Isle of Wight Food Sector Survey Results

**Produced for the
South East Food Group Partnership
by the
Isle of Wight Economic Partnership**

Findings of the
Isle of Wight Food Sector Survey

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1. INTRODUCTION

The Isle of Wight Economic Partnership is an independent, not for Profit Company, which as part of its activities delivers and manages funding programmes on the Isle of Wight. Local Food was identified as a priority area by Rural Theme Group and the Board of the Economic & Environment Partnership (part of the Island Strategic Partnership) in March 2009. It was agreed that a coherent strategy and action plan was required and the first activity should be a mapping and consultation exercise of food producers and processors.

The South East Food Group also recognised the importance of building a better understanding of the Isle of Wight food sector from growers through to producers and retailers and commissioned the Isle of Wight Economic Partnership to undertake a survey and consultation exercise. This work will build on the research carried out by the Laurence Gould Partnership in 2008 which assessed the level of agricultural confidence on the Isle of Wight. This report represents the first part of this work which is intended will be an ongoing activity.

The objectives of the survey were to:

- Build a better understanding of the Island's food sector;
- Assist decisions about future support and strategic planning and,
- Seek producer feedback on the merits of establishing a food group on the Island.

A database of 268 farmers, growers and food processors was built with a postal questionnaire despatched, completed and returned from September to November 2009. As of 24 November 2009, the total number of questionnaires completed was 50 with questionnaires still being returned. Currently this represents a response rate to the survey of 19%.

To date there have been a number of attempts to establish a sustainable food group on the Island, some more successful than others. The Isle of Wight Food and Craft Association (IFCA) was formed in 2006 and had the aim of increasing the level of local food and craft produced.

However, IFCA failed to establish itself as an effective conduit for food sector development funding. In November 2007, Taste of the Wight project was established to develop the food sector; the core of the project was funded by SEEDA with further project specific funding from other public and private sector agencies including the Isle of Wight Council. The project's funding from the Isle of Wight Council was withdrawn in March 2009 and as a result, Taste of the Wight folded.

The SEEDA funding for the food sector is currently in its last year and the residual monies (c£16K) have financed the food survey and will support a limited programme of activities up to 31st March 2010. An outline of the activities planned is outlined later in this report.

Building on the knowledge gained and the feedback received, the Economic Partnership is proposing to seek support and funding to establish an industry-led Island Food Group. A number of alternative funding sources have been identified and will be approached.

2. SUMMARY OF SURVEY FINDINGS

- An improved understanding of the food products available on the Island has been established although it is important that this continues to be developed
- Key supply chains and linkages exist along the food chain although they appear to be somewhat limited
- 43% of farmers / growers indicated plans for expansion. All the main agricultural sectors were represented although the highest level of confidence and plans for expansion came from the livestock sectors. The development of direct supply was a feature of the expansion plans.
- 80% of processors have plans for expansion, stimulated by the increased demand for local produce
- For those businesses considering scaling down operations, pressure on returns was stated as a key factor.
- 70% of farmers / growers and 80% of processors supported the creation of a food group
- Respondents considered that the Isle of Wight Food Sector needed an Island Food Group to give the sector a clear identity and would like the group to focus on;
    - specialist advice
    - networking

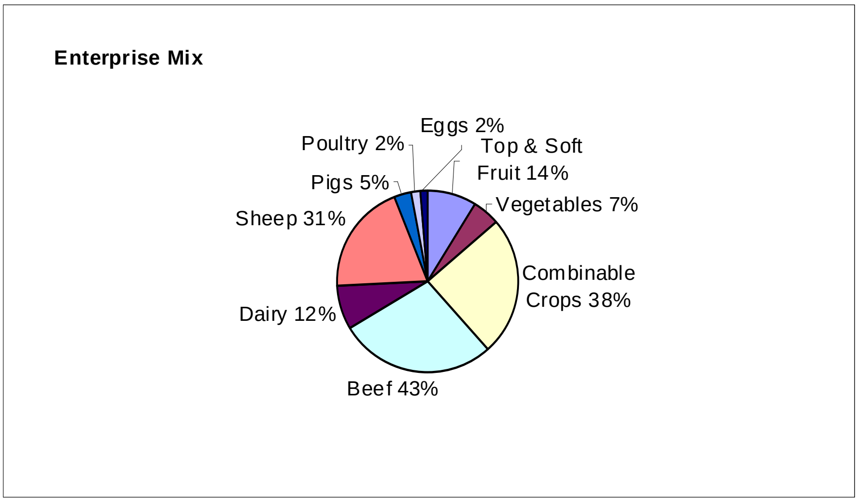
- marketing support and
- collaboration opportunities

- There was a call for greater facilitation and co-ordination of local and regional food events
- Producers who had moved along the food chain in the main supported Farmers Markets and/or their own farm shop. Over 40% of the respondents used one of the Farmers Markets as an outlet for their produce.
- There was only minimal evidence of businesses selling direct to non farming outlets such as restaurants and pubs.
- Some evidence of linkages exist between tourism accommodation and attractions and Island food, although this appears greatly under developed.
- Wholesale outlets were dominated by off-island businesses especially in the livestock sectors, reflecting the absence of an Island abattoir.

3. AGGREGATED DETAILED RESULTS

a) Profile of responses – enterprise types

The graph below provides a breakdown of the split of enterprise types captured by the survey. All the main sectors are represented.



In total survey respondents:

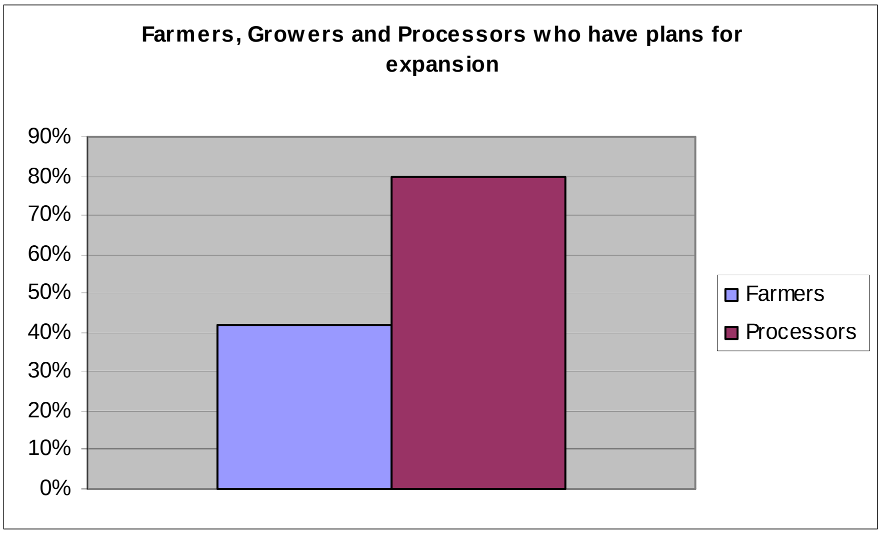
- Produce in excess of 4,141,683 litres of milk per annum
- Finish more than 1,350 beef animals per annum
- Sell more than 8,600 lambs per annum with some farmers now diversifying in to the treatment and subsequent selling of their sheepskin to the general public
- Grow over 8,050 tonnes of combinable crops

** Mixed farms have more than one entry.*

b) Future business intentions.

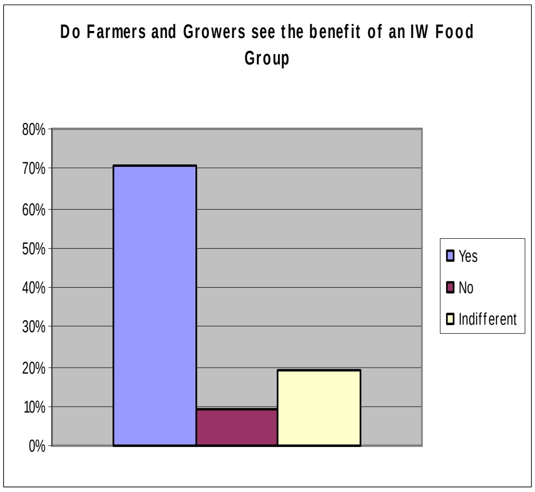
In terms of the businesses that are looking to expand, all the main agricultural sectors were included. A key feature was the indication that direct supply would be a feature of these expansion plans. Of the businesses considering scaling down operations, pressure on returns was stated as the main factor.

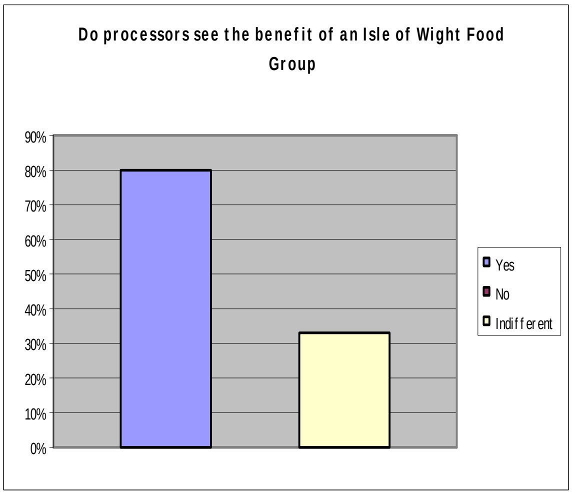
Expansion intentions in the processing sector were particularly strong with 80% of the businesses who responded intending to expand. The increased interest in local food appears to be a key driver.



c) Island Food Group

70% of the respondents supported the creation of a Food Group. Individual responses considered it to be a “very good idea” and felt the “Island could benefit from this immensely” The joint promotion of an Isle of Wight brand and the joint marketing of Isle of Wight food outlets was called for.

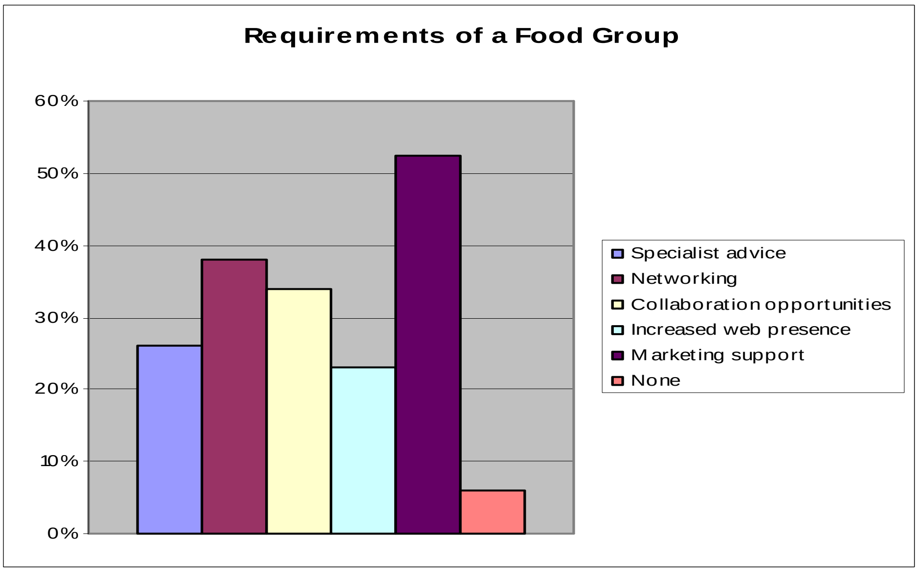




In terms of the role of a future food group, the respondents wanted in order of importance:

- marketing support to include website marketing;
- networking
- collaboration opportunities
- specialist advice

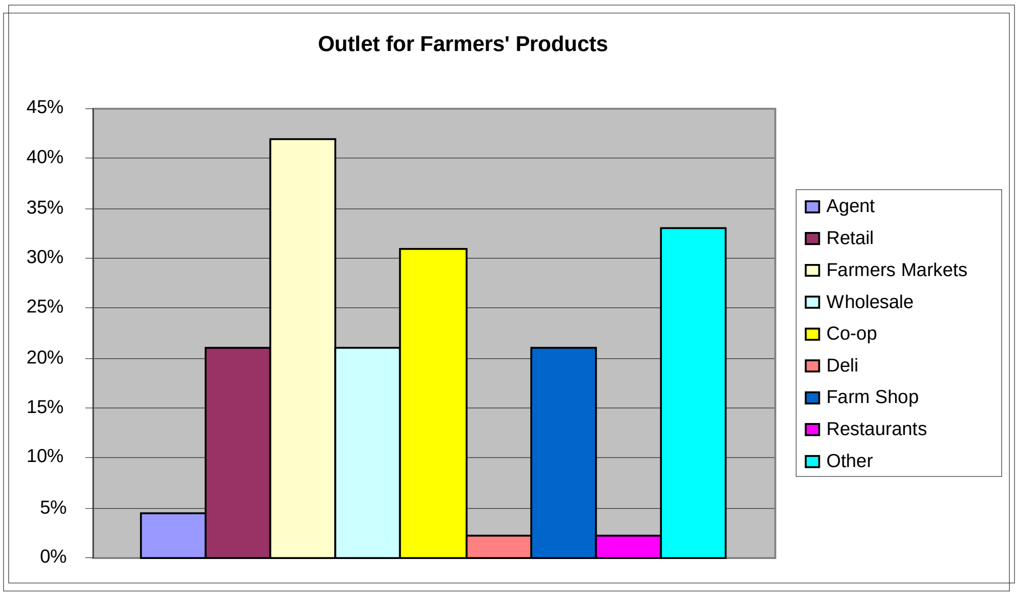
The co-ordination of local and regional events to allow producers/processors to exhibit and sale their produce was requested. The co-operative marketing of livestock along the lines of the island's grain co-operative was also mentioned.



d) Current Outlets for Farm Products

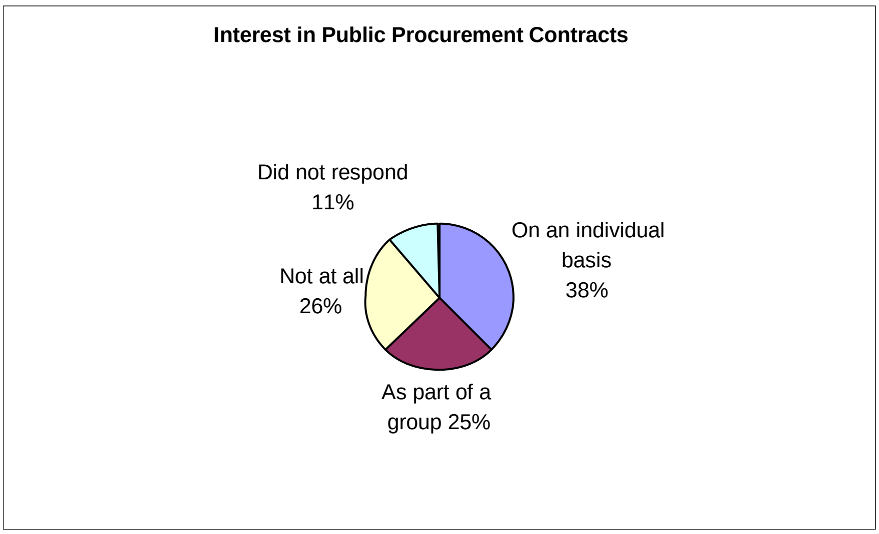
Over 40% of the respondents used one of the Farmers Markets as an outlet for their produce. In the arable sector Isle of Wight Grain was also a significant outlet, and across all sectors the growth and importance of farm shops was apparent. The “other” category included private sales. There was only minimal evidence of direct selling to non-agricultural businesses such as restaurants and pubs and direct to non agricultural retailers. Supply to the tourism sector appears greatly under developed.

Wholesale outlets were dominated by off-island businesses especially in the livestock sectors, reflecting the absence of an Island abattoir. Local farm shops dominated the local outlets for island food.



e) Interest in Public Procurement

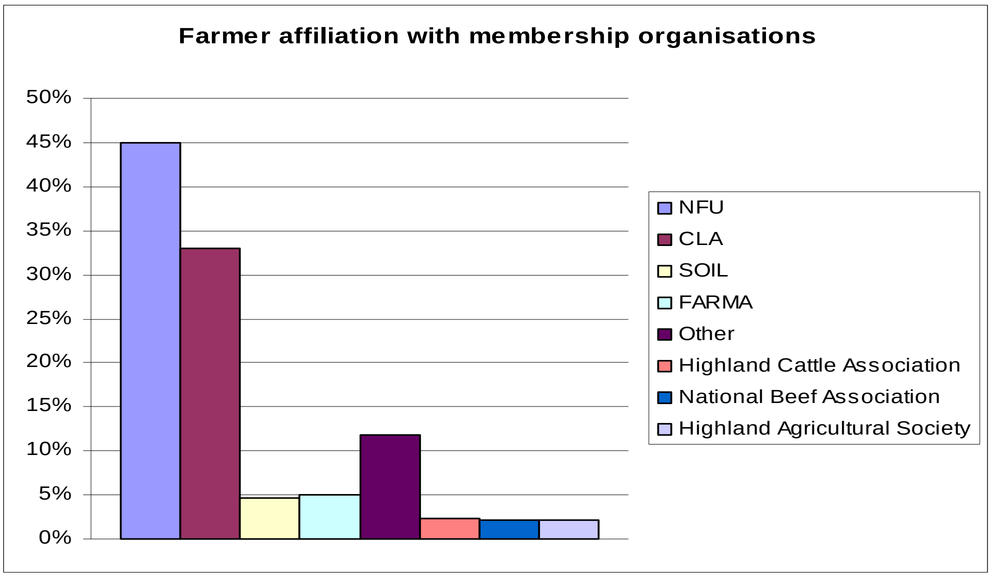
63% of the respondents indicated an interest in public procurement contracts either individually or as a group.



f) Farmer Membership Affiliations

The survey shows that farmers see the benefits of membership organisations with nearly 50% of them members of the NFU with some of them also members of the CLA. On the flip side, none of the Processors are affiliated to a membership organisation. However, both groups have strongly indicated they would join an Isle of Wight food group seeing the value it could give them but have stressed the need to keep the identity of the unique Isle of Wight locality.

Although the Isle of Wight has already had a number of projects to raise awareness of the Food Sector, neither IFCA nor Taste of the Wight was publicly attributed as being a Food Group.



g) Additional Findings

The survey showed the total number of fulltime employees within the respondents as 143 which equated to an average of 3 FTE employees per business, which was an increase from the 2008 findings where the average was 1.96 FTE. These figures (from this current survey) exclude the number of part time workers of 109.

4. ISLE OF WIGHT AGRICULTURE PLC

The Island's agricultural, forestry and fishing industries generated an output of £30m in 2007 and provided 2,200 full-time jobs. Taking into account the whole food sector an estimated direct value to the Island's economy is £150M is expected.

According to the Annual Agricultural and Horticultural Survey (AAHS), and in line with the rest of England, agriculture on the Island has undergone significant structural change during the last decade.

Nationally, the move from full-time to part-time holdings has seen the number of farms increase by 31% since 2000. On the Island a similar trend is apparent with 186 more holdings (33% increase) in 2007 compared to 2000. In terms of the number of holdings supporting a full-time farmer, according to the 2008 AAHS there were 208 holdings on the Island.

During the last 5 years the trend to a greater number of smaller farms has continued. Since 2005 55 (10%) more holdings have been reported with less than 50 ha, with the largest increase in the smallest category (less than 5 ha). During the same period there were 5 less farms over 100 hectares. The Island's trend is in line with the national picture.

Land tenure on the Island is heavily tilted towards owner occupation with 76% of the land farmed by land owners compared to 67% across the whole of England. Only 6,253 hectares of a total area of 25,650 hectares were rented.

On an activity basis, all the main sectors have declined except the livestock sector which has accommodated the increase in part-time holdings. The number of "other" farm types has increased reflecting the increase in equine and other land uses.

Number of Enterprises*	Dairy	Cereals	General Cropping	Livestock	Hort.	Pigs
2008	22	68	20	184	51	12
2000	64	117	37	128	68	33

* Not number of holdings

Only 34% of agricultural land on the Island is under cultivation compared to the English average of 45%. The strong take up of environmental schemes further supports this grassland emphasis.

We also have a lower than average area of Woodland at 3% compared to the national average 5%.

Since 1999 the area under cultivation has declined across all the main crops except field scale vegetables, which has seen an increase of 150%.

Hectares	Combinable crops	Potatoes	Veg – Field	Veg - Glass	Top Fruit	Small Fruit
2008	4,825	273	526	11	19	11
1999	5,938	383	211	27	20	29

In terms of livestock, breeding cattle numbers have reduced with the significant reduction in dairy cows only partially offset by an increase in Suckler Cows. Overall total cattle numbers reduced by 15% which is slightly above the national average reduction of 11%.

The number of breeding ewes on the Island has not changed greatly although total sheep numbers have declined by 5%.

	Dairy Cows (>2 yrs)	Sucklers (>2 yrs)	Total Cattle	Breeding Ewes	Total Sheep
2008	3,893	3,073	16,081	17,473	36,855
1999	5,068	2,453	18,908	17,603	38,715
% movement	- 23%	+25%	-15%	n/c	-5%

5. ASSESSMENT OF AGRICULTRAL BUSINESS CONFIDENCE

As a baseline for farmer confidence and future trading intentions Laurence Gould Partnership Ltd carried out a survey in 2007/08 as part of the research for the Island's LEADER bid. Fifty farmers were surveyed and the following findings were produced:

- More businesses were confident about their economic health than those who were concerned
- A greater number of businesses were concerned about their business at the time of the survey than they were 5 and 10 years earlier

- Majority of respondents were unable to indicate if they thought their businesses would be better, neutral of worse off in five or ten years time
- Only 52% of the businesses were intending to invest during the following 12 months
- Only 12% of businesses surveyed were involved in secondary processing of agricultural or woodland products and only 20% were considering such a move
- Nearly 60% of the respondents considered there to be barriers preventing them from secondary processing
- Half of the businesses had collaborated or co-operated with other businesses and nearly 40% were considering it. Collaboration within the livestock sector was much less common that than in the arable, dairy and field scale vegetable business
- Diversification amongst respondents was above the national average with more moving towards non tourism based activities than those taking advantage of tourism opportunities.
- Livestock and Dairy businesses were most likely to diversify into tourism activities no doubt reflecting the availability of redundant farm buildings
- 62% of businesses were part of a stewardship scheme and nearly two thirds carried out conservation work outside of funded schemes.

It is interesting to note that in the latest survey, plans for expansion had significantly increased, notwithstanding the perceived barriers.

6. FUNDING FOR THE FOOD SECTOR - RDPE LEADER PROGRAMME

The Isle of Wight was awarded RDPE funding of £2.7 million for the period 2008-2013 to enhance the vitality of the Island's rural community. The focus of the programme is to support agriculture, rural businesses and rural communities.

Priorities within the Island's Programme were established following an extensive consultation exercise. It is now strategically guided by a Local Action Group (LAG) whose members have been drawn from all parts of the rural community, to include the NFU, CLA and Economic Partnership.

The stated aim of the LEADER programme is to create a strong legacy supporting individual rural businesses to develop and grow, expanding the rural economy. The target by the end of the programme is to have created/sustained 100+ jobs, supported over 130 businesses and delivered a total investment in excess of £6M.

As at 30th November 47 projects had been supported with grant funding £688K awarded.

The LEADER priorities include adding value to agricultural products and promoting co-operation for the development of new products, processes and technologies in the food sector. A further key objective is to help develop supply chains and new markets for food and forest products.

Funding of up to £50,000 is available to individual projects, with a typical funding rate of 50% of eligible costs. It is a competitive programme with each project assessed by an Approvals Panel and awards are made according to the delivery and alignment to local priorities.

The Economic Partnership manages the LEADER programme on behalf of the Island.

7. NEXT STEPS

The survey has helped establish a sound base but there is still a lot of work to be undertaken to ensure a robust understanding of the food sector on the Island is developed to inform future decision making and to maximise future opportunities for the sector.

However the Survey has highlighted producer and processor support for a new Island Food Group, although the main challenges are to ensure that it is producer led and shaped and that sustainable funding is achieved.

The vision is to have a self-sustaining industry led umbrella organisation working collaboratively with key stakeholders to develop the value of the food and drink sector on the Island.

As a first step, up to 31st March 2010, the Economic Partnership proposes the following actions to bring this to fruition:

- Continue to build the database of food producers and processors
- Seek funding to establish an island food group in accordance with the findings for the survey. The establishment of the informal steering group, drawn for all parts of the food chain, will be a key action
- Continue to promote the need for an overarching island food strategy to incorporate the activities of a Food Group
- Develop a dedicated Island food section on the Economic Partnership's website to keep farmers, processors and retailers informed of local food sector developments and opportunities

- Produce a Food Group newsletter as a means of communicating to the Isle of Wight Food sector. This will include a local and regional event list of opportunities for promoting Island products
- Undertake a series of events to promote Farmhouse Breakfast Week, celebrating the quality and diversity of the Island produce
- Arrange training and development events on the subjects of farm shops, and publicity and marketing
- Promote food excellence and best practice
- Develop strategic links with other Food Groups, seeking best practice and shared resources, especially those groups who have recently become self-sustaining

At the end of March 2010 a report will be produced for Island food producers to confirm the activity completed and the actions they can expect to see happen in support of the Island food sector.

Isle of Wight Economic Partnership

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