

# **Farming Profitably in the Uplands: The Need for a New Mindset**

**Séan Rickard**

**Cranfield School of Management**

**[s.h.rickard@cranfield.ac.uk](mailto:s.h.rickard@cranfield.ac.uk)**

# Introduction

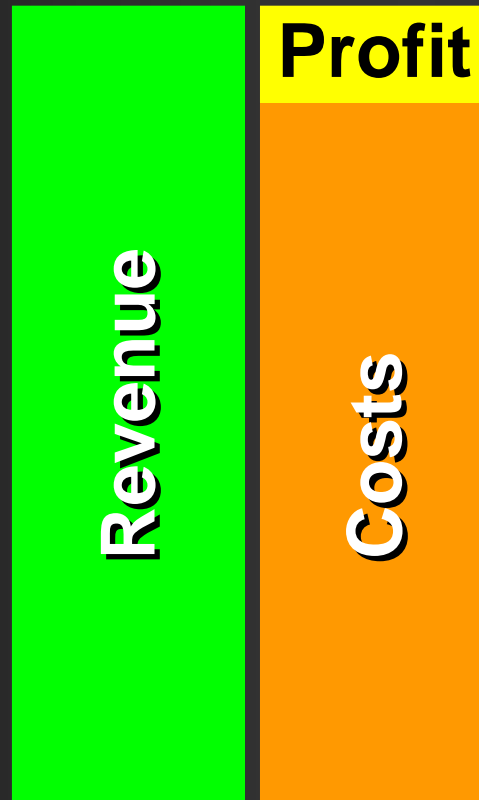
- ➔ **Appreciate the realities of CAP reform and the need for a food focus;**
- ➔ **Recognise that industrialization and sustainability are not in conflict;**
- ➔ **Understand the importance of moving down the food chain to capture value and the importance of collaboration.**

# Why farm payments are not the solution?

Think of revenue and costs on a per animal basis:  
**Increasing value** means cutting costs and raising revenue

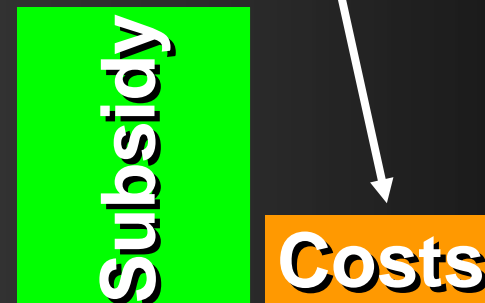
Commercial operations

Public operations

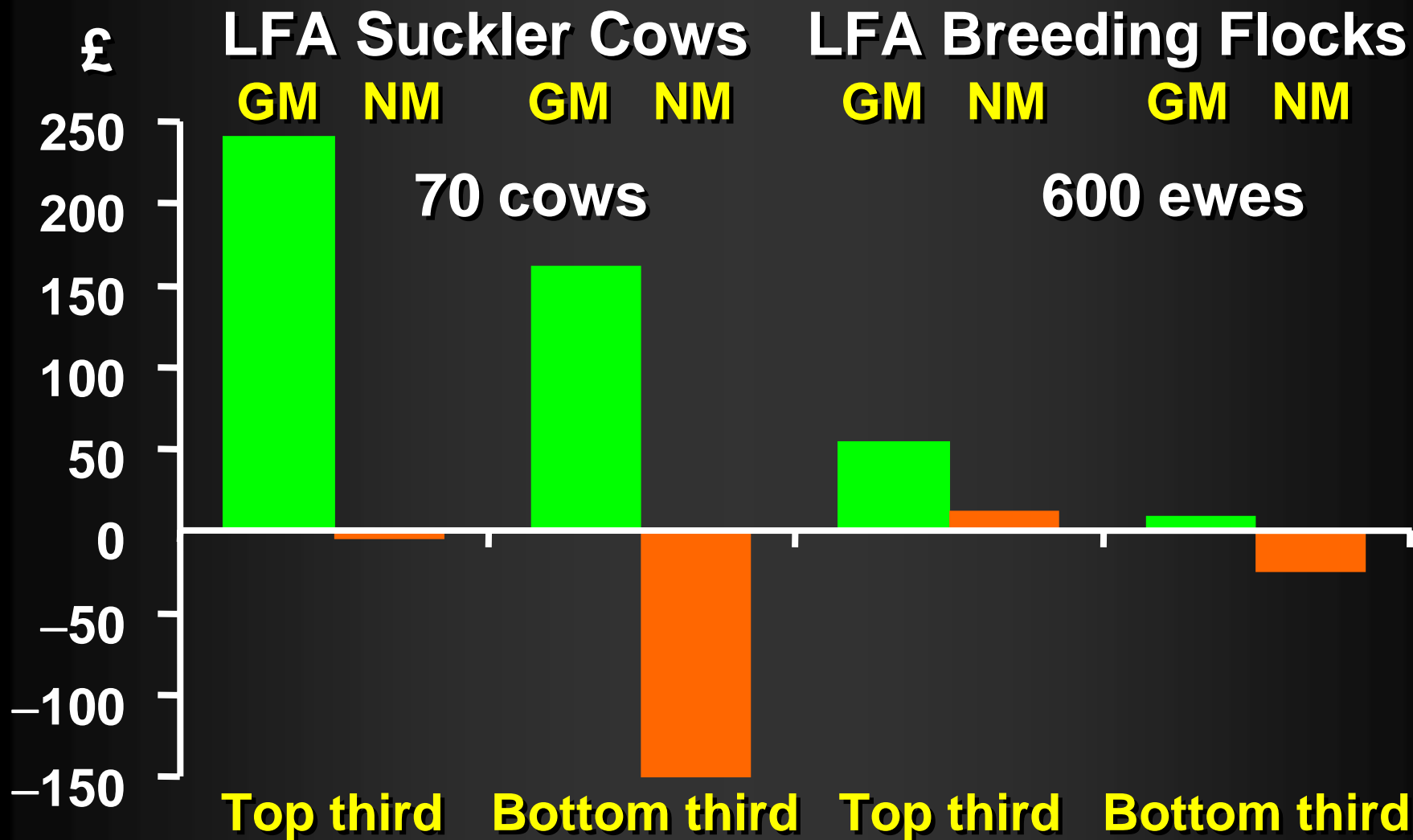


Must be positive to be viable

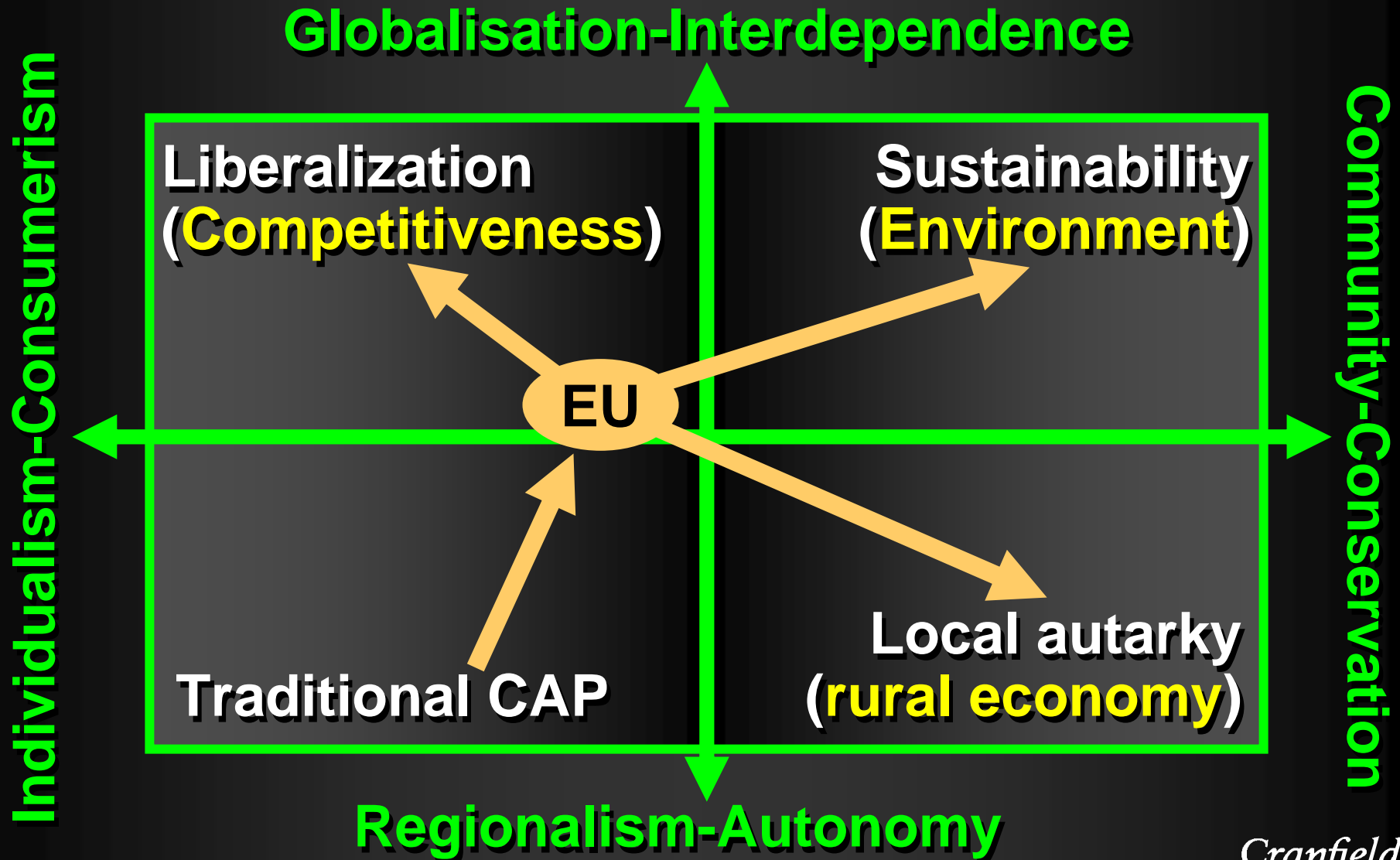
SFP steadily reduced and more conditional



# Comparative performance –no subsidies



# Reformed CAP: an irreconcilable trinity?



# Local autarky: an unrealistic option?

Defined as smaller scale, low productive farms selling to local communities supported by the exchequer

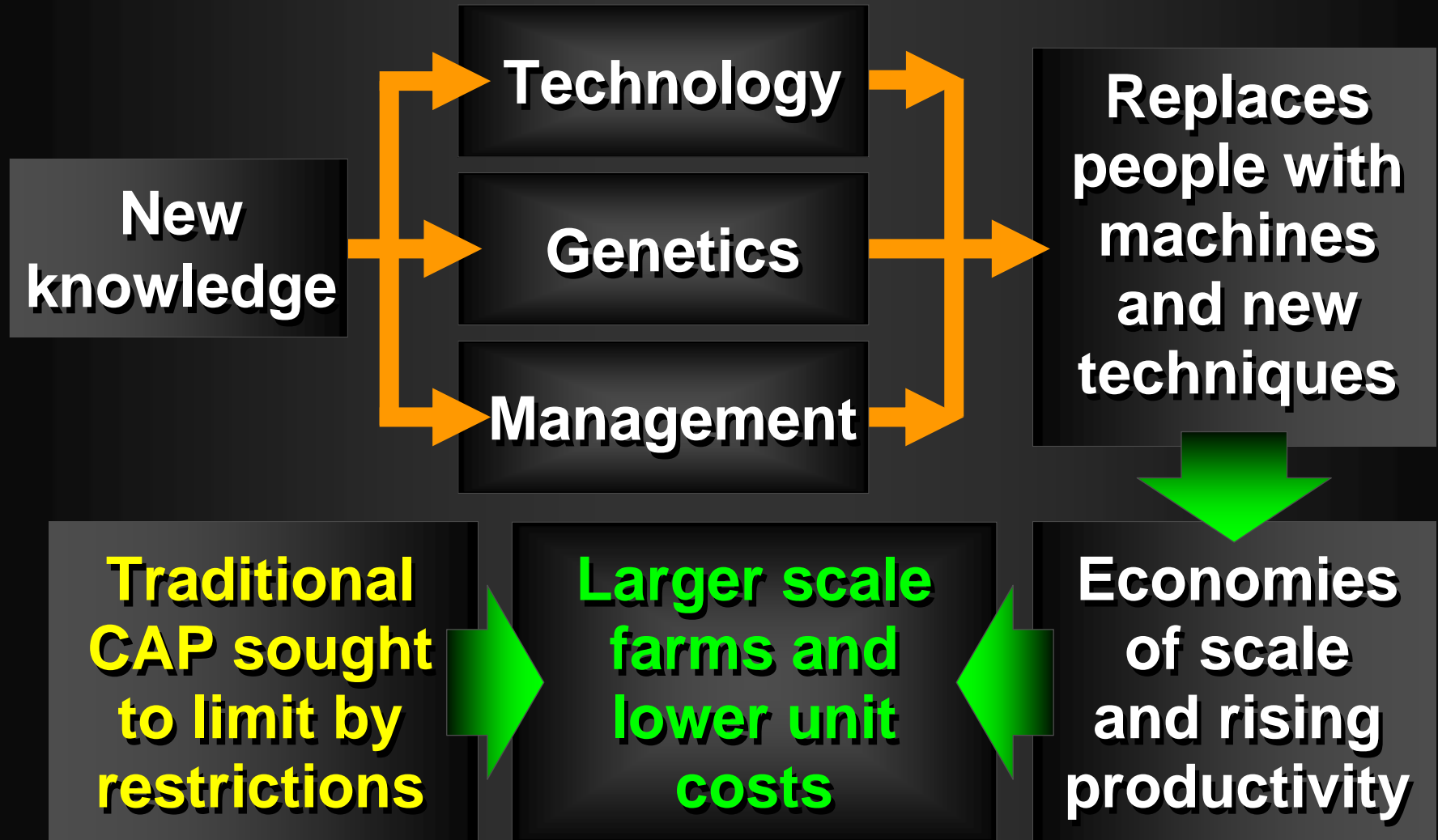
Limited practical help for rural economy and is defended on the dubious grounds of reducing food miles

Primarily a lifestyle protection, dependent on size restrictions and trade barriers to raise farm prices

# Sustainability – key questions

- ① Support for extensive-organic farming is primarily driven by **desire to reduce output**;
- ② It is the **quality of management** not production techniques *per se* that matters;
- ③ First key question: **how will costs adjust as support is removed?**
- ④ Second key question: **how much countryside** would we get **without support?**
- ⑤ Third key question: **how can upland farms create and capture more value?**

# Continued intensification





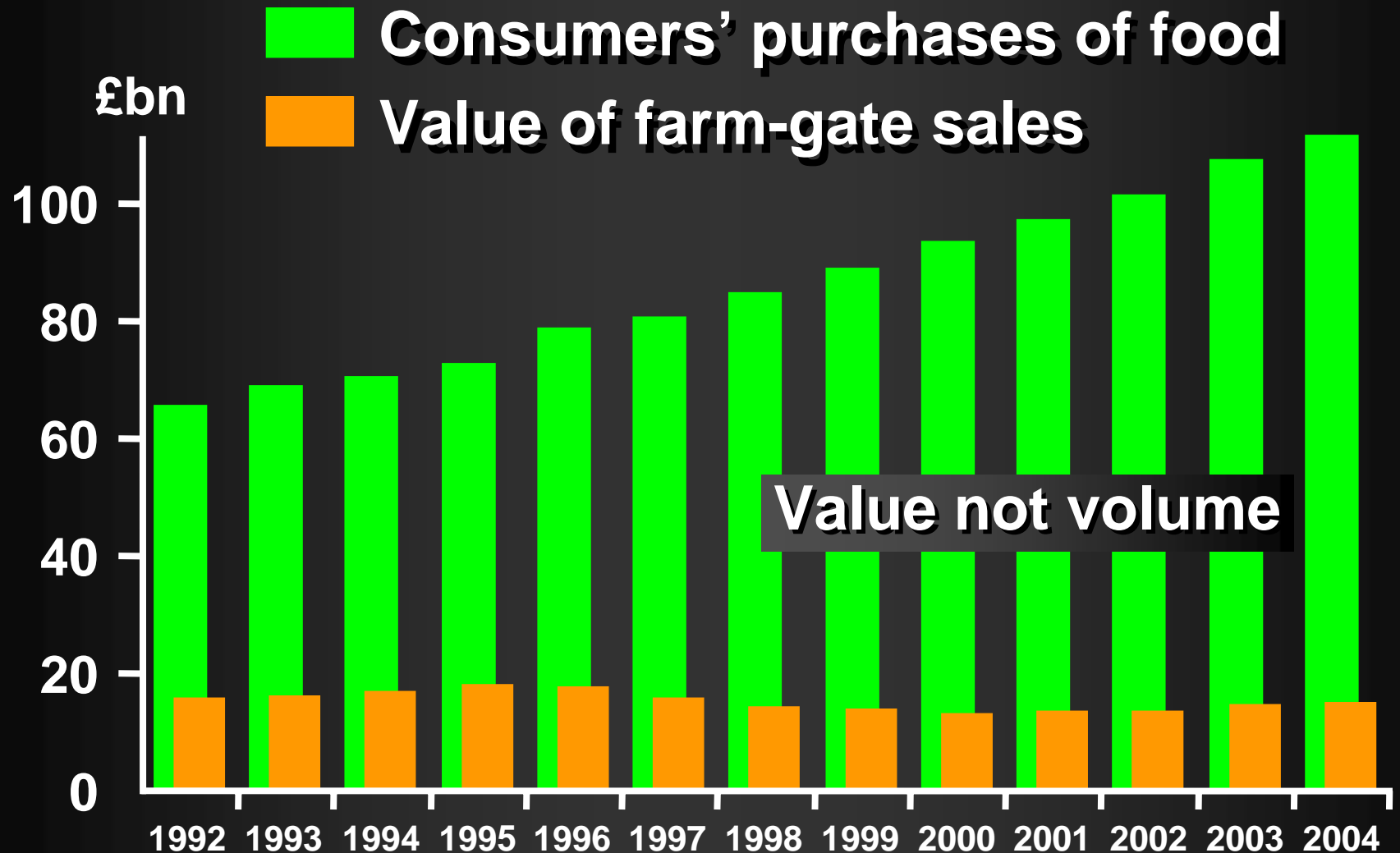
# Protecting the environment

**An environment focussed policy  
is only viable with public support  
but experience  
suggests it will  
be inefficient**

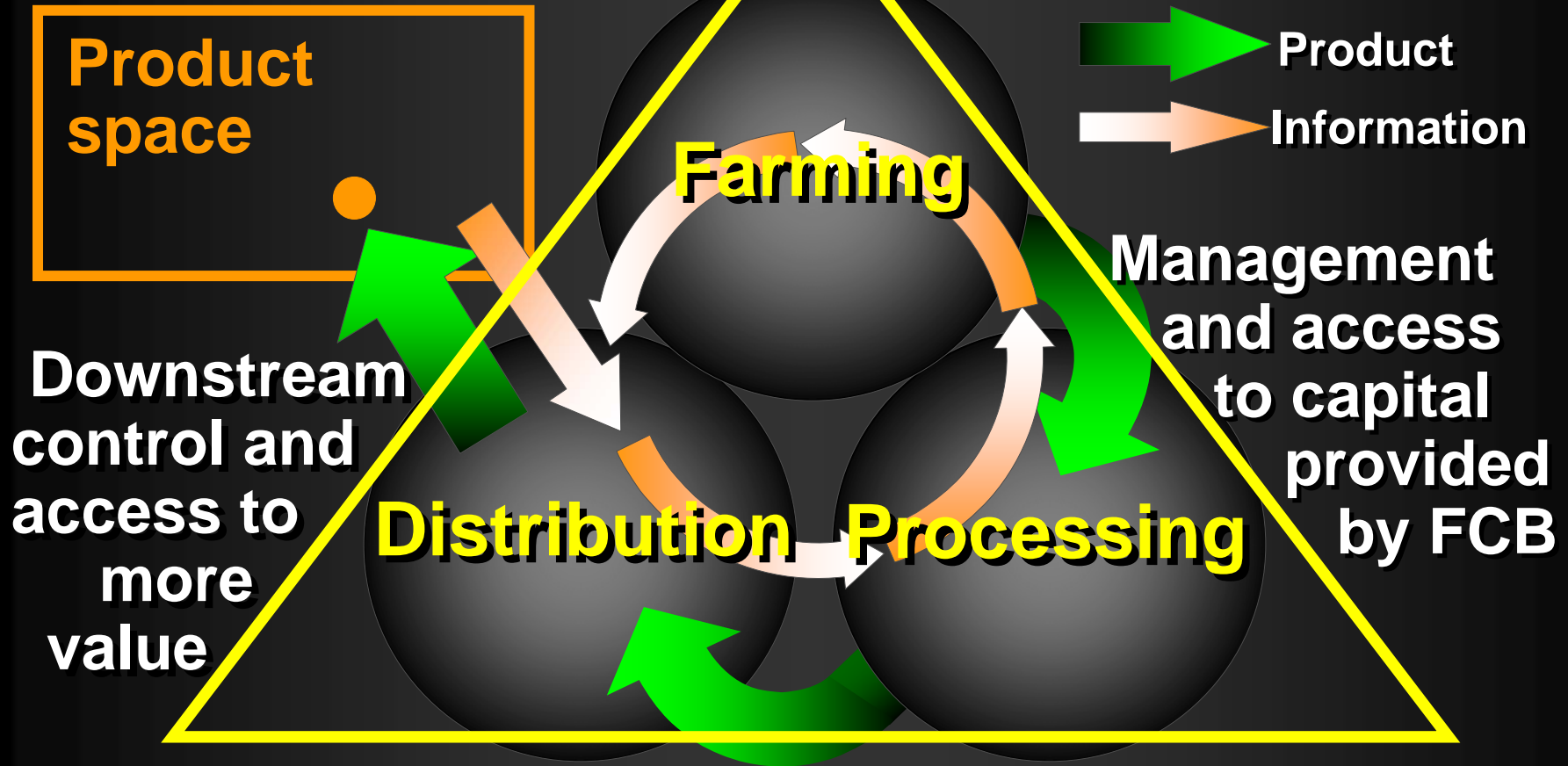
**What are the implications  
of continuing to support  
production in the hills as  
support in  
lowlands is  
removed?**

**Studies suggest  
larger scale farms  
better manage the  
countryside and  
conservation**

# Capturing more value



# FCBs: capturing downstream value



**The beef and sheep sectors are lagging when it comes to a collaborative mindset**

# Concluding thoughts

- ➔ Agricultural **support is in its end-game** and global competition will increase;
- ➔ Farming's **primary role is to produce food** and it is far from clear that this is in conflict with sustainable production;
- ➔ Farmers **must think and act like other SMEs** and concentrate on capturing value possibly through Farmer Controlled Businesses.

# **Farming Profitably in the Uplands: The Need for a New Mindset**

**Séan Rickard**

**Cranfield School of Management**

**[s.h.rickard@cranfield.ac.uk](mailto:s.h.rickard@cranfield.ac.uk)**