16</b>	<b>33</b>

**Table 5 Enterprises not set up, by farm support status**

	enterprises
Diversified - no grants applied for	10
Diversified - grants applied for but not received	18
Diversified - grants received	16
Not diversified	18
<b>Total</b>	<b>62</b>

Respondents were asked if they had started the process of establishing any diversified enterprises in the previous five years but had not gone ahead with them.

**Table 6 Current enterprises and grant application**

	Setting up		Developing		Setting up and / or developing	
Not developed	n/a	n/a	611	59%	n/a	n/a
None applied for	520	50%	229	22%	425	41%
<i>Applied - none received</i>	76	7%	43	4%	89	9%
<i>Applied - some received</i>	25	2%	4	0%	43	4%
<i>Applied - all received</i>	411	39%	131	13%	454	44%
Grant(s) applied for	512	49%	178	17%	586	56%
Not known	10	1%	20	2%	27	3%
Not recorded	0	0%	4	0%	4	0%
	1042	100%	1042	100%	1042	100%

## **SECTION 1 - Land use**

**Table 7 Grant aid status**

Diversified - no grants applied for	191	19%
Diversified - grants applied for but not received	92	9%
Diversified - grants received	466	47%
Not diversified	251	25%
	1000	100%

*1.1 Can you tell me if the land is used for producing any crops or livestock by you (or your contractors) as a commercial enterprise?*

**Table 8 Commercial crops and stock**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>	<b>Not diversified</b>
Some commercial crops / stock	186	88	446	244
No commercial crops / stock	5	4	20	7
Total	191	92	466	251

*1.1a (If No) How is the land used?*

**Table 9 Land use where not commercially farming**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>	<b>Not diversified</b>
Private house / garden	0	0	2	0
All the land is let	4	3	8	4
Part of the land is let	0	0	4	0
Non-commercial crops / livestock	0	0	2	2
Non-agricultural use	1	1	5	0

1.1c (if Yes) What CONVENTIONAL crops and livestock do you produce?

**Table 10 Conventional crops and stock**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	191	92	466	251
Dairying	9%	13%	15%	26%
Beef	42%	40%	45%	53%
Sheep	35%	28%	39%	41%
Pigs	5%	5%	7%	2%
Poultry	5%	3%	9%	3%
Cereals	61%	51%	45%	49%
Other arable crops	36%	29%	29%	16%
Fruit	3%	2%	3%	1%
Vegetables	9%	1%	5%	5%
Horticulture	3%	2%	3%	3%
No conventional crops / livestock	3%	2%	3%	1%
No commercial crops / stock	3%	4%	4%	3%
Organic	8%	5%	9%	8%

**Table 11 Robust farm type\*(based on sampled holding's census data)**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	191	92	466	251
No census data	7	4	46	5
With census data*	184	88	420	246
Percentage of cases with census data				
Cereals	37%	27%	22%	20%
General cropping	11%	8%	12%	7%
Horticulture	3%	0%	3%	3%
Pigs and poultry	4%	5%	6%	3%
Dairy	11%	18%	11%	23%
Cattle and sheep - lowland	5%	6%	11%	13%
Cattle and sheep - LFA	11%	11%	13%	14%
Mixed	11%	9%	11%	13%
Other	3%	11%	6%	1%
No commercial crops or l/s	3%	5%	5%	3%

\*or no commercial crops or stock

**Table 12 Farm area**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	191	92	466	251
Not known	0%	2%	1%	0%
Less than 10ha	6%	9%	6%	6%
10 to < 20 ha	3%	9%	6%	3%
20 to < 50 ha	18%	18%	18%	17%
50 to < 100 ha	26%	17%	22%	24%
100 to < 200 ha	15%	15%	24%	24%
200 to < 500 ha	23%	21%	19%	20%
500 ha +	9%	9%	5%	6%

**Table 13 Tenure**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
	191	92	466	251
Wholly tenanted	10%	9%	11%	13%
Mainly tenanted	16%	16%	16%	12%
Mainly owned	27%	16%	24%	24%
Wholly owned	46%	57%	49%	50%
Incomplete data	2%	2%	1%	0%

**SECTION 2 - About You****Table 14 Grant aid status**

Diversified - no grants applied for	191	19%
Diversified - grants applied for but not received	92	9%
Diversified - grants received	466	47%
Not diversified	251	25%
	1000	100%

*2.1 position of interviewee***Table 15 Position of interviewee**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
	191	92	466	251
Business principal	95%	95%	96%	99%
Manager	5%	5%	4%	1%

2.2 May I ask what age range you come in to?

**Table 16 Age of interviewee**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>	<b>Not diversified</b>
Number in group	191	92	466	251
20 - 29	2%	1%	1%	0%
30 - 39	11%	10%	14%	12%
40 - 49	26%	34%	35%	32%
50 - 59	28%	40%	31%	31%
60 - 69	26%	13%	17%	18%
70 +	6%	2%	2%	7%
Not willing to say	1%	0%	0%	0%
	100%	100%	100%	100%

2.3 How long have you worked in farming, since leaving school?

**Table 17 Years in farming**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>	<b>Not diversified</b>
Number in group	191	92	466	251
Less than 10	4%	15%	7%	4%
10 to < 20	9%	10%	14%	12%
20 to < 30	26%	32%	31%	29%
30 to < 40	24%	21%	23%	29%
40 years or more	38%	23%	24%	25%
	100%	100%	100%	100%

2.4 How long have you been responsible for running this farm?

**Table 18 Years responsible for current farm**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>	<b>Not diversified</b>
Number in group	191	92	466	251
Less than 10	15%	29%	22%	21%
10 to < 20	25%	22%	28%	26%
20 to < 30	28%	29%	29%	27%
30 to < 40	23%	12%	14%	16%
40 years or more	10%	8%	8%	10%
	100%	100%	100%	100%

## 2.5 Work experience outside farming

**Table 19 Work experience outside farming**

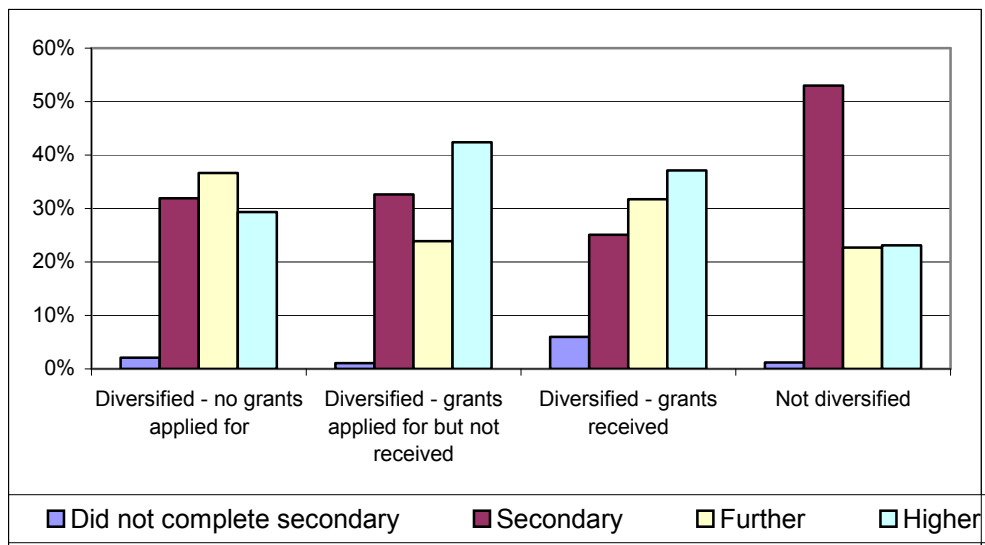
	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>	<b>Not diversified</b>
Number in group	191	92	466	251
Not worked o/s farming	65%	53%	56%	72%
Worked o/s farming	35%	47%	44%	28%
Number worked o/s farming	66	43	207	71
Percentage of farmers who had worked outside farming				
less than 5	30%	21%	25%	20%
5 to < 15	35%	14%	40%	38%
15 to <25	23%	28%	19%	13%
25 years or more	12%	37%	16%	30%
	100%	100%	100%	100%
Currently work o/s farming	27%	56%	32%	45%
Not currently working o/s farming	73%	44%	68%	55%
Professional or senior man.	37%	49%	33%	30%
Middle management	15%	26%	19%	34%
Clerical or manual	25%	23%	29%	27%
Other	23%	2%	19%	9%

**Table 20 Education completed**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>	<b>Not diversified</b>
Number in group	191	92	466	251
Secondary	96%	98%	93%	97%
Further	64%	66%	67%	45%
Higher	29%	42%	37%	23%



**Figure 1 Highest level of education**



**Table 21 Further Education - subject**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	123	61	314	113
Agriculture only	47%	26%	36%	38%
Agriculture and other subjects	7%	7%	11%	4%
Other subjects only	46%	67%	53%	59%
	100%	100%	100%	100%

**Table 22 Higher Education - subject**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	56	39	173	58
Agriculture only	57%	43%	41%	46%
Agriculture and other subjects	16%	13%	21%	15%
Other subjects only	27%	45%	38%	39%
	100%	100%	100%	100%

2.9 Have you identified a successor who will eventually take over the management of the farm business?

**Table 23 Succession**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
	191	92	466	251
Having a successor	41%	34%	33%	30%
Not having a successor	54%	60%	60%	67%
Not applicable	5%	7%	7%	3%
	100%	100%	100%	100%

### **SECTION 3 - Diversified enterprises**

3.1 does the farm currently get income from anything other than the production of conventional crops and livestock?

**Table 24 All current enterprises\***

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	191	92	466	251
	Percentage of farms			
Current enterprises	74%	65%	80%	11%
Current and being set up	19%	25%	19%	1%
Being set up only	7%	10%	1%	2%
None	0%	0%	0%	86%
	100%	100%	100%	100%

\*NB these figures include enterprises not considered by the interviewees to be significant, see below.

**Table 25 Current enterprises – significance and diversification**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
All enterprises (number)	306	144	767	45
	percentage of enterprises			
Not considered significant	19%	10%	12%	100%
Not considered "diversified"	7%	7%	5%	31%

**Table 26 Numbers of current enterprises**

Number of farms	Enterprises per farm	All enterprises	Considered significant	Considered diversified
Diversified - no grants applied for	0	0	0	6
	1	120	143	120
	2	42	41	43
	3	20	5	15
	4	6	2	5
	5	1	0	0
	6	1	0	1
Diversified - grants applied for but not received	7	1	0	1
	0	0	0	2
	1	58	62	60
	2	19	22	18
	3	13	8	11
	4	1	0	0
Diversified - grants received	5	1	0	1
	0	0	0	4
	1	268	305	281
	2	133	122	125
	3	45	36	41
	4	7	0	5
	5	8	3	7
Not diversified	6	5	0	3
	0	216	251	226
	1	27	0	21
	2	6	0	2
	3	2	0	2

**Table 27 Enterprises not considered to be diversifications**

	Number in type	Percent not considered "diversification"
Agricultural services	36	11%
Trading enterprises	118	8%
Accommodation and catering	319	3%
Equine enterprises	113	1%
Recreation and leisure	67	1%
Unconventional crops / crop processing	46	11%
Unconventional livestock / livestock processing	56	5%
Miscellaneous services	236	3%
Mixed	51	6%
All types	1042	4%

**Table 28 Numbers of current enterprises per farm**

	Number in group	Number of enterprises	All enterprises	Considered significant	Considered diversified
<b>Diversified - no grants applied for</b>	191	0	0%	0%	3%
		1	63%	75%	63%
		2	22%	21%	23%
		3+	15%	4%	12%
<b>Diversified - grants applied for but not received</b>	92	0	0%	0%	2%
		1	63%	67%	65%
		2	21%	24%	20%
		3+	16%	9%	13%
<b>Diversified - grants received</b>	466	0	0%	0%	1%
		1	58%	65%	60%
		2	29%	26%	27%
		3+	14%	8%	12%
<b>Not diversified</b>	251	0	86%	100%	90%
		1	11%	0%	8%
		2	2%	0%	1%
		3+	1%	0%	1%

3.2 *In the last five years have any enterprises (other than production of conventional crops and livestock) been discontinued?*

**Table 29 Discontinued enterprises**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	191	92	466	251
Number / % having discontinued enterprises	10	3	27	8
	5%	3%	6%	3%
Number / % having discontinued significant enterprises	7	1	17	8
	4%	1%	4%	3%

3.3 *In the last five years has the farm started the process of establishing any other diversified enterprises, for instance sought financing or planning permission, but the enterprise was never established.*

**Table 30 Other enterprises initiated but not established.**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received	Not diversified
Number in group	191	92	466	251
Initiated other enterprises	10	18	16	18
	5%	20%	3%	7%

## **SECTION 4.1 - Current diversified enterprises**

**Table 31 Grant aid status**

	Setting up		Developing		Setting up and / or developing	
Not developed	n/a	n/a	611	59%	n/a	n/a
None applied for	520	50%	229	22%	<b>425</b>	41%
<i>Applied - none received</i>	76	7%	43	4%	<b>89</b>	9%
<i>Applied - some received</i>	25	2%	4	0%	<b>43</b>	4%
<i>Applied - all received</i>	411	39%	131	13%	<b>454</b>	44%
Grant(s) applied for	512	49%	178	17%	586	56%
Not known	10	1%	20	2%	27	3%
Not recorded	0	0%	4	0%	4	0%
	1042	100%	1042	100%	1042	100%

### *4.1 How long has this enterprise been running?*

**Table 32 Years in operation**

	Number in band	Percentage in band
Less than 1 year	112	11%
1 to < 2 years	94	9%
2 to < 4 years	226	22%
4 to < 6 years	190	18%
6 to < 10 years	117	11%
10 to < 20 years	178	17%
20 years and over	125	12%
	1042	100%

**Table 33 Year in operation, by grant aid status**

	None applied for	None received	Some received	All received
Number in group	425	89	43	454
Less than 1 year	6%	29%	7%	11%
1 to < 2 years	6%	8%	9%	12%
2 to < 4 years	15%	16%	30%	29%
4 to < 6 years	17%	21%	21%	19%
6 to < 10 years	13%	11%	21%	9%
10 to < 20 years	25%	7%	7%	13%
20 years and over	18%	8%	5%	8%
	100%	100%	100%	100%

4.1a (If less than 4 years) Is this enterprise still being established?

**Table 34 Enterprises still being established**

	Number in band	Still being established		Not still being established	
		Number	% in band	Number	% in band
Less than 1 year	112	102	91%	10	9%
1 to < 2 years	94	55	59%	39	41%
2 to < 4 years	226	72	32%	154	68%

4.2 What does (or will ) this enterprise involve?

**Table 35 Enterprise types**

	Number in type	Percentage in type	Baseline
Agricultural services	36	3%	21%
Trading enterprises	118	11%	15%
Accommodation and catering	319	31%	14%
Equine enterprises	113	11%	12%
Recreation and leisure	67	6%	8%
Unconventional crops / crop processing	46	4%	8%
Unconventional livestock / livestock processing	56	5%	6%
Miscellaneous services	236	23%	14%
Mixed	51	5%	n/a
	1042	100%	100%

**Table 36 Enterprise type vs. source sample**

	RES - approved	RES - rejected	Baseline	Objective 1	Census non-div
Number of enterprise in sample	481	188	263	75	35
	percentage of enterprises in type				
Agricultural services	2%	3%	5%	4%	11%
Trading enterprises	12%	6%	10%	19%	14%
Accommodation and catering	31%	35%	26%	33%	31%
Equine enterprises	12%	10%	12%	8%	0%
Recreation and leisure	6%	8%	5%	11%	0%
Unconventional crops / crop processing	4%	3%	5%	5%	9%
Unconventional livestock / l/s processing	6%	5%	4%	4%	9%
Miscellaneous services	19%	28%	29%	13%	20%
Mixed	6%	3%	4%	3%	6%
	100%	100%	100%	100%	100%

**Table 37 Enterprise type by applications for grant aid**

	None applied for	None received	Some received	All received
Number in group*	425	89	43	454
Agricultural services	6%	1%	0%	2%
Trading enterprises	9%	11%	9%	13%
Accommodation and catering	29%	30%	28%	32%
Equine enterprises	11%	11%	7%	11%
Recreation and leisure	7%	8%	12%	5%
Unconv. crops / crop processing	2%	2%	2%	7%
Unconv. livestock / livestock processing	4%	6%	5%	6%
Miscellaneous services	27%	26%	30%	17%
Mixed	3%	4%	7%	7%
	100%	100%	100%	100%

\*Excludes enterprises where grant aid status is not known

#### 4.2a Is this enterprise organic?

There were only 29 wholly or partly organic enterprises.

#### 4.3 What was the approximate turnover of this enterprise in the last financial year?

**Table 38 Turnover**

	Count	Percentage of all enterprises	Percentage of established enterprises with known turnover
Less than 10k	166	16%	19%
10 to < 50k	398	38%	47%
50 to <100k	121	12%	14%
100 to < 250k	87	8%	10%
250 to < 500k	45	4%	5%
500k and over	38	4%	4%
Total with known turnover	855	82%	100%
1st year	103	10%	
Don't know / won't say	84	8%	
Total	1042	100%	

**Table 39 Turnover by grant aid status**

	None applied for	None received	Some received	All received
Number in group*	366	58	37	384
Less than 10k	26%	19%	3%	14%
10 to < 50k	51%	33%	41%	46%
50 to <100k	12%	21%	24%	15%
100 to < 250k	7%	12%	16%	11%
250 to < 500k	2%	9%	11%	7%
500k and over	2%	7%	5%	7%

\*Excludes cases where Grant Aid Status or turnover is not known and enterprises in 1<sup>st</sup> year

#### 4.4 Which of the following best describes the profitability of the enterprise?

**Table 40 Diversified enterprise profitability**

The effects of public funding on farmers' attitudes to farm diversification: February 2006

	Count	Percentage of all enterprises	Percentage of enterprises with known profitability
Significant profit	483	46%	52%
Small profit	355	34%	38%
Breaks even	61	6%	7%
Small loss	17	2%	2%
Significant loss	7	1%	1%
Total with known profitability	923	89%	100%
Not known	10	1%	
Too early to say	103	10%	
Won't say	6	1%	
Total	1042	100%	

**Table 41 Profitability, by grant aid status**

	None applied for	None received	Some received	All received
Number in group*	396	63	36	409
Significant profit	58%	40%	53%	49%
Small profit	36%	43%	31%	40%
Breaks even	4%	13%	11%	8%
Small loss	2%	3%	3%	2%
Significant loss	0%	2%	3%	1%
	100%	100%	100%	100%

\*Excludes cases where grant aid status or profitability is not known or too early to say

#### 4.5 How many people work in this enterprise full time? part time? casual?

**Table 42 Labour summary, by grant aid status**

	None applied for	None received	Some received	All received
Number in group*	422	88	42	452
No staff	20%	7%	5%	8%
Not staffed yet	3%	8%	5%	1%
Some staff	77%	85%	90%	91%
	100%	100%	100%	100%

\*Excludes cases where grant aid status or labour is not known



**Table 43 Labour detail by grant aid status**

	None applied for	None received	Some received	All received
N in group*	324	75	38	408
Full time				
<b>Mean</b>	<b>0.9</b>	<b>1.9</b>	<b>2.9</b>	<b>1.8</b>
Maximum	25	20	26	50
Sum	292	139	112	726
Part time				
<b>Mean</b>	<b>1.2</b>	<b>1.7</b>	<b>3.6</b>	<b>2.2</b>
Maximum	40	23	45	20
Sum	396	130	137	882
Casual				
<b>Mean</b>	<b>0.5</b>	<b>0.9</b>	<b>0.6</b>	<b>0.9</b>
Maximum	18	20	5	40
Sum	166	69	22	350

\*Excludes cases where Grant Aid Status or labour is not known

#### 4.6 In setting up this diversified activity, did you apply for any grants?

**Table 44 Applications for grants for setting up**

	No grants applied for	Some grants applied for			All received
		None received	Some received		
			Applied	Received	
N in group*	<b>520</b>	<b>76</b>	<b>25</b>		<b>411</b>
None	100%	-	-	-	-
One	-	95%	0%	84%	88%
Two	-	5%	72%	16%	10%
Three	-	0%	24%	0%	2%
Four	-	0%	4%	0%	0%
	100%	100%	100%	100%	100%

\*Excludes cases where setting up grant status not known

#### 4.6d Could you give the principal reasons for not applying for a grant?

**Table 45 Reasons for not applying for grant – setting up**

	No grants applied for
Number in group	520
Not thought to be necessary	34%
Not aware of appropriate grants scheme	35%
Application process too complex	10%
Found to be / advised not eligible	14%
Predates grant schemes	5%
Other	6%

4.7 Which of these statements would best describe what would have happened without these grants?

**Table 46 What would have happened without the grant(s) – setting up current enterprises (summary)**

	Number of enterprises	Percent of all cases	Percent of definite responses
Enterprise would not have been greatly affected	34	8%	9%
Enterprise would have been reduced in some respect	179	41%	46%
Enterprise would not have been established	174	40%	45%
Definite response	387		100%
Not sure	4	1%	
Not recorded	45	10%	
All cases receiving some grants	436	100%	

**Table 47 What would have happened without the grant(s) – setting up current enterprises (detail)**

	Enterprises receiving a grant	% of cases receiving a grant*	% within response group*
<b>A. The enterprise would not have been greatly affected</b>	<b>34</b>		
Because the grant was relatively small	13	3%	38%
Because the funding would have been made up from other sources e.g. borrowing	20	5%	59%
Because the project did not involve significant innovation (i.e. the exploitation of new ideas)	1	0%	3%
Because the project did not involve significant risk (i.e. was not particularly adventurous)	5	1%	15%
<b>B. The enterprise would have gone ahead but reduced in some respect</b>	<b>179</b>		
Would have been less innovative (i.e. new ideas would have been less prominent in the project)	9	2%	5%
Would have involved less risk (i.e. less adventurous)	9	2%	5%
Started at a smaller scale	104	27%	58%
The enterprise would have been simpler	36	9%	20%
The capital investment would have been reduced	80	21%	45%
The specification would have been reduced	46	12%	26%
The enterprise would have been established later	35	9%	20%
<b>C. The enterprise would not have been established at all</b>	<b>174</b>		
Because the project would have been too risky (i.e. too adventurous)	30	8%	17%
Because the project involved too high a level of innovation (i.e. the exploitation of new ideas)	4	1%	2%
Because the project would not have been financially viable	148	38%	85%
<b>Total giving a definite response</b>	<b>387</b>		

\*More than one sub-option could apply in each case so percentages do not sum to 100%

**Table 48 What would have happened the grant(s) – setting up current enterprises (applications rejected)**

	Enterprises	% of cases recording a response*	% within response group*
<b>A. The enterprise was not greatly affected</b>	7		
Because the grant would have been relatively small	0	0%	0%
Because the funding was made up from other sources e.g. borrowing	5	19%	71%
Because the project did not involve significant innovation (i.e. the exploitation of new ideas)	1	4%	14%
Because the project did not involve significant risk (i.e. was not particularly adventurous)	1	4%	14%
<b>B. The enterprise went ahead but reduced in some respect</b>	20		
Was less innovative (i.e. new ideas were less prominent in the project)	4	15%	20%
Involved less risk (i.e. less adventurous)	0	0%	0%
Started at a smaller scale	7	26%	35%
The enterprise was simpler	4	15%	20%
The capital investment was reduced	4	15%	20%
The specification was reduced	2	7%	10%
The enterprise was established at a later date	5	19%	25%
<b>Total giving a definite response</b>	<b>27</b>		

\*More than one sub-option could apply in each case so percentages do not sum to 100%

4.7a (If 'gone ahead but reduced') how might this have affected the enterprise?

**Table 49 Impact on numbers employed and business performance**

	Numbers employed	Rate of growth	Profit margin	Overall profitability
	Enterprises			
No response	9	6	9	11
Decreased	81	141	139	141
Unchanged	78	16	19	12
Increased	1	2	0	0
Don't know	10	14	12	15
	179	179	179	179
	% of enterprises that would have gone ahead but reduced			
No response	5%	3%	5%	6%
Decreased	45%	79%	78%	79%
Unchanged	44%	9%	11%	7%
Increased	1%	1%	0%	0%
Don't know	6%	8%	7%	8%

4.7b (If 'not established at all') How might the resources mainly have been otherwise used?

**Table 50 Alternative use of resources**

	Financial	Buildings	Staff
	Enterprises		
No response	9	7	10
An alternative new diversified enterprise	13	12	6
An existing diversified enterprise	2	1	1
A new farming enterprise	4	3	1
An existing farming enterprise	19	11	13
Off-farm	11	3	34
Would not have been used elsewhere	49	93	37
Don't know	24	18	18
Not applicable	43	26	54
	174	174	174
	% of enterprises that would not have gone ahead		
No response	5%	4%	6%
An alternative new diversified enterprise	7%	7%	3%
An existing diversified enterprise	1%	1%	1%
A new farming enterprise	2%	2%	1%
An existing farming enterprise	11%	6%	7%
Off-farm	6%	2%	20%
Would not have been used elsewhere	28%	53%	21%
Don't know	14%	10%	10%
Not applicable	25%	15%	31%

4.8 Has the grant had a clear positive impact on the on-going success of the project, beyond helping to get it set up?

**Table 51 Grant aid - clear positive impact**

	Enterprises	% of enterprises recording a response
Total	436	
Not recorded	47	
Yes	290	75%
No	81	21%
Don't know	18	5%
Total recording a response	389	100%

#### 4.9 What were the major challenges in setting up this enterprise?

**Table 52 Major challenges setting up – all cited**

	None applied for	None received	Some or all received
Number in group*	520	76	436
Percentage citing as challenge			
Getting planning consent	19%	43%	35%
Securing grants	3%	49%	35%
Marketing	19%	8%	19%
Securing financing (loans / overdraft etc)	10%	30%	15%
Gauging the level of demand / competition	9%	8%	11%
Technical issues	8%	9%	10%
Other regulation / compliance issues	8%	13%	10%
Bureaucracy / Red tape	5%	7%	12%
Building work	3%	3%	8%
Staffing	4%	3%	4%
Knowledge / skills / experience	2%	0%	5%
Tenancy matters	4%	0%	2%
Getting other licences	2%	1%	2%
Other	9%	7%	10%
No major challenges	27%	1%	7%
Don't know	3%	0%	0%

\*Excludes cases where setting up grant status not known

**Table 53 Major challenges setting up – greatest challenge**

	None applied for	None received	Some or all received
Number in group*	520	76	436
Percentage citing as greatest challenge			
Getting planning consent	15%	24%	20%
Securing grants	1%	34%	20%
Marketing	13%	3%	11%
Securing financing (loans / overdraft etc)	8%	17%	8%
Gauging the level of demand / competition	8%	3%	6%
Technical issues	6%	5%	5%
Other regulation / compliance issues	5%	0%	4%
Bureaucracy / Red tape	2%	1%	5%
Building work	2%	5%	4%
Staffing	3%	4%	3%
Knowledge / skills / experience	1%	0%	4%
Tenancy matters	2%	3%	1%
Getting other licences	3%	0%	0%
Other	1%	0%	0%
No major challenges	27%	1%	7%
Don't know	3%	0%	0%

\*Excludes cases where setting up grant status not known

4.10 Have you significantly developed this enterprise since setting it up, other than general growth? For example through expanding, upgrading the initial products / services or through introducing new products or services.

**Table 54 Significant development vs. set up grant status**

	None applied for	Applied - none received	Applied – some or all received
Yes	219	23	167
No	294	52	260
Not known	7	1	9
	520	76	436
Yes	42%	30%	38%
No	57%	68%	60%
Not known	1%	1%	2%
	100%	100%	100%

**Table 55 Significant development vs. set up grant status – enterprises between four and ten years in operation**

	Grant status - setup	
	None applied for	Applied - all received
Significantly developed	68	66
Not significantly developed	88	48
	156	114
Significantly developed	44%	58%
Not significantly developed	56%	42%
	100%	100%

**Table 56 Significant development - detail**

	Number of enterprises	Percentage of all enterprises	Percentage of enterprises with significant development
No significant development	611	59%	
Some significant development	412	40%	
Not known	19	2%	
	1042	100%	
<b>Type of development</b>			
Increasing output of existing products / services	189	18%	46%
Upgrading / improving existing products / services	218	21%	53%
Marketing initiative	48	5%	12%
Technical development	23	2%	6%
Introducing new products or services	105	10%	25%
Replication of original project	60	6%	15%

4.11 Did you applied for any grants for this development?

**Table 57 Diversified enterprise development and grant aid**

Not developed	611	59%
None applied for	229	22%
Applied - none received	43	4%
Applied - some received	4	0%
Applied - all received	131	13%
Not known	20	2%
Not recorded	4	0%
	1042	100%

4.11d If you did not apply for any grants could you give the principal reasons?

**Table 58 Reasons for not applying for grand aid - development**

Number in group	229
Not thought to be necessary	32%
Not aware of appropriate grants scheme	25%
Application process too complex	17%
Found to be / advised not eligible	21%
Other	14%

4.12 Which of these statements would best describe what would have happened without these grants?

**Table 59 What would have happened without the grant(s) – developing current enterprises (summary)**

	Number of enterprises	Percent of all cases	Percent of definite responses
The development would not have been greatly affected	8	6%	7%
The development would have gone ahead but reduced in some respect	66	49%	54%
The development would not have taken place at all	48	36%	39%
Definite response	122		100%
Not sure	2	1%	
No response	11	8%	
All cases receiving some grant aid	135	100%	

**Table 60 What would have happened without the grant(s) – developing current enterprises (detail)**

	Enterprises receiving some grant aid*	% enterprises receiving aid**	% within response group**
A. The development would not have been greatly affected	<b>8</b>		
Because the grant was relatively small		3	2%
Because the funding would have been made up from other sources e.g. borrowing		6	5%
Because the project did not involve significant innovation (i.e. the exploitation of new ideas)		0	0%
Because the project did not involve significant risk (i.e. was not particularly adventurous)		1	1%
B. The development would have gone ahead but reduced in some respect	<b>66</b>		
Would have been less innovative (i.e. new ideas would have been less prominent in the project)		7	6%
Would have involved less risk (i.e. less adventurous)		4	3%
At a smaller scale		31	25%
The development would have been simpler		18	15%
The capital investment would have been reduced		16	13%
The specification would have been reduced		25	20%
The development would have taken place later		28	23%
C. The development would not have taken place at all	<b>48</b>		
Because the project would have been too risky (i.e. too adventurous)		7	6%
Because the project involved too high a level of innovation (i.e. the exploitation of new ideas)		1	1%
Because the project would not have been financially viable		35	29%
	<b>122</b>		

\*Excludes cases with incomplete information

\*\*More than one 'sub option' could apply in each so percentages do not sum to 100%

*4.12a If 'gone ahead but reduced' how might this have affected the enterprise?*

**Table 61 Impact on numbers employed and business performance**

	Numbers employed	Rate of growth	Profit margin	Overall profitability
N in group	66	66	66	66
No response	8%	8%	8%	8%
Decreased	52%	79%	82%	86%
Unchanged	36%	11%	6%	2%
Increased	3%	0%	0%	0%
Don't know	2%	3%	5%	5%



4.12b If 'development would not have taken place' how might the resources mainly have been otherwise used?

**Table 62 Expected alternative use of resources**

	Financial	Buildings	Staff
Number in group	48	48	48
No response	4%	4%	6%
An alternative new diversified enterprise	2%	0%	2%
An existing diversified enterprise	10%	4%	2%
A new farming enterprise	2%	0%	0%
An existing farming enterprise	10%	10%	8%
Off-farm	6%	2%	17%
Would not have been used elsewhere	40%	40%	25%
Don't know	4%	4%	8%
Not applicable	21%	35%	31%
	100%	100%	100%

4.13 Has the grant had a clear positive impact on the on-going success of the project?

**Table 63 Clear positive impact – development grants**

	Enterprises receiving a development grant	Percentage of those recording a response
Yes	105	87%
No	12	10%
Don't know	4	3%
Total recording a response	121	100%
Not recorded	14	
Total	135	

### **Knowledge, training and advice**

4.14x Were you personally involved in setting up this enterprise and have you personally been involved in running it since?

**Table 64 Personal involvement**

	Total	Involved in setting up	Involved in running	Involved in setting up or running
No grants applied for	425	374	360	395
No grants received	89	81	70	83
Some or all grants received	497	478	444	485

4.14 How much did you know about the business that you were diversifying into when you decided to set it up?

**Table 65** Prior knowledge of planned new diversified enterprise

	No grants applied for	No grants received	Some or all grants received
Number in group	374	81	478
Full knowledge	11%	11%	13%
Reasonable knowledge	30%	28%	31%
A little knowledge	23%	23%	22%
Very little	16%	26%	18%
Nothing	18%	11%	15%

4.15 Was your work experience outside farming relevant to setting up or running this enterprise?

**Table 66** Relevance of work experience outside farming

	No grants applied for	No grants received	Some or all grants received
	395	83	485
Not applicable	63%	53%	53%
Not relevant	24%	18%	22%
Relevant	14%	29%	25%

4.16 Have you undertaken any training relating to this enterprise?

**Table 67** Training undertaken – current enterprises

	No grants applied for	No grants received	Some or all grants received
Number in group	395	83	485
No training	79%	73%	55%
Some training	21%	27%	45%

**Table 68** Training mix – current enterprises

	No grants applied for	No grants received	Some or all grants received
Number in group with training	81	22	218
Diversification in general	5%	9%	6%
Technical (processes)	51%	73%	42%
Business management	12%	41%	24%
Marketing	12%	18%	21%
Grants	1%	0%	1%
Planning	1%	0%	0%
Other regul/ compliance	31%	23%	35%
Environmental	0%	9%	3%
Other	21%	0%	22%

**Table 69** Usefulness of training received

	Technical	Business	Marketing	Other
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The effects of public funding on farmers' attitudes to farm diversification: February 2006

	(processes)	management		regulation / compliance
	149	75	62	107
Essential	35%	24%	13%	27%
Very Useful	46%	49%	52%	35%
Helpful	17%	20%	34%	33%
Not useful	2%	5%	2%	6%
Unhelpful	0%	1%	0%	0%
	100%	100%	100%	100%

*4.16c Do you think that not having had any training has had an impact on the long term success of the enterprise?*

Only three to four percent of those not receiving training thought that this had had an impact.

*4.18 Generally how easy have you found trying to get quality training for this enterprise?*

**Table 70 Ease of finding quality training**

	No grants applied for	No grants received	Some or all grants received
Number seeking training	94	25	228
Very easy	22%	28%	14%
Easy	50%	44%	56%
Average	14%	8%	16%
Some difficulty	6%	8%	7%
Difficult	7%	12%	7%
	100%	100%	100%

*4.19 Have you received any advice relating to this enterprise?*

**Table 71 Advice received – current enterprises**

	No grants applied for	No grants received	Some or all grants received
Number in group	388	82	481
No response	2%	1%	1%
No advice	54%	30%	27%
Some advice	46%	70%	73%

**Table 72 Range of advice received – current enterprises**

	No grants applied for	No grants received	Some or all grants received
	180	57	350
Diversification in general	14%	21%	18%
Technical (processes)	27%	39%	22%
Financial (loans, tax etc.)	11%	19%	25%
Marketing	14%	16%	21%
Grants	3%	33%	37%
Legal matters	21%	11%	7%
Planning	15%	18%	15%
Other regulation / compliance	14%	5%	12%
Environmental	4%	4%	4%
Other	10%	2%	9%

**Table 73 Usefulness of advice received (part 1)**

	Diversification in general	Technical (processes)	Financial (loans, tax etc.)	Marketing
	100	144	115	109
Essential	7%	25%	16%	12%
Very Useful	51%	49%	56%	61%
Helpful	28%	24%	24%	21%
Not useful	10%	2%	4%	6%
Unhelpful	4%	0%	0%	1%

**Table 74 Usefulness of advice received (part 2)**

	Grants	Legal matters	Planning	Other regulation / compliance
	151	68	88	67
Essential	20%	31%	24%	13%
Very Useful	46%	53%	49%	63%
Helpful	22%	15%	22%	22%
Not useful	7%	1%	5%	1%
Unhelpful	5%	0%	1%	0%

4.19c Do you think that not having had any advice has had an impact on the long term success of the enterprise?

Again only a tiny number thought that this had been the case.

4.21 Generally how easy have you found trying to get quality advice for this enterprise?

**Table 75 Ease of obtaining quality advice**

	No grants applied for	No grants received	Some or all grants received
	187	57	339
Very easy	16%	12%	12%
Easy	56%	51%	57%
Average	16%	16%	13%
Some difficulty	8%	5%	11%
Difficult	4%	16%	8%
	100%	100%	100%

**Table 76 Current major challenges – all cited**

	No grants applied for	No grants received	Some or all grants received
Number in group	425	89	497
Level of demand / competition	23%	28%	29%
Marketing	14%	16%	24%
General economic climate	7%	9%	10%
Getting planning consent	8%	11%	5%
Staffing	5%	4%	7%
Technical issues	7%	4%	4%
Securing financing (loans / overdraft etc)	3%	13%	4%
Expanding / upgrading	4%	6%	5%
Other regulation / compliance issues	6%	3%	3%
Bureaucracy / Red tape	4%	9%	3%
Tenancy matters	4%	0%	2%
Maintaining current level	3%	0%	3%
Time	2%	0%	4%
Securing grants	1%	12%	2%
Occupancy / seasonality	2%	1%	3%
Profitability / costs	1%	2%	3%
Getting other licences	0%	1%	1%
Other	13%	9%	16%
Don't know	0%	4%	0%
No major challenges	26%	12%	17%

**Table 77 Current major challenges – most important**

	<b>No grants applied for</b>	<b>No grants received</b>	<b>Some or all grants received</b>
Number in group	425	89	497
Level of demand / competition	17%	17%	20%
Marketing	9%	9%	17%
Getting planning consent	5%	9%	3%
General economic climate	4%	3%	5%
Staffing	2%	2%	5%
Technical issues	4%	3%	3%
Expanding / upgrading	3%	6%	4%
Time	2%	0%	3%
Securing financing (loans / overdraft etc)	1%	10%	2%
Tenancy matters	4%	0%	1%
Occupancy / seasonality	2%	1%	2%
Maintaining current level	2%	0%	2%
Bureaucracy / Red tape	2%	6%	1%
Profitability / costs	1%	2%	2%
Other regulation / compliance issues	2%	1%	1%
Securing grants	0%	7%	1%
Getting other licences	0%	0%	0%
Other	10%	7%	10%
Don't know	0%	4%	0%
No major challenges	26%	12%	17%

## **SECTION 4 – Additional analyses**

**Table 78 Grant aid status\* vs. enterprise type**

	None applied for	Applied - none received	Grant aided	Not known / no response	Total
Agricultural services	27	1	7	1	36
Trading enterprises	40	10	64	4	118
Accommodation and catering	124	27	158	10	319
Equine enterprises	48	10	52	3	113
Recreation and leisure	29	7	29	2	67
Unconv. crops / processing	10	2	33	1	46
Unconv. livestock / processing	18	5	30	3	56
Miscellaneous services	116	23	90	7	236
Mixed	13	4	34	0	51
All types	425	89	497	31	1042
Agricultural services	75%	3%	19%	3%	100%
Trading enterprises	34%	8%	54%	3%	100%
Accommodation and catering	39%	8%	50%	3%	100%
Equine enterprises	42%	9%	46%	3%	100%
Recreation and leisure	43%	10%	43%	3%	100%
Unconv. crops / processing	22%	4%	72%	2%	100%
Unconv. livestock / processing	32%	9%	54%	5%	100%
Miscellaneous services	49%	10%	38%	3%	100%
Mixed	25%	8%	67%	0%	100%
All types	41%	9%	48%	3%	100%

\*Combined establishment and development

**Table 79 Turnover by enterprise type (part 1)**

	Agricultural services	Trading enterprises	Accommodation and catering	Equine enterprises	Recreation and leisure
Number in group*	37	130	321	113	71
Less than 10k	7%	13%	20%	27%	29%
10 to < 50k	53%	28%	60%	58%	25%
50 to <100k	10%	13%	14%	12%	16%
100 to < 250k	23%	15%	4%	3%	16%
250 to < 500k	3%	18%	1%	0%	6%
500k and over	3%	12%	1%	0%	8%

\*Established enterprises where turnover is known

**Table 80 Turnover by enterprise type (part 2)**

	<b>Unconv. crops / crop processing</b>	<b>Unconv. livestock / livestock processing</b>	<b>Misc services</b>	<b>Mixed</b>	<b>All types</b>
Number in group*	50	58	244	56	855
Less than 10k	10%	14%	22%	11%	19%
10 to < 50k	33%	28%	47%	36%	47%
50 to <100k	18%	19%	14%	16%	14%
100 to < 250k	23%	23%	10%	11%	10%
250 to < 500k	5%	12%	3%	16%	5%
500k and over	10%	5%	4%	11%	4%

\*Established enterprises where turnover is known

**Table 81 What would have happened without the grant aid vs. enterprise type**

	<b>Would not have been greatly affected</b>	<b>Would have been reduced in some respect</b>	<b>Would not have been established</b>	<b>Total with definite response</b>
	Number of enterprises			
Agricultural services	0	2	5	<b>7</b>
Trading enterprises	2	36	16	<b>54</b>
Accommodation and catering	12	47	59	<b>118</b>
Equine enterprises	6	17	22	<b>45</b>
Recreation and leisure	1	8	12	<b>21</b>
Unconv. crops / processing	3	10	8	<b>21</b>
Unconv. livestock / processing	2	8	9	<b>19</b>
Miscellaneous services	6	37	35	<b>78</b>
Mixed	2	14	8	<b>24</b>
	Percentage within enterprise type			
Agricultural services	0%	29%	71%	100%
Trading enterprises	4%	67%	30%	100%
Accommodation and catering	10%	40%	50%	100%
Equine enterprises	13%	38%	49%	100%
Recreation and leisure	5%	38%	57%	100%
Unconv. crops / processing	14%	48%	38%	100%
Unconv. livestock / processing	11%	42%	47%	100%
Miscellaneous services	8%	47%	45%	100%
Mixed	8%	58%	33%	100%



## **SECTION 5.1 - Discontinued diversified enterprises**

Only 33 discontinued significant enterprises .

**Table 82 Reasons for not continuing with a diversified enterprise**

	<b>Cited</b>	<b>Most important</b>
Profitability / financial return	12%	33%
Too much hassle	18%	3%
Family circumstances	9%	9%
Staffing issues	9%	3%
FMD	0%	9%
Technical difficulties	3%	6%
Market developments	6%	3%
Enterprise sold	9%	0%
Resources needed for alternative use	0%	6%
Retirement	0%	6%
Planning issues	3%	3%
Regulatory issues	3%	3%
Conflict with farm needs	0%	3%
Financing issues	3%	0%
Enterprise separated from farm	3%	0%
Other	0%	9%

## **SECTION 6.1 - Enterprises that were not set up**

*6.1 When was this enterprise being explored?*

**Table 83 Diversified enterprises not set up - year being considered**

	<b>Grants applied for</b>	<b>No grants applied for</b>	<b>All</b>
	31	30	62
2000	19%	13%	18%
2001	13%	10%	11%
2002	19%	17%	18%
2003	23%	23%	23%
2004	16%	20%	18%
2005	10%	17%	13%

*6.2 What would this enterprise have involved?*

**Table 84 Diversified enterprises not set up – type of enterprise**

	<b>Grants applied for</b>	<b>No grants applied for</b>	<b>All</b>
Number in group	31	30	62
Agricultural services	10%	10%	10%
Trading enterprises	42%	23%	32%
Accommodation and catering	6%	7%	6%
Equine enterprises	13%	10%	11%
Recreation and leisure	3%	3%	3%
Unconventional crops / crop processing	3%	10%	6%

The effects of public funding on farmers' attitudes to farm diversification: February 2006

Unconventional livestock / livestock processing	16%	37%	27%
Miscellaneous services	6%	0%	3%
	100%	100%	100%

6.3 What would have been the approximate target turnover of this enterprise in an average year?

**Table 85 Diversified enterprises not set up – estimated turnover**

	Grants applied for	No grants applied for	All
Number in group	31	30	62
< 10k	19%	17%	18%
10K to <50k	32%	30%	31%
50K to <100k	10%	20%	15%
100k to <250k	16%	0%	10%
250k to <0.5m	3%	0%	2%
0.5m to < 1m	6%	0%	3%
Don't know / not sure	13%	27%	19%
Won't say	0%	7%	3%
	100%	100%	100%

**Table 86 Diversified enterprises not set up – grant application outcomes**

	Rural Ent. Scheme (RES)	Unspecified Defra / MAFF scheme	Farm Div'n Grants Scheme	Objective 5b	Other	All
Number of grants	23	3	1	1	3	31
Grant offered but not taken up	9%	0%	0%	0%	0%	6%
Application withdrawn	4%	0%	0%	0%	33%	6%
Application ineligible	0%	0%	0%	0%	0%	0%
Application unsuccessful	83%	100%	100%	100%	67%	84%
Don't know	4%	0%	0%	0%	0%	3%
	100%	100%	100%	100%	100%	100%

### **Knowledge, training and advice**

**Table 87 Diversified enterprises not set up – direct involvement**

	Grants applied for	No grants applied for
Directly involved	29	27
Not directly involved	2	3

6.6 How much did you know about the business that you were considering diversifying into?

**Table 88 Diversified enterprises not set up – knowledge of proposed enterprise**

	Grants applied for	No grants applied for	All
Number in group	29	27	56
Full knowledge	7%	7%	7%
Reasonable knowledge	48%	26%	38%
A little knowledge	28%	48%	38%
Very little	10%	7%	11%
Nothing	3%	11%	7%
Not recorded	3%	0%	2%
	100%	100%	102%

6.7 Was your work experience outside farming relevant to this enterprise?

**Table 89 Diversified enterprises not set up – relevance of work experience outside farming**

	Grants applied for	No grants applied for	All
Number in group	29	27	56
Not applicable	52%	52%	51%
Not relevant	21%	26%	23%
Relevant	28%	22%	26%
	100%	100%	100%

6.8 Did you undertake any training relating to this enterprise?

**Table 90 Diversified enterprises not set up – training**

	Grants applied for	No grants applied for	All
Number in group	29	27	56
Some training	10%	7%	9%
No training	90%	93%	91%
	100%	100%	100%

**Table 91 Diversified enterprises not set up – advice**

	Grants applied for	No grants applied for	All
Number in group	29	27	56
Some advice	86%	74%	81%
No advice	14%	26%	19%
	100%	100%	100%

**Table 92 Diversified enterprises not set up – range of advice sought**

	Grants applied for	No grants applied for	All
Diversification in general	17%	15%	15%
Technical (processes)	11%	22%	17%
Financial (loans, tax etc.)	14%	11%	14%
Marketing	11%	7%	9%
Grants	28%	15%	21%
Legal matters	6%	0%	3%
Planning	11%	26%	18%
Other regulation / compliance	3%	4%	3%
Environmental	0%	0%	0%
	100%	100%	100%

**Table 93 Diversified enterprises not set up – reasons for not going ahead (all cited)**

	Grants applied for	No grants applied for	All
	31	30	62
Failure to secure grant aid	81%	0%	40%
Planning issues	6%	43%	24%
Financing issues	16%	17%	16%
Expected Profitability / financial return	13%	10%	13%
Market developments	3%	13%	10%
Regulatory issues	3%	17%	10%
Resources needed for alternative use	3%	10%	6%
Tenancy issues	6%	3%	5%
Management time	0%	7%	3%
Conflict with farm needs	0%	7%	3%
Family circumstances	0%	3%	2%
Too much hassle	0%	3%	2%

**Table 94 Diversified enterprises not set up – reasons for not going ahead (most important)**

	Grants applied for	No grants applied for	All
	31	30	62
Failure to secure grant aid	74%	0%	37%
Planning issues	6%	37%	21%
Market developments	0%	13%	8%
Financing issues	6%	7%	6%
Resources needed for alternative use	3%	7%	5%
Expected Profitability / financial return	6%	0%	3%
Conflict with farm needs	0%	7%	3%
Regulatory issues	0%	7%	3%
Management time	0%	3%	2%
Family circumstances	0%	3%	2%
Tenancy issues	3%	0%	2%

## **SECTION 7 - Diversified farmers' attitudes & opinions**

### *7.1 In managing your business, how would you describe your attitude?*

**Table 95 Diversified farmers' attitudes to managing their businesses**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>
I like to stick to ideas that have worked well in the past	28	8	32
I will follow new opportunities as long as they have been well tested.	108	49	212
I like to be one of the first to take up new opportunities	55	35	222
<b>Total</b>	<b>191</b>	<b>92</b>	<b>466</b>
I like to stick to ideas that have worked well in the past	15%	9%	7%
I will follow new opportunities as long as they have been well tested.	57%	53%	45%
I like to be one of the first to take up new opportunities	29%	38%	48%

### *7.2 How would you describe your attitude to the decision to diversify*

**Table 96 Diversified farmers' attitudes to the decision to diversify**

	<b>Diversified - no grants applied for</b>	<b>Diversified - grants applied for but not received</b>	<b>Diversified - grants received</b>
No response	1	1	2
Reluctant - viewed it as not real farming	13	6	21
Cautious - saw that it was necessary for the business to survive	46	23	62
Optimistic - thought that it would be a valuable support to the business	84	34	162
Enthusiastic –the future for the business	47	28	219
	<b>191</b>	<b>92</b>	<b>466</b>
Reluctant - viewed it as not real farming	7%	7%	5%
Cautious - saw that it was necessary for the business to survive	24%	25%	13%
Optimistic - thought that it would be a valuable support to the business	44%	37%	35%
Enthusiastic - saw it as the future of the business	25%	30%	47%

### 7.3 What were your reasons for deciding to diversify in the first place?

**Table 97 Reasons for deciding to diversify**

	Diversified - no grants applied for		Diversified - grants applied for but not received		Diversified - grants received	
	cited	Most important	cited	Most important	cited	Most important
Poor returns from farming	79%	69%	77%	62%	80%	70%
Add value to the products	5%	1%	7%	4%	7%	4%
Saw a market opportunity	38%	10%	30%	9%	29%	8%
To improve the capital assets	14%	5%	23%	11%	15%	5%
To create family employment	14%	5%	12%	3%	13%	3%
Availability of government support	0%	0%	1%	0%	4%	1%
Broaden (business) horizons	7%	2%	8%	0%	8%	2%
Environmental or ethical reasons	1%	1%	3%	1%	2%	0%
FMD / BSE	1%	1%	1%	1%	1%	1%
Lifestyle change	2%	2%	2%	1%	4%	3%
Make use of buildings	2%	2%	0%	0%	2%	1%
Ill health / retirement	1%	0%	1%	1%	1%	1%
Other	2%	1%	2%	2%	4%	1%

### 7.4 If you did not have the diversified enterprise(s) how would this affect the whole farm financially?

**Table 98 Current importance of diversified enterprises**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
No response	0%	1%	0%
The farm business would actually be better off	0%	2%	2%
It would make very little difference	14%	5%	7%
There would be a significant reduction in income	74%	76%	83%
<i>viability would be in question</i>	52%	63%	68%
Don't know	3%	1%	1%
Enterprise(s) is (are) not yet fully active	8%	13%	5%
Not applicable	2%	1%	2%
Total	100%	100%	100%

The 'not applicables' are cases where the farm is now fully diversified. If the response was that there would be a significant reduction in income they were asked if the viability of the farm would be in question.

*7.5 How important was the availability of GRANTS to making your decision to diversify?*

**Table 99 Importance of the availability of grants to making the decision to diversify**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Essential	1%	4%	27%
Very important	1%	15%	36%
Quite important	1%	18%	14%
Helpful	1%	3%	6%
Not important	58%	35%	16%
Not available	38%	23%	2%
No response	0%	1%	0%

*7.6 How important was the availability of ADVICE to making your decision to diversify?*

**Table 100 Importance of the availability of advice to making the decision to diversify**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Essential	5%	4%	5%
Very important	8%	9%	22%
Quite important	7%	23%	18%
Helpful	5%	8%	14%
Not important	51%	33%	34%
Not available	24%	23%	6%
No response	0%	1%	0%

*7.7 How important was the availability of TRAINING to making your decision to diversify?*

**Table 101 Importance of the availability of training to making the decision to diversify**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Essential	4%	0%	4%
Very important	4%	7%	8%
Quite important	4%	8%	10%
Helpful	5%	2%	8%
Not important	58%	57%	59%
Not available	25%	26%	9%
No response	0%	1%	1%

7.8 Have you needed to invest significant capital in your diversified enterprise(s)?

**Table 102 Significant capital investment since diversification established**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Yes	60%	90%	93%
No	34%	8%	7%
Not yet	6%	2%	0%

7.8a If 'Yes', roughly what sort of scale of capital investment has been needed (across all diversifications)?

**Table 103 Scale of post-establishment capital investment (detail)**

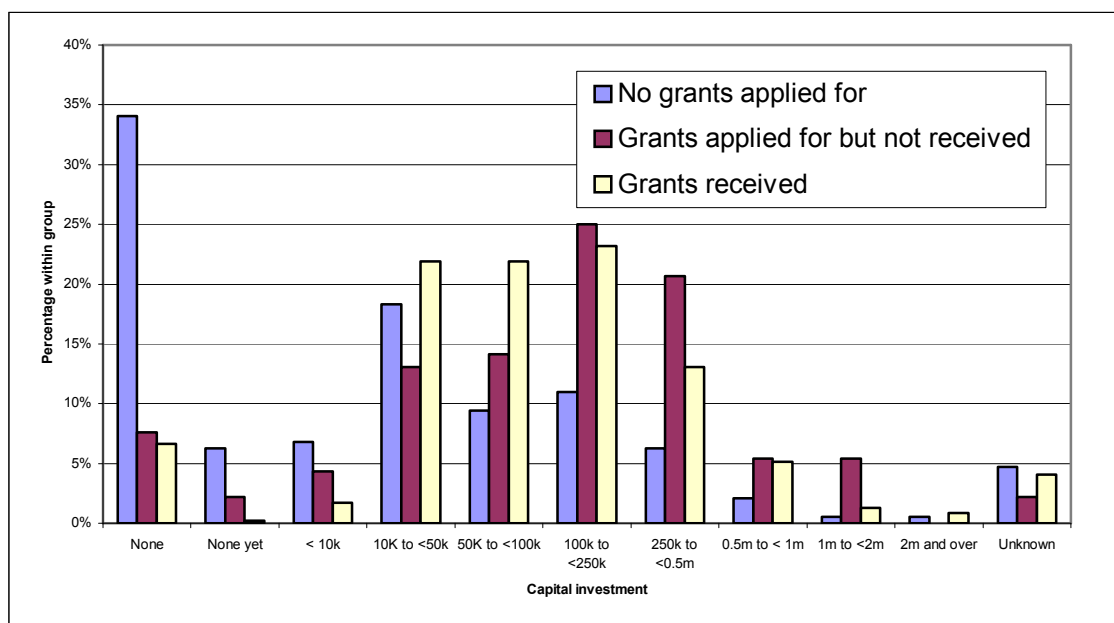
	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number investing significant capital	114	83	434
< 10k	11%	5%	2%
10K to <50k	31%	14%	24%
50K to <100k	16%	16%	24%
100k to <250k	18%	28%	25%
250k to <0.5m	11%	23%	14%
0.5m to < 1m	4%	6%	6%
1m to <2m	1%	6%	1%
2m and over	1%	0%	1%
Don't know / not sure	4%	1%	2%
Won't say	4%	0%	1%
No response	1%	1%	1%

**Table 104 Scale of post-establishment capital investment (summary)**

	No grants applied for	Grants applied for but not received	Grants received
	191	92	466
None - to < 10k	47%	14%	9%
10k to < 100k	28%	27%	44%
100k to <200k	11%	25%	23%
200k and over	9%	32%	20%
Unknown	5%	2%	4%



**Figure 2 Scale of post-establishment capital investment**



*7.8b What have been the main sources of this capital?*

**Table 105 Main sources of capital for investment**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
	Percent of investing significant capital citing source		
Disposal of quota or livestock	9%	12%	9%
Disposal of farm land	10%	10%	6%
Disposal of farm buildings	3%	6%	3%
Bank loans (specifically for diversifications)	37%	49%	55%
Bank overdraft	14%	17%	7%
Other borrowing (e.g. HP)	6%	2%	2%
Surpluses generated from the farm	25%	16%	10%
Private sources / personal savings	32%	33%	32%
Grants	1%	1%	60%
Private investors (inc. family)	8%	2%	8%
Business partners	1%	1%	2%
Businesses you are contracted to supply	0%	0%	0%
Other	5%	6%	9%
Don't know	0%	1%	0%

**Table 106 Most important source of investment capital**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
	Percent of investing significant capital citing as <b>most important</b> source		
Disposal of quota or livestock	4%	8%	5%
Disposal of farm land	6%	6%	4%
Disposal of farm buildings	2%	4%	1%
Bank loans (specifically for diversifications)	30%	39%	38%
Bank overdraft	6%	11%	3%
Other borrowing (e.g. HP)	4%	1%	1%
Surpluses generated from the farm	15%	7%	6%
Private sources / personal savings	21%	18%	15%
Grants	1%	0%	16%
Private investors (inc. family)	6%	0%	3%
Business partners	0%	0%	1%
Businesses you are contracted to supply	0%	0%	0%
Other	4%	4%	6%
Don't know	0%	1%	0%

*7.9 Overall how are you expecting your income to be affected by the switch from livestock and crop payments to the Single Farm Payment, in the short term (next 18 months)? (payment timings aside)*

**Table 107 Income expectations and the Single Farm Payment**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
	<b>Short term</b>		
Significant increase	1%	1%	2%
Moderate increase	9%	17%	9%
Little change	33%	36%	30%
Moderate decrease	26%	20%	21%
Significant decrease	7%	10%	12%
Not sure	19%	13%	19%
Not applicable	4%	3%	7%
	<b>Longer term</b>		
Significant increase	2%	3%	2%
Moderate increase	5%	11%	7%
Little change	15%	20%	15%
Moderate decrease	15%	14%	13%
Significant decrease	37%	33%	33%
Not sure	23%	16%	23%
Not applicable	4%	3%	7%

7.10 Have you considered if the SFP will affect the amount of resources you will allocate to your conventional agricultural enterprises or to your diversifications (agricultural and non-agricultural)?

**Table 108 Diversified farmers' views of the impact of the SFP**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Yes	43%	42%	38%
No	53%	54%	54%
No response	0%	0%	1%
Not applicable	4%	3%	7%

7.10a What increases or decreases in resources are likely in short/long term?

**Table 109 Expected impact of the SFP – short term**

	Diversified - no grants applied for		Diversified - grants applied for but not received		Diversified - grants received	
	Conv	Divn	Conv	Divn	Conv	Divn
Percentage of those who had considered the impact of the SFP						
Increase	2%	46%	5%	38%	7%	44%
No change	39%	48%	44%	59%	38%	50%
Decrease	57%	2%	49%	3%	50%	4%
Don't know	1%	4%	3%	0%	5%	3%

**Table 110 Expected impact of the SFP – long term**

	Diversified - no grants applied for		Diversified - grants applied for but not received		Diversified - grants received	
	Conv	Divn	Conv	Divn	Conv	Divn
Percentage of those who had considered the impact of the SFP						
Increase	5%	46%	3%	46%	6%	46%
No change	37%	43%	44%	49%	34%	45%
Decrease	50%	1%	44%	3%	49%	3%
Don't know	9%	10%	10%	3%	11%	6%

7.11 Over the next five years what are your plans for your diversified enterprises?

**Table 111 Future plans**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Expand overall	50%	59%	56%
Upgrade (quality / range)	21%	23%	26%
Set up additional diversified enterprises	29%	17%	22%
Reduce overall	1%	1%	1%
Close one or more enterprises	1%	1%	1%
Sell one or more enterprises	2%	2%	1%
Sell whole farm	1%	1%	1%
Other	3%	2%	4%
No change / consolidate / maintain	19%	15%	20%
Don't know	11%	8%	5%

7.12 In terms of their FINANCIAL CONTRIBUTION to the whole farm how do you see the FUTURE IMPORTANCE of your diversified enterprises?

**Table 112 Future importance of diversified enterprises**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
No response	5%	5%	4%
Their contribution will be crucial for the viability of the farm	49%	68%	68%
Their contribution will be important	38%	21%	23%
Their contribution will be fairly UNimportant	5%	1%	3%
Their contribution will be negative	0%	0%	0%
Don't know / too early to say	1%	3%	1%
Not applicable	2%	1%	1%

7.13 How would you rate your overall experience of getting assistance for your diversified enterprises from GOVERNMENT SOURCES with respect to:

**Table 113 Overall experience - Grants**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Very good	1%	1%	27%
Good	6%	3%	34%
Average	4%	11%	18%
Poor	5%	21%	9%
Very poor	6%	57%	9%
Not applicable	74%	5%	1%
Don't know	5%	2%	1%

**Table 114 Overall experience - Advice**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Very good	3%	5%	14%
Good	13%	12%	29%
Average	9%	15%	15%
Poor	4%	9%	9%
Very poor	4%	17%	7%
Not applicable	64%	39%	24%
Don't know	3%	2%	1%

**Table 115 Overall experience - Training**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Very good	1%	2%	5%
Good	7%	5%	15%
Average	8%	7%	12%
Poor	2%	2%	3%
Very poor	1%	9%	2%
Not applicable	77%	73%	61%
Don't know	4%	2%	2%
No response	1%	0%	0%

## 7.14 How do you think farmers in general could be encouraged to diversify?

**Table 116 How farmers could be encouraged to diversify (all cited)**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
	Percent citing		
Make the application process easier	15%	38%	29%
Broaden the availability of grant funding	16%	32%	16%
Increase the amount of grant funding available	14%	12%	15%
Publicise grant funding opportunities better	14%	18%	13%
Increase the availability of advice	15%	9%	11%
Improve the quality of advice	11%	13%	10%
Current provision is sufficient	4%	4%	14%
Improve the integration of funding, advice, training	6%	11%	11%
Publicise advice opportunities better	8%	2%	7%
Planning / other regulation	7%	3%	4%
Schemes / advice more localised / personalised	3%	1%	4%
Reduce public involvement, leave it to the market	7%	4%	2%
Lower the cost of advice	2%	4%	4%
Increase the availability of training	4%	0%	4%
Improve the quality of training	3%	0%	3%
Publicise training opportunities better	2%	1%	3%
Will have no choice	4%	0%	2%
Co-operation, mentoring, model examples	1%	2%	3%
Motivation has to come from the farmer	2%	1%	2%
Overcome mindset	1%	0%	2%
Other	13%	14%	10%
Don't know	23%	21%	17%

**Table 117 How farmers could be encouraged to diversify (most important)**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
	citing as most important		
Make the application process easier	7%	15%	17%
Current provision is sufficient	3%	3%	12%
Broaden the availability of grant funding	7%	21%	5%
Increase the amount of grant funding available	8%	3%	8%
Publicise grant funding opportunities better	7%	4%	5%
Increase the availability of advice	3%	4%	4%
Planning / other regulation	5%	2%	3%
Improve the quality of advice	2%	4%	3%
Improve the integration of funding, advice, training	3%	4%	3%
Schemes / advice more localised / personalised	2%	0%	4%
Reduce public involvement, leave it to the market	5%	1%	2%
Co-operation, mentoring, model examples	1%	2%	2%
Will have no choice	3%	0%	2%
Motivation has to come from the farmer	2%	1%	2%
Other	15%	11%	11%
Don't know	23%	21%	17%

## **SECTION 8 - Non-diversified farmers' attitudes and opinions**

**Table 118 Non-diversified farms by sample by GO region**

	<b>North East</b>	<b>South West</b>	<b>Other regions</b>	<b>All regions</b>
RES - approved	1	4	9	14
RES - rejected	1	5	13	19
Objective 1	0	7	0	7
Baseline	4	38	40	82
Census - not diversified	54	75	0	129
<b>All samples</b>	<b>60</b>	<b>129*</b>	<b>62</b>	<b>251</b>

\*Two of the South West cases did not complete Section 8 at all, so these have been excluded from the following analyses.

### *8.1 What are the main reasons for your farm not being (significantly) diversified (at present)?*

**Table 119 Main reasons for not being diversified**

	<b>North East</b>	<b>South West</b>	<b>Other regions</b>
Number of farms in group	60	127	62
	Percentage of farms in region		
Need to focus on the farm business	45%	38%	35%
No market opportunities in your area	23%	17%	21%
No inclination to diversify	25%	16%	18%
No need to diversify	3%	8%	15%
Tenure issues	17%	4%	6%
Retirement / succession issues	7%	6%	6%
Farm not suitable	3%	6%	10%
Lack of finance to fund the diversification.	3%	7%	6%
Lack of labour to diversify	5%	6%	3%
Time	7%	6%	0%
Never considered diversification	0%	4%	3%
Other	15%	17%	39%

**Table 120 Most important reason for not being diversified**

	<b>North East</b>	<b>South West</b>	<b>Other regions</b>
Number of farms in group	60	127	62
	Percentage of farms in region		
Need to focus on the farm business	35%	34%	29%
No market opportunities in your area	18%	13%	10%
No inclination to diversify	12%	10%	6%
Tenure issues	12%	3%	6%
No need to diversify	0%	6%	10%
Farm not suitable	3%	6%	5%
Lack of finance to fund the diversification.	2%	5%	3%
Time	5%	5%	0%
Retirement / succession issues	5%	2%	3%
Lack of labour to diversify	2%	3%	3%
Other	8%	14%	24%

8.2 *If it were possible would you be interested in starting a diversified enterprise in the future?*

**Table 121 Interest in future diversification**

	North East	South West	Other regions
Number in group	60	127	62
	Number of farms in region		
Yes	28	69	37
Not sure	7	14	10
Yes or Not sure	35	83	47
No	25	44	15
	Percentage of farms in region		
Yes	47%	54%	60%
Not sure	12%	11%	16%
Yes or Not sure	58%	65%	76%
No	42%	35%	24%

8.2a *If 'Yes' which of the following best describes your current position?*

**Table 122 Current position of farms interested in future diversification**

	North East	South West	Other regions
Number interested in future diversification	28	69	37
	Percentage of interested farms		
We have a diversified enterprise planned	4%	12%	8%
We have a diversified enterprise in mind	14%	17%	14%
We are actively seeking diversification opportunities	82%	62%	51%
In principle we would be interested in diversifying but have not yet taken any active steps	0%	9%	27%
Number of non-diversified farms	60	127	62
	Percentage of non-diversified farms		
We have a diversified enterprise planned	2%	6%	5%
We have a div enterprise in mind	7%	9%	8%
We are actively seeking diversification opportunities	38%	34%	31%
In principle we would be interested in diversifying but have not yet taken any active steps	0%	5%	16%



8.2b If Yes or Not sure, what are the most significant issues / challenges which need to be addressed?

**Table 123 Significant issues and challenges**

	North East	South West	Other regions
Number saying Yes or Not sure	35	83	47
	Percentage of Yes or Not sure		
Market opportunities appearing in your area	20%	23%	40%
Sorting out planning constraints	6%	30%	34%
Sorting out tenure issues	23%	8%	9%
More generous grants to help with capital costs	6%	11%	6%
Financing	9%	8%	9%
More / better advice	3%	5%	13%
A more straight-forward way of accessing advice, training and grants together	3%	2%	17%
Improved availability of affordable investment capital	9%	7%	2%
Improved availability of appropriate labour	6%	5%	4%
Sorting out other regulatory issues	3%	2%	9%
Time availability	14%	1%	2%
Other	17%	22%	17%
Don't know	20%	16%	4%

8.2d If No, why is that?

**Table 124 Reasons for not being interested in diversification**

	North East	South West	Other regions
Number not interested in div'n	25	44	15
	Percentage of farms not interested		
Prefer to focus on farm business	40%	45%	40%
No time available	12%	25%	40%
Retirement / succession issues	56%	36%	27%
Tenure issues	8%	0%	0%
Other	4%	11%	7%

### 8.3 How do you think farmers in general could be encouraged to diversify?

**Table 125 How farmers could be encouraged to diversify - cited**

	North East	South West	Other regions
Number of farms in group	60	127	62
	Percentage of farms in region		
Broaden the availability of grant funding	12%	18%	19%
Increase the availability of advice	17%	13%	13%
Increase the amount of grant funding available	7%	14%	18%
Make the application process easier	10%	6%	16%
Publicise grant funding opportunities better	8%	10%	10%
Improve the quality of advice	8%	6%	8%
Will have no choice	3%	7%	6%
Planning / other regulation	3%	4%	10%
Should not encourage more - saturation	3%	8%	2%
Current provision is sufficient	2%	3%	8%
Increase the availability of training	5%	4%	3%
Improve integration of funding, advice & training	3%	2%	6%
Publicise advice opportunities better	0%	5%	2%
Improve the quality of training	0%	2%	6%
Other	15%	24%	23%
Don't know	42%	24%	24%

**Table 126 How farmers could be encouraged to diversify – most important**

	North East	South West	Other regions
Number of farms in group	60	127	62
	Percentage of farms in region		
Increase the availability of advice	17%	5%	6%
Broaden the availability of grant funding	5%	10%	3%
Increase the amount of grant funding available	3%	8%	6%
Will have no choice	3%	7%	6%
Planning / other regulation	2%	4%	10%
Should not encourage more - saturation	3%	7%	2%
Make the application process easier	7%	2%	5%
Current provision is sufficient	2%	2%	8%
Publicise grant funding opportunities better	2%	3%	5%
Other	13%	25%	24%
Don't know	42%	24%	24%

## RES AND OBJECTIVE ONE RESPONDENTS COMPARED

**Table 127 RES and Objective One cases vs. grant support**

	RES Accepted	Obj1 GO Accepted	Obj1 SW Business Link	Obj1 SW SW Tourism
Diversified - no grants applied for	14	0	0	0
Diversified - grants applied for but not received	3	0	0	0
Diversified - grants received	329	20	11	16
Not diversified	14	4	0	0
	360	24	11	16

Although many of the farms from the Baseline sample will have had support from RES it would not be possible to confidently identify these cases. So the analysis is restricted to cases which were drawn from the RES and Objective One samples *and* reported grant support for their diversification, Table 127. It is of course quite possible that answers given may relate in part to government grants other than the one which was the basis for selection. The SW Tourism and Business Link cases are combined into one group, 'Devolved'.

**Table 128 RES vs. Objective One matrix**

	Cases receiving grants
RES	329
Obj1 - Gov't Office	20
Obj1 - Devolved	27

### Farm characteristics

**Table 129 Farm area, by category of grant source**

	RES accepted	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
Not known	1%	0%	0%
Less than 10ha	6%	0%	7%
10 to < 20 ha	6%	5%	7%
20 to < 50 ha	19%	10%	15%
50 to < 100 ha	22%	15%	44%
100 to < 200 ha	23%	35%	22%
200 to < 500 ha	20%	35%	4%
500 ha +	5%	0%	0%

**Table 130 Farm tenure, by category of grant source**

	RES	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
Wholly tenanted	10%	25%	11%
Mainly tenanted	16%	10%	19%
Mainly owned	26%	25%	30%
Wholly owned	47%	40%	41%
Not known	1%	0%	0%

*Experience, attitudes and opinions***Table 131 Adapters and embracers, by category of grant source**

	RES	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
Weak adapter	7%	0%	11%
Adapter	45%	60%	44%
Embracer	48%	40%	44%

**Table 132 Attitude to decision to diversify, by category of grant source**

	RES accepted	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
No response	0%	0%	0%
Reluctant - viewed it as not real farming	5%	5%	0%
Cautious - saw that it was necessary for the business to survive	12%	5%	30%
Optimistic - thought that it would be a valuable support to the business	32%	65%	33%
Enthusiastic - saw it as the future of the business	51%	25%	37%

**Table 133 Current importance of diversified enterprises, by category of grant source**

	RES	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
The farm business would actually be better off	2%	0%	4%
It would make very little difference	6%	20%	4%
There would be a significant reduction in income	85%	75%	74%
<i>of which viability would be in question</i>	68%	65%	67%
Enterprise(s) is (are) not yet fully active	5%	5%	11%
Not applicable	2%	0%	7%

**Table 134 Importance of availability of grants to decision to diversify, by category of grant source**

	RES	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
Essential	29%	15%	37%
Very important	38%	40%	19%
Quite important	14%	15%	4%
Helpful	5%	5%	0%
Not important	13%	25%	37%
Not available	2%	0%	0%

It is important to distinguish between the general decision to diversify (this question) and the importance of the grants schemes in relation to particular projects (covered at enterprise level).

**Table 135 Future importance of diversified enterprises, by category of grant source**

	RES	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
No response	4%	0%	7%
Their contribution will be crucial for the viability of the farm	68%	65%	74%
Their contribution will be important	24%	35%	11%
Their contribution will be fairly UNimportant	2%	0%	0%
Their contribution will be negative	0%	0%	4%
Don't know / too early to say	1%	0%	0%
Not applicable	1%	0%	4%

**Table 136 Overall experience of receiving grant aid, by category of grant source**

	RES	Obj1 - Gov't Office	Obj1 - Devolved
Number in group	329	20	27
Very good	31%	50%	33%
Good	37%	35%	26%
Average	16%	5%	30%
Poor	9%	5%	7%
Very poor	7%	5%	4%
Don't know	1%	0%	0%

## DIVERSIFICATION: POST 2000 DIVERSIFYING FARMS

This analysis looks at the farms which have diversified since 2000, comparing those who did and did not receive grant aid. These farms all diversified over the period of the current ERDP and hence, in principle, could have benefited from the same grant schemes.

**Table 137 Recent diversifiers, by grant aid status**

	Farms diversifying post 2000
Diversified - no grants applied for	79
Diversified - grants applied for but not received	53
Diversified - grants received	268

**Table 138 Recent diversifiers, by source samples**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
RES - approved	5	1	207
RES - rejected	9	47	21
Objective 1	0	0	21
Baseline	57	4	18
Census - not diversified	8	1	1
	79	53	268

The farms that had diversified since 2000 without grant aid were predominantly drawn from the Baseline sample.

### Farm/interviewee characteristics

**Table 139 Recent diversifiers, by farm area**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Not known	0%	2%	1%
Less than 10ha	6%	11%	7%
10 to < 20 ha	3%	9%	7%
20 to < 50 ha	22%	17%	18%
50 to < 100 ha	25%	23%	22%
100 to < 200 ha	16%	15%	25%
200 to < 500 ha	20%	21%	18%
500 ha +	8%	2%	2%

**Table 140 Tenure of recent diversifiers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Wholly tenanted	11%	4%	7%
Mainly tenanted	16%	9%	13%
Mainly owned	24%	23%	25%
Wholly owned	47%	62%	54%
Not known	1%	2%	1%

**Table 141 Interviewee age of recent diversifiers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
20-29	1%	2%	1%
30-39	14%	11%	17%
40-49	32%	36%	35%
50-59	29%	34%	33%
60-69	20%	13%	12%
70+	3%	4%	1%
not willing to say	1%	0%	0%

**Table 142 Number of years farming of recent diversifiers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Less than 10	5%	21%	9%
10 to < 20	11%	8%	15%
20 to < 30	25%	32%	32%
30 to < 40	25%	21%	22%
40 years or more	33%	19%	22%

**Table 143 Work outside of farming of recent diversifiers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Worked outside of farming	28%	49%	44%
Not worked outside of farming	72%	51%	56%

**Table 144 Education of recent diversifiers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Not completed secondary or higher	0%	0%	4%
Secondary	28%	34%	25%
Further	43%	23%	34%
Higher	29%	43%	37%

**Enterprise types and scale**

This section looks at **enterprises** set up since 2000. Some of these will have been on farms with earlier diversifications so the results do not correspond exactly with the farm level data.

**Table 145 Enterprises established since 2000, by grant status**

	Enterprises set up post 2000
No grants applied for	185
No grants received	66
Some or all grants received	348

**Table 146 Diversified enterprise types, by grant status**

	No grants applied for	No grants received	Some or all grants received
Number of enterprises in group	185	66	348
Agricultural services	4%	2%	2%
Trading enterprises	11%	11%	13%
Accommodation and catering	26%	29%	29%
Equine enterprises	11%	11%	11%
Recreation and leisure	5%	9%	5%
Unconventional crops / crop processing	2%	3%	6%
Unconventional livestock / livestock processing	6%	5%	6%
Miscellaneous services	34%	26%	20%
Mixed	1%	6%	7%



**Table 147 Diversified enterprise turnover, by grant status**

	No grants applied for	No grants received	Some or all grants received
	185	66	348
Less than 10k	26%	11%	12%
10 to < 50k	41%	20%	41%
50 to <100k	8%	12%	11%
100 to < 250k	3%	8%	8%
250 to < 500k	1%	6%	6%
500k and over	1%	2%	4%
1st year	15%	35%	13%
Don't know / won't say	6%	8%	6%

There is a notable absence of enterprises with a turnover of £100k plus in the 'no grants applied for group'.

**Table 148 Major challenges setting up, recent diversifiers, by grant status**

	No grants applied for	No grants received	Some or all grants received
Number of enterprises in group	185	66	348
	Percentage citing as challenge		
Getting planning consent	22%	39%	35%
Securing grants	4%	52%	36%
Marketing	23%	11%	18%
Securing financing (loans / overdraft etc)	6%	29%	16%
Other regulation / compliance issues	9%	17%	11%
Technical issues	9%	8%	12%
Bureaucracy / Red tape	5%	8%	13%
Gauging the level of demand / competition	9%	6%	10%
Building work	1%	5%	7%
Staffing	4%	6%	5%
knowledge / skills / experience	3%	0%	6%
Getting other licences	3%	3%	3%
Tenancy matters	3%	0%	1%
Other	9%	5%	12%
No major challenges	25%	2%	5%

Training and advice (farm level)

**Table 149 Training received, recent diversifiers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Some enterprises but not involved in any	1%	8%	13%
Involved in some or all enterprises but no training	68%	74%	46%
Training on some enterprises involved in	8%	8%	11%
Training on all enterprises involved in	22%	11%	31%

**Table 150 Advice received, recent diversifiers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Some enterprises but not involved in any	1%	8%	13%
Involved in some or all enterprises but no advice	43%	23%	24%
Advice on some enterprises involved in	9%	8%	6%
Advice on all enterprises involved in	46%	62%	57%

Experience, attitudes and opinions

**Table 151 Adapters and embracers, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
Weak adapter	14%	11%	7%
Adapter	59%	57%	47%
Embracer	27%	32%	46%

**Table 152 Decision to diversify, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
No response	0%	2%	1%
Reluctant - viewed it as not real farming	10%	8%	4%
Cautious - saw that it was necessary for the business to survive	27%	25%	13%
Optimistic - thought that it would be a valuable support to the business	43%	38%	37%
Enthusiastic - saw it as the future of the business	20%	28%	45%

**Table 153 Capital investment, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
No capital investment	34%	6%	5%
No capital investment yet	13%	4%	0%
< 10k	6%	6%	2%
10K to <50k	19%	15%	23%
50K to <100k	9%	15%	25%
100k to <250k	8%	26%	24%
250k to <0.5m	4%	25%	13%
0.5m to < 1m	3%	4%	3%
1m to <2m	0%	0%	1%
Don't know / not sure	3%	0%	2%
Won't say	1%	0%	2%
No response	1%	0%	1%

**Table 154 Future importance of diversified enterprises, by grant status**

	Diversified - no grants applied for	Diversified - grants applied for but not received	Diversified - grants received
Number of farms in group	79	53	268
No response	6%	6%	4%
Their contribution will be crucial for viability of farm	37%	66%	63%
Their contribution will be important	49%	21%	28%
Their contribution will be fairly UNimportant	3%	2%	3%
Their contribution will be negative	0%	0%	0%
Don't know / too early to say	3%	4%	1%
Not applicable	3%	2%	1%