

Study of farm diversification in England- Implications for measurement of farm household income

Stuart Platt

**Department for Environment, Food,
and Rural Affairs (Defra)**

UK

Diversification study

- Postal survey of farms in England with 2,800 respondents
- Plus follow up interviews for a sub-sample of 225 to collect more detailed financial information
- Undertaken by Exeter University
- Measured frequency and significance of diversified activities
- <http://statistics.defra.gov.uk/esg/reports/farmdiv/default.asp>

Key results

- 60% of farms have some form of diversified activity and increasing
- Nearly 1 in 5 diversified farms have no conventional agricultural production
- Income from diversified activities on farm estimated to be £0.8b per year
- Compares with income from agricultural activities of £1.0b

Implications for measurement of farm household income

- Only around one tenth of diversified activities on farms are included within the agricultural LKAU (as defined by farm account survey)
- Therefore majority of diversified activities (which utilise farm resources) currently operate as separate LKAUs
- Diversification contributing to increasing number of “marginal” households (i.e. “broad” less “narrow”)
- A significant number of units which still consider themselves to be farms have diversified out of agriculture altogether