

Specific Project for Agriculture on Scilly

Studies to investigate the capacity for change in farms on the Isles of Scilly

Draft Report Feb 2010



ACKNOWLEDGEMENTS

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25 farmers willingly co-operated in a telephone survey, 33 also gave generously of their time in personal one to one farm interviews and farm walk. To all of these, our thanks are due.

The project team comprised Robert Poole and John Forster with support from sector experts Ruth Huxley, Graeme Bexley and Nicola Harrison.

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GLOSSARY OF TERMS

ADAS	Agricultural Development and Advisory Service (pre-privatisation)
CAP	Common Agricultural Policy
CAT	Cornwall Action Team
FARMS groups	Farm Asset Resource Management Study groups
FBAS	Farm Business Advisory Service
FBC	(Penwith) Farm Business Centre
FCN	Farm Crisis Network
FSA	Food Standards Agency
FWAG	Farming and Wildlife Advisory Group
RABI	Royal Agricultural Benevolent Institution
RBSI	Rural Business Support Initiative
RDCGI	Rural Development Capital Grants Initiative
RPA	Rural Payments Agency
RSIN	Rural Stress Information Network
STEPS	Steps Towards Employment and Practical Skills courses
SWARD	South West Agricultural and Rural Development project
EBLEX	English Beef and Lamb Executive
BRP	Better Returns Programme for beef and lamb.

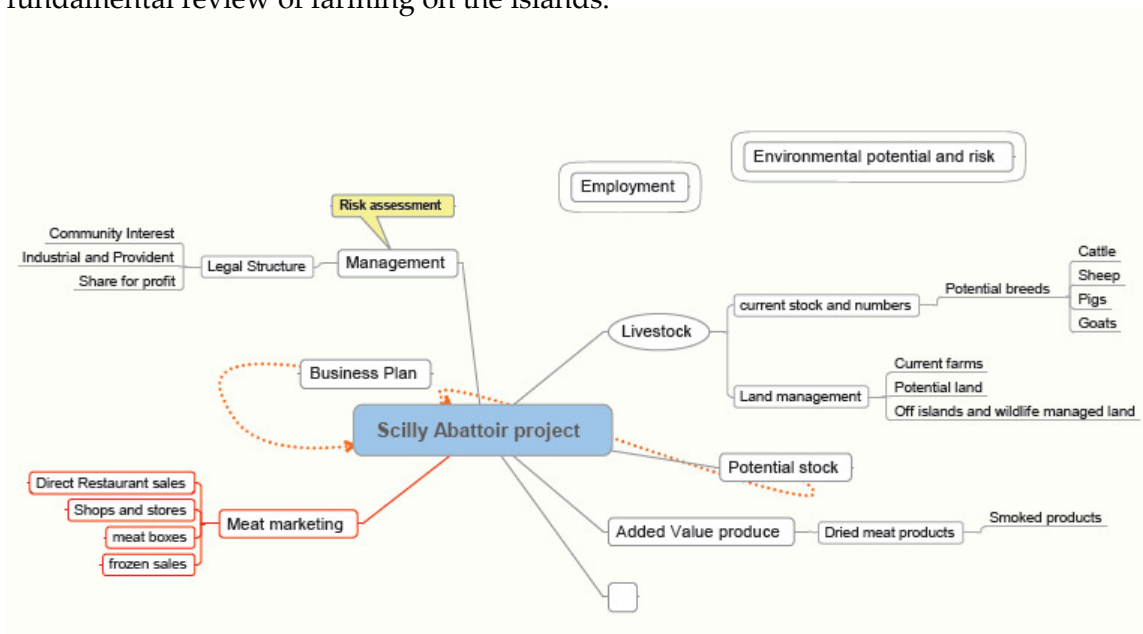
EXECUTIVE SUMMARY

Introduction

The Project Managers for the Specific Project for Agriculture on Scilly undertook to commission a series of studies to investigate the future of farming on the Isles of Scilly, with particular emphasis on the reintroduction of a small abattoir and meat processing facility.

A small project group was established on the islands to review the capacity for change. Four distinct pieces of work were undertaken, studies 1, 2 and 3 with the final element being a mapping system. Considerable work has been done in the area of an Isles of Scilly Abattoir (see ADAS business plan and Promar International review document) and both these studies have been taken fully into consideration.

Starting point for study; the map below was used as a starting point to develop the study. It was clear that any review of the deliverability of an abattoir needed a more fundamental review of farming on the islands.

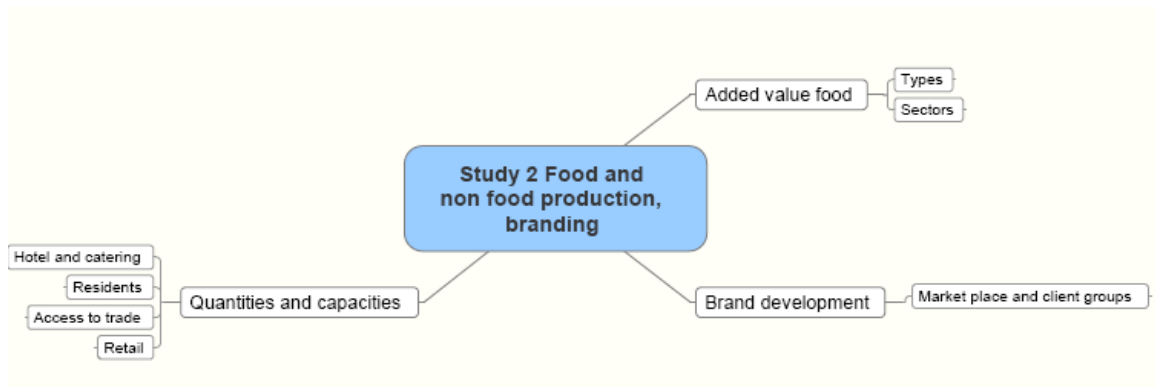


Study 1 - To establish a base line and understanding of the current position of farms and farming on the Isles of Scilly.

To achieve this, the Penwith Farm Business Adviser visited most of the islands' farmers and visited all the islands to undertake a 'balance sheet' of farming. The work was undertaken in two distinct phases, livestock farmers, where 20 were visited and interviewed and a further investigation into horticulture and flowers.

Study 2 - Food and non food production on the islands, and the potential for branding and adding value to Scillonian produce along with an in-depth review of quantities and capacities of food eaten on the islands by both the resident population and visitors.

Using the base line established in Section 1, the volumes and types of flowers and bulbs, food, drink and other non food produced on the islands can be assessed and the potential for growth investigated, taking into consideration any existing branding for Scillonian produce. It is desirable to add value to produce on the islands, particularly meat products, and recommendations for this and the creation of an Isles of Scilly food and meat brand are the key outcome of this study.



Study 3 – Review of costs and literature for Isles of Scilly Abattoir and Meat Processing Facility.

This study undertook a review of the original study by ADAS and the review undertaken by Promar in 2007 to evaluate the viability of the proposal. Linked to a further in-depth study on the cost to build the proposed facility today and an investigation of further options.

Study 4 - Review of land use on the islands with GIS mapping.

This study involved the selection of suitable GIS mapping software to review land use on the islands. The maps, full aerial photography and all overlays are available on disc.

Conclusions

Farms on Scilly reflect in many ways similar farms on the mainland with an A, B, C, D split, there is significant opportunity to maximise the benefits of uptake in the new HLS plan for the islands farms especially for C and D farms. This will give an increase in bottom lines and enable farms to focus on activity with better returns. There is a need for a farm advisory service not only to assist individual family farms but to bring training and skill onto the islands for example EBLEX better returns programme events, Soils For Profit etc. Farmers need information and financial support to adapt to selling finished stock, this may need investment with public support in machinery and livestock, housing.

Investment is needed in a machinery ring to enable landscape management for profit. To maximise the potential for finished quality stock, progress needs to be made in self sufficiency by improvements in ley management and appropriate simple housing and yard/ handling and weighing should be built as a finishing unit for stock, with water storage. The facility should have a small pig finishing unit. This finishing building would be supported by improvements in muck handling with winter bedding.

The building of an abattoir, with its own incinerator and meat cutting room is a key outcome. All products and produce should be branded Meat from Scilly with on island added value products in sausages, smoking and offal. There is an opportunity to add value to produce and products if there is a co-ordinator of the business to business activity, supporting small on island businesses. This aspect should be taken forward with a new not for profit company to enable wider benefits and a higher grant intervention rate. Financial support should be available to support breeding of a maximum of two species of Cattle, one sheep and one pig. The access to high health checked bulls and high health herds should be promoted.

STUDY 1

To establish a base line and understanding of the current position of farms and farming on the Isles of Scilly.

Executive summary

During July 2008, the Penwith Farm Business Adviser conducted a survey of current farming practices on the main islands of Scilly. His remit was to interview the principle livestock farmers on the islands and undertake an assessment of the scale of livestock farming and husbandry. A total of 20 farmers were interviewed. The key findings were:

Livestock

The principle livestock on the islands are cattle, with approximately 80 beef cows, supporting a further 150 followers and fat cattle. There is also the small dairy herd of 10 cows on St Agnes. The majority of stock are fattened on the islands and taken to the mainland for slaughter.

There is a limited sheep flock, numbering some 50 breeding ewes.

There are very limited numbers of pigs with less than ten sows on the islands.

There are three commercial poultry flocks totalling some 200 laying hens. There are no broiler or meat chickens except for home consumption.

Land use

Livestock generally occupy the poorer, more extensive parts of the islands. Some of the biggest tracts of land are managed by the island Wildlife Trust and a belief was expressed that they are not necessarily resourced to manage stock to the most effective degree. The cost of inputs means that grassland is not managed as intensively as it may be on comparable holdings on the mainland. There is a potential conflict between the objectives of external agencies to preserve the innate character and diverse pastures of the islands and the desire of the industry to increase productivity sufficiently in order to support an abattoir. Such a conflict could be resolved by imaginative and co-ordinated use of support schemes such as stewardship (including organic stewardship).

There is some evidence to suggest that there is an increasing use of break crops in the arable, flower and vegetable rotations which could provide additional forage to support livestock. This could be used as either conserved forage, or summer grazing if investment in temporary fencing was made.

Buildings

Livestock are generally out wintered and there is a lack of modern livestock housing or handling facilities that is required to facilitate economic and efficient batching of fat cattle.

Inputs

Costs of importing feed and fertiliser mean that costs are some 20% higher than comparable commodities on the mainland.

Transport

There are well rehearsed, but anecdotal, problems with the welfare of transporting finished animals between islands and on to the mainland for slaughter. The costs of transporting stock to the mainland and return the meat to the islands have an obvious effect on the margin. Dockside facilities and winter restrictions present the main difficulties.

Market

Apart from some particular exceptions there is not a strong link between the stock reared on the islands and the meat marketed on the islands.

Introduction

The Isles of Scilly are facing a period of change and opportunity. Some of the issues, particularly relating to livestock farming have been crystallised in the opportunity to fund a new abattoir on the islands. In consideration of the abattoir, it is essential to understand whether the livestock industry on the islands has the potential to be developed. In pursuance of this question, the Penwith Farm Business Centre was instructed to undertake a broad survey of the industry on the islands.

Methodology

Over a period of four days during July 2008 the islands were walked and 20 farmers were interviewed. Those interviewed form the majority of farmers on the islands who maintained livestock as their principle enterprise.

The islands covered were:

- St Mary's;
- St Martins;
- St Agnes;
- Tresco;
- Bryher.

The following information was recorded:

- Principle enterprise;
- Farm size;
- Stocking and cropping details;
- Machinery owned;
- Labour employed, including family, external and migrant worker breakdown;
- Diversification;
- Other residential or tourist properties available to the business;
- Suppliers and inputs;
- Future aspirations;
- Conventional or organic husbandry;
- Tenure;
- Individual farming history;
- Assessment of land productivity;
- Attitude to abattoir;
- Market for produce;
- Scope for expansion of livestock.

An assessment of potential livestock expansion was also made.

Limitations

The survey did not provide for formal benchmarking of farming methods or whole farm costings. It provides a subjective observational assessment of current farming practices as a basis for focussing and directing future work.

TRESCO

Introduction

This is owned and farmed by Mr Dorian Smith, and managed by Mr P.Christopher who is helped by his brother Mr B.Christopher. Mr B Christopher also grows flowers to supply Mainland Marketing.

Livestock

The farm is all in grass and carries a herd of 20 suckler cows. Together with young stock and fattening stock the farm supports a maximum total of 60 animals. All are outwintered. If there was an abattoir, Mr P. Christopher believed that the farm could justify supporting a further ten suckler cows due to reduction in handling and transport difficulties.

	CURRENT STOCK	POTENTIAL STOCK
Sucklers	20	30
Calves/Stores	20	30
Finnished	20	35

Plus one stock bull (non pedigree)

Buildings

General purpose shed and race, but building not suitable for finishing stock. There is an additional machinery shed.

Market

Tresco is unique in having the hotel, gardens, shop and camp site as its own resident market. Surplus is sold to the butcher on St Mary's.

ST MARTINS

Introduction

The Wildlife Trust manage nearly 40% of the 230 hectares that make up the island. The balance is farmed by sixteen tenants growing narcissi, keeping cattle, growing vegetables and there is one organic farmer. Of these four out the five principle farmers were interviewed. The island is also home to Churchtown Farm which is the largest flower grower on the island.

Returns from the above mentioned enterprises are low due to input costs and the grazing on the island. The majority are still in a Countryside Stewardship Scheme. Some of this land offers rough grazing and forage which is utilised by the livestock farmers.

Livestock

Across the four farms interviewed stocking numbers were as follows:

	CURRENT STOCK	POTENTIAL STOCK
Sucklers	10	20
Stores	2	
Sheep	30	50
Pigs	40	60
Goats	10	10
Hens	50	100

There are no cattle managed by the Wildlife Trust on St Martins.

Some farmers have barren cows being kept to graze their land – these are excluded from the figures.

Buildings

There are no buildings of any consequence or that are suitable for over wintering commercial numbers of cattle.

Market

Most produce is used directly on the island with surplus being sold via the butcher on St Mary's.

ST AGNES (EXCLUDING GUGH)

Introduction

The Wildlife Trust look after 30 hectares, principally at the south of the island. This represents about 30% of the island. The balance is farmed by seven tenants of which Mr T.Hicks is the largest farmer. He is the only commercial livestock farmer on the island and therefore the only one interviewed. Vegetables are grown on a self sufficiency basis and to supply the island hotel.

Livestock

The dairy unit is at capacity at present and all progeny are kept to finishing. A Hereford bull is used but he would change his terminal sire if an abattoir was on St Mary's. The herd is a mix of Guernsey and Jersey cattle. There are a limited number of barren cows kept by other farmers as grazing animals.

	PRESENT	FUTURE
Dairy Cows	10	12
Suckler Cows	5	8 producing calves
Stores	20 including yearlings	25
Pigs	20	30

Buildings

Buildings provide accommodation for the dairy unit but offer no scope for finishing stock.

Market

Dairy produce comprising milk, ice cream, and sorbets are sold directly, through the island hotel and the camp site, and also onto the other islands.

BRYHER

There has not been an opportunity to visit Bryher at the time of writing. There are two farmers and but it is believed that Wildlife Trust (who farm 61.2 Hectares) are the principle graziers. Even so they only support three cows and five followers.

SAMSON

The entire island is farmed by the Wildlife Trust but there are no livestock at present. This represents an opportunity for the future, especially for sheep.

ST MARYS

Introduction

The Wildlife Trust farm the shoreline areas of the island which totals approximately 114 hectares. The balance is farmed by twenty three farmers. Flower growing is the main activity, but there are seven farmers who have livestock, and also a horse livery.

To date 11 farmers have been interviewed. The scope was broadened to include some of the vegetable producers where questions regarding future land use were relevant. There are a further three that justify interviews that have not yet been carried out.

The commercial vegetable and flower industry are looking for ways to introduce productive break crops which would provide additional forage.

Livestock

Cattle remain the principle livestock enterprise by number.

	PRESENT	FUTURE
Suckler cows	36 (not all productive)	40
Young stock	100 (including in calf heifers)	60
Fat stock	20	60
Pigs	Limited sows plus over 40 weaners	50?
Sheep	15 breeding ewes plus lambs	60
Bulls	2	

Buildings

There a comprehensive range of cattle buildings across the island but none are suitable for commercial finishing of stock.

The flower and vegetable industry has a much better developed range of buildings.

Market

St Mary's is by far the largest market on the islands including a local box scheme.

Conclusion

The livestock industry on the islands is constrained by:

- Cost of inputs;
- Inferior soil type;
- Lack of buildings;
- Fencing and water supply;
- Transport – particularly welfare with a 24 hour journey to slaughter, together with cost;
- Quality of cattle breeding;
- Ability to produce to specification.

The effects of this are:

- Poor quality leys and forage for winter feed;
- Lack of commercial finishing;
- Lack of confidence or incentive for improving production.

The majority of those interviewed had the desire and ability to expand their livestock enterprises if there was a consistent marketing opportunity through which they could market their stock.

Action point

A whole farm advisor is needed to support the development and potential of businesses. This is working well in West Cornwall with farmers sharing machinery and skills. This should be 100% funded through local action, and a farm advisor group established. This should ensure that maximise benefits from HLS are made where appropriate and release land for farming. Advice and support of stock, breeding and wider issues from tax credits to diversifications would then be to hand. There is scope for an inputs buying group. The advisor would support all the identified issues.

The islands livestock have significant benefit for conservation grazing, this needs linking to finishing for quality carcasses. Public sector supported infrastructure in housing, handling and water savings should be developed.

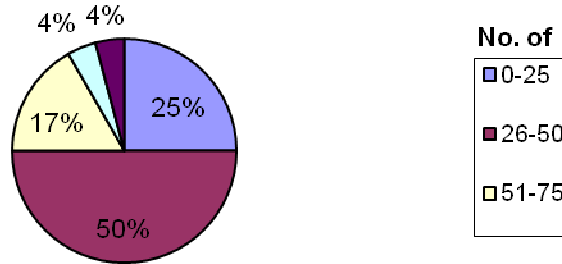
The appointment of a Whole Farm Advisor and steering group would unlock many of the conclusions.

The chairman of the LAG should visit the West Cornwall groups steering meeting to understand its role.

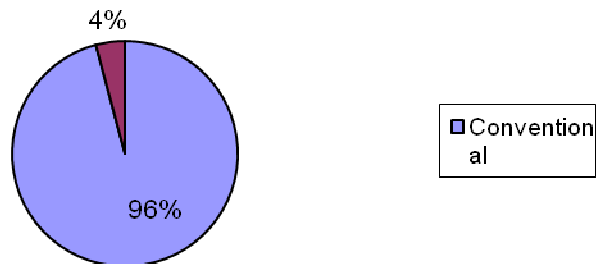
- **BASELINE STUDY**

As part of the farm survey work a detailed baseline of farms and their resources was undertaken. The data has been analysed and to preserve confidentiality it is presented as pie charts.

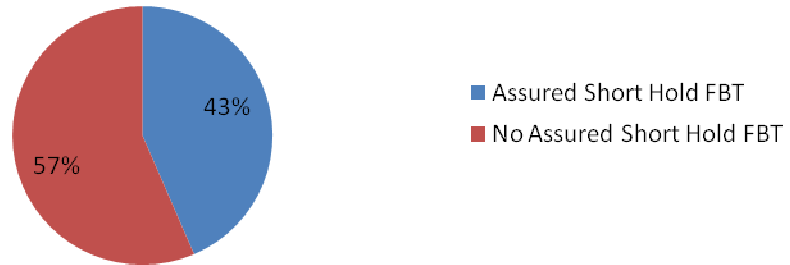
Acreage of Farms on the Isles of Scilly



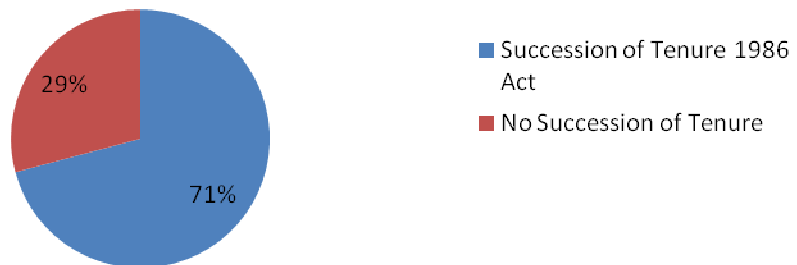
Type of Farm



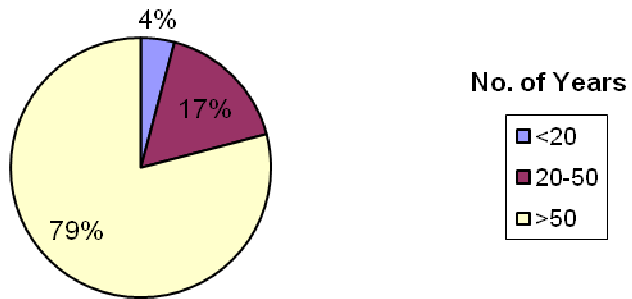
Tenancy Arrangements



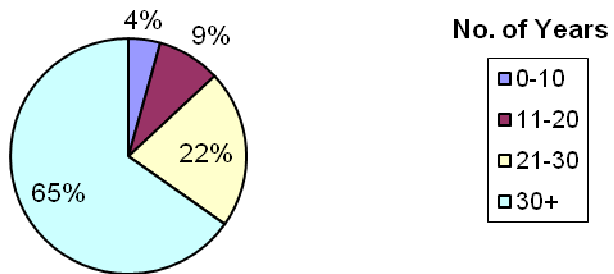
Farms with Succession of Tenure 1986 Act



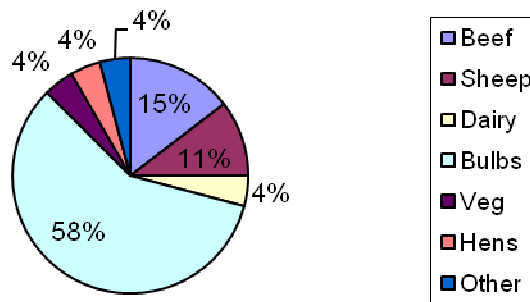
Average time spent farming on the Isles of Scilly



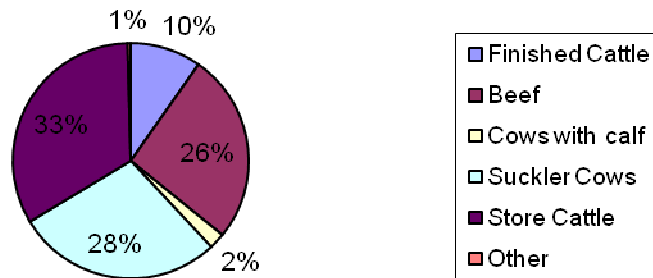
No. of years farmers have spent living on the Isles of Scilly



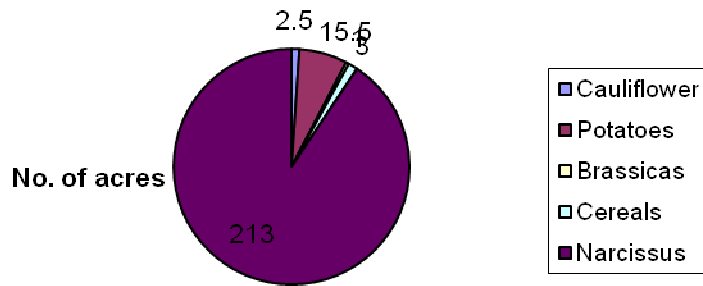
Main Farm Activity



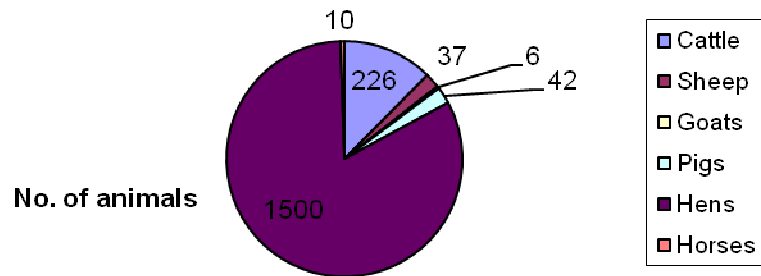
Type of Cattle farmed on the Isles of Scilly



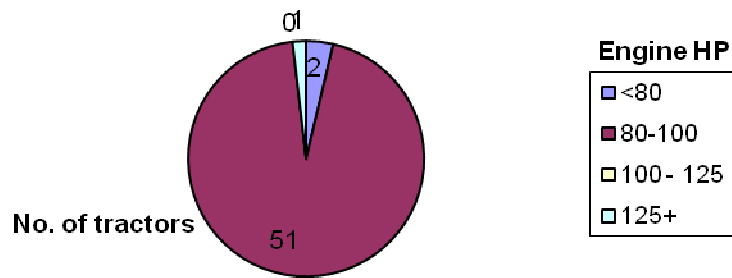
Acres of Arable Crops on the Isles of Scilly



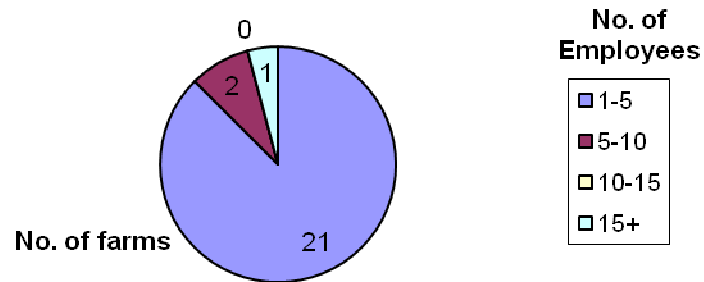
Type of Livestock Reared on the Isles of Scilly



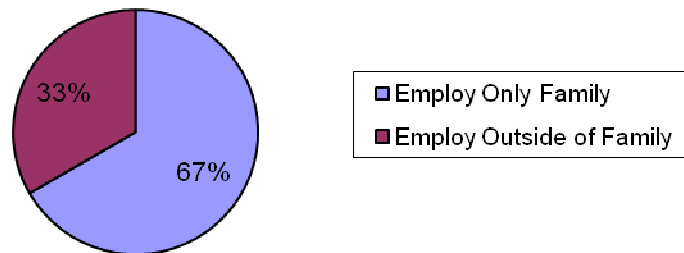
Tractors by Horse Power



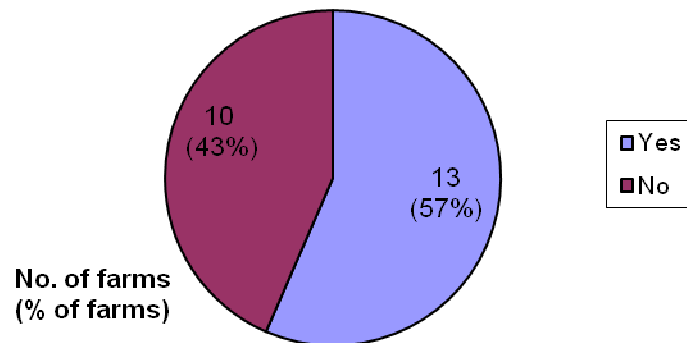
No. of Employees on Farms on the Isles of Scilly



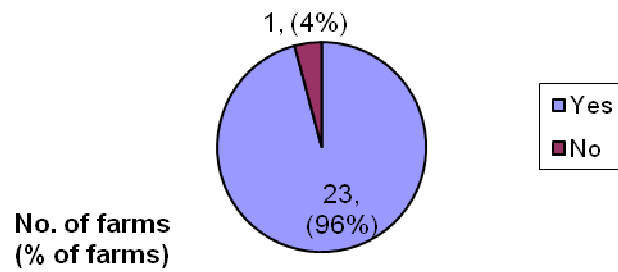
Employment Structure of Isles of Scilly Farms



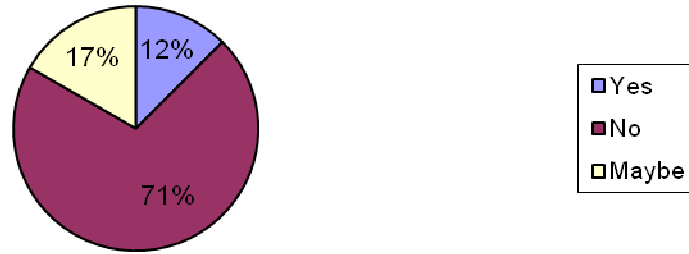
Employment of Seasonal Staff on the Isles of Scilly



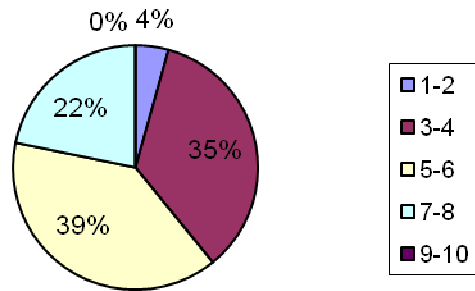
No. of Farms on the Isles of Scilly that have Diversified in the Last 5 Years



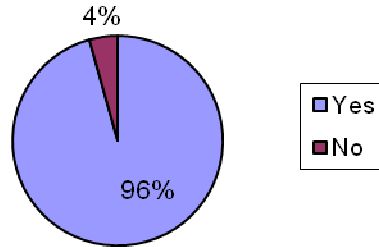
Future Plans to Diversify on the Isles of Scilly



Financial Strength of Farms (Scored out of 10)



Farmers Opinion on Whether or not to have an Abattoir



Summary of deadstock held on farms

ATV	1	Drills	1	Mower	6	Sprayer	10
Baler	6	Dump box	1	Muck	1	Tanker	1
Bulb Equip	6	Feeders	1	Offices	1	Tedder	2
Burner	3	Fertiliser	2	Planter	1	Telehandler	1
Case & Loader	1	Graders	3	Plough	0	Topper	9
Cattle Box	1	Harrows	3	Polytunnels	3	Trailer	5
Chiller	2	Hay making	2	Potato Harvester	1	Turner	1
Coldstore	4	Hedger	1	Potato/Bulbs	1	Waders	1
Coups	1	Horse box	1	Roller	4	Weaver	1
Crop equip	1	IT Equip	1	Rotivator	1	Wrapper	2
Cultivator	2	Landrover	1	Shed	5		
Digger/Mini Digger	2	Lifter	5	Spinner	1		
Drier	1	Mini Tractor	2	Spinner	1		

Diversification activity summary table

Activity							
Box beef	1	Hens	1	Making soap	1	Property development	1
Campsite	2	Holidays	4	Off Farm Work	3	Rental	1
Chalets	1	Hotel	1	Online Shop	1	Restaurant	2
Co-operation	1	Ice cream	1	Organic	1	Shop	2
Flowers by post	3	Lavendar	1	Other Crops	1	Tourism	2
Forestry	1	Maincrop potatoes	1	Partnership/ trekking	1	Wine	1
Garden	1	Mainland Marketing Cooperative	1	Post office	1	Wool	1

Farmers Comments Regarding the Proposed Abattoir	
In principal yes, but must cater for all livestock, need added value for good living	In principle good idea, questions the running of it and needs 'joined up thinking'
A good thing would supply looking at value added from livestock but worries over cost of delivery and running costs	Very realistic view to change, agrees that something is needed to offer incentives, suggested a brand or specific breed for Scillies
Caution to do the job properly	To alleviate stress and create new markets
Essential to put value into product, welfare issues, caution-current management	Agree in principle to get value from animal and to alleviate stress
Essential, welfare point of view, maximise returns to business especially for hotel and shop	Agree from welfare point of view, farmers need a better return for livestock, allows grazing
So as stock take short crossing only value into cattle and be left with something to sell	A necessity but questions viability and who will fund it
Advantageous to him but handle with care, must be sustainable, where would investment come from?	Agree in principle from welfare point of view, accept will not be profitable has to be well run and offer good facility for the islands
Care over welfare, abattoir a priority, worried about retirement of butcher	Good idea for those with livestock, will it sustain itself financially?
Good for livestock farmer, good welfare important, will it pay? May give others incentive	Cannot see it paying, slaughterman, arrange to sell
Agree to it, used to have dairy and beef again, problem to island but feel it is a necessity	Mixed feelings, agrees re: welfare issue and would give livestock farmers an edge

Good idea but problems resourcing, St Martin's is awkward, he would allow other to graze his land	Good idea from welfare point of view value back to the producer being a slaughterman would look at the challenge.
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General Comments From Farmers	
Help with cattle procurement/management	Water
Stocking rate, flowers not paying, no stewardship, no SFP	Would change breeding to suit and get more for animals
Would like more land and help to promote wool products.	Not making any money, have thought about selling independently
A broadening of island attitude needed, looking to the future with bulbs and tourism.	Feels they need a better return for their efforts, worried about the future
No money in narcissi, keeping land in good heart growing bulbs and flowers, sown grass out of CSS, wants to keep farming.	Worried about the future of narcissi, his business will go fully mail order/online, fewer varieties and pinks.
Sees his future as a specialist flower grower, big financial commitment.	Worried about Narcissi and the future has to be high quality
Due to issues with Duchy may give up, listed properties are falling down, English Heritage landlord not helping financially	Wishes some means of slaughtering and procuring, wants to sustain narcissi, specialism and quality.
Already a postman, grocery supplies, tourist trade, farming staying in family.	Grazing on St Martin's has to be addressed, especially Wildlife Trust, son fishes and flowers
Would put sheep on for local consumption. Abattoir must be correctly managed and run with an independent secretariat, focussed and minimalistic	Would love more good land on St Martins to rent

ECONOMIC ANALYSIS

Introduction

The Penwith Farm Business Adviser prepared an initial report in August 2008 that provided an overview of livestock farming on the islands.

The purpose of this second report is to act as an addendum to the initial report, and provide further economic analysis of the agricultural systems on the islands, this is shown in the tables below. This activity is quite diverse where growers are selling to various markets through either Mainland Marketing, Churchtown Farm and Ferryfast with one grower selling on-line/by post. Everything is sold off the Islands competing with Mainland and Foreign growers.

50% of the farmers on St Mary's grow narcissi, 50% of St Agnes and Churchtown is the major grower on St Martins. In total probably in excess of 150 acres are grown altogether and it is the prime income earner for those actually farming. Rotation is the key to maintaining a vibrant and healthy crop however maintaining fertility and pest free soils relies on grass or other crops i.e. mustard to achieve this balance this is where livestock can play their part to improve fertility as long as the infrastructure is put in place i.e. fencing and water.

The majority of the growers are highly mechanised with specialist kit and machinery sharing has been promoted by Objective One funding. Those who have taken advantage of the scheme now have sufficient equipment to last them for several years to come and at low cost to their business. Not everyone has been able to do this or didn't for one reason or another and from observation they are now not as efficient as they could be.

Looking forward and referring to the model, gross margin returns from narcissi are still lucrative however the areas of concern are;

- Maintaining market advantage and price back to the growers puts pressure on Mainland Marketing and Churchtown to achieve a value added price and not become a commodity.
- Labour force is not getting any younger, foreign labour is becoming more difficult to access and I fear several growers will retire which will create an imbalance and I ask the question how big do those who have expanded wish to expand further?
- If Europe pass that certain chemicals are to be withdrawn, already the islanders have lost Treflan, this will then have an impact on the crop and Scilly could lose their competitive edge and income.

- The new environmental schemes must have a bias towards the narcissi growers i.e. grass margins, noting the present Country Side Stewardship schemes are coming to an end and for some livestock may prove to be an extra income source.
- As with all activities on the islands the cost of raw materials being imported and exported reduces their competitive edge and this must be monitored.

Conclusion

From the data collected and observing the various farming activities first hand on the islands several issues do need addressing. Noting the first report on the agricultural capability of the islands to support an abattoir on St Marys and an appraisal of the Narcissi industry. There is land which has the ability to grow grass, graze livestock and produce specific horticultural crops and should, with due care and planning, become part of an integrated farming system embrace the new environmental schemes and be brought back into production before it is too late and too expensive to do so.

Reluctance by many to move forward and take some risk and a void of joined up thinking and collaboration has occurred in addition a lack of information has resulted in opportunity lost.

The present situation cannot continue in the same format, change is inevitable however the major issues need consideration if agriculture on the Scillies is to have a future especially for the next generation.

GROSS MARGINS

Example livestock gross margin

The gross margin below is for a beef enterprise as found on the islands, with low use of concentrates, rearing to 25 – 29 months, sold dead weight. Beef has been chosen as the sample livestock system as it represents 91.4% of the grazing livestock on the islands based on livestock units. Commercial pigs and poultry units represent only 4 holdings on the islands and have been considered too specialised to include as examples.

Beef Gross Margin

A. Suckler Cow

Sales

Weaned calf	£302	(based on SAC hill data (assuming comparable low input system))
Less replacements	£284	(based on SAC hill data (assuming comparable low input system))

Variable costs

Hay/haylage 4 t @ £18 t	£72	(at cost0)
Cow cobs	£10	(low allowance due to system)
Vet and med	£10	(below standard costs to reflect low inputs on islands)
Tags and misc costs	£18	
Forage costs	£20	(share of re-seeding costs over 1 year period on 5 yer ley)

TOTAL/HEAD -£112

Sales

Deadweight @ 25 - 29 months			
250 p/kg	300 kg	£750	
Less cost of rearing calf to weaning		£302	(based on SAC hill data (assuming comparable low input system))

Variable costs

Hay/haylage			
4 t @	£18 t	£72	(at cost)
Vet and med		£10	(below standard costs to reflect low inputs on islands)
Haulage			
Boat		£60	(at cost)
Mainland lorry		£18	(at cost)
Abatoir fee		£40	(at cost)
Forage costs		£40	(share of re-seeding costs over 2 year grazing period for 5 year ley)
TOTAL/HEAD		£208	

A number of farmers on the islands will market the beef direct to secure added value but this would incur additional costs of £160 per animal to return the dressed carcass back to the islands. It is not possible to reflect this in the gross margin due to variable pricing of the different marketing schemes.

Example narcissi gross margin

The narcissi industry on the islands differs to that on the mainland as the only commercial market is cut stems. Bulbs are not sold on a large scale, with the majority being retained for seed. The gross margin is very sensitive to the value placed on these seed bulbs.

Narcissi Gross Margin

Sales		£/acre	
250,000 stems/acre @ 5p/stem		£12,500	Standard mainland production would be much less at 70,000 stems/acre
Cost of Sales			
Equivalent value of bulb			
	£300/t @ 5.5t/a	£1,650	Based on local evidence
Variable costs			
Lime (0.5t/a)		£40	
Fertiliser		£130	(75kg N; 75kg P; 150kg K)
Pesticides		£200	SAC
Planting		£80	Cost of tractor, driver and time (say 2.6 hours/acre)
Roguing		£73	SAC
Burning (gas)	1 gas cylinder per acre	£240	3 applications @ £80/cylinder excl labour
Labour	Picking @ 9p/bunch	£2,250	Harvesting, grading, drying and washing accounted for in value of seed
Inspection levy		£30	
Commission @ 12.5%		£1,562.50	
Packaging materials (bins etc)		£60	
TOTAL		£6,184.50	

Sample Farm

Description

60 acres of which

- 15 acres narcissi in ground
- 10 acres non grass break – mustard
- 3 acres potatoes
- 1 acre summer cauliflower
- 1 acre other vegetables
- 30 acres grass comprising
 - 15 acres permanent pasture
 - 15 acres temporary pasture

Gross Margins

1. Narcissi	15 acres @ £6,185	£92,775
2. Beef	8 sucklers @ -£112hd	-£896
	16 other animals with	
	8 sold per annum @ £208	<u>£1,664</u>
Total livestock		<u>£768</u>
3. Potatoes	3 acres maincrop ware gross margin direct from SAC	£1,203
4. Cauliflower	1 acre gross margin direct from SAC	£817
5. Other vegetables`1 acre @ sat	£1,000	£1,000

TOTAL GROSS MARGIN £96,563

Overheads

Rent House	£3,000
Land @ £80/a (assumes AHA terms)	£4,800
Council tax	£1,000
Fuel (@ £1.50/itre)	£2,000
Accountant	£800
Bank costs	£3,000
Licences for vehicles	£400
Office costs	£1,000
Miscellaneous	£2,500
Repairs	£2,000
Depreciation (assume 10% on £80,000 value)	£8,000

TOTAL OVERHEADS £28,500

TOTAL NET FARM INCOME **£68,063**

Commentary

- Farm income appears healthy but is almost entirely dependant on narcissi performance;
- Livestock and vegetables contribute less than 4% of the farm gross margin;
- The narcissi costings are very sensitive to production levels and price/stem:
 - Sensitivity
 - Stem price
 - Stems/acre

Stem price (p)	3	4	5	6	7
100,000	-£3,315	-£2,315	-£1,315	-£315	£685
150,000	-£1,815	-£315	£1,185	£2,685	£4,185
200,000	-£315	£1,685	£3,685	£5,685	£7,685
250,000	£1,185	£3,685	£6,185	£8,685	£11,185
300,000	£2,685	£5,685	£8,685	£11,685	£14,685

Lowland farm income without narcissi (based on a sample 240 farms in England)

Output	£/ha
Cattle	209
Sheep	108
Crops	76
All other output	377
Variable Costs	266
Gross Margin	544
Fixed Costs	470
Net Farm Income	74
Less farmer work	179
Management and investment income	-105

RECOMMENDATIONS

STUDY 2

Food and non food production on the islands, and the potential for branding and adding value to Scillonian produce

Using the base line established in Section 1, the volumes and types of flowers and bulbs, food, drink and other non food produced on the islands can be assessed and the potential for growth investigated, taking into consideration any existing branding for Scillonian produce. It is desirable to add value to produce on the islands, particularly meat products, and recommendations for this and the creation of an Isles of Scilly brand are the key outcome of this study.

Background

This study forms part of the project to assess the capacity for the Isles of Scilly to support an abattoir. It examines food and drink on the islands and is intended to provide an indication of:

- i. the volumes of food and drink consumed/sold on the islands;
- ii. what proportion of that food and drink is produced on the islands; and
- iii. how much potential exists for the islands to produce more of their own food and drink.

The feasibility of an abattoir does not centre solely upon meat production; this is therefore an intentional extension of the project beyond the meat sector. The existence of an abattoir could have an impact on dairy farming, due to its potential use for the slaughter and processing of male progeny, and on horticultural production, due to the potential for horticulture and animal production to combine effectively in mixed farming enterprises. These are just two examples of the potential broader impact of an island abattoir; there are bound to be more.

Furthermore, the success of meat production and processing on the islands depends enormously upon the size and nature of its potential market. Attitudes of key buyers to island produce generally and to island-produced meat specifically have therefore been examined in an effort to help establish the likely size and nature of the market and what the barriers/drivers to purchase are.

N.B. This part of the project assesses the *market* potential for more island produce, and not the feasibility of actual production.

Methodology

The study was approached from two different angles. A desk exercise was undertaken to calculate the volumes consumed on the islands, based on typical household and

visitor food and drink spending/consumption data. This concentrated on fresh and staple produce. Certain key items of food and drink are highlighted in this report to provide an illustration of the volumes produced locally compared with the total amounts of these items that are likely to be consumed on the islands.

Much of the data used is estimated, but where possible all estimates have been cross-checked by alternative calculation methods. As this report is intended to provide indicator data rather than exact numbers, figures have been rounded for simplification in many instances and none of the data should be regarded as 100% accurate. In general, estimates are intentionally conservative rather than generous, to avoid creating misguided confidence in potential market sizes.

A primary research exercise was also carried out, examining the islands' food and drink in more detail. Data was gathered via a series of eighteen interviews with island food and drink businesses and islanders, aimed at understanding how they purchase their foods, why they choose the suppliers they use, and their views on the quality, range, nature and accessibility of island produce. The interviews were largely open-ended and encouraged interviewees to comment as widely as they felt appropriate.

Most of these interviews took place in person on a one-to-one basis over 4 days in September 2008. A small number were carried out by telephone and some initial person-to-person interviews were supplemented by follow-up telephone enquiries. The nature of the food and drink on offer in virtually all eating places and food shops on the islands was also investigated, either by actually buying and trying foods and/or drinks or by examining menus and displays. In some cases this was supplemented by an examination of websites.

The study was undertaken by Ruth Huxley, an independent food industry analyst who has carried out a number of wide-ranging recent strategic research projects on the South West of England's food and drink sector, particularly that of Cornwall and the Isles of Scilly.

Key Findings

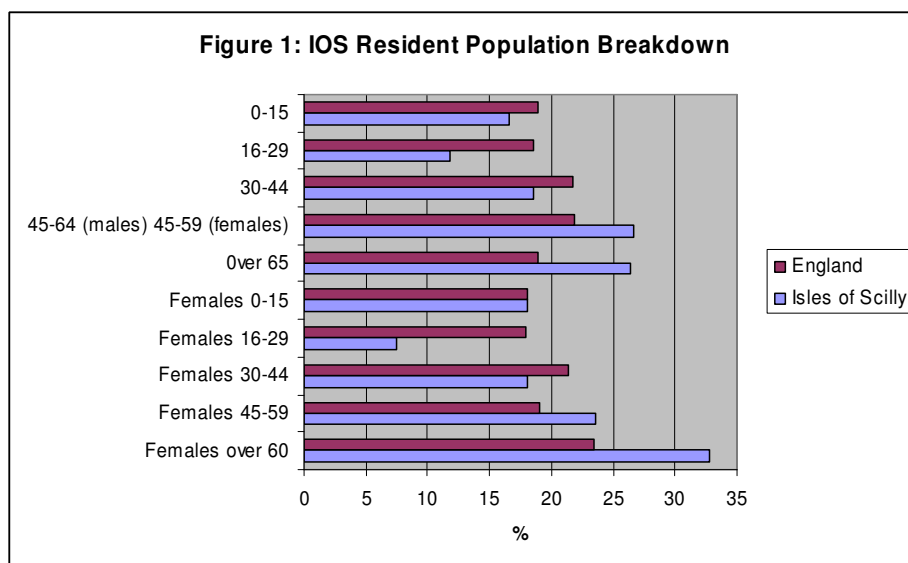
Establishing the size of the market.

With a base population of 2000 people the market is small, with a very large boost of visitors which is over 2600 bed spaces and over 100,000 seasonal visitors in total. There is a need to establish Scilly produce within the market place. Pricing will be as strong a driver as quality. The island abattoir will be able to produce on island beef selling to the butchery trade for the same price as they import for and the ability to produce on island added value products and produce is viable with grant support.

Profile of the local and visitor populations

Islanders

The 2001 census and subsequent National Statistics revisions¹ estimate the population ordinarily resident on the Isles of Scilly to be around 2100. There are differences in the composition of the island population compared with national averages. The Isles of Scilly population is typically older than average, with 53% aged over 45, compared with 40% in the whole of England. There are fewer children and young adults than average, with a significantly low percentage of 16-29 year olds, especially women. There are much greater differences in nearly all female age groups compared with national averages than in the male population. The number of female children is almost the same as the national average but, from 16, women appear to leave the islands in greater numbers than men, then return in equally large numbers, after the age of 45.



Census data² also presents a picture of a more traditional and less diverse population than is found elsewhere in England. There is very little ethnic diversity, less divorce and more married people. There are fewer single adults, either widowed or who have never married - the islands are perhaps a difficult place to live alone. Over 40% of homes are 2-person households compared with 34% nationally.

¹ www.cornwall.gov.uk and www.statistics.gov.uk

² www.statistics.gov.uk (Neighbourhood Statistics datasets)

It would be expected that with noticeably fewer women aged between 16 and 45 on the islands, the number of children would be much lower than it is when compared with the national average. Given that this is not the case, it would then follow that island households that *do* have children should be larger than average but this is not the case either. Average household size is, in fact, about average at 2.3 people per household, only slightly less than the national average of 2.44 people per household and there are less than 50 households of more than 4 people.

There are roughly 1200 homes on the islands, but only about 900 are permanently occupied. About 300, i.e. a quarter of the total, are either self catering holiday lets or second homes. About half of the permanently occupied homes have at least two surplus rooms (according to the standard classification of room requirements). Many of these will be used as guest accommodation.

Visitors

Roughly 100,000 people visit the Isles of Scilly each year. The number of day visitors is subject to greater variation than the number of staying visitors due to weather variability but, based on historic data³, it would be reasonable to estimate that, generally, about half of all visitors are day visitors.

There are 2600 bedspaces on the islands, approximately 1000 of which are in self catering accommodation or on campsites, i.e. where visitors are responsible for their own food and drink. Therefore, 1600 bedspaces are in serviced accommodation - hotels, bed and breakfast or guest houses - where breakfast and sometimes one other meal are provided.

Reasonable estimates of occupancy rates are 75% average overall occupancy over the four months May, June, July and August, and 40% over the four months March, April, September and October. In this report the 'holiday season' refers to a 30-32 week period over these eight months. 'High season' refers to the 12 week period around June, July and August (unless stated otherwise).

Based on these calculations of bedspaces and occupancy, the total number of visitor nights over the holiday season is around 336,000. The total number of visitor nights in serviced accommodation is around 207,200.

As the average stay is known to be 7 nights⁴, these calculations put the number of staying visitors at about 48,000, confirming the previous estimate, derived from travel operator data, that staying visitors account for about half of all visitors.

At the height of the season, there could be on the islands on any one day:

- 2,500 staying visitors

³ Travel operator data from Council of the Isles of Scilly Tourist Board report 09.09.08

⁴ Isles of Scilly Tourism Survey 2007

- 200 day trippers
- 300 migrant workers
- 2,100 resident population

=5,100 people, or a population increase of 140% over the normal resident population. On occasions such as the May gig rowing weekend the number will be even higher. With households, employee levels, day trippers and bedspaces at capacity, there could be 5,500 people on the Isles of Scilly.

Other key characteristics of visitors to Scilly can be extracted from the annual tourism survey:

- Most visit in groups of two and are aged over 45
- Most are repeat visitors who have been coming to the islands for a number of years. Day trippers are more likely to be first time visitors.
- 65% are on their main holiday (unlike Cornwall's visitors, who are increasingly on 'extra' short breaks and not their main holiday⁵). This indicates a more traditional, possibly also less wealthy holidaymaker, i.e. those who save for one holiday and not those who take several holidays a year.
- People do not visit especially for the food, but just under 40% rate it as excellent for quality of service. Fewer (13%) rate the food as excellent value for money, but only 10% feel it is poor or very poor value for money. Around 15% feel that food and drink standards are the most important issue facing Isles of Scilly tourism. Comparatively, over 30% feel that standards of accommodation are the most important issue.

Food consumption of the ordinarily resident population

Table 1 below is based upon Defra/National Statistics data on average UK household food consumption⁶ and on an Isles of Scilly ordinarily resident population of 2100. It assumes that the population stays on the islands all year, which is said to be the case generally.

Peculiarities that may lead to household food consumption on the Isles of Scilly differing from the UK average are:

- Many islanders are involved in the hospitality industry. Some of those who are employed in restaurants will be provided with meals at work. Those who run their own hospitality businesses will often obtain their household supplies via their business suppliers, or use business excess at home.
- It is not uncommon for island households to grow vegetables and soft fruit or keep a few hens. Some keep a few pigs for household consumption and some even have a house cow. Bartering and exchange between households takes place.

⁵ Cornwall Visitor Survey 06/07

⁶ Family Food 2006 (report and datasets)

- Fishing is obviously also commonplace, therefore fish consumption may be greater than average. However, recent research in Cornwall, where fishing is also commonplace because of the county's coastal geography, found that the Cornish resident population are not big fish eaters.
- Off-island secondary school children stay on St Mary's four nights a week and have meals provided free of charge. This therefore reduces the food consumption of their households, although obviously the overall consumption of the children remains the same.
- The local population increases, probably by about 300, with migrant workers during the season. Some of these will fend for themselves but many are housed and fed by their employers, who are commonly in the hospitality trade. Typically, a hotel or restaurant will feed its employees by making use of leftovers or cost-effective options, e.g. making soups for lunch from the previous day's unused food, or serving the cheaper cuts of meat. For example, on Tresco, where the estate produces and uses its own beef, carcass balance is aided by using the prime cuts for guests and the cheap cuts for staff. For these reasons it would be unwise to account for the consumption of migrant workers as a straightforward increase in the usual resident population; they can be considered to be better accounted for within visitor numbers.
- Older adults generally eat less than younger adults. Therefore the skew of the islands' population towards older adults may have an impact on overall consumption. However, this may be mitigated to a degree by the fact that there are fewer children than average on the islands.

Combined, these factors mean that the food consumption patterns of islanders may differ slightly from the average, but probably not to an extent that would suggest that standard data for the UK should not be used as an indicator of island consumption. They should nevertheless be borne in mind by any readers using the data in this report.

Food Type	Average UK consumption per person per week	Total weekly IOS household consumption	Total annual IOS household consumption
Liquid milk	1627 ml	3417 litres	177,668 litres
Yogurt	182 ml	382 litres	19,874 litres
Cheese	116 g	244 kg	12,667 kg
Fats and oils	184 g	386 kg	20,093 kg
of which: butter	40g	84 kg	4,368 kg
Eggs (number)	1.5	3,150	163,800
Carcass meat (total)	238 g	500 kg	25,990 kg
of which:			

Beef joints	31 g	65 kg	3,385 kg
Beef steak – cheaper	22 g	46 kg	2,402 kg
Beef steak – expensive	24 g	50 kg	2,621 kg
Minced beef	51 g	107 kg	5,569 kg
Other beef and veal	1 g	2 kg	104 kg
Lamb joints	29 g	61 kg	3,167 kg
Lamb chops	16 g	34 kg	1,747 kg
Other lamb and mutton	9 g	19 kg	983 kg
Pork joints	19 g	40 kg	2,075 kg
Pork chops	14 g	29 kg	1,529 kg
Pork fillets and steaks	12 g	25 kg	1,310 kg
Other pork	10 g	21 kg	1,092 kg
Non-carcass meat / meat products	804 g	1,688 kg	87,797 kg
of which (selected items only):			
Bacon / ham rashers, uncooked	48 g	101 kg	5,242 kg
Cooked bacon and ham	45 g	95 kg	4,914 kg
Chicken, whole/ pieces	181 g	380 kg	19,765 kg
Cooked poultry	48 g	101 kg	5,242 kg
Pork sausages	59 g	124 kg	6,443 kg
Burgers	21 g	44 kg	2,293 kg
Meat-based ready meals	89 g	187 kg	9,719 kg
Paté	3 g	6 kg	328 kg
Deli type sausage	9 g	19 kg	983 kg
Meat pies and sausage rolls, RTE	26 g	55 kg	2,839 kg
Meat pies/pasties/puds, not RTE	49 g	103 kg	5,351 kg
Fresh fish inc. Shellfish	52 g	109 kg	5,678 kg
Frozen and other processed fish	118 g	248 kg	12,886 kg
Fresh potatoes	565 g	1,187 kg	61,698 kg
Fresh green veg	221 g	464 kg	24,133 kg
of which: leafy salads	62 g	130 kg	6,770 kg
Other fresh veg and salads	566 g	1,189 kg	61,807 kg
of which: tomatoes	100g	21 kg	109 kg
Fresh fruit	855 g	1,796 kg	93,366 kg
Bread	692 g	1,452 kg	75,566 kg
of which:			
Loaves	498 g	1,046 kg	54,382 kg
Rolls and other breads	194 g	407 kg	21,185 kg

RTE =Ready to eat

Food consumption of the visitor population

It is more difficult to quantify the volume of food consumed by visitors to the islands. Standard eating out data will be inapplicable because many of the eating out options on the mainland (e.g. McDonald's, etc) are not available on the Isles of Scilly. Besides, not all visitors eat out. As a very rough guide, the standard estimates of household consumption can be used as a starting point in providing some idea of the amount that staying visitors consume.

The total number of staying visitors is equivalent to 48,000 visitor weeks. Standard weekly per person consumption data has therefore been multiplied by 48,000 to produce the total staying visitor consumption data in column 3 of Table 2 below (note that this does not include day visitors). For comparison, total staying visitor consumption is a little under half of total annual islander consumption. However, since people tend to adopt different eating patterns while on holiday, there will be some notable exceptions where standard domestic consumption data is not reliable. Some of the key foods that this applies to, highlighted by an asterisk in the table, are therefore discussed individually in the subsequent paragraphs.

Food Type	Average UK consumption per person per week	Total annual IOS staying visitor consumption
Liquid milk	1627 ml	78,096 litres
Yogurt	182 ml	8,736 litres
Cheese	116 g	5,568 kg
Fats and oils	184 g	8,832 kg
of which: butter	40g	1,920 kg
Eggs (number)*	1.5	72,000
Carcass meat (total)	238 g	11,424 kg
of which:		
Beef joints	31 g	1,488 kg
Beef steak – cheaper	22 g	1,056 kg
Beef steak – expensive*	24 g	1,152 kg
Minced beef	51 g	2,448 kg
Other beef and veal	1 g	48 kg
Lamb joints	29 g	1,392 kg
Lamb chops	16 g	768 kg
Other lamb and mutton	9 g	432 kg
Pork joints	19 g	912 kg

Pork chops	14 g	672 kg
Pork fillets and steaks	12 g	576 kg
Other pork	10 g	480 kg
Non-carcass meat / meat products	804 g	38,592 kg
of which (selected items only):		
Bacon / ham rashers, uncooked*	48 g	2,304 kg
Cooked bacon and ham	45 g	2,160 kg
Chicken, whole/ pieces	181 g	8,688 kg
Cooked poultry	48 g	2,304 kg
Pork sausages*	59 g	2,832 kg
Burgers*	21 g	1,008 kg
Meat-based ready meals	89 g	4,272 kg
Paté	3 g	144 kg
Deli type sausage	9 g	432 kg
Meat pies and sausage rolls, RTE*	26 g	1,248 kg
Meat pies/pasties/puds, not RTE	49 g	2,352 kg
Fresh fish inc. shellfish*	52 g	2,496 kg
Frozen and other processed fish*	118 g	5,664 kg
Fresh potatoes	565 g	27,120 kg
Fresh green veg	221 g	10,608 kg
of which: leafy salads	62 g	2,976 kg
Other fresh veg and salads	566 g	27,168 kg
of which: tomatoes	100g	4,800 kg
Fresh fruit	855 g	2,640 kg
Bread	692 g	33,216 kg
of which:		
Loaves	498 g	23,904 kg
Rolls and other breads	194 g	9,312 kg

Eggs

Cooked breakfast is a dominant feature of holidaying in the UK and one of the hotel chefs interviewed confirms that virtually all guests have cooked breakfast and nearly all of those have eggs. Staying visitors will therefore eat many more eggs than the standard figure above allows for. In fact, if 90% of visitors staying in serviced accommodation have one egg a day during their stay, about 186,500 eggs will be used on the islands during the holiday season for breakfasts alone, i.e. excluding any visitors who will have eggs while self catering or camping or any eggs used for other purposes by catering establishments. This averages at around 5,700 a week across the season, but clearly in high season the weekly number will be higher than this. Some of the larger establishments confirm that they use “thousands” of eggs a week.

Bacon

For the same reason, bacon is another product that will be consumed at a higher rate than average by holidaymakers. If only 70% of those having cooked breakfast have bacon (2 rashers), 261,000 rashers of bacon will be consumed for breakfast over the holiday period. If each rasher weighs 30g, this equates to 7.8 tonnes of bacon over the holiday period, or about 250 kg a week. During the height of the season, the island butcher sells approximately 275 kg of bacon each week and up to 40% of that (110 kg) is sold to trade customers. Bearing in mind that the majority of trade buyers do not buy their bacon from the island butcher, the estimate of 250 kg a week appears low, although this might be because it is an average across the whole season and the butcher's figures refer to high season.

Islander household consumption of bacon is likely to be around 100 kg a week. This means that even if the butcher supplied *all* the island household bacon (which he does not) this would still leave 65 kg a week that is not accounted for by the resident population or by visitors staying in serviced accommodation, and must therefore be accounted for by visitors staying in camping and self catering accommodation.

Pork sausages

Another main element of the cooked breakfast. Fewer guests have sausages, but if 50% of those taking cooked breakfast have one sausage, over 93,000 pork sausages will be consumed at breakfast during the season. If a typical sausage weighs 50g, this equates to 4.7 tonnes over the season, or around 150 kg a week.

Not all sausages are eaten at breakfast, of course; they are also highly popular during the season for barbecues. The total volume sold to trade will therefore be more than the 150 kg used for visitor breakfasts. This is confirmed by the island butcher who alone sells 135 kg a week to trade. In total, the butcher sells around 400 kg sausages a week during high season. About 265 kg will therefore be consumed by the resident population and by holidaymakers who are not in serviced accommodation. In low season the butcher sells about 130 kg a week. Allowing for a small amount of trade business at that time of year, this confirms that the estimate of 124 kg in Table 1 for residents' consumption of pork sausages is reasonably accurate, although it is acknowledged that not all islanders buy from the butcher.

Fish and shellfish

If there is one food that people identify with the Isles of Scilly it is seafood. It is therefore a regular feature on café and restaurant menus and holidaymakers are bound to consume more than the standard average weekly amount of fresh fish, whether in the almost obligatory crab sandwich or as part of the main meal of the day. Some people do not eat fish at all, but if all staying visitors ate just 100g (a very conservative estimate) of fresh fish or shellfish during their stay, their total fresh fish consumption would be in

the region of 5 tonnes per annum, i.e. twice that estimated from the average consumption level. If every day tripper also ate 100g fresh fish or shellfish, this figure would double.

Logically, it would follow that visitor consumption of frozen fish and other processed fish such as tinned fish and fishfingers will be lower than average and therefore lower than indicated in Table 2.

Beef Steak

Prime beef steaks are another restaurant favourite and are bound to be a feature of holiday eating. Visitor consumption is therefore likely to be easily three or four times the volume shown in Table 2. To a degree, consumption of steaks may be lower than in other holiday areas due to the prevalence of fish, but menus on display at the time of the study indicated that beef steak features strongly *alongside* fish. If anything, it is the other meats such as lamb and pork that have made way for fish; visitor consumption of those meats may therefore be lower than indicated in Table 2.

Burgers

Burgers appear to be another popular menu item on the islands and are well suited to the number of more casual bistro/bar/café dining establishments that are appearing and serving 'premium' burgers. They are also popular with most age groups, versatile, suited to both lunchtime and evening meals, and profitable. They will also be popular with campers and self catering visitors, as well as island residents, as a barbecue item during the season. Importantly, they do not deteriorate as much as prime cuts during freezing.

The estimates in Tables 1 and 2 indicate that locals will consume around 44 kg of burgers a week during the season and visitors will consume around 31 kg. The island butcher sells 750 burgers a week during the high season which, @ 125g each, equates to around 95 kg. Some burgers will be sold in other shops and some eateries will make their own, in which case the total volume of burgers eaten by visitors could be two or three times that estimated in Table 2.

Ready to eat meat pies and sausage rolls

Within this category is the Cornish pasty, another regular feature on the Isles of Scilly and popular with holidaymakers due to its portability and suitability for lunches and picnics and because it is a traditional product of the area. As a pasty can easily weigh 300g, the average weekly consumption estimate of 26g per person for visitors is likely to be a gross underestimate. Furthermore, pasties will be a popular choice with day visitors, who have not been accounted for in any of the tables. Total visitor pasty consumption may well therefore be in the region of 5 tonnes.

Food Spending

Although the remit of this study is concerned with food volumes, it is also useful to attempt to quantify the value of the islands' food and drink market.

If islanders' food and drink spending is in line with the national average of £24.28 per person per week, the total Isles of Scilly resident food and drink spending will be very nearly £51,000 a week, or £2.65 million a year. It could be argued, in light of the peculiarities of island life outlined above, that even if food and drink *consumption* is not greatly different from the average, *spending* might be a little below average. However, as food prices have risen considerably since the £24.28 average spend was calculated and as food costs on the island are generally a little higher than on the mainland, the figure of £2.65 million should be reasonably accurate, and is possibly even low. (Updated national spending figures will not be available until February 2009).

Typical visitor spending patterns in the rest of the South West of England (also 2006 figures)⁷, indicate that day trippers spend on average £16.90 per person per day on food and drink, and staying visitors spend £10.20 (excluding the cost of any meals that are included in the cost of their accommodation). Based on the estimated figures of 50,000 day trips to the Isles of Scilly and 336,000 visitor nights per annum, total annual visitor spending on food and drink could be in the region of £4.27 million. In reality it may be lower than this because day trippers are normally only able to stay long enough to have one meal and some, especially sea passengers, who have only about four hours on the islands, will not have a meal at all or will bring something with them. If day tripper food and drink spending were only half the South West average, total visitor food and drink spending would nevertheless still be as much as £3.85m.

Total resident and visitor food and drink spending on the Isles of Scilly could therefore be at least £8.5 million. This excludes the food and drink element within the cost of serviced accommodation, which could amount to another £0.5 million. Islanders' own spending (and consumption) on eating out has also been excluded from this study. Islanders do eat out but, in view of their own involvement in tourism and hospitality, many will not have time to eat out as much as average during the holiday season. When they do have more time, few establishments are open. However, if the island population were to eat out only half as much as the average population, their annual eating out spend would be in the region of £630,000. Total food and drink spending on the Isles of Scilly could therefore be almost £5 million a year.

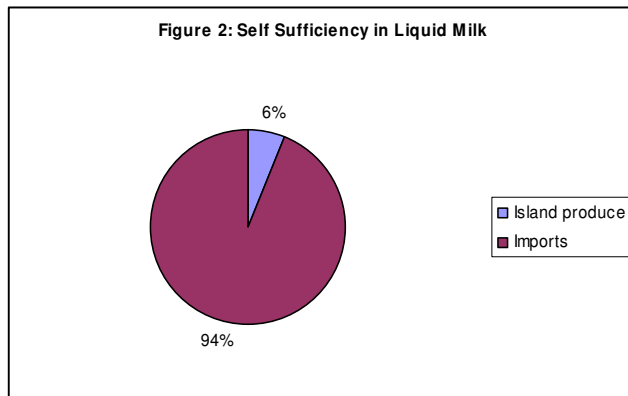
Self sufficiency

The Isles of Scilly are not big food producers and are net importers of food. The combined parts of this project have identified only one food export - a limited volume of early potatoes. It is difficult to assess exactly how much of the food consumed on the islands is brought across from the mainland, but the following charts, displaying an

⁷ The Value of Tourism 2006, SW Region

estimate of the islands' level of self sufficiency in a number of key items, provide an indicator. The estimates have been calculated using data from the previous sections of this report and information provided during the interviews. Day visitor consumption has undoubtedly not been accounted for fully. This means that the actual level of island production compared to imports is probably lower than that shown here.

Liquid Milk

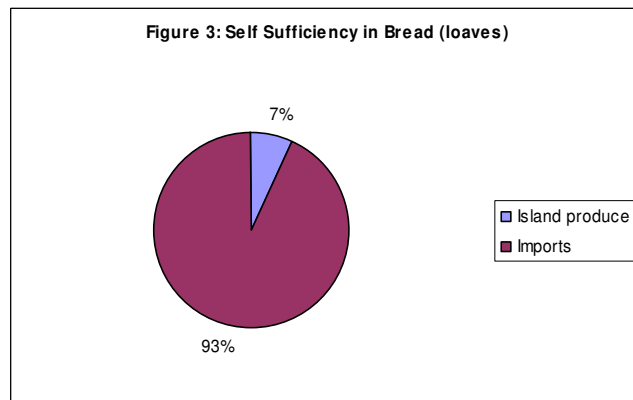


Milk is produced on one farm on St Agnes, Troytown Farm, which is working to capacity on the land currently available. Milk is sold to households and businesses on St Agnes and to shops on other islands. All shops that sell island milk also sell mainland milk to provide variety and price choice. Most of the other milk bought on the islands is sold via the dairy on St Mary's (to businesses

as well as households) and Co-op. The farm also produces clotted cream, ice cream, yogurt and butter. Troytown is the only island farm processing its own primary produce into added value foods and these are some of the few processed foods of the Isles of Scilly. Some inputs are imported, such as some of the fruits for the ice cream. Buying/producing fruit on the islands cannot provide sufficient volume or the guarantee of quality, ripeness and availability that is needed.

Bread

Bread, along with pastries, pasties, pizza, filled rolls, etc., is produced at the only island bakery, on St Martin's. The produce is bought by islanders, a small number of trade buyers on St Mary's, but predominantly by visitors. The bakery cannot expand without becoming unmanageably busy in the shop. Unlike the dairy, the bakery gets its main raw ingredients from

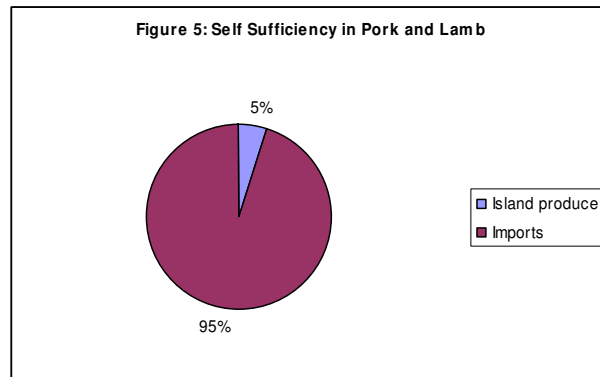
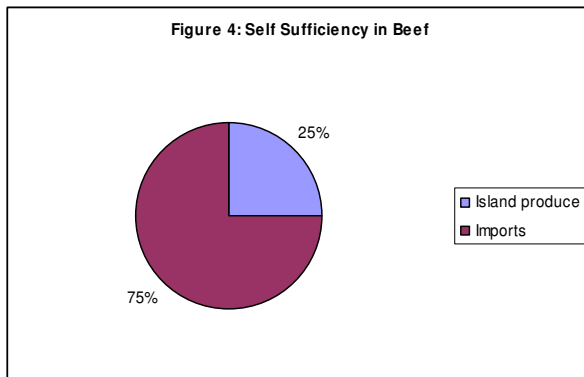


the mainland, although beef and potatoes for pasties come from the islands. A high price is paid, particularly for potatoes, which could be bought from the mainland cheaper, but the quality is good and the baker likes to support the grower and places a value on his extensive production practices, which include hand-digging. The baker considers that the quality of the ingredients is reflected in the finished product and

sufficient people are happy to pay the premium price that is charged for it to make this arrangement viable.

Bake-off ovens in Tesco Stores and Co-op also provide freshly baked bread, although not island-made. Some catering outlets import bake-off bread for their own use from the mainland. The accommodation providers almost invariably use packaged sliced bread for breakfast toast.

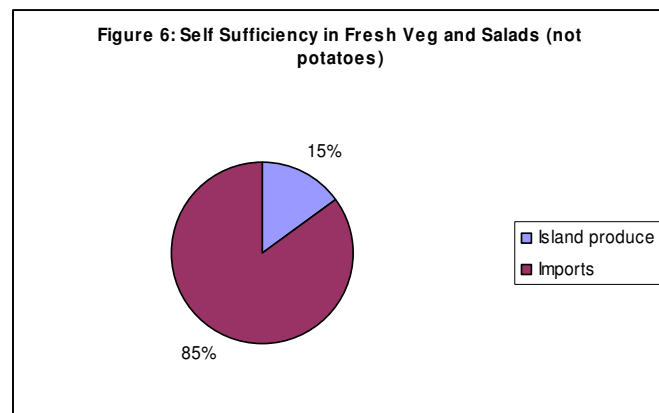
Meat



About a third of the butcher's meat comes from the islands. Tresco produces beef which it uses in the estate hotels and restaurants and sells in Tesco Stores. Beef is also produced from the dairy cattle on St Agnes. Carcass balance can be tricky. The butcher buys extra sirloin, rump and fillet steaks to meet demand for prime cuts, but topside, chuck and rib can be difficult to shift when a whole carcass is being used. Sometimes topside it used for mince for burgers. There is a certain amount of meat production for personal household use. Pigs are produced commercially on St Agnes from weaners which are fed the excess cows' milk and out-graded potatoes in spring. The pork is slaughtered and butchered on the mainland and sold in the farm shop. No bacon is made commercially on the islands and the butcher would like more pork and lamb from local sources. He feels that holidaymakers want to buy something local. This is reiterated by the baker. There is no poultry meat nor speciality meats such as duck, goose, venison, etc produced commercially on the islands. The butcher sells approximately 100 whole chickens a week in the holiday season and 60 a week at other times.

Fresh vegetables and salads

Greengrocery is the produce sector mentioned most frequently during the interviews as the one for which



greater volumes of local produce are required. Most businesses and householders love the farm-gate stalls and small growers, often part-time or elderly, who bring them their excess produce. Any greengrocery transported from the mainland will be at least 24 hours old by the time it reaches its destination and this will only be possible when the produce has been grown in Cornwall. More often it will be at least 3-4 days old by the time it reaches the plate, especially when that produce has been imported to the UK.

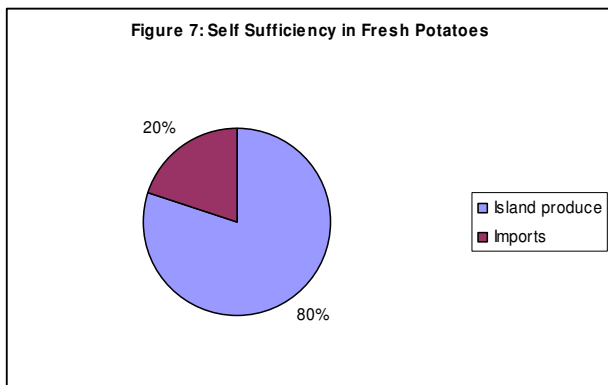
The freshness of island-grown produce is therefore noticeable and of value to the buyer, particularly in the case of items that deteriorate rapidly, such as salad leaves or soft fruit. However, a trade buyer is very dependent upon its suppliers and needs to know that volumes and produce can be guaranteed, especially in view of the islands' difficulty in obtaining alternative produce at short notice. An example was given by one chef of being offered island-grown asparagus this year – the best he has ever tasted - but in volumes so small that it could only be used sparingly in a starter. The same chef also gets frustrated when new and interesting additions to the range of island produce appear one year and seem to be successful but are not repeated the following year.

One of the hotels has been working alongside a grower on the same island who grows produce as a full time occupation and has developed to the stage where he is able to supply precisely what the hotel wants, when they want it, according to the hotel's general manager. Successional sowing and an appreciation of the volumes and products needed have been key to this success.

Not all island businesses are keen to use island suppliers. There is some resistance to prices of local produce, especially in the case of staple greengrocery products that can be obtained from the mainland cheaper.

The Tresco estate and three of the other businesses interviewed grow a certain amount of their own fruit, vegetables, herbs and salads. Own-grown produce is not sufficient to satisfy the businesses' needs, but in two cases is becoming increasingly an option as food costs increase.

Fresh potatoes



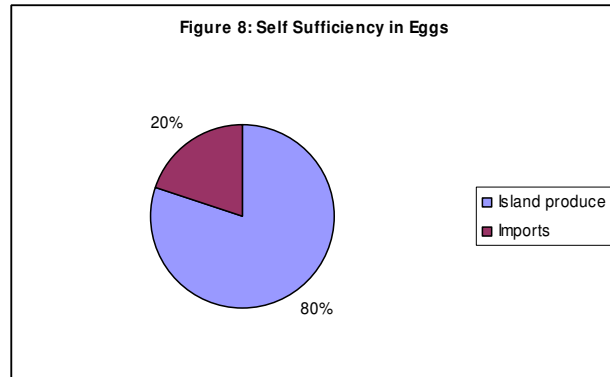
The estimated level of self sufficiency in potatoes is the reverse of that of other fresh greengrocery. In fact, it is likely that the islands could be completely self-sufficient on the acreage currently used for potatoes, but although many of those interviewed claim to be using local potatoes, others do import potatoes, indicating either that the market size is

greater than that estimated or that production is lower than might be expected or that the price is too high or quality not high enough for some buyers. The school, which is on a very tight food budget and caters for about 100 lunches each day, buys all its potatoes from an island supplier, indicating that, although the bakery pays a premium price for a premium product and service, it is also possible to obtain reasonably priced potatoes.

Eggs

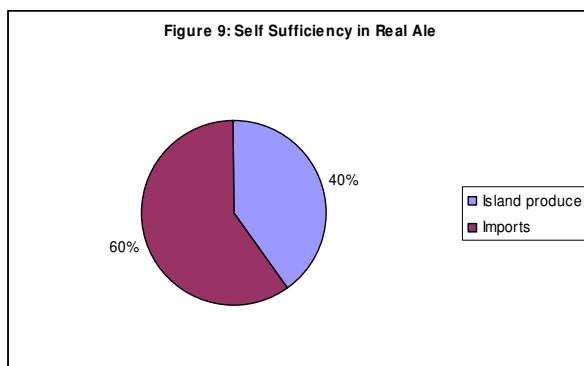
The same applies to eggs: in theory the islands have sufficient laying hens to meet the estimated demand, but buyers claim that there is always a shortage at the height of the season. This indicates that it is likely to be the strong seasonal fluctuation in demand rather than overall annual demand that producers cannot meet. The seasonal fluctuation does cause

problems for island egg producers. Hens cannot switch egg supply on and off according to demand and at least one egg producer therefore slaughters laying hens at the end of the holiday season because of the dip in demand over the winter.



Some of those interviewed are happy to use/sell island eggs when they are available and top up with mainland eggs when necessary. However, one business finds it unacceptable not to have continuity all year and therefore uses a mainland supplier for all its eggs.

Real ale



Beer has been included here as it is one of the few added value/processed products of the Isles of Scilly and probably accounts for quite a large percentage of the real ale drunk on the islands. In the biggest pub it is the biggest real ale seller. For this producer, island sales are critical to success because having to freight the raw ingredients in and then freight the finished product out, bearing the freight

costs in both directions, seriously affects the product's export potential.

Fresh fish

The proportion of fresh fish sourced from the islands appears to be surprisingly low. Some businesses no longer even obtain their crab meat from the islands. There is apparently a shortage of picked crab as the number of experienced crab pickers is declining. Much of the fish caught is said to be landed on the mainland and

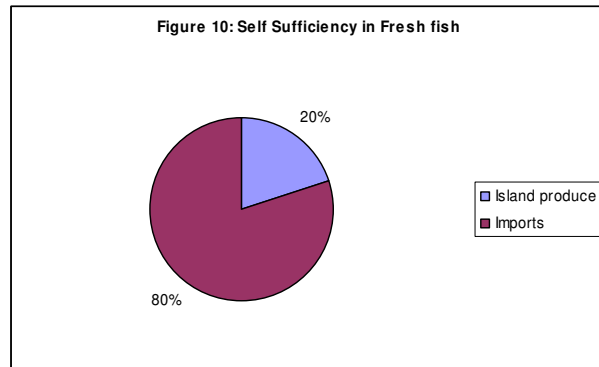
returns to Scilly via the mainland merchants. Virtually all the larger businesses use a mainland fish merchant, although these supplies are generally supplemented by island products, mainly lobster and crab rather than wet fish. None of those interviewed expressed any problem using mainland suppliers; one pointed out that obtaining fish from the mainland was cheaper than getting the same type of fish from local fishermen; although some interviewees identified that customers have strong interest in and high expectations of fish, which are not always met. For example:

“People don’t understand why the fish in the water isn’t on their plates”

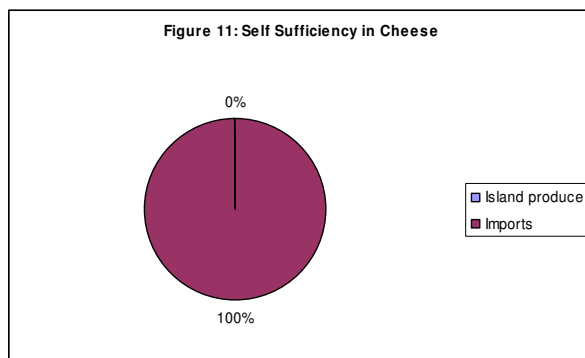
“Customers are forever asking where the fish is from”

A glance at marketing on menus and websites indicates that some of the businesses are themselves not clear about the origin of the fish they use and are assuming that any fish bought from a Cornish merchant or a Cornish smokehouse has come from Cornish waters, when this is not always the case.

It is said that demand on the islands for wet fish is not actually very high. For those fishermen too small to sell their catch to the mainland, this creates a problem. However, during the study, visitors who had just arrived on the islands were spotted scouring St Mary’s for local fish to buy and disappointed not to find it. Islanders know where to go for fresh fish and some fishermen sell direct to homes.



Cheese



The final example of cheese has been included to illustrate that there are some commonly used fresh products that are not produced at all on the Isles of Scilly. During the study, an interest in island cheeses, such as perhaps goats’ and sheep’s milk cheeses was expressed.

Potential for the Isles of Scilly to Produce more Food

During the interview stage of this study, an almost unanimous willingness to buy more island produce and a desire for better access to it was expressed. However, a wide range of opinions, including sometimes conflicting opinions, were also expressed about the realities of producing and buying food on the islands and the potential for it to actually happen in practice.

Some of the differences in opinion can be attributed to straightforward personal preferences either for people or product, e.g. there are some who claim always to use a specific supplier and others who say they would never use that supplier. However, it also reflects the different needs of the wide diversity of business types and standards on the Isles of Scilly. Although the islands cover a small area, businesses that sell or serve food range from the very basic to very high calibre. Quality standards are equally variable. Comments questioning *value* for money (as opposed to the cost per se) relate to establishments right across the price range.

Diversity is also a feature of Islanders' food shopping habits. Only a very small sample of islanders was interviewed, simply to obtain a flavour, because this was not the main thrust of the study but, within that sample, widely differing food shopping priorities and methods were discovered. One participant living on one of the off-islands shops as much as possible on that particular island, topping up at Co-op on St Mary's where necessary, stating that there is a strong community and self-sufficiency culture on that island. Another, who lives on another off-island, obtains most food from Tesco via on-line shopping, on the basis that it provides greater choice than is available on the islands and is more convenient and cheaper. By shopping in bulk once a month, the overall cost, including about £40 for freight, compares favourably with shopping more regularly on St Mary's, when taking into account the cost of the inter-island boat trip and extra impulse purchases that are invariably made, as well as the actual direct comparison of food prices. Apparently, most of the households on this island use the Tesco service.

Another participant living on St Mary's shops mainly at Co-op, buying certain individual items such as eggs from island producers, and using the butcher for specific items too. Co-op is chosen mainly for its long opening hours, which are more compatible with full-time working, but also because this participant likes to buy brand names and "*expects a carrot to look like a carrot*". Tesco is not an option for this household. For just two people it "*seems like such a hassle*".

The availability of an on-line shopping service to the islands appears to have had a mixed impact on island businesses. The butcher feels it has had negligible effect on

trade, whereas the island wholesaler states that it has had a dramatic effect, possibly reducing sales by 20% this year and putting the viability of the business in jeopardy. This perhaps indicates that people use Tesco's on-line service more for ambient store-cupboard items than fresh produce (just as they do in the UK generally), although Tesco also ships both chilled and frozen items to the islands.

Neither of the participants using mainly Co-op and Tesco is averse to buying more island produce; in fact both would welcome it and also understand the potential socio-economic impacts of doing so, but their need for convenience, choice and affordability is greater than their desire to go out of their way purely to obtain it.

There are noticeably differing opinions on the spending power and habits of both the local and visiting population. Some people point out that many islanders are on low incomes; others feel that there is plenty of wealth on the islands. However, whatever their actual spending power, there is general agreement that islanders are reluctant spenders and are cost-conscious.

There seems also to be agreement that people on holiday are much more willing to part with their money, but many islanders are nevertheless concerned that travel costs to the islands are taking a greater proportion of the potential holiday spend of visitors and therefore that businesses need to be realistic about the remaining cost of the holiday and what visitors can afford to spend.

In order to draw all the information that was obtained during the study together and make some assessment of the overall potential in the concept of the Isles of Scilly producing more of its own food, a SWOT analysis has been made and is outlined below. This identifies what the potential strengths, weaknesses, opportunities and threats of the concept might be.

Strengths

- The freshness of local produce cannot be matched by imports, even from Cornwall. Some produce has only metres to travel between the place of production and the place of consumption. This also has a positive 'food miles' impact.
- Demand for island produce from locals and visitors is not satisfied. An increase in both volumes and range is possible.
- The cost of freight is estimated by one business to create an additional 20% cost to his business. Freight is charged @ 35p per kilo, so a simple calculation is that every kilogram of food that does not have to be transported from the mainland saves the island economy 35p. The total weight of the *selected products only*, listed in Table 2, consumed by *staying visitors only*, is 342 tonnes. If all this were to be freighted from the mainland, the cost would be £120,000. Including residents'

- household food, the total cost of freighting these foods to the Isles of Scilly could be in excess of £0.25 million, and *this does not include store cupboard items or drinks*.
- Other benefits to the island economy are clear. If total food and drink spending is in the region of £5 million, every 1% that is spent in island businesses retains up to £50,000 in the local economy. The higher the proportion of inputs each business selling food sources from the islands, the greater the proportion of the spend ultimately retained locally will be. Conversely, every 1% that is spent with Tesco, other mail order suppliers or mainland wholesalers represents a £50,000 loss to the island economy.
 - Buying island-produced food also reduces packaging, creating less waste for disposal, with obvious cost and environmental benefits to the islands. One business expressed an interest in developing a scheme for reusable, returnable containers for food deliveries throughout the islands, which also has the potential to reduce food costs. Another business already operates a refill scheme for milk from Troytown Farm.
 - Close relationships between producers and their customers have the potential to be much more mutually beneficial than distant ones. Businesses can grow together. One business points out that, when purchasing from the mainland, buyers have to rely on their suppliers to 'be their eyes and noses'.
 - Buying from the mainland is not only costly, it can also be time-consuming, especially when it goes wrong, e.g. consignments that miss the boat; damage in transit; paperwork.
 - Increased self sufficiency reduces dependence upon freighted produce and lessens the risk of shortages in the event of bad weather.
 - Since the Isles of Scilly are unlikely ever to be able to produce enough food to satisfy demand entirely, there should be enough market for everyone.
 - There are already some good examples of successful production and buyer/supplier relationships that can be used as development models.

Weaknesses

- The willingness to buy more island produce is always subject to conditions, e.g. on price, quality, reliability, consistency of supply, etc. These conditions vary from buyer to buyer and household to household.
- The cost of local produce is an issue for most trade buyers and apparently also most islanders, although there are some who make local relationships and the quality of the produce a priority over price. This depends very much on the ability to pay. Businesses in niche markets selling premium products at premium prices can afford to pay more for ingredients. For some the issue is based on *perception* rather than reality, and very few consider the wider cost/benefit equation of local buying. Some feel island produce should be cheaper than that which has to be freighted.
- There is currently no method of obtaining island produce with as little effort as it takes to buy from Co-op or, for some, Tesco. The monthly farmers' market is

- said to have deteriorated. As long as a cheaper, more convenient option than buying local produce exists, most people will use it.
- The Isles of Scilly are not a food destination, except perhaps when it comes to fish, especially shellfish. Many people visit for other specific reasons (e.g. rowing, birdwatching) and food is not necessarily a priority or a particular interest to them.
 - Some island businesses are run by people who are out of touch with the markets and lifestyles their customers will be accustomed to. The simplicity and lack of sophistication of the islands is an added attraction for many visitors, but there is a difference between this and providing an outdated service.
 - There are few packaged food products from the islands, but some are presented very poorly (others are presented very well). Presentation adds massively to the perceived value of a product.
 - Not all island businesses are costing freight properly into their sums when comparing island and mainland produce.
 - Production is not, on the whole, streamlined and results in gluts and shortages.
 - Buyers need to be able to guarantee menu items. For events such as weddings, catering decisions are made months in advance. Many island producers are currently unable to operate in this way.
 - Supplier loyalty is sometimes in doubt. Buyers claim that some island suppliers will sell to the highest bidder rather than build useful relationships.
 - Likewise, buyer loyalty is sometimes questioned. Suppliers claim that although most businesses regularly buy most of their supplies from the mainland, they expect the local producers to provide for them – at no premium and at short notice – when they unexpectedly run out or when mainland supplies fail to arrive.
 - The potential for individual businesses to grow to increase output and provide the extra volumes needed cannot be taken as read. Many are lifestyle businesses that do not want to expand; expansion for others is limited by the difficulty of taking on staff, which often means providing accommodation as well as a wage. Others are restricted by land availability.
 - There is also difficulty in actually finding staff. It seems that many workers who go to Scilly are not looking for responsibility and some businesses have been unable to recruit staff willing to take on a managerial role. The strong dependence upon student labour for the high season creates a difficulty in finding staff for the shoulder seasons, i.e. before and after students are available. At the time of the study, some businesses had closed for the season earlier than planned due to staffing shortages. This has implications for any plans to extend food production.
 - The economics of meat production are currently questionable, due to the necessity of sending animals to the mainland for slaughter.

- The variations in seasonal demand make production planning very difficult and the ability to balance local swings in demand by exporting excess during the low season is questionable, due to the cost of freighting produce to the mainland.
- There is no easy 'hook' for collective branding of Isles of Scilly produce at present. What is the message that it can/should convey, and can it apply to all produce?
- Outlets for island produce are diverse and tend to be very casual, e.g. roadside stalls or word of mouth sales. There is no obvious location, particularly where visitors, who will not know about all the casual trading methods, can buy a range of island produce.

Opportunities

- The market for, and marketing of, island produce is currently under-developed.
- The range of Isles of Scilly products is also under-developed.
- The perception of the islands as a beautiful, unspoilt, unpolluted, natural landscape creates a marketing opportunity, particularly on the mainland, for Isles of Scilly foods.
- Very little produce is currently sold to the mainland and this could be developed. Other islands around the UK use their island status as a marketing tool. However, the feasibility of this option should be explored further as the economic benefit of developing markets further afield when distribution costs are rising sharply and the local market is yet to be fully exploited is not clear.
- There is potential to develop partnerships and a much more collaborative approach between suppliers, to reduce gluts and shortages, broaden the range and extend the season for island produce.
- There is similar potential to develop partnerships across the supply chain, between buyers and suppliers, and then with the final consumer. Ways of creating such three-way mutually beneficial models should be explored further.
- Part of this exercise could investigate ways of reaching local households that compete with the convenience and affordability of using Co-op and Tesco. Islanders appear to be reticent about box schemes.
- If prices of mainland food and freight continue to increase as they are expected to, the opportunity for locally produced food to become a more cost-effective option should also increase. This has the potential to broaden the market from its current niche/minority status.
- Increasing island supply has the potential to reduce the need for storage on the islands. Most businesses and homes keep large freezers and food stores. One business estimates its freezer costs to be around £3,000 a year and another business that previously planned to make and stockpile its frozen products during the winter has now decided that this would not be a cost-effective option due to running costs.
- This type of saving, and also the reduction of waste, will become increasingly important as the need to drive efficiencies is imposed on all businesses by

- increasing energy costs and an economic downturn that limits the ability to raise prices.
- The creation of a complete infrastructure for food production on the islands, such as the provision of an abattoir (a smokehouse was also mentioned), would also contribute to efficiency.
 - Processing facilities also offer the potential for creating a wider diversity of local foods. Although chefs are not generally interested in highly processed foods, many would welcome, alongside the availability of a wider range of fresh meats, products such as bacon and Parma ham. One chef also pointed out the potential to use bones for stock.
 - One business currently uses locally grown vegetables that do not make the grade for the local farm-gate stall to produce soups and quiches, etc. for sale in their café. This concept has the potential to be extended to other foods, e.g. making use of lower value cuts of meat, and to the production of products for retail sale as well as for foodservice outlets.

Threats

- The study found an air of caution amongst businesses on the Isles of Scilly, with a recession looming and a poor summer behind them. One interviewee feels, *“If people think this year us tough, next year will be brutal”*. Several businesses are either on the market or considering the viability of their future. A number of others are reviewing their buying policies, making cost savings wherever possible, whether this means actually paying less for produce or consolidating suppliers. In this climate, few will pay more for a product simply because it has come from the islands, if they can obtain equivalent (or even better) quality, service and reliability from the mainland.
- The accommodation providers appear to be finding the current climate harder than retailers or restaurants, although there are signs of difficulty in all sectors. Many accommodation providers will have been hit by the rapid increases in food prices that have occurred since they set their prices for this year. Interestingly, businesses at the top end of the market, where overheads are high, appear to be experiencing the most difficulty and are the most cost-conscious. These are the businesses that once would have been the target market for locally produced, premium produce, but whose interest cannot now be guaranteed.
- Some businesses are concerned that buying more island produce risks compromising their relationships with their mainland suppliers, which are currently good. Some of the wholesalers have dedicated Isles of Scilly account managers who understand the idiosyncrasies of doing business with an offshore destination. One business wonders whether a mainland supplier *“will no longer go out of their way to put a box of something on the helicopter for us when we need it urgently”*.

- At the same time, businesses universally feel that they need assurance that island produce will be of *consistently* high quality before committing to it and taking this risk of losing their relationship with their existing supplier. This is of particular importance in the case of meat, one of the most expensive elements on the plate and the quality of which, along with the quality of fish, is paramount to diners. Many feel that any investment in an abattoir needs to be accompanied by work that ensures the standard of breeding, rearing, finishing, slaughter and butchery.
- There is concern that a reduction in business with mainland suppliers also risks losing bargaining power. There are similar concerns that the extension of local food markets could create monopolies for island suppliers, which could also reduce the bargaining power of buyers.
- Limiting choice to island produce is also felt to pose the risk of a lack of differentiation on menus. How does a business that charges high prices convince customers that they are getting something better than a less expensive business is selling, when they are using the same ingredients?
- Dependence on island food resources also risks a loss of continuity in the event of disease outbreak or crop failure, etc. Few businesses would therefore be prepared to put all their eggs on one basket and rely on island suppliers only.
- Personalities play a big part in island life and family connections are important too. People either do or do not do business with one another on the basis of personal relationships as much as for economic reasons. This presents the potential for personal clashes to get in the way of effective development.
- If local products attract a premium and a big marketing push, there is a danger of misrepresentation taking place, where non-local produce is passed off as local and undermines the true value of the local product. This increases as more processing takes place and the boundaries between local and non-local become blurred. For example, although no-one could/should argue that a product defined as an 'Isles of Scilly steak' should be from a Scilly-reared animal, an 'Isles of Scilly steak pie' might reasonably and legally be made on the islands from imported steak. It is also known that the consumer is less likely to question the origin of processed products as much as fresh primary products.
- Many existing food producers are older people and there is concern that the people with skills to replace them do not exist. Crab pickers are becoming fewer and many of the vegetable growers are in their sixties and older. The proportional lack of young adults on the islands exacerbates this.

Conclusions

- Development of the Isles of Scilly food production industry needs to emphasise and create things that are unique about the islands, island foods and island life to produce unique selling points that the market can identify with and in which they can see some benefit. This may involve some experimentation with

- production. For example, is there a special feature of the islands that creates products with a distinct flavour or other characteristic?
- A staged approach to development, concentrating first on the untapped potential for on-island sales before extending into mainland sales would seem sensible. If mainland sales are to be developed, the value: weight ratio needs to be assessed carefully to ensure that freight costs are realistic. High value: low weight products have the greatest potential, although shelf life, fragility, the need for temperature controlled storage, etc also play a part.
 - It needs to be accepted that island produce is unlikely ever to provide fully for the islands' food needs and will always therefore have to compete with freighted produce. A full investigation of the cost of production should be able to identify where island produce should sit in the market place (i.e. what its price point needs to be) and where targeting therefore needs to occur.
 - If the price point of local production is very much higher than standard prices, the market will be severely limited.
 - Partnership, collaboration, mutual understanding and mutual benefit are the features of the existing successful models of island food production and sales, which are worthy of deeper investigation to assess their potential for wider replication throughout the islands.
 - Those relationships tend to be business-to-business relationships rather than business-to-consumer relationships. There is great scope therefore to develop the interface between island producers and consumers.
 - Low input production methods are likely to be more economically viable than those that rely on freighted (i.e. costly) inputs from the mainland. As freight is charged by weight, low weight inputs are also preferable. Compare, for example, the input costs of vegetable production, i.e. seeds, with pork production, i.e. 25 kg bags of concentrated feed. This is over-simplistic of course, but intended to be merely illustrative.
 - Low input production methods may also provide a marketing angle for island produce.
 - Overall, there is unquestionable market demand for more island produce, but meeting that demand in ways that are satisfactory and sustainable for both supplier and buyer is more difficult. Achieving the right price/quality/benefit equation is vital. Development work that helps overcome the barriers therefore needs to go hand in hand with developing any marketing scheme as such.

Action Points

- Establish an islands food development group “Food from Scilly” with an employee to develop and raise the profile of island produce.
- Stimulate and co-ordinate produce growing to meet marked demand. Make producers aware of standards and market place.
- Develop a Scilly food festival with help and support from the Truro Food Festival.
- Establish links with the West Cornwall Farmers Market Co-ordinator.
- Secure a working relationship with Mad about Food, to promote Scilly produce on the mainland.
- Produce and distribute a simple branding tools kit for food from Scilly.
- Promotional and marketing budget for island produce
- Build an added value food and produce processing unit equipped for a wide range of small batch processing, see appendix 9 .

References

Cornwall County Council: *Isles of Scilly Parish Population Statistics 2001* from www.cornwall.gov.uk

Council of the Isles of Scilly *Provisional Visitor Numbers Report to Tourist Board 09.09.08* and *Isles of Scilly Tourism Survey 2007* from Isles of Scilly Tourist Information Centre

Defra: *Family Food in 2006* published by National Statistics, from www.defra.gov.uk

National Statistics: *Neighbourhood Statistics Tables* from www.statistics.org.uk

South West Tourism for Visit Cornwall *Cornwall Visitor Survey 06/07* from www.visitcornwall.com

South West Tourism *The Value of Tourism 2006 South West Region* from www.swtourism.co.uk

STUDY 3

Review of costs and literature for Isles of Scilly Abattoir and Meat Processing Facility

Introduction

A review of the work undertaken to date (Promar International report August 2007 and ADAS Business plan Oct 2006) which should lead to up to date figures for the capital build and ongoing running costs. The base line figures in Section 1 should give an accurate figure for stock capability and figures for the abattoir throughput, and work from Section 2 will give the potential for adding value and marketing the end product. The branding of Isles of Scilly meat along the lines of similar schemes such as Orkney Gold could be a potential way ahead. Account should be taken of the socio-economic outputs of any increase in livestock husbandry and meat production on the islands i.e. sustainable grazing, animal welfare, reduction in food miles and improvements in soil quality.

Derogations from DEFRA in respect of the abattoir and the regulatory framework are a key output of this study, and a revised detailed plan of the abattoir incorporating the building, its surroundings and the building's internal layout and equipment should be submitted along side the final report, together with new planning and building regulations consents as appropriate from the Isles of Scilly council.

This piece of work fell into a number of distinct phases, A comprehensive review of both reports was undertaken and is attached in **appendix 5**. Using Penwith District Council

procurement procedures J R Regans Ltd were instructed to undertake a technical review of the project this investigation undertook to come up with time critical costs for the abattoir as planned to start construction in the Autumn 2010. The facility was costed out at £240,000 the full plans summary and fit out costs are attached in appendix 6.

National Review of small and island abattoirs

We undertook both a paper review of legislation and abattoir development in the UK, in total 24 sites were reviewed. Of these two have been investigated in more depth to establish the costs and viability. The Dunlosset Estates Abattoir on Islay and V.Olds new facility in St Just.

The Islay abattoir is newly built and now open for business with a full threew put potential of 25 units a day. The facility cost £867,000 to build. The full plans, specification, licences and detailed time plans are all available in a box file.

The abattoir upgrade in St Just has been recommended by both the Meat Hygiene Inspectorate and the Food Standards Agency Veterinary Service.

Recommendations

A not for profit Community Interest Company is established to build and manage the abattoir project. The cost benefit analysis does not meet the prescribed standards for a business investment, however the location passes an assessment of needs test for the viability of farming and landscape management on the islands.

BUSINESS SUPPORT IN THE UK

In shaping our evaluation and developing recommendations for the future we have moderated the operation of the scheme against best practice in the provision of business support. We have developed our approach drawing on a recent contribution from Professor Andrew Atherton on world class business support to the East Midlands Regional Assembly Review of the Impact of East Midlands Development Agency on Business Support.

The UK has a long history of providing financial and non financial services to businesses. Notwithstanding this there is no clearly established best principle for intervention. This is partially because of the highly varied nature of the SME sector. Local variations in the capacity of advice networks and the operating environments of SMEs also have an effect.

Following the Lisbon Treaty, which is about generating economic competitiveness, there has been increasing interest in the rationale for state intervention to support businesses. This has focused on intervening where market failure exists. Market failure manifests itself in 2 principle ways, lack of accessible information about the services available to SMEs and lack of resources to use costly specialist support services. The market failure argument is sometimes challenged because it seeks to act in a way which is “superior” to the market when some would argue the market will ultimately adjust to exploit all interventions including those set up to manage it. An alternative is market engineering which seeks to work with the grain of the market to change the incentives and returns available to businesses through intervention.

An alternative rationale for intervention is to tackle economic and political problems, for example encouraging SMEs for socio-economic reasons such as addressing unemployment. A number of commentators see the transition from corporate to individualistic forms of cooperation and employment through SMEs as a move to a more entrepreneurial and dynamic economy. This supports the notion of a structural value linked to intervention.

Some practical principles of business support have been identified by Atherton, A (2008). The “3As” approach involves considering: appropriateness, accessibility and availability as related and sequential principles for business support. Appropriateness is developed by market testing products to validate them. Accessibility involves determining the most appropriate way to target and achieve take up of the service. Availability relates to the scale of what is offered – this is normally based on a Return on Public Investment basis. Parallel to the 3As is the criteria for the establishment of business support networks based on the “3Cs”: coherence, consistency and continuity. Coherence involves an effective portfolio of products, a clear market position for the organisation providing them and a competent approach to their provision. These

services should be capable of being delivered in a common way irrespective of a specific provider or client, establishing the principle of consistency and should be available regularly over time establishing the principle of continuity.

One constant theme in business support is the split between advice and financial help. For many SMEs this is a false distinction – many seek all forms of support in an undifferentiated way. There is a bottom up versus top down debate in terms of business support. Start Up support is a traditional bottom up activity, however where it involves high scale ambitious start ups it could be characterised as top down. Top down approaches are based on: coherent approaches which transcend local circumstances, high cost, specialist intervention which only has enough critical mass of demand at the regional level.

Public sector provision needs to be shaped to recognise the impact previous public interventions have often had in “crowding out” private provision. To address this it should always be provided at levels which address the minimum response needed to stimulate action.

Research has identified 5 types of approaches to segmenting the market for business support: personal characteristics of the individual being targeted, characteristics of the business, activities undertaken by the business, problem based needs, policy priorities. The challenge of developing a good intervention strategy is to avoid complexity.

There is a significant body of work which suggests that the transfer of best practice in terms of business support is crucial and that those organisations providing it should have demonstrated capacity for learning and innovation.

Business Link has been the principle brand for business support in England. It began with a drive to simplify information on support. This process of consolidation has developed from provision of personal business advice to the development of brokerage with a focus on finding a way through the market of support for individual businesses. In parallel with the evolution of Business Link the skills provision picture has changed significantly away from locally brokered skills support through TECs to a more strategic approach to the contracting of training by LSCs. The juxtaposition of a local focus on business support and a strategic approach to skills provision and the oscillation between these two rationales in the linked world of skills and enterprise in the last decade has had a significant impact on the focus and effectiveness of business support. Current thinking is moving back, with the Leitch Review, to the idea of linking support for skills and enterprise. This has surfaced in a recent McKinsey report for Government on productivity, the formation of the Council for Excellence in Management and Leadership and the UK Commission for Employability and Skills. The evolution of Sector Skills Councils is also important in this context.

A number of key products are ongoing themes in business support including: provision of funding for SMEs with an equity financing gap below £250K, the development of structural approaches to the establishment of business start up emanating from the 1980s development of Enterprise Agencies.

The history of English business support over the last decade is of consolidation and institutional development on a Government led basis. This has created a perception of inconsistency and confusion amongst SMEs. The irony is that this confusion has actually arisen from adjustments to systems and processes arising from Government learning in terms of the outcomes of business support. There is however a broad consensus that business support is a worthwhile means of addressing productivity challenges.

There are a number of challenges to ensuring effective business support in future: market stimulation, greater focus on communicating the benefits of business support to SMEs, greater focus on facilitating the development of private sector business support measures, greater clarity between market making and investing directly in outcomes, encouraging the publicly funded providers of business support to become more entrepreneurial in their approaches.

In moderating the views and outcomes from this research we have paid careful regard to where it stands in terms of the “3As”: appropriateness, accessibility and availability and the “3Cs”: coherence, consistency and continuity.

APPENDICES

APPENDIX 1 – The Farming Footprint in the UK

The aim of this section is to introduce the farm sector and how it has evolved at the national level.

Farming Footprint

Over the past fifty years there have been significant changes in agriculture. Food shortages during and after the Second World War prompted the UK government to encourage domestic food production in order to reduce dependence on imports. Although the area of arable land has not changed significantly, the way in which it has been farmed has. According to DEFRA (2005), UK farming contributes £6.6 billion a year to the UK economy, uses around three quarters of the country's land area, and employs over half a million people.

As farming became more production-orientated in the 1960's the number of farm holdings decreased as farms merged and the number of larger farms increased. In 1950 the total number of farm holdings in England was 317,640. By 1970 this number had reduced to 197,224 and numbers continued to decline, to just 146,112 in 1995. The production efficiencies by improved machinery could only be achieved through economies of scale, and as a consequence the number of larger farms increased. In 1950 there were only 12,362 holdings in England over 120 Hectares. By 1970 this had increased to 18,903, and in 2005 there were 26,788 holdings over 100 Hectares.

Correspondingly, the number of smaller farms has decreased. In 1950 there were approximately 130,000 farms smaller than 6 Hectares and in 1970 this figure had reduced to 52,212. By 1995 the number of farms smaller than 5 Hectares had decreased to 29,728. However, in the last ten years this number has increased again, to 82,366 farms smaller than 5 Hectares.

Livestock numbers increased in the decades after the Second World War and more intensive methods meant that fewer animals were kept outdoors. The area of grazing land decreased accordingly. In 2005 there was 41% less rough grazing land than in 1950 (DEFRA 2005).

The types of crops grown have also changed. For example, the area of land used to grow potatoes has declined, from 329,540 Ha in 1950, down to 102,407 Ha in 2005. The land used for both wheat and barley has increased, from 950,705 Ha and 643,839 Ha in 1950 to 1,748,414 Ha and 5,955,272 Ha, in 2005 respectively. The amount of oilseed rape has also increased. Originally a fodder crop, in 1950 there were only 20,856 Ha, by 2005, 479,954 Ha were grown in England and it is now extensively used as bio fuel.

Productivity

After the end of the Second World War, farmers were encouraged to become 'production orientated' and maximise food production. An agricultural expansion plan aimed to raise output from agriculture by 60% over pre-war levels. Compared to 1950, per hectare yields of wheat, barley, potatoes and sugar have tripled, while milk yields per cow have doubled.

Between 1946 and 1994, wheat yields grew at 2.3% per annum and milk yields by 1.8%. The productivity of all factors involved in production in the past two decades has grown on average by about 1.5%.

Since 1973 the productivity of the agriculture industry in the UK has increased by 48%. The volume of final output has increased by 22% while the volume of all inputs has fallen by 18%. Increases in labour productivity have been the major driver in the growth in productivity.

Employment

The number of people working in agriculture has consistently been in decline for the past fifty years, mainly due to increased mechanisation. In 1950 there were 687,717 farmers and farm workers in England and Wales, by 2001 there were approximately 430,000, by 2005 364,891. The pace of the loss of farmers and farm workers has accelerated since the early 90s, with nearly 65,000 farmers and farm workers leaving farming between 1990 and 2002. Currently around 1.9% of the UK working population are involved in agriculture.

Contribution

At the start of the Second World War, Britain imported almost 70% of its food. UK agriculture now provides almost three quarters of indigenous food and around 60% of all food consumed in the UK.

The Gross Value Added (GVA) of farming is equivalent to approximately 0.5% of the GVA of the country as a whole. However the Agri-food sector as a whole is much more significant, producing £76 billion or 8.6% of the national GVA in 2004. (Spedding 2006)

Structural Changes

Selling, stock for example, through live auction markets was still dominant in the 1960s and over 800 markets operated in the UK, but by March 2001 only 170 remained. Supermarkets became more prominent in the 1960s aided initially by the abolition of retail price maintenance and increasing post-war affluence and consumption and more recently by changing lifestyles. In 1960 small independent retailers had a 60% share of the food retail market but by 2000 this share was reduced to 6%. Four supermarkets currently control 75% of UK food retailing.

Income

In 1950 a UK farmer could earn a living owning 15 cows, now, in real terms to earn the same living, the farmer needs to own 120 cows. In the short term, financial pressure on farms is the result of a combination of events which have led to the very steep decline in farm incomes since 1996. It appears that farm incomes in the UK are now as low as at any time in the last thirty years. Incomes have fallen by 60% since 1995 (after doubling between 1990 and 1995) – partly influenced by the high sterling exchange rate and weak world markets in a range of commodities (DEFRA 2005).

It appears that food production in the UK and globally is increasingly controlled by a small number of multinational corporations. The food system can be described as an hourglass, with thousands of farmers selling their produce to millions of consumers *via* a small number of corporate food processors and retailers.

Overall, nearly half of farms covered by the latest Farm Business Survey (DEFRA 2005) had a net farm income of less than £10,000 in 2004/5 and a substantial proportion have negative income.

Major trends and developments and the social context of agriculture

The environment of the farm business is changing increasingly fast, according to the interview results. The business environment is becoming increasingly complicated. The major trends described in the literature review McElwee (2006) are:

- Globalisation of the market and the enlargement of the EU;
- CAP-reform, including the decrease of market regulation measures and price subsidies;
- Changing consumer demands, as seen in a stronger demand for food safety and product quality and a changing food consumption pattern;
- Changes in the supply chain: scale increase of retailers and supermarkets and a growing demand for quality control and quality assurance;
- Changing environment and growing pressure on the rural area;
- Growing demand for non-agricultural functions and services;
- Climate changes; and,
- Increasing energy prices.

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

Cost price reduction strategy

Farms continue to grow in size: further mechanisation and automation and production levels are still increasing. Price competition in the (surplus) market requires a cost reduction strategy to stay competitive with other producers. Scale increase is the main

strategy adopted by farmers; although this strategy is also followed in order to meet the demands of supermarkets and retailers for a continuous and large supply.

Added-value strategy

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

Diversification

A diversification strategy is apparent when farmers combine other agricultural or non-agricultural activities with their farm business. The growing demand for non-agricultural functions and services and the production of public goods e.g. nature conservation, is the main drive behind this development. Tourism can be an opportunity for some farmers to diversify their business as is the conservation of the landscape and the management of environmental characteristics.

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

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

APPENDIX 2 - Farmers Interviewed

St. Mary's

Alison Guy – Longstone Farm
Mike Brown – Rosemary Cottage
Arthur Swift – Mount Todden
Keith Hale – Tremelethen
Antoinette Hicks – Maypole
Noel Jenkins – Carn Friars
Robin Mawer – Porthloo
Sue Mumford – Newford Farm
Billy Sherris – Content Farm
F Roberts – Broomfields, Church Road
Mike Sherris – Bristow
Ben Edwards – Rocky Hill
Andrew May – Seaways
Penny Rogers – Lunnon
Graham Mumford – Salla-Kee
Gordon Bird – Pelistry
Paul Watts – Parting Carn
Terry Bennett – Borough
Trenoweth Horticultural Centre
Francis Hosken – Trenoweth
Jon May – Peninnis
Tracey Guy – High Lanes
Ms SJ Burtonshaw – 6 Garrison Lane
IOS Wildlife Trust

Tresco

Bruce Christopher – Boro Farm
RW Oyler – Borough Farm
Tresco Estate Farm

Bryher

Paul Jenkins – Hillside
GKW Taylor – Veronica Farm

St. Agnes

Tim Hicks – Troy Town Farm
Adrian Pearce – Atlantic Cottage
Mike Hicks – Westward

Johann Hicks – Tamarisk
Fran Hicks – The Lighthouse
Rick Legg – Annet Farm
Peter Smith – Downs Farm

St. Martin's

Dee Williams – Middletown Farm
Keith Low – Evergreen Cottage
Perkins and Thomas – St Martin's Vineyard
Ben Julian – Churchtown Farm
James Morton – Little Arthur Farm
KVO Goddard – Hill Drop
Terry Perkins – Connemara
Steve Walder – Carron Farm
CT Binding – North Farm
Colin Daly – Breakaway
Chris Savill – Middle Town
Viv Jackson – Sandy Lane Farm
Tobin-Dougan – Ganilly
RG Morton – Little Arthur Farm
Mr D Williams – Hilldrop

Jonathon Smith - Sandy Lane Farm

APPENDIX 3 - Contacts List - Membership Project Group

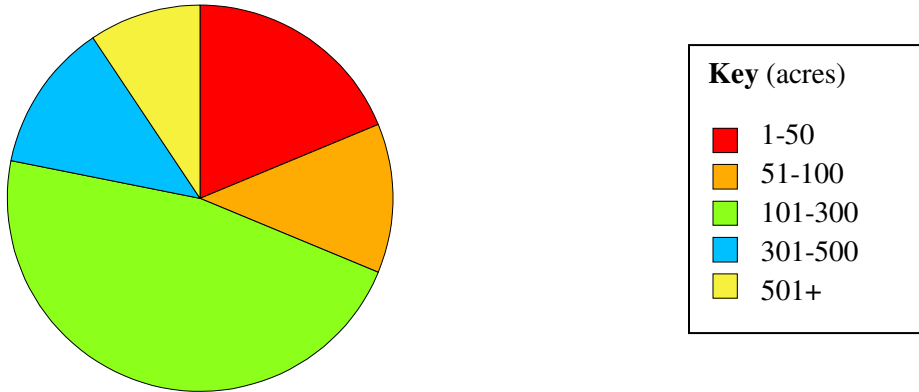
Name	Address	email	Role	Project Remit
Chris Gregory	Land Steward Isles of Scilly Duchy of Cornwall St Mary's, TR21 0LS Tel: 01720 422508	CGregory@duchyofcornwall.gov.uk	Land Steward	Project Group member
Rob Poole	Penwith District Council St Clare Penzance Cornwall Tr19 6HT 01736 336757	Robert.poole@penwith.gov.uk	Rural Economy	Project report lead, project practitioner
John Forster Note now Edward Richards	Penwith Farm Business Centre Unit 7 Penzance Business Centre Longrock Penzance TR918 3QN 01736 352012	john@farmcornwall.co.uk Edward@farmcornwall.co.uk	Farm Adviser	Project practitioner
Andrew May	Mainland Marketing St Marys Isles of Scilly TR1 ONEM E		Mainland Marketing	Project Manager – Specific Project for Agriculture on Scilly
Jess Vian	Mainland Marketing 01720 422223	jess@mainlandmarketing.co.uk	Mainland Marketing Administrator	Support
Keith Hale	Mainland Marketing St Marys Isles of Scilly TR1 ONEM		Mainland Marketing	Project Manager – Specific Project for Agriculture on Scilly
David Rodda	Cornwall Agriculture	David.rodde@cornwallent		Project

	and Food Council 01209 616094	erprise.co.uk		Group Member
Aisling Hick	Strategic Development Officer Council of the Isles of Scilly 01720 424312	AHick@scilly.gov.uk	Council Isles of Scilly	Project Group Member
Amanda Pender	Economic Development Assistant Council of the Isles of Scilly 01720 424353	apender@scilly.gov.uk	Council Isles of Scilly	Project Group Member
AONB Officer	TBC	TBC	TBC	TBC
David Mawer	IOS Wildlife Trust Carn Thomas St Marys Isles of Scilly Tr21 OPT 01720 422153	davidmawer@ioswildlifetrust.org.uk	farmer	Project Group Member

APPENDIX 10 - Penwith Farm Business Centre survey results from users

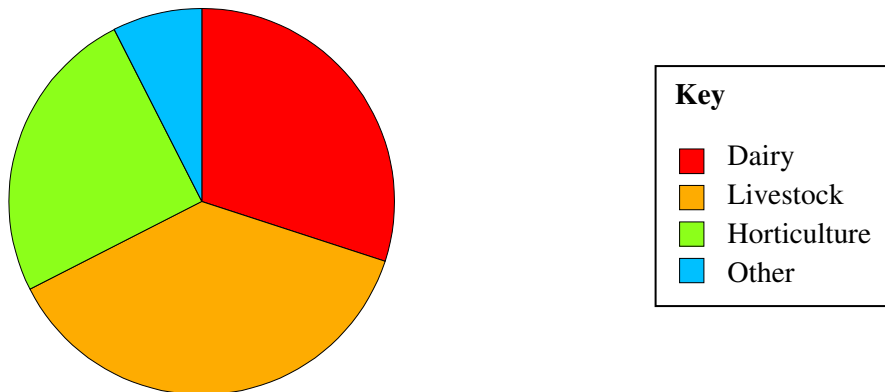
70% of the farms were 300 acres or less and only 10% were over 500 acres

Farm Size



The majority of farms were engaged in dairy and livestock and a significant proportion (25%) were involved in horticulture. Few were involved in cereals

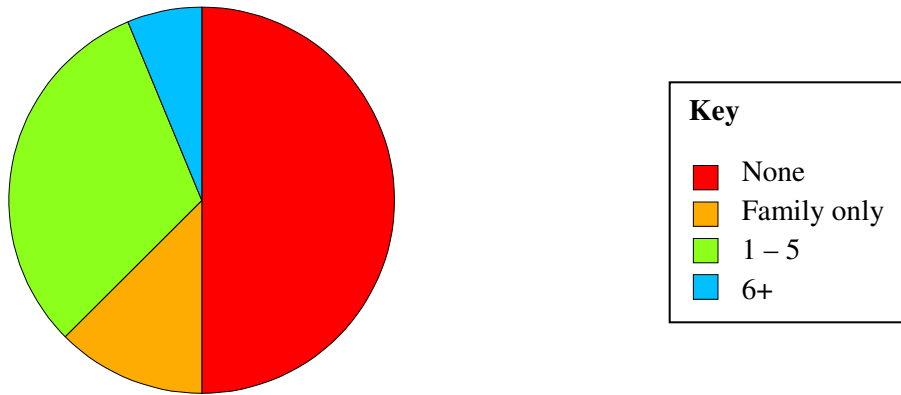
Principal Farming Activity



Almost half of the respondents were also engaged in non farm related activities

Two thirds of the farms only employed family members

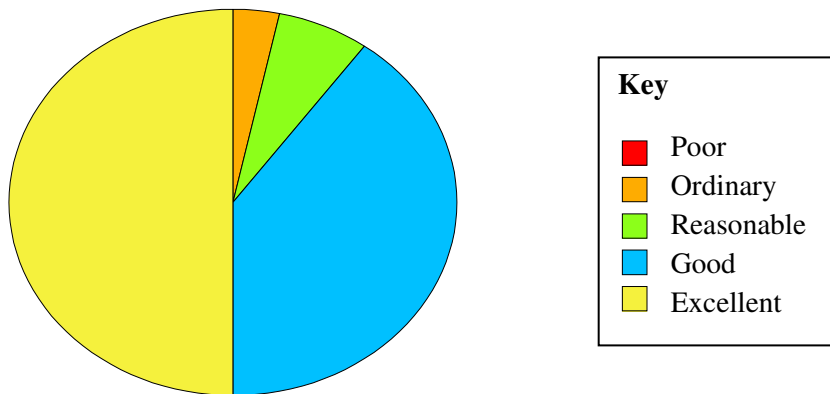
Number of Employees



The respondents were asked about the extent of their involvement with Farm Cornwall and eight supplementary areas were explored with the respondents.

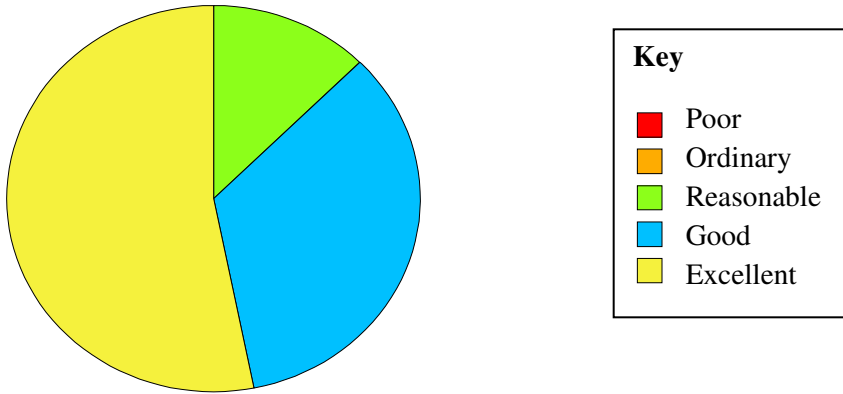
Business advice on a one to one basis

90% of respondents found the business advice they received to be good or excellent. This is an exceptionally level of satisfaction.



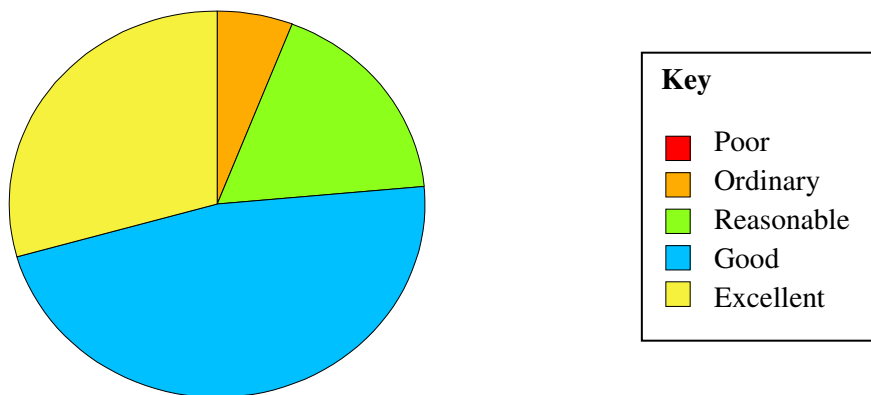
Provided with information

87% of respondents found the information they were provided with by the centre to be good or excellent. No respondents found it ordinary or poor.



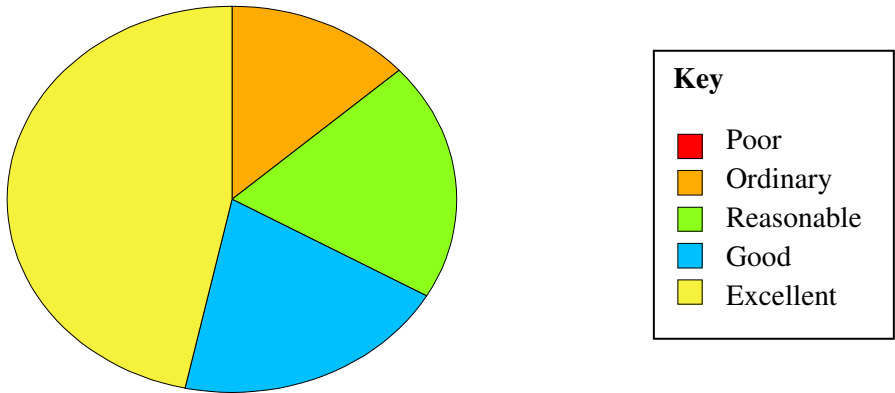
Referred to third party for help

Only 17 or just over 50% of the respondents had been referred on 77% found the referral to be good or excellent however 18% found the quality of the referral only reasonable and 6% ordinary. These are still significant and high levels of satisfaction .



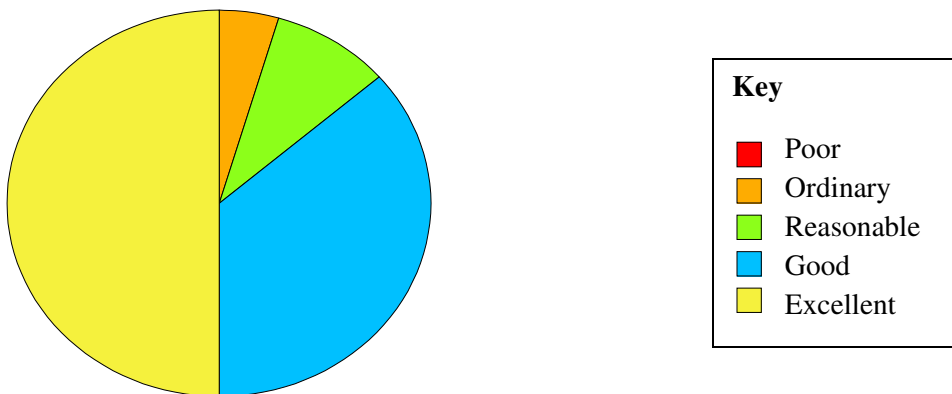
Supporting in applying for grant funding

50% of the sample had received support in applying for grant funding and 10 (66%) found the service either good (3) or excellent (7). These are again high levels of satisfaction



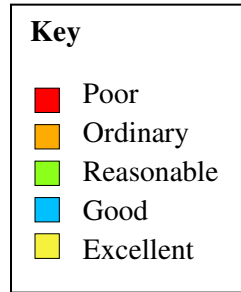
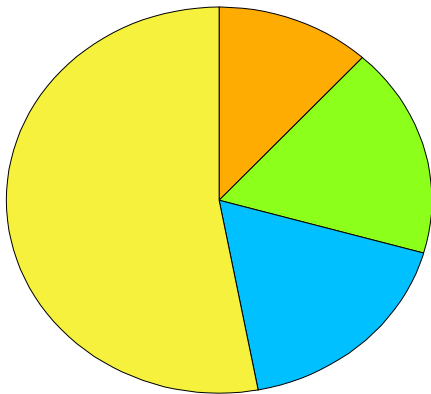
Training support

Two thirds of the respondents had received training support. 86% found it to be good or excellent with only 1 respondent describing it as ordinary



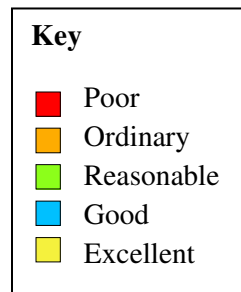
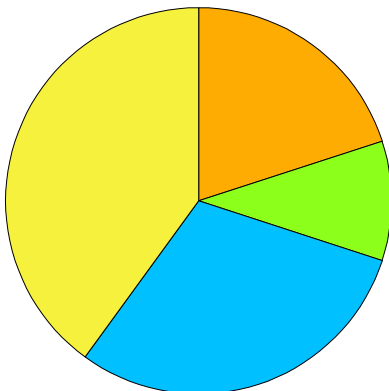
Networking and supply chain support

17 of the respondents had received support relating to networking and supply chain issues and of these 12 described the support received as good or excellent. Only 2 of the recipients of this support described it as ordinary and none as poor.



Family and social support

10 respondents had received family and social support and 7 of these described it as good or excellent. Only 2 described it as less than reasonable.



Summary

Overall these responses show a very significant level of satisfaction across the board for the work of the centre. Not one rating of poor was given and all those interviewed confirmed that they would use the centre again and refer it to others. As this was a 100% sample of beneficiaries and therefore there was scope for disaffected or unhappy beneficiaries to respond as well as those with higher levels of satisfaction the results are particularly impressive.

Digging a little deeper into the results the areas with the most modest levels of satisfaction were around referral to a third party and support for grant funding. In both cases however well over 50% of respondents rated the support they had highly. These figures do suggest perhaps that there is some merit however in considering the relationship of the centre with other providers of funding and support for land based businesses and particularly looking forward the evolution of its relationship with the new Rural Enterprise Gateway.

Telephone Interview results

We have undertaken a telephone survey of 30 client farmers, chosen to represent a cross-section of the range of Advisory situations encountered by the service, using a semi-structured questionnaire agreed in advance with the project officer.

What is clear is that the responses to all of the questions illustrate the overwhelming support received for the services provided by Farm Cornwall. Most of the responses have been left intact as they provide rich data.

Telephone Survey Responses

The respondents were asked 11 questions

1. Please describe the nature of your involvement with the Penwith Farm Business Advice Centre
2. Can you run through in some detail the help they gave you?
3. What specific things did you achieve with their help?
4. What were the strengths and weaknesses of the support you received?
5. Are there any ways that the service could be improved in the future?
6. What are the greatest pressures facing your businesses in the short term and in the long term?
7. If the centre were to operate across a wider area (rather than just Penwith) how do you think it would have to change?
8. What do you think the impact of closing the centre would be?
9. Where else would you have gone to for support if the Centre did not exist?

10. How do you think the current funding and employment of John and the team at Penwith Farm Business Advice Centre works?
11. Are there any other views/comments you would like me to note?

Please describe the nature of your involvement with the Penwith Farm Business Advice Centre

Respondents set out the details of their engagement with the centre as follows. Their interactions reveal a very wide range of personal advice and support:

Contacted the Centre 10 months ago needing information on the Single Farm Payment – a number of beneficiaries had sought help with Single Farm Payment issues

Initial contact was for the Centre to help carry out an appraisal of the farm as a whole, looking at where improvements could be made and efficiency increased

Family were seeking planning permission to build a second house on the farm, for the farmer's son who's taken over most of the work on the farm. They were confronted with a "confusing minefield" of information, plus told that they were very unlikely to get permission. They contacted the Centre for help and advice

Mr Clarke has worked with John Forster since 2001 in his capacity as co-coordinator of the Farm Crisis Network. They have had a variety of engagements, ranging from sourcing land to grant applications, to H&S issues

A number of beneficiaries cited advice and training as their reasons for contacting the centre

John Forster helped them apply for their county holding as part of Fresh Start

They have sought advice in the setting up of their farm shop and helped John with demonstrating a cattle crush on their farm.

Farm is a small holding with a nursery attached which has not been worked, and with no land management for years. John has been working with the respondent over the last 18 months, providing technical and general advice about bringing the land back in to use.

About 2 years ago looked at expanding the farm, at moving away from selling unpasteurised milk to "Milk Link", with plans to put in their own dairy to pasteurise their own milk and to sell direct to the 'milk man'

About 5 years ago the respondent decided that he wanted to take back the farm, which was being sub-let at that time. John Forster provided Andrew with the advice and support to do this

Has used it for all sorts of things; he says that he treats it a bit like a Drs Surgery. They are very switched on and can point you in the direction in which you need to go”

Can you run through in some detail the help they gave you?

Respondents revealed a wide range of support sourced from the Farm Business Adviser along with significant levels of satisfaction with the support they received:

“Got the total package. John provided all the relevant forms, explained them, helped fill them in, helped draw up maps, and sent them off. Wouldn’t have had a clue without John”

The farm now concentrates on the production of beef. The support received from the Centre has been ongoing advice and guidance on a whole range of things More specifically, John has arranged joint visits to other beef producing units and markets to see how they work and to bring back new ideas, has organised computer training for them, and in the early days, arranged for them to have an energy assessment which introduced a number of economies, which saved money (couldn’t say exactly what off the top of her head).

John worked with the family to make sure that all avenues had been explored, although permission was still refused. John then came up with the idea of converting one of the barns into a house, and worked with the family to get all the relevant information. In addition, the Centre organised putting the son through his test for driving/transporting cattle, and both the respondent and his son have been invited to, and have attended, forums and seminars at the Centre

The Centre put the farm in touch with Dairy Collect, which provided them with a 40% grant to have a new bulk tank installed. The Centre have also accessed funding and purchased a cattle crush (which would cost a farm £11k to buy) that local farms can hire out, which has made a big difference in terms of sharing the cost – working out a lot cheaper for everyone

The respondent is currently working with John on an ongoing issue with local traffic regulation people re. using minibuses to move staff around. John is talking to the licensing people, the local police and local government office on the farm’s behalf to try and resolve the issue. John is also supporting them with 2 planning applications, writing to the planning office, again on the farm’s behalf. The respondent also mentioned a number of training sessions and groups attended at the Centre, including a

session on the Single Farm Payment, and attending the Growers group that the Centre have set up and have secured some funding for

They have helped him plan for the future 12 months. He has also sought help with the Single Farm Payment, cattle movement licenses and planners. They have also “walked” the farm with him

He needed advice on the nitrate vulnerable zones and slurry storage capacities

The respondent initially had an interview with John Forster, who then assisted them in their application for their holding. He sorted out the consultancy (which was part of the agreement) and helped them with all the paperwork etc. The respondent’s wife attended a Farm Business course at the centre

Good advice on cattle movement testing centre, upgrades of footpaths, possible caravan park

Because of the nature of the land, some of it being on heath land and therefore under particular environmental regulations, specific guidance was needed on the usability of the land, what livestock could be introduced, and what grants were available. John still continues to provide ongoing technical support when needed

Detailed, personal support and guidance on what we needed to do, plus John brought ‘experts’ in to talk to groups of farmers at the centre. Invites sent out through the Newsletter that comes out every couple of months

The Centre helped the Farm access European money to carry out a feasibility study on the planned expansion.

John advised on ways around the new requirements, confirmed exactly what they did – and didn’t – mean for the farm, clearing up any grey areas on new rules and regulations. Researched what the respondent would never have had the time to research. More specifically, areas that they were told they could no longer work on (based on DEFRA’s definition of hedgerows) John dug and found that this wasn’t strictly the case, allowing the farm to retain work that they had expected would be lost

They have received a lot of help with the RPA forms. Their mistakes have been corrected and they have received advice on adjustments to field positions, and what crops to grow where

Mainly, help with trying to get the farm to run at a profit. She has also received help with ideas on what to grow in her polytunnel. They have also given genetic advice on the import of Australian semen

They have advised on the setting up of a new milking parlour and a farm implement drive

DEFRA helplines

Business Link

ADAS

The Duchy College for training?

consultants, but they would be costly.

The centre is useful for bouncing ideas off and networking

The Farm Categorisation

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

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

“A&B farmers – these have engaged quickly – there is a perception that these farmers have motored through and beyond what a Farm Business Adviser can offer.”

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

“It is the tenant farmers who have the largest challenges as they have no assets – Farm Cornwall is an organisation which can be very effective in delivering help to groups – there is an economic recession on the horizon – times are difficult with commodity prices and staples.”

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