

Charlotte Smith and her panel of experts were on fine form at the South of England Farming Conference at Ardingly on November 13.

One of the strong early memories of my working career was attending this conference with Tim Calcutt. It has been a regular diary fixture ever since and it is matter of great pride that CLM is now one of the sponsors.

This year's catchy title – 'From Uncertainty to Opportunity' – touched on a timeless issue. Over the past twenty five years, farming and the rural economy have been facing varying degrees of uncertainty and looking for opportunities. Uncertainty is a constant, as is change. The opportunities are the moving targets, the glimpse of light at the end of the tunnel or indeed the view across the hedge.

The obvious question is, of course, 'the opportunity to do what'? Retire? Expand? Contract? Rationalise? Diversify? At times, it might even feel like running and hiding is the best option!

One of the speakers, Owen Piper, defined diversification as diversity. Within his own farming business, there are nine enterprises. One objective has been to reduce reliance on direct support and, over ten years, they have done that by 50%. There's more to do, but admirable progress indeed. Viticulture has become an integral part and, as farmers of grapes, they're playing to their strengths, with others making the wine.

Julian Marks, managing director of Barfoots, demonstrated a fascinating global perspective and thinking to match. A large multinational business, they strive to find opportunities to become leaner, nimbler and more innovative.

They're constantly adapting a global food-producing business selling into multiples, where one of the Key Performance Indicators is to lengthen TBD – Time Between Disasters. This is vital, given there is a catastrophic weather event somewhere in the world every day affecting growers and supply chains. In other words, SH1T happens, but can you adapt and make it an opportunity?

Conference-goers agreed that seizing opportunities requires entrepreneurship, an open

# FROM UNCERTAINTY TO OPPORTUNITY

mind, professionalism and diversity within a business. In addition, to truly understand enterprises and 'see' opportunities requires a visibility that only accurate management accounts and budgeting will provide. Better measurement means better decision-making. Measuring, recording and then (vitaly) reacting are key to a sustainable business.

'Sustainability' might feel like a buzzword, but when you remember that definitions include 'the ability to be maintained at a certain rate or level' and 'avoidance of the depletion of natural resources in order to maintain an ecological balance' it's apparent how relevant it is in the success of modern agriculture.

The number of truly sustainable agricultural businesses without direct support in the South East of England can probably be counted on one hand. One speaker felt that 'farming should be profitable, sustainable and fun'. I'd contend that 'sustainably profitable' might be a better goal.

Driven by the need to achieve such sustainable profitability, businesses are focusing ever-more on the longer term, becoming better organised, minimising overheads and setting targets.

With productivity flatlining, the potential of co-operatives was raised. Richard Self, agriculture manager at Co-operatives UK, suggested that they can add value by increasing economic resilience and bargaining power, helping manage overheads if output is plateauing.

UK farmers often reject the notion of 'co-operative anything' in a bid to protect their independence, but Richard's well-constructed argument was that belonging to a co-operative helps protect a business's independence while not damaging the individualism that is held so dear by many.

It may be that to achieve more sustainable profitability, co-operation and co-operatives should gain more traction, but I'd suggest their governance and professionalism generally needs to improve to meet the demands of modern business.

The mood from the conference floor was the usual mixture of concern and optimism – some seeing opportunities, others the end of the world as we know it. The reality is likely to be found somewhere in between.

There is (and this is a sentiment perhaps heard more loudly) a growing acceptance that there will be some causalities within the industry and exiting must cease to be seen as failure. An exit may, in the end, be the better decision and indeed an opportunity for a business and those within it.

As for the overriding 'take-away' or target that came out of the conference? Well, apart from the notion of TBD (which struck a chord with everyone – especially those who've been harvesting forage maize this autumn) it must be to achieve sustainable profitability without direct support – and, to achieve that, we may need to co-operate more and/or add diversity to our businesses.

Happy Christmas from all at CLM. This year we will be making a Christmas donation to Jamie's Farm in Lewes: [www.jamiesfarm.org.uk](http://www.jamiesfarm.org.uk). I hope 2020 treats you well and it's a year when the TBD is generously long.

**MARK WEAVER**  
Managing director, CLM  
T: 01892 770339  
[www.c-l-m.co.uk](http://www.c-l-m.co.uk)



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