

Agricultural update

DRIVING LIFELONG PROSPERITY

2021

RURAL AGRICULTURE GROUP SURVEY 2021



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INSIDE

- Summary
- About our respondents
- Top concerns
- About the industry
- Other plans
- How clients are feeling
- Thank you

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Summary

Member firms of the RAG sent out an agriculture survey to clients to gauge the sentiment within the industry and to help to build a picture of the position many farming clients and families are currently in.

The survey was conducted across the UK and had 255 respondents.

The largest percentage of respondents were from East Anglia at 25%. By far, the largest sector was the arable sector (49%) with the majority of respondents being wholly/mainly owned farms. Unsurprisingly, the future of subsidies came top of the concerns followed closely by environment, climate change and weather. It was refreshing to see that 49% of respondents have already invested in technology and plan to continue to do so.

When it came to subsidies, most respondents were aware of the changes but split between those who have planned for them and those not sure what to do.

48% of respondents have either started or are considering their options with regards to succession planning, a frequently discussed topic in the industry.

It was reassuring to see that the majority of respondents reported they have up to date Wills, lasting powers of attorney and partnership/shareholder agreements in place.

Overall though, the sentiment of respondents with regards to their optimism is that they are 'somewhat' optimistic about the future. This reflects the uncertainty that still surrounds the future of subsidies.

**“PEOPLE NEED FEEDING AND FARMERS
ARE THE BACKBONE OF THE COUNTRY”**

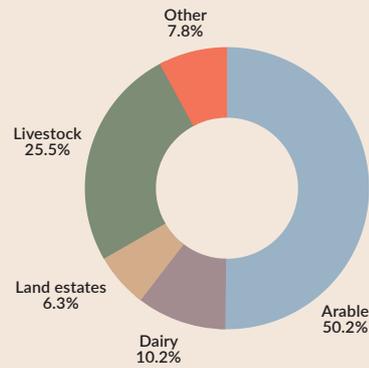
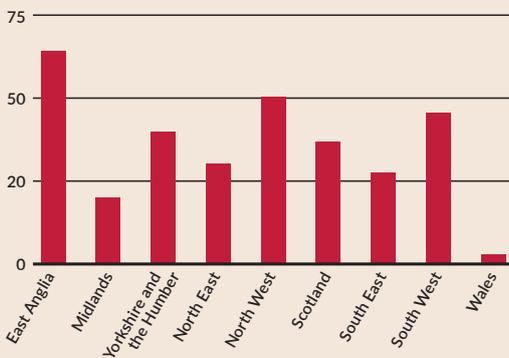




About our respondents

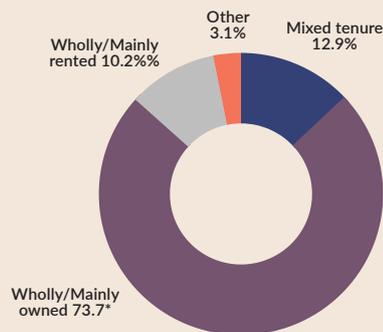
GEOGRAPHIC SPLIT OF OUR RESPONDENTS

There was a good split across the UK with regards to the geography of our respondents. East Anglia equated to the highest number of responses with 64, followed closely by the North West with 46 responses.



SECTORS

The largest majority of respondents were from the arable sector (126) followed by 65 livestock farmers.



OWNERSHIP

188 respondents were wholly or mainly owned followed by 33 being mixed tenure.

Top concerns

We asked respondents to rank their top five concerns out of a list of 12 different options. The future of subsidies ranked in the number one spot. For the purpose of these results the top five results have been combined to show the overall findings.



FUTURE OF SUBSIDIES

220 people ranked this in their top five concerns. Of those 220, 79 ranked it the number one concern for them at the current time.



ENVIRONMENT, CLIMATE CHANGE AND WEATHER

Of the 212 people who ranked this in their top five, 53 people ranked this as their main concern. 34% of those who ranked it as top concern were based in the South East or West with 30% based in East Anglia.



CASHFLOW

179 people ranked cashflow as one of their top five concerns. 33 of the 179 people ranked this as their number one concern but the biggest group here was 52 people ranking it their third biggest concern.



PRICE VOLATILITY

173 people rated this as one of their top five concerns which is not really surprising considering the uncertain environment in which farmers are operating in..



TAX

Tax rounds up the top five with 153 of respondents ranking this as a concern. We can understand this, considering the changes and freezes over the last 18 months.

About the industry

We then went on to ask some questions about the industry.

HOW HAS YOUR BUSINESS UTILISED ADVANCES IN AGRICULTURAL TECHNOLOGY?

119 respondents reported that they have “already invested and will continue to invest in technology”.

A further 60 stating they have considered utilising and are looking to invest in technology.

BUSINESS SUCCESSION

Business succession is always a hot topic within the farming communities. So we asked respondents about their current business succession plans.

122 respondents reported that they are either considering or have already started succession planning. 61 already have plans in place, however 57 have no plans.

THE FUTURE OF SUBSIDIES

77 said “I am aware of the changes but am unsure what to do about it.”

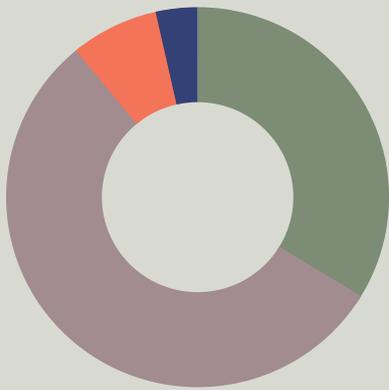
71 said “I have planned how my business will cope with the changes.”

51 said “I have planned changes but unsure if business will be viable.”

29 said “I have changed my business ahead of the changes.”

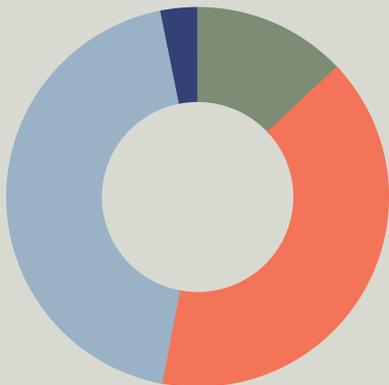


Other plans



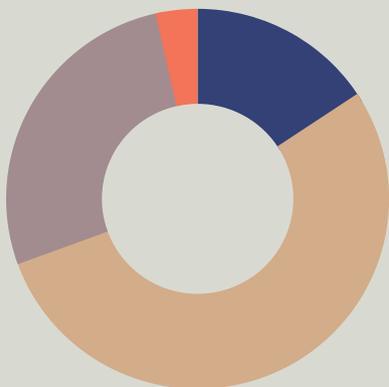
WILLS

141 respondents reported having a current and up to date Will. This was followed by 86 who need their wills reviewing or updating. 19 stated that they do not have a will and the remaining 9 were other reasons.



POWER OF ATTORNEY

Unsurprisingly, the largest majority of respondents (112) did not have a power of attorney in place, this was, however, very closely followed by 102 people who have got them in place. 33 people need to review or update their power of attorney with the remaining 8 stating other reasons.



PARTNERSHIP/SHAREHOLDER AGREEMENT

137 respondents cited their partnership/ shareholder agreements as being up to date. There were 69 responses from those who do not have one which was closely followed by 40 people who stated theirs needed reviewing or updating. There were just nine respondents stating 'other reasons'.

How clients are feeling

Our final question was to find out how our clients are currently feeling and their levels of positivity in the industry.

With COVID-19, Brexit and changes to agricultural policy, the agricultural community has had a lot of challenges.

ARE YOU OPTIMISTIC ABOUT THE FUTURE?

We were not surprised to find out that 131 of our respondents are 'somewhat' optimistic about the future. This reflects the uncertainty that we are all experiencing at the moment.

80 respondents stated they were feeling positive about the future. On the flip side 35 respondents were less positive reporting that they were not positive for the future.





THANK YOU

Thank you to all our respondents and to the firms who took part in this survey.

It helps our member firms to understand what clients' challenges are so that we can continue to shape our services and continue to deliver excellent levels of service.

We do hope this report provides insightful information for you.



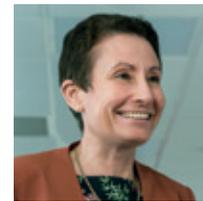
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