Version 1.3

DPI YOUNG FARMER BUSINESS PROGRAM

Understanding the Small Scale Young Farmer Sector

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KEY FINDINGS

DPI Young Farmer Business Program : Understanding the Small Scale Young Farmer Sector.

- Clear activity clusters in this sector along the East coast of the state around the North Coast, South East, and Hunter regions.
- Almost even distribution between Male (47%) and Female (51%)
- Very low response rate from Indigenous demographic, indicating potential need to allocate specific recruitment and support services to this demographic.
- Most respondents associated with with either Part-Time (34%) and Full-Time (30%) engagement within their own businesses.
- Vegetable production (43%) and Livestock (35%) industries where the most prevalent groups surveyed, the majority of single industry farmers where in livestock sector, however a total of 42% respondents indicated they operate over 2 or more sectors.
- Eggs (20%) and Fruit (22%) also ranked as high participation industries
- Majority (52%) of respondents within [1 - 50 hectares] category
- The most common business management category was "Owner operator " (54%)
- "Direct to customer" (45%) was the most common distribution methods and most respondents (52%) listing multiple supply chain distribution methods.
- The majority of respondents (68%) turnover less than $50,000 per year.
- Some key indicators for reference to 'small-scale farming' from the open ended response set included : Land size (availability), Turnover and Capacity / Staffing.
- Respondents replied with strong preference for four main business training outcomes.

  : Compliance with regulations,
  : Grant writing and funding applications
  : Growing your business
  : Models for distribution
- The respondents replied with strong preference for finance training in

  : *Basic Accounting*
  : Enterprise Analysis
  : Alternative Finance Options and Budgeting were also selected as desired training
- All marketing fields were strongly selected as desired programs for delivery.

  : Creating and managing a website
  : Developing a marketing strategy
  : Social media marketing
- The range of peer support fields were all selected as desirable outcomes however "Local Network Groups" was the most common request for peer supported activity by 50% of respondents.
- The survey cohort indicated Face to Face, Farm tours/field trips and Online tools and resources as preferred delivery method for selected programs
- A wide range of issues were raised as the biggest business challenges but repeated concerns were raised around getting started including; accessing land and capital to initiate enterprises, access to markets, small business management skills and their personal human resource limitations in being able to scale effectively.
- Specific issues around consumer and customer behaviours in direct marketing and issues with water access and weather with reflections to current drought conditions in NSW.

INTRODUCTION
The NSW (DPI) - (YFBP) has engaged Joel Orchard of Future Feeders to engage the Small Scale Farming sector across NSW to develop a better understanding of this sector.
Future Feeders is an industry network activity and advocacy group with a focus on young farmers in the small scale farming and local food economies.
Over a one month period between August and September (2018), Future Feeders and DPI conducted a survey to explore the small scale farmer demographic and to identify key features and services required to support this sector that align with the outcomes of the YFBP.

METHODOLOGY
Questionnaire Design
The 'Understanding the Small Scale - Young Farmer Sector' survey was developed in order to understand and engage this industry group. Results where sought to provide feedback on a number of key issues which align with YFBP key outcomes :

- Demographic and distribution
- Land use; size and business structures
- Industry and sector association
- Markets and supply chain
- Required : Business, Finance, Marketing and Peer Support program support

The survey was designed, written and approved by DPI prior to commencement.

SURVEY STRUCTURE
The survey was deployed online through YFBP SurveyMonkey account and distributed to existing YFBP mailing lists.
The survey was also extensively distributed through Future Feeders

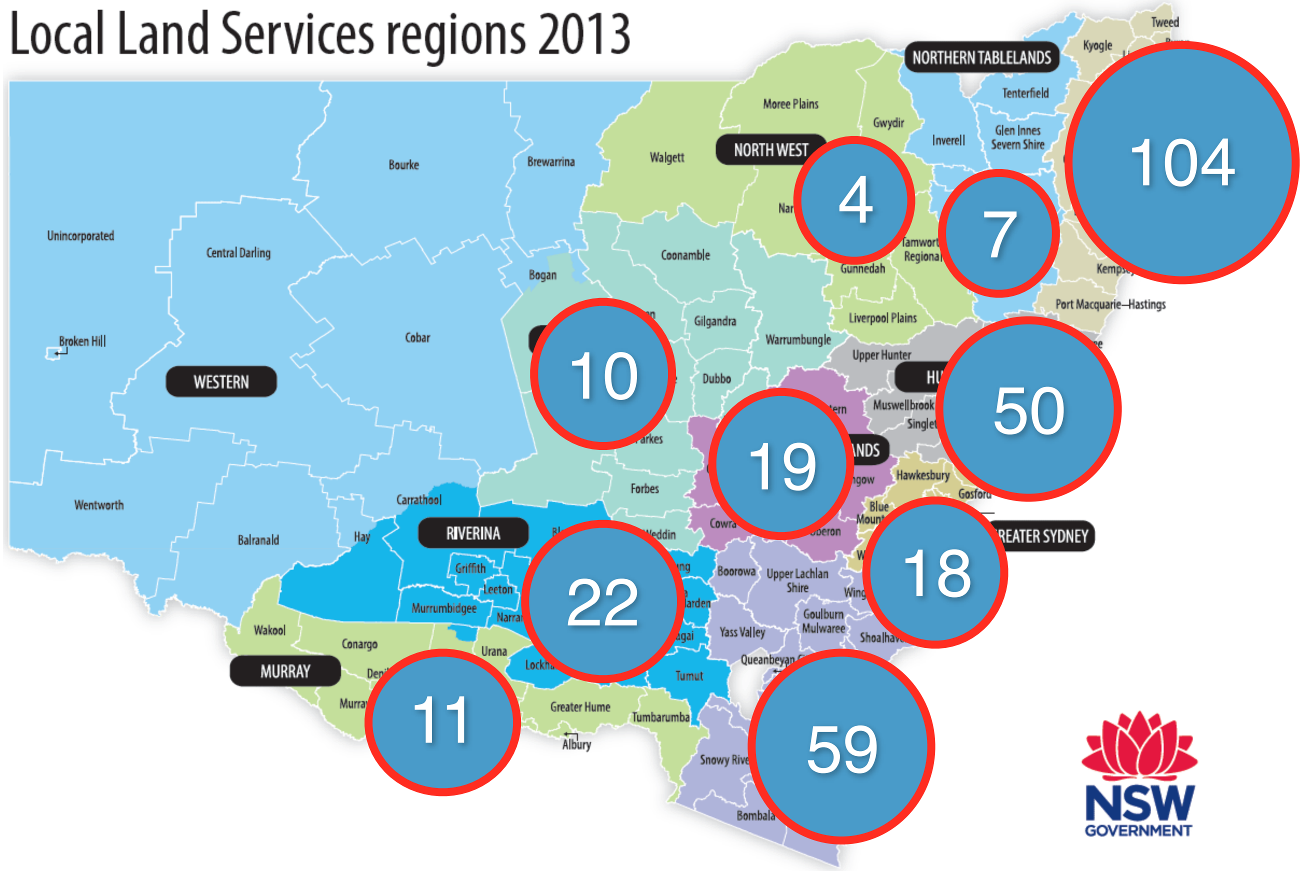
SURVEY DISTRIBUTION

Recruitment and participation where encouraged through both YFBP social media and email subscription and through the Future Feeders, associated Young Farmers Connect networks, a range of social media platforms, groups, newsletters and also mailing lists.

Additional distribution was sought through the development of a "Small Scale Farming" industry stakeholder list and survey communications were forwarded via email to 120 recipients within a number of key target areas : farmers markets, institutions, fishing coops, peak bodies, education programs, farmer networks, industry groups, on farm training platforms, permaculture groups, food hubs and distributors and a number of key young farmers in NSW

The survey was completed by 343 respondents, 15 of which identified as outside of the target survey group NSW.
These 15 have been filtered out to reflect a total survey cohort of 328 participants.

Q1 : What is your postcode ?

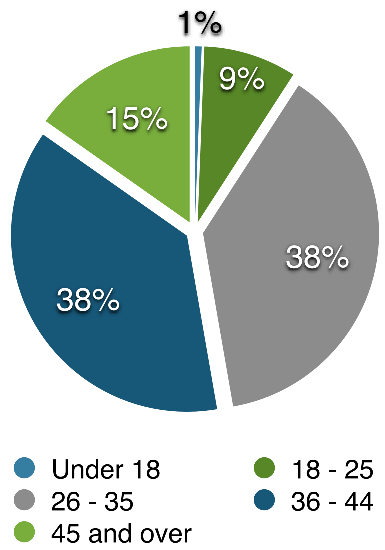


Respondent Breakdown - LLS regions	
North Coast	104
Northern Tablelands	7
North West	4
Hunter	50
Central Tablelands	19
Greater Sydney	18
Riverina	22
Murray	11
South East	59
Central West	10
N/A	24
States other than NSW	15
Total responses within data set	**328**

Notes : Based on post code
: States other than NSW 'filtered out'
: responses with post code NA left in data set
: potential bias to activity in the North Coast due to Future Feeders profile.
: modelling and region allocation referencing - http://www.elections.nsw.gov.au/about_elections/electoral_boundaries/postcode_locality_list

Q2 : How old are you ?

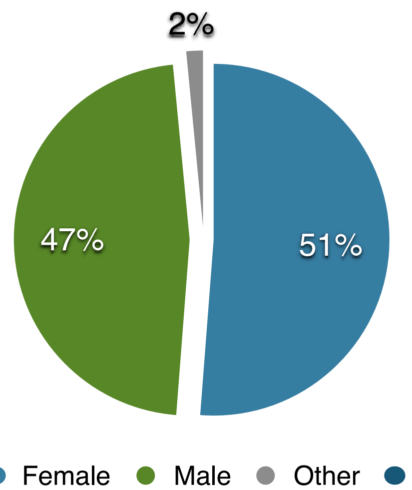
Respondent Breakdown	
Under 18	2
18 - 25	28
26 - 35	125
36 - 44	123
45 and over	50
Total	**328**



Notes : 328 respondents
: majority in between [26-35] year old bracket and [36-44] year old bracket

Q3 : What is your gender ?

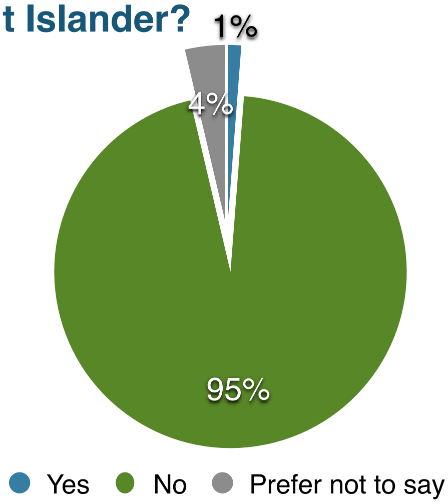
Respondent Breakdown	
Female	168
Male	155
Other	5
Total	**328**



Notes : 328 respondents
: even distribution between Male and Female

Q4 : Do you identify as Aboriginal or Torres Strait Islander?

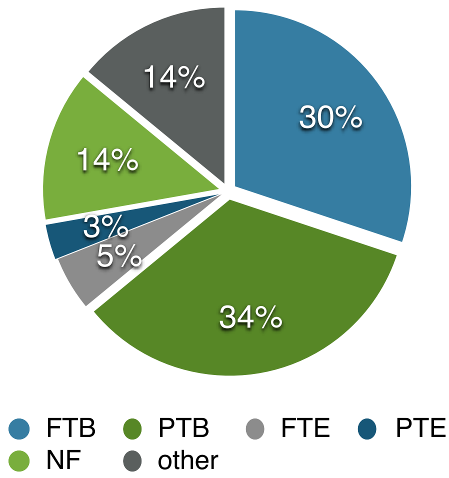
Respondent Breakdown	
Yes	4
No	311
Prefer not to say	12
Total Responses	**327**



Notes : 327 respondents
: very low response rate from Indigenous demographic

Q5 : Which best describes you ?

Respondent Breakdown	
I am a part-time farmer/fisher in my own business	113
I am a full-time farmer/fisher in my own business	99
Other (please specify)	46
I am not currently involved with farming or fishing but hope to be in the future	45
I am a full-time employee/labourer in a farming/fishing business	13
I am a part-time employee/labourer in a farming/fishing business	11
Total Responses	**214**

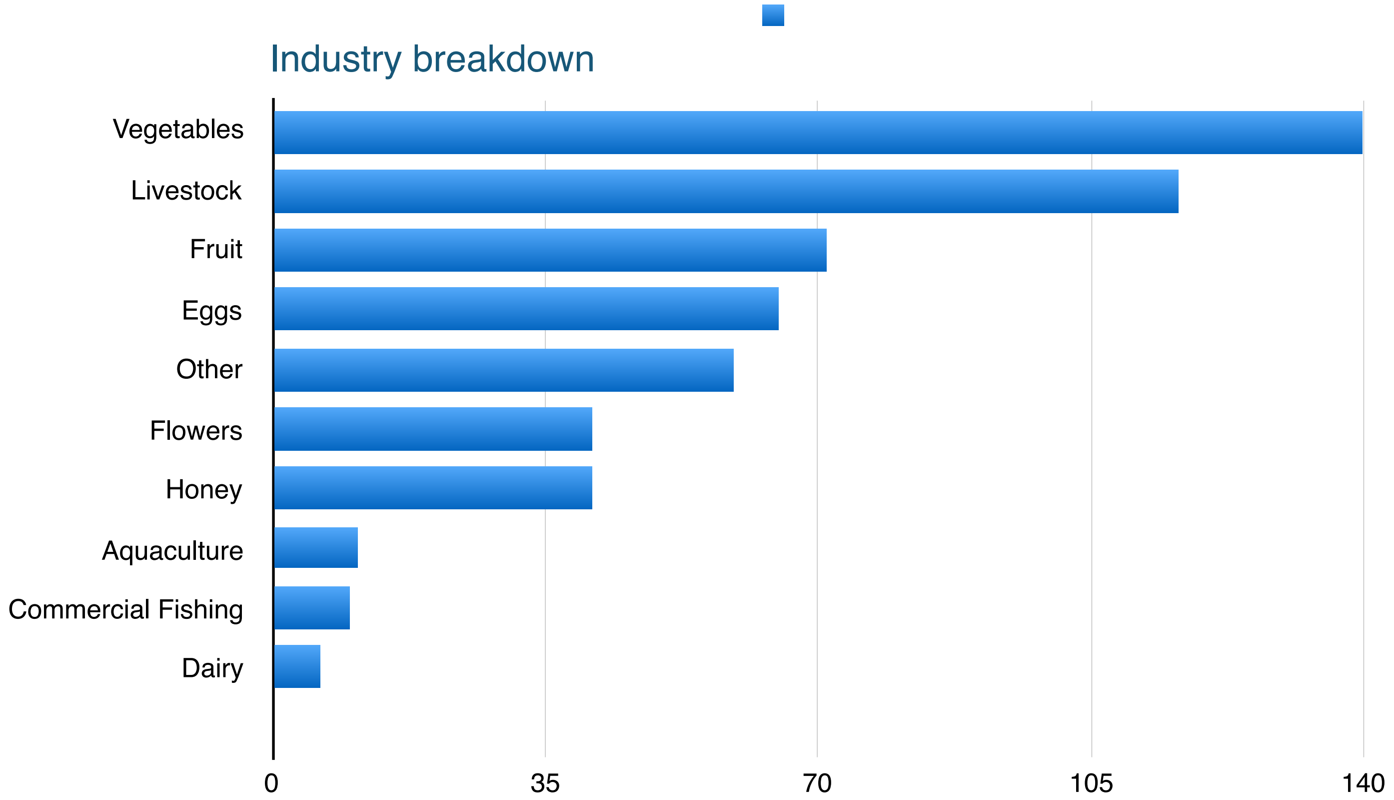


Notes : Prevalence of Part-Time (113) and Full-Time (99) engagement with respondents own business activity.
: "Other" responses indicate a number of aspirational farmers and additional 'part-time' farmers with off farm income.

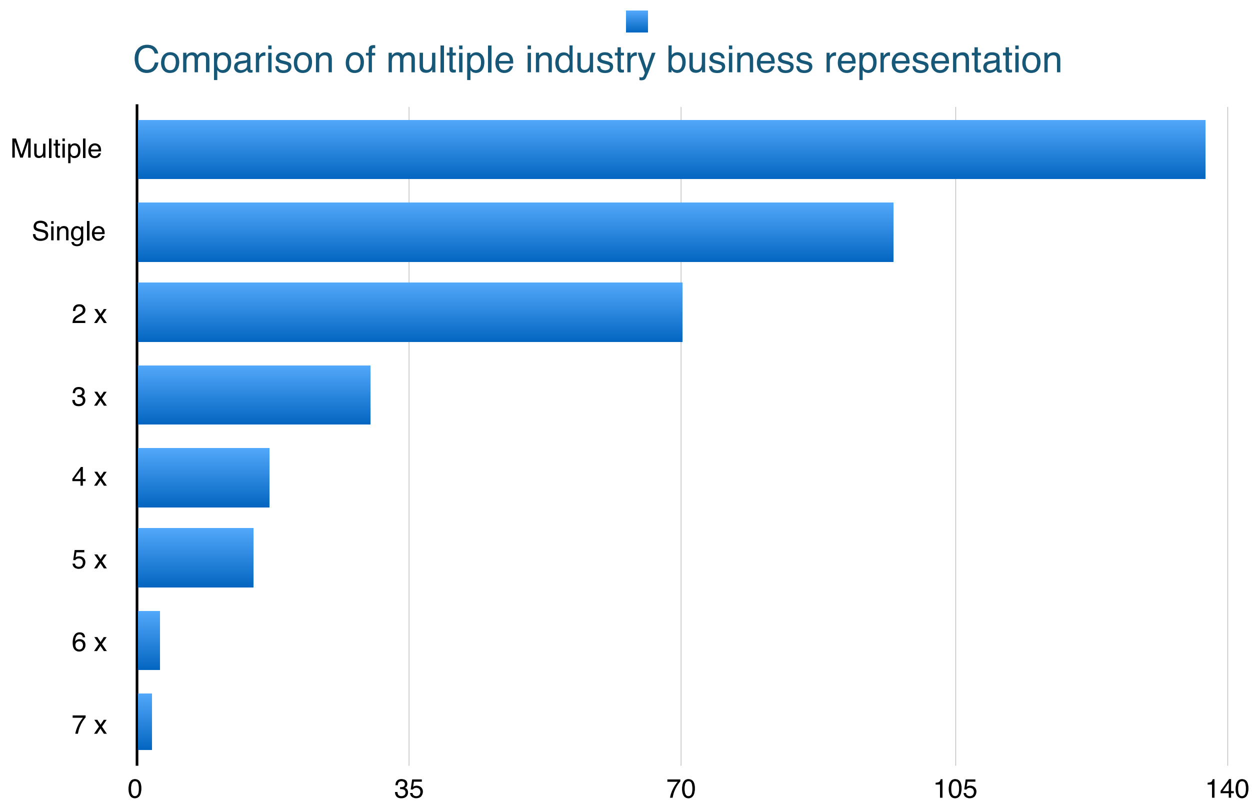
Q6 : What do you produce? Choose all the apply.

Respondent Breakdown		% of total responses
Vegetables	140	53
Livestock	116	44
Fruit	71	27
Eggs	65	25
Other (please specify)	59	22
Flowers	41	16
Honey	41	16
Commercial Fishing	10	4
Aquaculture	11	4
Dairy	6	2

Industry breakdown



Comparison of multiple industry business representation



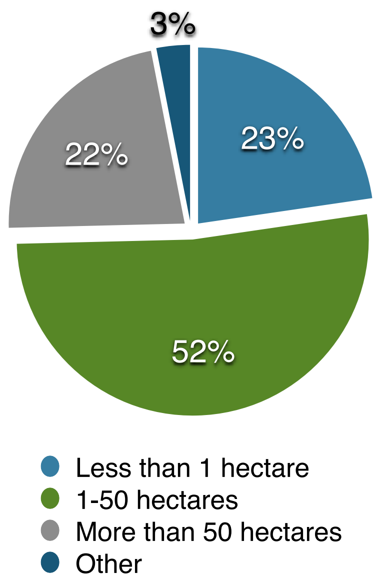
Notes : Majority (52%) of respondents indicated they were involved in multiple (2 or more) industries
: Majority of farmers associated within a 'single' industry where in the livestock sector
: Vegetables (53%) and Livestock (44%) where the most prevalent industries surveyed
: Eggs (25%) and Fruit (27%) also ranked as high participation industries
: "Other" common categories featured, hay (4), mushrooms (4), nursery production (3), grain (4)

Industry and Regional Comparison Matrix

	Aquaculture	Commercial Fishing	Dairy	Eggs	Flowers	Fruit	Honey	Livestock	Vegetables	Other
Central Tablelands	1		1	2	4	7	3	9	7	1
Central West								8		3
Greater Syd		1			1	2	3	1	7	4
Hunter	1	2	1	14	6	12	10	14	23	13
Murray	1		1	2	1	1	1	6	2	3
North Coast	4	7	2	27	17	29	13	22	50	15
North West								4		1
Northern Tablelands				2	1	1	1	5	3	1
Riverina	1		1	4	3	4	5	12	14	3
South East	2			9	5	12	2	20	24	7
Total	**10**	**10**	**6**	**60**	**38**	**68**	**38**	**101**	**130**	**51**
Post Code NA		*2*		*2*		*1*	*1*	*9*	*6*	*4*

Q7 : What is the size of the land you access?

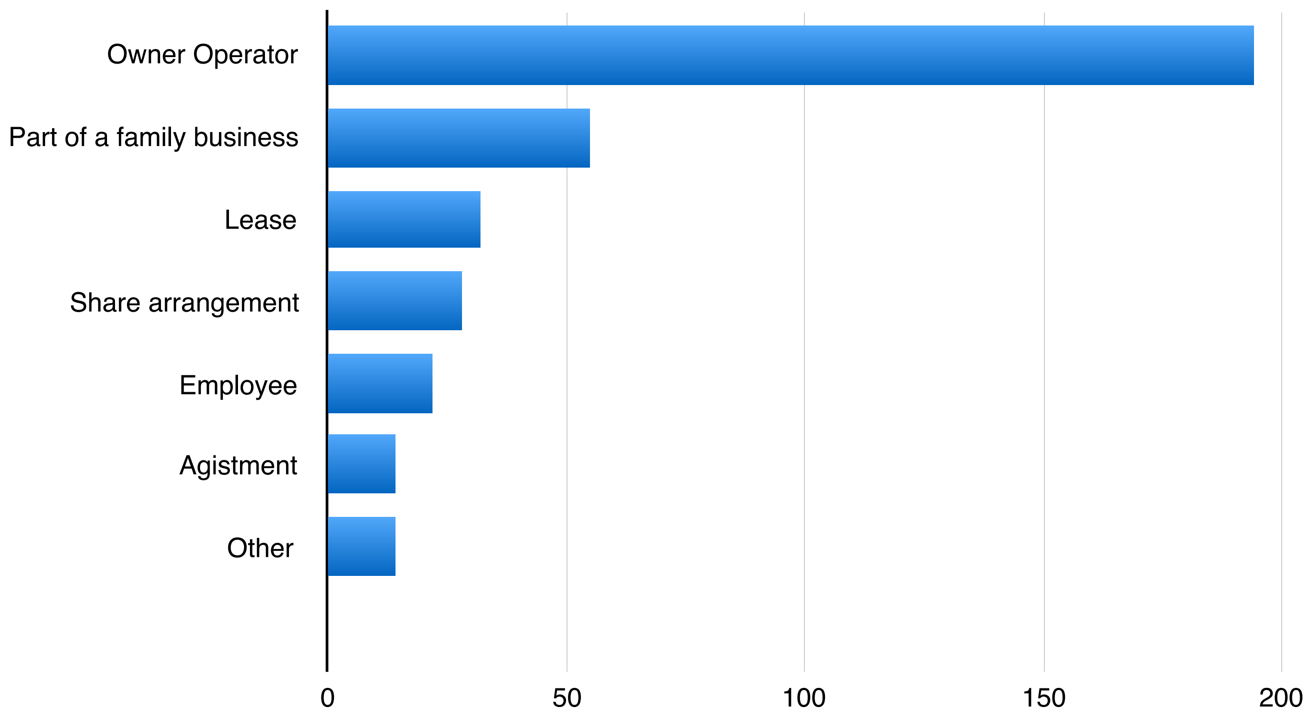
Respondent Breakdown	
1-50 hectares	135
Less than 1 hectare	59
More than 50 hectares	58
Other (please specify)	8
Total	260



Notes : Majority 52% of respondents within [1 - 50 hectares] category
: 'Other' numerical responses where -redistributed to relevant categories
: 'Other' responses (8) - relevant to commercial fishing

Q8 : What is your business management arrangement ?

Respondent Breakdown	
Owner operator	194
Part of a family business	55
Lease	32
Share arrangement	28
Employee	22
Agistment	14
Other	14
Total	**359**

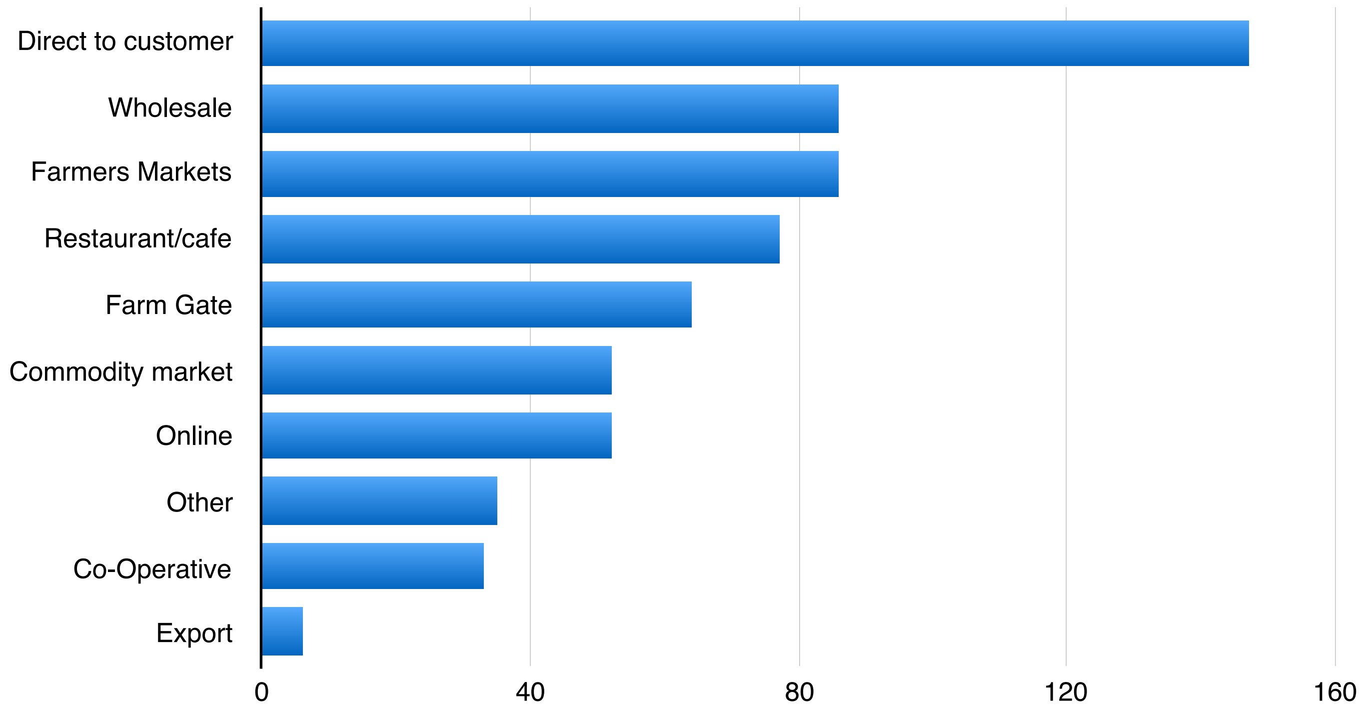


Notes : Majority of respondents associated with "Owner operator " category (54%)
: Total responses to this question exceeds total survey respondents. Duplication with 'other'

Q9 : How do you sell your produce? Choose all that apply.

Respondent Breakdown	
Direct to Customer	147
Farmers Markets	86
Wholesale	86
Restaurants/cafes	77
Farm Gate	64
Commodity Market	52
Online	52
Other	35
Co-Operative	33
Export	6

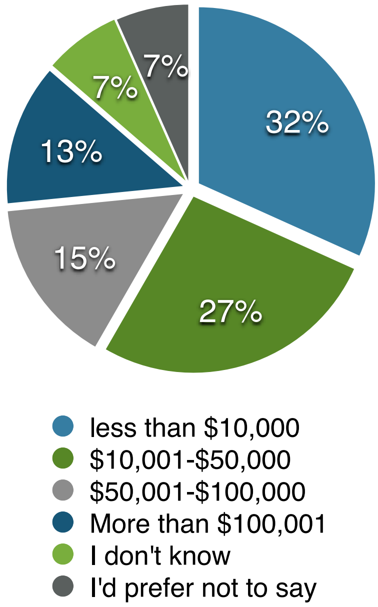
Single Market	71
Multiple Markets	**170**
2 Markets	75
3 Markets	47
4 Markets	31
5 Markets +	17



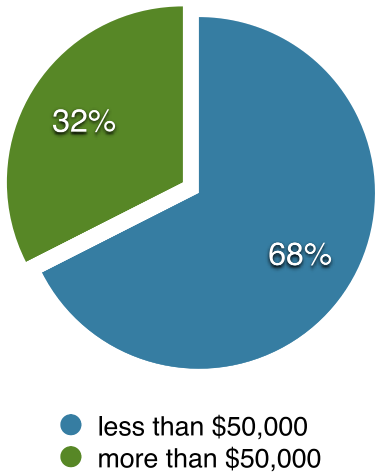
Notes : Direct to customer (45%) was the most common distribution method selected overall.
: Majority of respondents (52%) list multiple supply chain distribution markets
: 32% of the respondents who listed "direct to customer" also identify "farmers markets" as an alternative sales method
: 22% of respondents sited using a single distribution outlet (predominance on "commodity market" response from this subgroup)
: "Other" common category listed as "not yet selling to market"

Q10 : What was the total gross income/turnover (i.e. before tax, costs, etc.) of your business last financial year?

Respondent Breakdown	
less than $10,000	86
$10,001 - $50,000	72
$50,001 - $100,000	41
More than $100,001	35
I don't know	19
I'd prefer not to say	18
Total responses	271



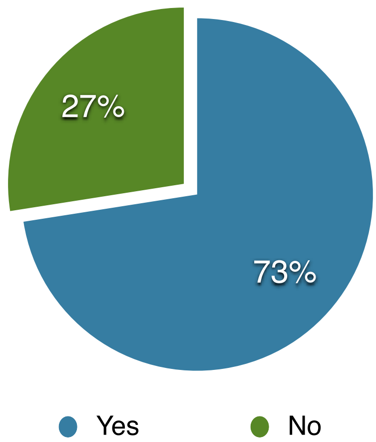
Notes : Majority of respondents (68%) turnover less than $50,000 per year. Not inclusive of "i don't know" and "I'd prefer not to say"



Q11 : Is the income you receive from the farming or fishing business supplemented by outside income?

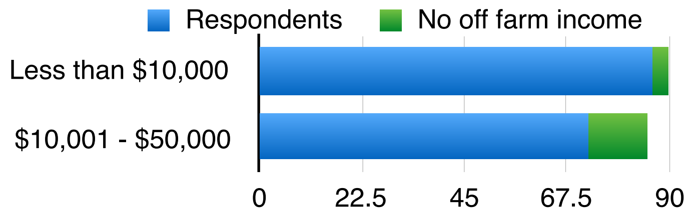
Respondent Breakdown	
Yes	198
No	75

Notes : Majority of respondents (73%) supplementing with off farm income



Q10 + 11 : Additional analysis

Respondent Breakdown		
less than $10,000	86	4
$10,001 - $50,000	72	13



Notes : Analysis demonstrates that only a small percentage of respondents indication total farm income of less than $50,000 is dependent solely on farm income.
Of the 4 respondents earning less than $10,000, 3 indicated they are new farm business / startups
This data does not reflect alternative household income from spouse or partners.

Q12 : You have identified yourself as (or aspiring to be) a small scale farmer or fisher. Please tell us why you consider your business small

Key indicators for scale and operational association with ‘small scale”

Land Size
Respondents reflected on land size as a defining factor of the small-scale farming sector.
Considerations were made on land size constraints, availability/affordability and access limitations. This is demonstrated in the data (Q7)
Production methodologies covering; intensive, bio-intensive, urban and peri-urban farming, speciality crops and production permaculture are in line with small land use operations

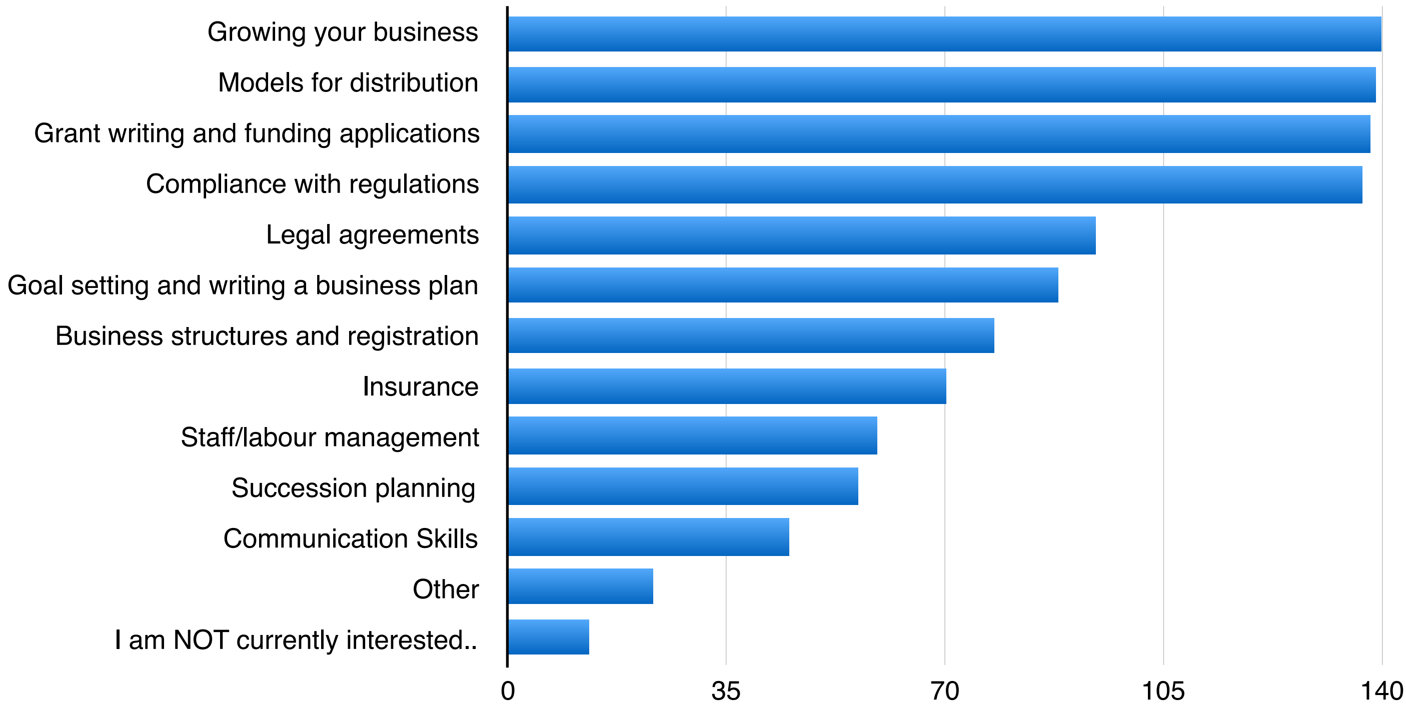
Turnover
Predominance of Owner / Operator status (Q5) within respondent cohort.
Comments in regards to business scale limitations based on a range of factors including :
Limited mechanisation (often by choice in design) and trade-off between sustainability and efficiency (also considerations for investment requirements for machinery assets)

Capacity
Time and lifestyle constraints effected by intensive ‘human powered farms’
Design restrictions for efficiencies with regards to polyculture and mixed cropping operations.
General indications that many respondents are still in development stage / early in business growth / start-up phase.
Unable / unviable to provide employment for scale due to turnover and or other limitations as indicated.
Limitations and availability of additional investment capital to expand or grow.

Additional : reflections on the cultural identity of the small-scale farming sector
Respondents provided some feedback on “small-scale farming” as an aspirational pursuit in line with social and environmental considerations.
Key phrases >
Low Impact
Sustainability
Slow Food / Resistance to industrial agriculture
Local Food - direct distribution, low food miles
“Because we have no desire to be large. Small is beautiful.”

Q13 : What type of BUSINESS training would help you? Choose all that apply.

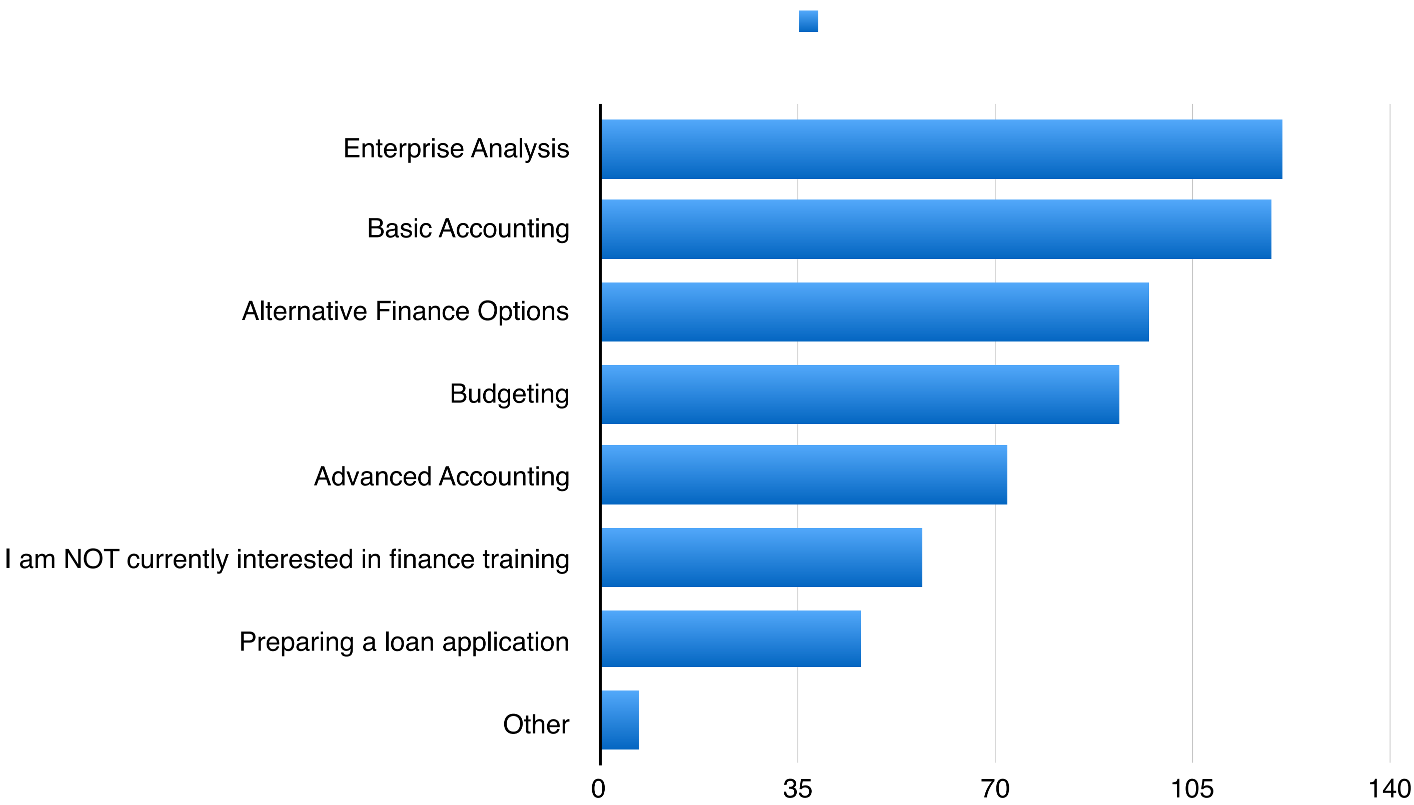
Respondent Breakdown	
Growing your business	140
Models for distribution (eg. co-operatives, buyers club, markets, etc.)	139
Grant writing and funding applications	138
Compliance with regulations (eg. biosecurity, food safety, work health and safety etc.)	137
Legal agreements for share-farming, contracting, agistment and/or leasing	94
Goal setting and writing a business plan	88
Business structures and registration	78
Insurance	70
Staff/labour management (employees, trainees, contractors)	59
Succession Planning	56
Communication skills	45
Other (share your suggestions and ideas)	23
I am NOT currently interested in business training	13



Notes : Respondents replied with strong preference for four main BUSINESS training outcomes
: Compliance with regulations, Grant writing and funding applications, Growing your business and Models for distribution.
: Common 'other' responses included ; Marketing

Q14 : What type of FINANCE training would help you? Choose all that apply.

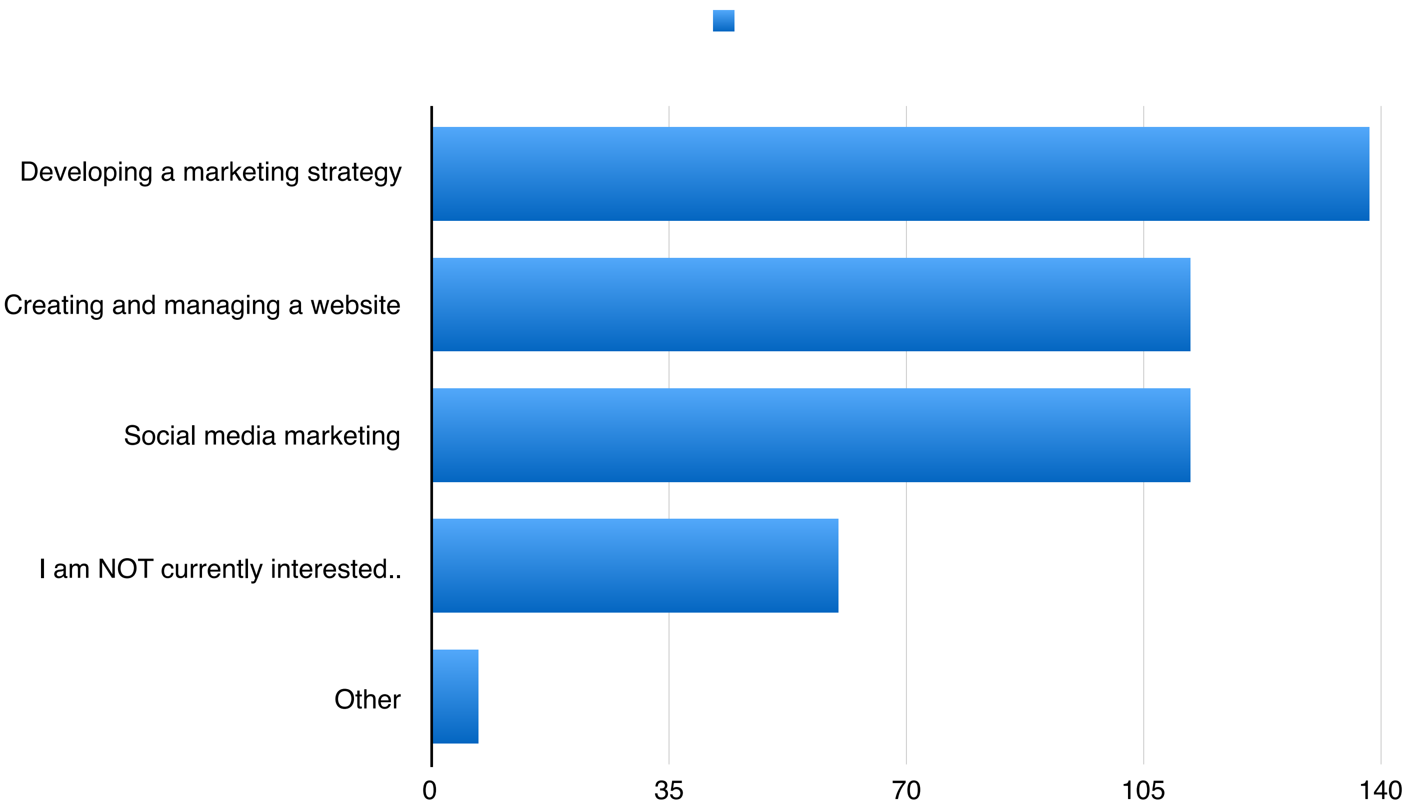
Respondent Breakdown	
Enterprise analysis (i.e. comparing profitability of different parts of your business)	121
Basic accounting	119
Alternative finance options (eg. investors, crowdfunding, etc.)	97
Budgeting	92
Advanced accounting	72
I am NOT currently interested in finance training	57
Preparing a loan application	46
Other	7



Notes : Respondents replied with strong preference for both Basic Accounting and Enterprise Analysis training outcomes.
: Alternative Finance Options and Budgeting were also selected as desired training
: Of the 7 'other' responses included ;

Q15 : What type of MARKETING training would help you? Choose all that apply.

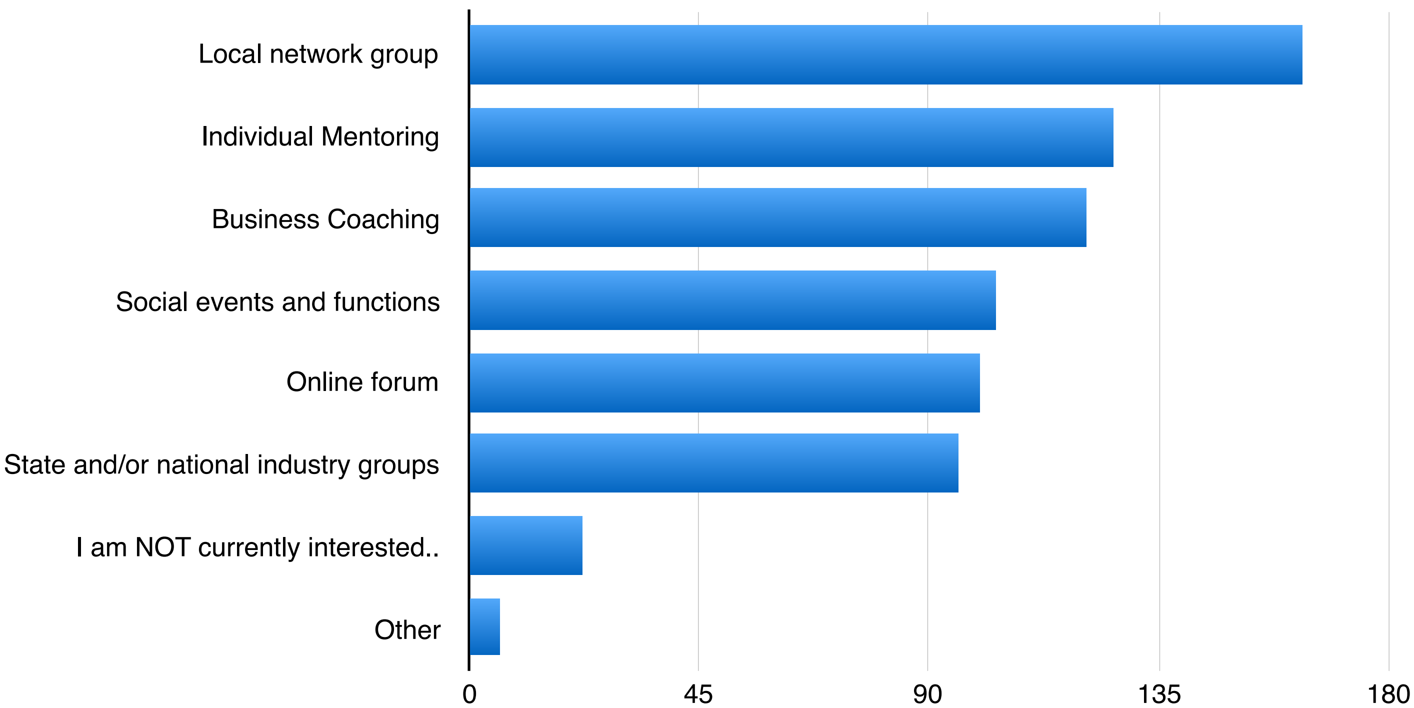
Respondent Breakdown	
Developing a marketing strategy	138
Creating and managing a website	112
Social media marketing	112
I am NOT currently interested in marketing training	60
Other	7



Notes : All MARKETING fields were strongly selected as desired programs for delivery

Q16 : Would you like access to any of these peer support activities? Choose all that apply.

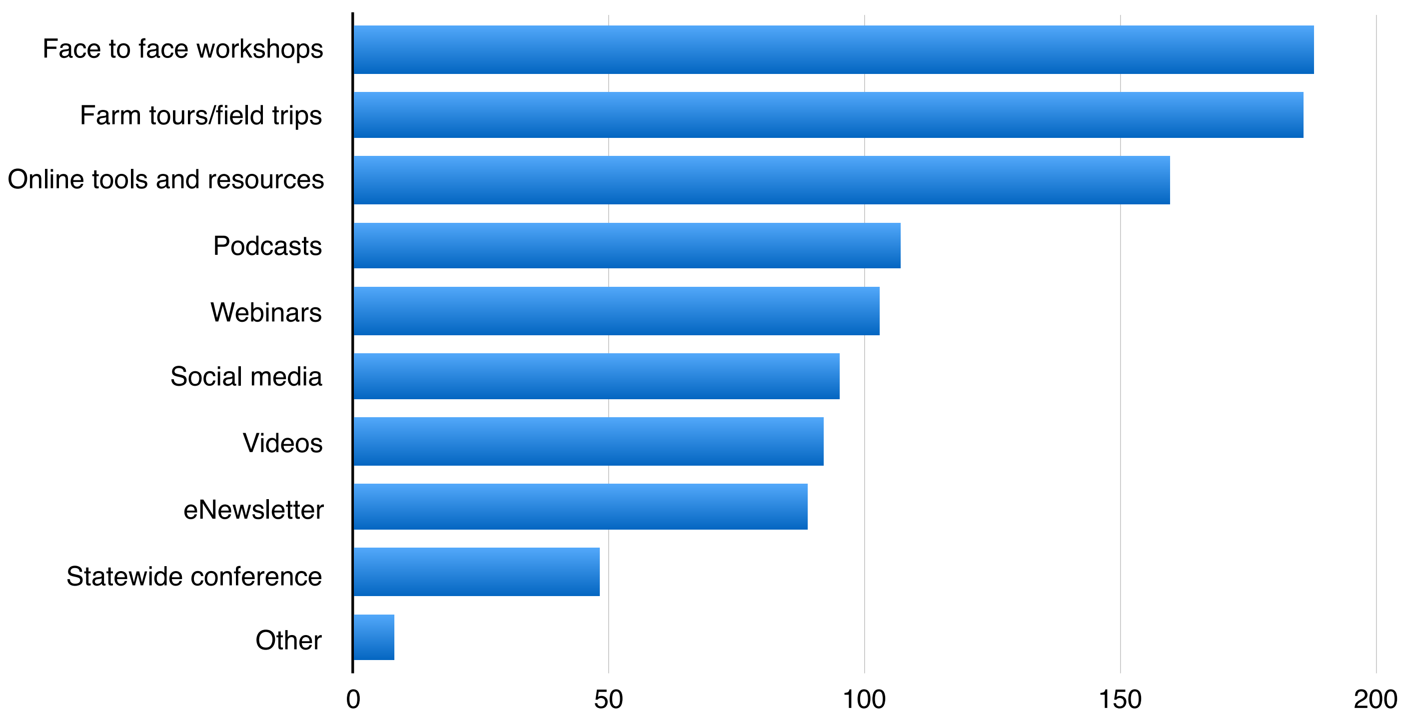
Respondent Breakdown	
Local network group	163
Individual Mentoring	126
Business Coaching	121
Social events and functions	103
Online Forum	100
State and/or national industry groups	96
I am NOT currently interested in peer support activities	22
Other	6



Notes : All peer support fields were selected as desirable outcomes, Local Network Groups was the most common request for peer support activity (163) by respondents

Q17 : How would you like us to deliver training and information to you? Choose all that apply.

Respondent Breakdown	
Face to face workshops	188
Farm tours/field trips	186
Online tools and resources	160
Podcasts	107
Webinars	103
Social media	95
Videos	92
eNewsletter	89
Statewide conference	48
Other	8



Notes : Respondents demonstrated preferences for Face to Face, Farm tours/field trips and Online tools and resources as the delivery method for selected programs

Q18 : What's your biggest business challenge?

Notes : Broad issues but repeated concerns around start-ups : accessing land and capital to initiate enterprise, access to markets, small business management skills and limitations.

: specific issues around consumer and customer behaviours in direct marketing.

: Issues with water access and weather with reflections to current drought conditions

Q19 : Would you be happy to be contacted via email to provide more in-depth feedback?

Respondent Breakdown	
Yes	163
No	89

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Sept 2018

FUTURE FEEDERS
GROWING YOUNG FARMERS FROM THE GROUND UP

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