

APPENDICES

APPENDIX A

POSTAL QUESTIONNAIRE AND COVERING LETTER



CENTRE FOR RURAL RESEARCH

19th April 2002

Contact name
Address1
Address2
Address3
Address4
Postcode

Dear Salutation,

FARM DIVERSIFICATION BASELINE STUDY

As incomes from farming have declined many farmers are trying new ways of maintaining their livelihoods. While some have been involved in "farm diversification" for many years others are relative newcomers, or are still considering the possibilities. Unfortunately there is little recent information available about the current state of farm diversification in England.

That is why I am writing to you. The Department for Environment, Food and Rural Affairs would like us to update a study carried out by this University in 1989. Your name has been selected as one of a large random sample. Co-operation in the survey is voluntary, and I would be most grateful if you are able to take part. It should not take more than about 10-15 minutes of your time.

The enclosed simple questionnaire should be completed by the someone involved in managing the business. It asks for information on which, if any, 'diversified' activities you currently have, how important they are, and what plans you may have for the future. Even if you have no 'diversified' activities it is important that you complete the questionnaire so that we can estimate correctly the number of farms that are *not* currently involved.

All the information you provide will be handled in the strictest confidence and no individual farm will be identifiable in any of the survey results. The information collected by this study will be important in the future development of rural policy. I do hope you will help us build an accurate picture of the national situation by completing the questionnaire and returning it in the FREEPOST envelope, as soon as is convenient.

With thanks for your attention,

Yours sincerely,

A handwritten signature in dark ink that reads "Michael Winter".

Professor Michael Winter

Laflowda House
St German's Road
Exeter EX4 6TL

Director:
Professor M Winter

Direct Line (+44) 01392 263835
Fax (+44) 01392 263852
Secretary (+44) 01392 263836





UNIVERSITY OF EXETER

Centre for Rural Research

Lafrowda House, St German's Road, Exeter EX4 6TL

Tel. 01392 263835 Fax 01392 263852

NATIONAL SURVEY OF DIVERSIFIED ACTIVITIES ON FARMS

Name
Address1
Address2
Address3
Address4
Address5
Postcode
CPH number

If your name and address differs from that shown,
please amend appropriately in the box opposite

CONFIDENTIAL

We hope that completing this survey will not take up too much of your time. The questions aim to (a) find out **what you do** in addition to agricultural production, and (b) provide a **broad indication** of how important diversified activities are to your farm business.

SECTION I YOUR CONVENTIONAL FARMING SYSTEM

1. Which of the following do you produce? *Tick all that apply*

Livestock	<input type="checkbox"/>	Crops	<input type="checkbox"/>
Dairying	<input type="checkbox"/>	Cereals	<input type="checkbox"/>
Beef	<input type="checkbox"/>	Other arable crops	<input type="checkbox"/>
Sheep	<input type="checkbox"/>	Fruit	<input type="checkbox"/>
Pigs	<input type="checkbox"/>	Vegetables	<input type="checkbox"/>
Poultry	<input type="checkbox"/>	Horticulture	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>
.....		

2. Are you a registered organic producer? *Tick all that apply*

	Accredited	In conversion
Organic products	<input type="checkbox"/>	<input type="checkbox"/>
Organic milk	<input type="checkbox"/>	<input type="checkbox"/>
Organic meat	<input type="checkbox"/>	<input type="checkbox"/>
Organic crops	<input type="checkbox"/>	<input type="checkbox"/>
Organic vegetables	<input type="checkbox"/>	<input type="checkbox"/>
Other ([please specify)	<input type="checkbox"/>	<input type="checkbox"/>
.....		

SECTION II DIVERSIFIED ACTIVITIES ON YOUR FARM

3. Do you produce any **speciality crop or livestock products**? *Tick all that apply*

Livestock products	<input type="checkbox"/>	Crop products	<input type="checkbox"/>
Goat dairying	<input type="checkbox"/>	Special flowers/fruit etc	<input type="checkbox"/>
Angora goats	<input type="checkbox"/>	Vineyard	<input type="checkbox"/>
Rare breeds	<input type="checkbox"/>	Minority crops	<input type="checkbox"/>
Bees/Honey	<input type="checkbox"/>	Christmas trees	<input type="checkbox"/>
Deer	<input type="checkbox"/>	Other crops (please specify)	<input type="checkbox"/>
Fish	<input type="checkbox"/>	
Rabbits	<input type="checkbox"/>	Other speciality products	<input type="checkbox"/>
Minority poultry and game	<input type="checkbox"/>	Dog/cat/breeding, kennels	<input type="checkbox"/>
Wild boar	<input type="checkbox"/>	Caged birds	<input type="checkbox"/>
Sheep dairying	<input type="checkbox"/>	Animal feeds	<input type="checkbox"/>
<i>Ostriches</i>	<input type="checkbox"/>	Turf	<input type="checkbox"/>
Other livestock (please specify).....	<input type="checkbox"/>	Energy crops	<input type="checkbox"/>
.....		Minority products (please specify)	<input type="checkbox"/>
		
		

4. Do you provide any of the following **services** on your farm? *Tick all that apply*

Accommodation and catering	<input type="checkbox"/>	Sport	<input type="checkbox"/>
Caravan/camping site	<input type="checkbox"/>	Shooting	<input type="checkbox"/>
Holiday cottage	<input type="checkbox"/>	Motorsport	<input type="checkbox"/>
Rented accommodation (all year)	<input type="checkbox"/>	Golf	<input type="checkbox"/>
Bed & Breakfast	<input type="checkbox"/>	Other sport	<input type="checkbox"/>
On-farm catering	<input type="checkbox"/>		
Other accommodation and catering	<input type="checkbox"/>	Leisure	<input type="checkbox"/>
		Picnic site	<input type="checkbox"/>
Horse related	<input type="checkbox"/>	Wildlife/Trail/Museum etc	<input type="checkbox"/>
Horse riding/trekking	<input type="checkbox"/>	<i>Activity facilities</i>	<input type="checkbox"/>
Livery	<input type="checkbox"/>	Boating	<input type="checkbox"/>
Horse racing and stud	<input type="checkbox"/>	Fishing	<input type="checkbox"/>
Horse trials	<input type="checkbox"/>	War games	<input type="checkbox"/>
Other horse related	<input type="checkbox"/>	<i>Gliding</i>	<input type="checkbox"/>
		Educational facilities	<input type="checkbox"/>
		Other leisure	<input type="checkbox"/>

5. Do you supply **contracting services**? *Tick as appropriate***Agricultural** (e.g. farming operations)☐**Non-agricultural** (e.g. plant hire, snow clearance)☐6. Do you undertake any **food processing** or **direct marketing** activities? *Tick all that apply*

Preparation/packing	<input type="checkbox"/>	Marketing	<input type="checkbox"/>
Milk bottling	<input type="checkbox"/>	Pick-your-own	<input type="checkbox"/>
Egg packing	<input type="checkbox"/>	Farm shop	<input type="checkbox"/>
Fruit and veg, washing, grading, etc	<input type="checkbox"/>	Freezer shop	<input type="checkbox"/>
Other preparation/packing	<input type="checkbox"/>	Market stall	<input type="checkbox"/>
		Farmers' markets	<input type="checkbox"/>
Processing		<i>Box scheme</i>	<input type="checkbox"/>
Milled cereals	<input type="checkbox"/>	<i>Egg sales</i>	<input type="checkbox"/>
Milk products – cows	<input type="checkbox"/>	Milk round	<input type="checkbox"/>
<i>Milk products – goats/sheep</i>	<input type="checkbox"/>	Garden centre/plant sales	<input type="checkbox"/>
Game butcher	<input type="checkbox"/>	Hay, straw sales	<input type="checkbox"/>
Meat butcher	<input type="checkbox"/>	Miscellaneous supplies	<input type="checkbox"/>
<i>Fish processing</i>	<input type="checkbox"/>	Other marketing/retail	<input type="checkbox"/>
Cider/fruit juice	<input type="checkbox"/>		
Winemaking	<input type="checkbox"/>		
Skins/hides/clothmaking	<input type="checkbox"/>		
<i>Other food processing</i>	<input type="checkbox"/>		

7. Do you have land allocated to any of the following **agri-environment** activities? *Tick all that apply*

ESA	<input type="checkbox"/>	Countryside Stewardship Scheme	<input type="checkbox"/>
SSSI	<input type="checkbox"/>	Organic Farming Scheme	<input type="checkbox"/>
		Other conservation	<input type="checkbox"/>

8. Do you provide any **miscellaneous** products or services?

Fuel and timber	<input type="checkbox"/>	Building/machinery	<input type="checkbox"/>
Fuel wood	<input type="checkbox"/>	Machinery hire	<input type="checkbox"/>
Timber products	<input type="checkbox"/>	Hire of buildings	<input type="checkbox"/>
		<i>Vehicle storage</i>	<input type="checkbox"/>
Craft work	<input type="checkbox"/>	Cold storage	<input type="checkbox"/>
<i>Rural crafts</i>	<input type="checkbox"/>	Haulage	<input type="checkbox"/>
Teaching of crafts	<input type="checkbox"/>	Alternative technology	<input type="checkbox"/>
		<i>Showground</i>	<input type="checkbox"/>
Other	<input type="checkbox"/>		
Secretarial services	<input type="checkbox"/>		
Consultancy and management	<input type="checkbox"/>		
Stone extraction/land fill	<input type="checkbox"/>		
Agricultural sundries supply	<input type="checkbox"/>		
Other miscellaneous	<input type="checkbox"/>		

SECTION III DIVERSIFIED ACTIVITIES UNDERTAKEN ON YOUR FARM BY OTHERS

9. Are any of the **land** or **buildings** on your farm let out to others to undertake diversified activities? *Tick all that apply*

Land let for sports ground	<input type="checkbox"/>
Buildings let for commercial/industrial use	<input type="checkbox"/>
Woodland	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>
.....	

SECTION IV THE IMPORTANCE OF DIVERSIFIED SOURCES OF INCOME

10. How many **members of your family** aged 16 and over, *including yourself*, are currently living on this farm? (Please note - include all family members resident on the farm even if they have no connection with the business, but do not include family members living away.)

Write number of people in box

11. What are the present **areas of occupation** of these members of your family?

	Yourself and your spouse	Other family members	
	<i>Tick all that apply</i>	<i>Tick all that apply</i>	<i>Write nos. in box</i>
Farming here	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Non-farm work here	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Other (off-farm) business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Employment off-farm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Full-time education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Homemaker/carer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Retired	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
.....			

12. In 2000, before the Foot and Mouth Disease epidemic, roughly what **proportion** of the total personal income of **yourself and your spouse** came from the following sources? *Enter percent figure for each category that applies.*

	In 2000 (before FMD)
Farming activities on this farm (as listed in Section I)	<input type="text"/> %
Diversified activities on this farm (as listed in Sections II and III)	<input type="text"/> %
Off-farm businesses and employment	<input type="text"/> %
Investments, pensions and social security payments	<input type="text"/> %
Other (please specify)	<input type="text"/> %
Total	<input type="text"/> 100%

SECTION V RECENT CHANGES ON YOUR FARM

13. Which of the activities you list in Sections II and III have you **started** in the last five years? *Please specify*

.....

.....

.....

And which activity in Sections II and III have you **expanded** or **improved** in the last five years? *Please specify*

.....

.....

.....

14. Within the last five years have you **given up** any activities covered in Sections II and III? *Please specify*

Activity Reason.....

.....

Activity Reason.....

.....

15. Within the last five years has any land or any buildings been sold from your farm for **non-farming use**?
Tick all that apply

	Housing	Recreation	Tourism	Industry	Woodland	Other
Land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buildings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION VI YOUR FUTURE PLANS

16. Have you decided that you definitely will: *Please tick box and specify the activity*

- **Introduce a new** diversified activity Yes ☐
- **Expand an existing** diversified activity Yes ☐
- **Give up an existing** diversified activity Yes ☐

IF YOU HAVE TICKED ANY BOX IN SECTIONS II AND III ABOVE, GO TO SECTION VII.

17. (For those who have no diversified activities) Do you see any opportunity to **introduce a diversified activity** into your farm business? *Please tick*

Yes ☐ No ☐

Why is that?.....

SECTION VII YOUR USE OF GRANT AID

18. In setting up or expanding your diversified activity, did you receive any grant aid? *Tick all that apply*

Farm Diversification Grants Scheme	<input type="checkbox"/>
Farm Business Non-Capital Grants Scheme	<input type="checkbox"/>
Rural Enterprise Scheme	<input type="checkbox"/>
Processing and Marketing Grant Scheme	<input type="checkbox"/>
Energy Crops Scheme	<input type="checkbox"/>
Woodland Grant/Farm Woodland Premium Schemes	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>
.....	

SECTION VIII YOUR COMMENTS

19. Please add any further comments

.....

20. Would you like to be sent a complimentary copy of the report summarising the findings of this survey?
Please tick

Yes ☐ No ☐

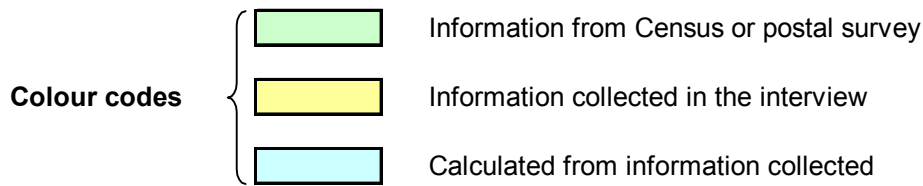
Thank you very much for your time and help in completing this form. We assure you again that all information given by you will remain entirely confidential. Your answers will be coded for analysis by computer, and combined with those for other farms. No individual farm will be identified in any reports that are prepared. Now return the form in the **FREEPOST envelope – no stamp required**.



APPENDIX B

INTERVIEW QUESTIONNAIRE AND COVERING LETTER

UNIVERSITY OF EXETER

FARM DIVERSIFICATION BASELINE STUDY



Survey ID	<input type="text"/>	Centre name	<input type="text"/>
Postal survey input reference	<input type="text"/>	Interviewer reference (optional)	
Interview survey reference	<input type="text"/>	Interview reference (optional)	
Name and Address	<div style="border: 1px solid black; height: 120px; width: 100%;"></div>		

Interviewer Comments

Please enter here any information about the farm that will help put the diversified activities into context or explain any unexpected information entered in the fieldbook. For example, that the farm is attached to a historic country house, or that the B&B accommodation was refurbished in the accounting year.

All information provided in the course of this study will be held in the strictest confidence and used only for the purposes of research. Any publication will relate only to grouped data from which information on individual businesses cannot be identified.

CONTENTS

Section A	General information
Section B	Diversified enterprises on the farm
Section C	The people working on the farm
Section D	History of diversification on the holding
Section E	The future
Section F	Financial summaries
Section G	History of attributable capital expendityre
Section H	Interviewee comments
Data Checks	

SECTION A - GENERAL INFORMATIONInterview ref. *The information entered here from the census and from the postal survey should be confirmed in the interview. Note that*

	Census (for holding)	Interview (for whole farm)
Holding number	<input type="text"/>	
Multiple holdings	<input type="text"/>	<input type="text"/>
Number of additional holdings		<input type="text"/> <i>If none leave blank</i>
Robust farm type	<input type="text"/>	Code <input type="text"/> <input type="text"/> <i>Estimate this based on standard gross margins</i>
Wholly or partly in an LFA	<input type="text"/>	<input type="text"/>
Wholly or partly in an ESA	<input type="text"/>	<input type="text"/>
Area owned	<input type="text"/>	Hectares <input type="text"/>
Area tenanted	<input type="text"/>	<input type="text"/>
Area rented for less than 365 days		<input type="text"/>
Area let for less than 365 days		<input type="text"/>
Total area farmed	<input type="text"/>	<input type="text"/>
Tenure	<input type="text"/>	<input type="text"/>

Mainstream farming products produced on the farm (conventional or organic)*The information gathered in this section should confirm the current type and scale of 'mainstream' agriculture taking place on the holding or holdings which comprise the 'whole farm'. This should be used to recalculate the farm type for the whole farm.*

	Postal		Interview (numbers)		Postal	Interview (hectares)
Dairying	<input type="text"/>	Dairy cows	<input type="text"/>	Cereals	<input type="text"/>	<input type="text"/>
Beef	<input type="text"/>	Beef cows	<input type="text"/>	Other arable crops	<input type="text"/>	<input type="text"/>
		Other cattle	<input type="text"/>	Horticulture	<input type="text"/>	<input type="text"/>
Sheep	<input type="text"/>	Breeding ewes	<input type="text"/>			
		Other sheep	<input type="text"/>			
Pigs	<input type="text"/>	Sows and gilts	<input type="text"/>			
		Other pigs	<input type="text"/>			
Poultry	<input type="text"/>	Poultry	<input type="text"/>			
Any accredited organic mainstream production	<input type="text"/>	Any mainstream production in conversion to	<input type="text"/>			

Land allocated to Agri-environment activities

	Postal	Interview	
ESA	<input type="text"/>	<input type="text"/>	
SSSI	<input type="text"/>	<input type="text"/>	
Countryside Stewardship	<input type="text"/>	<input type="text"/>	
Organic Farming Scheme	<input type="text"/>	<input type="text"/>	
Other conservation	<input type="text"/>	<input type="text"/>	Code <input type="text"/>
Other conservation		<input type="text"/>	Code <input type="text"/>
Other conservation		<input type="text"/>	Code <input type="text"/>

Coding**Robust Farm Types**

- 1 Cereals
- 2 General cropping
- 3 Horticulture
- 4 Pigs and poultry
- 5 Dairy
- 6 Cattle and sheep (LFA)
- 7 Cattle and sheep (lowland)
- 8 Mixed
- 9 Other

Other conservation schemes

- 1 Farm Woodland Premium Scheme
- 2 Woodland Grant Scheme
- 3 Nitrate Sensitive Areas
- 4 Habitat Scheme
- 5 Moorland Scheme
- 6 Countryside Access
- 7 Arable Stewardship
- 8 National Park scheme
- 9 Other

SECTION B - DIVERSIFIED ENTERPRISES ON THE FARM

Started under

0

B1. Record the diversified activity / activities on the farm

Postal

Interview

Year
startedpresent owners /
tenants

Organic?

Agricultural services (100)

101	Agricultural contracting				
102	Full agricultural contracting				
103	Tractor & driving				
104	Casual agricultural contracting				
105	Provision of labour service only				
106	Mixed contracting services				
107	Machinery hire				
108	Provision of cold storage facilities				
109	Consultancy and management				
110	Haulage				
111	Agricultural sundries supply				
112	Other				

Trading enterprises (200)

201	Farm shop				
202	Freezer shop				
203	Market stall				
204	Farmers' markets				
205	Box scheme				
206	Egg sales				
207	Milk round				
208	Garden centre/plant sales				
209	Hay, straw sales				
210	Miscellaneous supplies				
211	Other marketing / retail				
Do not enter PYO here					
212	Rural crafts				
213	Teaching of crafts				

Accommodation and catering (300)

301	Caravan/camping site				
302	Holiday cottage				
303	Rented accommodation (all year)				
304	Bed & Breakfast				
305	On-farm catering				
306	Other				

Equine enterprises (400)

401	Horse riding/trekking				
402	Livery				
403	Horse racing and stud				
404	Horse trials				
405	Other				

Recreation and leisure (500)

501	Shooting				
502	Motorsport				
503	Golf				
504	Other sport				
505	Picnic site				
506	Wildlife/Trail/Museum etc				
507	Activity facilities				
508	Boating				
509	Fishing				
510	War games				
511	Gliding				
512	Educational facilities				
513	Other leisure				

Unconventional crops and crop-based processing (600)

601	Special flowers/fruit etc					
602	Vineyard					
603	Minority crops					
604	Christmas trees					
605	Animal feeds					
606	Turf					
607	Energy crops					
608	Pick-your-own					
609	Fuel wood					
610	Other uncon- ventional crops					
611	Other minority products					
612	Cider / fruit juice					
613	Winemaking					
614	Washing / grading etc					
615	Packing					
616	Milled cereals					
617	Other crop processing					

Unconventional livestock and livestock processing (700)

701	Goat dairying					
702	Angora goats					
703	Rare breeds					
704	Bees/Honey					
705	Deer					
706	Fish					
707	Rabbits					
708	Minority poultry and game					
709	Wild boar					
710	Sheep dairying					
711	Ostriches					
712	Other unconven- tional livestock					
713	Milk bottling					
714	Egg packing					
715	Milk products – cows					
716	Milk products – goats/sheep					
717	Game butcher					
718	Meat butcher					
719	Fish processing					
720	Skins/hides/clothmaking					
721	Other livestock processing					

Do not record horses here

Manufacture (800)

801	Timber products				
802	Engineering / light industry				
803	Other manf.				

Miscellaneous services (900)

901	Land let for sports ground				
902	Buildings let for commercial/industrial use				
903	Woodland				
904	Other land or buildings let for diversified activities specify				
905	Secretarial services				
906	Stone extraction / land fill				
907	Vehicle storage				
908	Alternative technology				
909	Non-agricultural contracting (e.g. to council)				
910	Showground				
911	Dog / cat / breeding or kennels				
912	Caged birds				
913	Other misc. services				

B2. Sections D, E and F will refer to the identified **diversified enterprises** on the farm. In order to complete these sections please list these diversified enterprises here, where appropriate grouping together related **activities** under the dominant activity or one of the generic headings.

You have ticked 0 enterprises of which 0 have been assigned to groups

(Grouped) Enterprise	(Grouped) Enterprise code	Name	Made up of (if only one enterprise enter					
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

B3. The **diversified enterprise(s)** identified above may bring certain benefits to your combined business. Please indicate which of the following are appropriate in your case:

Tick all that apply

Improved cash flow	
Higher profits	
Better use of labour	
Using redundant assets e.g. buildings	
Better return on capital invested in business	
Increased 'job' satisfaction	
Adoption of more 'sustainable' systems	
Spreading risk	
Create a market for a product	
No perceived benefits	
Other	
Other	

B4. The **diversified enterprise(s)** identified above may cause certain problems to your combined business. Please indicate which of the following are appropriate in your case:

Tick all that apply

Poorer cash flow/increased cash demands	
Insufficient profits	
Difficulties with the use/availability of labour	
Increased level of capital invested in business	
Requires extra management input	
Need extra skills to operate more complex business	
Seasonal conflicts of interest	
Poorly integrated within overall business	
Additional paperwork/legislation burden	
No significant problems	
Other	
Other	

C7. to C10

Some of the following questions apply only to 'family' type farms, if this farm is a fully corporate type farm tick this box

☐

If two or more unrelated families are farming together tick this box and record the family details of the interviewee only, treating the unrelated family members as 'other workers'

☐

C7. (a) How many members of your family (16+) live on the farm (inc. yourself)?

(b) In addition to these, how many other family members work at the farm?

If none enter '0'

For each family member living or working on the farm (the total of 7(a) and 7(b)) please indicate their involvement with the farm business, the diversified enterprises and other work. *Record '1' for full-time, '2' for part-time and '3' for casual*

Relation codes	Husband	1	Son	5	Brother	9	Aunt	13	Grandson	17
	Wife	2	Daughter	6	Sister	10	Uncle	14	Granddaughter	18
	Partner (M)	3	Father	7	Nephew	11	Cousin (M)	15		
	Partner (F)	4	Mother	8	Niece	12	Cousin (F)	16		

Use the same codes for in-laws as for blood relations

		Rel 1	Rel 2	Rel 3	Rel 4	Rel 5	Rel 6	Rel 7	Rel 8
Relation code	Yourself								
Farm-work here									
Diversified enterprise									
Other work here									
Farm work elsewhere									
Other work elsewhere									
In education									
Not working									
Retired									

		Rel 9	Rel 10	Rel 11	Rel 12	Rel 13	Rel 14	Rel 15	Rel 16	Rel 17
Relation code										
Farm-work here										
Diversified enterprise										
Other work here										
Farm work elsewhere										
Other work elsewhere										
In education										
Not working										
Retired										

C8. Please summarise the numbers of people working in the farming business and in the diversified enterprises:

		Family living on the farm	Family not living on the farm	Non-family workers	Total	Total family from C7
Farming business	Full time				0	0
	Part time				0	0
	Casual				0	0
Diversified business	Full time				0	0
	Part time				0	0
	Casual				0	0

Roughly what percentage of the **total hours** worked on the farm is accounted for by the diversified enterprises?

(a) in relation to just the family labour input

% if none enter '0'

(b) in relation to the total labour input

% if none enter '0'

C9. Please identify the relative importance of the diversified enterprises to their business income and to the employment of their family.

If you did not have the diversified enterprise(s)

With respect to **Overall income**

1. The farm business would actually be better off
2. It would make very little difference
3. There would be a noticeable reduction in income

Tick the option that best applies

If '3', would the viability of the whole farm be in question? (Y/N)

--

With respect to **Family employment**

1. It would make very little difference
2. The family workers could be re-deployed on farm work here
3. Some of the family workers would have to seek (additional) work off the farm
4. All of the family workers would have to seek (additional) work off the farm

Tick the option that best applies

NB "family workers" refers to the family members currently working in the diversified enterprises

C10. From your own perspective what would be your ideal means of making a living?

- From farming alone
- From farming and diversified activities
- From farming and non-farm employment or business
- From farming, diversified and non-farm activities
- From diversified enterprises without farming
- From off-farm employment or business without farming
- From diversified and non-farm activities without farming

Farmer Household*

**The family living together as an economic unit including the farmer*

Was it ever your intention for your household to make a living solely from your farm business? (Y/N)

--

Do you think that the farm business could ever fully support your household? (Y/N)

--

SECTION D - HISTORY OF DIVERSIFICATION ON THE HOLDING

Answer each question in this section for each of the **enterprises** (or groups of activities) you identified in Section B question 2. Enter a '1' for each option that applies but **enter a '2' for the most important** in questions D1 to D4.

If at all possible use the options available to summarise the information offered.

Ent No	Name (as listed in Section B, question 2)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	

A '1' in the row of blue coloured cells at the top of each table indicates a column which needs to be completed

D1. What were the *main* motivations for starting the diversified enterprises?

(If the enterprise was acquired with the farm, or inherited, interpret starting as 'choosing to continue'.)

		Enterprise numbers as listed in Section B question 2														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Maintain family income																
Increase family income																
Utilise existing family labour																
Utilise existing hired labour																
Create new family employment																
Utilise spare land																
Utilise spare buildings																
Utilise spare machinery																
Indulge an interest / hobby																
Developed from an informal activity																
Add value to farm (investment)																
Other																
Other																

Did the availability of government funding influenced your decision to diversify? (Y/N)

If Yes, was this either the Rural Development Programme (RDP) or the Rural Enterprise Scheme? (Y/N)

D2. What have been the *main* problems encountered in (a) establishing and (b) operating the diversified enterprise(s)?

		Enterprise numbers as listed in Section B question 2														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(a) Establishing																
Finding information																
Planning permission																
Other regulations or licences																
Lack of managerial experience																
Lack of appropriately (un)skilled labour																
Raising the necessary finance (private)																
Accessing of appropriate public support (grants etc)																
Uncertain / changing demand for service or product																
Lack of marketing skills																
Did not establish this enterprise																
No problems																
Other																
Other																

Farm Diversification in England 2002: Final Report

Enterprise numbers as listed in Section B question 2

(b) Operating

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Complete columns:</i>															
Finding information															
Planning permission															
Other regulations or licences															
Lack of managerial experience															
Lack of appropriately (un)skilled labour															
Retaining labour															
Maintaining the necessary level of investment															
Accessing appropriate public support (grants etc)															
Uncertain / changing demand for service or product															
Lack of marketing skills															
Family changes															
Cashflow															
No problems															
Other															
Other															

D3. Broadly, have the diversified enterprises expanded (increased in scale), been upgraded (quality improvement) or contracted since becoming fully established (or since operated by the interviewee)? If so what were the main reasons?

Upgrading may accompany changing scale

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Complete columns:</i>															
Expanded															
Upgraded															
Reduced in scale															
No change															

Reasons for **expanding** enterprises:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Complete columns:</i>															
Market conditions															
Availability of managerial experience															
Availability of skilled (or trainable) labour															
Availability of finance or capital															
Availability of public support (grants, training etc)															
Availability of buildings															
Availability of machinery															
Family changes															
More time available															
Improve / maintain margins															
Improve / maintain competitiveness															
Other															
Other															

Reasons for **upgrading** enterprises:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Complete columns:</i>															
Response to customer demand															
In order to improve profit margins															
Part of wider initiative															
Availability of financial support															
To establish niche market															
Availability of improved machinery / technology															
To reduce labour input															
Improve / maintain margins															
Improve / maintain competitiveness															
Other															
Other															

Farm Diversification in England 2002: Final Report

Reasons for **reducing scale** of enterprises:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Complete columns:</i>															
Market conditions															
Reduced availability of managerial experience															
Reduced availability of skilled (or trainable) labour															
Lack of finance or capital															
Lack of public support (grants, training etc)															
Reduced availability of buildings															
Reduced availability of machinery															
Family changes															
Less time available															
Other															
Other															

D4. Are the diversified enterprises considered to be a successful component of the business (in a financial sense)? What are the principal reasons for financial success or failure?

Enterprise numbers as listed in Section B question 2

Tick one

option for Profitable
each Unprofitable
enterprise Not sure / uncertain

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
														1	1

Reasons for being **profitable** enterprises:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Complete columns:</i>															
Good market for product															
Good market research															
Management capabilities / training															
Capital investment															
Good marketing															
Successful branding															
Good proximity to market															
Attractiveness of location															
Family involvement / commitment															
Competitive advantage															
Other															
Other															

Reasons for being **unprofitable** enterprises:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Complete columns:</i>															
Insufficient market for product															
Inadequate market research															
Lack of management capabilities / training															
Lack of capital investment															
Inadequate marketing															
Lack of branding branding															
Poor proximity to market															
Lack of attractiveness of location															
Lack of family involvement / commitment															
Lack of competitive advantage															
Enterprise in loss-making start up phase															
Other															
Other															

D5. Profitability may not be the only, or even the most important, measure of how successful the diversified enterprise(s) are. What measures are *particularly* important to each enterprise?

		Enterprise numbers as listed in Section B question 2																
Measures		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
<i>Complete columns:</i>																		
Profitability																		
Satisfied customers																		
Providing family employment																		
Fitting in with farm business																		
Fitting in with farm life																		
Adding value to farm																		
Generating cash income / increasing cashflow																		
Operator satisfaction / enjoyment																		
Other																		
Other																		

D6. Have any diversified activities been given up in the past five years? (Y/N)

If Yes, enter the enterprise codes

Code

1		
2		
3		
4		
5		

How long had these enterprises been in operation and why were they stopped?

Enterprise stopped

1	2	3	4	5

Number of years in operation

Reasons for stopping

Insufficient financial return					
Too much hassle					
Insufficient demand for product or service					
Insufficient time available					
Conflicting resource demands with farm business					
Conflicting resource demands with family					
Retirement					
Competitive disadvantage					
Business sold					
Regulatory problems					
Staffing problems					
Foot and mouth					
Family changes					
Other					
Other					

SECTION E - THE FUTURE

E1. What intentions are there with regard to the present diversified enterprises over the next five years?

(If upgrading and changing scale record reasons for both)

Ent No	Name	No change	Increase	Upgrade	Reduce	Stop
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

If any changes are anticipated what are the main reasons for these? ('Why' rather than 'How')

Enterprise numbers as listed in Section B question 2

Increasing scale

Complete columns:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
More demand expected than could currently be met															
Continuing established pattern of growth															
Additional investment resources will become available															
Additional buildings / land will become available															
Additional machinery will become available															
Additional labour resources will become available															
Additional management resources will become available															
Market for product / service growing															
Desire to shift resources from farm to diversified															
Family changes															
New partnership / co-ops / mergers															
Other															
Other															

Enterprise numbers as listed in Section B question 2

Upgrading

Complete columns:

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Response to customer demand															
In order to improve profit margins															
Part of wider initiative															
Availability of financial support															
To establish niche market															
Availability of improved machinery / technology															
To reduce labour input															
To remain competitive															
Other															
Other															

Farm Diversification in England 2002: Final Report

Enterprise numbers as listed in Section B question 2

Reducing scale

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Complete columns:															###
Less demand expected than could currently be met															
Continuing established pattern of decline															
Fewer investment resources will be available															
Fewer buildings / less land will be available															
Less machinery will be available															
Fewer labour resources will be available															
Fewer management resources will be available															
Market for product / service declining															
Desire to shift resources from diversified to farm															
Family changes															
Low profitability															
Concentrate on quality															
Not enough time available															
Too much hassle															
Other															
Other															

Enterprise numbers as listed in Section B question 2

Stopping

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Complete columns:															###
Less demand expected than could currently be met															
Continuing established pattern of decline															
Fewer investment resources will be available															
Fewer buildings / less land will be available															
Less machinery will be available															
Fewer labour resources will be available															
Fewer management resources will be available															
Market for product / service declining															
Desire to shift resources from diversified to farm															
Family changes															
Low profitability															
Concentrate on other enterprises															
Not enough time available															
Too much hassle															
Other															
Other															

E2. Might any new diversified enterprises be introduced over the next five years? (Y/N)

Enter the codes for the enterprise types

Code

1	
2	
3	
4	
5	

(a) What stage have these plans reached and (b) what action has been taken?

(a) Stage

Just a possibility
A fair chance of proceeding
More than likely to go ahead
Definitely going ahead

Enterprise:

1	2	3	4	5

Tick one option
per enterprise

(b) Action taken so far

None
Advice and or information sought
Business plan developed
Physical plans developed
Planning permission applied for / obtained
Some capital expenditure
Some staff hired

Other
Other

1	2	3	4	5

Tick all that apply
for each
enterprise

SECTION F - FINANCIAL SUMMARIES

0

Enterprises 1 to 3

	Enterprise 1	Enterprise 2	Enterprise 3
Accounting period ending			
Enterprise output (A)			
Expenses (Attributable to enterprise)			
Direct materials			
Indirect materials			
Production/service overheads (excl. labour)			
Other overheads (admin, selling etc)			
Paid labour – family			
Paid labour non-family			
Machinery and equipment depreciation			
Buildings and fixtures depreciation			
Rent: land and buildings			
Total Expenses (B)	0	0	0
Net Profit (C = A - B)	0	0	0
Imputed Expenses			
Unpaid family labour (excl. farmer and spouse)			
Farmer and spouse labour			
Rental value: land			
Total Imputed Expenses (D)	0	0	0
Net Margin (E = C - D)	0	0	0
Have these figures been adjusted for FMD? (Y/N)			
If 'Yes' enter the <u>unadjusted</u> figures here			
Enterprise output (A)			
Total Expenses (B)			
Net Profit (C = A - B)	0	0	0
Total Imputed Expenses (D)			
Net Margin (E = C - D)	0	0	0

Farm Diversification in England 2002: Final Report

Enterprises 4 to 6

	Enterprise 4	Enterprise 5	Enterprise 6
Accounting period			
Enterprise output (A)			
Expenses (Attributable to enterprise)			
Direct materials			
Indirect materials			
Production/service overheads (excl. labour)			
Other overheads (admin, selling etc)			
Paid labour – family			
Paid labour non-family			
Machinery and equipment depreciation			
Buildings and fixtures depreciation			
Rent: land and buildings			
Total Expenses (B)	0	0	0
Net Profit (C = A - B)	0	0	0
Imputed Expenses			
Unpaid family labour (excl. farmer and spouse)			
Farmer and spouse labour			
Rental value: land			
Total Imputed Expenses (D)	0	0	0
Net Margin (E = C – D)	0	0	0
Have these figures been adjusted for FMD? (Y/N)			
If 'Yes' enter the <u>unadjusted</u> figures here			
Enterprise output (A)			
Total Expenses (B)			
Net Profit (C = A - B)	0	0	0
Total Imputed Expenses (D)			
Net Margin (E = C – D)	0	0	0

Farm Diversification in England 2002: Final Report

Enterprises 7 to 9

	Enterprise 7	Enterprise 8	Enterprise 9
Accounting period			
Enterprise output (A)			
Expenses (Attributable to enterprise)			
Direct materials			
Indirect materials			
Production/service overheads (excl. labour)			
Other overheads (admin, selling etc)			
Paid labour – family			
Paid labour non-family			
Machinery and equipment depreciation			
Buildings and fixtures depreciation			
Rent: land and buildings			
Total Expenses (B)	0	0	0
Net Profit (C = A - B)	0	0	0
Imputed Expenses			
Unpaid family labour (excl. farmer and spouse)			
Farmer and spouse labour			
Rental value: land			
Total Imputed Expenses (D)	0	0	0
Net Margin (E = C – D)	0	0	0
Have these figures been adjusted for FMD? (Y/N)			
If 'Yes' enter the <u>unadjusted</u> figures here			
Enterprise output (A)			
Total Expenses (B)			
Net Profit (C = A - B)	0	0	0
Total Imputed Expenses (D)			
Net Margin (E = C – D)	0	0	0

Enterprises 10 to 12

	Enterprise 10	Enterprise 11	Enterprise 12
Accounting period			
Enterprise output (A)			
Expenses (Attributable to enterprise)			
Direct materials			
Indirect materials			
Production/service overheads (excl. labour)			
Other overheads (admin, selling etc)			
Paid labour – family			
Paid labour non-family			
Machinery and equipment depreciation			
Buildings and fixtures depreciation			
Rent: land and buildings			
Total Expenses (B)	0	0	0
Net Profit (C = A - B)	0	0	0
Imputed Expenses			
Unpaid family labour (excl. farmer and spouse)			
Farmer and spouse labour			
Rental value: land			
Total Imputed Expenses (D)	0	0	0
Net Margin (E = C – D)	0	0	0
Have these figures been adjusted for FMD? (Y/N)			
If 'Yes' enter the <u>unadjusted</u> figures here			
Enterprise output (A)			
Total Expenses (B)			
Net Profit (C = A - B)	0	0	0
Total Imputed Expenses (D)			
Net Margin (E = C – D)	0	0	0

Enterprises 13 to 15

	Enterprise 13	Enterprise 14	Enterprise 15
	#REF!	#REF!	#REF!
Accounting period			
Enterprise output (A)			
Expenses (Attributable to enterprise)			
Direct materials			
Indirect materials			
Production/service overheads (excl. labour)			
Other overheads (admin, selling etc)			
Paid labour – family			
Paid labour non-family			
Machinery and equipment depreciation			
Buildings and fixtures depreciation			
Rent: land and buildings			
Total Expenses (B)	0	0	0
Net Profit (C = A - B)	0	0	0
Imputed Expenses			
Unpaid family labour (excl. farmer and spouse)			
Farmer and spouse labour			
Rental value: land			
Total Imputed Expenses (D)	0	0	0
Net Margin (E = C – D)	0	0	0
Have these figures been adjusted for FMD? (Y/N)			
If 'Yes' enter the <u>unadjusted</u> figures here			
Enterprise output (A)			
Total Expenses (B)			
Net Profit (C = A - B)	0	0	0
Total Imputed Expenses (D)			
Net Margin (E = C – D)	0	0	0

SECTION G - HISTORY OF ATTRIBUTABLE CAPITAL EXPENDITURE

0

Scheme	Code	Scheme	Code
Farm Diversification Grant Scheme	1	LEADER	7
Rural Enterprise Scheme	2	Local Authority scheme	8
Rural Development Programme	3	Charity support	9
Processing and Marketing Grant Scheme	4	Other	10
Energy Crops Scheme	5	Other	11
Objective 5b/Objective1	6	Other	12

Enterprise 1

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Gross costs

Source

Owner occupier									
Landlord									
Tenant									
Grant (1)									
Scheme code (1)									
Grant (2)									
Scheme code (2)									
Grant (3)									
Scheme code (3)									

Enterprise 2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Gross costs

Source

Owner occupier									
Landlord									
Tenant									
Grant (1)									
Scheme code (1)									
Grant (2)									
Scheme code (2)									
Grant (3)									
Scheme code (3)									

Enterprise 3

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Gross costs

Source

Owner occupier									
Landlord									
Tenant									
Grant (1)									
Scheme code (1)									
Grant (2)									
Scheme code (2)									
Grant (3)									
Scheme code (3)									

Enterprise 4

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Gross costs

Source

Owner occupier									
Landlord									
Tenant									
Grant (1)									
Scheme code (1)									
Grant (2)									
Scheme code (2)									
Grant (3)									
Scheme code (3)									

Farm Diversification in England 2002: Final Report

Enterprise 5

Gross costs

Source

Owner occupier

Landlord

Tenant

Grant (1)

Scheme code (1)

Grant (2)

Scheme code (2)

Grant (3)

Scheme code (3)

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Enterprise 6

Gross costs

Source

Owner occupier

Landlord

Tenant

Grant (1)

Scheme code (1)

Grant (2)

Scheme code (2)

Grant (3)

Scheme code (3)

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Enterprise 7

Gross costs

Source

Owner occupier

Landlord

Tenant

Grant (1)

Scheme code (1)

Grant (2)

Scheme code (2)

Grant (3)

Scheme code (3)

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Enterprise 8

Gross costs

Source

Owner occupier

Landlord

Tenant

Grant (1)

Scheme code (1)

Grant (2)

Scheme code (2)

Grant (3)

Scheme code (3)

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Farm Diversification in England 2002: Final Report

Enterprise 9

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Enterprise 10

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Enterprise 11

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
				</					

Enterprise 12

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Farm Diversification in England 2002: Final Report

Enterprise 13

Farm Diversification in England 2002: Final Report									
1992	1993	1994	1995	1996	1997	1998	1999	2000	2001


Enterprise 14

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
0									
0									
0									

Enterprise 15

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

Section H INTERVIEWEE COMMENTS - record here any specific comments made by the interviewee in

A large yellow rectangular box with a black border, intended for recording interviewee comments. It is currently empty.

APPENDIX C

INTERVIEW SURVEY: GUIDELINES TO INTERVIEWERS



**FARM DIVERSIFICATION
BASELINE STUDY 2002**

**GUIDELINES FOR THE COMPLETION OF
THE INTERVIEW QUESTIONNAIRE**

**Centre for Rural Research
University of Exeter
Lafrowda House
St German's Road
EXETER EX4 6TL**

CONTENTS

I INTRODUCTION

Industry and policy background	2
Research methodology	3
Research objectives	4
Procedure	4
Software and documentation	4
Recruitment	5
Timing and co-operator feedback	5
Information for local co-ordinators	6

II COMPLETING THE QUESTIONNAIRE

General comments	7
Coversheet	8
Section A: General information	8
Section B: Diversified enterprises on the farm	8
Section C: The people working on the farm	9
Section D: History of diversification on the farm	9
Section E: The future	10
Section F: Diversified enterprise financial summaries	11
Section G: History of attributable capital expenditure	13
Section H: Interviewee comments	13

APPENDICES

Postal questionnaire	15
Postal survey letter and reminders	19
Diversified activity codes	22

FARM DIVERSIFICATION BASELINE STUDY 2002

I INTRODUCTION

Industry and policy background

During the past two decades, as the pressures for fundamental reform of the CAP have become increasingly evident, so interest in 'farm diversification' has steadily grown. The underlying concept is that, since there are no requirements for significant increases in food production in the European Union, farmers can and should divert resources towards the profitable production of a wider range of goods. Such outputs are typically seen to encompass a very wide range, from what may be termed 'novel' food and non-food products on the one hand, through a variety of added value activities associated with agricultural products to the establishment of non-farming business enterprises, whether on or off-farm. It is recognised that, in principle, many farmers have resources (including management skills and financial status) which can be used in developing and exploiting new business opportunities, thus generating substitute sources of income.

The first major policy focus on farm diversification came during the 1980s and was initiated under the Agricultural Improvement Scheme¹ which provided capital grants for, inter alia, the development of tourism and craft enterprises in LFAs. In January 1988 the Farm Diversification Grants Scheme greatly extended the principle of grant-aided support for farm diversification, while the cost of preparing feasibility studies for diversifying farm businesses also became eligible for grant.² It was not until the late 1990s that a second wave of policy initiatives encouraging farm diversification were unveiled. Under the Agenda 2000 reforms of the CAP, the UK government's long term strategy for the future of farming emphasised the need for the industry to be efficient, flexible, responsive to consumers and integrated within the rural economy. In this context, farm diversification is seen to have an important role to play in facilitating the restructuring of the agricultural sector.³

Under Agenda 2000 the Rural Development Regulation, the 'second pillar of the CAP', is the principal means by which this redirection is to be achieved. It includes a raft of new and enhanced policy measures which may be considered, broadly, to foster more diverse farm businesses. These include expansion to both the *agri-environment schemes* and the *Farm Woodland Premium Scheme/Woodland Grant Scheme*, a new *Energy Crops Scheme*, the re-opening of the *Processing and Marketing Grant Scheme* and, particularly, the new *Rural Enterprise Scheme*. The England Rural Development Programme, which runs for six years from October 2000, has as one of its two priorities set by Government the 'creation of a productive and sustainable rural economy'. Farm diversification is a key element of this strategic priority.

There is a major body of literature on all aspects of farm diversification, much of which was fostered by the first wave of policy initiatives in the late 1980s. The University of Exeter's England and Wales study (1989/90) was soon joined by others, many of which tended to focus on specific spatial or socio-economic aspects of the phenomenon. For example, the Arkleton

¹ Two new capital grant schemes were introduced on 1st October 1985: the Agricultural Improvement Scheme (EC) and the Agricultural Improvement Scheme (National).

² Under the Farm Business Non-Capital Grants Scheme, introduced 1st August 1988.

³ Of particular relevance here is the University of Plymouth's current study of *Implications of the Changing Structure of Agricultural Businesses* for DEFRA.

Trust study of *Farm Household Adjustment in Western Europe 1987-1991* placed a strong emphasis on farm household pluriactivity. There is an important conceptual distinction between “farm business diversification” (the use of farm resources, including labour and capital, in other business ventures either on or off the farm) and “diversified sources of income to farming families” (which include employment income from jobs off the farm taken by farm family members, or even investment income from financial capital invested off the farm). This distinction is emphasised in the annual review of the ERDP.

While there is some (limited) evidence of a reduction in the rate of farm diversification during the mid-1990s, perhaps associated with the resurgence in the profitability of food production between 1992 and 1996, it is clear that there has been a renewed interest in both business and income diversification during the recent farming recession. It is timely, therefore, to re-establish the diversification baseline of the agricultural industry as it is encouraged towards a new orientation.

Research methodology

The research comprises both desk and empirical studies, designed to allow direct comparability with the earlier University of Exeter study on farm diversification. The main features of each element of the project are as follows:

- A *postal survey* of 5,500 agricultural holdings, drawn at random from the Agricultural Census database and stratified by size of business and EU region to ensure an adequate representation of the population. The sample represents 5 per cent of full-time holdings (8 ESU and over) and 2 per cent of part-time holdings.
- An *interview survey* which will involve 225 of the respondents to the postal survey involved in farm diversification. The purpose of this survey will be to provide detailed information on the economics and resource use aspects of diversified activities. In addition to providing data on the financial costs and returns, the survey will measure resource allocation and permit a more careful assessment of the contribution of farm diversification to business viability.
- The *literature review* which has focussed on the major research studies of farm diversification in England since 1989
- A *desk assessment* of the economics of farm diversification which will draw on all of the above stages of the research. The aim will be to provide an authoritative and comprehensive assessment of both the current nature and scale of such business activities on farms in England and an analysis of developments in diversification over the past decade.

Research objectives

The agreed detailed aims of the interview study part of the research are as follows:

- (i) To identify the stimulus for/constraints on recent diversification of resource use, and perceived prospects/possibilities in the future;
- (ii) For a representative sample of diversified holdings to collect data on: revenues generated; structure of directly allocatable costs in terms of major cost items; diversions/utilisation of resources from the farm resource base; commitment of new resources to diversified activities (and source, where relevant);
- (iii) To evaluate linkages between conventional farming and diversified activities (relation to farm type, region, resource characteristics, household characteristics, etc).

Procedure

The second stage sample for fieldwork comprises 225 holdings in England and Wales randomly selected from those respondents to the postal survey with appropriate diversified activities. A reserve sample of 225 holdings has also been drawn. It should be noted that, in addition to full time holdings, the samples include some holdings below 4 BSUs in size in order to capture enterprises such as riding stables operated as smallholdings. Sample numbers for each provincial Centre broadly follow the relative samples under the Farm Business Survey.

The field investigation will consist of a single visit which has two parts. The first, a structured interview, basically requires a 'question-and-answer' approach for the collection of several different types of contextual information. The second part will involve the summarising of mainly financial information relating to the diversified enterprise(s) as found on the farm holding. For this it will be necessary to make use of whatever records or documentary evidence the farmer has available. **It is expected and, indeed, inevitable that the approach to obtaining this information will be 'survey based', relying on the Commissioned Work Programme teams' experience and expertise to ensure reliable estimates of the economics of farm diversification are obtained⁴.**

The survey data should relate to a twelve month period and should always include the six months *April-September 2001*. It is anticipated that, in practice, the *2001 calendar year* will normally form the focus of the investigation.

The focus of the study is the use of farm resources (particularly land and labour) to generate extra income from non-traditional activities. Where there is involvement in an activity which does not use farm (or what were formerly farm) resources, even though under different circumstances this may be regarded quite properly as a diversified activity, this should be treated as an off-farm activity and outside the scope of this study. **Note that this part of the study does not extend to cover agri-environment schemes, even though the farm's involvement with these was recorded under the postal survey.**

Software and documentation

The software and documentation for this study is as follows:

- (i) Non-cooperators return (Excel);
- (ii) Survey questionnaire (Excel);
- (iii) Workbook (Excel);

All information relating to the sample farms which is of relevance to the interview survey, including both key Census data and postal survey responses, is provided in electronic format already entered into the Excel spreadsheet which is the basis of the interview questionnaire. Colour coding is used to distinguish between (a) cells automatically filled from existing information, (b) cells into which data must be added and (c) cells which are computed automatically from within the spreadsheet. The spreadsheets, complete with census and postal survey information, are provided on CD.

Recruitment

All farmers on the first and reserve lists have been written to by the University of Exeter regarding the possibility of their being contacted by the appropriate provincial Centre seeking their cooperation in the fieldwork stage of the study. It is suggested that Centres telephone farmers on the main list, to explain the purpose of the interview study part of the research and mentioning the postal survey, in order to gain agreement and to arrange the visit. It should be noted that all *holdings listed in the main sample are eligible* whatever the size of their diversified activity. Centres should work through the main list in order, irrespective of farm size, type, location, or form of diversification. The non-co-operators form allows for 'Centre pre-selection', with specified reasons, for not contacting one or more of the sample farms. However, it is not expected that this will be used other than in the most extreme circumstances. Note that involvement in another current study does not, in itself, justify not making contact and giving the farmer the opportunity to participate. Even so, DEFRA are concerned that

⁴ The 1989/90 study described the approach as 'closer to that of the Very Small Farms Study than that of a traditional Enterprise Study'.

farmer co-operation in other current studies is not compromised, so care must be taken in the approach.

Timing and co-operator feedback

Since all sample farmers have been contacted, survey work can commence as soon as practicable following the Briefing Meeting on 28th June 2002. **The final date for receipt at Exeter of completed electronic questionnaires (and non-cooperators' returns as necessary) is 15th August 2002.** We will be particularly grateful for earlier (phased) submission of completed questionnaires and for as many as possible by the end of July in order to have sufficient time for data validation.

Although meaningful comparisons for the diversified enterprise(s) may not be possible in every case some form of cooperator 'feedback' will be produced and supplied to Centres (for their distribution) as soon as approval for the release of the information has been given by DEFRA. At present the exact timing of this cannot be given, but it should be noted that it is unlikely that the final report on the research project will be published before the end of 2002.

Information for local co-ordinators

While it is intended that the principal means of communication for this study should be via email, there are two contacts at the University of Exeter who will be able to take urgent enquiries by telephone. The contacts are as follows:

Day to day questions to resolve unusual circumstances

Martin Turner tel: 01392 263833
 email: m.m.turner@ex.ac.uk

Mark Fogerty tel: 01392 263833
 email: m.w.fogerty@ex.ac.uk

Data submission and query responses to:

Martin Turner email: m.m.turner@ex.ac.uk

It is anticipated that there will be a relatively large number of queries in this study, not least because the study focuses on an aspect of farming which tends to be peripheral to the main CWP studies. Consequently we will prefer queries to be channeled via email and copied to both of the contacts listed above to maximize the speed of response. Where relevant, queries and replies will be copied to all Local Co-ordinators and, if necessary, specific additions to the guidelines made.

II COMPLETING THE QUESTIONNAIRE

General comments

- (i) Given the partial electronic ‘filling’ of the spreadsheet questionnaire, a code number has already been allocated to each farm in the sample. However Centres may choose to use their own references for the interviewers and interviewees which can be entered on the coversheet.
- (ii) The issue of confidentiality should be stressed at the beginning of the interview, if not on the telephone during the initial contact. **All information provided in the course of the study will be held in the strictest confidence and used only for the purposes of research. Any publication will relate only to grouped data from which information on individual businesses cannot be identified.**
- (iii) The focus of the study is the use of farm resources (particularly land and labour) to generate extra income from non-traditional activities. Where there is involvement in an activity which does not use farm (or what were formerly farm) resources, even though under different circumstances this may be regarded quite properly as a diversified activity, this should be treated as an off-farm activity and outside the scope of this study. **Note that this part of the study does not extend to cover agri-environment schemes, even though the farm’s involvement with these was recorded under the postal survey.**
- (iv) Almost all of the interview study is based on an identified diversified **enterprise**, or enterprises, which *may* include more than one diversified **activity**, as recorded under the postal survey. *It is the diversified enterprise(s) which form(s) the focus of interest here.*
- (v) The interview study aims to complete financial information for the 2001 calendar year. Where the diversified enterprise has been significantly affected (whether positively or negatively) by last year’s FMD epidemic, we require **estimated figures for what could reasonably have been expected in the absence of FMD**. In most cases this will involve updating the 2000 results, making due allowance for any factors which would have had some effect (e.g recent investment, longer term trends, etc.). Where an enterprise has had an FMD effect, we also need a summary of the *actual* outcome.
- (vi) It is important that, wherever possible, the interviewee should be the person with the prime responsibility for managing the business. In some cases it may be useful to interview, in addition, the person most closely associated with managing the diversified enterprise. **Ideally, the interviewee should be the person who effectively drives the business, not necessarily the nominal head or senior partner.**
- (vii) There are further instructions on how to complete the fieldbooks embedded within the spreadsheet. When selected, each cell will display an input message. If data is entered that is not in the form expected it will either be rejected or a warning message will appear.
- (viii) A set of internal error checks have been included on a separate worksheet. These distinguish between (a) answers that are either incomplete or inconsistent with other answers, and which therefore must be corrected; and (b) answers that are outside the expected range, and which should be confirmed as being correct. As many of these checks are detecting missing data the workbook will inevitably start with a number of detected ‘errors’ so the best approach will be to use this facility either as whole sections are completed or only when the whole workbook has been completed. **Exceptionally, if any errors are still outstanding upon submission because they could not be resolved the reasons should be explained in the comments box on the coversheet.**
- (ix) The worksheets in the interview questionnaire are all ‘protected’ so it should not be possible change any cells other than those that have been ‘unlocked’ which are shade yellow. These cells all contain data validation checks specific to each question. **It is therefore essential that no data is entered using copy / paste as this may negate the data validation.**

Coversheet

Record here any information about the farm, not recorded elsewhere, which may help set the diversified activities into context or which might help explain any information recorded which might otherwise appear peculiar or unexpected.

A General information

Record here summary information on the farming pattern which applied in June 2001. A summary of the 2000 position is shown, but care should be taken in discussing this with the farmer. On many holdings reference to the farmer's copy of this census return may be the most straightforward source of this information. In the case of multiple holdings the fieldworker must decide the most appropriate focus for the interview, but it is expected that this will normally be the *combined holdings* (i.e. the farm business) unless they are operated as quite separate businesses. Where two or more holdings are now combined, it will be necessary to estimate a revised farm type using SGMs, and it is suggested that the FBS classification module is used where necessary. The farm classification may also need revision where there have been substantial changes in the scale of the agricultural enterprises (even though the business still involves only one holding) and IOs should use their judgement on this.

B Diversified enterprises on the farm

This section records the main results from the postal survey of relevance here, namely the farmer's description of his diversified activities. It is suggested that IOs should note this information before telephoning the farmer, identifying by section (speciality crops, etc) the activities likely to be found.

Confirm the existence of the activities (or amend as necessary to extend or reduce the list). Establish, as far as possible, the year in which the activity was started on *the current holding* (not necessarily by the present operator) using the farmer's best estimate where necessary.

Record as 'organic' if any part of the farm's production is organic, including also 'in conversion', providing this is subject to the mentoring of a certified body (e.g. the Soil Association).

Finally, if there is more than one diversified activity decide (jointly with the farmer) which *activities* can be considered as linked aspects of a broad *enterprise*. **It is the enterprise(s) which provides the focus of most of the remainder of the study.**

For example, a holding might have goats (unconventional livestock, code 701), retail goats milk (code 211) and produce goats cheese (code 716). However, it may be better to regard these merely as facets of the *goat enterprise*, which would thus be listed at question B2 as code 701 "goat dairying". Treat as a separate enterprise if this is how the activity is regarded in the business.

	Name		Made up of (if only one enterprise enter this)					
1	701	Goat dairying	701	716	211			
2								
3								

However, if the farm also purchased the majority of the goat's milk required in order to service the cheese making operations, it may be more appropriate to classify the enterprise as 'other livestock processing', code 721. In such circumstances, it would be a matter for the IO's judgement as whether or not to record the (small) production

Farm Diversification in England 2002: Final Report
enterprise separately. *It should be noted that the leasing out of buildings for others to operate various businesses is itself a valid diversified enterprise.*

It is expected that on the majority of farms this approach will result in between one and three diversified enterprises (as distinct from several diversified activities).

Questions B3 and B4 probe the interaction between the agricultural and diversified enterprises within the business and IOs should read out the alternative options to prompt thought about these issues.

C The people working on the farm

This section comprises ten questions which focus on the ‘farm family’. The intention in this section is to discover the broad involvement of the farm family in the total business (including the diversified enterprise(s)), together with an indication of their reliance on the holding for total income. The section also records basic information about the level of family involvement in the business, and the significance of the diversified enterprise(s) in terms of labour use.

The questions in this section are straightforward where there is clearly only one farm family (whatever the form of business, including limited liability company). Where there are two (or more) families who have a financial stake in the business but are not related, questions C7 and C8 should be taken as applying to the family (including *all* blood relatives) of the interviewee with the other family being recorded as ‘non-family workers’ in C8. Where a truly corporate (shareholder-owned) business is encountered, questions C7, C9 (second part) and C10 do not apply and only non-family workers will be entered in C8. ‘Pop-up’ instructions will help with the completing these questions in the workbooks. The purpose of question C10 is to probe the interviewee’s views about how (s)he, and their household, might hope to make a living in an ideal world. Do not get dragged into discussions about winning the lottery, or similar! What we are looking for is a ‘top of the head’ response which can be contrasted with the reality of the business as it is.

D History of diversification on the holding

This section starts with five questions seeking to establish the prime motivating factors which led to the establishment of each diversified enterprise, the problems (assuming there are some) which have been encountered with establishing and operating each one, the factors which have contributed to the expansion or contraction of each, and the reasons which are involved in shaping the farmer’s own assessment of the overall performance of each enterprise.

Although the options listed are not exhaustive these should, wherever possible, be used to summarise the responses given. If the response is clearly not covered by any of the options offered use ‘other’, summarising the response in *generic* rather than specific terms.

It might be good practice to prompt the farmer with an open question each time, note his responses and then check that others not mentioned do not apply. To help with the completion of these questions in the spreadsheet the columns which require data to be entered will be marked with a ‘1’. **The suggested approach for this section is to follow each enterprise through the five questions rather than try to complete each question in turn for all the enterprises.**

Finally, in the sixth question, for any diversified activity which has been given up during the past five years, note the activity (using the codes) and the principal reasons for its demise.

In each of these six questions the most important reason should be identified (and entered as a ‘2’ rather than a ‘1’ on the spreadsheet). If there is only one reason this should be identified as the most important reason.

E The future

These two questions probe the farmer's intentions for the future, both with regard to the existing diversified enterprise(s) and in respect of other potential business developments. Where changes of scale or the discontinuance of the existing diversified enterprise(s) is anticipated, note the reasons as concisely as possible, preferably using the listed options. Where new diversified enterprise(s) might be introduced, try to discover how firm the proposals are (e.g. planning permission obtained, finance available etc).

This section looks at the future of diversified economic activity on the farm or holding, covering both anticipated changes to existing diversified enterprises and possible new diversified enterprises.

For each of the existing enterprises future plans need to be summarised as 'No change', 'Increase scale', 'Upgrade' (which refers to qualitative improvements in the product or service or market), 'Reduce scale' or 'Stop'. It is quite possible that upgrading may coincide with changing scale. The reasons for any anticipated changes are then explored. In the workbooks the responses to the opening question will automatically identify which columns in the subsequent tables require completion. **The suggested approach for this section is to follow each enterprise through the different possible changes rather than try to complete each question in turn for all the enterprises. In each of these questions the most important reason should be identified (and entered as a '2' rather than a '1' on the spreadsheet). If there is only one reason this should be identified as the most important reason.**

The second part of this section looks at the possible introduction of new diversified enterprises. Any proposed enterprises should be recorded using the same coding as used elsewhere in the workbooks.

F Diversified enterprise financial summaries

This section turns to the familiar area of financial records. **The intention is to list the incremental output and expenses attributable to the diversified enterprise(s) identified and listed at question 3.** The survey spreadsheet allows for up to fifteen enterprises, but is not expected that many cases will require more than three diversified enterprise(s).

To facilitate the completion of this section an electronic *workbook* has been prepared, which will make detailed calculations simpler. The workbook has three alternative tables for the calculation of enterprise output: the IO should use whichever is most appropriate given the nature of the enterprise and the records available. *It is not intended that the financial summary be completed in an unquestioning way, even though the study uses a 'survey basis'.* Ideally access to, and use of, whatever records are available will underpin the overall financial assessment with verified facts. Records might include some or all of the following: VAT books, account books, bank records (statements, pay in books and cheque stubs), order books, invoice books as well as receipts and payments vouchers etc. Ideally, a recent set of audited accounts may be available or other management accounts or records.

However, the nature of diversification on most farms implies often shared costs and in some cases even output may be difficult to identify. Fieldworkers will need to use considerable judgement in arriving at final estimates for the financial summary. Figures should be checked and compared to decide, with the farmer, that the results look sensible.

The intention throughout the financial summary (Section F) is to identify and record all incremental costs resulting from the introduction and operation of the diversified enterprise. Precise listings of which costs are to be included under which headings are impossible, given the scope of the study. However, the following general comments will show the intentions behind the compilation of the categories shown. The classification of expenses differs from the standard farm business nomenclature in order to facilitate the inclusion of (probably small-scale) manufacturing, processing and service enterprises.

A reminder: the interview study aims to complete financial information for the 2001 calendar year. Where the diversified enterprise has been significantly affected (whether positively or negatively) by last year's FMD epidemic, we require **estimated figures for what could reasonably have been expected in the absence of FMD**. In most cases this will involve updating the 2000 results, making due allowance for any factors which would have had some effect (e.g recent investment, longer term trends, etc.). Where an enterprise has had an FMD effect, we also need a summary of the *actual* outcome.

Direct materials

These are those elements of costs which actually become part of, or enter into, the finished product. By definition they can both be readily allocated to a specific enterprise and will usually vary in approximately direct proportion to changes in scale of that enterprise. For unconventional crops and livestock the following agricultural examples should provide a fair guide: seeds, sprays and fertilisers (for crops and forage) and all feedingstuffs (both purchased and homegrown). Homegrown seed and bulk feeds should be valued at appropriate market values which will be found in the Special Studies Manual of Standard Costs.

Indirect materials

These comprise the costs of those materials which, though not directly incorporated into output, are closely linked with the enterprise. The category thus includes all those items termed 'other crop costs' and 'other livestock costs' within FBS *except advertising*, together with vehicle fuel and oil and materials purchased for the maintenance and repair of machinery and equipment and of all associated capital investments (i.e. items which would be included under 'tenant-type repairs' in FBS). In the case of shared equipment or fixed capital items the appropriate share will be the same as that determined for the allocation of the capital investment.

Production/service overheads

This category includes the major overhead costs, many of which in a mixed farm business context will be shared and may require estimates based on an arbitrary apportionment of the business structure. Examples of such overheads include contracting charges, machinery and vehicle maintenance and repairs, electricity, heating fuel, water, insurances (including buildings), vehicle taxes and business rates.

Other overheads

These are defined as administrative costs, many of which are common to all enterprises, together with advertising and selling costs. All items listed as 'other general costs' in FBS will be included here and, in addition, specific advertising and selling costs which may be considerable in some cases. Enter the estimated share of common costs using an appropriate method of apportionment.

Paid labour - family and non-family

Enter here the costs of manual work attributed to the diversified enterprise by family workers (where paid an appropriate regular wage) and by non-family workers, using the hours established in Section C.

Machinery and equipment depreciation

Using the table included in the workbook the value of equipment required by the enterprise can be established, taking account of purchases and sales as necessary. Equipment should be valued at its estimated current market value. As a guide the charges should relate to the use made of equipment by the enterprise in the recording year, so purchases near the year-end should be excluded unless a real benefit has been obtained. Calculate depreciation at a straight 15 per cent for normal machines with a number of moving parts, 10 per cent for simple machines and 20 per cent for complex machines with a significant obsolescence factor. If very complex machines are encountered, please liaise with Exeter.

Buildings and fixtures depreciation

See note under Section H (History of Attributable Capital Expenditure) below.

Rent: land and buildings

This includes the actual cash rent paid by a tenant farming 'at arms length', for any land used by the diversified enterprise either directly or indirectly (e.g. for forage production). Where a landlord has provided buildings or other fixed capital investment for the diversified enterprise, *and this element is distinguishable in the overall rent paid*, the appropriate total should be entered. Sums paid for bare land and for forage rented for less than one year will also be included here.

Unpaid family labour

These expenses are based on the time spent on manual work by family workers (other than Farmer and Spouse) not paid an appropriate wage, valued at the prevailing hourly earnings. The procedures used in the FBS to estimate the value of unpaid labour should be followed, noting that the opportunity cost of labour in some diversified enterprise may be higher or lower than for agricultural purposes.

Farmer and spouse labour

Detailed comments as above, noting that managerial time may be more difficult to distinguish and separate than in the normal farming situation.

Rental value: land

This is the imputed charge on owner-occupied farms (or on tenanted farms with a 'less than arms length' tenancy) for the land used by the diversified enterprise. The charge should relate to the *land only* (i.e. the broad equivalent of net field rent) and should be assessed in the context of other current Special Studies (e.g. Milk Production).

G History of attributable capital expenditure

Record here all capital expenditure on specific buildings or other fixed capital items over the previous ten year period, together with details of any grants received, their source (e.g. MAFF) and the Scheme (e.g. Farm Diversification Grant Scheme). Where use by the diversified enterprise was envisaged at the time of investment in a shared-use building (or similar), record only the approximate share of total expenditure. Where a building was put up for a farm enterprise and later transformed to a diversified enterprise, include the original cost if within the ten year period. Calculate depreciation at 10 per cent of the total (historic) cost *net of grant*.

H. Interviewee comments

Record here any specific comments made by the interviewee in relation to farm diversification, or regarding their own experiences, which seem relevant to an understanding of this aspect of change in the farm sector.

APPENDIX D

CLASSIFICATION OF ACTIVITIES INTO DIVERSIFIED ENTERPRISES

Appendix Table D1 Agricultural services

Appendix Table D2 Trading enterprises

Appendix Table D3 Accommodation and catering

Appendix Table D4 Equine enterprises

Appendix Table D5 Recreation and leisure services

Appendix Table D6 Unconventional crops and crop-based processing

Appendix Table D7 Unconventional livestock and livestock based processing

Appendix Table D8 Miscellaneous services

Appendix Table D1 Agricultural services

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	94		
Enterprises '1:1'	85		
Enterprises with non-group activities	4		
<i>Activities within enterprise group</i>			
Full agricultural contracting	38	36	40
Casual agricultural contracting	24	22	26
Mixed contracting services	10	9	11
Machinery hire	8	7	9
Provision of labour service only	5	5	5
Provision of cold storage facilities	5	5	5
Haulage	5	5	5
Consultancy and management	4	4	4
Other	2	2	2
Agricultural sundries supply	1	1	1
<i>Activities not within enterprise group</i>			
Non-agricultural contracting	4	4	4
Hay, straw sales	1	1	1
Total number of activities	107		

Appendix Table D2 Trading enterprises

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	64		
Enterprises '1:1'	57		
Enterprises with non-group activities	3		
<i>Activities within enterprise group</i>			
Hay, straw sales	21	26	33
Egg sales	10	13	16
Other marketing / retail	7	9	11
Timber products	6	8	9
Rural crafts	5	6	8
Farm shop	4	5	6
Farmers' markets	4	5	6
Milk round	4	5	6
Market stall	3	4	5
Garden centre/plant sales	3	4	5
Teaching of crafts	3	4	5
Freezer shop	2	3	3
Box scheme	2	3	3
Miscellaneous supplies	2	3	3
Other manf.	1	1	2
<i>Activities not within enterprise group</i>			
Other equine	1	1	2
Other unconventional crops	1	1	2
Egg packing	1	1	2
Total number of activities	80		

Appendix Table D3 Accommodation and catering

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	87		
Enterprises '1:1'	76		
Enterprises with non-group activities	0		
<i>Activities within enterprise group</i>			
Rented accommodation (all year)	41	43	47
Bed and breakfast	23	24	26
Holiday cottage	16	17	18
Caravan/camping site	12	13	14
On-farm catering	2	2	2
Other	2	2	2
Total number of activities	96		

Appendix Table D4 Equine enterprises

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	35		
Enterprises '1:1'	35		
Enterprises with non-group activities	0		
<i>Activities within enterprise group</i>			
Livery	28	70	80
Other	6	15	17
Horse trials	3	8	9
Horse riding/trekking	2	5	6
Horse racing and stud	1	3	3
Total number of activities	40		

Appendix Table D5 Recreation and leisure services

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	38		
Enterprises '1:1'	35		
Enterprises with non-group activities	2		
<i>Activities within enterprise group</i>			
Shooting	22	49	58
Fishing	9	20	24
Golf	2	4	5
Other sport	2	4	5
Educational facilities	2	4	5
Other leisure	2	4	5
Picnic site	1	2	3
Wildlife/trail/museum etc	1	2	3
War games	1	2	3
<i>Activities not within enterprise group</i>			
Rural crafts	1	2	3
Teaching of crafts	1	2	3
Land let for sports ground	1	2	3
Total number of activities	45		

Appendix Table D6 Unconventional crops and crop-based processing

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	30		
Enterprises '1:1'	27		
Enterprises with non-group activities	2		
<i>Activities within enterprise group</i>			
Fuel wood	9	27	30
Special flowers/fruit etc	4	12	13
Christmas trees	4	12	13
Washing/grading etc	4	12	13
Energy crops	3	9	10
Minority crops	2	6	7
Animal feeds	1	3	3
Pick-your-own	1	3	3
Other minority products	1	3	3
Milled cereals	1	3	3
Other crop processing	1	3	3
<i>Activities not within enterprise group</i>			
Farm shop	1	3	3
Other marketing/retail	1	3	3
Total number of activities	33		

Appendix Table D7 Unconventional livestock and livestock based processing

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	23		
Enterprises '1:1'	22		
Enterprises with non-group activities	4		
<i>Activities within enterprise group</i>			
Rare breeds	7	19	30
Minority poultry and game	5	14	22
Milk bottling	3	8	13
Other livestock processing	3	8	13
Bees and honey	2	6	9
Other unconventional livestock	2	6	9
Milk products – cows	2	6	9
Game butcher	2	6	9
Goat dairying	1	3	4
Angora goats	1	3	4
Egg packing	1	3	4
Milk products – goats/sheep	1	3	4
Meat butcher	1	3	4
Skins/hides/clothmaking	1	3	4
<i>Activities not within enterprise group</i>			
Farm shop	1	3	4
Egg sales	1	3	4
Milk round	1	3	4
Other marketing/retail	1	3	4
Total number of activities	36		

Appendix Table D8 Miscellaneous services

	Unweighted count	As percent of all activities	As percent of enterprises containing activity
Total number of enterprises	74		
Enterprises '1:1'	58		
Enterprises with non-group activities	0		
<i>Activities within enterprise group</i>			
Buildings let	28	36	38
Other land or buildings let	15	19	20
Vehicle storage	12	15	16
Other misc. services	9	12	12
Non-agricultural contracting	8	10	11
Land let for sports ground	4	5	5
Secretarial services	1	1	1
Alternative technology	1	1	1
Total number of activities	78		

APPENDIX E

SUMMARY FINANCIAL RESULTS FOR DIVERSIFIED ENTERPRISES

Appendix Table E1 Agricultural services

Appendix Table E2 Trading enterprises

Appendix Table E3 Accommodation & catering

Appendix Table E4 Equine enterprises

Appendix Table E5 Recreation and leisure services

Appendix Table E6 Unconventional crops and crop-based processing

Appendix Table E7 Unconventional livestock and livestock processing

Appendix Table E8 Miscellaneous services

Appendix Table E9 All diversified enterprises

APPENDIX E

SUMMARY FINANCIAL RESULTS FOR DIVERSIFIED ENTERPRISES

Appendix Table E1 Agricultural services

	£	£
Enterprise output (A)		38,251
Direct materials	8,383	
Indirect materials	1,292	
Production/service overheads (excl. labour)	2,293	
Other overheads (admin, selling etc)	309	
Paid labour – family	1,274	
Paid labour non-family	7,046	
Machinery and equipment depreciation	4,209	
Buildings and fixtures depreciation	651	
Rent: land and buildings	289	
Total expenses (B)		25,746
Net profit (C = A - B)		12,505
Unpaid family labour (excl. F & S)	930	
Farmer and spouse labour	3,950	
Rental value: land and buildings	8	
Total imputed expenses (D)		4,888
Net margin (E = C – D)		7,617

Appendix Table E2 Trading enterprises

	£	£
Enterprise output (A)		80,423
Direct materials	43,738	
Indirect materials	467	
Production/service overheads (excl. labour)	6,378	
Other overheads (admin, selling etc)	5,581	
Paid labour – family	628	
Paid labour non-family	13,924	
Machinery and equipment depreciation	377	
Buildings and fixtures depreciation	2,550	
Rent: land and buildings	63	
Total expenses (B)		73,705
Net profit (C = A - B)		6,717
Unpaid family labour (excl. F & S)	652	
Farmer and spouse labour	3,263	
Rental value: land and buildings	309	
Total imputed expenses (D)		4,225
Net margin (E = C – D)		2,493

Appendix Table E3 Accommodation & catering

	£	£
Enterprise output (A)		16,434
Direct materials	2,118	
Indirect materials	268	
Production/service overheads (excl. labour)	451	
Other overheads (admin, selling etc)	1,092	
Paid labour – family	7	
Paid labour non-family	1,241	
Machinery and equipment depreciation	113	
Buildings and fixtures depreciation	913	
Rent: land and buildings	55	
Total expenses (B)		6,259
Net profit (C = A - B)		10,175
Unpaid family labour (excl. F & S)	119	
Farmer and spouse labour	2,141	
Rental value: land	310	
Total imputed expenses (D)		2,570
Net margin (E = C - D)		7,605

Appendix Table E4 Equine enterprises

	£	£
Enterprise output (A)		8,836
Direct materials	1,028	
Indirect materials	285	
Production/service overheads (excl. labour)	528	
Other overheads (admin, selling etc)	190	
Paid labour – family	97	
Paid labour non-family	695	
Machinery and equipment depreciation	0	
Buildings and fixtures depreciation	207	
Rent: land and buildings	154	
Total expenses (B)		3,183
Net profit (C = A - B)		5,653
Unpaid family labour (excl. F & S)	884	
Farmer and spouse labour	1,708	
Rental value: land	682	
Total imputed expenses (D)		3,274
Net margin (E = C – D)		2,379

Appendix Table E5 Recreation and leisure services

	£	£
Enterprise output (A)		20,583
Direct materials	2,587	
Indirect materials	324	
Production/service overheads (excl. labour)	1,038	
Other overheads (admin, selling etc)	82	
Paid labour – family	533	
Paid labour non-family	5,139	
Machinery and equipment depreciation	384	
Buildings and fixtures depreciation	1,510	
Rent: land and buildings	103	
Total expenses (B)		11,700
Net profit (C = A - B)		8,883
Unpaid family labour (excl. F & S)	171	
Farmer and spouse labour	1,844	
Rental value: land	817	
Total imputed expenses (D)		2,832
Net margin (E = C – D)		6,051

Appendix Table E6 Unconventional crops and crop-based processing

	£	£
Enterprise output (A)		34,931
Direct materials	16,290	
Indirect materials	1,456	
Production/service overheads (excl. labour)	1,211	
Other overheads (admin, selling etc)	118	
Paid labour – family	191	
Paid labour non-family	7,189	
Machinery and equipment depreciation	293	
Buildings and fixtures depreciation	1,364	
Rent: land and buildings	27	
Total expenses (B)		28,138
Net profit (C = A - B)		6,792
Unpaid family labour (excl. F & S)	663	
Farmer and spouse labour	1,725	
Rental value: land	465	
Total imputed expenses (D)		2,853
Net margin (E = C – D)		3,939

Appendix Table E7 Unconventional livestock and livestock processing

	£	£
Enterprise output (A)		21,394
Direct materials	3,833	
Indirect materials	1,979	
Production/service overheads (excl. labour)	2,114	
Other overheads (admin, selling etc)	274	
Paid labour – family	285	
Paid labour non-family	2,380	
Machinery and equipment depreciation	679	
Buildings and fixtures depreciation	129	
Rent: land and buildings	280	
Total expenses (B)		11,953
Net profit (C = A - B)		9,441
Unpaid family labour (excl. F & S)	202	
Farmer and spouse labour	4,907	
Rental value: land	393	
Total imputed expenses (D)		5,502
Net margin (E = C – D)		3,939

Appendix Table E8 Miscellaneous services

	£	£
Enterprise output (A)		22,950
Direct materials	3,422	
Indirect materials	519	
Production/service overheads (excl. labour)	415	
Other overheads (admin, selling etc)	533	
Paid labour – family	200	
Paid labour non-family	3,231	
Machinery and equipment depreciation	895	
Buildings and fixtures depreciation	1,158	
Rent: land and buildings	31	
Total expenses (B)		10,404
Net profit (C = A - B)		12,546
Unpaid family labour (excl. F & S)	517	
Farmer and spouse labour	2,460	
Rental value: land	257	
Total imputed expenses (D)		3,235
Net margin (E = C - D)		9,311

Appendix Table E9 All diversified enterprises

	£	£
Enterprise output (A)		25,500
Direct materials	6,949	
Indirect materials	752	
Production/service overheads (excl. labour)	1,485	
Other overheads (admin, selling etc)	563	
Paid labour – family	483	
Paid labour non-family	3,778	
Machinery and equipment depreciation	1,178	
Buildings and fixtures depreciation	710	
Rent: land and buildings	127	
Total expenses (B)		16,026
Net profit (C = A - B)		9,474
Unpaid family labour (excl. F & S)	515	
Farmer and spouse labour	2,841	
Rental value: land	326	
Total imputed expenses (D)		3,682
Net margin (E = C - D)		5,793

APPENDIX F

BASELINE STUDIES OF FARM DIVERSIFICATION: 2002 AND 1989 RESULTS COMPARED

Table F1 Incidence of diversified activities, 1989 and 2002 surveys

**APPENDIX F BASELINE STUDIES OF FARM DIVERSIFICATION:
2002 AND 1989 RESULTS COMPARED**

Table F1 Incidence of diversified activities, 1989 and 2002 surveys (part 1)

Numbers per 1000 responses					
2002 1989			2002 1989		
<u>Speciality products</u>					
Livestock products			Crop products		
Goats	8	20	Special flowers/fruit etc	23	5
Rare breeds	25	5	Vineyard	3	2
Bees/Honey	12	2	Minority crops	6	10
Deer	8	3	Christmas trees	13	9
Fish	7	5	Other crops	16	3
Rabbits	4	2	Other speciality products		
Minority poultry and game	22	2	Dog/cat/breeding, kennels	9	5
Other livestock	5	2	Caged birds	2	0
Organic products			Animal feeds	8	6
Organic meat	29	7	Turf	2	1
Organic vegetables	20	4	Energy crops	4	
			Minority products	1	
<hr/>					
<u>Services</u>					
Accommodation and catering			Sport		
Caravan/camping site	37	45	Shooting	66	25
Holiday cottage	43	41	Motorsport	5	1
Rented accommodation (all year)	71	8	Golf	2	0
Bed & Breakfast	35	43	Other sport	5	2
On-farm catering	5	8	Leisure		
Other accommodation and catering	8	2	Picnic site	9	3
Horse related			Wildlife/Trail/Museum etc	13	12
Horse riding/trekking	14	17	Activity facilities	4	4
Livery	69	44	Boating	4	1
Horse racing and stud	17	10	Fishing	34	22
Horse trials	6	2	War games	2	1
Other horse related	48		Gliding	1	1
			Educational facilities	18	8
			Other leisure	19	4

Table F1 Incidence of diversified activities, 1989 and 2002 surveys (part 2)

		Numbers per 1000 responses			
		2002	1989	2002	1989
<u>Contracting</u>					
Agricultural		164	131		
Non-agricultural		54	55		
<u>Processing and sales</u>					
Preparation/packing			Marketing		
Milk bottling		4	12	Pick-your-own	8 11
Egg packing		12	11	Farm shop	21 65
Fruit and veg, washing, grading, etc		11	12	Freezer shop	4 2
Other preparation / packing		8		Market stall	10 6
Processing					
Milled cereals		7	1	Farmers' markets	16
Milk products – cows		3	8	Box scheme	7
Milk products – goats/sheep		2	6	Egg sales	35 4
Game butcher		6	1	Milk round	7 6
Meat butcher		7	12	Garden centre/plant sales	15 4
Fish processing		1	1	Hay, straw sales	94 3
Cider/fruit juice		3	2	Miscellaneous supplies	13 6
Winemaking		3	1	Other marketing/retail	26 4
Skins/hides/clothmaking		2	1		
Other food processing		7	4		
<u>Miscellaneous</u>					
Fuel and timber			Craft work		
Fuel wood		45	19	Rural crafts	10 7
Timber products		17	6	Teaching of crafts	4 1
Other			Building/machinery		
Secretarial services		8	1	Machinery hire	29 2
Consultancy and management		24	2	Hire of buildings	69 1
Stone extraction/land fill		3	1	Vehicle storage	29 2
Agricultural sundries supply		2	1	Cold storage	5 0
Other miscellaneous		25	13	Haulage	23 3
				Alternative technology	3 0
				Showground	6 0

APPENDIX G

DISTRIBUTION OF FARM DIVERSIFICATION ON SELECTED FARM TYPES, BY GOVERNMENT OFFICE REGION

Table G1	The distribution of diversified enterprises on ‘Cereal’ farms, by GO region
Table G2	The distribution of diversified enterprises on ‘Dairy’ farms, by GO region
Table G3	The distribution of diversified enterprises on ‘Lowland cattle and sheep’ farms, by GO region
Table G4	The distribution of diversified enterprises on ‘Other’ farms, by GO region

Table G1 **Distribution of diversified enterprises on ‘Cereal’ farms by GO region**

	North West	North East	Yorkshire & the Humber	East Midlands	West Midlands	East of England	South East	South West	All regions
Unweighted count	5	17	11	11	10	18	31	54	157
<i>Enterprise groups</i>				<i>Percent of diversified holdings</i>					
Agricultural services	0	26	18	18	10	23	25	25	22
Trading enterprises	20	19	18	36	20	25	20	18	21
Accommodation and catering	20	26	27	0	10	15	14	31	21
Equine enterprises	60	29	27	55	40	60	61	34	44
Recreation and leisure	20	32	18	36	10	21	28	23	24
Crops and crop-based processing	20	6	18	18	0	6	19	21	15
Livestock and livestock processing	20	26	18	9	20	13	8	13	14
Miscellaneous services	20	26	45	36	40	48	35	33	35
<i>Number of enterprises</i>				<i>Percent of diversified holdings</i>					
One	40	36	55	55	60	46	49	53	50
Two	40	51	18	9	30	13	14	18	21
Three	20	6	18	18	10	27	23	18	18
Four or more	0	6	9	18	0	15	14	12	11
Average per diversified holding	1.8	1.9	1.9	2.1	1.5	2.1	2.1	2.0	2.0

Table G2 **Distribution of diversified enterprises on ‘Dairy’ farms by GO region**

	North West	North East	Yorkshire & the Humber	East Midlands	West Midlands	East of England	South East	South West	All regions
Unweighted count	3	58	4	19	21	2	17	89	213
<i>Enterprise groups</i>				<i>Percent of diversified holdings</i>					
Agricultural services	66	32	50	52	39	0	65	42	42
Trading enterprises	34	29	25	28	28	0	16	24	25
Accommodation and catering	33	24	50	20	5	0	18	35	26
Equine enterprises	0	7	25	0	15	49	12	10	9
Recreation and leisure	0	22	50	19	30	49	30	14	20
Crops and crop-based processing	0	10	0	9	19	0	6	16	13
Livestock and livestock processing	0	20	0	10	9	51	6	11	13
Miscellaneous services	34	19	25	22	18	49	46	16	21
<i>Number of enterprises</i>				<i>Percent of diversified holdings</i>					
One	33	56	50	53	61	51	30	58	55
Two	67	26	25	32	24	0	52	26	29
Three	0	16	0	15	5	49	12	7	11
Four or more	0	1	25	0	10	0	6	8	6
Average per diversified holding	1.7	1.6	2.3	1.6	1.6	2.0	2.0	1.7	1.7

Table 3 **Distribution of diversified enterprises on ‘Lowland cattle and sheep’ farms by GO region**

	North West	North East	Yorkshire & the Humber	East Midlands	West Midlands	East of England	South East	South West	All regions
Unweighted count	7	25	0	15	26	10	29	123	235
<i>Enterprise groups</i>				<i>Percent of diversified holdings</i>					
Agricultural services	30	32		40	39	50	54	37	39
Trading enterprises	45	20		46	27	48	33	32	32
Accommodation and catering	70	28		7	19	10	30	40	33
Equine enterprises	42	4		55	12	31	27	13	18
Recreation and leisure	31	28		14	22	21	15	20	20
Crops and crop-based processing	0	9		22	23	10	14	17	16
Livestock and livestock processing	15	17		7	23	10	17	23	20
Miscellaneous services	46	25		20	40	40	37	19	26
<i>Number of enterprises</i>				<i>Percent of diversified holdings</i>					
One	12	63		23	50	40	32	42	42
Two	42	25		49	23	21	35	31	31
Three	31	8		20	7	19	17	14	14
Four or more	15	4		7	20	21	16	12	13
Average per diversified holding	2.8	1.6		2.1	2.0	2.2	2.3	2.0	2.0

Table G4 Distribution of diversified enterprises on 'Other' farms, by GO region

	North West	North East	Yorkshire & the Humber	East Midlands	West Midlands	East of England	South East	South West	All regions
Unweighted count	5	17	11	11	10	18	31	54	157
<i>Enterprise groups</i>				<i>Percent of diversified holdings</i>					
Agricultural services	0	26	18	18	10	23	25	25	22
Trading enterprises	20	19	18	36	20	25	20	18	21
Accommodation and catering	20	26	27	0	10	15	14	31	21
Equine enterprises	60	29	27	55	40	60	61	34	44
Recreation and leisure	20	32	18	36	10	21	28	23	24
Crops and crop-based processing	20	6	18	18	0	6	19	21	15
Livestock and livestock processing	20	26	18	9	20	13	8	13	14
Miscellaneous services	20	26	45	36	40	48	35	33	35
<i>Number of enterprises</i>				<i>Percent of diversified holdings</i>					
One	40	36	55	55	60	46	49	53	50
Two	40	51	18	9	30	13	14	18	21
Three	20	6	18	18	10	27	23	18	18
Four or more	0	6	9	18	0	15	14	12	11
Average per diversified holding	1.8	1.9	1.9	2.1	1.5	2.1	2.1	2.0	2.0



CENTRE FOR RURAL RESEARCH
THE UNIVERSITY OF EXETER
LAFROWDA HOUSE
ST GERMAN'S ROAD
EXETER EX4 6TL

TELEPHONE: 44 (0)1392 263836
FAX: 44 (0)1392 263852

www.exeter.ac.uk/crr