



Farm Vet News

Endell Farm Vets Blog

Endell Vets Smallholders Team

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Diversification

We have the pleasure of working with many clients that have already included some form of diversification in their farm structure. These range from small scale yarn production, through meat boxes and milk vending machines, to tourist attractions and farm shops – with many other innovative ideas in-between!

Climate concerns, decreasing farm-gate prices, and increasing costs of production mean that all farmers, be they smallholders or massive estates, need to think laterally to protect the viability of UK farming for generations to come.

MOST COMMON FARM DIVERSIFICATIONS



Over 50% of British farms have diversified in one form or another - DEFRA

PRACTICALITIES

Farm diversification can be profitable, with an estimated £580 million believed to have been generated by diversification activities on British farms in 2015/2016, however as with any business success will depend on considerable hard work, investment, and no small measure of good luck.

Some important points for consideration when thinking about including diversification on your farm include:

- How can you make better use of your farm's existing resources and characteristics?
- How can you find new uses for your skills or develop new skills?
- How can you integrate your farm with your local rural economy?

WHERE TO START

Every journey starts with a few small steps and the road to diversification is no different.

FORMS OF DIVERSIFICATION

There are few limitations on how you can diversify your smallholding or farm business. Common examples include:

- **Livestock products:** meat boxes; cheese-making; honey production; fish farming
- **Crop products:** speciality flowers; PYO vegetables; energy crops
- **Retail outlets & catering:** craft products; farm shops and cafes; boutique wedding venues
- **Promotion of rural crafts:** spin and dye your own wool or fibre; dry stone walling workshops
- **Tourism:** glamping; B&Bs; petting zoos; alpaca experiences

Develop your ideas – Research is key. Learn everything there is to know about the area that interests you. Seek specialise advice. Consider the potential market and how you could place your product within it.

Prepare a business plan – Crunch the numbers. Assess the implications for your time and any existing activities. What are the set-up and running costs are likely to be? Establish your profit margin.

Seek permission – Assess if permission is required and apply accordingly, for example if you are a tenant or need planning permission from your local authority.

Find funding – Funding may be available, for example through the 'Rural Development Fund for England' or 'Farming Futures', which you should apply for.

Train – Undertake suitable training yourself, train existing staff, or recruit new staff if necessary.



SUMMARY

Farm diversification, where the farmer turns to other forms of income outside the sphere of traditional farming practices, has become increasingly commonplace. The purpose of this blog is to provide food for thought for how you can adapt and grow your holding. It doesn't matter whether you are a smallholder or a substantial agribusiness, there is always potential for you to do something different that may be financially or personally fulfilling.

There is funding available both privately and publicly for good ideas. If you believe that something is worth pursuing then do your research, crunch the numbers, and ask the questions. Who knows what enterprising venture you might uncover?

If you are wondering whether diversification might be for you it is advisable to seek independent advice. Commercial business consultants offer analysis and advice on diversification planning for a fee. You can also receive professional advice from a government adviser, your accountant and bank. We at Endell Farm Vets are happy to advise and assist accordingly where animals, and therefore their health and welfare, form the foundation of your plans