

Farm Business Innovation, Co-operation and Performance Pacioli Workshop, Dublin, 2014



Background

- Identification of the key drivers (and barriers) behind the adoption of innovative practices (including but not exclusively new technology).
- Identifying the key motivators for farmers to cooperate with other farmers and the main barriers preventing this.
- Establishing if varying farm business strategies for innovation and cooperation impact on farm performance both economically and physically.

Background

- Research project carried out by RBR early 2014
- Four elements:
 - Literature review
 - Quantitative analysis of FBS data comparing farm performance with other variables
 - Case study on 60 farms
 - Researcher workshop

RBR Rural Business Research
independent research, data and analysis



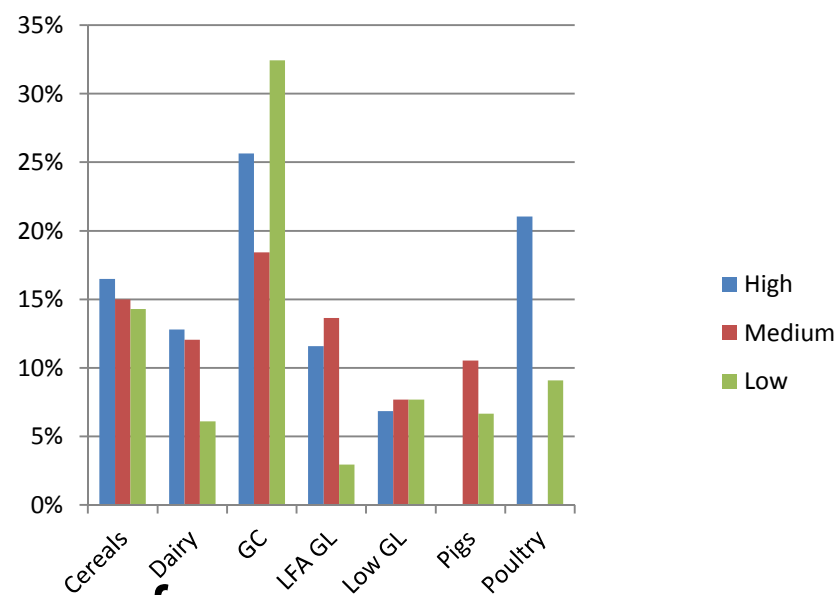
Literature review

- Went back 10 years
- UK and international reports
- Looked at factors influencing innovation and cooperation
- According to how frequently factors cited grouped them into degrees of confidence:
 - strong
 - moderate
 - weak



Quantitative analysis

- Based on 2012 FADN data for England
- Looked at
 - ROTCE (MII/tenant type capital)
 - farmer age
 - education
 - labour and machinery sharing
 - contract rearing of livestock



- Analysed by farm type and/or performance group
- Performance group = agriculture output/agriculture costs

Case studies – sample selection

Farm type	Performance band		
	Top	Middle	Low
Cereals	4	4	4
General Cropping	2	2	2
Pigs	2	2	2
Poultry	2	2	2
Dairy	5	5	5
LFA Grazing	3	2	2
Lowland Grazing	2	3	3
Total	20	20	20

Case studies

Restricted number of researchers to ensure consistency and robust interpretation

Visited farms that not previously known to them

- Face to face interviews, semi-structured format covering:
 - Background and management structure
 - Farm business cooperation
 - Innovation and technology
 - Goals and objectives



Definition of Innovation

- Innovation can be changes in the product(s) or the way they are produced through, for example, new machinery or 'organisational' innovation such as business practices (e.g. benchmarking) or the way the business is organised (e.g. internal or external business relationships including marketing). An innovation must contain an element of novelty, but this can be new to the farm or new to the market/world. It can consist of the implementation of a single significant change (e.g. a new business arrangement) or of a series of smaller incremental changes that together constitute a significant change e.g. gradual adoption of precision farming techniques.

Researcher workshop

- Explored issues of innovation and cooperation that arose from the interviews
- Discussed wider understanding of innovation and cooperation in agriculture
- Discussed challenges and issues facing the industry to provide wider context