

0:00:01.950,0:00:05.140  
[Applause]

0:00:08.400,0:00:11.519  
hello and welcome to ear to the ground

0:00:10.960,0:00:14.559  
with me

0:00:11.519,0:00:16.240  
Aled jones this is episode 34 where

0:00:14.559,0:00:17.119  
we'll be discussing how to plan your

0:00:16.240,0:00:19.199  
business

0:00:17.119,0:00:20.720  
and prepare for all the changes that's

0:00:19.199,0:00:23.279  
facing agriculture

0:00:20.720,0:00:24.720  
over the next few years and there's no

0:00:23.279,0:00:26.720  
shortage of change

0:00:24.720,0:00:28.720  
we're starting a new chapter in our

0:00:26.720,0:00:30.640  
trading relationship with europe

0:00:28.720,0:00:32.960  
the basic payment scheme is going to be

0:00:30.640,0:00:34.800  
phased out over the next few years

0:00:32.960,0:00:36.800  
and a whole new system of support

0:00:34.800,0:00:38.960  
payments is going to be introduced

0:00:36.800,0:00:40.320  
that rewards farmers for environmental

0:00:38.960,0:00:42.800  
work and the provision

0:00:40.320,0:00:44.160  
of public goods. Therefore there is

0:00:42.800,0:00:46.480

plenty to discuss

0:00:44.160,0:00:48.239  
in this podcast and I was lucky enough

0:00:46.480,0:00:48.960  
to catch up with someone who's very

0:00:48.239,0:00:51.280  
knowledgeable

0:00:48.960,0:00:53.199  
in this area and well known within the

0:00:51.280,0:00:55.600  
welsh agricultural industry

0:00:53.199,0:00:57.199  
Erin Jones deputy head of agriculture

0:00:55.600,0:00:58.960  
with HSBC  
0:00:57.199,0:01:02.559  
and chairman of Farming Connect's

0:00:58.960,0:01:05.119  
strategic advisory board.

0:01:02.559,0:01:06.960  
Erin Jones welcome to the Ear to the

0:01:05.119,0:01:07.520  
ground podcast and thank you for taking

0:01:06.960,0:01:10.720  
the time

0:01:07.520,0:01:12.000  
to join us today um first of all how are

0:01:10.720,0:01:14.080  
you keeping because

0:01:12.000,0:01:16.080  
under normal circumstances we would have

0:01:14.080,0:01:18.080  
had the opportunity to catch up in a

0:01:16.080,0:01:20.000  
show somewhere or a conference but it's

0:01:18.080,0:01:22.000  
been a strange old time recently we

0:01:20.000,0:01:24.240  
haven't had the chance to meet up

0:01:22.000,0:01:25.759  
as as many others would have over the

0:01:24.240,0:01:28.560  
past few months but uh

0:01:25.759,0:01:29.360  
how are you keeping and how are things?

0:01:28.560,0:01:31.280  
Yes well

0:01:29.360,0:01:32.479  
as you say Aled it's been a very

0:01:31.280,0:01:35.280  
different year um

0:01:32.479,0:01:35.759  
i've been working exclusively from home

0:01:35.280,0:01:39.439  
since

0:01:35.759,0:01:42.399  
last march so certainly missing that

0:01:39.439,0:01:42.960  
social interaction with people at

0:01:42.399,0:01:46.000  
events

0:01:42.960,0:01:47.040  
and so on um we're very fortunate of

0:01:46.000,0:01:51.119  
course because of

0:01:47.040,0:01:53.680  
um technology uh zoom and teams

0:01:51.119,0:01:55.840  
enables us to keep in touch with

0:01:53.680,0:01:56.320  
colleagues and with customers and

0:01:55.840,0:01:58.560  
that's

0:01:56.320,0:02:01.119  
really important um but but it's not the

0:01:58.560,0:02:03.920  
same as face-to-face meetings so um

0:02:01.119,0:02:04.960

yeah let's hope that before too long um

0:02:03.920,0:02:07.439  
in this new year we

0:02:04.960,0:02:08.000  
shall be able to do that again. Yeah

0:02:07.439,0:02:09.520  
absolutely

0:02:08.000,0:02:11.200  
but it's it's fascinating how we've all

0:02:09.520,0:02:13.840  
had to learn new skills

0:02:11.200,0:02:15.120  
and and suddenly we've had new words uh

0:02:13.840,0:02:16.879  
in our vocabulary and

0:02:15.120,0:02:18.480  
'zoom' and 'teams' and 'you're on mute' I

0:02:16.879,0:02:19.200  
think are some of those spoken

0:02:18.480,0:02:21.040  
words

0:02:19.200,0:02:22.879  
and phrases we've heard over the last

0:02:21.040,0:02:24.720  
few months, but um

0:02:22.879,0:02:26.239  
you're joining this podcast wearing two

0:02:24.720,0:02:28.400  
hats essentially

0:02:26.239,0:02:29.520  
one as the deputy head of agriculture

0:02:28.400,0:02:32.160  
for HSBC

0:02:29.520,0:02:32.800  
across the uk but you're also the chair

0:02:32.160,0:02:34.879  
of the

0:02:32.800,0:02:37.040  
Strategic advisory board at Farming

0:02:34.879,0:02:38.959

Connect and I'm sure those roles

0:02:37.040,0:02:40.879

have both given you a fascinating

0:02:38.959,0:02:44.400

insight to what's happening

0:02:40.879,0:02:46.560

in the industry and also how businesses

0:02:44.400,0:02:47.519

need to go about preparing for all that

0:02:46.560,0:02:48.800

change that

0:02:47.519,0:02:50.400

that lies ahead and that's what we're

0:02:48.800,0:02:50.800

going to be discussing in this podcast

0:02:50.400,0:02:53.519

is

0:02:50.800,0:02:54.720

preparing for all the changes and the

0:02:53.519,0:02:56.400

business planning

0:02:54.720,0:02:57.840

and the future of farming so

0:02:56.400,0:02:58.319

quite a lot to cover in the

0:02:57.840,0:03:01.599

next

0:02:58.319,0:03:03.040

20 minutes or so. But before that um

0:03:01.599,0:03:04.800

perhaps you could just talk a little bit

0:03:03.040,0:03:08.480

about your background

0:03:04.800,0:03:08.959

and your career so far well I guess? I

0:03:08.480,0:03:12.080

was

0:03:08.959,0:03:14.159  
brought up on a farm the family farm

0:03:12.080,0:03:16.239  
in the Conwy valley

0:03:14.159,0:03:18.640  
in the hills above Llanrwst from

0:03:16.239,0:03:20.720  
generations of farmers from both sides

0:03:18.640,0:03:23.680  
of the family and grandparents and

0:03:20.720,0:03:24.720  
great grandparents um although we were

0:03:23.680,0:03:27.519  
pretty high up

0:03:24.720,0:03:29.519  
upland farm we were dairy farmers and um

0:03:27.519,0:03:31.360  
producing milk was the main enterprise

0:03:29.519,0:03:33.840  
although we did have some sheep and

0:03:31.360,0:03:34.640  
turkeys for christmas and half a dozen

0:03:33.840,0:03:36.799  
caravans

0:03:34.640,0:03:37.760  
as well so i'm very fortunate to have

0:03:36.799,0:03:41.200  
had that

0:03:37.760,0:03:44.239  
Upbringing. I then went to

0:03:41.200,0:03:44.959  
the university at Aberystwyth to

0:03:44.239,0:03:48.080  
study

0:03:44.959,0:03:49.920  
Agriculture initially um but became

0:03:48.080,0:03:51.920  
much more interested in the economic

0:03:49.920,0:03:52.560

side than the scientific side as time

0:03:51.920,0:03:55.200  
progressed

0:03:52.560,0:03:57.599  
and so therefore I ultimately graduated

0:03:55.200,0:03:59.920  
in agriculture economics

0:03:57.599,0:04:00.640  
and that was extremely fortunate to be

0:03:59.920,0:04:03.760  
appointed

0:04:00.640,0:04:06.560  
as a very young graduate as a

0:04:03.760,0:04:08.640  
lecturer in farm management at the Welsh

0:04:06.560,0:04:10.319  
Agricultural College WAC

0:04:08.640,0:04:12.640  
at the outskirts of Aberystwyth and

0:04:10.319,0:04:16.239  
spent very many happy years

0:04:12.640,0:04:18.400  
there with students that um

0:04:16.239,0:04:20.479  
I'm still in touch with many of them and

0:04:18.400,0:04:22.240  
they have very happy memories of that

0:04:20.479,0:04:24.639  
um and then it was just over 20 years

0:04:22.240,0:04:27.759  
ago that i then moved to

0:04:24.639,0:04:28.160  
the world of agricultural banking which

0:04:27.759,0:04:31.199  
is

0:04:28.160,0:04:33.440  
where I've been since then. And your

0:04:31.199,0:04:34.880  
career has taken you all across

0:04:33.440,0:04:36.800  
the United kingdom and you've met

0:04:34.880,0:04:37.440  
farmers from of course Wales England

0:04:36.800,0:04:39.759  
Scotland

0:04:37.440,0:04:41.440  
and Northern Ireland, are farmers all the

0:04:39.759,0:04:44.080  
same wherever they are

0:04:41.440,0:04:45.280  
across the uk? Yes I've been very lucky

0:04:44.080,0:04:47.919  
although I've

0:04:45.280,0:04:49.759  
never lived outside Wales and in fact

0:04:47.919,0:04:51.120  
I've lived in Ceredigion since I came here

0:04:49.759,0:04:53.280  
to go to university

0:04:51.120,0:04:54.320  
um but I have been very fortunate to be

0:04:53.280,0:04:57.360  
able to

0:04:54.320,0:05:00.400  
to travel with work um across

0:04:57.360,0:05:04.320  
much of the United kingdom. I think

0:05:00.400,0:05:06.880  
as I reflect on that I think I

0:05:04.320,0:05:07.840  
tend to notice the similarities between

0:05:06.880,0:05:10.160  
farmers

0:05:07.840,0:05:11.759  
across the four countries of the uk more

0:05:10.160,0:05:13.919  
than the differences



0:05:11.759,0:05:15.520  
between them certainly if one looks at

0:05:13.919,0:05:18.800  
farmers doing the same

0:05:15.520,0:05:21.360  
type of farming um they

0:05:18.800,0:05:22.639  
they're often very similar. I remember

0:05:21.360,0:05:24.320  
when I first started to go into

0:05:22.639,0:05:25.600  
Agricultural banking spending time up in

0:05:24.320,0:05:27.520  
the north of England which is a

0:05:25.600,0:05:29.360  
fascinating part of the country and this

0:05:27.520,0:05:31.840  
was in one of the high dales

0:05:29.360,0:05:32.800  
in County Durham I think it was in

0:05:31.840,0:05:35.039  
Teasdale.

0:05:32.800,0:05:36.560  
And going there,

0:05:35.039,0:05:37.919

0:05:36.560,0:05:39.680  
I was new and I was spending time with

0:05:37.919,0:05:40.880  
an experienced colleague um and he was

0:05:39.680,0:05:43.280  
addressing uh

0:05:40.880,0:05:44.320  
a group of farmers there, Hill farmers

0:05:43.280,0:05:47.440  
Sheep farmers

0:05:44.320,0:05:50.479  
mainly with their Swale Dale ewes up there

0:05:47.440,0:05:52.720

um but it felt so at home

0:05:50.479,0:05:53.680  
i mean obviously the language as in some

0:05:52.720,0:05:55.919  
respects was different

0:05:53.680,0:05:57.199  
certainly the accent was different

0:05:55.919,0:06:00.240  
um but one could

0:05:57.199,0:06:03.280  
very easily have been in

0:06:00.240,0:06:05.120  
with a group of farmers in Wales.

0:06:03.280,0:06:07.039  
But I think where one does see

0:06:05.120,0:06:09.199  
differences is where the farming

0:06:07.039,0:06:11.520  
systems are different and if when one

0:06:09.199,0:06:13.919  
goes to the Eastern counties of England

0:06:11.520,0:06:15.360  
to Lincolnshire or East Anglia places

0:06:13.919,0:06:17.039  
like that when one is looking at

0:06:15.360,0:06:19.360  
large-scale arable farming

0:06:17.039,0:06:21.120  
um then I think the attitude can be

0:06:19.360,0:06:23.280  
different and the culture can be

0:06:21.120,0:06:24.720  
different but um yeah I've certainly

0:06:23.280,0:06:26.080  
been very lucky to have had the

0:06:24.720,0:06:27.600  
opportunity to do that and it's one of

0:06:26.080,0:06:28.080  
the most enjoyable aspects of the job

0:06:27.600,0:06:30.160  
really

0:06:28.080,0:06:32.000  
um is getting to know people across

0:06:30.160,0:06:33.919  
across the UK.

0:06:32.000,0:06:35.759  
And whilst there are similarities I

0:06:33.919,0:06:37.680  
guess from a policy point of view

0:06:35.759,0:06:38.960  
we're now embarking on a period whereby

0:06:37.680,0:06:40.880  
there's going to be policy

0:06:38.960,0:06:42.560  
divergence there's going to be

0:06:40.880,0:06:45.440  
differences across the uk

0:06:42.560,0:06:46.400  
in the way support schemes are going

0:06:45.440,0:06:48.479  
to be developed

0:06:46.400,0:06:49.840  
and it was interesting i was reading one

0:06:48.479,0:06:53.120  
of your most recent

0:06:49.840,0:06:53.840  
articles in the NFU magazine I think it

0:06:53.120,0:06:56.160  
was

0:06:53.840,0:06:58.080  
where you discuss the development of

0:06:56.160,0:07:00.479  
these new policies specifically in

0:06:58.080,0:07:01.680  
in England and specifically in Wales and

0:07:00.479,0:07:03.919  
the differences

0:07:01.680,0:07:05.919  
particularly around time scales for the

0:07:03.919,0:07:09.039  
implementation of these new schemes

0:07:05.919,0:07:11.280  
and where you refer to

0:07:09.039,0:07:12.319  
farmers in England are facing cuts to

0:07:11.280,0:07:15.360  
their BPS

0:07:12.319,0:07:17.080  
this year where farmers in Wales are

0:07:15.360,0:07:18.479  
unlikely to face any cuts until about

0:07:17.080,0:07:20.400  
2024

0:07:18.479,0:07:22.000  
if i'm right and having that additional

0:07:20.400,0:07:25.120  
few years of preparation

0:07:22.000,0:07:27.199  
is a huge benefit to welsh farmers.

0:07:25.120,0:07:28.160  
Yes whilst the farming in many ways is

0:07:27.199,0:07:30.800  
similar you're right

0:07:28.160,0:07:32.880  
um the policy framework is becoming

0:07:30.800,0:07:34.000  
increasingly differentiated but of

0:07:32.880,0:07:35.199  
course since the devolution there have

0:07:34.000,0:07:37.120  
been differences

0:07:35.199,0:07:38.800  
in farming policies across the four

0:07:37.120,0:07:42.400  
countries of the uk

0:07:38.800,0:07:44.960

um but after leaving the EU

0:07:42.400,0:07:46.400

I think though the divergence in policy

0:07:44.960,0:07:48.400

approaches between

0:07:46.400,0:07:50.240

um the four countries and perhaps

0:07:48.400,0:07:52.080

specifically between Wales and England

0:07:50.240,0:07:54.879

Um I'll be going to become more marked

0:07:52.080,0:07:58.080

um and as you said the

0:07:54.879,0:07:58.639

the changes and the pace of change um in

0:07:58.080,0:08:02.240

England

0:07:58.639,0:08:05.199

is very rapid um there'll be farmers

0:08:02.240,0:08:07.199

in England seeing significant reductions

0:08:05.199,0:08:10.319

to their basic payments this year

0:08:07.199,0:08:12.400

um and by 2024 in England

0:08:10.319,0:08:14.639

um the farmers will see reductions of

0:08:12.400,0:08:16.479

between 50 and 70

0:08:14.639,0:08:18.720

depending on the amount of payments that

0:08:16.479,0:08:20.720

they receive I mean that's extremely

0:08:18.720,0:08:22.319

significant change in a relatively short

0:08:20.720,0:08:25.039

period of time

0:08:22.319,0:08:26.720

and whilst it seems in some ways that

0:08:25.039,0:08:28.639

the policy direction

0:08:26.720,0:08:30.160

might be similar between Wales and

0:08:28.639,0:08:33.200

England um the pace

0:08:30.160,0:08:34.000

of that change I think is different. And

0:08:33.200,0:08:37.039

as you were saying

0:08:34.000,0:08:39.279

Leslie Griffiths the minister here has

0:08:37.039,0:08:43.200

suggested that some change is unlikely

0:08:39.279,0:08:46.080

to start to be implemented by 2024

0:08:43.200,0:08:47.760

um i i think that's positive in two

0:08:46.080,0:08:51.440

respects for Welsh farmers

0:08:47.760,0:08:53.040

um one in that it gives Welsh Government

0:08:51.440,0:08:54.880

an opportunity to

0:08:53.040,0:08:56.320

to cast an eye over the boar to see how

0:08:54.880,0:08:57.360

things are getting on how they're

0:08:56.320,0:09:00.800

getting on in England

0:08:57.360,0:09:02.240

um and one would hope to learn lessons

0:09:00.800,0:09:04.320

from the experience there

0:09:02.240,0:09:05.440

um one would hope perhaps to learn from

0:09:04.320,0:09:08.640

some successes

0:09:05.440,0:09:10.000  
um but also to be wary of any policies

0:09:08.640,0:09:12.640  
that perhaps don't work

0:09:10.000,0:09:14.080  
um as well as as they might i think

0:09:12.640,0:09:15.040  
that's the first advantage i mean the

0:09:14.080,0:09:17.680  
second advantage

0:09:15.040,0:09:19.519  
is the second benefit is that it does

0:09:17.680,0:09:20.399  
give farmers in Wales more time to

0:09:19.519,0:09:22.480  
prepare

0:09:20.399,0:09:23.600  
for the change and also maybe to look

0:09:22.480,0:09:26.000  
over the border and see

0:09:23.600,0:09:26.959  
um well change is already happening

0:09:26.000,0:09:29.279  
there um

0:09:26.959,0:09:30.720  
and it'll be with us in a few years time

0:09:29.279,0:09:33.040  
so I think

0:09:30.720,0:09:35.279  
there are a couple of advantages as I

0:09:33.040,0:09:37.760  
see things here.

0:09:35.279,0:09:38.640  
How worried would you say our welsh

0:09:37.760,0:09:39.920  
farmers and

0:09:38.640,0:09:41.519  
you're working with a lot of these

0:09:39.920,0:09:43.440

businesses and you understand the

0:09:41.519,0:09:44.399  
financial dynamics of their businesses

0:09:43.440,0:09:46.800  
and some

0:09:44.399,0:09:48.000  
uh to greater or lesser extent are

0:09:46.800,0:09:50.160  
very reliant

0:09:48.000,0:09:52.560  
on the bps for their profitability that

0:09:50.160,0:09:53.200  
the prospects of BPS being phased

0:09:52.560,0:09:55.200  
out

0:09:53.200,0:09:56.640  
in the coming years does that cause a

0:09:55.200,0:09:59.839  
level of concern amongst

0:09:56.640,0:10:01.440  
farmers do you think. Yeah It has two

0:09:59.839,0:10:03.120  
doesn't it really when one

0:10:01.440,0:10:05.680  
looks particularly in the Beef and Sheep

0:10:03.120,0:10:08.000  
sector when one looks at how reliant

0:10:05.680,0:10:09.040  
so many of these businesses are on the

0:10:08.000,0:10:11.120  
BPS

0:10:09.040,0:10:12.399  
um there's so much evidence from the

0:10:11.120,0:10:14.079  
Farm Business Survey libraries

0:10:12.399,0:10:16.320  
it's just as one source of information

0:10:14.079,0:10:18.720  
showing how reliant Farming businesses



0:10:16.320,0:10:21.839  
are and it's really not unusual

0:10:18.720,0:10:22.560  
to come across situations where the BPS

0:10:21.839,0:10:25.920  
payment

0:10:22.560,0:10:28.240  
is literally greater than the profit um

0:10:25.920,0:10:29.120  
so um it's understandably the people are

0:10:28.240,0:10:32.160  
concerned

0:10:29.120,0:10:33.920  
it's encouraging that it's you know

0:10:32.160,0:10:36.399  
governments are suggesting that the

0:10:33.920,0:10:39.680  
total amount of

0:10:36.399,0:10:41.519  
funding might not change all that much

0:10:39.680,0:10:43.519  
um but certainly what we're going to see

0:10:41.519,0:10:45.920  
is a radical shift

0:10:43.519,0:10:48.000  
away from the current means of

0:10:45.920,0:10:51.279  
supporting farmers to this

0:10:48.000,0:10:54.000  
new approach of um public money for

0:10:51.279,0:10:55.279  
for public goods or as the Welsh

0:10:54.000,0:10:57.600  
government stated in

0:10:55.279,0:10:59.440  
their first consultation documents I

0:10:57.600,0:11:00.000  
think it was 'Brexit and our Land' when

0:10:59.440,0:11:02.640  
they said they

0:11:00.000,0:11:04.320  
want to move to a culture of something

0:11:02.640,0:11:07.360  
for something

0:11:04.320,0:11:09.839  
and I think that is the way that um

0:11:07.360,0:11:11.920  
Welsh Governments is looking to the

0:11:09.839,0:11:14.320  
Future.

0:11:11.920,0:11:15.120  
What do do you make of that new

0:11:14.320,0:11:17.519  
direction

0:11:15.120,0:11:19.600  
and do you think that will require a

0:11:17.519,0:11:22.240  
change of mindset amongst

0:11:19.600,0:11:23.600  
farmers uh we're very familiar of course

0:11:22.240,0:11:25.200  
with Agri-environment schemes where the

0:11:23.600,0:11:26.000  
environment is going to become front and

0:11:25.200,0:11:29.680  
center

0:11:26.000,0:11:31.360  
of all farming support going forward and

0:11:29.680,0:11:32.800  
you know I think it was Michael Gove

0:11:31.360,0:11:34.160  
that mentioned on the

0:11:32.800,0:11:35.360  
the platform of the Oxford Farming

0:11:34.160,0:11:37.440  
Conference when he was DEFRA

0:11:35.360,0:11:39.519

secretary some years ago that

0:11:37.440,0:11:41.279  
he was urging farmers in that audience

0:11:39.519,0:11:43.360  
to consider the environment as an

0:11:41.279,0:11:44.880  
additional crop this is an income stream

0:11:43.360,0:11:48.079  
potentially for farmers,

0:11:44.880,0:11:50.240  
is this a business opportunity? Well it

0:11:48.079,0:11:52.079  
needs to become a business opportunity

0:11:50.240,0:11:52.959  
and that I think will be one of the

0:11:52.079,0:11:56.720  
measures of

0:11:52.959,0:11:59.680  
success um for any new policies

0:11:56.720,0:12:00.480  
and that they can be considered um as

0:11:59.680,0:12:03.279  
a new

0:12:00.480,0:12:04.000  
means of generating a profit on a

0:12:03.279,0:12:05.760  
farm because

0:12:04.000,0:12:07.040  
unless it's a means of generating a

0:12:05.760,0:12:09.680  
profit for a farm

0:12:07.040,0:12:10.639  
and one can't expect farmers to

0:12:09.680,0:12:14.079  
participate

0:12:10.639,0:12:15.760  
in these schemes. Um

0:12:14.079,0:12:19.440  
I think it is going to be increasingly

0:12:15.760,0:12:22.240  
important um to ensure that the industry

0:12:19.440,0:12:22.480  
justifies the public expenditure that's

0:12:22.240,0:12:25.680  
it

0:12:22.480,0:12:28.000  
receives um and particularly

0:12:25.680,0:12:28.959  
I think having left the European Union

0:12:28.000,0:12:32.000  
where there will be

0:12:28.959,0:12:35.519  
as always many

0:12:32.000,0:12:38.480  
competing claims on public money

0:12:35.519,0:12:40.560  
from you know health and education and

0:12:38.480,0:12:43.920  
social care and all these

0:12:40.560,0:12:45.519  
issues which require support so

0:12:43.920,0:12:48.320  
It's gonna be so important that

0:12:45.519,0:12:51.680  
Agriculture is able to make a strong

0:12:48.320,0:12:54.160  
case for continued public support um

0:12:51.680,0:12:55.120  
and I do think that producing public

0:12:54.160,0:12:58.000  
goods

0:12:55.120,0:12:59.760  
does potentially provide that strength

0:12:58.000,0:13:01.839  
of arguments that's needed

0:12:59.760,0:13:03.120  
um in order to justify that continued

0:13:01.839,0:13:05.519  
public expenditure

0:13:03.120,0:13:07.200  
but it certainly will need a change of

0:13:05.519,0:13:09.519  
mindset for many farmers

0:13:07.200,0:13:10.720  
because one shouldn't generalize among

0:13:09.519,0:13:11.680  
farmers because they're all very

0:13:10.720,0:13:14.560  
individual

0:13:11.680,0:13:14.560  
um but

0:13:15.040,0:13:18.240  
farmers will appreciate that the basic

0:13:16.720,0:13:20.000  
payments yes of course they need to meet

0:13:18.240,0:13:21.519  
cost compliance conditions but in

0:13:20.000,0:13:24.720  
reality

0:13:21.519,0:13:26.959  
the money comes largely

0:13:24.720,0:13:27.760  
for the land that they farm whereas in

0:13:26.959,0:13:30.959  
future

0:13:27.760,0:13:31.839  
um there will needs to be activities

0:13:30.959,0:13:33.600  
undertaken

0:13:31.839,0:13:35.600  
in order to ensure that money is

0:13:33.600,0:13:38.240  
received.

0:13:35.600,0:13:39.839  
We do hear very often the importance

0:13:38.240,0:13:41.519

of preparing for change

0:13:39.839,0:13:43.199  
and some farmers might respond by saying

0:13:41.519,0:13:45.199  
well how can we prepare for change

0:13:43.199,0:13:48.480  
because there's so much that we simply

0:13:45.199,0:13:48.959  
do not know how would you respond to

0:13:48.480,0:13:51.120  
that

0:13:48.959,0:13:52.240  
and can you give examples of things that

0:13:51.120,0:13:54.639  
farmers can do

0:13:52.240,0:13:56.079  
now to put themselves in a better place

0:13:54.639,0:13:58.959  
for the future?

0:13:56.079,0:14:00.800  
Well I think that in future um

0:13:58.959,0:14:04.399  
successful farmers

0:14:00.800,0:14:07.279  
most successful farmers um will um

0:14:04.399,0:14:08.480  
need to follow a sort of a dual track

0:14:07.279,0:14:11.360  
approach

0:14:08.480,0:14:13.519  
where on the one hand they will need to

0:14:11.360,0:14:15.360  
ensure that they're farming enterprises

0:14:13.519,0:14:17.360  
for the production of food with beef

0:14:15.360,0:14:19.680  
lamb milk eggs

0:14:17.360,0:14:20.399  
that the farming enterprises become as

0:14:19.680,0:14:22.079  
efficient

0:14:20.399,0:14:24.320  
as possible because food production will

0:14:22.079,0:14:26.160  
continue to be really important on these

0:14:24.320,0:14:29.600  
farms I believe

0:14:26.160,0:14:31.920  
but that will be coupled with the other

0:14:29.600,0:14:33.120  
elements of the dual truck which is what

0:14:31.920,0:14:36.320  
we've just been talking about

0:14:33.120,0:14:37.519  
in terms of um the public money for

0:14:36.320,0:14:39.519  
public goods

0:14:37.519,0:14:41.519  
um and on the second element I have

0:14:39.519,0:14:43.199  
every sympathy with the farmer says well

0:14:41.519,0:14:46.000  
it's very difficult to plan ahead and

0:14:43.199,0:14:46.959  
really until we have details of new

0:14:46.000,0:14:48.880  
schemes

0:14:46.959,0:14:50.560  
um and for farmers to be able to assess

0:14:48.880,0:14:53.920  
whether they suit their

0:14:50.560,0:14:54.399  
systems and suit their farming um I

0:14:53.920,0:14:56.800  
really

0:14:54.399,0:14:58.560  
do agree that some it's very limited

0:14:56.800,0:15:01.360  
what they can do in terms of preparing

0:14:58.560,0:15:02.079  
for that. But when it comes to making

0:15:01.360,0:15:05.519  
ensuring

0:15:02.079,0:15:08.560  
that the um the farming systems

0:15:05.519,0:15:09.760  
are efficient um I think there's quite a

0:15:08.560,0:15:11.360  
lot that many farmers

0:15:09.760,0:15:13.360  
can do and whilst it's very easy for me

0:15:11.360,0:15:15.600  
to be sitting here to say

0:15:13.360,0:15:17.680  
something like that the reality is that

0:15:15.600,0:15:20.480  
there is an enormous range

0:15:17.680,0:15:21.920  
of efficiency between those farmers who

0:15:20.480,0:15:24.880  
are doing really well

0:15:21.920,0:15:25.519  
and those farmers who are not doing so

0:15:24.880,0:15:29.199  
well

0:15:25.519,0:15:29.920  
um so you know those farmers who are

0:15:29.199,0:15:32.639  
performing

0:15:29.920,0:15:33.759  
the best in Wales I mean they really are

0:15:32.639,0:15:36.160  
as good as anywhere

0:15:33.759,0:15:37.680  
in the World um but not everybody of

0:15:36.160,0:15:41.279



course is achieving that

0:15:37.680,0:15:43.440  
um and so I think, I think the way to

0:15:41.279,0:15:46.160  
prepare for the future is to focus

0:15:43.440,0:15:48.480  
at this stage on the farming enterprises

0:15:46.160,0:15:50.800  
and to try and make those as

0:15:48.480,0:15:51.920  
sustainable financially

0:15:50.800,0:15:54.720  
as is

0:15:51.920,0:15:55.199  
Possible. And It's interesting you refer

0:15:54.720,0:15:58.000  
that

0:15:55.199,0:16:00.000  
to the top third performers and we often

0:15:58.000,0:16:01.680  
compare the top third to the bottom

0:16:00.000,0:16:03.839  
third and we refer to the gap in the

0:16:01.680,0:16:04.639  
middle is the gap between the best

0:16:03.839,0:16:06.720  
and the worst

0:16:04.639,0:16:08.000  
getting bigger do you think? Well It's

0:16:06.720,0:16:09.440  
interesting to refer to the top and the

0:16:08.000,0:16:10.959  
bottom third and I remember when I used

0:16:09.440,0:16:12.399  
to talk to the students at the college

0:16:10.959,0:16:13.759  
in Aberystwyth all those years ago I

0:16:12.399,0:16:15.839  
used to talk about the top third and the

0:16:13.759,0:16:16.880  
bottom third or the top quartile in the

0:16:15.839,0:16:19.519  
bottom quartile

0:16:16.880,0:16:20.320  
but what I realized um when I joined the

0:16:19.519,0:16:22.880  
bank

0:16:20.320,0:16:24.880  
is that it's we don't just have a top

0:16:22.880,0:16:27.199  
third and a bottom third we have a top

0:16:24.880,0:16:29.120  
10 percent we have a top five percent

0:16:27.199,0:16:31.040  
and we have a top one percent and

0:16:29.120,0:16:33.839  
they're phenomenally successful

0:16:31.040,0:16:34.639  
um but of course we have um you know the

0:16:33.839,0:16:36.160  
the other and

0:16:34.639,0:16:38.480  
the other end of the spectrum also

0:16:36.160,0:16:39.040  
continues well beyond the bottom third

0:16:38.480,0:16:42.800  
so that

0:16:39.040,0:16:43.920  
range is wider than many people

0:16:42.800,0:16:47.680  
Imagine,

0:16:43.920,0:16:48.800  
and I suspect that the gap that you

0:16:47.680,0:16:50.720  
refer to

0:16:48.800,0:16:52.720  
is probably widening rather than

0:16:50.720,0:16:55.920  
narrowing and um

0:16:52.720,0:16:59.440  
the reason i sense that is

0:16:55.920,0:17:02.839  
that the best keep getting better and

0:16:59.440,0:17:06.959  
the ones who are doing less well

0:17:02.839,0:17:10.559  
um perhaps aren't changing much at all.

0:17:06.959,0:17:12.240  
And in terms of the top

0:17:10.559,0:17:13.919  
one percent of the top five percent you

0:17:12.240,0:17:16.880  
know the ones that

0:17:13.919,0:17:18.880  
are achieving the best results and

0:17:16.880,0:17:21.280  
performing exceptionally well

0:17:18.880,0:17:22.319  
are there common traits that you can

0:17:21.280,0:17:24.160  
identify

0:17:22.319,0:17:26.400  
within that group of farmers

0:17:24.160,0:17:27.919  
irrespective of the sector irrespective

0:17:26.400,0:17:28.559  
of the farm is there some things that

0:17:27.919,0:17:30.320  
you can

0:17:28.559,0:17:32.000  
pinpoint to say these are the common

0:17:30.320,0:17:34.960  
characteristics that can make you

0:17:32.000,0:17:36.400  
a high achieving farmer? Well it can be

0:17:34.960,0:17:37.840

quite a frustrating experience for a

0:17:36.400,0:17:40.240  
farmer to try and sort of

0:17:37.840,0:17:41.679  
you know assess well what are these good

0:17:40.240,0:17:44.240  
ones doing then? You know

0:17:41.679,0:17:46.000  
how can one emulate them, because what

0:17:44.240,0:17:48.320  
one usually finds and

0:17:46.000,0:17:49.600  
Farming

0:17:48.320,0:17:51.360  
businesses are very fortunate and

0:17:49.600,0:17:54.000  
there's a huge amount of data

0:17:51.360,0:17:56.000  
available um from you know from the

0:17:54.000,0:17:59.120  
university from AHDB

0:17:56.000,0:18:02.400  
from Hybu Cig Cymru um but what one virtually

0:17:59.120,0:18:05.760  
always sees is that the best farmers

0:18:02.400,0:18:08.080  
both have more output and less cost

0:18:05.760,0:18:08.960  
which sounds contradictory of course

0:18:08.080,0:18:12.080  
but that is

0:18:08.960,0:18:14.720  
often the reason for the success

0:18:12.080,0:18:15.200  
of the best farmers so one has to

0:18:14.720,0:18:17.840  
look

0:18:15.200,0:18:18.559  
beyond that really and what we

0:18:17.840,0:18:21.200  
see

0:18:18.559,0:18:22.000  
um and you know wearing my bank hat and

0:18:21.200,0:18:24.400  
trying to

0:18:22.000,0:18:26.000  
um look at assessing borrowing

0:18:24.400,0:18:29.200  
propositions from farmers

0:18:26.000,0:18:31.440  
um the fact that really drives

0:18:29.200,0:18:32.240  
success or otherwise in a farming

0:18:31.440,0:18:35.280  
business

0:18:32.240,0:18:38.320  
is the person or the people um

0:18:35.280,0:18:39.919  
managing or leading that business. I

0:18:38.320,0:18:41.760  
think It's very easy to assume It's

0:18:39.919,0:18:42.720  
other factors like you know It's the

0:18:41.760,0:18:45.919  
farm

0:18:42.720,0:18:48.000  
um It's the land It's the soil It's the

0:18:45.919,0:18:51.039  
aspect It's how much they borrow

0:18:48.000,0:18:54.080  
It's how high the rent is um and

0:18:51.039,0:18:57.440  
all those factors have an impact

0:18:54.080,0:19:01.440  
but nothing like as much impact as

0:18:57.440,0:19:02.720  
um the capabilities or perhaps

0:19:01.440,0:19:06.000  
even more importantly

0:19:02.720,0:19:08.559  
um the attitude and the approach of

0:19:06.000,0:19:09.760  
the people running those businesses. Yes

0:19:08.559,0:19:11.600  
the management

0:19:09.760,0:19:13.520  
and the decisions that those farmers

0:19:11.600,0:19:15.360  
make have such an impact on the

0:19:13.520,0:19:17.919  
Performance of the business. And I'm sure

0:19:15.360,0:19:19.520  
you spend a lot of time with farming

0:19:17.919,0:19:22.080  
businesses who are

0:19:19.520,0:19:24.080  
weighing up options weighing up what to

0:19:22.080,0:19:24.799  
do in the future and I'm in no doubt

0:19:24.080,0:19:26.480  
there'll be

0:19:24.799,0:19:28.400  
a lot of your clients who'll be thinking

0:19:26.480,0:19:30.640  
we want to become the best

0:19:28.400,0:19:32.160  
at what we do and become ruthlessly

0:19:30.640,0:19:33.919  
efficient commodity

0:19:32.160,0:19:36.240  
producers and it's all about managing

0:19:33.919,0:19:38.720  
cost and making sure they can secure a

0:19:36.240,0:19:39.760  
reasonable margin but there'll be other

0:19:38.720,0:19:41.679

farmers

0:19:39.760,0:19:43.840  
that come to conclusion that being a

0:19:41.679,0:19:45.840  
commodity producer is not

0:19:43.840,0:19:47.600  
what they want to do they they don't

0:19:45.840,0:19:48.960  
want to be a price taker they want to

0:19:47.600,0:19:52.000  
have more control

0:19:48.960,0:19:53.760  
over the end price they achieve and

0:19:52.000,0:19:55.760  
are you are you experiencing more

0:19:53.760,0:19:58.400  
conversations around

0:19:55.760,0:19:59.840  
adding value about diversification,

0:19:58.400,0:20:00.720  
looking at the resources you've got on

0:19:59.840,0:20:03.120  
farm what

0:20:00.720,0:20:04.960  
assets and what can you do are you

0:20:03.120,0:20:06.159  
seeing this conversation becoming far

0:20:04.960,0:20:08.000  
broader than

0:20:06.159,0:20:09.360  
simply looking at the core agricultural

0:20:08.000,0:20:11.440  
Production?

0:20:09.360,0:20:12.559  
Yes I think those conversations are

0:20:11.440,0:20:16.240  
becoming more

0:20:12.559,0:20:17.360  
common and um you know I mean every farm

0:20:16.240,0:20:19.919  
and every farmer

0:20:17.360,0:20:20.880  
will have a different route of achieving

0:20:19.919,0:20:24.480  
success

0:20:20.880,0:20:25.280  
Um I think broadly I think the choice

0:20:24.480,0:20:27.600  
of people have

0:20:25.280,0:20:30.240  
is to continue doing what they're

0:20:27.600,0:20:33.360  
doing but to try and do that

0:20:30.240,0:20:34.080  
even better, um but for others it might

0:20:33.360,0:20:36.400  
be

0:20:34.080,0:20:37.200  
looking at doing something different and

0:20:36.400,0:20:40.320  
establishing

0:20:37.200,0:20:43.200  
a new venture whether that venture is

0:20:40.320,0:20:44.240  
an agricultural venture um or indeed it

0:20:43.200,0:20:46.880  
might be something

0:20:44.240,0:20:48.159  
completely outside of farming and

0:20:46.880,0:20:49.919  
actually um

0:20:48.159,0:20:52.320  
you know my experience in my experience

0:20:49.919,0:20:53.039  
that the track record of farmers in

0:20:52.320,0:20:55.840  
Wales who



0:20:53.039,0:20:56.559  
have done something new and different is

0:20:55.840,0:20:59.039  
that they're often

0:20:56.559,0:20:59.919  
very successful, but one of the

0:20:59.039,0:21:02.799  
Examples are

0:20:59.919,0:21:04.159  
in poultry and egg production and

0:21:02.799,0:21:05.840  
actually people who've converted from

0:21:04.159,0:21:09.120  
beef and sheep to dairy

0:21:05.840,0:21:10.240  
um it really isn't unusual for those

0:21:09.120,0:21:12.559  
people to

0:21:10.240,0:21:13.760  
actually be more successful in their new

0:21:12.559,0:21:15.840  
enterprises

0:21:13.760,0:21:17.039  
um probably than they ever were in their

0:21:15.840,0:21:19.200  
old ones um

0:21:17.039,0:21:20.240  
which is a little bit counterintuitive

0:21:19.200,0:21:21.600  
really because you wouldn't thought that

0:21:20.240,0:21:22.799  
they would be better at the new things

0:21:21.600,0:21:23.280  
you think they'd be better at the old

0:21:22.799,0:21:26.240  
things

0:21:23.280,0:21:28.320  
um but very often people are because

0:21:26.240,0:21:30.000

they're having this fresh approach

0:21:28.320,0:21:31.120  
um sometimes it's because they're

0:21:30.000,0:21:32.559  
borrowing a lot of money that they

0:21:31.120,0:21:32.960  
didn't borrow before and they realized

0:21:32.559,0:21:34.960  
that they

0:21:32.960,0:21:37.200  
really do need to make a success of this

0:21:34.960,0:21:39.360  
um sometimes it's because there's some

0:21:37.200,0:21:40.799  
really good cyclical supports available

0:21:39.360,0:21:41.120  
sometimes it's just the excitement of

0:21:40.799,0:21:43.280  
doing

0:21:41.120,0:21:44.799  
something different sometimes it's

0:21:43.280,0:21:45.440  
they're doing something that their

0:21:44.799,0:21:48.720  
parents

0:21:45.440,0:21:49.520  
didn't do um and um so all of these

0:21:48.720,0:21:52.320  
factors

0:21:49.520,0:21:52.880  
um i think is is really positive and

0:21:52.320,0:21:55.919  
that's

0:21:52.880,0:21:57.520  
people who've done new things um often

0:21:55.919,0:21:59.120  
do them really well.

0:21:57.520,0:22:00.720  
One of the things I wanted to touch upon

0:21:59.120,0:22:01.440  
in this podcast with you Erin is

0:22:00.720,0:22:04.559  
your

0:22:01.440,0:22:06.400  
outlook on the prospects

0:22:04.559,0:22:08.159  
for the different farming sectors over

0:22:06.400,0:22:09.919  
the next 12 months and uh

0:22:08.159,0:22:11.200  
if we just simply look back at the last

0:22:09.919,0:22:13.200  
12 months it's been an incredibly

0:22:11.200,0:22:13.840  
volatile time for many sectors I can

0:22:13.200,0:22:16.080  
remember

0:22:13.840,0:22:17.919  
and recall a number of conversations

0:22:16.080,0:22:20.000  
with some Dairy farmers supplying in

0:22:17.919,0:22:21.440  
the liquid milk market they were facing

0:22:20.000,0:22:22.559  
difficulties in selling their milk

0:22:21.440,0:22:24.159  
having to

0:22:22.559,0:22:25.840  
pour their milk down the drain in some

0:22:24.159,0:22:27.440  
instances and that thankfully has

0:22:25.840,0:22:28.240  
recovered since then we've had an

0:22:27.440,0:22:30.400  
interesting year

0:22:28.240,0:22:32.000  
in in the red meat sector prices for

0:22:30.400,0:22:33.600  
beef have increased

0:22:32.000,0:22:36.000  
on on what has been a very difficult

0:22:33.600,0:22:36.720  
time back in 2019 and prior to that and

0:22:36.000,0:22:38.960  
we've had

0:22:36.720,0:22:41.039  
very recently a surge in prices and

0:22:38.960,0:22:42.960  
confidence in the lamb sector

0:22:41.039,0:22:44.880  
uh on the back of the deal with

0:22:42.960,0:22:46.799  
Europe uh and

0:22:44.880,0:22:48.720  
we've seen the impacts Covid has had on

0:22:46.799,0:22:51.039  
demand and supply throughout

0:22:48.720,0:22:52.640  
um the supply chain. Now what's your take

0:22:51.039,0:22:54.799  
taking each sector in its turn starting

0:22:52.640,0:22:56.559  
with a dairy um

0:22:54.799,0:22:59.039  
where do you see that to panning out

0:22:56.559,0:23:01.600  
over the next few months?

0:22:59.039,0:23:02.880  
Yes it's interesting you refer to Covid I

0:23:01.600,0:23:06.000  
think um

0:23:02.880,0:23:07.840  
farmers um are recognizing they're very

0:23:06.000,0:23:09.200  
appreciative of the fact that

0:23:07.840,0:23:12.480

farming has been

0:23:09.200,0:23:14.880  
um has fed much better than many

0:23:12.480,0:23:15.679  
many sectors of the economy who are of

0:23:14.880,0:23:18.720  
course still

0:23:15.679,0:23:20.480  
undergoing extremely difficult times and

0:23:18.720,0:23:22.000  
whilst there was a disruption back in

0:23:20.480,0:23:24.880  
the spring

0:23:22.000,0:23:27.520  
for the dairy sector as you implied the

0:23:24.880,0:23:29.360  
the supply chains within agriculture

0:23:27.520,0:23:31.039  
actually were able to adapt really

0:23:29.360,0:23:33.200  
really quickly from this

0:23:31.039,0:23:35.120  
change the massive change that we saw

0:23:33.200,0:23:35.760  
from the demand coming from this food

0:23:35.120,0:23:39.200  
service

0:23:35.760,0:23:41.600  
sector um and that demand shifting to

0:23:39.200,0:23:43.279  
to the retail sector and I think what's

0:23:41.600,0:23:44.960  
been really interesting actually is that

0:23:43.279,0:23:48.480  
the resale sector

0:23:44.960,0:23:48.960  
is more likely to source their produce

0:23:48.480,0:23:51.600  
from

0:23:48.960,0:23:52.960  
Uk sources whereas perhaps some of the

0:23:51.600,0:23:55.200  
food service outlets

0:23:52.960,0:23:56.960  
were quite a bit more prepared to look

0:23:55.200,0:23:59.039  
outside of the uk

0:23:56.960,0:24:00.880  
and I think that's one of the reasons

0:23:59.039,0:24:04.000  
that we've seen um

0:24:00.880,0:24:06.080  
pretty good prices in Agriculture. But

0:24:04.000,0:24:07.200  
you're asking me about the dairy sector

0:24:06.080,0:24:09.679  
um

0:24:07.200,0:24:11.279  
I think that you know the potential for

0:24:09.679,0:24:14.640  
Dairy farming in Wales

0:24:11.279,0:24:17.679  
is great the physical

0:24:14.640,0:24:20.720  
capacity that Wales has to produce

0:24:17.679,0:24:21.840  
milk is huge um there are so

0:24:20.720,0:24:24.320  
many farms

0:24:21.840,0:24:25.679  
that actually I mean when I was very

0:24:24.320,0:24:26.640  
young I mean the number

0:24:25.679,0:24:28.320  
producing in Wales

0:24:26.640,0:24:29.600  
was very great. One just has to

0:24:28.320,0:24:31.520  
look at the number of milk stands that

0:24:29.600,0:24:32.480  
you see along many many country lanes to

0:24:31.520,0:24:35.919  
be reminded

0:24:32.480,0:24:37.760  
of that um and you know really if you're

0:24:35.919,0:24:41.200  
able to produce grass

0:24:37.760,0:24:42.559  
then in most cases you can produce

0:24:41.200,0:24:44.000  
milk and whilst of course it's

0:24:42.559,0:24:45.440  
absolutely essential to ensure that

0:24:44.000,0:24:47.360  
there's a market for any milk that's

0:24:45.440,0:24:49.600  
produced and this processing capacity,

0:24:47.360,0:24:50.640  
And so I think the

0:24:49.600,0:24:53.360  
potential there

0:24:50.640,0:24:54.080  
providing the markets is available

0:24:53.360,0:24:55.840  
is

0:24:54.080,0:24:58.000  
great actually and of course there

0:24:55.840,0:25:00.480  
have been a number of farmers who have

0:24:58.000,0:25:01.760  
set up in milk production relatively

0:25:00.480,0:25:04.080  
recently

0:25:01.760,0:25:05.360  
and almost without exception made a real

0:25:04.080,0:25:07.679

success of it.

0:25:05.360,0:25:08.720  
Yeah it has been interesting to

0:25:07.679,0:25:10.640  
follow

0:25:08.720,0:25:12.480  
all the dairy conversions and actually

0:25:10.640,0:25:14.960  
on this podcast we've been up to

0:25:12.480,0:25:16.320  
to meet a few in Llanrwst in your

0:25:14.960,0:25:17.919  
home patch

0:25:16.320,0:25:20.000  
as it were here and there's a lot of

0:25:17.919,0:25:22.159  
Dairy farmers emerged in that area

0:25:20.000,0:25:23.919  
Recently. Yeah so it's silly up there

0:25:22.159,0:25:24.720  
and then in Anglesey as well and then you

0:25:23.919,0:25:27.120  
know it's

0:25:24.720,0:25:28.880  
big big changes very very positive and

0:25:27.120,0:25:29.600  
superb quality of farming in many

0:25:28.880,0:25:32.720  
instances

0:25:29.600,0:25:34.559  
absolutely top quality world-class. Yeah

0:25:32.720,0:25:36.799  
and their enthusiasm the young people

0:25:34.559,0:25:37.919  
I've met starting up those ventures is

0:25:36.799,0:25:41.200  
infectious and it's

0:25:37.919,0:25:43.440  
real refreshing and exciting to see.



0:25:41.200,0:25:45.520  
What's your outlook for red meat then

0:25:43.440,0:25:48.080  
Eirin.

0:25:45.520,0:25:49.440  
Well you know I mean when one looks at

0:25:48.080,0:25:52.400  
lamb production I mean

0:25:49.440,0:25:54.320  
the announcement about a trade deal

0:25:52.400,0:25:55.520  
between the uk and europe was an

0:25:54.320,0:25:57.520  
enormous relief

0:25:55.520,0:25:59.600  
um it's well understood how

0:25:57.520,0:26:02.559  
much of a threat Brexit was

0:25:59.600,0:26:04.080  
to lamb producers because of the

0:26:02.559,0:26:05.919  
very substantial tariff

0:26:04.080,0:26:07.440  
um that would have been applied to lamb

0:26:05.919,0:26:10.559  
exports if there hadn't been that

0:26:07.440,0:26:12.559  
trade deal so that is um

0:26:10.559,0:26:13.700  
exceptionally good news um that

0:26:12.559,0:26:15.360  
happened um

0:26:13.700,0:26:17.039

0:26:15.360,0:26:19.919  
there are concerns on the future

0:26:17.039,0:26:22.799  
horizon for the Red Meat sector

0:26:19.919,0:26:23.679  
um from a twofold, one actually I think

0:26:22.799,0:26:26.480  
um one

0:26:23.679,0:26:29.440  
is the reliance that many beef and sheep

0:26:26.480,0:26:32.080  
enterprises have on the basic payments

0:26:29.440,0:26:32.880  
and we've already talked about how um

0:26:32.080,0:26:36.000  
that is

0:26:32.880,0:26:39.279  
um almost certainly going to be reduced

0:26:36.000,0:26:39.760  
in in future um it represents such a

0:26:39.279,0:26:41.679  
high

0:26:39.760,0:26:43.440  
proportion of profits for so many farms

0:26:41.679,0:26:44.320  
and in fact it's really isn't that

0:26:43.440,0:26:46.159  
unusual

0:26:44.320,0:26:47.360  
to look at a set of farmer accounts

0:26:46.159,0:26:50.880  
where the

0:26:47.360,0:26:54.320  
basic payment exceeds the profits um

0:26:50.880,0:26:54.880  
the other potential risk um for beef and

0:26:54.320,0:26:58.320  
sheep

0:26:54.880,0:27:01.039  
farmers is if the uk government

0:26:58.320,0:27:02.400  
has new trade deals with countries

0:27:01.039,0:27:05.679

outside of Europe that is

0:27:02.400,0:27:08.159  
in the Americas both North and in

0:27:05.679,0:27:09.520  
South america and potentially Australia

0:27:08.159,0:27:11.760  
and places like that

0:27:09.520,0:27:12.960  
all of these countries potentially

0:27:11.760,0:27:14.559  
Keen to have a trade agreed

0:27:12.960,0:27:16.000  
potentially the UK are keen to have trade agreements

0:27:14.559,0:27:17.679

0:27:16.000,0:27:21.200  
with them anyway

0:27:17.679,0:27:24.799  
um and all of those places I mentioned

0:27:21.200,0:27:27.760  
um have agricultural products which

0:27:24.799,0:27:28.640  
for lots of reasons um in many cases are

0:27:27.760,0:27:30.399  
they're able to

0:27:28.640,0:27:31.840  
produce at a lower cost than we're able

0:27:30.399,0:27:35.360  
to do here so

0:27:31.840,0:27:36.799  
um you know whilst i think many beef and

0:27:35.360,0:27:40.000  
she farmers in future

0:27:36.799,0:27:40.320  
will continue to be um to do well and to

0:27:40.000,0:27:43.200  
be

0:27:40.320,0:27:44.720  
resilient um there are potential threats

0:27:43.200,0:27:46.320  
on the horizon.

0:27:44.720,0:27:48.720  
And finally what about the poultry

0:27:46.320,0:27:49.200  
sector well the poultry sector I think

0:27:48.720,0:27:51.679  
has been

0:27:49.200,0:27:53.520  
a fascinating sector when one looks at

0:27:51.679,0:27:56.559  
the changes that have been

0:27:53.520,0:27:57.760  
um particularly in egg production and

0:27:56.559,0:28:00.960  
the number of

0:27:57.760,0:28:04.640  
farming businesses um that have

0:28:00.960,0:28:08.000  
invested many with HSBC support actually

0:28:04.640,0:28:12.159  
particularly in Powys but further

0:28:08.000,0:28:15.520  
further afield in Wales as well um

0:28:12.159,0:28:18.399  
it's and those businesses again that

0:28:15.520,0:28:19.679  
have done very very well and they're in

0:28:18.399,0:28:22.159  
in most cases they're

0:28:19.679,0:28:22.799  
very well managed and I think the

0:28:22.159,0:28:24.960  
prospects

0:28:22.799,0:28:26.240  
remain good for that

0:28:24.960,0:28:27.600  
sector I mean one word

0:28:26.240,0:28:29.279

which we haven't mentioned so far in

0:28:27.600,0:28:30.159  
this podcast is the word volatility I

0:28:29.279,0:28:32.320  
mean volatility

0:28:30.159,0:28:33.520  
has not gone away in any enterprise in

0:28:32.320,0:28:36.640  
agriculture

0:28:33.520,0:28:38.080  
but there is I think still

0:28:36.640,0:28:40.640  
grounds to be optimistic about the

0:28:38.080,0:28:43.279  
future demand for egg production because

0:28:40.640,0:28:44.320  
all the major I think all the major

0:28:43.279,0:28:47.360  
retailers

0:28:44.320,0:28:50.480  
in the uk have announced their intention

0:28:47.360,0:28:51.440  
to supply only free-range eggs, to go

0:28:50.480,0:28:53.679  
away

0:28:51.440,0:28:55.200  
, well to go away entirely from

0:28:53.679,0:28:55.600  
caged eggs I know there's a discussion

0:28:55.200,0:28:57.520  
about

0:28:55.600,0:28:59.360  
whether they might supply barn eggs but

0:28:57.520,0:29:00.720  
the potential demand I think for free

0:28:59.360,0:29:04.159  
range eggs remains

0:29:00.720,0:29:07.200  
remains strong I think so um

0:29:04.159,0:29:09.919

yeah that's another sector provided

0:29:07.200,0:29:11.440

that um you know the demand increases at

0:29:09.919,0:29:13.039

the same rate of supply

0:29:11.440,0:29:14.799

um then I think the prospects of that

0:29:13.039,0:29:17.120

sector are good as well.

0:29:14.799,0:29:18.240

And uh we must refer obviously to the

0:29:17.120,0:29:21.279

bank that you

0:29:18.240,0:29:22.159

that you represent and HSBC what's the

0:29:21.279,0:29:25.120

attitude

0:29:22.159,0:29:26.720

of the bank towards farm lending is it a

0:29:25.120,0:29:28.000

positive one bearing in mind all the

0:29:26.720,0:29:29.840

challenges we've outlined and the

0:29:28.000,0:29:31.919

opportunities as well

0:29:29.840,0:29:33.120

do you have a degree of confidence going

0:29:31.919,0:29:34.720

forward that you will be

0:29:33.120,0:29:37.760

supporting farm business and farm

0:29:34.720,0:29:40.480

investment in the future?

0:29:37.760,0:29:42.159

Yes I mean agriculture is important

0:29:40.480,0:29:44.480

for all the major banks I mean

0:29:42.159,0:29:45.679  
the industry borrows is not far of

0:29:44.480,0:29:48.159  
20 billion

0:29:45.679,0:29:50.080  
um it's a significant amount of

0:29:48.159,0:29:53.520  
borrowing or lending from the bank's

0:29:50.080,0:29:54.000  
perspective um but you know the track

0:29:53.520,0:29:57.600  
record

0:29:54.000,0:30:00.720  
of agriculture um is as borrowers

0:29:57.600,0:30:02.080  
is exceptionally good

0:30:00.720,0:30:03.760  
there have been difficult times of

0:30:02.080,0:30:05.840  
course and most recently I suppose the

0:30:03.760,0:30:09.039  
one most focused on was a

0:30:05.840,0:30:12.080  
Dairy crisis in 2015 2016

0:30:09.039,0:30:12.880  
where so many dairy farmers went through

0:30:12.080,0:30:16.320  
such difficult

0:30:12.880,0:30:20.000  
times but also farmers

0:30:16.320,0:30:23.279  
and farming businesses are resilient

0:30:20.000,0:30:25.919  
they value long-term relationships

0:30:23.279,0:30:27.360  
um and that is something as a bank

0:30:25.919,0:30:30.720  
that we also appreciate

0:30:27.360,0:30:32.000

and we remain keen to both to support

0:30:30.720,0:30:34.320  
existing customers

0:30:32.000,0:30:35.360  
but also still keen to grow the business

0:30:34.320,0:30:37.520  
and to

0:30:35.360,0:30:39.120  
um encourage small farmers to bank with

0:30:37.520,0:30:41.600  
us actually.

0:30:39.120,0:30:42.720  
And Eurin just before we close as a

0:30:41.600,0:30:44.159  
final question

0:30:42.720,0:30:46.000  
uh we this is a question we're going to

0:30:44.159,0:30:48.080  
be asking a lot of the guests on the

0:30:46.000,0:30:49.440  
podcast this year is how would

0:30:48.080,0:30:52.240  
you describe

0:30:49.440,0:30:53.679  
a successful farmer if you were to be

0:30:52.240,0:30:54.640  
put on the spot and had to provide a

0:30:53.679,0:30:56.799  
definition of

0:30:54.640,0:30:58.080  
in your eyes what would you see as a

0:30:56.799,0:31:00.960  
successful farmer

0:30:58.080,0:31:02.559  
what would that be? That's quite a

0:31:00.960,0:31:05.519  
challenging question actually

0:31:02.559,0:31:06.559  
Aled um I think It's important to



0:31:05.519,0:31:09.519  
recognize that there is

0:31:06.559,0:31:10.159  
there is no blueprint for success in

0:31:09.519,0:31:12.080  
farming

0:31:10.159,0:31:13.279  
and it would be very boring industry if

0:31:12.080,0:31:15.840  
it was um

0:31:13.279,0:31:18.159  
but I think there are some common

0:31:15.840,0:31:21.360  
themes perhaps of successful farmers and

0:31:18.159,0:31:23.039  
it's inevitable i suppose um from my

0:31:21.360,0:31:25.039  
perspective that one is going to look at

0:31:23.039,0:31:28.000  
the commercial aspects of

0:31:25.039,0:31:29.279  
of farming and that um and I do

0:31:28.000,0:31:32.320  
think that in the future

0:31:29.279,0:31:36.000  
a successful farmer they will need to be

0:31:32.320,0:31:39.200  
progressive and to be not only

0:31:36.000,0:31:40.000  
willing but keen to adopt technology and

0:31:39.200,0:31:44.000  
to be

0:31:40.000,0:31:46.960  
innovative um taking a commercial

0:31:44.000,0:31:47.760  
approach to farming is the requirement

0:31:46.960,0:31:51.760  
of success

0:31:47.760,0:31:55.200  
I would say and what that means is to be

0:31:51.760,0:31:56.559  
focused on the right things and to do

0:31:55.200,0:31:58.960  
those right things I would say are

0:31:56.559,0:31:59.600  
things like generating profit and cash

0:31:58.960,0:32:01.919  
and

0:31:59.600,0:32:03.360  
growing the equity of the business and

0:32:01.919,0:32:04.399  
there are many things that can help with

0:32:03.360,0:32:07.360  
that

0:32:04.399,0:32:09.039  
in terms of planning the business

0:32:07.360,0:32:12.559  
benchmarking with other

0:32:09.039,0:32:14.320  
farmers engaging the supply chain

0:32:12.559,0:32:16.799  
maybe with the ultimate customers at the

0:32:14.320,0:32:17.360  
retailer level or with the processors I

0:32:16.799,0:32:18.480  
think that's

0:32:17.360,0:32:20.880  
something that's going to become

0:32:18.480,0:32:21.760  
increasingly important to be very well

0:32:20.880,0:32:25.279  
aware of their

0:32:21.760,0:32:26.159  
production costs um and to just be very

0:32:25.279,0:32:29.360  
clear about

0:32:26.159,0:32:32.320

how what their level of efficiency is

0:32:29.360,0:32:33.840  
and how that compares to other farms

0:32:32.320,0:32:36.080  
that are doing similar things to

0:32:33.840,0:32:37.519  
what they do well. I think that's

0:32:36.080,0:32:39.519  
provided a very

0:32:37.519,0:32:42.159  
comprehensive summary of the key

0:32:39.519,0:32:45.679  
messages in this podcast Eirin

0:32:42.159,0:32:45.679  
thank you very much for joining us

0:32:47.279,0:32:50.640  
remember about Farming Connects

0:32:48.880,0:32:52.640  
one-to-one surgeries

0:32:50.640,0:32:54.720  
these are an opportunity to have advice

0:32:52.640,0:32:55.679  
from a specialist consultant on your

0:32:54.720,0:32:57.840  
business

0:32:55.679,0:33:00.559  
these are now held digitally either over

0:32:57.840,0:33:02.240  
the phone or via video conferencing

0:33:00.559,0:33:04.000  
these are hour-long surgeries that can

0:33:02.240,0:33:05.039  
help you evaluate the performance of

0:33:04.000,0:33:06.880  
your business

0:33:05.039,0:33:08.399  
discuss your business plan begin the

0:33:06.880,0:33:11.279  
benchmarking process

0:33:08.399,0:33:12.799  
or review overhead costs if you need

0:33:11.279,0:33:15.360  
further advice then there's also the

0:33:12.799,0:33:17.120  
farming connects advisory service option

0:33:15.360,0:33:19.279  
please contact the team at Farming

0:33:17.120,0:33:21.519  
connect to discuss what's suitable

0:33:19.279,0:33:23.039  
for your needs and there we are we've

0:33:21.519,0:33:25.360  
reached the end of episode

0:33:23.039,0:33:27.200  
34. Don't forget to hit subscribe on

0:33:25.360,0:33:28.080  
whichever platform you use to keep

0:33:27.200,0:33:30.799  
notified

0:33:28.080,0:33:32.240  
of all new episodes of Ear to the ground

0:33:30.799,0:33:33.919  
so on behalf of the team at Farming

0:33:32.240,0:33:39.840  
Connect and myself Aled jones

0:33:33.919,0:33:39.840  
thank you for listening and bye for now

0:33:43.170,0:33:50.650  
[Music]

0:33:56.399,0:33:58.480  
you