

THE CHARACTERISTICS OF TOP PERFORMING CEREALS AND OILSEEDS FARMS IN THE UK

PRESENTED TO:



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EXECUTIVE SUMMARY

Everybody makes different choices, even those with similar-looking farm businesses. This leads to different financial performance. Top-quartile farmers, on average, make approximately £100,000 per year more than the bottom 50% of farms. This report, endeavours to identify actions that a farmer might take to become among the best performers.

We set out to find answers using two methods; firstly, an analysis interrogating the outputs of the Farm Business Survey matching pairs of similar farms from different performance quartiles (measured as farm income divided by costs associated with it; i.e. the return on turnover). Secondly, two case studies then describe extremes of performance, one at a high level and the other not so.

The case studies put the findings into life. One of the farms focusses on cost control, then concentrates on building yield and therefore output. It closely monitors its system through sensible management and comparison systems. They budget and plan, and test their figures against others to measure ongoing success or flag up problems. The farmer manages staff well, investing in them sensibly.

The less successful farming case is disappointing as the farmer is disinterested in farming but focusses on appearances. It is a large farm that looks neat and very tidy. But straight, well trimmed hedges, tree-lined avenues and lots of brand new, oversized machinery does not make farms profitable. The farm has considerable assets built by previous generations, and now, the current incumbent is not aware that the balance sheet is being eroded as he does not keep track of his financial numbers or budget properly. A focus on speed rather than high quality workmanship and disinterest in the staff is leading to a falling performance.

The study finds a series of pointers for improvement, statistically from the FBS analysis and then in examples from the case studies:

Overhead costs are lower for better performing combinable crop farms. This is so for all higher performing businesses. Finding ways to reduce those costs through maintaining machinery well and keeping it for longer, keeping staff trained and well motivated, finding ways to reduce other overheads and finance charges are all key to reducing farm costs in a commodity business where margins are inherently tight.

Top performing farmers are prepared to spend more money on the crops themselves. That means seed, fertiliser and pesticides when necessary. Be prepared to cross examine advisors, especially if they are also salesmen, but inputs that have a high chance of increasing the value of the output by more than the costs of the inputs makes sound business sense.

Setting goals and budgets give you a purpose and a vision within your business. This not only means you know when to celebrate because you achieve what you have set out to, but also tells you when you have underperformed against what you aspired to. This generally motivates people. This means it will also lift the productivity of those who you share your budgets and objectives with, be that staff, family, management team and advisors.

How do you know when you have done a good job if you do not know what others have achieved?

There is plenty of comparative information in the cereals and oilseeds farming sector, from costings books, to advisors, to information on websites like the AHDB. Whether it is formal benchmarking, or gentle cross-checking of figures, it is an important step to measure your performance against that of others.

Careful management of a system generates value and saves costs. Taking care of something in detail gets noticed; by the supply chain, buyers, locals and so on. You cannot give everything the same level of scrutiny as you would lose yourself in minutia, but you should identify what is the most important part of your business, and make sure it is managed properly and closely. We identify that the top performing farms do most things that poor performing farms do, they just do them all a bit better.

The world is changing and businesses need to be able to adapt to that change. Some hold the view that agriculture does not need to change as we all need to eat. Those who think about their futures and prepare for them, do better than those who don't. This could be through succession planning, training staff, building capital or diversified assets. These operators, it transpires, also have better businesses now, than others, possibly as they have had this attitude in the past and made appropriate changes throughout their careers.

Farming is an industry that provides far more than simply financial rewards, offering a way of life that most would not swap. It is easy to become too busy to discuss the farm with family or business members, but clear communication is key to ensure everybody is achieving their personal and shared objectives. Most farmers are hard-working, a necessity for success, but to raise performance requires change which often involves bravery and self-belief to do well. The eagerness for success, focus to be the best and determination to be an outstanding farmer is down to the individual. Higher performing farms are more resilient to external changes as they adapt accordingly and proactively. The impact of policy change on agriculture is taking place, and may lead to lower profits for many farms that do not respond to it. Others will spot the opportunities and thrive.

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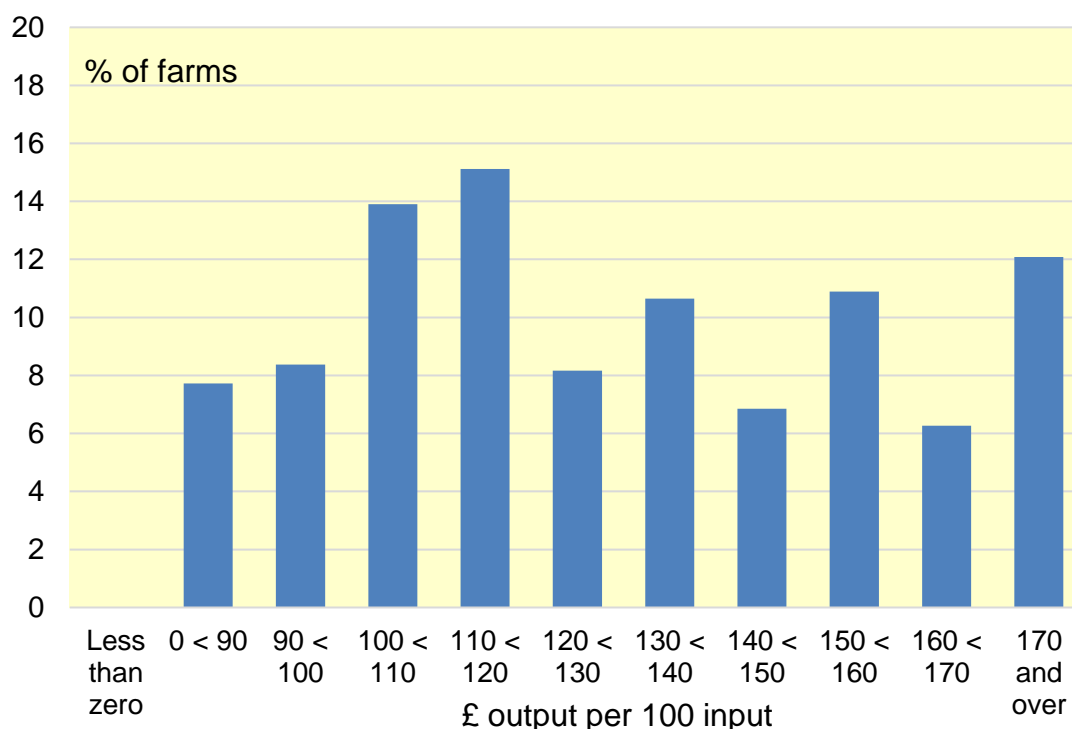
1 INTRODUCTION

1.1 BACKGROUND AND PURPOSE OF THIS REPORT

One might expect farmers with similar looking farm businesses to achieve similar financial results. But this is not necessarily the case. The range in financial performance of farm systems from the poorest to the best is large. This paper builds on a series of publications in 2017 and 2018¹ exploring the differences in performances between the top 25% of cereals and oilseeds farmers and the bottom 50%. What are the highest achievers (in financial terms) doing that their less financially successful counterparts are not?

Farming is not a process of simple rules, that anybody can follow like a recipe for a cake, but a complex, moving network of resources that need combining in a way that generates outputs that a market is willing to buy. This generates more variation in farm systems than weather or soil types combined as the choice of how resources are combined is limitless.

Figure 1 ~ Distribution of performance across cereal farms (England), 2021/22 (£ output per £100 input)



Source: Defra: Farm Business Survey

Figure 1 shows just how broad the spread of performance in cereals and oilseeds farming is. It shows the range of returns achieved by all cereal and oilseed farms in the Farm Business Survey, for every £100 of expenditure they made. The returns vary widely making anything up

to £90 (i.e. losing between £10 to £100 for every 100 spent) and making over £170. In other words, some farms are haemorrhaging cash from their businesses very fast, whilst others are close to doubling their money every year. How can this be?

This report provides evidence of how UK top performing cereal and oilseed farmers operate differently to their less successful peers. Actions have been examined to see how top quartile farmers make different decisions, do different things and perform activities in differing ways to others.

This is therefore intended to provide a guide to farmers looking to raise their *own* financial performance regardless of which quartile they are currently classified in or consider themselves to be in. Comparisons are made between high performing, and poorer performing farmers to highlight differences. Averages have the potential to be misleading, so ranges of performance are addressed where possible and case studies and direct comparisons are used too. This study is not written to tell farmers how to farm, but to suggest some ways of providing a strategic framework to change for the better. Why should people change? There is always a way to improve and simply, life is too short not to.

The backdrop to this report is the policy transition period in England whereby farmers are going through the process of their Basic Payment declining to nothing after 2027, and the rise of payments for public goods, which, given it is a form of market correction and not subsidy, is likely to be a less lucrative form of Government support for most. Policy in other UK countries is likely to change in coming years too.

1.2 THE APPROACH

This paper has a twin track approach. Firstly, a statistical examination of the records of the Farm Business Survey (FBS) data has been made. The FBS is undertaken by country. Only the English survey was used here because of time constraints but the geographical scope of the AHDB is broader. However, the study encompasses the rest of the UK. In simple terms, if a farmer is doing an outstanding job, the location is seldom the determinant.

The second approach is to describe two rather extreme cereals and oilseeds farms, that are operating at opposing ends of the financial performance spectrum. This gives two real-life examples of actions farmers are taking and how these decisions lead to outcomes on farm and therefore on the bottom line of the profit and loss account. The Case studies are written to inject life into the list of things the study generates from analysis of data.

Finally, at the end of this paper, is a list of 50 things that a farmer should consider, to undertake, that would help increase their financial performance. They might not all be relevant to every farmer, but are tailored to suit cereals and oilseeds farm businesses. If every idea made a small improvement in the farm business, then the overall impact would be considerable.

1.3 DEFINITIONS

The term 'performance' depends on what the individual is trying to achieve. Measuring it will vary accordingly. Part of the definition of 'farming' is undertaking activities for commercial gain, and this is what is measured here. Most farmers value other benefits of farming such as accommodation and lifestyle. However, financial performance can still be measured in various ways; highest profit, greatest balance sheet increase or highest return on capital. In this study, performance is measured as; sales generated by the farming operation divided by the costs associated with it. This creates a return on turnover:

$$\frac{\text{income generated by the farm}}{\text{costs associated with it}}$$

Figure 2 ~ Demonstrating Typical Returns on Turnover

	Farm 1	Farm 2	Farm 3
Income	70,000	450,000	900,000
Costs	50,000	400,000	840,000
Profit	20,000	50,000	60,000
Return on Income Ratio	1.4	1.125	1.03

Using this method, farms of varying sizes can be compared; it examines how a farmer manages to convert inputs into outputs. It is the return that a farmer has managed to generate as a proportion of their output. This suggests that a farmer with a large estate receiving millions of pounds of sales and making £200,000 is not as successful as a small new-entrant with minimal turnover and making £50,000. Figure 2 demonstrates that out of the 3 examples, whilst the last one is making most profit, its return on turnover is the lowest, and the small farm (1) is generating more profit as a percentage of its turnover.

Some consider the return on capital as a more critical determinant of business performance. Businesses can remove nearly all their own capital by borrowing money and therefore improve the return on their own capital but lowering profits (finance costs rise), raising business risk

(high gearing) and potentially jeopardising business viability (dependant on continued support by the lender). Other business managers might leave excessive capital in their businesses, leaving an inefficient return on investment. The matching approach employed in this study uses the agricultural cost-centre only and other parts of the report explore the entire farm more widely.

1.4 CAUSATION

Identifying links between top performers and their activities is relatively easy, but the causation link is not necessarily as obvious; for example, rich people drive more Aston Martins than poor people but that is not why they are rich.

Similarly, with farms there are relationships without cause. For example, the FBS analysis identified that larger farms tend to outperform smaller farms. Does this mean that a small farmer has to become a big farmer in order to improve? Almost certainly not. What is just as likely, is that the better small farmers, make more money and therefore have the capacity within their farms to take on more land. They therefore grow over time and become successful large farmers. Less successful farms are more likely to have to sell land to pay for liabilities, thereby becoming smaller.

Sometimes causation is difficult to prove. But for farmers wishing to develop a business, mimicking a top performer is likely to be worthwhile regardless which way round it works (perhaps apart from buying the Aston Martin just yet).

1.5 OTHER LITERATURE

Since the last Edition of this report, little new work has been published in the field of what makes farms perform better. However, one set of publications of note has been published by Defra. The Edition most relevant for review here, written by Caitlin Jones explores the Characteristics of high performing Cereal farms in England².

Only a minority of factors affecting farm performance are beyond the farmers' control according to her research suggesting almost all the determinants of success are down to the farmer him or herself; the decisions made on the farm and how they are implemented. To improve financial performance in terms of ranking in your farming sector, you cannot depend on the markets as that affects everybody.

The paper refers to top performance in economic terms using a similar calculation to that which we use. Jones highlights that a tiny proportion of the success or otherwise of a farm

business is down to geographic factors such as location or soil quality. She also identifies a series of actions that correlate either positively or negatively with farm performance. This is summarized in the table below.

Figure 3 - Factors Related to Farm and Business Performance (Jones 2020)

Variable	Farm Business	Agriculture
Debt	↓	↓
Diversification	↑	↓
Specialisation	↔	↔
AES Participation	↓	↓
Unpaid Labour	↔	↑
Contract Work	↑	↑
Tenure – Land ownership	↑	↑
Land Area	↑	↑
Land Classification	↔	↔
Farmer Education	↔	↔

↑ indicates a positive relationship with performance, ↓ indicates a negative relationship, and ↔ indicates no relationship.

Jones' observes the variation in farm performance is considerable. She notes this is as farmers have a wider range of objectives than many businesspeople in other sectors. This is in line with the observations of this paper too. Her main reasons are highlighted here.

Poorer farm performers have higher borrowings than their higher performing counterparts. This could be as lower performing farms cannot repay borrowings as quickly, making less money. It could also be that they take on too much debt in overly optimistic expansion projects and lose out overall. Diversification improves the farm system but detracts from the farming. This is a logical consequence of turning your attention to something else, the first task may suffer, but overall, diversified businesses outperform non-diversified ones. The report finds no correlation between performance and specialisation. Other reports have found such a relationship.

Agricultural Environmental Scheme (AES) participation shows a negative correlation. Poorer performing farmers are more likely to look for fixed income opportunities than higher performers. Also a lower return will be more attractive to somebody earning a negative return than somebody making good profits. Unpaid labour, which is generally family labour, is more

invested in the farm, thereby making a positive contribution to the farming side of the business.

Contract farming has a strong correlation with performance with better performers using contractors much more. This is found in our research too. Jones also identified a positive correlation between land ownership and performance and farm size. The relationship between tenure was small, to the point that it might simply be that tenants have an additional cost to incur, making the farm less profitable. Better farms are more likely to grow whereas poorer farms are more likely to have to sell assets. Overall, Jones' analysis has identified a very similar series of characteristics to those we have also identified.

2 FARM BUSINESS SURVEY ANALYSIS

2.1 MATCHING PROCESS

The Farm Business Survey (FBS) is an annual survey providing information on the physical and economic performance of farm businesses in England. The sample of farm businesses covers all regions of England and all types of farming with the data being collected by face-to-face interview with farmers. The Farm Business Survey sample covers over 2,000 farm businesses each year.

Here, we use the FBS data for cereals and oilseeds farms for all years from 2017-18 to 2021-22. Data is averaged across the years to smooth out the effects of annual volatility for individual farms. Performance is measured as the ratio of total value of agricultural sales (i.e. excluding subsidy income) to total cost of agricultural inputs.

A farm will therefore record a higher level of performance if it produces more outputs for a given level of inputs, or is more efficient in its use of inputs, or a combination of the two.

This project involved matching each farm in the top quartile of the performance distribution with one in the bottom half of the distribution which was similar in terms of geographic location and size. This ensures that the comparisons after matching, concentrate on factors that are potentially within the control of the farmer, rather than factors related to geography and farm size that cannot be changed, at least in the short term.

Performance was based on the ratio of output to costs for the farming. In other words, it focusses on the farming aspects of the rural businesses. Some farms are less about growing commodities, and more about making more varied use of the resources within the business, however keeping costs and sales to the agricultural operations, and not the diversified ones keeps the data more meaningful, relevant and comparable. Family labour is often unpaid. Here it is imputed at the National Living Wage³. Other costs are not imputed where they are not incurred. For example, rents or finance costs are as they are within the business. This therefore compares businesses with the resources they have, rather than if all farms had the same resources such as land tenure and finance. Farms were included where they were always classified as cereal farms and were present in at least 3 of the 5 years (2017-18 to 2021-22); 286 farms met this criterion, so that the top quartile contained 72 farms which were included in the matching process.

Multiple matches were allowed, i.e. several top-performers may be paired with the same below-average performer. Where more than two top-performers were matched with the same

farm, the matching process was repeated for these farms, but with increasing thresholds for detecting a match and with the final match selected at random from those matches less than the threshold. This process was continued until no more than two bottom performers were matched with the same top performing farm.

2.2 COMPARISONS BETWEEN TOP AND BOTTOM PERFORMERS

A wide variety of variables were tested – this was very much a screening procedureⁱ.

Wheat yields and prices were also examined. A few farms do not grow wheat and so values were imputed based on barley yields/prices which show a high correlation with wheat on those farms growing both. Going through the variables in turn, key points are:

1. **Agricultural costs:** Total costs are much lower per hectare and per unit of output on top performing farms. However, top performers spend more on fertilisers, seeds and crop protection products.
2. **Contracting:** levels of contracting are significantly higher amongst the top performers. This has become more noticeable since the 2018 report.
3. **Debt:** the two variables related to debt are both highly significant, with higher debt levels amongst the poor performers.
4. **Agri-environment schemes:** bottom performers have more agri-environment income per hectare, but the difference is not statistically significant after matching. The difference is much smaller than in the 2018 analysis.
5. **Agricultural diversity:** top performers tend to be slightly more specialised, but the difference is not huge. Poor performers have significantly more enterprises from grassland. Top performers have more farming activity from other arable crops (peas, beans, potatoes, etc.).
6. **Wheat price and yield:** yield is markedly higher with the top performing farms, and the price difference is also significant after matching.

i For those interested in the statistical process; continuous variables were compared using a paired t-test for the matched couples, whilst categorical ones used a chi-squared test. Some key variables were included in both continuous and categorical form. All figures used FBS data from 2017-18 to 2021-22. Variables were averaged across years, using a simple mean, except for categorical variables where the mode was taken.

7. **Agricultural output:** as expected, output is much higher amongst top performers.
8. **Change:** There is a difference in the proportion of farms considering major change, with the top performers more likely to consider change.

2.3 ANALYSIS OF RESULTS

Here we explore the items from the list above individually.

1. **Agricultural costs:** Total costs are much lower per hectare on top performing farms. However, top performers spend more on fertilisers, seeds and crop protection products.

In agriculture, top performers have a sound comprehension of what a commodity business model is all about; high turnover and low margin. This means keeping costs of production ruthlessly under control is paramount when you have minimal control over the sales price or value-adding opportunities. The greatest variation in cost structure between high and poor performers is overheads, with power and machinery dominating. This is shown by the survey results.

The best farmers spend money in different ways to the poorest. Top performers spend money where they can see a direct return for their investment, specifically the variable costs of producing each hectare of crop. Each pound spent is focussed on raising the yield, quality or chances of success of a growing crop. Expenditure stops when the likely return on that expenditure is no larger than the cost itself.

On the flip side, out of every pound spent on the farm, the lower-end performers spend over a third more on overheads. These are things like labour, machinery, and other expenses. Overheads are necessary to operate a farm, but they rise quickly, to exceed economic optimum levels, instead producing surplus resources such as workforce or machines which are inherent costs that are then difficult to remove from a business when markets fall and profits are squeezed.

2. **Contracting:** levels of contracting are significantly higher amongst the top performers. This has become more noticeable since the 2018 report.

The headline cost of hiring another firm to bring their own machinery to do a job for you might appear expensive, but this is because the costs of that operation are all wrapped into the price asked by the contractor. Owning machinery, and leaving it in a shed (or nettles) for 51 weeks of a year, also incurs considerable cost, but is not as explicitly visible. Depreciation,

for example, is not a cost that takes from the cashflow but does burden a business for several years whilst the capital cost of that machine is paid off. The contractor supplies the labour too, meaning less is required on a day-to-day basis on farm. Again, this saves costs.

Some farmers claim that you take more care over your own fields, and contractors 'just want to get done', but they have more time with machinery to develop expertise each year. These benefits come through in this analysis. Over the last five years, the capital and maintenance costs of machinery have risen sharply, and mostly ahead of inflation, making machinery ownership dearer than before. Contractors may also have better machinery for the job, i.e. cultivators that suit the ground conditions that season, or the latest technology (GPS) that an individual farmer may not be able to afford. Thus, contractors have been able to offer better value services.

3. **Debt:** averaged and paired farms in the analysis show a high correlation between higher debt levels and poor performance.

People in business borrow money for two main reasons. The first is because they are losing money, the business cannot pay for the costs it is incurring and the business needs to borrow money to pay for them. This assumes that the business becomes profitable again later to repay the debt. It is not a very positive reason to borrow money apart from for very short periods of expected high cost or low income. The second reason is to finance expansion or considerable capital expenditure. This might be to replace high-cost machinery such as tractors and combine harvesters, or to expand the business - possibly by taking on more land or building grain stores for example. The last few years money has been very cheap to borrow. This is not the case now. Those farms with large levels of debt will find themselves paying increasingly more on their finance charges in the coming year. Poorer performers did not factor that into their sums when they borrowed money. Businesses with lower profits cannot repay their debts as quickly as those with healthy profit. Overall, there is no easy way to tell from data why farms have borrowed money, except we can see that a debt burden pulls down the overall farm performance.

4. **Agri-environment schemes:** bottom performers have more agri-environment income per hectare, but the difference is not statistically significant after matching. The difference is much smaller than in the 2018 analysis.

In the last report in 2018, we identified that agri-environmental schemes would be more appealing to those farm businesses that struggled to make money from farming as this offered

a fixed and reasonable income. A moderate fixed income will be more attractive to loss making farms than those making healthy profits. Therefore, we might have expected lower performing farms to participate more in the past, just as we have historically expected farmers to allocate their less profitable land into the schemes.

Now, agricultural policy is changing and becoming a standard way to generate an income from Government funding. Whilst the agri-environmental income is still more attractive to lower performing farms, this trend is clearly changing as agri environmental schemes become more generous and attractive to all farm types. Some of the (higher value) options that are becoming available in agricultural policy schemes offer a generous and guaranteed income in exchange for land use change for a minimum period. Other actions are simply to reward good practice. Many (good) farmers will be undertaking these actions already so will be able to receive the support with no change to their farming systems. This is the easiest way to make money from support. More of the better farmers will see this and start using the schemes more.

5. **Agricultural diversity:** This point covers the range and diversity of agricultural crops, rather than non-agricultural diversification. Top performers tend to be slightly more specialised, but the difference is not huge. Poor performers have significantly more enterprises from grassland. Top performers have more farming activity from other arable crops (peas, beans, potatoes, etc.).

Higher performing cereal farms are more specialised, with arable crops accounting for 89% of economic activity compared with 83% for lower performers. This analysis explores only cereals and oilseeds specialist farmers. Thus, grassland is likely to be a secondary consideration for these businesses. It then follows that the farms with greater levels of income coming from this land use, are likely to have less of a focus on their primary business. The more things you have to concentrate on, the less time you can concentrate on each one. This is the case here too.

Multitasking is doing two things badly.

This quote is not new and could probably be attributed to several sources. However, here, I associate it with Gary Keller from his book *The One Thing*⁴, where he discusses the route to success is to focus all your energy to one goal, and one goal only.

Lower performers are more likely to have some land used for grazing livestock. This reflects the problems of being a 'jack of all trades', but may also be related to land quality or

accessibility, since livestock is less common on the best arable land – the matching process is removing gross geographic differences but cannot address more local land quality issues.

Performance related to diversity of enterprises might vary from one time period to another. If cereals farming is going through a very unprofitable period, those farms with other enterprise might shine. Clearly the opposite happens when profitability from cereals farming goes up. Here, the analysis benefits from having a 5-year period, thereby reducing that seasonal effect.

6. **Wheat price and yield:** yield is markedly higher with the top performing farms, and the price difference is also significant after matching.

Go back to the first point. Farmers that spend money on improving yield and output make more money than those that spend more on overheads. The second part of that argument is that sensible spending on variable costs raises output per hectare. It is therefore not a surprise that the higher performing farms achieve higher yields, but with lower costs. This is perhaps the single most important point of the entire report. Cost control and careful spending on items that offer a genuine return on investment are critical to raising farming performance.

This analysis also demonstrates that the top performing farms are also managing to achieve higher value from each tonne of grain. This might be because the quality is higher or because they market their grain in a smarter way. The answer to this is not available from the data.

7. **Agricultural output:** as expected, output is much higher amongst top performers.

This is inevitable because of the previous point. The fact that yields are higher, and prices higher is going to mean that output is higher. But just because one farm generates more income than another does not mean it makes more profit; some farm systems simply incur more cost than others and the very highest yielders might in fact spend too much getting there. There are sectors in farming where those with highest output are generally not the highest earners. Every increase in yield, should be based on being achieved with less cost than the value of the additional output. This might be difficult to identify precisely, but with practice, can be achieved.

8. **Attitude to Change:** There is a difference in the proportion of farms considering major change, with the top performers more likely to consider change.

An additional section of FBS was undertaken for 2 of the 5 years of this study so there is less data available for statistical reliability. The section explored farmers attitudes to the future. Whilst this is clearly not a variable that affects historic performance, it might correlate with actions and attitudes the farmer might have held in the past and therefore create relevance to

this analysis. Indeed, on the basis that higher achieving farms are more willing to change their farm systems to embrace change, or improvements, suggests that is the case.

“The definition of madness is doing the same thing over and over again and expecting different results”

Albert Einstein.

The quote above by Albert Einstein demonstrates that change is a pre-requisite to expecting results to differ. Yes, harvests can vary and prices move back and forth, but over the long term, all farmers can see patterns in their results. It takes bravery and a vision to make changes, but those operating at the top of their game, can see the changes that are required to improve. The top performing farmers have taken the time to look into the future. Whilst it is of course foggy and nothing is certain, some patterns and trends are appearing which those forward looking farms can align their businesses with. Those brave enough to move away from their old ways and renew their practices will be the first to benefit from the new directions of the future. This study suggests that these are the farmers who have been doing that in the past already.

2.4 OTHER POINTS

Owner-occupied farms are more likely to be in the high performing group. We have not imputed any rents for owner occupiers, so this is presumably to be expected as tenant farms by definition have more costs to pay unless the owner occupier is still paying finance on the purchase of the land, which is unusual. Beyond the additional cost required, tenant farmers often perform as well as owner occupiers simply because they do have that rent to pay. Furthermore, when measured by their return on capital, their performance is generally far higher than the owner occupiers.

Education: There was a higher proportion of graduates amongst the top performing farms although, unlike some other studies, this was not quite statistically significant. Education level is correlated with age (younger farmers are much more likely to have a degree) and it is likely that this is partly obscuring the impact of education.

2.5 RESULTS

Figure 4 compares the average income for the top performers with their lower performing counterparts. Top performers are making almost three times as much money; over £100,000 more per year. Despite farming conditions being very different now than 5 years ago when the original report was produced, and policy having changed considerably, the difference between the top and bottom farmers in the Cereals and Oilseeds farming sector is similar to where it was before.

Figure 4 ~ Cereals Farm Business Income £/year – Unpaired Data

Mean of top performers	Mean of matched bottom performers	Difference
£169,440	£65,380	£104,060

Figure 5 provides a summary table of the paired actions we have explored and discussed in this analysis. Here, they can be viewed side by side.

Figure 5 ~ Variables between top and bottom performing counterparts (Pairings) ~ Cereals

Selected variables	Mean of top performers	Mean of matched bottom performers
agricultural output (£'000)	342	257
Wheat yield (t/Ha)	8.76	8.00
Average Wheat price	£171/t	£161/t
Cereals & Arable as a % of SLR	88.9%	82.9%
AES payments per ha	19.95	23.83
Owned land as % of total land	77%	60%
Unpaid labour as % all labour	68.9%	64.4%
Total agricultural costs (£'000)	276	337
Of which %;		
agriculture overheads	44.2%	59.3%
agriculture variable costs	55.8%	40.7%
seed costs	7.0%	5.5%

Selected variables	Mean of top performers	Mean of matched bottom performers
fertiliser costs	15.4%	10.9%
crop protection costs	15.2%	11.6%
general farming costs	9.8%	11.0%
agricultural labour costs	5.0%	7.2%
Machinery Costs	18.9%	22.9%
Contracting costs as a proportion of all machinery & contracting	35%	20%

3 CASE STUDIES

In this section, we have an example of two rather extreme farms. They are real farms with names and small details changed to prevent their identification. One operates in the top quartile sector, and indeed at the top of that, and the other one is at the other end of the performance spectrum.

3.1 MANOR FARM

Manor Farm is a large, very well-presented arable business consisting of 780 hectares of land in the heart of East Anglia. David (aged 62) is the fourth generation of the family to be involved with the business. The entire acreage is owned, but this has not always been the case. David's father Peter worked exceptionally hard, had a keen eye for detail, took calculated risks and generated significant profits which were invested into land; increasing the business to its current size. Peter prided himself on operating a lean and efficient business with modest levels of equipment and minimal overhead costs, every financial decision was based on the return it could generate.

David took over the business in his 40's after the passing of his father. Prior to this, he attended agricultural college and then worked under his father as a general farm worker, receiving minimal formal training in how to run a business; Peter was very much in control.

Since David has taken over, there has been substantial investment in the farmyard. Wide concrete roads replaced the farm track, modern, impressive-looking grain stores have been built and manicured lawns created to provide an eye-catching entry for visitors and neighbours. Peter's focus was on the return from an investment, but David is a man of appearances and to him, it matters how the farm looks to outsiders. The yard is certainly impressive, it looks expensive, but it has come at considerable cost and offers minimal financial gain.

Manor Farm consists of deep clay/loam soils, capable of generating good yields if managed correctly. Fields are average sized and all within a 3-mile drive of the farmyard. Due to a lack of field maintenance though, and with soils prone to waterlogging, drainage is becoming an increasing issue for the business. Wet winters often lead to poor establishment and bare patches on many of the field edges. David brushes this off, blaming climate change without reflecting on his field management. He has found an external explanation for his fall in yields in recent years so feels no incentive to tackle it further.

The cropping rotation has traditionally been based around wheat, winter barley and oilseed rape (OSR). Recently, the business has struggled to establish OSR due to Cabbage Stem Flea Beetle, (CSFB) and David is looking at alternative break crops, notably winter beans. The crop rotation is traditional and David is against spring cropping as he feels yields are too low and the land can lie wet in the spring. Access onto his undrained fields is becoming more challenging in wetter months. Current winter wheat yields are circa 7.5t/ha, with neighbouring businesses achieving up to 11t/ha on the same soils. Winter Barley has achieved yields as low as 6.1t/ha and winter beans struggle to achieve 3.7t/ha.

Over the last 20 years, a lack of simple control measures and lax farming practices have caused the farm to become overrun with blackgrass. This is now severely hampering crop yields and technical performance is in decline; especially when considering the yield potential of the land. For example, equipment is not cleaned between fields as this can be dusty and dirty and it slows down operations. Drilling must be completed by late September to early October as the farm's large disc drill struggles in conditions after this date. Neighbouring businesses have changed their equipment range and their farming policies to allow for later drilling. This does not appeal to David as the outputs are lower on these machines. For David, the sooner the drill is back in the shed, the better. Once calibrated seed rates are kept the same across the farm regardless of soil types. The large drill does struggle in the corners and the rubber tyres cause a great deal of compaction on the headlands, but for the high output, David views a few bare patches as a small price to pay.

Fertiliser is applied to each crop at blanket rates. David thinks his staff are not great at calibrating the spreader so this approach keeps it simple for them. The farm sources its agronomic advice and agrochemicals from one input supplier. This also simplifies the system. He knows this works for his neighbours, but he does not discuss inputs with his advisor like they do, he just takes his advice without question. Variable costs on Manor Farm are nearly 25% higher than his neighbouring farms. David is unaware of his high cost base due a lack of data recording and a reluctance to benchmark as he does not wish to share his data with other businesses.

Under Peter's control, machinery was worked hard but maintained well and David spent much of his youth operating older tractors and implements. Those days are long gone and with the chequebook in hand, David is a salesman's dream. The business has an extensive list of hire purchase agreements with local dealerships. Tractors are regularly updated to ensure the farm has a good image in the local farming community. David is not one for fixing and maintaining

machines so would rather pay for the convenience of newer kit. The business operates a large rotary combine which is updated every three years.

Depreciation costs are not fully understood and are very high for a combinable crop farm at £185 per hectare although repairs are lower as a result. There is also a considerable level of interest paid annually on the HP agreements.

David assumes a management position on the farm and has little hands-on-time. Manor Farm is very much an autocracy, David spent years being controlled by his father and now it is his turn to be in charge. His only son Jonathan did return to the business after university but following several years of heated arguments and a reluctance from his father to give up any control, he moved away to manage a large arable estate and has little intention of returning.

Manor Farm has two full time employees, Nigel (54) and James (32) plus a student during harvest. There is no formal training provided to employees and little scope for future development. David believes too much training would make them attractive to neighbouring employers. Nigel has been with the business since Peter ran it and James is a recent addition, following numerous other employees who moved elsewhere. David doesn't believe in annual performance reviews or CPD, he makes sure kit is new and staff have lots of time in winter, so they shouldn't complain.

Nigel and James are aware David is more concerned about completing a job than the quality of the work undertaken. To keep the boss happy they push on hard to make sure the jobs are done in time. Again, attention to detail is sacrificed in the pursuit of speed. During winter David spends much of his time shooting and stalking. The staff are left to their own devices during this period and productivity drops significantly. But there is not so much to do is there?

Manor Farm employs a bookkeeper to organise the accounts and undertake VAT returns. David is not one for paperwork, he has never had to do it and doesn't see it as important. The annual meeting with the Accountant is the closest he gets to reviewing the finances. David has never had to worry about money, the farm has historic cash reserves and if new kit is needed, it can always be afforded.

The business is severely lacking in direction and motivation and there is no end goal or mission that they are working towards. The balance sheet is very healthy and the only liabilities are linked to the considerable number of HP agreements. David therefore thinks he is doing a great job.

From the outside the business appears to be very strong with a large acreage, modern farmyard and new equipment. But in reality this is a severely underperforming business, yields are poor, machinery costs are astronomical, chemical and fertiliser costs are beyond any of the neighbouring businesses and employees are de-motivated and lacking formal training.

The business is only surviving in its current format thanks to historic cash reserves and minimal debt repayments. Under David's management technical performance has dropped, the weed burden has increased, costs have risen and there has been little to no growth on the balance sheet. The business is in a period of stagnation to decline. Manor Farm is built on a completely unsustainable model which focuses on outside appearances far greater than achieving good technical and financial performance.

Manor Farm could carry-on like this for many more years - due to the strength of the balance sheet. There is no 'burning platform' for change. Success or otherwise ultimately depends on what David's objectives are. He might be happy to continue to erode his net worth because he likes his lifestyle - especially if he has fallen out with his son and does not care what he passes over. But the issue is that this is not a conscious decision based on information - he thinks he is doing a good job and wants others to think the same.

Poor performing businesses can take all shapes and sizes, appearances are a visual judgement of perceived performance whereas hard data allows for direct comparison and the identification of Top, Average and Low performing farms on a per hectare basis.

Under Performing Farm Summary

- The look of a farm from the outside is not necessarily what its finances look like.
- Lack of attention to detail leads to lack of returns,
- Lack of focus on staff means they will lose focus on you
- Many large farms can live off their balance sheets for many years without anybody knowing there is a fundamental problem with the business approach.
- Careful transition from one generation to another is necessary to ensure sound business practices are continued

3.2 OAKTREE FARM, THE TOP PERFORMANCE FARM

Oaktree Farm is a tenanted business in the East Midlands. The farm covers 280 hectares, rented from the estate on a three-generational Agricultural Holdings Act (AHA) tenancy. The business is operated by father and son team, Philip (71) and George (42). George is the third and therefore final successor of the tenancy.

Over the years, the business has grown considerably, acquiring multiple contract farming agreements (CFA) and farm business tenancies (FBTs) with local farmers and landowners, taking the total area up to 600ha. The family has a very good reputation within the local community for their quality of work and attention to detail. This reputation has been paramount in acquiring additional land; often with landowners and neighbouring businesses approaching Oaktree with the proposition of taking on their farms.

All land is within a 4-mile radius of Oaktree farm. Philip and George have previously declined offers of work further away as the associated costs of travelling are deemed too large to be justifiable. Not only would this incur high direct costs of running tractors long distances, but the business is operating on nearly full capacity for its overheads at key times of the year. Taking on land further away would require additional tractors, trailers and staff members at peak season. These costs are deemed to be irrecoverable from the potential returns generated on the extra land.

The AHA tenancy land is on historically low rents of around £40/hectare (100/acre), which is an advantage of the business. However, due to strong demand within the area, FBT land rents are currently over £200/acre which offsets a large proportion of the low rental AHA land. Unlike many farm businesses, every acre of Oaktree Farm incurs annual rental charges. Philip believes this helps the business maintain high standards and good technical performance as the land must generate large enough returns to cover all variable costs, overheads and rents before any profits are made.

Philip and George understand that the soil they farm is their greatest asset and correct management is crucial to achieving top yields. There is a strong focus within the business on maintaining and improving soil quality and fertility. The soil across Oaktree and the CFA/FBT land is fairly consistent, it is heavy but extremely fertile with exceptional yield potential. Extensive drainage maintenance work has been undertaken across Oaktree and many of the CFA farms, this allows the business to continue field operations when many neighbours are unable to travel.

Soil testing is carried out on a regular basis across all field parcels to provide an insight into nutritional demands and liming requirements. Conveniently, all land has been entered into the SAM1 SFI Standard as it covers the cost of the soil and organic matter testing. Recently, this data has been used in conjunction with plant tissue testing to develop crop nutrition plans on a field-by-field basis. For many years the business has brought in large quantities of sewage cake and digestate as a means of cutting costs and reducing the reliance on inorganic fertilisers. Feed wheat crops typically receive 200kg/ha N with additional foliar applications applied to milling wheats to meet specifications.

Across the farm, a low disturbance system has been adopted. This is centred around a shallow disc cultivator used to chit weeds and volunteers, a low disturbance subsoiler for the removal of compaction and a trailed disc drill. The business benefits from large field sizes which allows for a higher work rate than most farming operations. A plough based system was retired many years ago due to the nature of the soils on Oaktree. The business achieves consistently good yields without one and George states the benefits were outweighed by the significant amounts of fuel, metal and labour required to turn over the land and subsequently break down the clods.

The machinery replacement policy is based around calculated decision-making, taking each machine individually. The business purchases well-maintained second-hand machinery and carries out thorough servicing and maintenance over winter. Philip is mechanically minded and machines are typically replaced when it is deemed they are due an expensive repair bill. One modern 210 HP tractor is owned alongside two older but larger models. Comparably 'cheap' old tractors that can be fitted with modern GPS systems are preferred as a means of keeping depreciation low, current levels are £125 per hectare which is far below many businesses of this size.

Crop rotation is based around first wheats, second wheats, winter/spring barley and winter beans. OSR was previously grown in the rotation but the risks associated with establishment were deemed too great so beans were brought in as the break crop. Spring Barley has been brought into the rotation as a means of control on some CFA land with blackgrass issues.

Technical performance is very good with the average yields as first wheats 11.1t/ha, second wheats 9.5t/ha, winter barley 9.7t/ha, spring barley 7.8t/ha and winter beans at 5t/ha. Philip and George pride themselves on the yields and the financial returns they generate not only for themselves but for their CFA partners.

Agronomic advice is sourced either via a local independent agronomist or through George as he is BASIS qualified. Chemicals are purchased through buying groups and spot bought to try and get the best deals for active ingredients. Chemical spend for winter milling wheat in 2022 was £260/ha demonstrating they are not the lowest spenders but the cost is diluted over a substantial yield/ha.

Apart from Philip and George, the only labour comes from a local farmer brought in at peak season on an ad-hoc basis. The business is lean on labour in summer and during drilling but is arguably overstaffed for the winter period. However, the pair believe this downtime is important as they spend time away from the farm with their families. It also allows them to have a greater focus on the technical details of their operation and to make plans for the next season.

Oaktree Farm works alongside a farm consultant to prepare an annual budget. The business uses this budget in conjunction with their management accounts to track progress throughout the year. Actuals versus budget are compared to provide an understanding of the business's financial position. Decisions regarding field operations and applications are based on the potential returns outlined within the budget. The consultant is also used as an unbiased set of eyes that can challenge Philip and George's decisions. An annual financial health checkup provides the pair with the confidence that they are moving the business in the correct direction.

The balance sheet consists solely of machinery and land improvements with a small amount of liabilities linked to HP agreements. The generational tenancy provides uncertainty for the business and in order to guarantee an income stream for George and his children, surplus profits have been diverted out of the business and invested within commercial and residential properties; the returns from which are kept outside of the farming business.

For the harvest 2022 season (excluding outside investments) the business generated a total profit of £471,228 equating to £785/ha. This is even more impressive when considering there is a £90,000 rental charge meaning pre-rental profits were around £550,000. This level of profitability reflects a high attention to detail across all aspects of the business; from tight controls on expenditure versus budgets to excellent timeliness of field operations and accuracy of applications in relation to crop and soil requirements.

High Performing Farm Summary

- Maintain full control of overheads in the business

- Try to improve resources whenever possible. This includes soil and staff.
- Be prepared to spend money to raise yields affordably, challenge agronomists and advisor's but focus on affordable yield.
- Keep machinery in tip top condition. This means it will last many years longer, reducing depreciation costs. It also means it will be operational when you need it most.
- Think ahead; Next year, 10 years, next generation. Plan for these occasions and build your business for the future.

4 CONCLUSIONS

4.1 TOP TRAITS OF HIGH PERFORMING FARMERS

This report has studied outstanding cereals and oilseeds farming businesses and what sets them apart from the rest. Common themes become evident as identified below. Ranking them is difficult as their impacts vary from farm to farm according to farming systems, the farmer's personality and attitude, current levels of farm management, staffing and cost control.

However, for a general perspective of importance overall, the following order is identified:

1. **Minimise overhead costs** – This is the strongest message of this report, the same as it was in the 2018 paper. Nothing has changed. Higher performing farms in the FBS study had lower overheads than the rest, just like Oaktree Farm. No farmer can operate in the top performing quartile without managing cost control, we can be absolute here. Cereals and oilseeds are commodities. Commodities are, by definition goods that are produced with low margins so to make the business model work, they should be produced in high volume. If you cannot produce enough commodity to cover the costs and generate a sufficient return, then additional value should be sought. Make it a daily routine to seek cost savings that don't affect turnover. Collaborate with neighbouring farms and businesses, keep machinery longer and maintain it well, develop and train staff, they are a critical resource. Keep necessary staff and machines and no more. Ideas on how to cut costs are almost endless. Make a list of 50 ways to trim costs. If every idea saves you 1% of your costs, your business will be transformed.
2. **Spend money on variable costs that increase output.** If you can increase the yield, or its likely sale value, by spending less money than the likely increase in value, then that is good business. This is generally by spending money wisely on variable costs. Make it clear to your advisors what your strategy is. By reducing machinery costs, you might take longer to apply something, but by looking after you soil, will accelerate the return to fieldwork after extreme weather conditions. Cross examine your agronomists and find out exactly *why* they recommend a treatment. Buy your inputs carefully, every few pounds you save will soon add up.
3. **Set goals and budgets** – Sit down. Speak with business partners and family members. Discuss what each wants to achieve (financial and non-financial). Make sure your aspirations are aligned. If you don't have this discussion, you will not know for sure.

Write them down, pin them up, discuss them regularly. Share them with your business advisor. Without a goal or ambition, you will not know if you have achieved what you are working towards. Work out a plan how to achieve your mutual goals.

Compile annual budgets to show where the year is planned to go. You can identify what is going well and what not so well helping you to adjust things if necessary. Ideas can be tested using this tool. Think through contingencies by developing a risk plan.

Quantify risk. Entrepreneurs don't take higher risks than others, they just understand them better so know what they can do safely. Others guess and are sometimes wrong so make less progress or don't act in case they are wrong, guaranteeing no progress.

Use these schedules regularly and frequently.

4. **Compare yourself and gather information** – Farms with access to more information and act on it make more money. It could be through benchmarking, discussion groups, informal discussions, regular reading (not just farming press), farm walks or a combination of all the above. Critically, taking that information to the farm to identify what you can do to farm more profitably is what matters. Knowledge is only useful if you change something as a response. Look to invest knowledge into smarter farming.
5. **Focus on detail** – This is a difficult attribute to identify using a tick-box survey, but can be spotted, probably more easily by others, and anywhere you look. Ask somebody you trust whether they consider you have it. How can you improve everything you do? Make this a continual program of improvement. Identify 50 things that could be done a little better (that's everything), and as you work through them, one by one, consider the cumulative impact marginal gains. If you consider you cannot improve something any more, then take another look, because you will have been wrong. There is always a way to get better, even if nobody else has thought of doing something that way.
6. **Have a mindset for change** and innovation – the study recognised that forward thinking farmers, that are prepared to structure their businesses for the future will outperform those that don't. Peer into the future, are you happy with what you see? Look at the direction your business is currently going and consider if it needs any readjustment. Does your current business model fit neatly with how policies are changing, how consumers are changing, how your family is growing up and how you are maturing? Consider the future finances, leisure, inheritance opportunities, fertility building, diversification and so on.

A change in the market conditions might make you more (or less) money one year, but it will not necessarily change your performance quartile as a rising tide lifts all boats. To achieve that aspiration, requires change. To achieve this is arguably more difficult than any technical or management point considered in this entire study as it involves bravery and self-belief as well as a culture change. Nobody should do the same thing and expect different results. Yet more people regret inactivity or indecisiveness than those who regret doing something.

Ultimately, success is about achieving what the individual aspires to achieve. This might not be financial aspirations which have been considered here, but to achieve most things with a farm, financial sustainability is a necessity.

5 APPENDIX 1 ~ 50 WAYS TO BE OUTSTANDING

The study considered management practices, rather than technical actions to physically *do*, that makes a difference. Most single actions are not picked up in academic publications or FBS analysis. Every farm will have different things to improve that make the biggest difference but here is a list of 50 suggested things to improve or questions to challenge a cereals and oilseeds farm with. They are not in any order:

1. Explore whether contractors could be used within your operation; reducing machinery ownership requirements, whilst providing additional labour and equipment at peak season.
2. Chase bad debtors more frequently or even stop trading with bad payers. With rising interest rates, finance comes at a cost and your business is operating as a lender to theirs.
3. Regularly review your staff's employment terms (including wages, perks, hours, holidays, training, complains and so on). Compare against neighbouring farms and other similar sectors. Employees must feel valued and be paid fairly for their time.
4. Review your machinery replacement policy. Consider repair costs, finance charges, resale values and productivity improvements when deciding how frequently to replace machinery.
5. Calculate the strength of your balance sheet. How much exposure are you willing to have and should you look to de-risk your business?
6. What is the optimum level of capital to be employed within the business, can some be removed and invested elsewhere to generate greater returns?
7. Is there a formal training programme in place for your employees? Staff training boosts productivity and job satisfaction whilst strengthening the capabilities of your business.
8. Calculate the chemical and biological value of incorporating straw into soils against the value of baling and selling it off-farm. What is the financial cost of replacing these nutrients with bagged fertilisers?
9. Can you work with a neighbour to share an item of machinery? Sharing annual costs make ownership comparatively lower and spreads the cost over a wider acreage.

10. Quantify what each enterprise adds to the farm business in terms of financial and physical contributions. If you are unable to do this objectively, then seek help from an external advisor.
11. Challenge the seed rate you have been using. Are you achieving the target establishment rates? How are seed rates adjusted depending on soil type/drilling date?
12. Evaluate whether the benefits from environmental schemes outweigh the costs. All establishment/management costs should be accounted for alongside the physical implications e.g. increased weed burden.
13. Delegate responsibility to staff members. Delegation makes employees feel valued and frees up your own time. Their way of doing things might even be better than yours!
14. Calculate the difference in yield between the centre of the field and the edges. How can performance on the edges be improved and what will be the financial contribution of this improvement?
15. Recognise the importance of your continual personal development, whether that be through reading books/ publications or attending training events.
16. Identify the time you spend driving farm machinery on a road, what it costs in terms of wear and tear, fuel and wasted time. Calculate if it's worth it.
17. Improve the efficiency of work processes. Spend time with employees to understand where improvements can be made and where they will be most beneficial.
18. Meet with your business partner(s). What are their aspirations for the next 10 years? Are they what you thought they are and how can they be achieved? Are they in line with your aspirations?
19. Prepare and cost out a fungicide plan at the start of each year. If the agronomist intends to deviate from the plan, question them why.
20. Ensure all machinery is thoroughly cleaned between fields with blackgrass in and ensure all fields are walked to patch spray with roundup remaining blackgrass areas and hand rogue isolated plants pre-harvest.
21. Hold a daily meeting with all staff members. Use this time to motivate employees, raise concerns/issues on farm and ensure everyone is aware of the plan for the day.

22. Incentivise staff to earn you money. Consider bonuses linked to performance targets. Improved performance benefits the business and rewards the hard work of employees.
23. Tidy the farmyard. A tidy farm sets a precedent for the rest of the business and reflects the attitude of the owners.
24. Sell any scrap metal or disused machinery. The capital released could be reinvested in new machinery that benefits the business.
25. Meet with your team and each identify the one thing that most frustrates you about your farm. If it is resolvable, do something about it.
26. Calculate how reliant the business is on subsidies. To replace this income, can output be raised or do costs need to be lowered?
27. Ensure you are operating a lean business model. Identify areas of the business which are overcapitalised and slim them down.
28. Have at least annual reviews with staff members to assess their progress and future career aspirations. Developing good people within the business is crucial to success.
29. Identify the optimum ratio of labour and machinery for the business. How can you best balance workload over the year?
30. Develop a long-term strategy for the farm. Ensure all stakeholders buy into the mission and vision as all tasks should consider the end goal.
31. Challenge yourself and your team to find ways of improving yields without adding costs.
32. Develop and maintain strict farm safety protocols. Keeping employees safe is paramount and must be considered ahead of financial gain.
33. Understand you soil. Regular testing allows for more accurate nutrient applications which has both financial and environmental benefits.
34. Diversify crop selection. Extend rotations with either new crop choices or through collaboration with other farmers.
35. Complete an annual budget, and most importantly use it and refer back to it. Deviations from the budget should be identified and their impacts should be considered.

36. Challenge your tax advisor/accountant to actively look out for tax savings without having to spend all of the profit.
37. Have an active involvement with paperwork. Not only will this save accountancy/farm secretary costs but it keeps you up to date with the business' financial position.
38. Measure how you have grown the farm business since taking it on. Do not account for rises in capital value that are not down to you such as land appreciation.
39. Ensure post-harvest storage and handling facilities are fit for purpose. Maintaining or even improving crop quality is vital in achieving market specifications.
40. Calculate the additional yield required from ploughing to make it financially worthwhile. Can fields be left unploughed to compare against?
41. Join benchmarking or discussion groups. Compare your business to others to find where your competitive advantage lies. Learn from others, they have made the mistakes so you do not have to.
42. Thank your staff at the end of each day's work. It costs you nothing and shows you value them and appreciate the effort they put in.
43. Discuss whether an outside advisor could provide value. Bringing a fresh set of unbiased eyes into a business is healthy. Having to answer the difficult questions is where a business finds areas to improve.
44. Use a combination of sales strategies to limit risk. There is a range of tools and strategies available for farmers to mitigate risk.
45. Calculate the cost of each mechanical operation. This data should be used in collaboration with your budget to inform which strategies should be employed based on the potential returns.
46. Identify the activities that are 'mission critical' such as drilling seed or the timeliness of spray applications.
47. List your most useful Key Performance Indicators. Update them regularly (monthly for some, daily for others). Make sure these KPI's align with your farms mission and vision and ensure they are measurable.
48. Keep a spreadsheet of yields, prices and field operations to easily compare performance each year or month on a whole farm or field by field basis.

49. Base purchasing decisions on facts not fashion. You know your land better than anyone, you understand what machines work best for your own system. Do not be afraid of change, but it should come with evidence to support its claims.
50. Ask yourself if you had to retire tomorrow what would your farming legacy be? Would you be content with your career in the industry?
51. Go the extra mile and do a little more than is strictly necessary.

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