



GSC GRAYS

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AHDB

FUTURE FARMING RESILIENCE FUND

DETAILS OF THE SERVICE

The Farm Business Team at GSC Grays have been subcontracted by AHDB to deliver part of the future farming resilience fund, an integral component of DEFRA's Agricultural Transition Plan, including Farm Business Consultancy Services via AHDB tools and individual consultations. The services available are free of charge to the recipients.

Through the AHDB contract we will be delivering a number of services to farmers that will be funded by the Government and specifically aimed at appraising current business performance, understanding the exposure of a business to reductions in support from the Basic Payment Scheme and to help start the process of considering what actions should be taken to strengthen the resilience of any individual business to the changes which are expected within the next few years.

Our service area will cover the North East and North Western parts of the UK, which includes parts of North Lincolnshire, Nottinghamshire and Derbyshire. Consultations and advice will be available to farmers in the arable, beef, sheep and dairy sectors in England.

The service will be delivered on 4 levels:

LEVEL 1-RESILIENCEASSESSMENT

Using AHDB's business review tools, we will assess, with the client, the impact of BPS reductions on their business and benchmark key KPI data. We will also facilitate the completion of a "Future Resilience Questionnaire".

This element of the service will help individual BPS recipients to:

- Understand how income will be affected and plan for the future.
- Start conversations with others involved in the business.
- Explore the new options replacing BPS, such as the Sustainable Farming Incentive.

The second element of the level 1 service is a business

resilience assessment which analyses the traits of top performing farms in relation to an individual business and how well that business compares to top performing farms. This will:

- Improve business resilience.
- Assist businesses to prepare for the changes in domestic agricultural policy.
- Help access resources to develop and grow the business and progress for the future.

The third element of the Level 1 service is some analysis of key performance indicators utilising one of the AHDB tools, the KPI Express Calculator. This tool can help identify quickly how well a farm is performing against comparison data and find areas for improvement and help identify potential solutions.

The KPI express calculator is a great starting point to analyse some of the key performance indicators for your farm against other farms to:

- Compare performance against the top 5%, 25% and average farms.
- Get resources and case studies to help improve the business performance.
- To review one or more KPI at a time.
- There are a significant number of KPI's which can be utilised from an individual cost of production through to more practical details such as calving interval of a suckler herd.

All farms eligible for the Basic Payment Scheme will qualify for this service.

Farmers will be invited to participate in a group discussion to understand what sets top performing businesses apart from the rest and to encourage peer to peer learning.

Specifically, this element of the service will look at the reductions in financial support for an individual farm, utilising AHDB's Basic Payment Scheme calculator to assess the expected profile of payments over the next 6 – 7 years until the payment is removed in 2028.

LEVEL 2 - FARBENCH DATA SET

This offers a more detailed financial performance review using AHDB's "Farmbench" framework. This will allow analysis and comparison of key costs for each enterprise together with the overhead cost structure, benchmarking performance against comparable farms in the sector, to identify key strengths and weaknesses of the system and opportunities for improvement.

Farmbench is an online benchmarking tool that allows individuals to compare their farm performance to similar businesses. It helps identify where you can improve efficiency and increase profits to:

- Compare agreed performance indicators with local or national farmers
- Make evidence based decisions to improve individual profitability.
- Have a better understanding of the farm business to help control the future of the farm.

What is benchmarking?

The best way to find out how your business is performing is to measure it against the industry standard and that is exactly what the AHDB Farmbench tool can do. Farmbench provides a platform for individuals to evaluate their fixed costs and, in turn, improve understanding of the strengths and weaknesses of the business.

Why use Farmbench?

The market leading tool enables farmers to evaluate performance, ensuring that the business is on the best possible footing for the future.

- Farmbench already has over 2000 registered users, giving a good range of comparable farms.

There is assistance and advice, to help input data onto the Farmbench system, available from AHDB via Regional Knowledge Exchange Managers and / or consultants can help advise / guide recipients through the service.

When the data is inputted, best practice can then be

discussed with others through business improvement groups.

At present, Farmbench is available for beef, lamb, dairy, combinable crop and potato enterprises. GSC Grays can provide individual assistance to input data onto the Farmbench system and to help advise and guide clients through the process. AHDB anticipate that 5% of recipients of the level 1 service will be able to receive individual bespoke support to help enter their data onto the Farmbench system.

LEVEL 3 - AGRI-BUSINESS APPRAISAL

For businesses which are more exposed to BPS reductions, are identified as financially challenged, are looking at succession planning, or are considering exit strategies, this level offers a more bespoke business appraisal. The appraisal will assess the current business performance, consider future options and the development of a one year Budget and Cash Flow, as well as an action plan to improve business resilience post BPS.

The level 3, Agri-Business Appraisal provides up to two days of input for an individual business, to give a more detailed review of issues prevalent with a view to identifying options for change and to help start the process of change including business planning via the preparation of financial projections (a budget and cash flow for one year).

This element of the service will challenge farming businesses on a more individual basis via consultancy support.

As with Level 2 (The Farmbench Dataset Preparation), AHDB anticipate that the Level 3 will be available to 5% of recipients of Level 1.

LEVEL 4 - CARBON AUDITS

Those businesses identified within the Farm Business Review as being less exposed to BPS reductions, which are beginning to assess their business's Carbon

emissions, will have the opportunity to undertake a free carbon audit. This service is part of the AHDB Future Farming Resilience Fund tool kit however, GSC Grays are not providing the service directly. We will refer any suitable candidates to a local supplier within the AHDB Farm Business Review Program to complete this aspect of the review.

GSC Grays are delighted to be involved in this range of services. If you think this is of interest, please contact one of our team or the central email address 'fbr@gscgrays.co.uk' or call **01748 829205**.

Alternatively, customers can access more information on the GSC Grays website or the AHDB website.

If you have any queries, please do not hesitate to contact:

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