

## RESEARCH REVIEW

# OUTREACH DEVELOPMENTS OF THE FARM BUSINESS SURVEY: AN OVERVIEW BY RURAL BUSINESS RESEARCH

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*Funded by Defra, the English Farm Business Survey (FBS) is undertaken by Rural Business Research (RBR). The research programme provides a fully reconciled management account on nearly 2000 farms across England each year, meeting part of the UK's submission to the Farm Accountancy Data Network (FADN) and the UK Government's needs for farm business performance data. RBR host a series of free-to-use on-line data delivery services, including: FBS Farm Business Benchmarking, incorporating benchmarking at EU level; FBS regional reports capturing physical and financial data by farm type; FBS data builder, allowing users to specify bespoke data requests; farm type, enterprise and regional intelligence reports. During the spring of 2011 and 2012, RBR aim to host a series of regional workshops showcasing the benefits of these free-to-use data services.*

Key Words: Farm Business Survey, On-line, Benchmarking, Farm Type, Enterprise, Reports, Workshops.

### Introduction

Rural Business Research (RBR) comprises the academic consortium of Rural Business Research Units from the Universities of Nottingham, Cambridge, Newcastle and Reading and Askham Bryan and Duchy Colleges. RBR undertakes the Defra-funded Farm Business Survey (FBS) in England, and as part of this research programme provides a series of specific outreach activities. These include individual management accounts for participating farmers, on-line Farm Business Benchmarking, Regional Reports providing in-depth analysis and data by farm type and region, plus a specialist Data Builder service allowing users to define their own bespoke data requirements. RBR has recently improved these services with enhanced user interface, strengthened signposting of the on-line site and the addition of new ways of presenting FBS data. In addition, RBR provides a series of enterprise, farm type, technical and intelligence reports, with plans to hold regional workshops in the near future. The purpose of this note is to provide readers of the Journal with an introduction to the FBS and an overview of the enhanced outreach activities provided by RBR.

### Farm Business Survey

The FBS began life as the Farm Management Survey in 1936, providing government, farmers and the industry with an analysis of farm management activities and farm income level data. The objectives are broadly the same today, although the survey now covers a much wider breadth of data, looking at many aspects of the farm business. Whilst the purpose of the collection and analysis of this data is to aid government policy making, a further role of the FBS is to provide valuable management information to the farming industry. Over the years, the FBS has developed and grown in coverage and depth of

data collected in order to remain contemporary and relevant to the agricultural industry of the day. In 2004/05 the FBS underwent a major development, which included a wider range of farm business activities being included in the survey (e.g. income from diversified activities) plus other data analysis (e.g. gross and net margins for main enterprises). Wilson *et al.* (2006) provide an overview of these developments, noting that these changes have the potential to open up new research possibilities. The FBS is therefore the cornerstone of the economic evidence base on farm incomes and policy developments within England and the UK.

For England, RBR annually researches approximately 2000 farm and horticultural businesses. Similar research surveys are undertaken in Wales, Scotland and Northern Ireland. Together, the four sister FBS surveys comprise the UK's submissions to the Farm Accountancy Data Network (FADN) which is a European requirement for data on the agricultural activities of EU member states, and is used for policy analysis and setting purposes within the EU. FADN data are also widely used by government and external researchers, looking at issues such as incomes, structural change and impacts of policy.

### **Individual Management Accounts**

Farm businesses take part in the FBS on a voluntary basis. They are recruited in England by RBR from recruitment lists supplied by Defra. These recruitment lists are drawn from June Survey information. In order to ensure strong representation across regions and farm types, the FBS must meet specific quotas for the return of farm types across particular regions and farm types. In return for taking part in the FBS, farmers and growers receive a fully reconciled set of management accounts for their business together with data with which they can compare their business against similar businesses in their region, or nationally. For participating farmers and growers, these management accounts are particularly valuable, representing the full management account for their business; farmers and growers often note that these accounts are more informative than their "tax" accounts from accountants due to the management focus of the FBS accounts. In addition, participating farmers and growers who wish to undertake enterprise analysis alongside their full account also receive gross margin returns to support their farm-level data and information.

### **Farm Business Benchmarking**

Alongside the benefits that are available to FBS participants, the FBS offers a series of on-line facilities to all with an interest in the research findings. RBR provide an on-line, free-to-use, FBS Farm Business Benchmarking service to all farmers, growers, advisors, students, researchers and other stakeholders (as are all RBR's on-line outreach activities) on a non-commitment basis. Users can benchmark performance against national data for: enterprise gross margins; farm profitability; business ratio analysis (return on capital and labour and machinery efficiency); balance sheet analysis.

In addition, this service has recently included an EU benchmarking component, where users can undertake farm profitability benchmarking for a

growing range of farm types across the 27 EU countries. This EU benchmarking service specifies the £:/€ exchange rate as the Rural Payments Agency exchange rate for the appropriate year, but allows users the option to set a different exchange rate should they wish to do so. The FBS Farm Business Benchmarking service can be found at: <http://www.farmbusinesssurvey.co.uk/benchmarking/>

### **Regional Reports**

Regional Reports provide a range of stakeholders with in-depth data on the performance of farm and horticultural businesses across the regions and over time. The service allows users to specify particular farm types, regions and details of their data requirements. The range of data available includes: detailed farm business incomes and costs; farm business income (FBI); net farm income (NFI); management and investment income (MII); family farm income (FFI); cash income; balance sheet; flow of funds; cropping and stocking; outputs and inputs. To facilitate use of the service, the data can be specified on the basis of either per hectare or per farm analysis, depending upon the user's preference and requirement from the service. Moreover, the site includes an in-depth commentary on the cropping and financial year for each region together with data on the characteristics of the industry in the region. The Regional Reports service can be found at: <http://www.farmbusinesssurvey.co.uk/regional/>

### **Data Builder**

The extensive results provided by the FBS Farm Business Benchmarking and Regional Reports services represent a series of pre-determined tables and data that serve the vast majority of users extremely well in terms of their data requirements. Nonetheless, the wealth of data held within the FBS allows for the possibility of more bespoke data requests being met efficiently and without incurring personnel costs in the delivery of such bespoke individual requests. Within the FBS Data Builder service, the user specifies their own request and the system provides this data. The interpretation of the bespoke data is left with the user, rather than commentary accompanying data as is often the case in traditional publications (e.g. Agriculture in the UK). Some examples of the types of data that the service can provide include: farm tenure status by different farm sizes; relationship between farmers age and farm type; relationship between farm type and farm size. Because the FBS Data Builder Service is a specialist tool, new users should expect to commit time to familiarising themselves with its operation. An on-line user guide tutorial takes users through the stages to specifying bespoke data requests and provides examples to facilitate use of the service. Experienced users can go straight to the data service, and the system allows users to specify multiple requests, providing reference numbers for the recall of previous data requests to the service. The FBS Data Builder service can be found at: <http://farmbusinesssurvey.co.uk/DataBuilder/>

### **Farm Type Enterprise Reports**

Building on the new opportunities for research heralded by the FBS in 2004/05, RBR has now completed four years of farm type and enterprise reports that draw extensively on both farm level and enterprise costing data for major enterprises and business types. These annual reports provide data and commentary that extensively use FBS data, but also place this analysis in context, particularly with respect to national and international developments in the market place or policy environment. These reports are freely available to users and currently cover the following areas:

Crop Production in England

Dairy Farming in England

Hill Farming in England

Poultry Production in England

Pig Production in England

Horticulture Production in England

Lowland Grazing Livestock Production in England

The farm type and enterprise reports can be accessed at:

<http://www.ruralbusinessresearch.co.uk/> under "RBR Publications"

### **Technical and Intelligence Reports**

The FBS, and associated one-off FBS linked research projects, provide a wealth of data opportunities for individual research analyses on specific subjects, or for the analysis of data which will enhance the methodological underpinnings of the FBS research programme. RBR has undertaken a range of these Defra-funded technical research projects, with topics including:

Analysis of gross and net margins

Analysis of labour usage data

Analysis of milk selling arrangements on dairy farms in England

Whilst the data collected, analysed and reported provides the main outreach activities from the FBS, RBR is in a position to report on the contemporary issues facing the industry, from the hill farms of the Pennines to the fertile soils of the Fens. RBR's coverage of the farm types and regions across England allow for contemporary intelligence evidence to be collated and reported. These reports are provided twice yearly, in the spring and again post harvest, to provide an overview of the issues and activities of farmers and growers from across the country. The technical and intelligence reports can be found at:

<http://www.ruralbusinessresearch.co.uk/> under "RBR Publications"

### **Workshops**

To further enhance the use of the FBS data, RBR aim to host regional workshops in the spring of 2011 and 2012. These workshops will be aimed at farmers, advisors and regional policy makers, together with other interested stakeholders, with the objective of both raising awareness of the FBS and its data outputs, but additionally to provide an interactive event where workshop

participants will be guided through the above data services. The workshops are a new initiative that will enable users to gain the most from the FBS and its internet reports. Anyone with an interest in attending a workshop is encouraged to contact Mark Bieri on 01223 337153 or via email at [mcb64@cam.ac.uk](mailto:mcb64@cam.ac.uk).

### **Joining the FBS and contacts in your region**

The FBS only recruits from mailing lists derived from the June Survey. In this way, the sample retains the correct balance of farm types, sizes and locations and avoids sample bias, therefore providing authoritative findings that apply to the whole industry. The maximum time that most farmers and growers can remain within the FBS is 15 years. Hence, each year the FBS recruits new farmers and growers to the survey, and over the autumn and winter months of each year RBR writes to a sample of farmers and growers inviting them to join the research programme. As part of RBR's recruitment policy, awareness is raised through providing presentations to farmer discussion groups. If you are interested in hosting a talk, or just want to find out more about the FBS, please contact the RBR Unit Manager for your region. Contact details can be found at:  
<http://www.ruralbusinessresearch.co.uk/> under "RBR Units"

### **Summary**

This note has provided an overview of the FBS in England and the outreach activities undertaken by RBR. The wealth of data available from the FBS to farmers, advisors and stakeholders is large and growing. Business planning in the future will increasingly require farmers and growers to be armed with information, and the FBS Farm Business Benchmarking service provides an independent non-commitment benchmarking tool to facilitate competitiveness analysis. The Regional Reports provide in-depth output on the changing nature of farm incomes and are accessible in forms suitable for farmers and policy makers. FBS Data Builder service represents a bespoke data capture service that allows users requiring further details to specify their data requests. The series of farm type and enterprise reports, coupled with technical and intelligence reports add further value to the FBS suite of outreach activities. In the near future, interactive workshops will guide users through these services and further enhance the reputation of the FBS as the central evidence base on farm business economic performance in England.

### **About the authors**

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