

# Understanding Entrepreneurial Skills in the Farm Context



Edited by Kari Mikko Vesala and Jarkko Pyysiäinen



## **Developing Entrepreneurial Skills of Farmers ESoF**

The project Developing Entrepreneurial Skills of Farmers (ESoF) is a Specific Targeted Research Project, funded under the Sixth Framework Programme for Research & Technological Development of the European Commission. The project is running from 2005-2008.

The ESoF project examines the economic, social and cultural factors hindering or stimulating the development of entrepreneurial skills of farmers.

The primary concern of the project is to recommend ways how conditions of the social, economic, political and cultural frame-work can be changed in order to facilitate the adoption of entrepreneurial skills for farmers and how farmers themselves can improve their entrepreneurial skills. The guiding idea comprises the persuasion that the kind of necessary entrepreneurial skills is strongly dependent on the strategic orientation of the farm.

Besides recommendations a diagnostic tool will be elaborated with which farmers can be positioned according to their entrepreneurial strategy and their entrepreneurial skills. This tool can be used by decision makers to evaluate and advise farmers to become more entrepreneurial, and farmers can assess themselves, learning their strengths and weaknesses concerning entrepreneurship.

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# Understanding Entrepreneurial Skills in the Farm Context

Final report on the main study of the EU-funded project *Developing Entrepreneurial Skills of Farmers*  
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Editors

Kari Mikko Vesala and Jarkko Pyysiäinen



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Kari Mikko Vesala & Jarkko Pyysiäinen



## Executive summary

### Introduction

The general background to this study and the research project as a whole is the ongoing change in the environment of farm businesses. One response to these changes, both in EU policy and in national policies, has been to call for a greater degree of entrepreneurship on farms. On the one hand, adjustment of policy to the changes seems to result increasingly in treating farms as firms alike other sectors in the open market. At the same time, however, the expectation of entrepreneurial behaviour is directed very explicitly towards farmers. This means that farmers themselves are supposed to demonstrate a proactive approach and initiative, engaging in innovative and dynamic business activity.

This emphasis on entrepreneurship is understandable. Entrepreneurship is considered to be a crucial dynamic force in the development of small businesses in general. The structural changes in the environment of farm businesses obviously suggest that a dynamic force of this sort is especially relevant in the present farm context. The relevance of entrepreneurship may be associated with the aim of survival of farms. Entrepreneurship is relevant because farmers need to find ways to adapt their businesses to the changing situation. The relevance of entrepreneurship may also be associated with the idea that the ongoing changes bring with them new opportunities for farm business, and do not simply narrow down or extinguish previous operational preconditions (Bryant 1989). From this perspective, entrepreneurship is needed in order to recognise and exploit these opportunities.

Some effects or reflections of the wider structural changes are already visible at farm level: farms are decreasing in number, while many of the remaining farms are seeking to achieve cost-effectiveness by scale enlargement or cost reduction. Furthermore, there is increasing diversity with regard to farms' strategic orientation: in addition to those focusing on conventional primary production, many farms add value to agricultural products by means of processing, direct sales and niche products, or have diversified their activities on the farm into non-agricultural businesses.

Even though it is possible to detect changes in farm businesses and how they are run, it is a common assumption that there is not enough entrepreneurship among farmers. This view was also articulated in the project description for the ESoF project:

“By these changes, farmers have the possibility to benefit from market opportunities and to take more responsibility for the success of their businesses; in other words, farmers will theoretically have more freedom to farm as they wish. In order to do this, farmers will have to develop their managerial and entrepreneurial abilities and become more businesslike. Unfortunately, decades of payments under the CAP have made farmers look towards the state for signals about farm management rather than to anticipate or to innovate as individual farm business managers. In this respect farmers have become reactive rather than proactive. Additionally, farm associations and other collective bodies have been oriented to administering and lobbying for CAP payments rather than to developing the capacities of their members in terms of entrepreneurialism. The same could be said of agricultural education institutions, colleges and universities.”

The general purpose of this study was to increase understanding about the nature and relevance of entrepreneurial skills in farm business with the help of a qualitative, interview-based study. Interviews were conducted in the UK, Finland, Italy, the Netherlands, Poland and Switzerland, on 25 farms in each country.

The interviews were done on case farms selected from chosen localities or regions. In each country, the selection of the case farms was such that, as a minimum, five female interviewees were included. Additionally, not more than five interviewees over the age of 55 were included. This was to ensure that, as a whole, the case farmers would have future relevance, in the sense that most of them would presumably still be active for several years. Furthermore, the selection was constructed so that the case farms would include variations typical of the area or region in question in terms of lines of production.

Most importantly, however, the selection in each country was made in such a way as to ensure that representatives of three strategic orientations – *conventional production*, *value adding* and *non-food diversification* – were included. The case farms were subsequently divided into three subgroups for analysis.

It was assumed that these subgroups represent the elementary strategic alternatives in farm business nowadays, and that this would contribute to the theoretical relevance of the whole study and the research questions put

forward in it. Because of the qualitative nature of the study, including its case study design, it is obvious that the results immediately concern only these case farms, and generalisations of a statistical nature, for example, are not attempted. However, it may be assumed that theoretical generalisations are feasible, based on the notion that the results inform us about the possible state of affairs among farmers. Such theoretical conclusions, of course, call for consideration of specific features of the case farms and the criteria for their selection.

The objectives for the study concerned the assessment and development of entrepreneurial skills among farmers. The instrumental objectives for reaching the main objective were:

- 1: To develop conceptual tools for assessing entrepreneurial skills and analysing comments and accounts concerning adoption of these skills.
- 2: To assess farmers' entrepreneurial skills in case studies.
- 3: To identify and analyse factors hindering and/or stimulating development of entrepreneurial skills in case studies.
- 4: To describe the concept of entrepreneurship and entrepreneurial skills from the point of view of farmers and socio-technical network partners.

To achieve the objectives, seven research questions were formulated in the project. They will be presented below, after a brief description of the theoretical setting of the study.

### **The setting of the study: Approaching entrepreneurship on farms through the concept of entrepreneurial skills**

Before moving on to present the empirical research questions, we describe the results of the theoretical and methodological work that was done to achieve objective 4.1., which was to develop the basic conceptual tools for the qualitative empirical study.

Underlying this study is the notion that farmers are expected to become more entrepreneurial in their business. However, there are several alternative ways to understand the concept of entrepreneurship. Therefore it is crucial to consider what is actually meant by the term "entrepreneurial" in this connection.

The term "entrepreneurship" has different meanings. In some contexts, for example, it is used to refer to the centrality of economic goals, as distinct from types of business activity in which economic goals are seen as subordinate to other goals. In this sense entrepreneurship would be associated primarily with the aim of profit maximisation and optimisation of economic efficiency or competitiveness, whereas running a business with the sole aim of securing a satisfactory standard of living for the family would not fulfil the criteria of entrepreneurship. In some other contexts, running a firm as such would be considered as entrepreneurship, regardless of whether or not economic aims were paramount.

According to the results of the expert interviews conducted earlier in the project in connection with the pilot study, a widely shared view among experts is that the changing environment of farming at present necessitates that farmers must develop their farm businesses and business activities in economic terms in order to survive and be successful. Worthy of note is the division of farming businesses into three strategic orientations (conventional, value-adding and non-food diversification), which was suggested in the pilot study to describe the ongoing responsive changes on farms. This division implies that it is no longer sufficient simply to practice primary production on the farm in order to obtain a living for the family and contribute to the continuity of the work of preceding generations. Instead, active measures need to be taken, especially measures that are strategically relevant from the perspective of economic goals in business.

If the centrality of economic goals is seen as the crucial criterion for entrepreneurship, all of these strategic orientations and corresponding activities could be called entrepreneurial. However, entrepreneurship may also be defined in other ways. In the field of entrepreneurship study it has been common to associate entrepreneurship especially with innovative and dynamic developments within the small and medium enterprise (SME) sector, and consequently to view entrepreneurship as the creation of new business enterprises. From such a perspective, one could say that in the farm context, value adding and non-food diversification in particular represent an entrepreneurial orientation, assuming that these imply a change away from conventional production, which represents a "traditional" or existing form of business on farms.

One of the basic assumptions in this study is that the division into three strategic orientations reflects real differences within the farm sector, as outlined also by a number of EU-wide studies, and especially within the nature of the entire business that is practised on individual farms. At the same time, we have not been committed to the assumption that one or other of these orientations would be considered more entrepreneurial than others by definition, although we have been aware that there are arguments in favour of such an assumption. Instead, it has been our aim to explore each of these three orientations from the perspective of entrepreneurial skills, and compare them using an empirical, qualitative approach.

In this study we approach entrepreneurship on farms using the concept of *entrepreneurial skill*. According to our approach, entrepreneurial skill is a relational concept which refers to the individual as well as to the activity. On the one hand it describes the individual who knows how to do something in business. On the other hand it describes the tasks and activities that the individual needs to know how to do in the business context. It must be emphasised that while the concept of entrepreneurial skills tells us something about the individual, it does not tell us everything. Similarly, it tells us something about the business activity, but not everything. The concept represents one possible way to approach entrepreneurship, and not the whole construct of entrepreneurship.

According to our theoretical approach, entrepreneurial skills are to be understood as higher-level skills. They have to do with establishing, running and developing a business enterprise. In such business activities, several types of lower-level skills are needed, corresponding to the tasks of production, administration, marketing, and so on. These may be referred to as technical, professional or managerial skills. However, entrepreneurial skills may be differentiated conceptually from all of these as meta-level skills that concern the whole process of initiating, steering and developing a business.

The results of expert interviews conducted in six countries, reported in the pilot study, indicated five categories of skills. As a synthesis from that study, de Wolf & Schoorlemmer (2007) state that while professional and management skills are basic requirements for farmers, opportunity skills, strategic skills and cooperation/networking skills can be viewed as proper entrepreneurial skills. Thus, studying entrepreneurial skills does not imply that other skills are assumed to be irrelevant or not important. Nevertheless, our theoretical analysis based on the literature on entrepreneurship and small business research suggests that it is warranted to view entrepreneurial skills as a hierarchical construct, in which the pursuit of opportunities may be viewed as a key entrepreneurial skill that covers the core tasks in entrepreneurship, and represents the “top of the pyramid” in the hierarchy of entrepreneurial skills. The pursuit of opportunities has two aspects: recognition and realisation of opportunities. Furthermore, in order to realise opportunities, the entrepreneur must obtain access to the resources needed to pursue them. One crucial measure in this comprises the utilisation of social contacts and networking, i.e. the second key entrepreneurial skill that has been selected for study in this project. Finally, in the pilot study report it was proposed that strategic skills should be taken into account among the entrepreneurial skills in the empirical component of the main study. This was considered a worthwhile suggestion, especially because the three subgroups of interviewed farmers were formed according to strategic orientation, so strategic skills could also be viewed in relation to this distinction.

It was therefore assumed that entrepreneurial skills among farmers could be viewed as including:

- creating and evaluating a business strategy
- networking and utilising contacts
- recognising and realising opportunities.

### **Methodological approach**

In methodological terms, the core idea in this study was that entrepreneurial skills may be viewed as an issue of self-assessment and attribution of skill development, which in turn can be approached by analysing and interpreting the self-presentations and explanations given by farmers in the interview.

In our approach, where self-presentations were studied in qualitative interviews, the concept of self-presentation figured also as a crucial interpretive tool for studying the assessment of skills. Self-assessment was approached analytically by interpreting the interview as self-presentation with regard to these entrepreneurial skills. Interpretation focused first on the gradation in how skilful the interviewees presented themselves to be, and on the credibility of the presentation, based on its quality. Second, interpretation focused on the content of the presentation;

on how the skills were manifested, in other words, what sort of activities and tasks are performed, and how they are performed when these skills are applied, according to the presentations.

The key assumption concerning the study of factors affecting the development of entrepreneurial skills was that this can be done by analysing how farmers explain the phenomenon. These factors and processes and their contribution to the development of entrepreneurial skills were therefore identified by analysing the kinds of factors, actors or processes to which the farmers attributed the development of these skills, and their outcomes. These factors were categorised as internal or external to the individual farmer, and viewed from a positive/negative perspective (i.e. whether they hindered or enhanced the development of skills).

Informed by the theoretical and methodological considerations described above, the research questions were formulated as follows.

1. How do the farmers present themselves with regard to entrepreneurial skills?
2. How do these skills manifest in their self-presentations?
3. Are there differences between self-presentations according to whether the farmer is engaged in conventional production, value-adding activities or other diversified business activities?
4. How do the farmers explain the development of entrepreneurial skills among farmers?
5. In the farmers' opinion, what could be done to develop entrepreneurial skills among farmers?
6. Do the explanations presented by the farmers match the viewpoints of outside experts?
7. Country differences and similarities, concerning the results for questions 1-5.

Questions 1-3 deal with the assessment of farmers' entrepreneurial skills, questions 4-6 deal with the factors hindering and/or stimulating the development of entrepreneurial skills, and the last question deals with the comparative aspect.

Next, we provide answers to these questions by summing up the studies in six countries. It is evident that our answers are not based on a straightforward compilation of results from the country studies, but rather on comparative interpretation of the essential patterns identifiable in the reports. We also discuss selected issues related to the answers and conclusions based on them. Finally, we present some recommendations concerning how the outcomes of this study might be utilised in the future work of the ESoF project.

## **Results**

In this section we first summarise the overall results of the analysis of the self-presentations, related to research questions 1-3. Then we move on to summarise the overall results of factors viewed as affecting the development of skills (questions 4-6) before finally reflecting on the results from a comparative perspective.

Concerning the first research question, which relates to how the farmers present themselves with regard to entrepreneurial skills, a fairly consistent pattern of self-presentations was observed in all countries: most farmers' self-presentation in all countries was at least that of a moderately skilful farmer. The farmers were typically able to connect these skills in one way or another to their own farming activities and experiences. Cases where farmers were not able to connect these skills to their own activities remained the exception in all countries.

A related pattern was also detected in all countries: in each country, there existed a variation in the degree of skilfulness that was presented in the comments. On the one hand there were farmers who showed no hesitation in assessing themselves as being good at using these skills, while on the other hand there were farmers who hesitated as to whether they would really assess themselves as being good in this regard. Another related characteristic was the observation that, on closer inspection, the persuasiveness of the presentations did not always coincide with the farmers' own skill assessments; some assessed themselves as being good but did not provide much convincing evidence to support their claims, whereas others assessed themselves as only moderately skilful but were nevertheless able to present rich and diverse examples of manifestations of these skills in their business activities. Considerable differences in the persuasiveness of the skill presentations were observed. Hence, it was not until researchers conducted more detailed examination of the self-presentations that they were able to detect the variation in the skill presentations appropriately. In general, this variation approximates the distribution of self-assessments that was measured in a quantitative survey conducted in Finland as an addition to the ESoF project.

Of course, since exact numeric measures were not used, this approximation is an interpretation based on the fact of the differences in terms of gradations as such.

After examining the distribution of the variation in skilfulness across the three strategic orientations (conventional, value added and non-food diversification), we can also address the third research question in part by concluding that the variation in skilfulness does not coincide with the division of farmers into three subgroups according to their strategic orientation. In other words, in each subgroup one can find skilful and less skilful selves presented.

However, with regard to the second research question, concerning how these skills manifest themselves in the self-presentations of the farmers, we observed that the three strategic orientations do make a difference. To put this consistent finding simply: in all countries there were clear differences between the subgroups in how the skills manifest themselves. Group-specific patterns in the manifestations of the three skills were also quite consistent in all countries, although there were exceptions and the division of strategic orientations into three subgroups was not always clear-cut. The manifestations typical to the groups can be summarised as follows:

In conventional production, manifestations of the strategy skill included two basic alternatives, either scale enlargement or a cost-reduction strategy. In some cases these were present in combination. The importance of long-term decisions was also a typical manifestation of the strategy skill in this group. Among the manifestations of networking and contact utilisation skills, contacts within the farming community were emphasised; contacts and networks beyond other farmers and conventional agri-food sector actors were scarce. Manifestations of opportunity recognition and realisation skills were typically connected to the production arena; typically, market arena activities were only indirectly included among the manifestations, if at all.

In the subgroup of value-adding business, manifestations of the strategy skill included the adding of value to products as a core idea. This typically implied that short-term adjustments in production, product structure and market and customer relationships were emphasised. Product development was also commonly included as a manifestation of the strategy skill. Manifestations of networking and contact utilisation skills typically included contacts and networks beyond the farming community. The emphasis was on the potential opportunities that were generated through access to networks and utilisation of contacts. Manifestations of opportunity recognition and realisation skills were typically connected to the market arena and to production. Generally, the very idea of value-adding strategy seems to be to some extent grounded in the realisation of opportunities by means of market arena activities (marketing, realising a niche product, promoting sales, etc.).

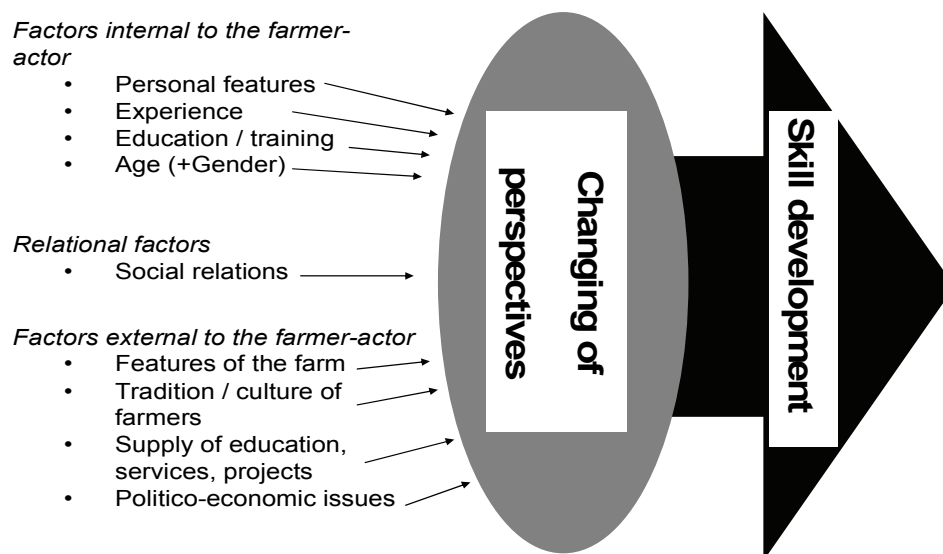
In the subgroup of non-food diversification, the basic manifestation of the strategy skill was the combining of primary production with some other non-food business activity, often with a view to seeking synergy between activities. Short-term adjustments in the direction of business and product development efforts were often, but not necessarily, manifested in the strategy skill presentations. Customer segmentation, in turn, was an essential feature in the manifestations of this group; on one hand this manifested itself in demonstrations of strategy and opportunity skills, e.g. as an incentive to start providing a certain service or product for a certain customer segment, and on the other hand it manifested itself in the demonstrations of networking and contact utilisation skills, as a factor that often drove the farmers to engage in networking and contact utilisation beyond the farming community (e.g. with other entrepreneurs, with customers outside the farming community, with extension and service providers, experts and suppliers). Manifestations of recognised and realised opportunities were typically connected with the market arena and with production; market arena activities were often – but not necessarily – involved, and the recognised and realised opportunities often related to both primary production and non-food business activities (e.g. allocation of workforce between the activities, recognising multiple uses for farm resources and machinery).

The fourth research question in this study was: how do the farmers explain the development of entrepreneurial skills among farmers? On a general level, such attributions (explanations of cause) of skill development resembled each other across countries in two respects: first, in all countries, a variety of attributions of skill development were made. It was possible to capture the diversity of the attributions with the help of a system of categorisation, in which the attributions are divided into three general categories: internal (e.g. experience, age), relational (e.g. interaction with colleagues) and external (e.g. features of the farm, targeting of subsidies) attributions of the development of skills. Second, in all countries the suggested explanations involved contradictory evaluations; in other words, the same factor (e.g. market liberalisation) might be presented as an enhancing factor by

one interviewee and as a hindering factor by another. In this sense, in addition to common categories of attributed factors, no simple overarching pattern of explanation could be observed in any of the countries.

It was, however, possible to identify a common denominator that characterises the variety of explanations in each country as well as the explanations across countries as a whole. This denominator concerns the nature of the process of skills development. If the variety of internal, relational and external attributions is viewed from the perspective of the nature of the implicated skill development process, we recognise that the idea of learning is commonly to be found at the core of all types of accounts. When the interviewees presented justifications for their view that particular factors affect the development of the skills, they did so by constructing the process as a learning event, regardless of the type of cause that was presented as crucial for the process to take place. This is an important observation, since the idea of skill development as a learning process was not provided to the interviewees by the interview questions; instead, the interviewees themselves consistently chose to view the development of the skills as something that takes place through learning.

The interpretation of skill development as a learning process revealed a further common denominator concerning the mechanism of skill development: across the various types of attributions (internal, relational, external), a learning event is constructed as a process in which the farmer is exposed to new perspectives. The importance of new perspectives came across in a variety of forms: the idea was implicated in explanations emphasising the importance of a proactive attitude; diverse work experiences; work history outside farming; thorough farming know-how; education and training; diverse networks and contacts; stimulating farm context, culture and surroundings; motivating market visions and policy incentives. Virtually all explanations could be associated with the idea of being exposed to fresh perspectives, changes in habits of thinking or alternative ways of doing things. Facilitating factors functioned to introduce the farmer to novel perspectives and distance her from habitual ones, whereas hindering factors tended to prevent the farmer from achieving fresh distance from her activities and accessing novel perspectives. This concluding synthesis of the change of perspective as the common denominator and mediating mechanism in the learning of the entrepreneurial skills is depicted in Figure 1.



**Figure 1: Changing perspectives as a common denominator in the development of skills**

A common feature of the factors in the above-mentioned internal, relational and external explanations was that they can all manifest as factors that either enhance or hinder the development of skills. Hindering, for example, could be conceived as the absence of some enhancing factor, and vice versa. As already mentioned, interviewees also presented alternative interpretations regarding the importance and effect of particular factors on the development of entrepreneurial skills.



### **Discussion: Connections between skills development, distinct entrepreneurial skills, and the manifestations of skills according to strategic orientation**

A general conclusion that we have drawn on the basis of the results of this study is that while the interviewed farmers mostly agree that entrepreneurial skills are important and relevant for their own business activities, there are differences among individual farmers concerning their degree of skilfulness in these skills. These differences, together with the notion that entrepreneurial skills can be learned, imply that to develop and improve these skills among farmers is a feasible option and objective.

Furthermore, being exposed to new perspectives is central in the process of learning entrepreneurial skills. This conclusion has didactic relevance and implications for the planning and execution of all education, training, and advisory services for farmers aimed at enhancing development of entrepreneurial skills. On the other hand, it is obvious that the principle of finding and digesting new perspectives is relevant particularly concerning the skills of recognising and realising opportunities. The skills of networking and utilising social contacts and the skills of creating and evaluating strategies may be conceived more as means by which opportunities are realised. However, networks and social contacts can also be seen as important means of generating new perspectives, or as channels through which new perspectives are mediated. It is thus possible to reason that networks and social contacts are not only one of the crucial fields of entrepreneurial skills, but also a very special and important factor contributing to the developments of these skills, and especially to the development of opportunity skills. Social contacts and networks enable exchange of experience, information and knowledge; they enable feedback and social comparison; they enable familiarisation with models and examples of best practice, and so on; in other words, they facilitate exposure to new perspectives and contribute to the pursuit of opportunities.

In acknowledging the special importance of networks and social contacts in the learning of entrepreneurial skills, new light is shed on the observed differences in how the entrepreneurial skills manifest themselves. Such differences were observed between strategic orientation subgroups. A prominent difference concerned the skills of networking and utilising social contacts: in the case of conventional farmers, concentrating on primary production, these skills were manifested in a narrower or more limited way than in the case of farmers engaged in value-adding or other diversified business activities. The contacts and networks of the former subgroup seem to be confined to a greater extent within the farming community and within the production arena, while the latter subgroups operate more widely, beyond the farming community and in the market arena. This narrower focus in networks and social contacts appears to constitute a constraint or a factor that may restrict or hinder the learning of entrepreneurial skills in the case of conventional farmers. As is suggested in Chapter 10.2., on the basis of how entrepreneurial skills manifest themselves, it is therefore justified to say that the task of learning entrepreneurial skills is a particularly demanding one in the situation in which conventional farmers find themselves.

Small but statistically significant differences that were detected in the quantitative study of skills assessments, mentioned earlier in this summary, are quite understandable in the light of these conclusions. However, it must be remembered that the results of the qualitative study, which has been the major concern of this report, clearly show that in spite of statistical differences in means, in each of the three subgroups it is possible to find skilful farmers as well as less skilful ones. Thus, learning these skills is a realistic option in conventional farming too, although to do so may be especially challenging in this context. Promoting exposure to and reflection on new perspectives with the help of networks and social contacts appears to be the most important means of facilitating the meeting of this challenge.

### **Implications for the synthesis stage**

The results and conclusions from the main study provide some implications for the synthesis stage of the project, the task of which is to elaborate strategies and tools for fostering the development of farmers' entrepreneurial skills.

First, the centrality of the idea of learning should be taken into account more generally. The finding that 1) the development of these skills is conceived as a learning process and that 2) in all strategic orientation groups there are both more and less skilful presentations implies on one hand that it should be possible to develop these skills through learning regardless of the strategic orientation of the farm (even though this may prove to be more challenging in the case of some conventional farmers), and on the other hand that there also seems to be some need to develop these skills in all strategic orientation groups. The role of changing perspectives as the common

mechanism in the learning of entrepreneurial skills provides some pointers for the elaboration of potential development strategies.

Second, the finding that skills manifest differently depending on the strategic orientation of the farm (conventional, value adding or non-food diversification) has certain implications for the learning of entrepreneurial skills: the learning process and the challenges involved seem to be somewhat different in the case of different strategic orientations. For example, the finding that farmers with different strategic orientations tend to have different types of social networks implies that some of the farmers are better off utilising already existing networks in order to expose themselves to new perspectives, whereas the main challenge for some other farmers is to engage in broadening their networks, which could then function as learning environments for them. These differences should be reflected when elaborating strategies and tools for the development of skills.

# 1 Introduction

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## 1.1 General background

This volume constitutes a report on a study conducted as part of the ESoF (Developing the Entrepreneurial Skills of Farmers) project. The study covers the objectives that were set for the main study of the ESoF project.

The general background for this study, and indeed for the whole project, is the ongoing change in the environment of farm businesses. De Wolf and Schoorlemmer (2007, 116) describe this change as follows, on the basis of interviews with experts in six European countries:

*“The environment of the farm business is changing increasingly fast, according to the interview results. The business environment is no longer simple and straightforward, but becomes increasingly complicated. The major trends mentioned are:*

- 1. Globalisation of the market and the enlargement of the EU;*
- 2. The CAP-reform, including the decrease of market regulation measures and price subsidies (this trend is also present in Switzerland, due to Swiss agricultural policy);*
- 3. Changing consumer demands, as seen in a stronger demand for food safety and product quality and a changing food consumption pattern;*
- 4. Changes in the supply chain: scale increase of retailers and supermarkets and a growing demand for quality control and quality assurance;*
- 5. Changing environment and growing pressure on the rural area;*
- 6. Growing demand for non-agricultural functions and services;*
- 7. Climate changes; and,*
- 8. Increasing energy prices.”*

The results of the interviews in six European countries show that these developments are seen partly as a threat and partly as an opportunity. These contradictory perceptions may be an accurate reflection of the general feeling in the agricultural sector.

In EU policy as well as in national policies, one response to these changes has been to call for more entrepreneurship on farms. On the one hand, political adjustments to these changes seem to lead increasingly to treating farms as firms, like all other firms in the open market. On the other hand, the expectation of entrepreneurial behaviour is very explicitly directed towards the farmers. This means that farmers themselves are supposed to demonstrate proactive, initiative, innovative and dynamic business activity.

The emphasis on entrepreneurship is understandable. Entrepreneurship is considered a crucial dynamic force in the development of small businesses in general. The structural changes in the environment of farm businesses obviously suggest that such a dynamic force is especially relevant in the present farm context. The relevance of entrepreneurship may be associated with the aim of the survival of farms. Entrepreneurship is relevant because farmers need to find ways of adapting their businesses to the changing situation. In addition, the relevance of entrepreneurship may be associated with the idea that the ongoing changes embody, open up or create new opportunities for farm businesses rather than merely narrow down or eliminate previous operational conditions (Bryant 1989). From this perspective, entrepreneurship is needed to recognise and exploit these opportunities.

Some effects or reflections of the wider structural changes are already visible at the level of farm businesses: farms are decreasing in number, while many of the remaining farms are seeking cost-effectiveness through enlarging their scale of production or through cost reduction. Further, strategic orientations on farms are becoming more diverse: in addition to those who focus on conventional primary production, many farms add value to their agri-

cultural products through processing, direct sales and niche products, or have diversified their activities on the farm into non-agricultural businesses.

However, even though one might detect changes in the farm businesses and how they are run, a common assumption is that there is not enough entrepreneurship among farmers. This view was also articulated in the description of the work of the ESoF project:

*”By these changes, farmers have the possibility to benefit from market opportunities and to take more responsibility for the success of their businesses; in other words, farmers will theoretically have more freedom to farm as they wish. In order to do this, farmers will have to develop their managerial and entrepreneurial abilities and become more businesslike. Unfortunately, decades of payments under the CAP have made farmers look towards the state for signals about farm management rather than to anticipate or to innovate as individual farm business managers. In this respect farmers have become reactive rather than proactive. Additionally, farm associations and other collective bodies have been oriented to administering and lobbying for CAP payments rather than to developing the capacities of their members in terms of entrepreneurialism. The same could be said of farm education institutions, colleges and universities.”*

## 1.2 ESoF project

ESoF aims to contribute to the attempts to enhance entrepreneurship on farms by exploring the development of entrepreneurial skills among farmers. The main objectives of the project are:

1. Identification and analysis of economic, social and cultural factors which hinder or stimulate the development of entrepreneurial skills, reflecting the strategic orientation of the farm.
2. Elaboration of strategies and tools to improve these factors for different farming strategies.

Two crucial assumptions are involved in these objectives. First, it is assumed that entrepreneurship may be approached with the help of the concept of entrepreneurial skills. The use of this concept implies that although the individual farmer is seen as a central constituent of entrepreneurship, the focus is on the activities and tasks of the individual, instead of enduring, trans-situational characteristics and dispositions, such as personality traits or overall mentality. This kind of starting point has not been the most common in the study of entrepreneurship, but it has the advantage of allowing for change and learning in the entrepreneurship of an individual.

A second assumption is that entrepreneurial skills are contextual, so that they should be viewed in relation to the nature of the business and the environment. Thus, one of the crucial questions is how the entrepreneurial skills manifest in the context of farm business. It is assumed that entrepreneurial skills may manifest in different ways according to the strategic orientation of the business (conventional bulk production, adding value or non-food business diversification), as such orientations indicate differences in the business context. Further, it is assumed that country-specific differences may also be of relevance, which supports the decision to approach the issue through a comparative study of cases in six countries.

Of the work already done within the project, the literature review (McElwee 2005) showed that entrepreneurship is an ambiguous concept. Differing viewpoints, emphases and definitions exist regarding entrepreneurship. The same conclusion holds true for the concept of entrepreneurial skills. Thus, theoretical analysis is a necessary prerequisite for an empirical study of these issues.

The round of expert interviews conducted in the pilot study (second stage of the project, see de Wolf & Schoorlemmer 2007) elaborated on the ongoing change in the environment of farm businesses and on the question of what skills a farmer would need in order to be successful in her business in the midst of these changes. Although slight differences were detected between countries (the UK, the Netherlands, Poland, Switzerland, Italy, Finland), the overall picture was relatively uniform. The conclusion about the changes in the environment was cited already in the beginning of this introductory chapter. The conclusion about the skills that farmers need was stated in the report (de Wolf & Schoorlemmer 2007, 116-117)) as follows:

### **Which skills does a European farmer need?**

The main conclusion from the interview results of the pilot study presented here is that farmers need a wide variety of skills and qualities:

- In order to meet the needs of consumers and supply chain actors, the farmer has to be able to ensure that his products reach a high quality standard. To be competitive on the market, cost efficiency is necessary. Mastering production and technical skills is therefore a basic requirement, according to the respondents.
- Respondents in all countries state that a farmer needs management skills if he wants to continue in business. Improving and controlling business processes, working with employees, and customer management are important activities for farmers and require a variety of skills and qualities.
- However, in relation to the major trends and developments in the business environment of farms, farmers also need other skills and qualities in order to be able to continue in business. Respondents mention identifying and realising business opportunities, market awareness and customer orientation, strategic planning, risk management, business monitoring and reflection, co-operation and networking, team working and leadership as important skills for farmers to continue in business.
- This requires not only a range of skills but also a number of skill-like qualities, such as ambition, creativity, innovation and flexibility, an ability to deal with uncertainty, an open mind, a positive attitude, commitment and a positive attitude to risk taking.

As an input for the main study, de Wolf and Schoorlemmer (2007, 121) propose that

*”While professional and management skills are the basic requirements of all farmers, the main study should focus on the ‘real’ entrepreneurial skills mentioned in the pilot study. These are:*

- 1) *Skills involved in identifying and realising business opportunities;*
- 2) *Skills involved in interacting with other persons/groups (networking, co-operation);*
- 3) *Strategy skills.”*

### **1.3 Understanding entrepreneurial skills in a farming context: objectives and approach in the main study**

The study reported on in this volume, constituting stage three of the main study of ESoF, aims to increase understanding about the nature and relevance of entrepreneurial skills in the farm business. It does this by means of a qualitative interview study carried out in six European countries, comprising interviews on 25 farms in each country that represent different forms of business activity. According to the project setting, the key objectives for the main study are to specify the concept of entrepreneurship and entrepreneurial skills from the viewpoint of farmers and socio-technical network partners, in order to discover the factors that stimulate or hinder the adoption of entrepreneurial skills among farmers and farming families. The instrumental objectives for reaching the main objective are:

- 1: To develop conceptual tools for assessing entrepreneurial skills and to analyse comments and accounts concerning the adoption of these skills.
- 2: To assess farmers’ entrepreneurial skills in case studies.
- 3: To identify and analyse those factors hindering and/or stimulating the development of entrepreneurial skills in case studies.
- 4: To describe the concept of entrepreneurship and entrepreneurial skills from the point of view of farmers and socio-technical network partners.

Next, we will briefly introduce these objectives and the nature of the corresponding research work. We will also provide a general description of the nature of the data and methods.

#### **Objective 1: To develop conceptual tools for assessing entrepreneurial skills and to analyse comments and accounts concerning the adoption of these skills.**

The work to fulfil this objective is presented in Chapter 2. A set of theoretical and methodological proposition may be mentioned to describe the core ideas of the approach developed in that chapter:

*On the concept of skill:* Skill is assumed to be a hierarchical phenomenon, so that both lower level and higher level skills may be distinguished. Lower level skills relate to relatively concrete, specific tasks and corresponding activities, e.g. typewriting, carpentry, or the skill of asking questions. Higher level skills are more complex and of a more abstract or general nature: e.g. skill in writing novels, problem solving skills or social skills. Higher and

lower level skills are not separate. In a way, higher level skills build on lower level skills; higher level skills are about interrelating, integrating or coordinating other skills. They may also involve complex cognitive processing (thinking) concerning the self-environment system in which the activity takes place; receiving feedback, controlling and steering the activity or making plans.

The complex and abstract nature of the higher level skills implies ambiguity; for example, the criteria for a proper or best way of doing something are multiple. When assumed to be fundamentally social, these criteria can be found to be inherent in the activity, in instruction manuals or in cultural representations. “Social” connotes that the criteria may be agreed upon, but also that they may be controversial; varying and also competing understandings, interpretations and definitions may exist.

*On the concept of entrepreneurial skill:* Entrepreneurial skills are to be understood as particular kinds of higher level skills. They have to do with establishing, running and developing a business enterprise, a firm. In such business activities several types of lower level skills are needed, corresponding to the tasks of production, administration, marketing and so on. These may be referred to as technical, professional or managerial skills. However, entrepreneurial skills can be conceptually differentiated from all of these as meta-level skills that are needed throughout the entire process of initiation, steering and developing a business.

*The pursuit of opportunities as a key entrepreneurial skill:* It is assumed that the pursuit of opportunities covers the basic task in entrepreneurship, and represents the “top of the pyramid” of the hierarchy of entrepreneurial skills. The pursuit of opportunities has two aspects: recognition and realisation of opportunities. Further, in order to realise opportunities, the entrepreneur must gain access to the resources needed for this. Social contacts, networks and ties are a crucial aspect. Through these, various resources may be tapped; therefore the corresponding skill may be associated very closely to the pursuit of opportunities. Several attributes could be used as criteria for the skilful pursuit of opportunities: innovation, risk-taking and growth orientation are among the most popular ones.

Other candidates to be included among the entrepreneurial skills are plentiful. In the ESoF pilot study report it was proposed that strategic skills be taken into account as an entrepreneurial skill in the empirical part of the main study. This is a worthy suggestion, especially because the three subgroups of the farmers interviewed are formed according to their strategic orientation, so strategy skills may also be viewed in relation to this distinction.

In all, the entrepreneurial skills to be targeted in this study, based on the ESoF pilot study (de Wolf & Schoorlemmer 2007) and the theoretical elaboration presented in Chapter 2, are conceptualised as the skills of

- recognising and realising opportunities
- networking and utilising contacts, and
- creating and evaluating a business strategy.

The methodological principles are discussed more thoroughly in Chapter 2 (especially 2.4.). The core idea in methodological terms is that the entrepreneurial skills are viewed as an issue of self-assessments and attributions related to skill development, which can be approached by analysing and interpreting self-presentations and explanations that are displayed in the interview context. Crucial propositions include:

*On the assessment of entrepreneurial skills:* Instead of outside expert assessment, self-assessments are used. A questionnaire survey, introduced in Chapter 2.3., showed that farmers’ self-assessments in terms of these skills do form quite feasible and valid variables. However, the statistical analyses which are based on the responses to structured questions do not reveal much about the qualitative nature and practical meanings of these skills. The approach utilised in the main study is based on qualitative interviews, with the aim of increasing understanding about the nature and relevance of entrepreneurial skills in the farm business. With the help of a qualitative interview study that allows for the interviewees’ own words and free comments, information is sought about how the interviewees construct their self-assessments. Thus, the aim is not to reach a quantified measurement of the assessment of skill level, but rather to study how the assessment is made.

*Self-presentation as a route to skill assessments:* Self-assessment will be approached through interpreting the interview talk as a self-presentation in regard to these entrepreneurial skills. The interpretation focuses, first, on the credibility of the presentation based on the rhetorical resources used. Second, the interpretation focuses on the content of the presentation, on how the skills are manifested in it, i.e.: what sort of activities and tasks are performed when these skills are applied.

*On identifying factors that stimulate or hinder the adoption of entrepreneurial skills among farmers:* The key assumption concerning the study of factors that effect the development of entrepreneurial skills is that this can be done by analysing how farmers explain the phenomenon. Thus, the factors in question will be identified by analysing to what kind of factors, actors or processes the farmers attribute the cause of or responsibility for skill development, and their outcomes. These factors may be categorised as internal or external to the individual farmer, or be viewed from the perspective of a positive-negative dimension.

**Objective 2: To assess farmers' entrepreneurial skills in case studies**

**Objective 3: To identify and analyse the factors that hinder and/or stimulate the development of entrepreneurial skills in the case studies**

The second and third objectives were fulfilled through an empirical study conducted in all six partner countries of ESoF. These studies are presented in Chapters 4-9.

The term "case studies" in the objectives refers to the interviewed farmers. Twenty-five interviews were conducted in each country. Representatives of three strategic orientations (bulk production, value adding and non-food business diversification) were to be included among the 25 (roughly one third of each). Variation in lines of production typical to the case area was also to be found among the interview cases. Further, no more than five farmers over 55 years of age were to be included and no less than five female interviewees.

In Chapter 3 the case farmers and farms as a whole are introduced with the help of an international comparison.

Concerning the interview method and analysis of the data, a more detailed description can be found in Section 2.4., in the appendices and in the country chapters (4-9). However, the stimuli that were presented to the interviewees, to open up conversation and encourage comments, are illustrative regarding the method and data and also regarding the research questions, and deserve to be cited here:

I Do you have a business strategy and do you evaluate it? Do you consider this important?

II Are you good at networking and utilising contacts? Is this one of the most important skills, from your own perspective?

III Are you able to recognise and realise opportunities? Is this one of the most important skills, from your own perspective?

IV In your experience, do some farmers have these skills more than others? If so, what causes the difference?

V How did you develop your own skills? Why did you develop your own skills?

VI According to the experts whom we interviewed, the development of these skills depends heavily on the attitudes and personality of the farmer. What do you think?

VII What could be done to develop these skills among farmers?

**Objective 4: To describe the concept of entrepreneurship and entrepreneurial skills from the point of view of farmers and socio-technical network partners**

The fourth objective will be fulfilled by comparing the overall results of the main study with the results of the pilot study (as presented in internal report D4), and by summing up the results from the workshops (presented in the country chapters). This comparison will be presented in the concluding chapter (10).

## 1.4 Research questions

The first five questions are also addressed directly in each country chapter (4-9):

1. *How do the farmers present themselves in regard to entrepreneurial skills?*

2. *How do these skills manifest in their self-presentations?*

3. *Are there differences between self-presentations according to the farmer's engagement in conventional production, value-adding activities or other diversified business activities?*

4. *How do the farmers explain the development of entrepreneurial skills among farmers?*

The last interview topic deserves special attention:

5. *In the farmers' opinion, what could be done to develop entrepreneurial skills among farmers?*

The concluding chapter (10) contains a comparison of country reports, as well as a comparison between the pilot study and the main study. This allows for two additional questions, which will be discussed in Chapter 10:

6. *Do the explanations presented by the farmers match the viewpoints of outside experts?*

7. *What are the differences and similarities between the country reports concerning the answers to questions 1-5.*

## 1.5 Reader's guide

The report starts with a theoretical and methodological approach to the study of entrepreneurial skills in the farm context, followed by a chapter consisting of a numerical description of the case data collected. The next six chapters each provide an overview of the national results from interviews in England/the UK, Finland, Italy, the Netherlands, Poland and Switzerland. Each chapter starts with a brief description of the country-specific situation in agriculture. This should provide sufficient background for the reader to be able to interpret the results of the interviews. The national chapters also contain some conclusions and discussion remarks, focused on the national level. In Chapter 10 the national results are synthesised into a European overview. From this overview, conclusions and discussion notes are formulated at a European level. Chapter 11 rounds off the report by summarising the main conclusions and drawing recommendations from them for the synthesis stage. All chapters could be read on their own.

In this report two Deliverables are merged. Chapters 1-10 contain D7: the report about the main study. Chapter 11 contains D6, which was originally planned as an internal report consisting of recommendations for the synthesis stage.

NB The authors are fully aware of the role of women in agriculture and the existence of female farmers and entrepreneurs. However, in order to simplify reading, the authors decided to use the female and male formulations interchangeably.

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## 2 A theoretical and methodological approach to the study of the assessment and development of entrepreneurial skills in the farm context

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### 2.1 Introduction

Webster's Encyclopaedic Unabridged Dictionary offers following definitions of the word "skill": 1. the ability, coming from one's knowledge, practice, aptitude, etc., to do something well; 2. competent excellence in performance, expertness, dexterity; 3. craft, trade, or job requiring manual dexterity or special training in which a person has competence and experience. Thus, skill is associated, on the one hand, with action, and the quality of it: something is done well. This may be, for example, a distinct occupational or job related activity. On the other hand, skill is associated with the actor: a skilful individual is one who is able to something well. The dictionary introduces ability as the primary synonym for skill. Ability is further equated with competence, which has additional meanings of power, and the capacity to do or act. Thus, the skill concept may also be associated with the idea that a person knows not only how to do something, but can actually do it. In other words, the term "skill" may be used to imply that a person is an active agent who can control events and make things happen.

In the study of small business entrepreneurship, the concept of skill has not been especially popular. The entrepreneur as an individual has been salient in the dominant theories, but the emphasis has been on enduring personality traits, generalised beliefs and other trans-situational characteristics of the individual. Only recently, along with the interest in entrepreneurship as process and as action (Gartner 1988; Shaver 1995) as well as with the emphasis on the changeable and learnable nature of entrepreneurship (Cope 2003; 2005) have concepts such as skill, ability, and competence become more visible in theoretical considerations.

Notably, the concept of entrepreneurial skill has emerged in addition. However, skill related issues do not form a well developed area in entrepreneurship research; in particular, the conceptual and theoretical nature of entrepreneurial skill is far from being clear. The purpose of this paper is to examine this concept and outline a theoretically robust way to approach it.

Harre (1995, 156-157) interprets the skill concept from a social constructionist perspective, starting with the proposition that skilled action refers to a correct or best way of doing something. According to him, skill has two aspects. Firstly, it has existence as some sort of representation in the individual's neural structures. This must be assumed, because the presence of skill implies that a person is able to reproduce the activity. Secondly, skill can not be defined solely on the grounds of internal representations, because it also involves the criteria and conventions as to what is to count as the proper way of doing something. These criteria can be located, for example, in people's talk, in instruction manuals, or in the observable practice itself. Thus, skills are also part of the socially shared reality.

From this point of view, the nature of the skill concept is twofold. On the one hand, it is a description of the individual who knows how to do something. On the other, it describes activity that is performed. These perspectives may overlap – they do not exclude each other – but they are different perspectives, which lead to different types of questions when the skills are studied. From the former perspective it is feasible to ask which skills an individual has and how skilful she is. A constitutive question derived from the latter perspective concerns the nature of the skill: what is done and how it is done, when we say that the individual has a particular skill.

Both types of questions are the concern of this paper. In the first section, I argue that entrepreneurial skills can be approached as hierarchical, higher order skills. I interpret theoretical discussions in the study of small business entrepreneurship by viewing skills mainly from the perspective of the actions and tasks of the entrepreneur. In the latter part of the first section I also consider the learning perspective and how it contributes to an understanding of the nature of entrepreneurial skill.

In the second section I consider the study of entrepreneurial skills in the context of rural and farm businesses. I also introduce an empirical study conducted in Finland. This questionnaire survey provides evidence for the argument that entrepreneurial skills can be conceptualised at a relatively abstract level while also being studied in an empirically valid way.

In the last section, I outline a qualitative research design for studying the assessment and development of entrepreneurial skills.

## **2.2 Hunting the entrepreneurial skill**

### **On the hierarchical nature of skills**

The psychological study of skills and skilled behaviour has a long tradition of analyzing perceptual-motor skills. Perceptual-motor skills refer to those skills which involve co-ordinated physical movements of the body, such as typewriting, playing tennis or driving a car. The main definitional characteristics which are often said to be common to skills include intentionality or the target oriented nature of the behaviour; that skills can be learned; and that they include series or sequences of interrelated and ordered actions. These characteristics also apply to social skills, which have been the subject of extensive study from the 1960s onwards (Hargie 1986). The definition proposed by Hargie (1986, 12) states that social skills are a set of goal-directed, interrelated, situationally appropriate social behaviours which can be learned and which are under the control of the individual. According to him, the major difference between perceptual-motor skills and social skills is that the latter involves another person whereas the former may not.

Although the analogy between motor skills and social skills has been used as one important starting point in the study of social skills (Argyle 1967; 1990), it has also been argued that social skills have qualities incomparable to motor skills. The goals and values that are involved in social interaction and communication may be more ambiguous, and there may be many more alternative ways or means to reach the goals efficiently, compared to motor skills, in many cases. Thus, it is much more difficult to define and agree on what counts as skilful social behaviour, compared to an evaluation of motor skills. Hargie points out that in the case of many motor skills there may also be differences or disagreements between evaluators concerning particular performances. However, he admits that “social skills are more fluid and individualised than motor skills in that people can, and do, break the sequential “rules” without necessarily being social failures. In this sense, social skills are more open and free-flowing than motor skills.” (1986, 15-16)

In psychological perspective, skill refers to goal-directed activity, in which the individual controls his behaviour, coordinates it according to the demands of the task, and utilises the feed-back in order to steer the process and to achieve the goals. Whether the question is about motor skills or social skills, the individual is viewed as an active creature with intentions, and the capacity for learning. This view applies also to such tasks that appear simple on the surface, and can be mastered with routine, but it is particularly relevant in relation to more complex tasks which demand full attention, conscious effort and thoughtful reflection and planning in order to be successfully performed.

The varying degree of complexity in skills can be associated with the hierarchical nature of skills. According to Argyle (1990, 152), “Both motor skills and social skills have a hierarchical structure; the smaller units become integrated into habitual, automatic sequences, each with their own feed-back loops – a cyclist does not have to think about each turn of the pedals. The larger units are less habitual, more under conscious control, and subject to deliberate plan of action and the rules governing behaviour.” From this perspective, each and every skill is in itself hierarchically structured. However, one can add that the hierarchical structure is open-ended, so that distinct skills in turn become elements in the larger units; and the combinations of skills and skill-sets constitute higher and higher orders in the hierarchy of skills.

An example of the hierarchical nature of skills is provided by Backman and Pirttilä-Backman (1990). With the help of the hierarchy involved in the traffic skills, they illustrate the theory of the development of cognitive skills, presented by Fischer (1980). In Fischer’s theory several levels of skills are distinguished in the development of skills, so that lower level senso-motoric skills are followed by more complex representational and abstract skills. The higher level skills are more complex because they are composed of combinations of lower level skills and cognitive representations of these combinations and actor-environment systems related to these combinations.

The skill of driving a car consists of several senso-motoric level skills, which allow a person to control the vehicle: regulate its speed, steer it, and so on. In the traffic environment, however, skilful driving includes also obeying traffic rules. A person has to know the traffic rules, the meaning of traffic signs etc., and to be able to adjust her driving to these. Also, she needs to be able to observe the behaviour of other drivers and actors, and take this into account in her own behaviour, for example when changing the lane. Further, to be really skilful, she needs to be able to identify special situations or environments which demand extra attention and caution in traffic, such as dangerous cross-roads or changing weather conditions. In traffic skill one could also include the skill of finding and planning efficient and safe routes for moving from one place to another or the skill of viewing the traffic in all as a system in which the behaviour of each driver has potential influences or effects on other drivers and anticipating these effects in ones own behaviour.

Viewed in this way, the traffic skill appears much more complex and abstract skill than just driving a car. This complexity depends partly on how the behaviour and the goals of it are defined. As Backman and Pirttilä-Backman (1990) point out, the criteria for skilful driving can be set in different ways. The traffic skill which they outlined makes sense if one accepts collective safety, for example, as a crucial goal in traffic. The technical goal of mastering the vehicle as such defines a different level skill.

Webster dictionary illustrates the meanings of skill with examples like carpentry and typewriting, in which motor skills are crucial. This may conform to one cultural prototype or representation of skill, in which the word skill implies a relatively concrete and specific activity. However, as already stated, also the physical skills involve cognitive processing, such as observing and analysing the flow of events, and steering and controlling ones own acts. In the case of social skills, such as selling, public speaking, or child-rearing (Argyle 1967), the role of cognitive processing is more obvious. They involve social interaction, use of language, thinking and planning. One can even talk about cognitive skills (Fischer 1980) or conceptual skills (Northouse 2004). Thus, the use of the skill concept needs not to be limited to concrete and distinct activities. It can also be applied to abstract and complex activities.

In the study of leadership the three-skill approach is an example of making distinctions between skills at different levels of abstraction. According to this approach, proposed by Katz in 1950's, efficient leadership demands not only technical skills which are connected with specific type of work or activity, and human skills which are connected with being able to work with people, but also conceptual skills, which involve the ability to work with ideas. The relevance of these types of skills varies according to the role and tasks of the individual leader. Technical skills are more important for the lower-level management, whereas conceptual skills are most important for the top-management. For example, it would take conceptual skills for a manager of a manufacturing company to articulate a vision for a line of new products that would successfully steer the company into profitability. (Northouse 2004)

More recently, the skill based model of leadership has been formulated. This model frames leadership as the capabilities that make effective leadership possible. In the model, problem-solving skills and social judgement skills, as well as knowledge concerning the environment and context of the problem and relevant behaviours, are all viewed as crucial competencies in leadership. (Northouse 2004) Problem-solving skills, for example, are said to

*“refer to a leader’s creative ability to solve new and unusual, ill-defined organisational problems. The skills include being able to define significant problems, gather problem information, formulate new understandings about the problem, and generate prototype plans for problem solutions. These skills do not function in a vacuum but are carried out in an organisational context. Problem solving skills demand that leaders understand their own leadership capacities as they apply to the unique problems and possible solutions to those problems within their organisations.” (Northouse 2004, 41-42)*

Interpreting abstract and complex skills as competences or capabilities is understandable, because such skills are general in the sense of referring to categories of activities, while the word skill is often associated with distinct members of such categories. Further, complex skills involve having and acquiring information or knowledge about the systemic environment of the activity, and processing and utilising that information. Again, one common meaning of the word skill associates it only with the use of such information that concerns the activity itself, and the immediate tools that are used in it (a 'la typewriting skill). The key point that I want make here is that intentional, goal-directed human behaviour or activity can be defined on various levels of abstraction or general-

ity, and acknowledging the hierarchical nature of skills allows us to apply the skill concept also to the study of complex and abstract activities in social reality.

The point regarding levels of abstraction applies also to the role of goals and tasks in the definition of a particular skill or category of skills. A goal-directed activity may have several sub-goals or intermediate goals with the help of which the main goal is pursued. Similarly, a task may be defined by the goals to be achieved, or by various sub-tasks that together comprise an overall task. Assuming that goals and tasks can form hierarchies, skills at different levels can be identified, or constructed. As Argyle (1967, 101) writes, "The general idea is clear, however: an effective performer of a professional skill is one who gets better results of the kinds relevant to the task."

In the context of small businesses, for example, one can distinguish several types of distinct goals and tasks: developing a product, achieving sales, growing the firm, earning profit, and so on. Some of the tasks can be interpreted as sub-goals within the basic functioning of the firm, while some other tasks are constructed by viewing the whole firm as a means or a vehicle for achieving some wider goals.

The issue of defining an ultimate goal or task in small business is not a simple one, and is also a question of values. Conventionally, economic success in one form or another would be a view point to begin with. However, if one is talking about establishing, running, and developing a small business, it is possible, of course, to formulate overall goals or tasks for this activity. It follows from this that, in addition to the more specific skill of developing a product, or to the skill of selling, for example, it is also feasible to talk about the overall skill of establishing, running and developing a small business.

### **Skill concept in entrepreneurship research**

Until recently the skill concept has been largely absent in the study of entrepreneurship. One reason for this has been the dominant role of personality traits and comparable individual dispositions in many popular theories of entrepreneurship. Much effort has been dedicated to studying the relation between the individual and the behavioural or economic outcome (start-up of an enterprise and the performance or success of it). On the side of the individual, the focus has been on those variables that characterise the individual as a separate and distinct entity who has relatively enduring and stable dispositions directing her aspirations and behaviours. This made it possible to explain differences in business behaviour and success. Personality traits such as a need for achievement, risk taking propensity, extraversion, desire for independence, or certain aspects of self evaluation (locus of control, self-efficacy) and features of cognitive processing (overconfidence, representativeness, intuition) have been central to psychological theorising about the entrepreneurial individual (Cromie 2000; Shane 2003). Understandably, the concept of skill has not been needed, as far as the attention has been focussed on such general characteristics of the individual. However, these personal and psychological characteristics are often taken as given, and it is assumed that change or improvement is difficult (Lans et al. 2004).

Some recent developments, however, have highlighted the relevance and importance of the skill concept in the study of entrepreneurship. Firstly, reassessments of the dominant theoretical role of personality traits have led to arguments emphasising that there are also other types of psychological variables which deserve attention (Gartner 1988; Shaver 1995; Gatewood et al. 2002). Shaver, for example, states this standpoint as follows:

*"The failure to identify a specific entrepreneurial personality does not remove psychology from the business start-up equation. As I suggested earlier, a "personality characteristic" is an enduring feature of the person, an underlying trait that produces behavioural consistency regardless of situation. It is these enduring entrepreneurial traits that have remained elusive. By contrast, there are other psychological variables that may still influence entrepreneurial activity. Some of the candidates are attitudes towards independent business, interpersonal skills of self-presentation and negotiation, and ways of thinking about the social world – none of which qualifies as a personality trait." (1995, 21)*

This view is more or less visible in recent theories utilising the cognitive approach. Consequently, more room has been given to the skill concept, too (Krueger 2005; Baron 2004). For example, in the studies on entrepreneurial expectancies and beliefs, which draw on social-cognitive learning theory, explicit attention is paid to the role of skills (Boyd & Vozikis 1994; Gatewood et al. 1995; Chen et al. 1998; de Noble et al. 1999; Gatewood et al. 2002).

More generally, the issue of skills is often brought up in discussions related to the theories which propose that opportunity identification and opportunity realisation are fundamental elements in entrepreneurship. In these

studies the skills are made relevant with the emphasis on cognition or on entrepreneurship as a process through which the individual pursues opportunities (Ardichvili et al. 2003; Hindle 2007; Krueger et al. 1994).

Last, but not least, the skill concept has been involved in the fast growing areas of entrepreneurship education and training, as well as in the area of entrepreneurship learning. It has become a central theme in the debate on the development of vocational education and training, scientific education and in organisations (Mulder, 2004). There also seems to be increasing interest in the competence concept within the conceptual domain of entrepreneurship (Chandler and Jansen, 1992; Bird, 1995; Kuratko 2005; Man et al., 2002). This interest in the concept rests on the assumption that competences are recognisable, assessable and relevant for practice, that they can be developed, learned and described on different levels, and it is supposed that there is a strong relationship between competence and organisational effectiveness. As Shaver points out, psychological variables such as personality traits are problematic because they are hard to change. Skills and competences are of interest, because they may be more easily changed, learned, and therefore also taught and developed.

However, in spite of the fact that the skill concept has gradually been entering into theoretical debate in the study of small business entrepreneurship, the theoretical status of that concept is vague, and the concept itself is far from clear. One source of confusion is that there is a multitude of potentially relevant skills in the context of small businesses. Thus, the distinction between lower order and higher order skills is potentially very valuable.

In the following, I will take a closer look at some of the uses of the skill concept in the study of entrepreneurship, with the aim of outlining a way to define entrepreneurial skills as a special category of higher order skills within the business context.

### **The task of pursuing opportunities as a ground for entrepreneurial skills.**

Let us accept that skill refers to knowing how to do something, or how to carry out a task. Consequently, if we were able to specify what the entrepreneur is supposed to do, we should be able to point out what sorts of skills are involved.

It is possible to identify various functions or tasks which are essential in establishing and running a business enterprise. Kilby (1971), in his widely known article "Hunting the Heffalump", proposes thirteen tasks, or types of activities: 1. perception of market opportunities (novel or imitative), 2. gaining command over scarce resources, 3. purchasing inputs, 4. marketing the product and responding to competition, 5. dealing with the public bureaucracy (concessions, licenses, taxes), 6. management of human relations within the firm, 7. management of customer and supplier relations, 8. financial management, 9. production management (control by written record, supervision, co-ordinating input flows with orders, maintenance), 10. Acquiring and overseeing assembly of the factory, 11. industrial engineering (minimising inputs with a given production process), 12. upgrading processes and product quality, 13. introduction of new production techniques and products.

As Kilby (1971) points out, distinct skills and skill sets can be associated with each of these tasks.

The list is impressive. On the base of it one must conclude, that an entrepreneur needs many kinds of skills indeed. However, since all of the listed tasks are supposedly connected with the overall task of starting and running a firm successfully, one would expect that the relevant skills for performing that general task should be somehow, at some level of abstraction, integrated into a larger, higher order skill. Kilby's list as such does not offer any insight into this question. On the contrary, the list implies that instead of any one and single skill, there is a bulk of separate skills.

Kilby (1971) is critical towards such kind of theoretical thinking that suggests that some particular core or key element would be crucial in explaining entrepreneurship. He points out that according to the dominant economic theories of entrepreneurship only the two first mentioned tasks in the list would be qualified as entrepreneurial tasks. He writes: "Under the strict assumptions of the economist's model the entrepreneur himself will only perform activities 1 and 2; the skills for the remaining eleven functions will be purchased in the market place." (1971, 28)

Somewhat ironically, what has happened in the study of entrepreneurship after Kilby (1971) published his criticism is very much congruent with the view he opposed. In general theoretical discussion it has become increasingly common to view the pursuit of opportunity as a starting point for approaching entrepreneurship. The tasks

of recognising opportunities and realising them are nowadays widely understood to be the most essential elements in entrepreneurship. (Stevenson and Jarillo 1991, Chell 2000; Ward 2004; Cromie 2000; Cooper 2005, 25)<sup>1</sup>

The emphasis on the pursuit of opportunity is parallel to the distinction between “ordinary” small business owner-manager and entrepreneur proper (Stevenson & Jarillo 1991). Whereas owner-manager may be satisfied with keeping the firm running and gaining reasonable living for himself and the family, a “real” entrepreneur aims to growth and profit maximisation (Carland et al. 1984). In this kind of division, entrepreneurship is seen as pro-active, dynamic, competitive, and innovative business behaviour, which matches well with the idea of pursuing opportunities.

The opportunity perspective has been developed especially in the study areas of nascent entrepreneurs, start-up processes, innovations, and enterprise development and growth. In these areas the dynamic pursuit of opportunities may, understandably, be judged as an essential feature. However, the perspective can of course be applied in the study of small business in general.

The opportunity perspective is in line with the theories by economists, such as Schumpeter and Kirzner (Gaglio & Katz 2001; Sarasvathy et al 2005; Shane & Eckhardt 2005). It can also be associated with the social network approaches, in which social contacts and ties are viewed as important means to find and reach, not only opportunities, but also resources with which the opportunities can be pursued (Aldrich & Zimmer 1986; Carsrud & Johnson 1989, Granovetter 2000; Jack & Anderson 1999; de Carolis & Saporito 2006, Ardichvili et al 2003; Ward 2004). The latter aspect is implied, for example, in the definition offered by Stevenson and Jarillo (1991). According to them, entrepreneurship is a process by which individuals pursue opportunities without regard to the resources they currently control.

Recognition and realisation of opportunities do not perfectly equal with the two first tasks in Kilby’s list, although they can be connected to these. Namely, in the current theories recognition is understood to be more active and multifaceted process than just perception; and opportunity is also used as a wider category than just market opportunity; and realisation of opportunities cover more than just gaining command over the scarce resources (Shane 2003). Thus, recognition and realisation of opportunities as tasks are not limited to the first two ones in Kilby’s list. As a matter of fact, the remaining tasks in Kilby’s list could be viewed as tasks that are, or could be, in a way or another, instrumental in performing the general tasks of opportunity recognition and realisation in the business context. In other words, opportunity recognition and realisation are tasks on a higher level of abstraction than the tasks mentioned by Kilby (1971). They can be defined as key tasks in entrepreneurship, not because they exclude some other tasks, but because they are more complex and extensive tasks that encompass the business process as a whole.

If recognition and realisation of opportunities is the key task in entrepreneurship, then an entrepreneur needs corresponding skills. Indeed, this is also indicated by some scholars (Brännback et al 2006; Gaglio & Katz, 2001). Krueger (2005, 129-130), for example, writes that “it seems reasonable that entrepreneurs need to learn how to identify opportunities”. Ardichvili et al. (2003, 106) suggest that “identifying and selecting the right opportunities for new businesses is among the most important abilities of a successful entrepreneur” (2003, 106). According to Baron & Markman (2003), opportunity recognition skills as well as social skills are crucial in successful entrepreneurship. Corbett (2005, 473) writes about entrepreneur’s “ability to identify, develop and exploit opportunities”. According to Baum and Locke (2004), successful entrepreneurs exhibit “new resource skill”. Lerner et al (1997) studied business skills as one variable influencing the success of a small business. By the business skills they refer to skills like idea generation and dealing with people. Man et al. (2002, 137) write: “The entrepreneur must keep an eye on the opportunities and resources available and have the ability to integrate them”.

To talk about the skills of recognising and realising opportunities in the business is one possible way to conceptualise entrepreneurial behaviour from the perspective of higher level complex skills. The entrepreneurial skill is viewed dissimilar to more specific and concrete skills, such as accounting, marketing or inventing a new product. It is viewed as a higher order skill which may cover several others, more specific or concrete skills, and which somehow integrates these other skills into a larger, and by necessity, more abstract whole. Using the traffic example as a parallel, entrepreneurial skill is closer to the traffic skill than the skill of driving a car.

From this follows, that the entrepreneurial skill is not a separate, unambiguous entity. It is at the top of a hierarchical order, which may cover diverse types of activities, and processes of integrating these. Conceptually, one

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<sup>1</sup> Decision-making under uncertainty suggested by Casson (2005) is an example of an alternative emphasis.

can identify different dimensions and aspects in the entrepreneurial skills. The very distinction between opportunity recognition and realisation indicates the existence of such dimensions: there is at minimum the recognition aspect and the realisation aspect. However, the further one proceeds away from the assumed overarching skill of pursuing opportunities, the greater becomes the danger of presenting endless lists of potentially relevant but distinct dimensions or skill sets, and losing sight of the hierarchical composition of the higher order skill itself.

The list of tasks presented by Kilby (1971) does not include higher level tasks which would concern integrating and synchronising the other tasks, and steering the business as a whole. This is congruent with his criticism toward attempts to define any particular category of entrepreneurial tasks. In some later studies, entrepreneurial skills are distinguished from managerial, functional (marketing, financial, accounting etc.) and technical skills; all of which are relevant in small business behavior as such (De Noble et al. 2003). Chandler and Jensen (1992), for example, divide small business skills according to technical-functional role, managerial role, and entrepreneurial role. Notably, they define entrepreneurial skills as the skills that concern opportunity recognition and realisation.

It is, of course, a matter of agreement which particular skill sets or skill dimensions are defined as the entrepreneurial skills. An example of somewhat complicated analysis is offered by Chen and colleagues (1998). They distinguish six different types of entrepreneurial tasks: marketing, innovation, management, risk-taking and financial control. Each of these is further divided into sub-categories. For example, innovation includes new venturing and new ideas, new products and services, new markets and geographical territories, new methods of production, marketing and management.

In this analysis, innovation is not only a task of its own. It appears, first of all, as a way to perform other tasks. Marketing, product development, management and so on should be done innovatively. Thus, innovation is used as a criterion for a proper or skilful way of doing things in business. Understood in this way, innovation represents a skill of higher hierarchical level than marketing and management, for example. Risk-taking could be interpreted similarly. However, Chen et al (1998) do not consider how the distinct entrepreneurial tasks are related to each other (see Pyysiäinen et al. 2006).

De Noble et al. (1999) end up, on the base of their own empirical data, with six subcategories or dimensions of entrepreneurial activities: developing new product or market opportunities, building an innovative environment, initiating investor relationships, defining core purpose, coping with unexpected challenges, and developing critical human resources. In this case, it is quite possible to conceive of each of these as integral aspects or elements in a still more abstract skill of recognising and realising opportunities in business context.

Similarly, the competence approach proposed by Man and colleagues (2002) may be interpreted as way to analyse complex higher order skills. They differentiate several entrepreneurial competences, which are intertwined, and which involve various distinct and specific skills. According to them:

“Entrepreneur in a small firm plays a crucial role in the relationship between the actual objective environment and the perceived subjective environment. As a result, the corresponding competencies lie mainly in the opportunity competencies, which call for the ability to search and to act on opportunities. Relationship competencies are also helpful in creating contacts and connections, and many business opportunities can be established through this process. We would also suggest that hidden opportunities can be uncovered with stronger conceptual competencies, which equip the entrepreneur with sufficient skills in conducting analysis, decision-making, learning and problem-solving.”

The skill concept has been conventionally associated with relatively specific tasks and practical know-how, while entrepreneurship as a concept is used to describe the business process as whole, which is not reducible to any concrete and specific activities. However, I have argued that the entrepreneurial skills should be viewed dissimilar to managerial or technical skills, for example, because they represent higher hierarchical order of skills. This is not to say, that entrepreneurial skills would not be related, connected, and intertwined with other skills. On the contrary, one of the most interesting and crucial questions is, how the various other, more technical and managerial skills are involved and integrated in the exhibition of the entrepreneurial skills in small business context?

### **The entrepreneurial skill in the light of training and learning**

The study areas of entrepreneurial education and learning have contributed to the increased theoretical relevance of the skill concept. In the following I will consider how the issue of defining the entrepreneurial skill can be detected in some of the discussions in these fields. I try to show the applicability of the idea of the skill of pursuing opportunities, by analysing what is proposed to be taught in the entrepreneurial education, and what is proposed to be learned in the entrepreneurial learning.

According to Bennet (2006) two approaches to entrepreneurship education can be distinguished. The first is the skills-training approach. Skill-based programmes seek to teach people the mechanics of running their own businesses, and “usually involve instruction on such matters as how to raise finance, the selection of premises, taxation, employment and other legal regulations, elementary book-keeping, marketing problems, and so on”. According to Bennett, an important justification for these kinds of programs is “the substantial body of evidence that exists to suggest that new businesses rarely fail because their owners lack innovation, self-confidence, imagination etc. but mainly in consequence of their owner’s ignorance of management, marketing finance, budgetary control, employee recruitment and other aspects of personnel administration.” (2006, 169)

One may easily agree, that technical, administrative and managerial skills are important, and that the failure to master them can be fatal to the success of the business. However, while such skills are needed in small business, they do not necessarily deserve to be called entrepreneurial skills. Entrepreneurial skills would rather concern, for example, the use of these skills as part of a more general activity of initiating, directing and controlling the whole business process.

The other approach described by Bennett (2006) is the attribute development approach. The advocates of this approach emphasise that the aim of education should be to develop appropriate personal attributes such as innovativeness, the willingness to take risks, persistence, creativity, determination and self-direction. They maintain that entrepreneurship is a learned competence rather than inherited predisposition or trait, and that the entrepreneurial attributes are in fact acquired experientially. Hence, because entrepreneurship is part of a person’s life experience it follows that the entrepreneurship education can enhance an individual’s capacities for innovative behaviour, creativity, flexibility, self-direction and the ability to respond to widely different situations. (Bennett 2006, 169-170)

Instead of activity, the perspective suggested in this approach puts the emphasis on the individual. However, it would be quite feasible to view the individual attributes also as descriptions of activity. The learning of entrepreneurs involves a great deal of work-related learning. Although learning in small enterprises is often an individual affair, the learning of entrepreneurs is especially a social process as well (Lans et al, 2004). Persistence, innovativeness, risk-taking, and so on, may be seen as attributes of action as well as attributes of the acting individual. They can be interpreted as criteria for evaluating proper or best ways to do things in the context of establishing and running small businesses. In other words, these individual attributes could also be viewed as descriptions of higher order skills. This is implied by Bennett too, when he characterises these attributes as capabilities and competences

Noteworthy, Bennett does not connect the skill concept to the individual attribute approach, which is understandable because the term skill is already used in the skill-training approach to indicate the lower level functional skills in business. However, it would be possible to use the skill term to indicate also the higher level skills. This is done, too, in some other studies on entrepreneurship education, in which entrepreneurial skills are defined as a special category of skills among the business related skills (Henry et al. 2005a; 2005b; Taylor et al. 2004; Pretorius et al. 2005, Lans et al. 2004). Entrepreneurial skills are connected, in these studies, to the opportunity pursuit, innovating and risk-taking as well as to managing or utilising social relations.

The entrepreneurial skill as a higher level hierarchical skill appears more complex, ambiguous, and abstract than the distinct functional skills emphasised, for example, in the skills-training approach. This ambiguity is addressed by Jack and Anderson (1999). They argue that in entrepreneurship education, more needs to be taught than just the management skills. According to them, in entrepreneurship there are context specific, unpredictable, complex and enigmatic elements, which make the teaching of solely technical and managerial skills insufficient. They view entrepreneurial behaviour in this respect as an art, which includes “leaps of perception”. They point out that entrepreneurship demands the ability to see thing in different way and the skills of analysing and synthesising. Jack and Anderson write (1999, 119):



“The art, the very nub of entrepreneurship of creation and of innovation, does not appear to be so amenable to teaching. This aspect is inductive and in bold contrast to the rational deduction of resource management. It is highly subjective and involves perceptual leaps which may transcend conventional economic rationality. It is this vital aspect which is caricatured by Schumpeter’s oxymoron, the “creative destructor”. As academics we have to accept that we cannot directly provide, or teach this skill; it is fundamentally experiential.”

The complex nature of the entrepreneurial skill most evidently contributes to the difficulty of teaching it through conventional methods of training and education. Therefore it is not surprising, for example, that in the study of entrepreneurship learning, the role of learning through experience and learning by doing have been emphasised.

The theories of entrepreneurial learning (Cope 2003; 2005) are noteworthy for present discussion. In these theories entrepreneurship is viewed holistically as a process through which the individual learns how to establish and run a business successfully. This process may consist of various stages and it may involve different ways of learning at different levels. It is assumedly a very complex process. Thus, a primary challenge for research is to understand the nature of the process. Rae (2000), who utilises the narrative approach in studying the entrepreneurial learning, introduces a starting point for this understanding as follows:

“When learning is applied to the concept of entrepreneurship, it is concerned with learning how to recognise and act on opportunities, how to organise and manage ventures, and so on. Entrepreneurial learning is taken to mean learning to work in entrepreneurial ways. But it is not only acquiring the functional “knowing”, it involves actively “doing” as well as understanding “what it is that works” and realising that one “can do it”. In entrepreneurial learning, knowing, acting and making sense are interconnected.” (2000, 151)

In the entrepreneurs’ narratives analysed by Rae (2000), key themes concerned e.g. confidence, setting goals, relationships, and known capacities, existing skills, and knowledge. On one hand, at the level of the narrative itself, the entrepreneurs exhibited a skill of analysing and reflecting upon their activities and self-environment relations as a whole, and how various aspects and elements in these are integrated and synchronised. This parallels to the overall entrepreneurial skill of “working in entrepreneurial way.” On the other hand, at the level of the particular contents of the narrative, lower level skills were dealt as targets of entrepreneurial analysis and reflection.

According to Cope (2005), entrepreneurial learning can be approached as learning tasks, which he lists as follows:

**Learning about oneself:** Learning issues include understanding one's strengths and weaknesses; one's changing role within the business; personal and family needs and objectives; areas for personal development; personal interests and motivations.

**Learning about the business:** Including strengths and weaknesses, opportunities and threats; internal business needs; requirements for growth; areas for development; understanding and facilitating one's staff; future direction.

**Learning about the environment and entrepreneurial networks:** Learning about how to manage relationships with existing and potential customers, suppliers, and competitors. Also about appreciating and maximising the relationship with advisory agencies and support services such as the bank, the accountant.

**Learning about small business management:** Learning about how to run and control the business effectively, including important procedures and systems such as recruiting, salary and reward structures, and financial monitoring.

**Learning about the nature and management of relationships:** This regards both internal (to the firm) and external relationships. This final element of the learning task forms an integral part of the other four elements outlined above.

Compared to this description, it sounds a simplification to state that entrepreneurial skill means “learning how to recognise and act on opportunities, how to organise and manage ventures, and so on”. However, the question is about descriptions, and descriptions can be made at different levels of generality or abstraction. The list of Cope can be interpreted as one possible detailed or in-depth description of the general task of learning to pursue opportunities in small business successfully. This description also gives an insight into the hierarchical structure of entrepreneurial skill. The technical, managerial and administrative tasks which concern the basic functioning of

the firm, for example, are analysed under a wider umbrella, which consists of tasks related to self-environment and firm-environment relations.

## **Conclusion**

I have been viewing the issue of defining entrepreneurial skills from the perspective of activity. The focus has been on what the entrepreneur needs to know how to do. I have suggested that entrepreneurial skills can be theoretically described as higher order skills which are hierarchically constructed so that they may involve various other skills which are relevant in business behaviour. I have also suggested that the skill of pursuing opportunities – recognising and realising opportunities – can be used as a conceptual starting point for studying entrepreneurial skill and the basic dimensions of it.

Although certain key dimensions and elements are obvious in the very idea of the pursuit of opportunities, it is a matter of agreement (and controversy), which particular ones are emphasised.

There is a group of concepts, such as innovativeness, self-direction, persistence, risk-taking etc. which may be interpreted as criteria for assessing skilfulness in activities under discussion. However, also the pursuit of opportunities as such may be ultimately viewed as such a criterion: to recognise and realise opportunities is a skilful way to act in small business” (instead of just owning and managing a small-business).

One could try to build a global theory of the key dimensions of entrepreneurial skill, but small business and success in it is a highly contextual matter. There are many alternative ways to do it skilfully and successfully. Thus, pursuit of opportunities can be done properly in many ways. Therefore, it is also possible to approach the key dimensions as an empirical issue, so that the exact nature of these can vary according to the context.

## **2.3 Entrepreneurial skills in the farm context**

### **2.3.1 Introduction to the section**

In this section I introduce farm business as a context for studying entrepreneurial skills and present results from a postal questionnaire survey conducted in Finland. This survey was not part of ESoF project, but it will be utilised here because it adds value to ESoF<sup>2</sup>. The results provide some empirical evidence for the argument that entrepreneurial skills can be conceptualised at a relatively abstract level, and yet be studied in an empirically valid way. However, this quantitative approach is based on a relatively rough measurement, which leaves room for many further questions. Thus, in the last section, a design for a qualitative study will be outlined.

### **Entrepreneurship and the study of farm business**

In the agricultural economics, it has not been very popular to view farming from the perspective of entrepreneurship (Knudson et al. 2004), even though the development of farm businesses in terms of economic rationality has been a major concern in these disciplines (Gasson & Errington 1993). However, in the farm management research, the issues of strategic management and competitive advantage are obviously relevant for the entrepreneurship concept. For example, in the studies reviewed by Poppe and Meijl (2004), considerable differences in the economic performance between farms have been observed. Following Porter (1980), these differences may be attributed to the use of strategies which generate competitive advantage, either in terms of low costs or differentiation. The resource-based theory of competitive advantage emphasises tangible and intangible resources as crucial strategic factors. Viewed from these perspectives, the role of the individual farmer as an entrepreneur who uses the strategies and resources, as well as the above-normal profits as an objective of the farm, appear as essential elements in farming (Poppe & Meijl 2004).

In social sciences it has been common to approach farming as family business which does not conform to the image of market driven, profit seeking enterprise. According to Gasson and Errington (1993, 97) “the primary

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<sup>2</sup> I thank the Ministry of Agriculture and Forestry in Finland for funding the project, Rural Entrepreneurship in Change, within which this data was generated.

aim of many family businesses is not to maximise profits but to maintain control and pass a secure and sound business to the next generation". Farmers are said to have been detached from the market logic, and for this reason they have been identified as peasants rather than entrepreneurs (Ploeg 2003). Further, it has been claimed that the self-identity of farmers is firmly and persistently based on the role of a producer, rather than on the role of an entrepreneur (Burton & Wilson 2006).

In agricultural and rural sociology, entrepreneurship has normally been associated with risk-taking and profit maximising orientation. Salamon (1992), for example, noted the existence of such an orientation among Midwest farmers in 1980's. According to her, the entrepreneurial farmers "energetically devise strategies, driven to expand, innovate, increase profits, or improve the family's social standing" (1992, 98). Similarly Ploeg (2003) connects entrepreneurship to the profit maximisation and the scale enlargement, which according to him has been a key trend in the structural development of Dutch agriculture in the last decades. Ploeg is critical towards this trend, which he claims is based on an erroneous and virtual idea of an entrepreneur farmer.

This type of emphasis on the profit maximisation through scale enlargement, and the risk-taking related to it, is one possible way to define entrepreneurship in the farm business. There are alternative viewpoints, as I will shortly point out. However, worth an immediate notice is that Ploeg (2003) and Salamon (1992) equate farming to the agricultural primary production, when they associate entrepreneurship with increasing profits through expanding the farm. This is noteworthy, because the conventional primary production implies, typically, that the business is based on the bulk production and the farm is positioned at the bottom of a vertical commodity chain in the food industry.

An alternative way to approach entrepreneurship on farms would be to put emphasis on the value adding activities, such as processing food or direct sales, and developing niche products. Unlike mere scale enlargement in the bulk production, the value adding activities are tailor-made for changing the position of the farm in relation to the commodity chains and the processes in which the value is generated. In many countries, regions, and sectors, the value adding activities have not been conventional on the farms; in this respect they can be viewed as novelties or innovations. Thus, if one accepts innovation as a key element in entrepreneurship, it seems feasible to associate entrepreneurship on farms especially with the value adding activities (Knudson et al. 2004).

Still another alternative would be to switch the attention to the on-farm business diversification: the engagement in the non-food business activities, such as tourism, care, or machine contracting. Again, these could be viewed as innovations simply because they deviate from the conventional farming, i.e. from the agricultural primary production. In addition to the aspect of innovation, the start-up and development of new non-food businesses as such could be used as a justification to view business diversification as entrepreneurship. This applies, of course, to such business activities which add value in the food production. Indeed, a wide definition of the on-farm business diversification covers also, for example, the farms with food processing and direct selling businesses.

Thus, in addition to the profit maximisation through scale enlargement, it is possible to define entrepreneurship in the farm business, for example, as innovation which is manifested in the value adding activities in the food sector and more generally in the business diversification on farms. Ploeg (2003, 339-341), as a matter of fact, draws also attention to the value adding activities and the business diversification on farms, and stresses that these represent a new but increasingly important current in the development of farms. However, Ploeg does not associate these activities with entrepreneurship. Instead, he frames them as rural development practices, and suggests that the farms which are engaged in these activities represent multifunctional or multipurpose enterprises.

Turning to the multidisciplinary study of entrepreneurship, it must be stated that farming has not been a popular context for studying entrepreneurship, until recently. Some studies have dealt with entrepreneurship in the business activities related to processing and marketing the farm products (e.g. Barth 2000; Lindh de Montoya 2000), but the primary production on farms has been largely invisible. Against this background, it is highly interesting that in recent years several studies have been published on the farm businesses, focussing especially on the business diversification on farms. In most of these studies, the viewpoint of entrepreneurship is explicitly stated and utilised (Alsos & Carter 2006; Alsos & Ljunggren 2003; Alsos et al. 2003; Barlas et al. 2001; Bowler et al. 1996; Bryant 1989; Carter 1998; Carter 1999; 2001; 2003; Carter & Rosa 1998; Chaplin et al. 2004; Damianos, & Skuras 1996; Hjalager 1996; Ibeh et al. 2006; McNally 2001; Kodithuwakku & Rosa 2002; Moxnes Jervell 2003; Peura et al 2002; Pyysiäinen et al. 2006; Rantamäki-Lahtinen et al. 2004; Rønning & Kolvereid 2003; Torkko 2006; Vesala & Peura 2003a; 2003b; 2005)

This interest seems to imply that it is especially the business diversification on farms – including the activities of adding value to the farm products – that captures the attention of researchers who utilise entrepreneurship as an analytical tool in their study. This is understandable because innovation and the emergence of new businesses and new forms of businesses have been at the heart of the entrepreneurship construct for a long time now. From this perspective, the scale enlargement as well as other developments in the primary production may perhaps be conceived of as ‘ordinary’ small business management rather than proper entrepreneurship.

In this way it would be possible to exclude primary production in all when defining entrepreneurship in farm business. An explicit illustration of this is offered by Stathopoulou and colleagues (2004) in the article “Rural Entrepreneurship in Europe”. According to them:

”Traditional economic activities in rural areas (farming, fisheries, mining) remain at the heart of the context within which rural entrepreneurial activity takes place. The importance of the farming sector, for example, is multifaceted. Firstly, the farming sector provides the raw material for many of the entrepreneurial activities concerned with the food and drinks industry, an industry which is highly localised. Secondly, the farming sector is an extremely important pool of nascent entrepreneurs especially when on farm value adding activities (eg. cheese making on dairy farms) and on farm diversification activities (eg. agri-tourism) are concerned (Damionos and Skuras 1996). Finally, the farming sector directly affects and shapes the physical, social and cultural environment of rural areas and provides the context within which entrepreneurial opportunities emerge.” (p. 411)

Thus, they associate entrepreneurship on farms with the value adding activities and business diversification, and differentiate it from the provision of raw material, i.e. from the primary production. The primary production is presented as traditional economic activity, which is important for the rural areas, but which would not qualify as entrepreneurship in itself.

Obviously, it is a matter of agreement, and also of controversy, how entrepreneurship on farms is defined. While some researchers (e.g. Ploeg 2003) connect entrepreneurship with profit maximisation through scale enlargement in primary production, and prefer to view value adding and business diversification as rural development practices instead of entrepreneurship, many others connect entrepreneurship exclusively to the value adding and the business diversification. In the latter case, innovation is emphasised as a crucial criterion for entrepreneurship.

The scale enlargement in the primary production, adding value to the agricultural products, and diversifying the business can all be interpreted as different forms of the business activity undertaken on farms. These forms of activity differ from each other, not only in terms of the nature of the activity as such, but also in terms of the actor positions that are attached to these forms. Scale enlargement does not imply a deviation from the position of a producer-at-the-bottom-of-a-commodity-chain; while the value adding activities do imply a change away from such a position, and other business diversification may have this implication. As Vesala and Peura (2005) point out, farmer’s position at the bottom of a vertical chain is not rare even in the diversified businesses. Subcontracting in the metal and wood industry are examples of this. Further, value adding, and business diversification represent innovations as such, compared to the conventional production centred farming, which has long cultural roots and strong institutional grounding as a form of activity. This difference is involved, for example, in scepticism and disapproval occasionally expressed by other actors towards farmers who are engaged in the value adding and diversification activities (Ploeg 2003, 340-341). Thus, business sector or line of business, relation to commodity chain, as well as relation to tradition or convention, all contribute to the differentiation of these forms.

On the base of what have been said so far, it seems plausible to assume that there are differences between these forms of business in what sense they can be viewed as entrepreneurship. However, it is only one possible viewpoint, to argue that entrepreneurship should be used as a label for only certain forms of business activities and suggest, for example, that only those farmers who are engaged in the value adding or other business diversifying activities are entrepreneurs, while those who focus on the primary production are not (or vice versa). Entrepreneurship is a more flexible concept; it can also be used as a perspective for analysing and comparing business activities and actors; it is not only for making rigid up front categorisations.

The concept of entrepreneurship can be used to analyse how businesses and business activities are originated, executed, controlled and guided. Namely, even the scale enlargement in the primary production does not necessarily exclude the possibility of innovativeness, or the demand for it, concerning the way it is executed and managed. Similarly, value adding activities and business diversification do not exclude growth-orientation and ex-

pansion of the business. Innovation, risk-taking, and all the other attributes of entrepreneurial behaviour are relative, to some extent. They are not necessarily limited to only one or another form of business activity.

There are political inclinations and agendas which suggest that farm businesses in all should be 'treated as firms' and that farmers in general ought to adopt entrepreneurial orientation in their business (Phillipson et al. 2004; Knudson et al. 2004; Halpin & Guilfoyle 2005). For example, the Ministry of agriculture in the Netherlands has made it very explicit that the imperative of entrepreneurship concerns also the farmers in primary production. Thus, it seems unavoidable that entrepreneurship needs to be discussed also at the level of farm businesses in general, even though the research interest in this respect have been so far directed mainly to the value adding and business diversification activities.

If one accepts, that it is not enough to argue categorically that only certain forms of business activity represent entrepreneurship on farms, it seems reasonable to ask: how to conceptualise entrepreneurship in order to study the farm businesses across distinct forms of business activity? The diverse theoretical tool-kit of entrepreneurship research offers at least two types of alternatives. One would be to bring out individual characteristics of the entrepreneurial actor; the other to emphasise the specific nature or quality of the entrepreneurial activity.

At this point the issue of entrepreneurial skills may be taken up again.

### **Entrepreneurial skills in the farm business?**

Some studies have focussed on the question of entrepreneurial skills in farming. Kodithuwakku and Rosa (2002) conducted an in-depth study on of 49 small-scale paddy farmers in Sri Lanka. They observed clear differences in the economic success among the farmers, generated during a period of twelve years. According to their results, the successful farmers were better able to mobilise resources through social networks and they were pursuing multiple opportunities. As a rule, they had started additional businesses to complement the paddy cultivation. Further, they had good management skills as well as entrepreneurial skills, and they were able to combine these skills. About the unsuccessful ones the authors write:

"most of the unsuccessful "commercial" farmers were found to be lacking essential managerial skills (particularly marketing skills). These farmers had all the entrepreneurial qualities of the successful farmers (strategic and focussed pursuit of opportunities, the creative means to mobilise resources, particularly through social networks, the ability to diversify and become pluriactive). However, they sooner or later failed, largely through mismanagement caused by the inability to deal with efficient resource allocation." (2002, 455)

According to these authors, especially in a constrained environment, where the resources are scarce, the importance of the entrepreneurial opportunity skills is emphasised. Anyhow, they stress that management skills and entrepreneurial skills are complementary and interdependent.

Pyysiäinen and colleagues (2006) analysed a case of a dairy farmer in Finland, who diversified into processing cheese, but after an initial success ended up quitting the cheese business. On the base of the farmer's narrative, according to the authors, the failure could be explained firstly by the situation (superior competitors, resignation of a trained employee, etc.), secondly by the farmer's own values and attitudes (preferred to secure the continuation of the dairy farm and spend time working in the farm, instead of taking the risks involved in investing more in cheese business, and spending time off farm for promotion purposes), and thirdly by the lack of certain essential entrepreneurial skills (not knowing how to utilise and manage the social contacts when pursuing opportunities). The authors interpret the entrepreneurial skills as meta-level skills and suggest that the meaning of them may vary according to the form of business activity:

"The farmer obviously had learned well many skills required in managing the basic functional tasks in both diversified business and conventional farming: he had the technical skills required in cheese making and dairy cattle farming, he had the ability to plan, organise and execute the plan as well as the skills to manage and control the enterprise financially. He also had some success in managing certain meta-level tasks, identifying business opportunities, growing the business, and innovative product development. However, in the context of diversified cheese business the farmer was unable to come up with the skills required in managing certain critical meta-level tasks, such as pursuing opportunities regardless of current resources, and social networking to compensate for the changes in the customer and employee relationships. These tasks were closely related to the market orientation required in the context of diversified business but relatively irrelevant in the context of conventional farm-

ing. Had we just listed various entrepreneurial skills without regard to the levels and contexts of specific tasks, we would probably have missed the relevance of context, and the significance of the market function related to the meta-level tasks in the context of diversified business.“ (2006, 35)

Lans and colleagues (2004) studied the relevance of learning the entrepreneurial competences in the Dutch agri-food sector from the learning perspective. They interviewed farmers from three subsectors (vegetable growing, ornamental culture, floriculture). The interviewees were asked about their learning needs in the following competences: IT skills, technological focus, communication in different languages, social skills and entrepreneurship/enterprising skills and competences (e.g. ability to identify opportunities and take action and responsibilities to gain profit). Measured on a five point scale the technological focus was judged as most important. IT skills, entrepreneurship and social skills were judged almost as important, while skills with regard to foreign languages scored relatively low. The entrepreneurial competences were further specified, for example, as network management, leadership, courage and risk-taking.

In another Dutch study, Lans and colleagues (2005) utilised a categorisation of entrepreneurial competences suggested by Man et al. (2002) to explore the identification and measurement of the entrepreneurial competences in agribusiness. The competences comprised opportunity competences, relationship competences, conceptual competences, organising competences, strategic competences, and commitment competences. The authors stress that the competence concept does not refer to a clear-cut category, but rather to “an integration of knowledge, capabilities, skills, and attitudes displayed in a context with an appropriate level of generality, rather than a merely behaviouristic (focusing solely on the outcome) interpretation”. Sixteen farmers, representing vegetable production under glass, floriculture, and dairy farming, participated in the study. The participant gave self-assessments regarding these competences, and assessed the importance of them. In addition, a peer-assessment and expert-assessment procedures were used.

The results indicated that although the competences were verbalised at a relatively abstract level (corresponding to the idea of higher order skills, presented in 2.2.), they are not incomprehensible. On the base of the multiple assessment analysis, the authors conclude that the assessment procedure seems to be more feasible for some competence clusters than for others. In the area of the opportunity and strategic competences the measurements seem to be the most valid.

The farmers ranked the competence clusters “relationship”, “organising” and “strategic” as the most important. Concerning the self-assessments, the farmers in the sub-sector vegetables under glass scored highest in the cluster “conceptual” and lowest in the cluster “relationship”. The farmers in floriculture scored also highest in the cluster “conceptual” and lowest in the cluster “relationship”, whereas the dairy farmers scored the highest in the “organising” cluster and the lowest on opportunity competences. In all, the farmers gave themselves high scores on all of the competences areas, although the standard deviation was considerable.

The authors identify one interesting result concerning the opportunity competence, the assessment of which appeared valid. They discuss this as follows:

“In general the entrepreneurs rate the different clusters as almost equally important. It was noticeable, however, that opportunity competences were rated as the least important, whereas many authors argue that the discovery and exploitation of entrepreneurial opportunities is the heart of entrepreneurship (Shane and Venkataraman, 2000). Competences such as general awareness and market orientation can be regarded as essential for the development of opportunities. At the same time the self-assessment results revealed that the entrepreneurs score the lowest on this cluster. Hence, is important to discuss the scores with the peer and expert extensively as a follow-up. Why do entrepreneurs in this sector perceive these competences as relatively unimportant, and, more importantly, what factors contribute to the development of these competences?” (2005, 9)

A further result seems to locate the experienced irrelevance of the opportunity skills especially in a certain sub-sector of farmers, namely dairy farmers. The authors interpret this result as follows:

“There are some interesting differences in scores between the three sub-sectors. The horticultural sectors (vegetable & flowers), scored higher on the typically entrepreneurial clusters (opportunity and strategic) than the dairy farming sector. This difference could be explained by the fact that floriculture in particular is a sector that is historically characterised by entrepreneurship. Floriculture is one of the most successful export sectors in the Dutch economy, and is responsible for about 65% of world exports of cut flowers.” (2005, 9)

This interpretation seems to imply also a difference in the form of business activity between sub-sectors. Namely, according to Lans et al (2004, 74), farmers in floriculture have “innovated every step in the value chain”. This would mean that in floriculture the farmers are not ‘pure’ primary producer, but farmers with value adding activities. These kinds of distinctions are, of course, ambiguous. Anyway, it must be noticed that the results which Lans et al. (2005) are discussing, are based on viewing the primary production in farming, especially dairy farming in this case, from the perspective of entrepreneurship. The fact that valid measures and understandable differences in scores can be found support the proposition that it makes sense to approach also the primary production in terms of entrepreneurship.

In a study by de Wolf & Schoorlemmer (2007) that was already mentioned in chapter 1, expert interviews from six countries were analysed. The interviewees were asked to comment on the open-ended question “What are the most important skills that a farmer will need in order to succeed in farm business?” The results of the analysis indicated five categories of skills: Professional skills (plant or animal production skills, technical skills); Management skills (financial management and administration skills, human resource management skills, customer management skills, general planning skills); Opportunity skills (recognising business opportunities, market and customer orientation, awareness of threats, innovation skills, risk management skills); Strategic skills (skills to receive and make use of feedback, reflection skills, monitoring and evaluation skills, conceptual skills, strategic planning skills, strategic decision making skills, goal setting skills); Co-operation / networking skills (skills to co-operate with other farmers and companies, networking skills, team-working skills, leadership skills).

As a synthesis from the study, de Wolf & Schoorlemmer (2007) state that while the professional skills and managements skills are basic requirements for farmers, opportunity skills, strategic skills and co-operation/networking skills can be viewed as proper entrepreneurial skills.

All of the studies reviewed above, give support to the general conclusion that entrepreneurship on farms can be approached with the help of the concept of entrepreneurial skills. They also support the theoretical view that the entrepreneurial skill should be understood as a higher order skill. This implies that we are dealing with a relatively complex, abstract, and vague construct. However, this construct can be articulated, it can be communicated about, and, as the study by Lans et al (2005) suggests, farmers are able to make self-assessments concerning it. Further more, although there exists variation in relation to what are the particular skills and skill sets that are named as entrepreneurial, and how these are characterised, a certain consensus, or at least certain common nominators can be identified in this respect. First of all, the opportunity skills are repeated as essential. Likewise, skills related with controlling and guiding the business as a whole and utilising networks and social ties in this, are included in the entrepreneurial skills in most of the studies.

Next I will introduce a study that explores the feasibility of the entrepreneurial skill construct in the study of entrepreneurship in farm business with the help of a questionnaire measurement and statistical analysis.

### **Empirical questionnaire study in Finland: data and results**

In this section the results of a postal questionnaire survey, which has already been mentioned in the chapter 2.3.1., are presented.

#### **Data and the skill measures**

In the project “Rural entrepreneurship in change”, funded by the Ministry of Agriculture and Forestry in Finland, a survey data was generated by sending a postal questionnaire to 835 conventional farms, 1263 farms with business diversification and 797 non-farm rural small business. Response rate was 30,1% (32,9%; 36,6%; 16,7%) . Table 2.1 presents the distribution of respondents that were included in the analysis.

**Table 2.1. Respondents according to the main groups (92 respondent who returned an empty questionnaire, because they had quit the farm, were not included)**

| Main group                    | n   | %     |
|-------------------------------|-----|-------|
| Non-farm rural small business | 126 | 16,7  |
| Diversified farms             | 380 | 50,60 |
| Conventional farms            | 245 | 32,62 |
| Altogether                    | 751 | 100,0 |

**Table 2.2. A further division among the diversified farms according to involvement in processing and direct sales in the food sector. (Three respondent with insufficient information excluded). The lines of business in case of other diversified farms include tourism, machine contracting, transportation services, wood processing, manufacture of metal ware and energy production.**

|  | n   | %     |
|--|-----|-------|
| Diversified farms with direct sales or processing (in the food sector) | 78  | 20,68 |
| Other diversified farms  | 299 | 79,31 |
| Altogether   | 377 | 100,0 |

A set of six questions concerning entrepreneurial skills was included in the questionnaire. The questions were as follows:

- How skilled are you in recognising and realising opportunities?
- How skilled you are in networking and utilising contacts?
- How skilled you are in creating and evaluating a business strategy?

A five point scale was presented: 1 not at all skilled 2 somewhat skilled 3 moderately skilled 4 fairly skilled 5 very skilled.

For each of the three skills, an additional question was presented: How important do you consider this skill is? Again, a five point scale was used: 1 not at all important 2 somewhat important 3 moderately important 4 fairly important 5 very important.

Distributions, means, and standard deviations of self-assessments are presented in table 2.3. The results indicate that the measures are valid, since they differentiate the respondents. (Resembling normal distribution)

**Table 2.3. How skilful you are?**

|                      | in creating and evaluating a<br>business strategy | in networking and utilising<br>contacts | in recognising and realising<br>opportunities |
|----------------------|---|---|---|
| 1 not at all skilled | 64 8,5%   | 93 12,4%                                | 44 5,9%                                       |
| 2 somewhat skilled   | 226 30,1%   | 225 30,0%                               | 190 25,4%                                     |
| 3 moderately skilled | 305 40,6%   | 266 35,4%                               | 299 39,9%                                     |
| 4 fairly skilled     | 135 18,0%   | 144 19,2%                               | 187 25,0%                                     |
| 5 very skilled       | 21 2,8%   | 23 3,1%                                 | 29 3,9%                                       |
| Total                | 751 100%  | 751 100%                                | 749 100%                                      |
| Mean                 | 2,76  | 2,71                                    | 2,96  |
| Standard deviation   | 0,94  | 1,01                                    | 0,95  |

Distributions, means, and standard deviations of the judgements of the importance of the skills are presented in table 2.4. Distribution is a little skewed towards the “very important” end of the scale. However, also this measure differentiates the respondents well. The correlations among the skill variables are presented in tables 2.5 and 2.6.

**Table 2.4. How important do you consider these skills?**

|                        | creating and evaluating a<br>business strategy | networking and utilising<br>contacts | recognising and realising<br>opportunities |
|------------------------|--|--------------------------------------|--|
| 1 not at all important | 11 1,5%  | 13 1,8%                              | 3 0,4%                                     |
| 2 somewhat important   | 86 11,9%                                       | 100 13,9%                            | 45 6,3%                                    |
| 3 moderately important | 182 25,2%                                      | 193 26,8%                            | 193 24,5%                                  |
| 4 fairly important     | 276 38,3%                                      | 258 35,9%                            | 259 36,1%                                  |
| 5 very important       | 166 23,0%                                      | 155 21,6%                            | 235 32,7%                                  |
| Total                  | 721 100%                                       | 719 100%                             | 718 100%                                   |
| Mean                   | 3,69   | 3,61                                 | 3,94                                       |
| Standard deviation     | 1,00   | 1,03                                 | 0,93                                       |



**Table 2.5. How skilful you are? Correlations.**

|   | <b>in creating and evaluating a<br/>business strategy</b> | <b>in networking and utilising<br/>contacts</b> | <b>in recognising and realising<br/>opportunities</b> |
|---|---|---|---|
| - in creating and evaluating a<br>business strategy |   | .549  | .626  |
| - in networking and utilising<br>contacts           | .549  |   | .598  |
| - in recognising and realising<br>opportunities     | .626  | .598  |   |

All correlations are significant at the level  $p < .01$   
Sum variable reaches Cronbach 's alpha = .811

**Table 2.6. How important do you consider these skills? Correlations**

|  | <b>creating and evaluating a<br/>business strategy</b> | <b>networking and utilising<br/>contacts</b> | <b>recognising and realising<br/>opportunities</b> |
|--|--|--|--|
| - creating and evaluating a<br>business strategy |  | .603   | .626   |
| - networking and utilising<br>contacts           | .603   |  | .619   |
| - recognising and realising<br>opportunities     | .626   | .619   |  |

All correlations are significant at the level  $p < .01$   
Sum variable reaches Cronbach 's alpha = .827

Sum variables were calculated both for the skilfulness and the importance of the skills. The correlation between these two sum variables was .479, which indicates that they have covariance, but any how, they are different variables.

### Comparison between the groups

**Table 2.7. Differences between main groups (means; analysis of variance):**

|   | <b>Non-farm</b> | <b>Diversified<br/>farms</b> | <b>Conventional<br/>farms</b> | <b>p&lt;</b> |
|---|-----------------|------------------------------|-------------------------------|--------------|
| Skill in creating and evaluating a business strategy                | 2,82            | 2,82                         | 2,66                          | ns           |
| Skill in networking and utilising contacts                          | 2,79            | 2,78                         | 2,54                          | .01          |
| Skill in recognising and realising opportunities                    | 3,06            | 3,01                         | 2,83                          | .05          |
| Sum variable of skill   | 2,89            | 2,87                         | 2,67                          | .01          |
| Importance of the skill creating and evaluating a business strategy | 3,67            | 3,79                         | 3,56                          | .05          |
| Importance of the skill networking and utilising contacts           | 3,61            | 3,70                         | 3,50                          | .05          |
| Importance of the skill recognising and realising opportunities     | 3,96            | 3,99                         | 3,87                          | ns           |
| Sum variable skill importance                                       | 3,75            | 3,82                         | 3,64                          | .05          |

Pair wise comparisons showed that conventional farms differed significantly both from non-farm small business and from diversified farms on skilfulness, but only from diversified farms on the importance of the skills. So, although in all groups the skills were seen as important, conventional farmers saw themselves less skilled than members of the two other groups. Between non-farm small business and diversified farms there were practically no significant differences.

**Table 2.8. Pair wise comparisons of the groups; Tukey's test; significance indicated:**

|   | Non-farm vs.<br>Diversified<br>farms | Non-farm<br>vs.<br>Conventional<br>farms | Diversified farms<br>vs. Conventional<br>farms |
|---|--------------------------------------|--|--|
| Skill in creating and evaluating a business strategy                |                                      |  |  |
| Skill in networking and utilising contacts                          |                                      | .05                                      | .01  |
| Skill in recognising and realising opportunities                    |                                      | .05                                      |  |
| Sum variable of skill   |                                      | .05                                      | .01  |
| Importance of the skill creating and evaluating a business strategy |                                      |  | .05  |
| Importance of the skill networking and utilising contacts           |                                      |  | .05  |
| Importance of the skill recognising and realising opportunities     | .05                                  |  |  |
| Sum variable skill importance                                       |                                      |  | .05  |

**Table 2.9. Differences between farms with food processing/direct selling and other diversified farms (means, t-test)**

|  | Processing /<br>Sale | Other diversifica-<br>tion | p<  |
|--|----------------------|----------------------------|-----|
| Skill in creating and evaluating a business strategy                   | 2,92                 | 2,77                       |     |
| Skill in networking and utilising contacts                             | 2,77                 | 2,77                       |     |
| Skill in recognising and realising opportunities                       | 3,07                 | 2,97                       |     |
| Sum variable of skill  | 2,92                 | 2,83                       |     |
| Importance of the skill in creating and evaluating a business strategy | 4,09                 | 3,69                       | .01 |
| Importance of the skill in networking and utilising contacts           | 4,00                 | 3,60                       | .01 |
| Importance of the skill in recognising and realising opportunities     | 4,21                 | 3,91                       | .05 |
| Sum variable skill importance  | 4,10                 | 3,73                       | .01 |

Between groups there were significant differences on the importance of the skills, but not on skilfulness. Respondents who had diversified farms with food processing or direct selling of the products considered all of the three skills as more important than other respondents with the diversified farms.

### Which variables explain the skill assessments

Background variables related to the entrepreneur and the enterprise, were as follows: age, gender, education level (on scale 1-5, the bigger value stands for higher education), number of years one has been an entrepreneur. In addition two dummy variables are included (main group as variable); and also a variable which measures entrepreneurial self-identity (question: how apt would it be to say "I am an entrepreneur"; a five point scale).

Regression analyses were carried out so that the individual skill variables and the sum variables were included in the analysis as dependent variable each in turn. The sum variable of skilfulness was explained by entrepreneurial self-identity and the level of education: those who had stronger entrepreneurial self-identity and higher education, considered themselves as more skilled (see table 2.10). The regression model explained 15,6 % of the variance of the skilfulness sum variable ( $F=22.45$ ;  $df: 6/728$ ;  $p<.001$ ).

**Table 2.10. Variables explaining skill assessment (sum variable); analysis of regression**

|                                 | Beta  | t     | p<   |
|---------------------------------|-------|-------|------|
| Age                             | ,015  | 0,30  | ns.  |
| level of education              | ,133  | 3,74  | .001 |
| number of years in business     | -,029 | -,061 | ns.  |
| Main group: conventional farmer | -,061 | -1,25 | ns.  |
| Main group: diversified farmer  | -,010 | -0,20 | ns.  |
| Entrepreneur self-identity      | ,350  | 9,96  | .001 |

The analyses where individual skill variables were as dependent variables produced the same results: skilfulness was explained by the entrepreneurial self-identity and the level of education.

The importance of the skills was also explained by the entrepreneur self-identity and the level of education, and in addition, also by the age of the respondent (table 2.11). Those who had stronger entrepreneurial self-identity and higher education and were younger considered the skills more important. The regression model explained 13,2 % of the variance of the importance sum variable ( $F=17,68$ ;  $df: 6/698$ ;  $p<.001$ ).

**Table 2.11. Variables explaining the skill importance (sum variable); analysis of regression**

|                                 | Beta  | t     | p<   |
|---------------------------------|-------|-------|------|
| Age                             | -,137 | -2,77 | .01  |
| level of education              | ,130  | 3,55  | .001 |
| number of years in business     | ,077  | 1,56  | ns.  |
| Main group: conventional farmer | -,026 | -0,51 | ns.  |
| Main group: diversified farmer  | ,033  | 0,65  | ns.  |
| Entrepreneur self-identity      | ,289  | 7,95  | .001 |

The results of the analyses including the individual variables of the skill importance were not in uniform. Importance of the skill in creating and evaluating a business strategy was explained only by the entrepreneur self-identity. The importance of the skill in networking and utilising contacts was explained by entrepreneur self-identity, level of education, and age: Those who had stronger entrepreneurial self-identity and higher education and were younger considered this skill more important. In addition to the entrepreneur self-identity, level of education, and age, the importance of the skill in recognising and realising opportunities was explained by the number of years one has been as an entrepreneur: those who had been longer entrepreneurs evaluated this skill more important.

#### **Did the self-assessments of the entrepreneurial skills explain success?**

The variables measuring success were as follows:

- **Total sales 2006**, euros (agricultural subsidies included).
- **Number of personnel** (entrepreneur included) **2006**, man years.
- **Investments** euros, from years 1997, 1999, 2001, 2003 and 2006
- The development of total sales, %, reference year 2003.
- Development in the number of personnel, %, reference year 2003.
- **Net profit 2006**, on scale 1 – 5, where 1 is “notably unprofitable” and 5 “satisfyingly positive”.
- **Development of net profit**, the difference between evaluations of net profit in 2003 and 2006. Positive value means that latter evaluation was higher, reflecting positive development of net profit.
- **Profitability relative to other enterprises on the same sector**, on scale 1 to 5. The middle point of scale stands for average level; below that stands for “worse than average” and above stands for “better than average”.
- **Development of the profitability 2002 – 2005**, on scale 1-5, where 1 means that profitability has weakened significantly, and 5 means that profitability has got significantly better.

Three variables were formed with the help of factor-analysis, which is presented in table 2.12.

**Table 2.12. Rotated factor matrix.**

|   | F1<br>'Size' | F2<br>'Profit' | F3<br>'Growth' |
|---|--------------|----------------|----------------|
| 1. Total sales in 2006                          | ,888         |                |                |
| 2. Number of personnel in 2006                  | ,694         |                |                |
| 3. Investments in years 2003 and 2006           | ,542         |                |                |
| 4. Development of total sales 2003-2006         |              |                | ,825           |
| 5. Development in the number of personnel 03-06 |              |                | ,433           |
| 6. Net profit in 2006                           |              | ,954           |                |
| 7. Development of net profit 2003-2006          |              | ,442           |                |
| 8. Profitability in 2006                        |              | ,344           |                |
| 9. Development of profitability 2002-2005       |              | ,451           |                |

Rotation method: Varimax with Kaiser Normalisation. (Only loadings >.300 are presented)

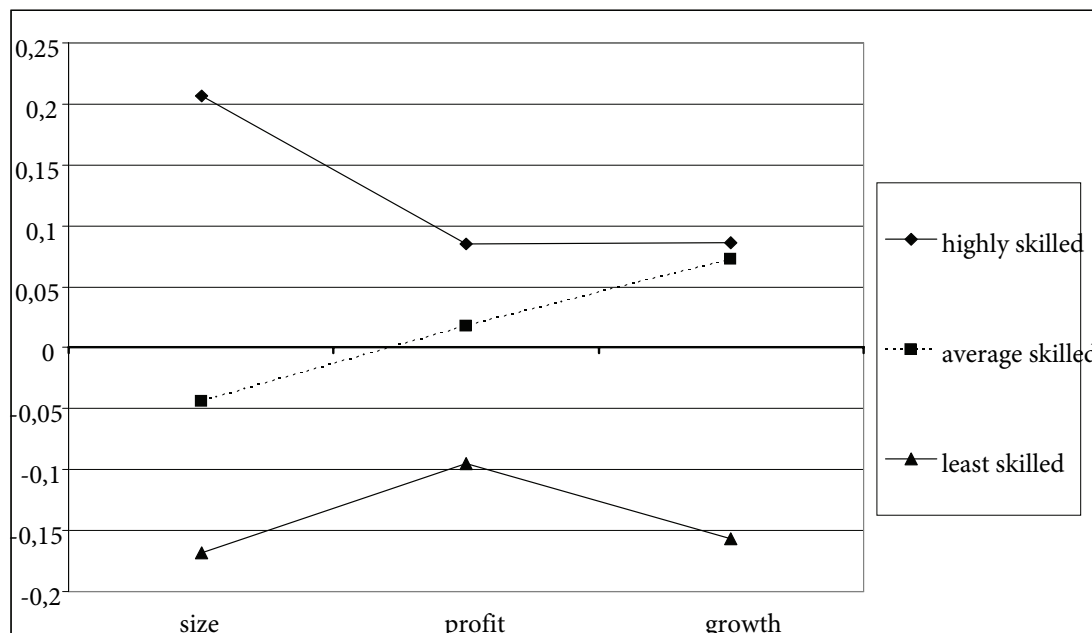
According to results of regression analyses, entrepreneurial skills do explain success in all the three dimensions (table 2.13). The better the skills, the more successful the entrepreneur has been.

**Table 2.13. Regression analyses; dimensions of success as dependent variables, sum variable of skills as independent variable**

| dimension of success | F     | df    | p<   | Explanation% | Beta     |
|----------------------|-------|-------|------|--------------|----------|
| size                 | 16,92 | 1/590 | .001 | 2,8          | ,167 *** |
| profit               | 5,26  | 1/590 | .05  | 0,9          | ,094 *   |
| growth               | 11,62 | 1/590 | .01  | 1,9          | ,139 **  |

\*) p<.05; \*\*) p<.01; \*\*\*) p<.001

The relation between entrepreneurial skills and success is visualised in figure 1. The sum variable of skills was classified into three equal-size groups: highly skilled, moderately skilled and least skilled. Success profiles were then drawn based on each group's means on the three dimensions of success.



**Figure 2.1.:Success profiles according to the entrepreneurial skills self-assessments**

When individual skill variables are included in the analyses instead of the sum variable, we see that the skill of recognising and realising opportunities explained success both on the size and the growth dimension, and in addition, the growth dimension was explained also by the skill in networking and utilising contacts (tables 2.14 and 2.15).

**Table 2.14. Regression analysis; dimensions of success as dependent variables, individual skill variables as independent variables.**

| Dimension of success | F    | df    | p<   | Explanation% |
|----------------------|------|-------|------|--------------|
| size                 | 6,73 | 3/587 | .001 | 3,3          |
| profit               | 2,07 | 3/587 | ns.  | 1,0          |
| growth               | 5,69 | 3/587 | .01  | 2,8          |

**Table 2.15. Regression analysis; dimensions of success as dependent variables, individual skill variables as independent variables. Beta-value and significance indicated.**

|  | size    | profit | Growth |
|--|---------|--------|--------|
| Skill in creating and evaluating a business strategy | ,032    | ,067   | -,062  |
| Skill in networking and utilising contacts           | ,010    | ,062   | ,120 * |
| Skill in recognising and realising opportunities     | ,155 ** | -,015  | ,108 * |

\*) p<.05; \*\*) p<.01;

## Conclusion

In all, the variables that were used to measure the self-assessments regarding these skills, and the views on the importance of them, proved out to be valid statistical measures. The results are theoretically and empirically understandable and feasible. Thus, the operational definition of the entrepreneurial skills that is used in this whole study of the main study seems defensible.

The entrepreneurial skills were judged to be important by the respondents. Only 2% of them were of the opinion that these skills are not at all important. Over two thirds responded that they are either fairly important or very important. The skill of recognising and realising opportunities was considered as the most important of these skills, which matches well with the general conclusion presented in chapter 2.2. Especially those who identify themselves as entrepreneurs consider these skills important, and also assess themselves more skilful than others. This result supports the general conclusion that it is quite right to view these particularly as entrepreneurial skills.

On the average, the respondents gave considerably higher scores to the importance of these skills than to their own skill level. Not more than every fifth or fourth of the respondent assessed themselves to be fairly skilful and only less than four percent of them chose the alternative “very skilful”. These results seem to indicate that the skill level is not at all as high as it could be.

There were statistically significant differences between the main groups. The group of conventional farmers assessed themselves as less skilful than the other two groups. Farmers with business diversification did not differ from non-farm rural small business owners. However, the observed differences were relatively small, although they were statistically significant.

## 2.4 A qualitative design for studying the assessment and development of entrepreneurial skills

### 2.4.1 Introduction to the section

In the context of the main study of the ESoF project, the questionnaire study that was introduced in the chapter 2.3., was an additional excursion aimed to trying out how the conceptualisation of entrepreneurial skills as the skills of creating and evaluating a business strategy, networking and utilising contacts, and recognising and realising opportunities, functions empirically in the context of farm business. Although this study seems to support

the conclusion that farmers self-assessments in terms of these skills do form quite feasible and valid variables, the statistical analysis which are based on the responses to structured questions do not uncover much about the qualitative nature and practical meanings of these skills<sup>3</sup>. Indeed, the major aim of the main stage was to increase understanding about the nature and relevance of the entrepreneurial skills in the farm business with the help of qualitative interview study. Accordingly, in six European countries the interviews were conducted, 25 in each, with farmers who represented different forms of the business activity on farms.

In the study of entrepreneurship, it has not been unusual to utilise qualitative methods. For example, case-study methods, critical incident method, and narrative approach have been utilised. In sociological studies on farm business ethnographic methods, such as participant observation and thematic interviews have been conventional. (Bryant 1999, Salamon 1992)

The special questions in the ESoF main study concerned the assessment and development of entrepreneurial skills. To study these issues with the help of qualitative interviews, and especially to explore the contextual nature of the self-assessments of the entrepreneurial skills, a particular methodological approach was utilised. Following the basic methodological outline proposed by Vesala (1996), and Vesala & Rantanen (1999; 2007) in their 'qualitative attitude approach', a design for generating interview data by encouraging talk within a semi-structured interview session and analysing the talk as social psychologically embedded argumentative rhetoric, was constructed.

In the following, I discuss the principles of this qualitative research design, and how it relates to exploring self-presentations concerning the entrepreneurial skills. In the ESoF main study the design was applied independently in each country by the project partners. Country specific studies are reported in the chapters 4-9 of this volume. In the chapter 3 a comparative overview of the interviewed farmers and their farm businesses is presented by McElwee and Baker, based on the questionnaire data that was gathered in conjunction with the qualitative interviews.

### **Approaching entrepreneurial skills through self-presentations**

It would be tempting to assume, that the responses to the structured self-assessment questions in a questionnaire provide us direct and objective information concerning how skilful the respondents are. However, it is not that simple. Namely, according to the psychological study of entrepreneurship, the entrepreneurs have a tendency to overestimate their own abilities; they are overconfident and optimistic, they believe in their own chances and success even when such a belief would not be firmly grounded in objective facts or rational analysis. (Gatewood et al. 1995; 2002; Shane 2003; Baron 2004). Thus, we have a reason to doubt that their self-assessments may be biased.

Such bias, if it exists, is not necessarily a problem. On the contrary, overconfidence can be seen as a positive psychological force, which motivates active striving, risk-taking, and pursuit of previously untried opportunities. Thus, positive self-assessments concerning the level of one's own entrepreneurial skills may, as such, tell about entrepreneurial belief or attitude. However, to take them at face value as indicators of the exact level of entrepreneurial skills of individual respondents might be unjustified. Anyway, we can be confident that the responses tell us about the self-assessments (because that's what they literally are) and differences in these between the respondents.

A crucial question is: when a respondent replies, and presumably believes, that she has the entrepreneurial skills, how can also an outside observer be convinced of that?

First, let us ask, how can an individual farmer know that she has the entrepreneurial skills? What sources of information are available for her to make self-assessments concerning these skills? Obviously, she can not simply observe her own neural structures and make some sort of a direct introspective measurement of the skills. More likely, she will consult her own self-image as an actor, or perhaps reflect on her own conduct and ongoing activities, memorise what she has done and how successful she has been, and so on. At least, we must assume that this

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<sup>3</sup> Nor do they tell much about the possibly hierarchical nature of entrepreneurial skills, although the strong correlations between these three skills clearly suggest that they might be integrated somehow.

type of information is available for her to make inferences concerning her own skills. As Harre (1995) suggests, the criteria of skilful action may be inherent in the activity itself.

However, as Harre (1995) also suggests, the criteria of skilful action are socially constructed. In order to make self-assessments concerning the entrepreneurial skills which are mentioned in the questionnaire, the farmer must have, or create, some sort of understanding about the socially shared meanings of these skills. For example, she must be able to figure out whether she has, in the first place, been engaged in such activities and tasks that these particular entrepreneurial skills might concern, and what would be the implication, when these particular skills are mentioned, concerning the proper or best way of doing something. Only on the base of such an understanding she would be able to connect the skills to her own conduct and business endeavours, and decide whether she has the skills.

Thus, an outside observer could become more convinced if receiving some information about how the respondent constructs her self-assessment, compared to receiving a mere outcome of the self-assessment process, such as a response 'I am fairly skilled'. This would be one reason to utilise a qualitative interview, instead of a structured questionnaire, and ask the farmer to uncover the process of self-assessment a little, in her own words.

However, in an interview conversation the interviewee is not just passing information about her self-assessment to the interviewer. The interview situation is an instance of social interaction. In addition to exchange of messages as such, social interaction involves meta-communication, which concerns the ongoing communication in itself (Bateson 1972). Especially, it involves relational communication (Burgoon 1994; 277-36; Littlejohn 1999, 252-258; Rogers & Escudero 2004). The function of relational communication is to negotiate and define the role of the participants, the relation between them, and the nature of the ongoing interaction. Relational communication is typically more or less implicit; it is not necessary in the focus of conscious attention of the participants, nor an issue that is explicitly discussed by them. Thus, in addition to transmitting some explicit information, a given message may serve as relational communication, contributing to how the participants interpret and define each other and what is going on in the interaction between them.

The aspect of relational communication may be illustrated by the concept of self-presentation (Schlenker 2005). According to Goffman (1959), people are aware that the other people form impressions of them. Thus, in the presence of others, people try to shape these impressions by presenting themselves in certain ways. It is easy to think of reasons why people would prefer to make a certain kind of self-presentation, rather than some other kind: cultural values and ideals, social norms and desirability, role expectations, personal goals and interests, avoidance of shame or embarrassment, and so on.

It seems reasonable to assume that in an interview situation, which is a situation of face-to-face social interaction, the aspect of self-presentation would be involved. This applies especially to the making request for self-disclosers, e.g. asking questions about the interviewees own skills. Is the self-presentation methodologically a problem in the interview?

Self-presentation might be approached as a means of social influence, in which the impressions of others are 'managed' or even manipulated on purpose, or as well it may be approached simply as an unavoidable aspect of social interaction. For example, when ever an individual delivers self-relevant information to others, she is by necessity engaging in presenting her self, even if she had no intention to shape or control the particular impression which the others will form of her. But then again, self-presentation may be approached as a representation which is actively constructed by the actors in social interaction. The constructing involves decisions concerning inclusion or omission of information, as well as the style or manner of delivery. Notably, a certain self-presentation made by an individual implies that the individual has some sort of resources for doing that: physical appearance, information, experience, skills, and so on.

Similar to the issue of overconfidence, the aspect of self-presentation could be viewed as a source of bias. The farmers might have a tendency to try to present them as entrepreneurs, and consequently try to create an impression that they have the entrepreneurial skills. Obviously, if our aim would be to find out information concerning the objective and exact level of a farmer's entrepreneurial skills by interviewing that farmer, and if we would assume that the self-presentation as such is irrelevant to the real skills, this tendency would be a methodological problem. However, if we assume, following Harre (1995), that the assessment of farmer's skills is fundamentally connected to the use of socially constructed criteria for judging the proper or best way of doing something, and if our aim is to explore the entrepreneurial skills and their assessment as they manifest in the social reality of the

farm business, self-presentations in the interview may be utilised as an interesting and useful source of information.

Let us assume that a farmer presents herself as having the entrepreneurial skills, and that she does this in a reasonable credible or convincing way. Doing that, she would be exhibiting the skill or ability of making such self-presentations. In the study of entrepreneurship, the skill of self-presentation, as well as the skill of impression management, has been mentioned as one important social skill that an entrepreneur needs (e.g. Shaver 1995; Carsrud & Johnson 1989). This is not surprising: it is apparently useful for an entrepreneur if she is able to present herself as a skilful and competent entrepreneur when, for example, creating networks and trying to mobilise resources through social contacts. Thus, parallel to the benefit of belief, in the case of over-confidence, self-presentation in itself may be viewed as a positive indicator of entrepreneurship.

Whereas the actual performance of a certain kind of self-presentation implies the ability to do it, the opposite is not necessary true. Inability to make a certain self-presentation is only one possible reason for not making it. A farmer might decide not to make such a presentation, even though she would have the skill for it. This again could, for example, be because of reluctance to present herself as an entrepreneur. Similarly, making the self-presentation might be interpreted to indicate the willingness to present oneself as an entrepreneur (such interpretations are of course case specific, and need to be empirically evaluated). Thus, studying self-presentations which are made in regard to the entrepreneurial skills might also provide us information concerning the attitudes towards such skills.

However, the main point that I am driving at, deals with the possibility of utilising self-presentations as a source for making interpretations concerning the nature of the entrepreneurial skills, by investigating how – in what form – they are manifested in the self-presentations. This viewpoint concerns, not the social skill which is exhibited by the very performance of the self-presentation, but those entrepreneurial skills that are portrayed in the impressions which the self-presentation create. The route to analyse these manifestations is opened by the process of constructing the self-presentation. Namely, to make a credible self-presentation of a farmer who has the entrepreneurial skills, the interviewee needs to bring out at least some evidence that would support or justify a positive self-assessment concerning these skills. Such evidence constitutes data in which the interviewee connects the assessment of these skills to her own business activities, and thus allows interpretations concerning how these skills may be manifested in the context of farm business.

From this perspective, the aspect of self-presentation is viewed as a factor contributing to the relevance of the data, instead as a source of bias.

The question of making more or less refined distinctions in the skill level or in the degree of the credibility is an issue of its own. This kind of things must be studied empirically in each case. Anyhow, if the aim of the study would be to achieve exact and detailed assessments in terms of skill level, some sort of structured measurement procedure would then be a better choice than a qualitative interview method.

### **Generating self-presentations and analysing the rhetorical resources for making them**

If we accept that the assessment of the entrepreneurial skills of farmers can be qualitatively approached by studying self-presentations, the next questions concern the generation and analysis of self-presentations.

Vesala & Peura (2005; also Vesala 2005) studied farmers' self-presentations in regard to personal control in the market arena, among farmers with on farm business diversification in Finland. In generating the interview data and analysing it, they utilised the 'qualitative attitude approach'. This methodological approach is developed by Vesala & Rantanen (1999; 2007), drawing theoretically on the rhetorical social psychology suggested by Billig (1996), as well as on the social psychological work of Bateson (1972) and Goffman (1959). The approach involves a particular strategy for conducting interviews in order to produce argumentative talk, and a set of principles for using and integrating theoretical concepts in the analysis of such data. The main ideas in relation to the qualitative methods are: 1. to create comparability between individual interviews with the help of a semi-structured interview strategy which organises the interviews into distinct sections. Each section comprises of conversation which begins with an introduction of a given stimulus, presented uniformly in each interview. 2. to aim at a consistent and extensive process of identifying and organising observations in the data of each section by analysing the data at the level of literal reading (Mason 1996, 109) with the help of concepts that describe argumentation and rhetoric. The elementary distinction to use in this is between stands presented on the stimuli, or on the is-



sues suggested in the stimuli, and the comments which are presented to justify and account for these stands. 3. to search theoretical relevance in the analysis by interpreting the talk from the perspectives of chosen concepts that describe, in a way or another, the social psychological reality in which the talk might be embedded. 'Self-presentation' is an example of such concepts, as well as 'attitude'<sup>4</sup> (Vesala & Rantanen 1999; Vesala & Peura 2007), 'frame' (Pesonen & Vesala 2007) or 'personal control' (Vesala & Peura 2005).

For the purpose of studying the assessment and development of the entrepreneurial skills in the ESoF main study, these ideas were utilised as described below. Only a concise discussion is included here. More details can be found in the appendices, where the main documents including methodological instructions for the project partners are included.

According to the qualitative attitude approach, qualitative interviews may be conducted by stimulating argumentative talk which consists of stands taken towards a given issue, and comments presented to justify and account for these stands. A special way to do this is to present chosen stimuli to the interviewees, both verbally and written on separate sheet of paper, and ask the interviewee(s) to comment on the stimuli in their own words. The initial comment is followed by a conversation in which the interviewer participates with the aim of encouraging the interviewee to elaborate on her stand and account for it. The interviewer is active in listening and keeping the conversation going on, but does not take stand on the issue herself. (Vesala & Rantanen 2007)

Vesala and Peura (2005), in their interviews, presented the stimuli in the form of attitude statements. In the ESoF main study the stimuli were presented in the form of questions. To generate talk that would be fruitful especially for studying self-presentations, questions that request for self-assessment of the entrepreneurial skills, and comments on the issue of the importance of those skills to the interviewee were used as stimuli. The instructions concerning the interviewer's role in the conversation are included in appendices well.

In addition to achieve comparability between individual interviews, a relatively uniform way of conducting the interviews was needed because of the international comparison between six countries. Thus, the instructions for the interviews were relatively detailed (see appendices).

For practical reasons, the interviews as whole were transcribed only in the native languages. English translations were used for purposes of communication when needed. Accordingly, the primary analyses were done with data in native languages. Total or absolute consistency or uniformity is not a realistic aim in qualitative analysis in general, especially when the analysis is executed by different researches in different languages. Besides, idiosyncrasies in data need to be taken into account. However, to enhance the consistency in the analysis, especially thinking of the international comparison, relatively much attention was paid to efforts of achieving a shared understanding of the nature of the basic analytical principles and the operations between the project partners. The documents in the appendices share light to this process concerning some of the instructions for partial analysis. In addition, the analysis was discussed in project meetings in Gardiff and Florens, as well as in email communications.

At the level of literal reading, Vesala & Peura (2005) analysed the stands to the stimulus statements, and the comments that were presented to justify these stands. At a more interpretive level of analysis, they viewed the entire conversation sequences in each interview, within which the stands and other comments were expressed, and interpreted the interviewed cases on the whole from the perspective of self-presentation.

In the ESoF main study, the analysis at the level of literal reading focussed on identifying and categorising direct or explicit self-assessments, and various other comments and accounts that were related to the stimuli, i.e. requests for self-assessments and comments on the importance of skills. The categorisation was done on the base of differences and similarities "inherent" in the data. This means such differences that the researcher is able to identify in the data. Of course, one and the same data may normally be categorised in alternative ways. As Alvesson and Sköldbberg (2000), for example, emphasise, qualitative analysis always involves interpretation. The least that a researcher can do – and should do – is to try to make process of analysis, and the nature and scope of interpretation explicit and visible to the reader.

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<sup>4</sup> Vesala & Rantanen (1999; 2007) suggest that the attitude concept needs not to be defined as an internal, hidden disposition of an individual. They propose that it be defined as a relational concept, which describe the individual in the world of social communication.

The categorisation of the literal comments was further viewed from the perspective of self-presentation, so that the justifications for direct-self-assessments, and other evidence that was more indirectly brought out, but which apparently contributed to the self-presentation in regard to the entrepreneurial skills mentioned in the stimuli questions, were analysed as rhetorical resources for making the self-presentation. An illustrative example: some of the interviewees justified their positive self-assessment in regard to the skill of networking and utilising social contacts, by saying that they are sociable or outgoing persons. Such comments may be identified as members of a particular category of literal observations. This category may be interpreted as one kind of category of the rhetorical resources which are used for making the self-presentation of a farmer who has the entrepreneurial skill of networking and utilising contacts.

The core idea in this particular category is an extrovert personality, which is among the traits that have been associated with entrepreneurship in the research literature (Shane 2003, 97-99). In this way, the use of such a rhetorical resource could be viewed as entrepreneurial in itself. Another question is, however, how strongly it contributes to the credibility of the self-presentation in regard to the particular skills in question. Namely, while extroversion obviously might enhance the development of networking and contact utilisation skills, it does not demonstrate the presence of those skills, unless it is further connected to the activities or tasks in which these skills are used. Anyhow, it was used as a rhetorical resource by some of the farmers.

At the final stage of the analysis, overall interpretations concerning the self-presentations were made, and the interviewed cases were roughly grouped according to the differences in the gradation of the skills presented (skilful or not, how skilful and so on), and to the differences in the credibility or convincingness of the presentation. Instead of refined distinctions, the primary aim was to explore the elementary qualitative variation in self-presentation, and in the nature of rhetorical sources. Lastly, the self-presentations were analysed by interpreting how the entrepreneurial skills were manifested in the farm business activities, according to the presentations.

### **Studying the explanations and opinions concerning the development of the entrepreneurial skills**

The other of the main questions in the ESoF main study, in addition to the assessment of the entrepreneurial skills, concerned the development of these skills. This question was introduced as an objective to identify and analyse factors that hinder and/or stimulate the development of entrepreneurial skills in case studies.

So far, the relations between the entrepreneurial skills and other relevant factors have not been a main concern in this chapter, as the emphasis has been on the concept of entrepreneurial skills and on the methodological issue of assessment of these skills. However, such relations have been touched upon.

The questionnaire survey results, which were introduced in section 2.3.4, showed that the entrepreneurial skills of a farmer do contribute to the success of the business. However, the skills explained only part of the variation in the success. This is congruent with the view that in addition to skills, success is determined by situational factors, as well as by other individual factors, such as certain attitudes and values (e.g. Pyysiäinen et al. 2006). Other individual factors complementing skills, as determinants of success, were emphasised also by the experts interviewed in the ESoF the pilot study (de Wolf & Schoorlemmer 2007).

Concerning the factors hindering or stimulating the development of these skills, the questionnaire results (in section 2.3.4) suggest that at least education and self-identity as an entrepreneur contribute to the development of entrepreneurial skills. Both of these factors seem congruent with the general idea that the entrepreneurial skills are learned, discussed in the section 2.2. Education denotes, of course, the process of learning, but it also implies that besides the individual, some outside players are involved in the development of the skills. Self-identity, instead, refers more exclusively to the individual. Since the learning is something that concerns the individual, it seems feasible to assume that self-identity, among other individual factors, contribute to the process of learning. However, the questionnaire study in question aimed not to explore the overall variety of factors which would possibly influence the development of the entrepreneurial skills.

In the qualitative interviews in the ESoF main study, the question about factors hindering or enhancing the development of the entrepreneurial skills was approached by studying how farmers explain the skill development, and analysing which factors are involved in the development according to their explanations. Thus, the emphasis is on the perspective of a farmer rather than some other actor. This kind of methodological starting point could be justified simply by referring to the fact that the farmer is a key actor in the process of skill development. To study how she views it must be relevant in any case, not to mention the crucial role that is given to the individual

in the study of entrepreneurship. Further, within the ESoF project, this is understandable because the inside perspective of the farmers is complemented by other studies which focus on the views of experts and other actors external to farms.

The principles of the method followed the ones described above. In the interviews four distinct sections of conversation were created with the help of following stimuli. Each was presented to the interviewees in separate sheets of paper.

- 1: In your experience, do some farmers have these skills more than others? If so, what causes the difference?
- 2: How did you develop your own skills? Why did you develop your own skills?
- 3: According to the experts whom we interviewed, the development of these skills depends heavily on the attitudes and personality of the farmer. What do you think?
- 4: What could be done to develop these skills among farmers?

In the analysis, one task was to identify the literal responses to these stimuli: Direct answers to the questions, stands taken to the issues that were presented or implied in the stimuli, and comments that were presented to account for these answers and stands. An illustrative example of a stand which is not a direct answer to a question was a comment by one interviewee, suggesting that no measures should be taken to improve these skills among farms. Another, more interpretive task was to identify and categorise the factors that were mentioned or dealt as influencing the development of entrepreneurial skills. An assisting instruction was given, to utilise a distinction between factors that are internal and external to the individual whose skills are the target of the explanation.

The distinction between factors that are internal and external to the individual, as well as the distinction between self-connected and other-connected targets of explanation (which makes an essential difference between stimuli 1 and 2), may be traced back to the study of attribution processes, which is one of the major fields in cognitive social psychology (Augoustinos & Walker 1995). Attribution processes have been suggested as one promising topic of research also in the study of entrepreneurship (Gatewood et al. 1995; Shaver 2005), and the relevance of them have been pointed out as well in the study of farm business (Halpin & Guilfoyle 2005).

Explanations that are identifiable at the level of argumentative talk and rhetoric may be viewed and interpreted from the perspective of attribution (Antaki 1994; Billig 1996). This is not to say, that there would be a simple or direct correspondence between talk and cognitive structures. In addition to the aim of understanding the thought processes of entrepreneurs', the interpretation of explanations in terms of attributions may be valuable and relevant, as Halpin and Guilfoyle (2005) suggest, to exploring the relation between the political and ideological agendas and representations associated with entrepreneurship (à la enterprise culture), on one hand, and the experience and self-understanding of individual farmers, on the other.

However, within the qualitative interview study of the ESoF main study, to elaborate on this direction of interpretation would have gone beyond the objectives and the limits of resources. Thus, the crucial task in this context is to analyse the farmers' explanations in order to identify factors that influence the development of the entrepreneurial skills according to these explanations.

### **Putting theory into practice**

The general purpose of this study was to increase understanding about the nature and relevance of entrepreneurial skills in farm business with the help of a qualitative interview study. Interviews were conducted in the UK, Finland, Italy, the Netherlands, Poland and Switzerland, on 25 farms in each country.

Interviews were analysed by interpreting rhetorical resources used in the answers to the questions. Farmers were asked to justify their answers by connecting them to daily experiences. The richness of these experience descriptions was the basis for the researcher to value the self-presentation as more or less convincing.

The interviews were done on case farms, which were selected from chosen localities or regions. In each country, the selection of the case farms was such that about five female interviewees were included. Additionally, not more than five interviewees over the age of 55 were included to ensure that the case farmers in all would have future relevance, in a sense that one could assume that most of them would be still active several years. Further,

the selection was constructed so that the case farms would involve variation typical of the area or region in question in terms of line of production.

Most importantly, however, the selection in each country was such that the representatives of three strategic orientations – conventional production, value adding, and non-food diversification – were included. Consequently, the case farms were divided in three sub-groups for the analysis. It was assumed that these sub-groups represent the elementary strategic alternatives in the farm business nowadays, and that this would contribute to the theoretical relevance of the whole study and the research questions put forward in it.

Because of the qualitative nature of the study, including the case study design, it is obvious that the results concern immediately only these case farms. Consequently, any generalisations of statistical nature, for example, will not be attempted. However, it may be assumed that theoretical generalisations are feasible, based on the notion that the results inform us about the possible state of affairs among farmers. Such theoretical conclusions, of course, call for consideration of the specific features of the case farms and the selections of them.

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## 3 A summary of the cases: The cross-European dimension

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### 3.1 Introduction

This chapter presents the results of a questionnaire which was administered to 151 farmers (25 in Switzerland (CH), England (E), Finland (FI), Netherlands (NL), Italy (IT), and 26 in Poland (PL)). The questionnaire was used in conjunction with the qualitative interviews, which were undertaken in the period June - October 2006. The main purpose of the questionnaires initially was to provide background information to supplement the interviews. Later it was suggested that the quantitative data from the questionnaires could be used for further analysis, based on the different characteristics recorded.

The interview cases were grouped into three different categories according to their “strategic orientation” to enable comparisons to be made and although this categorisation was not included in the questionnaire it has been used subsequently in the analysis. Therefore, this chapter shows responses from the questionnaires cross-tabulated by countries and by the farmers’ “strategic orientation”.

The specific objectives of the questionnaires were to:

- Provide a context to the qualitative stage of the research
- Provide background information for the interview cases

The questionnaires were divided into three sections:

- Personal characteristics
- Business characteristics of the farm (and any diversified enterprises)
- Planning and marketing activities and attitudes to planning, marketing, advice and support

As noted elsewhere (McElwee, 2005), farmers have to enhance existing business skills and develop new business strategies in order to be competitive in a changing market place. Strategies can facilitate the development of new business models which allow the business to both create and add value and remain financially viable. Accordingly, strategies for change are numerous and include: growth by expansion of land use, growth of animal production or move into external business (McElwee, 2005).

Although it is recognised that a number of strategies may co-exist within a business, it was decided to allocate the farmers in the study to a particular category to represent their overall “strategic orientation”. These allocations were decided by the researchers based on a number of factors, including prior background information and information obtained during the interview process.

The three strategic orientation categories were as follows:

- ‘**Conventional**’ (C) - Focusing on cost-effectiveness through enlargement of the scale of production, or cost-reduction
- ‘**Value Added**’ (VA) - Focusing on adding value to agricultural products through processing, direct sales or niche-products
- ‘**Non-Food Diversification**’ (NFD) - Focusing on generating income from non-agricultural business activities

The above strategies are not necessarily mutually exclusive as a ‘VA’ strategy may also utilise ‘C’ elements, and ‘NFD’ may include ‘C’, and/or ‘VA’ elements.

### **3.1.1 Methodology**

In this research project a four-stage approach was used. First, an extensive literature review of entrepreneurship in the farm sector was undertaken and from this work a segmentation framework was devised (McElwee 2005). Second, interviews were conducted with 'experts' involved in the agricultural sector: politicians, representatives from food producers and pressure groups and QUANGOs for example. Third, an empirical element, a questionnaire was introduced and finally, face-to-face personal interviews were held with 25 farmers in each country (26 in Poland). This chapter reports on responses from the questionnaire and briefly comments on the segmentation framework to provide a context.

#### **The segmentation framework**

There has been relatively little research that attempts to systematically segment the farm sector. The segmentation framework has been adapted specifically for the farm sector by McElwee (2005), based on a segmentation framework initially designed by Atherton and Lyon (2001). This revised framework segments three aspects of the farmer and farm business.

##### **1. Personal Characteristics of the Farmer**

- Age
- Gender
- Educational skill Level
- Status (owner/manager/tenant)
- Length of time farming
- Entrepreneurial alertness
- Motivation to diversify

##### **2. Characteristics of the Farm Business**

- Country
- Farm size
- Primary sector
- Type of Diversification
- Stage of Life cycle
- Topography
- Performance
- Environment

##### **3. The Activities and Processes undertaken by the farmer**

- Market Development
- Technology and Innovation
- Support Networks
- Forms of Collaboration
- Barriers to Diversification
- Strategic Awareness

#### **The questionnaire**

Key variables from the segmentation framework were incorporated into the questionnaire design and each of the three aspects of the segmentation framework described above was used to 'frame' the questions. Some characteristics, particularly those relating to activities and processes undertaken by the farmer were considered more appropriate for the qualitative approach of the interviews so it was decided that the questionnaire would focus on collecting the more easily quantifiable data. It was hoped that this could be used to provide a background and context to enrich the interviews.

The questionnaire<sup>5</sup> was compiled using a variety of open and closed questions, comprising 42 questions in all. To assess attitudes in response to planning, marketing, advice and support a 7-point Likert scale was used for the last 12 questions. The interviewees were also offered the opportunity to provide their own opinions in a separate section.

The questionnaire was administered to the farmers prior to each interview. Questionnaire responses were coded and each partner summarised their results onto a spreadsheet template. These codes were then pasted into an SPSS data sheet as appropriate values to enable analysis to be undertaken. Qualitative responses to open questions were recorded onto a data sheet verbatim. Then when all the responses had been input they were translated into appropriate nominal categories to enable analysis to be undertaken. These results are described in the sections which follow, analysed by partner country and also by strategic orientation.

## 3.2 Analysis and discussion

This section analyses the results of the completed questionnaires. It is divided into three parts which represent the sections of the questionnaire. Part one discusses the personal characteristics of the farmer, part two details the characteristics of the farm enterprise and part three discusses the activities and processes undertaken by the farmer, particularly in relation to planning.

Table 3.1 shows the breakdown of the interview cases by the strategic orientation: Conventional (C); Value Added (VA) and Non-Food Diversification (NFD), ascribed to them.

**Table 3.1 Strategic Orientation Categories by Partner Countries**

| Farm Category                | CH | E  | FI | NL | PL | IT | Total |
|------------------------------|----|----|----|----|----|----|-------|
| Conventional (%)             | 40 | 44 | 32 | 52 | 27 | 32 | 38    |
| Value Added (%)              | 32 | 16 | 32 | 32 | 35 | 36 | 30    |
| Non-Food Diversification (%) | 28 | 40 | 36 | 16 | 38 | 32 | 32    |
| Count (n)                    | 25 | 25 | 25 | 25 | 26 | 25 | 151   |

### 3.2.1 Personal characteristics

The first set of questions was concerned with the following personal characteristics:

- Gender
- Age
- Occupation prior to farming (open question)
- Educational level (interviewees to select from a ranked list of qualifications)
- Primary position on the farm (owner, manager, tenant or other)

These questions were repeated for the farmer's partner (if involved with the farm). Some of the interviews were conducted with more than one person, for example a husband and wife or father and son. Although in some cases the personal characteristics of the other person were captured, it was decided to use the information from the first (principal) interviewee only.

#### Gender

All partners endeavoured to interview at least five female farmers and overall 24% of the interviewees in the sample are female. Table 3.2 shows the gender of the (principal) interviewee in each partner's sample.

<sup>5</sup> A copy of the questionnaire is included in appendix 3.

**Table 3.2 Gender of Interviewees by Partner Countries**

| Gender     | CH | E  | FI | NL | PL | IT | Total |
|------------|----|----|----|----|----|----|-------|
| Male (%)   | 76 | 80 | 80 | 88 | 62 | 72 | 76    |
| Female (%) | 24 | 20 | 20 | 12 | 38 | 28 | 24    |
| Count (n)  | 25 | 25 | 25 | 25 | 26 | 25 | 151   |

Table 3.3 shows the gender of the (principal) interviewee in each farm category, and shows that the proportion of female farmers is slightly higher than average in the Non-Food Diversification category.

**Table 3.3 Gender of Interviewees by Strategic Orientation**

| Gender     | C  | VA | NFD | Total |
|------------|----|----|-----|-------|
| Male (%)   | 79 | 78 | 71  | 76    |
| Female (%) | 21 | 22 | 29  | 24    |
| Count (n)  | 57 | 46 | 48  | 151   |

### Age

The interviewees provided their date of birth on the questionnaire and this was converted to age to enable calculations and groupings to be made. The ages in the sample ranged from 25 to 84, with an average age of 44.78 years. The lowest average age was for the Polish sample, where over half of the interviewees were in their 30s and 40s. The highest average age was for the English sample, although at 50.84 years this is still lower than the national average age for a farmer, which is 55 years. All of the partners interviewed no more than five farmers over the age of 55, which is why the mean age of 44.78 shown in Table 3.4, is below the national average.

**Table 3.4 Average Age of Interviewees by Partner Countries**

| Age               | CH      | E       | FI      | NL      | PL      | IT      | Total   |
|-------------------|---------|---------|---------|---------|---------|---------|---------|
| Age Range (years) | 31 - 64 | 28 - 84 | 30 - 68 | 29 - 70 | 25 - 56 | 28 - 72 | 25 - 84 |
| Mean Age (years)  | 42.84   | 50.84   | 46      | 43.76   | 40.85   | 44.56   | 44.78   |
| Std. Deviation    | 9.503   | 12.14   | 10.161  | 9.185   | 8.862   | 10.755  | 10.464  |
| Count (n)         | 25      | 25      | 25      | 25      | 26      | 25      | 151     |

Table 3.5 shows that there is very little difference between the average ages of the interviewees separated by strategic orientation category.

**Table 3.5 Average Age of Interviewees by Strategic Orientation**

| Age               | C       | VA      | NFD     | Total   |
|-------------------|---------|---------|---------|---------|
| Age Range (years) | 28 - 84 | 25 - 72 | 31 - 67 | 25 - 84 |
| Mean Age (years)  | 44.7    | 44.24   | 45.4    | 44.78   |
| Std. Deviation    | 11.712  | 10.52   | 8.91    | 10.464  |
| Count (n)         | 57      | 46      | 48      | 151     |

### Educational Level

A range of ten different educational levels were provided in the questionnaire; from higher degree to no qualifications. In order to simplify the analysis, the responses were subsequently condensed to three categories:

- NVQ Level 4 – 5 (qualifications at Higher Education/degree level and above)
- NVQ Level 1 – 3 (qualifications below Higher Education/degree level)
- No qualifications

As table 3.6 shows the proportion of interviewees with qualifications equivalent to NVQ level 4 – 5 was higher than the overall average for the sample from England.

**Table 3.6 Educational Level by Partner Countries**

| Educational Level     | CH | E  | FI | NL | PL | IT | Total |
|-----------------------|----|----|----|----|----|----|-------|
| NVQ Level 4 – 5 (%)   | 12 | 71 | 24 | 16 | 40 | 16 | 30    |
| NVQ Level 1 – 3 (%)   | 88 | 29 | 64 | 84 | 60 | 80 | 67    |
| No Qualifications (%) |    |    | 12 |    |    | 4  | 3     |
| Count (n)             | 25 | 24 | 25 | 25 | 25 | 25 | 149   |

The proportion of the sample with NVQ level 4-5 was 30% overall. As table 3.7 shows, this proportion was lower in the Conventional category and higher in the Value Added and Non-Food Diversification categories. This pattern is reflected at NVQ level 1 – 3, with 67% of the sample overall, but a lower and slightly lower proportion in the Value-Added and Non-Food Diversification categories respectively and higher in the Conventional category.

**Table 3.7 Educational Level of Interviewees by Strategic Orientation**

| NVQ Level             | C  | VA | NFD | Total |
|-----------------------|----|----|-----|-------|
| NVQ Level 4 – 5 (%)   | 20 | 41 | 32  | 30    |
| NVQ Level 1 – 3 (%)   | 77 | 57 | 66  | 67    |
| No Qualifications (%) | 4  | 2  | 2   | 3     |
| Count (n)             | 56 | 46 | 47  | 149   |

### Occupation prior to farming

In the questionnaire the interviewees were asked to state their occupation prior to farming. From a wide range of responses basic categories were defined to differentiate people who had not held any occupation other than farming (which included responses such as ‘school’, ‘college’, ‘none’, and ‘always farming’) from those who had previously held other occupations, and whether these were agricultural or not.

As table 3.8 shows, over half of the interviewees (52%) had no other occupation before farming. This proportion was higher for the samples from England (64%) and Poland (65%), but lower in the samples from Switzerland (40%) and Finland (36%).

19% of the interviewees indicated that they had worked in another agricultural occupation prior to taking responsibility for a farm. The proportion was higher for the samples from Finland and the Netherlands (both 36%), and lower for Poland (8%) and Italy (4%). Over a quarter of the interviewees (27%) indicated that they had worked in a non-agricultural occupation prior to farming. The proportion was higher for the samples from Switzerland (36%) and Italy (40%) and lower for the sample from the Netherlands (12%).

**Table 3.8 Prior Occupations of Interviewees by Partner Countries**

| Prior Occupation                    | CH | E  | FI | NL | PL | IT | Total |
|-------------------------------------|----|----|----|----|----|----|-------|
| No prior occupation (%)             | 40 | 64 | 36 | 52 | 65 | 56 | 52    |
| Agriculture-related (%)             | 12 | 16 | 36 | 36 | 8  | 4  | 19    |
| Non-Agricultural (%)                | 36 | 20 | 24 | 12 | 27 | 40 | 27    |
| Agricultural & Non-Agricultural (%) | 12 |    | 4  |    |    |    | 3     |
| Count (n)                           | 25 | 25 | 25 | 25 | 26 | 25 | 151   |

As table 3.9 shows, when prior occupations are cross-tabulated with strategic orientation the proportion of interviewees who have had no prior occupation is higher for the Conventional farming category (65%) and lower for the Non-Food Diversification category (42%).

**Table 3.9 Prior Occupations of Interviewees by Strategic Orientation**

| Prior Occupation                    | C  | VA | NFD | Total |
|-------------------------------------|----|----|-----|-------|
| No prior occupation (%)             | 65 | 48 | 42  | 52    |
| Agriculture-related (%)             | 14 | 22 | 21  | 19    |
| Non-Agricultural (%)                | 18 | 28 | 35  | 27    |
| Agricultural & Non-Agricultural (%) | 4  | 2  | 2   | 3     |
| Count (n)                           | 57 | 46 | 48  | 151   |

**Position on the farm**

The questionnaire provided a number of options from which the interviewees were asked to select their position on the farm.

As table 3.10 shows, 80% indicated that they own the farm (although in many cases they added that it was a shared ownership arrangement, often with another family member). This proportion was even higher in Finland (96%), and in Poland all the interviewees indicated that they are the owner of the farm. In Italy the proportion who indicated that they own the farm was much lower (44%), but another 40% indicated that they are part owner/part tenant. This was not one of the options originally provided on the questionnaire, but these interviewees ticked both the owner and tenant boxes or stated both in the 'other' option. Because of the relatively large number of people who did this it was decided to show owner/tenant in the results as a separate category. However, it may be that if this option had been provided on the questionnaire an even greater number of interviewees would have selected it.

**Table 3.10 Interviewee's Position on the Farm by Partner Countries**

| Position                   | CH | E  | FI | NL | PL  | IT | Total |
|----------------------------|----|----|----|----|-----|----|-------|
| Owner (inc. co-owners) (%) | 84 | 80 | 96 | 80 | 100 | 44 | 81    |
| Owner/tenant (%)           | 4  | 12 |    | 4  |     | 40 | 10    |
| Tenant (%)                 | 12 | 8  |    | 4  |     | 8  | 5     |
| Manager (%)                |    |    | 4  | 8  |     | 4  | 3     |
| Other (%)                  |    |    |    | 4  |     | 4  | 1     |
| Count (n)                  | 25 | 25 | 25 | 25 | 25  | 25 | 151   |

Cross-tabulating 'position on the farm' with 'strategic orientation' did not show any substantial variations between categories.

**Table 3.11 Interviewee's Position on the Farm by Strategic Orientation**

| Position                   | C  | VA | NFD | Total |
|----------------------------|----|----|-----|-------|
| Owner (inc. co-owners) (%) | 81 | 83 | 79  | 81    |
| Owner/tenant (%)           | 9  | 9  | 13  | 10    |
| Tenant (%)                 | 7  | 2  | 6   | 5     |
| Manager (%)                | 4  | 4  |     | 3     |
| Other (%)                  | 2  | 2  | 2   | 1     |
| Count (n)                  | 57 | 46 | 48  | 151   |

**Business characteristics**

The second set of questions was concerned with the farming business, and any diversified business activities:

- Core farming business / Type of Farm
- Business organisation
- Size of farm / holding
- Area of farm / holding
- Number of employees
- Diversified activities

**Core Farm Business / Type of Farm.**

This question was posed in the questionnaire as ‘core farming business’ and interviewees were asked to tick one box to describe their core farm business. When devising the initial questionnaire, the Defra (2002) ‘robust farm types’ classifications were used. This was subsequently revised to use a more extensive EU farm type classification. The interviewees seemed to experience difficulties with the EU classification and with selecting just one option as their core business. To simplify the responses a revised range of categories was used and the interviewees’ answers were mapped onto a modified classification as shown below.

| <b>Original core farming classification</b> | <b>Modified classification</b>   |
|---|--|
| Cereals                                     | Mainly crop production   |
| Cereals, oilseed & protein crops            |  |
| General field cropping                      |  |
| Various permanent crops combined            |  |
| Mixed cropping                              |  |
| Horticulture                                |  |
| Vineyards                                   |  |
| Fruit & citrus fruit                        |  |
| Olives                                      |  |
| Dairy cattle                                | Mainly livestock   |
| Cattle rearing & Fattening                  |  |
| Cattle dairying, rearing & fattening        |  |
| Sheep, goats & other grazing livestock      |  |
| Specialist granivores                       |  |
| Mixed livestock, mainly grazing             |  |
| Mixed livestock, mainly granivores          |  |
| Field crops & grazing livestock             | Mixed – crops & livestock (also used where more than one type of classification had been ticked) |
| Various crops & livestock                   |  |
| Other                                       | Other (unless it could be accommodated by the modified categories)                               |

As table 3.12 illustrates, over 50% of the interviewees’ core farming activities were classified as mainly crop production (covering such diverse activities as: cereals and protein crops, olive oil and mushroom cultivation). This proportion was much lower in Switzerland (12%) and much higher in Italy (76%). Over 33% of the respondents’ core farming activities was classified as mainly livestock, significantly lower in England (16%) and Italy (20%) and much higher in the Swiss sample (76%).

**Table 3.12 Type of Farm by Partner Countries**

| <b>Type of Farm</b>           | <b>CH</b> | <b>E</b> | <b>FI</b> | <b>NL</b> | <b>PL</b> | <b>IT</b> | <b>Total</b> |
|-------------------------------|-----------|----------|-----------|-----------|-----------|-----------|--------------|
| Mainly crop production (%)    | 12        | 44       | 68        | 64        | 54        | 76        | 52           |
| Mainly livestock (%)          | 76        | 16       | 28        | 28        | 31        | 20        | 33           |
| Mixed – crops & livestock (%) | 12        | 36       | 8         | 8         | 15        | 4         | 14           |
| Other (%)                     |           | 4        |           |           |           |           | 1            |
| Count (n)                     | 25        | 25       | 25        | 25        | 26        | 25        | 151          |

Table 3.13 shows that the Conventional farming category has a slightly lower than average proportion of farms involved in mainly crop production and a slightly higher than average proportion of farms involved with mainly livestock.

**Table 3.13 Type of Farm by Strategic Orientation**

| Type of farm                  | C  | VA | NFD | Total |
|-------------------------------|----|----|-----|-------|
| Mainly crop production (%)    | 44 | 59 | 56  | 52    |
| Mainly livestock (%)          | 42 | 30 | 25  | 33    |
| Mixed - crops & livestock (%) | 14 | 11 | 17  | 14    |
| Other (%)                     |    |    | 2   | 1     |
| Count (n)                     | 57 | 46 | 48  | 151   |

### Size and Area of Farm

The interviewees were asked to classify the size of their farm into “Small”, “Medium” or “Large”. A follow-up question asked them to state the area of their farm / holding in hectares. The responses to these questions showed considerable variations between people’s perceptions of their farm size. ‘Small’ ranged from 1 to 250 Ha, Medium 34 to 1328, and large 70 to 3000. Clearly, the way in which farmers perceived size is based on a variety of different issues.

As table 3.14 shows, over half the sample (53%) indicated that they considered the farm to be “medium”. The average area of a “medium” farm is 80 Ha, although this varies between an average of 21 Ha for the Polish sample to and average of 241 Ha for the English sample. These figures illustrate that there are significant variations between the sizes, and perceptions of relative sizes, of the farms surveyed in the sample across the partner countries.

**Table 3.14 Size and Area of Farm by Partner Countries**

| Size of Farm             | CH       | E          | FI      | NL      | PL      | IT        | Total    |
|--------------------------|----------|------------|---------|---------|---------|-----------|----------|
| “Small” (%)              | 36       | 24         | 8       | 20      | 50      | 32        | 28       |
| “Small” Area Range (Ha)  | 6 - 22   | 1 - 53     | 17 - 24 | 1 - 42  | 6 - 15  | 5 - 40    | 1 - 53   |
| “Small” Mean Area (Ha)   | 13       | 37         | 21      | 26      | 11      | 12        | 17       |
| “Medium” (%)             | 52       | 52         | 68      | 40      | 46      | 60        | 53       |
| “Medium” Area Range (Ha) | 12 - 124 | 102 - 620  | 2 - 178 | 3 - 110 | 8 - 42  | 11 - 150  | 2 - 620  |
| “Medium” Mean Area (Ha)  | 42       | 241        | 74      | 37      | 21      | 53        | 80       |
| “Large” (%)              | 12       | 24         | 24      | 40      | 4       | 8         | 19       |
| “Large” Area Range (Ha)  | 22 - 31  | 550 - 2500 | 7 - 200 | 2 - 600 | 203     | 124 - 300 | 2 - 2500 |
| “Large” Mean Area (Ha)   | 28       | 1039       | 119     | 143     | 203     | 212       | 338      |
| Count (n)                | 25       | 25         | 25      | 25      | 26      | 25        | 151      |
| Total Area Range (Ha)    | 6 - 124  | 1 - 2500   | 2 - 200 | 1 - 600 | 6 - 203 | 5 - 300   | 1 - 2500 |
| Total Mean Area (Ha)     | 30       | 383        | 81      | 75      | 23      | 52        | 108      |

As table 3.15 shows, again that there are considerable differences between the perceptions of farm size relative to area. This is particularly noticeable in the “large” classification, with an average size of 338 Ha, but 129 Ha in the Value-Added category and 503 Ha in the Non-Food Diversification category.

**Table 3.15 Size and Area of Farm by Strategic Orientation**

| Size of Farm             | C         | VA      | NFD       | Total    |
|--------------------------|-----------|---------|-----------|----------|
| “Small” (%)              | 25        | 28      | 33        | 28       |
| “Small” Area Range (Ha)  | 7 - 53    | 1 - 46  | 5 - 50    | 1 - 53   |
| “Small” Mean Area (Ha)   | 22        | 13      | 17        | 17       |
| “Medium” (%)             | 56        | 54      | 48        | 53       |
| “Medium” Area Range (Ha) | 3 - 420   | 2 - 260 | 10 - 620  | 2 - 620  |
| “Medium” Mean Area (Ha)  | 79        | 43      | 121       | 80       |
| “Large” (%)              | 19        | 17      | 18.75     | 19       |
| “Large” Area Range (Ha)  | 31 - 1020 | 2 - 550 | 32 - 2500 | 2 - 2500 |
| “Large” Mean Area (Ha)   | 337       | 129     | 503       | 338      |
| Count (n)                | 57        | 46      | 48        | 151      |
| Total Area Range (Ha)    | 2 - 1020  | 1 - 550 | 5 - 2500  | 1 - 2500 |
| Total Mean Area (Ha)     | 111       | 48      | 158       | 108      |



### Business Organisation

Interviewees were asked to tick one box to indicate the type of business organisation.

As table 3.16 shows, the majority of interviewees (69%) described themselves as a family business. The Netherlands had the smallest incidence of family business with the majority of interviewees describing themselves as a 'Partnership'. All of the Polish interviewees described themselves as a family business.

**Table 3.16 Business organisation by Partner Countries**

| Business organisation             | CH | E  | FI | NL | PL  | IT | Total |
|-----------------------------------|----|----|----|----|-----|----|-------|
| Family business (%)               | 76 | 64 | 80 | 32 | 100 | 60 | 69    |
| Sole trader, etc. (%)             | 8  | 12 | 4  |    |     | 24 | 8     |
| Partnership (%)                   | 4  | 20 | 8  | 52 |     | 16 | 17    |
| Management team/Ltd. Co/Other (%) | 12 | 4  | 8  | 16 |     |    | 7     |
| Count (n)                         | 25 | 25 | 25 | 25 | 26  | 25 | 151   |

### 3.2.2 Business activities and processes undertaken by the Farmer

The third set of questions was concerned with planning processes for the farm and any diversified business.

#### Diversified Activities

Previous studies have indicated that over half of UK farm businesses are also involved in other business activities. For example, the University of Exeter study, (2002) found 58.3% of holdings were engaged in some form of diversified activity. It was important, therefore, to consider farmers use of and attitudes towards planning for both the farm business and any other business activities they are engaged in.

An open question was posed to gather details of any diversified activities. Interviewees were asked to list any other business activities that they have considered diversifying into and to state whether they are involved, had tried or considered it or were considering it.

64% of the interviewees initially indicated that they were involved in some form of diversified activity. This 64% roughly equates to the combined proportion of 'VA' and 'NFD' in the sample. However, for example, some conventional farmers were involved in what McElwee (2005) has described as 'pluriactivity', for example property letting.

#### Business planning

The interviewees were asked whether they have business plans for the farm business and whether they are formal. These questions were repeated for any diversified activities. The responses to these questions have been combined in the following tables to provide a summary of the interviewees' use of business and marketing plans, comparing the farm business with any diversified activity.

As table 3.17 shows, only 21% of the sample use formal business plans. This is higher for the interviewees from Finland and England, and lower for the interviewees from Italy and Poland (where all of the interviewees indicated they do not use a business plan at all).

**Table 3.17 Use of Business Plans for the Farm by Partner Countries (all interviewees)**

| Farm business plan | CH | E  | FI | NL | PL  | IT | Total |
|--------------------|----|----|----|----|-----|----|-------|
| No plan (%)        | 40 | 28 | 12 | 40 | 100 | 16 | 39.7  |
| Informal Plan (%)  | 40 | 40 | 40 | 40 | 0   | 76 | 39.1  |
| Formal Plan (%)    | 20 | 32 | 48 | 20 | 0   | 8  | 21.2  |
| Count (n)          | 25 | 25 | 25 | 25 | 26  | 25 | 151   |

#### Analysis by Farm Size

As table 3.18 shows, a higher proportion of farmers with large farms use a formal business plan for the farm.

**Table 3.18 Use of Business Plans for the Farm by Farm Size (all interviewees)**

| Farm business plan | Size of farm |        |       | Total |
|--------------------|--------------|--------|-------|-------|
|                    | Small        | Medium | Large |       |
| No plan (%)        | 56           | 36     | 25    | 40    |
| Informal Plan (%)  | 28           | 43     | 46    | 39    |
| Formal Plan (%)    | 16           | 21     | 29    | 21    |
| Count (n)          | 43           | 80     | 28    | 151   |

### Attitudes towards Planning, Marketing, Advice and Support

Questions 31 – 42 were intended to assess the interviewees' attitudes towards planning and marketing for both farming and diversified activities and their views on a number of statements relating to support and advice.

The following statements were used to gauge the interviewees' opinions:

Regarding planning and marketing activities ...

- 31. It is important to use a formal business plan for a farm
- 32. It is important to use a formal marketing plan for a farm
- 33. It is important to use a formal business plan for diversified activities
- 34. It is important to use a formal marketing plan for diversified activities

Regarding your own experience of support, advice or information ...

- 35. Farmers' networks are useful to me
- 36. Professional associations are useful to me
- 37. Professional services (e.g. bank) are useful to me
- 38. Support groups (e.g. trade union) are useful to me
- 39. Family and friends are useful to me for advice and support
- 40. Customers are useful to me for advice and support
- 41. Suppliers are useful to me for advice and support
- 42. The internet is useful to me for business purposes

The interviewees were asked to rate each of the statements using a 7-point Likert type scale. The possible values ranged from 1 - strongly agree to 7 - strongly disagree. A rating of 4 – neither agrees nor disagrees – would be considered to be the 'point of indifference'.

To produce a concise comparison mean values were compared using SPSS for each of the statements, broken down by partner country and strategic orientation. These have been collated into tables 3.19 and 3.20 in an attempt to highlight any key differences. Non-responses were excluded from the calculation of the means.

There was general agreement overall for all of the statements although, as shown by table 3.19 there were some notable variations in opinions between interviewees in the different countries for some of them.

In relation to attitudes towards planning for the farm the interviewees in the English sample seemed to agree slightly with the need for a business plan and a marketing plan. This followed through into planning for diversified activities, but more marked was the difference between the attitudes of the Swiss and Italian samples. The Swiss sample exhibited slight disagreement with the statements that business and marketing plans are important for diversified activities, while the Italian sample showed quite strong agreement with the statement that a formal business plan is important for diversified activities.

The Swiss, Finnish and Italian samples showed a slightly higher than average level of agreement that farmers' networks are useful, while the Polish sample showed a higher than average level of agreement that professional services are useful. The English sample indicated a lower than average level of agreement with the statement that support groups are useful and the Dutch sample indicated a lower than average level of agreement with the statement that family and friends are useful. Both the Swiss and the Finnish samples showed a higher than aver-

age level of agreement that family and friends are useful and the Polish sample showed a lower than average level of agreement that customers are useful.

**Table 3.19 Mean Score Values to Attitudinal Questions by Partner Countries (a lower score indicates a greater level of agreement)**

| Statement   | Mean values by partner country |      |      |      |      |      | Total |
|---|--------------------------------|------|------|------|------|------|-------|
|   | CH                             | E    | FI   | NL   | PL   | IT   |       |
| 31. Formal business plan important for a farm           | 3.64                           | 2.22 | 2.84 | 3.74 | 3.35 | 2.36 | 3.03  |
| 32. Formal marketing plan important for a farm          | 3.72                           | 2.48 | 3.60 | 3.92 | 3.19 | 2.72 | 3.28  |
| 33. Formal business plan important for diversification  | 4.48                           | 2.09 | 2.88 | 3.62 | 3.04 | 1.76 | 2.97  |
| 34. Formal marketing plan important for diversification | 4.64                           | 2.13 | 2.84 | 3.48 | 2.88 | 2.36 | 3.06  |
| 35. Farmers networks are useful to me                   | 1.92                           | 2.74 | 1.64 | 2.08 | 2.50 | 1.32 | 2.03  |
| 36. Professional networks are useful to me              | 3.00                           | 2.76 | 3.12 | 2.71 | 2.54 | 2.28 | 2.73  |
| 37. Professional services are useful to me              | 2.72                           | 2.92 | 1.88 | 2.88 | 1.69 | 2.67 | 2.45  |
| 38. Support groups are useful to me                     | 2.58                           | 3.75 | 2.20 | 3.24 | 2.65 | 3.20 | 2.93  |
| 39. Family & friends are useful to me                   | 1.64                           | 2.54 | 1.60 | 3.40 | 2.15 | 2.22 | 2.26  |
| 40. Customers are useful to me                          | 2.56                           | 2.04 | 1.92 | 2.04 | 3.23 | 1.88 | 2.29  |
| 41. Suppliers are useful to me                          | 3.08                           | 2.64 | 3.04 | 2.50 | 3.46 | 3.12 | 2.98  |
| 42. The internet is useful to me                        | 2.72                           | 2.54 | 2.24 | 2.84 | 2.27 | 2.08 | 2.45  |

Table 3.20 shows the mean scores for the attitudinal questions for the different categories. This analysis indicated that there are only very minor differences between the mean scores. For example the interviewees in the Conventional farming category indicated very slightly less agreement with the statement that a formal business plan is necessary for a farm and the interviewees in the Non-Food Diversification category indicated slightly more agreement with the statements that formal a business plan and a formal marketing plan are important for diversified activities.

**Table 3.20 Mean Score Values to Attitudinal Questions by Strategic Orientation (a lower score indicates a greater level of agreement)**

| Statement   | Mean values by Strategic Orientation |      |      | Total |
|---|--------------------------------------|------|------|-------|
|   | C                                    | VA   | NFD  |       |
| 31. Formal business plan important for a farm           | 3.20                                 | 2.98 | 2.87 | 3.03  |
| 32. Formal marketing plan important for a farm          | 3.55                                 | 3.20 | 3.04 | 3.28  |
| 33. Formal business plan important for diversification  | 3.15                                 | 3.07 | 2.68 | 2.97  |
| 34. Formal marketing plan important for diversification | 3.24                                 | 3.09 | 2.81 | 3.06  |
| 35. Farmers networks are useful to me                   | 2.27                                 | 1.93 | 1.83 | 2.03  |
| 36. Professional networks are useful to me              | 2.80                                 | 2.85 | 2.53 | 2.73  |
| 37. Professional services are useful to me              | 2.52                                 | 2.47 | 2.35 | 2.45  |
| 38. Support groups are useful to me                     | 2.89                                 | 3.20 | 2.72 | 2.93  |
| 39. Family & friends are useful to me                   | 2.67                                 | 1.89 | 2.13 | 2.26  |
| 40. Customers are useful to me                          | 2.40                                 | 2.20 | 2.24 | 2.29  |
| 41. Suppliers are useful to me                          | 2.63                                 | 3.28 | 3.11 | 2.98  |
| 42. The internet is useful to me                        | 2.70                                 | 2.24 | 2.35 | 2.45  |

### 3.3 Conclusions

The samples for each country are comparable to ensure consistency and validity. Each partner rigorously followed agreed instructions in terms of utilising a) the sample size and variation, b) the agreed format. The results would suggest and indeed indicate that the 'C', 'VA' and 'NFD' groups are comparable.

Throughout the chapter, we have reported on differences between farmers in the countries participating in the project. However, caution must be exercised when interpreting the implications of these results as the small sample size of 151 and more qualitative approach does not easily lend itself to a comparison between the countries. Furthermore, we note that the sample does not represent a homogeneous sample of farmers.

A second cautionary note is necessary. The questionnaire was designed in English and subsequently translated into Dutch, Finish, Italian, Polish and Swiss. The results were then synthesised back into English and sent to the authors of this chapter for analysis. Cultural interpretation of some of the terminology therefore varies.

However, the questionnaire's primary purpose was to elicit background information to provide a context to the sample to underpin the qualitative aspect of the research. In this respect no hypotheses were promulgated.

### **3.4 References**

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## 4 The entrepreneurial farmer in England (UK)

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### 4.1 Introduction

#### 4.1.1 The farming footprint in the UK

Over the past fifty years there have been significant changes to agriculture in the UK. Although the area of arable land has not changed significantly, the way in which it has been farmed has. According to DEFRA (2005), UK farming contributes £6.6 billion a year to the UK economy, uses around three quarters of the country's land area, and employs over half a million people.

As farming became more production-oriented in the 1960's the number of farm holdings decreased as farms merged and the number of larger farms increased. In 1950 there were only 12,362 holdings in England over 120 Hectares. By 1970 this had increased to 18,903, and in 2005 there were 26,788 holdings over 100 Hectares. Correspondingly, the number of smaller farms has decreased. In 1950 there were approximately 130,000 farms smaller than 6 Hectares and in 1970 this figure had reduced to 52,212. By 1995 the number of farms smaller than 5 Hectares had decreased to 29,728.

Livestock numbers increased in the decades after the Second World War and more intensive methods meant that fewer animals were kept outdoors. The area of grazing land decreased accordingly. In 2005 there was 41% less rough grazing land than in 1950 (DEFRA 2005). The types of crops grown have also changed. For example, the area of land used to grow potatoes has declined, from 329,540 Ha in 1950, down to 102,407 Ha in 2005 and the land used for wheat has increased, from 950,705 Ha in 1950 to 1,748,414 in 2005. The amount of oilseed rape has also increased. Originally a fodder crop, in 1950 there were only 20,856 Ha. By 2005, 479,954 Ha were grown in England and it is now extensively used as bio fuel.

#### Contribution

At the start of the Second World War, Britain imported almost 70% of its food. UK agriculture now provides almost three quarters of indigenous food and around 60% of all food consumed in the UK. The Gross Value Added (GVA) of farming is equivalent to approximately 0.5% of the GVA of the country as a whole. However the Agri-food sector as a whole is much more significant, producing £76 billion or 8.6% of the national GVA in 2004. (Spedding 2006). Since 1973 the productivity of the agriculture industry in the UK has increased by 48%. Increases in labour productivity have been the major driver in the growth in productivity. The number of people working in agriculture has consistently been in decline for the past fifty years, mainly due to increased mechanisation. In 1950 there were 687,717 farmers and farm workers in England and Wales, by 2001 there were approximately 430,000, by 2005 364,891. Currently around 1.9% of the UK working population are involved in agriculture.

#### Structural changes

Selling, stock for example, through live auction markets was still dominant in the 1960s and over 800 markets operated in the UK, but by March 2001 only 170 remained. Supermarkets became more prominent in the 1960s aided initially by the abolition of retail price maintenance and increasing post-war affluence and consumption and more recently by changing lifestyles. In 1960 small independent retailers had a 60% share of the food retail market but by 2000 this share was reduced to 6%. Four supermarkets currently control 75% of UK food retailing.

#### Income

In 1950 a UK farmer could earn a living owning 15 cows, now, in real terms to earn the same living, the farmer needs to own 120 cows. In the short term, financial pressure on farms is the result of a combination of events which have led to the very steep decline in farm incomes since 1996. It appears that farm incomes in the UK are

now as low as at any time in the last thirty years. Overall, nearly half of farms covered by the latest Farm Business Survey (DEFRA 2005) had a net farm income of less than £10,000 in 2004/5 and a substantial proportion have negative income.

### **Lincolnshire and North Yorkshire**

The interviewees were chosen from two contrasting counties, both of which are of major agricultural significance to the UK.

North Yorkshire has a total land area of 803,757 Ha, of which 77% is farmland. Almost half of North Yorkshire's farmland area is either permanent grass or rough grazing and the county has large numbers of sheep, cattle, pigs and goats. There are 9,421 farm holdings registered and almost a third of these are in the LFA6 or Lowland grazing livestock classification. The average holding size is around 66 Ha. North Yorkshire has 13,996 farmers and only 541 farm managers.

Lincolnshire has a total land area of 592,062 Ha, of which 87% is farmland. 77% of Lincolnshire's total farm area is either crops or bare fallow and only 9.3% is permanent grass or rough grazing. 23% of England's horticultural farmland is in Lincolnshire, mainly in the Lincolnshire Fens. There are 5,725 holdings registered and over 46% of these are in the Cereals or General cropping classification. Lincolnshire has a slightly larger proportion of very small and very large holdings than North Yorkshire and the average holding size is around 90 Ha. Lincolnshire has 8,077 farmers and 950 farm managers. A larger number of casual workers and women workers are utilised in Lincolnshire than in North Yorkshire. (Source: Defra, 2005).

#### **4.1.2 Methodology**

Potential interviewees from Lincolnshire and North Yorkshire were selected from a list of farms and contacted by telephone in order to request an interview. Efforts were made to ensure a range of ages and farm types and sizes were represented and that five female farmers were included in the sample. No attempt was made to select interviewees based on their main 'strategy' and the cases were only categorised in this way after the interviews had been completed.

Table 1 lists the basic details for each of the interview cases: showing the range of ages, core farm businesses and farm sizes. Other business activities have also been included, as many of the respondents indicated that they were involved in other activities, even if diversification was not their main 'business strategy'. These other activities were initially noted by the interviewees on the background questionnaire as diversification activities, however we were subsequently able to make distinctions on the basis of the more detailed information that was provided during the interview. For example, many of the interviewees that we have attributed to the 'conventional farming' category are also involved in letting property on their land but in the interviews there was little or no discussion about this and their attention and resources seemed to be focused on their core production area. Conversely, in the interviews with the farmers that we have subsequently classified as 'value added' or 'non-food diversification' the main emphasis of the discussion seemed to be on these other activities rather than farming. Based on the information provided during the interview we have categorised 11 of the cases as 'conventional farming' (CF), 4 as 'value added' (VA) and 10 as non-food diversification (NFD).

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<sup>6</sup> A farm is classified as a Less Favoured Area (LFA) farm if 50% or more of its total area is in the LFA and a lowland farm if less than 50% of its total area is in the LFA. The designation of LFA in England relates to the physical handicaps of farming these areas, i.e. high rainfall, low temperatures, poor infertile soils and steep gradients.

**Table 4.1: Overview of interview cases**

| <b>'Conventional Farming' Cases</b>     |               |            |                           |                  |   |
|---|---------------|------------|---------------------------|------------------|---|
| <b>Case</b>                             | <b>Gender</b> | <b>Age</b> | <b>Core farm business</b> | <b>Farm size</b> | <b>Other business activities</b>        |
| C1                                      | Male          | 61         | Cereals, oilseed, etc.    | 1012 Ha          | Property/shooting/fishing               |
| C2                                      | Male / Male   | 62/36      | Cereals                   | 1020 Ha          | Property                                |
| C3                                      | Male          | 63         | Mixed crops & livestock   | 200 Ha           | Plumbing business (son)                 |
| C4                                      | Male          | 38         | Mixed crops & livestock   | 550 Ha           | Industrial lets                         |
| C5                                      | Male          | 28         | Mixed crops & livestock   | 192 Ha           | Investment, letting houses              |
| C6                                      | Male          | 61         | Cereals, oilseed, etc.    | 420 Ha           | Letting buildings/spraying/direct sales |
| C7                                      | Male          | 51         | Dairy cattle              | 120 Ha           | None                                    |
| C8                                      | Male          | 49         | Mixed crops & livestock   | 120 Ha           | None                                    |
| C9                                      | Male          | 55         | Mixed crops & livestock   | 53 Ha            | Christmas poultry                       |
| C10                                     | Male          | 57         | Mixed crops & livestock   | 102 Ha           | None                                    |
| C11                                     | Male          | 83         | General field cropping    | 119 Ha           | Contract hedge flailing                 |
| <b>Value added cases</b>                |               |            |                           |                  |   |
| <b>Case</b>                             | <b>Gender</b> | <b>Age</b> | <b>Core farm business</b> | <b>Farm size</b> | <b>Value added activities</b>           |
| VA1                                     | Female        | 57         | Poultry & organic seed    | 46 Ha            | Organic poultry                         |
| VA2                                     | Male          | 40         | Horticulture              | 550 Ha           | Food service/importing                  |
| VA3                                     | Male          | 40         | Mixed crops & livestock   | 260 Ha           | Direct poultry sales                    |
| VA4                                     | Male          | 45         | Pigs                      | < 1 Ha           | Farm shop                               |
| <b>(Non-food) Diversification cases</b> |               |            |                           |                  |   |
| <b>Case</b>                             | <b>Gender</b> | <b>Age</b> | <b>Core farm business</b> | <b>Farm size</b> | <b>Diversification activities</b>       |
| NFD1                                    | Female/Male   | 56/55      | Cereals, oilseed, etc.    | 240 Ha           | Holiday cottages                        |
| NFD2                                    | Male          | 38         | Mixed livestock           | 620 Ha           | Bee keeping                             |
| NFD3                                    | Female        | 51         | Cereals                   | 2500 Ha          | Green burial                            |
| NFD4                                    | Male          | 44         | Grazing livestock         | 21 Ha            | IT/web page design                      |
| NFD5                                    | Female        | 54         | Highland ponies           | 48 Ha            | Highland ponies                         |
| NFD6                                    | Male          | 35         | Cereals, oilseed, etc.    | 600 Ha           | Storage/residential property            |
| NFD7                                    | Male          | 46         | Cereals, oilseed, etc.    | 330 Ha           | Holiday cottages                        |
| NFD8                                    | Male          | 59         | Cereals                   | 120 Ha           | Plastic waste/caravan site              |
| NFD9                                    | Male          | 56         | Crops & livestock         | 50 Ha            | Livestock haulage                       |
| NFD10                                   | Female        | 37         | Crops & livestock         | 285 Ha           | Christmas shop                          |

The majority of the interviews were with individual farmers except in case C2 where both the father and son were involved with the interview and in case NFD1 where the interview was started with the wife, (who is mainly responsible for the diversified business) then the husband joined in. Case VA4 was slightly unusual in that the interviewee is a sleeping partner in the farm business, but the self-presentation was partly based on his description of his partner, who runs the farm and the farm shop.

The interviews took place between July and October 2006, with a hiatus during August and September, when many of the farmers were involved in harvesting. The majority of the interviews took place either in the farm office or farmhouse and their duration varied from just under 30 minutes to over 90 minutes.

The analysis of the interviews was separated into two phases. The first phase focused on the interviewees' responses to the following questions:

- Do you have a business strategy and do you evaluate it?
- Do you consider this important?

- Are you good at networking and utilising contacts?
- Is this one of the most important skills?
- Are you good at recognising and realising opportunities?
- Is this one of the most important skills?

The comments and rhetorical resources provided in response to these questions were taken to be the interviewees' self-presentations of themselves in relation to these entrepreneurial skills. They were summarised into a concise interpretation for each case and each skill to enable comparisons to be made between the cases. The summaries for each skill were then grouped together on the basis of the level of the skill that was indicated. To enable comparisons to be made between the interview cases and the different categories the same skill levels were applied across each of the strategic categories.

Four levels, or gradations, were identified in relation to the interviewees' use of strategic planning, as follows:

- Presented as having a formal strategy
- Presented as having a business strategy, but not a formal one
- Presented as using business plans
- Presented as not using business plans (mainly production planning)

There seemed to be a certain order to these levels: from the interviewees who indicated a degree of long-term strategic planning, down to those who indicated that they were unable to use long-term planning for the business and just focused on production planning.

In a similar way, five different levels were identified for the skills associated with networking and opportunity (with the lowest level indicating that they have not developed this skill):

- Presented as being good at networking and utilising contacts (both informally and on a formal basis)
- Presented as being good at networking (not just with other farmers)
- Presented as being good at networking informally with other farmers
- Presented as (being in the process of) developing networking skills
- Presented as not being good at networking
- Presented as being good at recognising and realising opportunities
- Presented as being *quite good* at recognising and realising opportunities
- Presented as being good at recognising opportunities (not necessarily being able to realise them)
- Presented as being able to recognise opportunities when they arise
- Presented as not being good at recognising or realising opportunities

These gradations were used to compare each of the cases and they were allocated an order within their respective strategic orientation categories according to the skill levels indicated. Codes based on this order were then used to replace the original numbers that had been used to identify each case. For example, the conventional farming case whose self-presentation indicated the highest levels in strategic planning combined with networking and opportunity recognition was allocated case number C1, in the value added cases it was AV1 and in the diversified cases it was NFD1. It was hoped that coding the cases in this way would make it easier to draw comparisons, although the disparity in levels between many of the interviewees' different skills meant that this was not always so. For example, the interviewee in case C1 indicated that he used a formal business strategy and that he was good at recognising and realising opportunities, but he asserted that he was not very good at recognising and realising opportunities. Summaries of the way the cases have been organised within the skill level groupings are shown in tables 2, 3 and 4.

The second phase of the analysis focused on the interviewees' views in relation to differences in levels of the entrepreneurial skills that had been discussed and how they are developed. Their comments were in response to the following questions:

- In your experience do some farmers have these (entrepreneurial) skills more than others?
- What causes the difference?
- Why did you develop your (entrepreneurial) skills?
- How did you develop your (entrepreneurial) skills?



- According to the people we interviewed, the development of these skills depended heavily on the attitudes and personality of the farmer. What do you think?
- What could be done to develop these (entrepreneurial) skills among farmers?

The transcript of each interview was reviewed and the key points and quotes in relation each question were summarised. In this way a one page summary for each case was produced, which made it easier to consider each of the categories as a whole. Then each question was taken separately and key themes shown on the summaries were identified, allowing the ideas discussed by the interviewees to be explored within each category. This was repeated independently for each of the categories, in the hope that this would elicit a full range of the views expressed within all the interviews. Finally, the responses from the interviews were summarised for each category in relation to the differences in the skills and development of the skills.

## 4.2 Phase 1 results

This part of the analysis focuses on the interviewees' self-presentations in relation to the three different entrepreneurial skills. It is presented on a case by case basis, each prefaced by a very brief background, in the hope that this will provide an element of context for the cases and a better understanding of the self-presentations. This is followed by a summary of the self-presentations of each category in relation to the skills.

### 4.2.1 Conventional farming cases

#### Case C1

##### **Background**

The interviewee in case C1 is a 61 year-old farmer, educated to degree level. He owns a large farm (1,012 Ha) and employs a farm manager and land agent. The core business is cereals, oilseed and protein crops, but they also let out property.

##### **Presented as having a formal business strategy**

This interviewee is the only 'conventional farmer' who said that he uses a formal planning process for the farm business. He indicated that they have two levels of planning: 12 months cash flow and budgets and a report to "say where you think you're going to go" in the next four years. The plans are formal documents, produced in consultation with the farmer, farm manager and land agent, which are reviewed on a quarterly basis. The interviewee said that is important to have a strategy and to update it frequently "to stay on track".

##### **Presented as developing networking skills**

The interviewee initially evaded the question of whether he is good at networking and utilising contacts. When he went back to it he said explicitly that he did not think he is very good at networking. In his perception of his own skill level he was comparing himself to his wife, who he said had this skill. The interviewee said that he goes to shows and meetings, although he said that he would usually use this as an opportunity to obtain a specific piece of information, rather than for general networking. However, he did mention "keeping in touch with everybody and listening to what people say", as a way of finding out what opportunities are available and said that he learnt a lot by talking to other farmers. Although the interviewee said that he does not think he is very good at networking, he does think it is important and although he indicated that it does not come naturally to him, as with many farmers, he did say that he is learning to do it.

##### **Presented as being good at recognising and realising opportunities**

The interviewee said that they are always looking at opportunities and added that they went into property development on the farm long before other farmers started getting involved in similar ventures. He mentioned some specific ventures that they had considered and also said that they explore opportunities and go into quite a lot of analysis to establish what could work. He said that they have a narrow "window of opportunity" due to the location of the farm but they focus on doing what they do well. He said that this skill is very important.

## Case C2

### Background

The interviewees in case C2 are a 62 year-old man (educated to HND level) and his 36 year-old (youngest) son. They own a large (1020 Ha) farm, grow mainly cereals and have diversified into property. Both sons are involved with the farm business and they indicated that they are keen to buy more land to expand the farm.

### Presented as having a business strategy, but not a formal one

The interviewees indicated that they do have an overall long-term strategy for the development of the business and have also used consultants to provide advice on aspects of longer term planning (including retirement planning). They indicated a shared understanding (between father and son), but said that the plan is not written down because it would change too frequently. They presented a structured approach to growing the business and moving it forward, although on a less formal basis than case C1. The interviewees said that it is important to have an overall strategy “so you know where you’re going”, but that formal business plans were only really necessary “when going in to a wholesale change”.

### Presented as father being good at networking / son not being good at networking

In the interview, the son initially responded by indicating that his father was good at networking because he had a lot of associates and acquaintances. The father did not initially agree, but he did indicate that he is quite outgoing and sociable. The father mentioned that he uses social activities for networking and indicated that this was just “being friendly and having a chat”, as opposed to “deliberate networking”. The main reasons that were mentioned for networking were to know the right people to find out information or to get something done. They agreed that networking is an important skill for a farmer, and the father said: “the older I get the more I realise that it’s not what you know it’s who you know. And it bloody well is when it comes to getting things done.”

### Presented as being good at recognising and realising opportunities

The interviewees said that they are “pretty on the ball in that respect”. The father mentioned a “gut reaction”, whereas the son talked about a more systematic approach to assessing a potential opportunity. They both indicated that decisions often had to be made very quickly in relation to business opportunities (land sales and contract farming) and talked about some of the difficulties that they had experienced in relation to some opportunities that they had been considering recently. They said it is very important: “it’s the crux of everything really, isn’t it.”

## Case C3

### Background

The interviewee in case C3 is a 63 year-old man, who left school at the age of 16. The medium sized farm (200 Ha) is part owned, part tenanted and he grows mixed crops, with cattle and sheep. He has been farming for 40 years, previously in partnership with brother. The farmer’s son works with him on the farm, but less so now as he is in the process of setting up his own business.

### Presented as having a business strategy but not a formal one

The interviewee said that he does forward budgets and has an outline plan considering 5 – 10 years ahead (for environmental management) and 3 – 4 years ahead for the farm. Like case C2 he is planning ahead towards his retirement, but he is not intending to grow the business. He mentioned that he does his short-term planning on a daily basis, early each morning: “back of a cigarette packet.” The interviewee said that planning is “vitaly important” but said that it is difficult to look very far ahead on the farming side due to price fluctuations.

### Presented as not being very good at networking

The interviewee gave an initial self-assessment that he is not very good at networking. He went on to say that he did utilise his contacts, but felt that he could make better use of them than he did. He mentioned that the next generation (including his son) was better at it. He did not really comment on the importance of this skill and talked more about the way that the nature of networking has changed from his generation to the next: with a lack of face-to-face contact and increasing isolation for some farmers.

### Presented as being quite good at recognising and realising opportunities

The initial self-assessment from the interviewee was: “Yes and no ... I’m not as good as I ought to be because I’m a traditionalist.” Later he said that a lot of it was about being in the right place at the right time, or thinking of something just before everybody else. However, he did say that they have tried a number of things and they’ve

been reasonably successful. He described how he had previously diversified into vermiculture, but problems with the agent led to him pulling out after 3 years. He has also mentioned that he had recently been accepted into the Higher Level Stewardship scheme.

The interviewee said that he has spotted opportunities through networking with other farmers and trying to find solutions to joint problems. He talked about some of the ventures he had been involved with and about innovative practices they had tried within farming. He said it was important if you were going to take up the opportunities and indicated that for smaller farms it was no longer sufficient to keep up with the times, you had to stay ahead.

#### **Case C4**

##### **Background**

The interviewee in case C4 is a 38 year-old farmer, educated to degree level, who owns a large (550 Ha) arable farm. He uses pigs as a “cash generator” to expand the arable side of the farm (most of the grain goes to feed the pigs). He has streamlined the business over the last few years and let out some pig sheds for industrial use. The pigs are sold directly to supermarket chain, according to their production schedules.

##### **Presented as using business plans**

The interviewee said that he has short term plans, cash flow and budgets, but not a formal strategy. They have long term aims of where they want to go, but that these are fairly vague and they would evaluate any opportunity that came along. The interviewee said that farming is different from other businesses and the main long-term aim for most farmers is to buy more land. He also said that farming had difficult times to contend with, indicating that this made long-term planning very difficult.

##### **Presented as being good at networking, both informally and on a formal basis**

The interviewee initially gave an indirect self-assessment of his skills by talking about the importance of networking in relation to his business and the need to get sufficient information to take the business forward. He indicated that some of the contact was on a professional level (e.g. arable consultant) and some on a more informal basis. The interviewee indicated that they use a range of contacts so that they can get information about the different areas of business that they are in. He described these as: “various pools, or different people, just to get different ideas.” This information helped him to evaluate what was happening with the business. The interviewee agreed that networking was an important skill: “for life”.

##### **Presented as being good at recognising opportunities**

The interviewee’s initial response was: “Yeah, we can recognise them, it’s not necessarily to say that we can realise them.” He mentioned that they had seen an opportunity to produce a niche market (high welfare) for pigs and had gone out and done it. He said: you “can’t bury your head in the sand ... you have to be able to recognise what’s going on out there.” He also said that you can see that some things are going to be a good idea, but you don’t always have the resources to pursue them. He mentioned the evaluation process – the financial side of it, whether the sums stack up and how much running around you wanted to do. He would see if it fits in with what they’re already doing: “building on what we’ve got as opposed to changing direction”. He said that this skill is “fairly important”, you need to “keep your head above water and if there’s an opportunity out there you have to try and grasp it and take it if you can.”

#### **Case C5**

##### **Background**

The interviewee in case C5 is a 28 year-old farmer, who went to agricultural college straight after school. He inherited the family farm last year. The medium sized farm (192 Ha) produces various crops and livestock and they have also diversified into property/renting out houses.

##### **Presented as using business plans**

Case C5 said he has cropping plans, stocking plans, etc. written down, but they will probably change because they will be driven by the market. He said that the strategy is “whatever the job requires at the time”. Similarly to case C4, he indicated that he uses short term planning on a fairly formal basis, but indicated a greater degree of flexibility in terms of the future direction of the business and a more optimistic outlook. He said that planning is very important, but you still have to remain flexible.

### **Presented as being good at networking informally with other farmers**

The interviewee indicated that he is very good at networking. He then went on to mention his involvement with farmers' social groups he actively engages with other farmers and the community across the county. He said that this social interaction "leads on to various other things". Similarly to the interviewees in cases C2 and C3 most of his contact seems to be on an informal and social basis. He said that business contacts are important, but that he found having a wide circle of friends that he could discuss things with was helpful to give him the background information he needed to make informed decisions. The interviewee said that networking is important to get information and to be aware of what is happening in the industry.

### **Presented as being good at recognising and realising opportunities**

In response to the question on recognising and realising opportunities the interviewee replied: "I like to think so," and he went on to mention a small scale opportunity that he had taken advantage of. Similarly to cases C1 and C2, he talked about the analysis of potential opportunities and mentioned his approach of working out best and worst case scenarios. He said that he was lucky because he was encouraged to think for himself from an early age, and that many farmers do not have this opportunity. Again like cases C1 and C2, he said it is very important, but he also urged caution and said that it is important to think for yourself and not to "jump into something just because it's a new idea".

## **Case C6**

### **Background**

The interviewee in case C6 is a 61 year-old man, who left school after 'O' levels and has been farming ever since. He owns a medium sized (420 Ha) farm, growing mainly cereals, oilseed and protein crops. He has diversified into letting buildings, contract crop spraying and direct selling (potatoes, etc.) He farms in partnership with his son, who is mainly responsible for the contract crop spraying.

### **Presented as using business plans**

**The interviewee said that they have a strategy of trying to enhance the value of the land, and** they discuss it regularly. They do not have anything written down because it would be changing all the time. Similarly to case C5, he indicated that their business decisions are driven by the market. Similarly to cases C3, C4 and C5, he said that planning is very important, both long and short, (their short term planning aiming to make as many efficiencies as possible) but that longer term planning is very difficult in farming because of external factors.

### **Presented as being good at networking informally with other farmers**

Similarly to case C5, the interviewee in case C6 presented himself as a very gregarious character who enjoys social interaction. He indicated that much of his networking was on an informal, social level, mainly with farmers or people in associated businesses and which served to keep him in contact, and on good terms, with the farming community. As with case C2, he made a distinction between his type of networking and a more business-oriented approach. When he initially talked about networking he indicated that a reason for networking would be to get sales (which he felt was not so relevant for him).

### **Presented as not being very good at recognising or realising opportunities**

The interviewee's initial response when asked whether he is good at recognising and realising opportunities was simply: "No". When asked to elaborate, he responded: "I always look at things and say, 'I should have done that'. I'm very good with hindsight." He indicated that this would not necessarily apply to his son, implying that the younger generation would take a different approach. The interviewee mentioned that in his youth he had thought of inventing dog food, but that he had not followed the idea through to realisation. He was unable to provide any other examples. He said that innovation in agriculture is based on "evolution, not revolution" but did go on to talk about some improvements in agricultural techniques that he had taken advantage of. "I'd like to have done something, when I was a boy I thought I'd change the world, and now I'm sixty one and I haven't changed very much of anything...It's very important. But it's a very clever person who can do it."

## Case C7

### Background

Case C7 is a 51 year-old man, (MSc Agric.) who previously worked as an overseas aid worker. He is the owner/tenant of a medium sized farm (120 Ha) which he has expanded over the last few years. The core business is dairy cattle.

### Presented as not using business plans (mainly production planning)

The interviewee in case C7 said that he doesn't have a strategy and that it just evolves. He indicated that his planning is production-based and short term. He said that in his business he looks at the bottom line, but not at costs in detail. He said that larger farms might need a formal strategy, but it is not necessary for him.

### Presented as being good at networking, not just with other farmers

In relation to networking, the interviewee in case C7 gave a direct self-assessment: "Quite good I think, yeah." He went on to explain that he has diverse interests and mixes with people other than farmers. He said that he has a very large extended family, most of who are in farming and he talked about networking as an exchange of information between them. He also said that he goes to the local livestock mart and talks to farmers there. He uses networking for information and says that it is very important for him.

### Presented as being able to recognise opportunities when they arise

The interviewee's initial self-assessment was: "I think so". Similarly to case C6, he mentioned that most things do not change dramatically in farming – they evolve. Although he indicated that he takes a reactive approach when he said that opportunities just "arise and come to us", he did talk about a more planned approach in relation to the main opportunity that they had realised - buying the farm next door. They had planned for it and built up the capital ready to take the opportunity. He did not really mention whether it is important.

## Case C8

### Background

The interviewee in case C8 is a 49 year-old man, (NVQ Level 4 – 5) owner of medium sized (120 Ha) farm producing various crops and livestock. He lives with father, wife and 2 children and is currently considering producing horse haylage.

### Presented as not using business plans (mainly production planning)

The interviewee said that he does not really have a strategy. He said that he knows where they are financially, so when he does something he just works it out in his head, or sometimes writes it down roughly. He does consider whether things need doing differently but says that he is constrained by the type of land he farms anyway.

### Presented as being good at networking informally with other farmers

With this question, the interviewee initially asked for a description of networking. He did not give a direct self-assessment of his skill, but went on to say that he mixes socially with other farmers. He also mentioned that he is the vice chairman of a farmers' discussion group. He indicated that networking is a good way to learn from others on an informal basis. He agreed that networking is an important skill to: "share, associate, socialise with other farmers ... try and find out if something's worth doing, if they've tried it, what lessons they've learnt."

### Presented as being able to recognise opportunities when they arise

Similarly to case C4, case C8 made a distinction between being able to recognise opportunities and being able to realise them: "Yeah. I recognise opportunities ... I realise them if it doesn't involve spending too much money." Like case C7, his approach seemed to be very reactive and he said he does not actively search for things: "Something just crops up." He gave the example of the way he became involved in pig production, because some of his neighbours were involved and he thought he might as well give it a go. He agreed that it is important, but did not elaborate.

## Case C9

### Background

The interviewee in case C9 is a 55 year-old man (City & Guilds 1, 2, & 3 qualified) who owns a small (53 Ha) farm, with field crops and grazing livestock. Three years ago he started to diversify into Christmas poultry, which is slowly growing. His wife is keen to get involved in outside catering.

### Presented as not using business plans (mainly production planning)

The interviewee initially said that he does not have a business strategy, but went on to say that all his planning is in his head and that he is always trying to think of ways to make some more money. He does think ahead from year to year, and the strategy “evolves”, an approach that he said is “bred-in”. Similarly to cases C3, C4 and C6, he said that planning is important because farming is such a long-term investment, but that it is very difficult due to external factors that are difficult to predict.

### Presented as not being good at networking

The interviewee initially responded by equating networking with talking to people and said that he could “manage to do it”. He went on to talk about going to marts and meetings to keep in touch and to learn. However, he indicated that there was a lack of time for much of this. He mentioned that as he has got older he has started to question things a bit more and take more of an interest in finding out how other people do things. He did not give an indication of how important networking is, but did say: “I mean, you’ve got to be able to ... find out from other people how they get on ... without trying to be nosey.”

### Presented as being able to recognise opportunities when they arise

In response to the question of his skill in relation to recognising and realising opportunities the interviewee said: “Yeah, well I like to think so ...”. He went on to talk about how he has diversified - gone back into the production of Christmas poultry, which has been expanding over the past three years. It was an idea that was suggested by his son. He agreed to it and started off with just a few birds. He indicated an opportunistic and fairly reactive approach (although slightly less so than case C8), as he mentioned that the butchers he supplies beef to asked if he could supply them with geese at Christmas and said: “who’s to say it isn’t going to snowball”. He also mentioned that his wife is keen to become involved in outside catering. “I can’t come up with that many ideas, but you’re continually thinking, what can we do?” He says that it is particularly important for small farms as they really need to come up with ways to make a bit more money.

## Case C10

### Background

The interviewee in case C10 is a 59 year-old man, tenant of medium sized (102 Ha) upland farm. His main business is field crops and grazing livestock. He previously worked in agronomy.

### Presented as not using business plans (mainly production planning)

The interviewee initially said that he did not have a business strategy, but then went on to say that he does have an overall direction in his mind. He indicated that his planning is in response to market price, price of inputs and other external factors. He said that all farmers have a strategy due to the long term nature of the work they do.

### Presented as not being good at networking

The interviewee’s initial response was: “No probably not. What’s networking?” He then went on to say: “I suppose I do to a certain extent. In the farming community as a whole though there’s always an exchange of views isn’t there, and you’re always asking and quizzing your contacts to see what they’re doing.” He indicated that farmers tend to network socially or informally by talking at the mart, at farm sales and in the pub. The interviewee indicated that networking among farmers was a way to keep abreast of what was happening in the industry. He indicated that it could be important, but, as also indicated by case C9, that there was a lack of time for networking due to the urgent nature of the day-to-day running of the farm.

### Presented as not being very good at recognising or realising opportunities

The interviewee offered a pessimistic self-assessment and said that he did not think he was very good at recognising and realising opportunities. “You hope that you are. But at the end of the day, you’re bogged down with work and paperwork.” He did not provide any examples or talk about the importance of the skill.

**Case C 11****Background**

The interviewee in case C11 is an 83 year-old man, who left school with a school certificate and has worked on the family farm ever since. He owns a medium sized (119 Ha) farm and grows mainly vegetables and sugar beet. Most of the farm work is undertaken by the farm manager, who also does contract hedge-flailing.

**Presented as not using business plans (mainly production planning)**

The interviewee said that he doesn't have a formal plan, but the farm manager has a plan in his head as he is more involved. He said that this needs to be very flexible because of the changing circumstances. Similarly to C7, he said that is important, but not for him.

**Presented as not being good at networking**

As with case C10, the interviewee initially asked for clarification of the term networking. He then went on to say: "Not to a great extent ... I mean, I was born here and ... contacts have come and gone, and I shouldn't think in the last few years I've made many new ones." The interviewee said that he did keep in touch with some of his previous contacts, who were still around. He mentioned that person-to-person contact is important, particularly in relation to understanding and completing some of the farm paperwork. The interviewee agreed that networking is important in farming, although he is no longer involved in it himself.

**Presented as not being very good at recognising or realising opportunities**

Similarly to C6, the initial response from the interviewee in case C11 was that he did not think he is as good as he ought to be at recognising and realising opportunities. He mentioned that his farm manager has spotted opportunities and later he described some of the innovative approaches that he (and his father) used to take to livestock farming. He went on to talk about other potential opportunities that he was aware of, for example, biofuel and natural resources. He gave the impression of being aware of a number of opportunities, but not wanting to pursue them "I'm 84 next week, so I'm not sure how much time I've got to be getting involved in a long term object like that." In relation to the importance of the skill, he said: "Speaking generally, and not personally, then yes, yes." He mentioned that with the reduction in subsidies it is important for farmers to "keep their eyes open for other opportunities".

**4.3 Value added cases****Case VA1****Background**

The interviewee in case VA1 is a 57 year-old farmer's daughter, educated to degree level. She went into a career as a computer/business analyst, then bought a small (46 Ha) farm in 1994 "for the lifestyle". She runs a stall on several farmers' markets and a farm shop in a garden centre. She produces high quality organic poultry, organic eggs and seeds.

**Presented as having a formal business strategy**

The interviewee said that they have a business strategy. She said that they look for opportunities within their field and then do business plans and forecasts to see which have the best potential. These are generally spreadsheet based forecasts over three years. She and her husband have agreed that any project they go into should pay for itself within three years. She said that planning is important so that you do things in the right order, and gave a practical example to illustrate the point.

**Presented as being good at networking informally with other farmers**

The interviewee's initial response to the question of whether she is good at networking was: "Yes, I think so. You have to be if you're standing out here in a farmers' market." She mentions that the farmers' markets have helped develop her networking skills and also talked about involvement with the Soil Association and links with a group of organic farmers. She indicated that she uses networking to keep informed and she also spoke of co-operative arrangements with other farmers. She agreed that networking is an important skill.

**Presented as being good at recognising opportunities**

Similarly to cases C4 and C8, the interviewee in case VA1 made a distinction between recognising opportunities and realising them, which she said takes time and money: "I can recognise them. Realising them is another mat-

ter isn't it." She gave the impression of actively looking for opportunities by keeping up to date with changes in EU legislation that relate to organic poultry production and she talked about looking at the market situation and starting out in a small way. She said that it is very important and all businesses need to be able to do it.

### **Case VA2**

#### **Background**

The interviewee in case VA2 is a 40 year-old man, educated to degree level. The farm is large (550 Ha). They mainly grow, and market, vegetables, but also have about 300 sheep. He farms in partnership with his brother. One focuses on the marketing side and one more on the financial side of the business. At the time of the interview they were just about to launch their food service business and appeared very business-focused.

#### **Presented as having a formal business strategy**

The interviewee said that they have a formal business strategy which gives them a model to work to as they expand and re-profile their business. He articulated a vision for the future and talked about co-ordinating the different activities to get the new part of the business up and running. He said that business strategy is fundamental, and it is something that is not done well in farming businesses. He said that this is because farmers have tended to be reactive and haven't had to work much with others. As the business grows, co-ordination becomes more important.

#### **Presented as developing networking skills**

The interviewee compared himself with his brother who has always looked after the marketing and sales side of the business. He indicated that he was not as good at networking as his brother due to lack of experience, but that now the business was changing he was learning to develop these skills. He mentioned that he had been working with people at a different (more professional) level and in a different type of context to get the new business started. He said that it is an important skill and related this particularly to the need to move a business forward and to realise what opportunities there are.

#### **Presented as being good at recognising opportunities**

Similarly to cases C4, C8 and VA1, this interviewee also mentioned a distinction between recognition and realisation: "Yes. I think very often it's easier to recognise than to realise." He talked about the differences between "old-style farming opportunities" and newer technical-based or marketing-based opportunities. He also mentioned undertaking risk analysis, financial testing and looking at potential alternatives to assess whether an opportunity is worth pursuing. He said that recognising opportunities goes back to networking, being aware of what is going on in the industry and keeping an open mind. He said that it is quite easy to recognise opportunities but that being able to determine whether it is the right opportunity to pursue is the most important skill.

### **Case VA3**

#### **Background**

The interviewee in case VA3 is a 40 year old-man, educated to HND level. He owns a farm and is in partnership with his parents, whose farm is 20 miles away. They have 260 Ha of farmland, which is part owned, part rented and part contract-farmed. He diversified into organic crop production about 10 years ago and his farm is now organic. His father's farm remains in conventional crop production. He also rears organic poultry, sold directly to the public, and organic lambs.

#### **Presented as not using business plans (mainly production planning)**

The interviewee said that he has a very simple business strategy at the moment, which is to manage without employing anyone, have at least one day a week off, make enough money to have decent drawings and re-invest in the business to improve efficiency. He mentioned that they had produced a business plan to raise the finance to buy the farm, but said that once they got over the initial period they no longer used it. He said that he doesn't have anything written down: "It's all carried around, either in my head, or my father's head". He made similar comments on case VA2 in relation to the importance of strategy, saying: "if you're in control of everything yourself you don't need a formal strategy in the way that bigger business structure would".



**Presented as being good at networking informally with other farmers**

The interviewee's initial response was "I'd never thought about it as networking," and he went on to clarify that he used his friends as a type informal network for information and advice and said, "So, I guess, probably so." Similarly to cases C2 and C6, he made a distinction between this type of informal networking and a more formal type that might be used in a different type of business. He also mentioned that he used to be involved in organising a show in the local village. He agreed that networking is one of the most important skills, particularly in the context of gathering information.

**Presented as being quite good at recognising and realising opportunities**

The interviewee was initially non-committal in relation to his skill level. He said that this could only really be judged on the basis of whether an opportunity was proving successful and went on to talk about a benchmarking project that he is involved with. He then went on to talk about how he got into organics when he saw that the market was undersupplied. He indicated that it is almost a subconscious process and he is always looking for opportunities as a "bolt-on" to the business. He said that often opportunities come to him, rather than him actively looking. "They're quite often a reaction to what people ask you." He said that it is important to say yes to these opportunities as people only ask once and said: "that probably is the most important one actually."

**Case VA4****Background**

Case VA4 is a 45 year-old man (with a higher degree) who farms in partnership with his brother-in-law (who left school after 'O' levels). The small (< 1 Ha) farm was passed down from the brother-in-law's father. The brother-in-law looks after the pigs and works in the farm shop (selling mainly pig-meat products). The interviewee describes the predicament of his brother-in-law as a real struggle to make a go of the business, with increasing costs and diminishing returns.

**Presented as not using business plans (mainly production planning)**

The interviewee said that they do not have a business strategy for the farm: "you tend to be just doing things the best you can, on the hoof". However, similarly to case VA3, when they set up the farm shop they had to produce a plan, cash flow projections, and other documentation in order to raise the finance. He said that they evaluate the business on an ongoing basis, assessing volumes to try and reduce waste. He said it is vital to think about your business strategically, but indicated that the theory and practice are two different things.

**Presented as (his brother-in-law) not being very good at networking**

The interviewee initially contrasted himself with his brother-in-law: "If we were talking about me, as in what I do as a full time job, then yes, I'm brilliant at it. But ... I think it tends to be needs must with (the farmer)." He indicated that his brother-in-law would only contact other people or utilise networks when he had a specific need or purpose. The interviewee did not agree that networking is one of the most important skills. He said: "Oh, I think that's too strong. I think farmers in the main ... would go for what is absolutely essential."

**Presented as (his brother-in-law) being able to recognise opportunities when they arise**

The interviewee indicated that although he is good at recognising and realising opportunities, his brother-in-law would struggle with it, due to limited scope. He then went on to mention that his brother-in-law has been quite innovative in terms of animal husbandry techniques, and that he instigated the shop (on a small scale) when he realised he still was not making any money. He said that this was "needs driven". He said that he can recognise and realise the opportunities, but not because he planned it: it was the only viable option to survive and keep the farm: "Well, yeah, to realise when your business is going through the floor ... you've got to make choices ... I mean you've got to look for other opportunities."

## 4.4 Diversified cases

### Case NFD1

#### Background

Case NFD1 is a 56 / 55 year-old wife / husband team both educated to degree level. They own a medium sized (240 Ha) farm, producing mainly cereals/oilseed/protein crops (and cows). He is from an entrepreneurial background. However, it is she who instigated the holiday lets of farm cottages and she manages this enterprise.

#### Presented as having a formal business strategy

The wife began the interview explaining that they have a business strategy for both the farm and the diversified business (tourist cottages) although she did mention that they do not always stick to it. When the husband joined in he mentioned that as part of the farm strategy they have looked at ways to maximise output and made use of consultants, and other professionals. They also mentioned the process of looking at the resources they had and finding ways to capitalise on them. They indicated that their planning is financially driven and present strategy as an important skill (albeit implicitly).

#### Presented as being good at networking, both informally and on a formal basis

The husband initially responded, he did not give a direct self-assessment, but referred to his education and confidence to imply that he is skilled, although the wife indicated that her husband did not really time for a lot of networking. They use professional services for advice and information. The husband also mentioned that they have a wide circle of friends and this network extends beyond the farming community. They indicated that networking is important, both for farmers and “for life”.

#### Presented as being good at recognising and realising opportunities

The husband responded, saying that he is better at recognising and realising opportunities now that he is “thinking outside the farming box” and mentioned that he has benefited from training in this respect. They said that they make sure that they keep up to date with information on both farming and tourism and they talked about their ability to deal with the paperwork, which they said would put a lot of farmers off when applying for the grants or finance needed to realise an opportunity. They both made the point that this is a dual skill – the first skill is getting the information to spot the opportunity and then you have to have the drive to go for it.

### Case NFD2

#### Background

The interviewee in case NFD2 is a 38 year-old man who went to agricultural college (HND). The medium (620 Ha) farm is part owned, part tenanted, with mixed livestock (mainly grazing). The interviewee is also involved in bee keeping.

#### Presented as having a formal business strategy

As with case NFD1, the interviewee in case NFD2 said that he has a business strategy and he said that the importance of strategy was “drilled” into him at college. He said that they have a formal budget/plan for the livestock with modest targets for price and profits. He mentioned that they have often used professionals for advice and information. He said that strategy is one of the most important skills, particularly now that there is more financial risk involved in farming. He said that things have to be done in a more business-like way in order to compete.

#### Presented as being good at networking, not just with other farmers

After an initial pause the interviewee responded to the networking question with: “Well I think so.” He went on to justify this by saying that he is the local chairman for the farmers’ union and that they have always been involved in co-operation with neighbours within the local farming community. He described this kind of informal networking as: “all based on friendship and trust.” He also indicated a different set of people that he networks with in relation to his more innovative practices, who he described as “more academically switched-on.” The interviewee agreed that networking is one of the most important skills and indicated that it is important to work together for mutual benefit.

**Presented as being good at recognising and realising opportunities**

Again the interviewee responded to the question with an affirmative: “Well I think so” and said that he had it “drilled” into him at college. He went on to talk about the way in which he built up his flock of milk sheep and then sold it to take the opportunity to rent a farm and establish a suckler cow herd. He said that he reads farming literature and goes to meetings to find out what’s going on and to “keep on the ball”. He said that it is important to look for any opportunities in the current farming climate.

**Case NFD3****Background**

The interviewee in case NFD3 is a 51 year-old woman, educated to degree level (Ag, Econ.). She owns 2500 Ha which is farmed as one unit, although the land is in several blocks. She manages the contracting work on about 550 Ha, has a green burial site and is just about to develop a crematorium. She also has a small organic suckler cow herd, which utilises the countryside stewardship grass.

**Presented as having a formal business strategy**

Along with cases NFD1 and NFD2, the interview in case NFD3 said that they have a business strategy and she talked about a formal business plan, budgets, forecasts and cash flows. She said that with farming they tend to plan around 18 months ahead but when looking at a new diversification project they would plan up to ten years or so. She said that they monitor and evaluate their projects on a regular basis, checking against cash flow, looking at where the business is weak and where it is strong. She said that it is very important to keep monitoring and to keep looking ahead.

**Presented as being good at networking, not just with other farmers**

In response to the networking question, the interviewee initially said: “I don’t know really.” But then went on to demonstrate that she does use networking skills, and says: “I make the most of using people that I meet, in the nicest possible way.” The interviewee mentioned an example of a networking opportunity while out hunting and indicated that networking was useful for obtaining information and getting new business. However, she did not agree that networking is one of the most important skills, and said that determination to make something work is more important.

**Presented as being good at recognising and realising opportunities**

The interviewee did not initially give a direct self-assessment, indicating that she could not really answer on her own behalf. However, she then went on to say that she is “not frightened” of looking at opportunities and that they have looked at “all different sorts of things”. She indicated that they had undertaken thorough investigation into a number of different opportunities and that they had files of paperwork relating to these. She indicated that she had a clear approach to potential opportunities and that she undertakes thorough research before making a commitment. She said it is important to look for opportunities because you have to move a business forward: “I mean, there’s the old saying, if your business isn’t growing it’s shrinking!”

**Case NFD4****Background**

The interviewee in case NFD4 is a 44 year-old man, educated to degree level, who previously worked as an electronics engineer. He is the tenant on a small (21 Ha) farm, with mainly sheep, goats and other grazing livestock. He has diversified into teaching, IT Technical Support/Advice and Web page design. He is also considering running tourist weekends.

**Presented as having a business strategy, but not a formal one**

The interviewee said he has a business strategy, but it is not written down. He indicated that he has been thinking about the way that he farms and that his overall aim is likely to be to reduce the importance of farming activities and increase the importance of his diversified activities. He also said that he was coming round to the idea that he may need to create a more formal business strategy in the future. He mentioned (similarly to cases VA3 and VA4) that when he started his diversification projects he produced business plans, but that “within six months they were unrecognisable”.

**Presented as being good at networking, both informally and on a formal basis**

The interviewee's initial response on whether he is good at networking was: "I'm pretty sure I am." He mentioned informal networking opportunities within the farming community, but also went on to talk about the way in which he had used a "guerrilla marketing" approach to advertise his website design business outside the farming community. He indicated that networking is harder outside the farming community. Implicit in the interviewee's pro-active approach to networking was a need to promote his website design business and increase his client base. He agreed that networking is one of the most important skills: "for any businessmen."

**Presented as being good at recognising opportunities**

Along with cases C4, VA1 and VA2, the interviewee in case NFD4 said that he is good at recognising opportunities, but not at realising them. He indicated that he has thought of various opportunities, but he also considers whether there is a market for them, for example he talked about the limited market potential for dry stone walling weekends.

**Case NFD5**

**Background**

The interviewee in case NFD5 is a 54 year-old woman, who previously worked as a butcher. She breeds highland ponies (Limited Co.) and has a high knowledge of equestrian issues. Her husband is still a successful entrepreneur. They own a small (48 Ha) farm, which is becoming more of a hobby than a working farm.

**Presented as having a business strategy, but not a formal one**

The interviewee said that they do not have a business strategy for the farm, but they do have an overall strategy encompassing their different business interests. She indicated that they are deliberately keeping her (highland pony breeding) enterprise small so that she can manage it by herself and she indicated that she does have plans for the enterprise in respect of sales and replacement of stock.

**Presented as being good at networking, both informally and on a formal basis**

The interviewee initially asked for an explanation of 'networking' in the context of the interview. She then went on to say that contacts she would use to keep abreast of the industry would be mainly her neighbours. Later she mentioned that in the past they had consulted professional bodies for advice. The interviewee mentioned that networking would be used to ask for information or advice, but she is not as involved in it as she has been previously. She gave the impression that she had both experience and capability in relation to networking, but that she no longer had a need for it. She said: "There isn't anything really much that I would actually want to ask anyone." She said: "It isn't necessary for me, but I do think it's important that the links are there, that you can ask".

**Presented as being good at recognising opportunities**

The interviewee said that both she can quite often recognise opportunities, but she doesn't want the "hassle" of realising them. She talked about various opportunities, particularly associated with tourism and horses but does not want to grow the business and does not need the money, although she did mention that she had deliberately changed the type of ponies they breed to better fit the market. She indicated that they have been entrepreneurial in the past but that she and her husband bought the farm for a relaxed lifestyle and wouldn't want to jeopardise their peace.

**Case NFD6**

**Background**

The interviewee in case NFD6 is a 35 year-old man, educated to degree level. He owns the large farm (600 Ha) which grows mainly cereals, oilseed & protein crops, but also has sheep. He has diversified into agricultural storage and residential property and is considering diversifying into holiday property. A third of farm gross output and two thirds farm profit is created by diversified enterprises.

**Presented as having a business strategy, but not a formal one**

Similarly to case NFD2, the interviewee in case NFD6 said that he was taught the importance of strategy at university. However, he said that although he has strategies for everything he does, none of it is formal. In a similar way to case C5, he stressed the need to remain flexible. In his opinion: "planning is about recognising that things change and constantly looking for opportunities."

**Presented as being good at networking, not just with other farmers**

The interviewee did not give a direct self-assessment, but implied that he has very good networking skills that he learnt from his father, of who he said: "had a thick telephone book and knew everybody. Connexions were constantly made." He mentioned that he is on the parish council and says that he "speak(s) all over the place." In this he implied that his networking extends further than just the farming community. He indicated that networking is very important and said: "Farmers who don't network don't survive."

**Presented as being quite good at recognising and realising opportunities**

The interviewee indicated a degree of cynicism in relation to opportunity spotting and said that everyone is trying to do the same thing. However, he did seem to indicate that he had made an assessment of the resources available and he also mentioned a previous business with his father (fencing manufacturing). In relation to planning he mentioned that they had built clauses in to their property lets to make them more profitable. He also mentioned feasibility planning.

**Case NFD7****Background**

The interviewee in case NFD7 is a 46 year-old man, with a higher degree in Ag. Economics. He owns a medium sized farm (330 Ha) which produces mainly cereals, oilseed, etc. He also keeps cattle, which graze on a scheduled historic site. The site is under the Countryside Stewardship Scheme and the farmer is keen to promote the area to the public. He already rents out cottages and is in the process of converting a farm building for holiday accommodation.

**Presented as having a business strategy, but not a formal one**

Case NFD7 was similar to cases NFD4, NFD5 and NFD6 in that the interviewee indicated that he has a business strategy, although it is not written down. He said that he does not do as much planning on the farming side as he used to and much of it just relates to being as efficient as possible to keep costs down. However, for his diversification project (building conversion for tourism) he talked about getting consultancy reports and costing, cash flow forecasts, etc. for the next five years. He indicated that this paperwork was necessary to get the finance for the project.

**Presented as developing networking skills**

In his initial self-presentation the interviewee stated that he did not feel comfortable with formal networking and was not very good at it. He indicated that he has lots of contacts but felt that he could make better use of them if he was better at it. Later the interviewee talked about networking that he has been doing in relation to his diversification project, where he set up informal social occasions to illicit information from people. This networking was being developed for a specific purpose. Case NFD7 said that networking is one of the most important skills: "when you're going into something new that you haven't done before". Although reluctant, he had developed his networking skills to get the information and support needed for his diversification project.

**Presented as being quite good at recognising and realising opportunities**

The interviewee did not give a confident response to the question and it seemed that this was tied in with the uncertainty he had in relation to his new enterprise. He said that he prefers to let other people try new things first and then he will copy where it seems to be working. He indicated that he undertook very thorough investigation before committing himself to his current project, speaking to consultants and looking at a number of different options. He agreed that it is an important skill.

**Case NFD8****Background**

The interviewee in case NFD8 is a 59 year-old man, educated to HND level, who previously worked as an agronomist. He owns a medium sized farm (120 Ha) growing mainly cereals. He is currently involved in collection service for recycling farm plastic and a caravan club 5 van site. He is also just about to enter the Higher Level Stewardship scheme.

**Presented as not using business plans (mainly production planning)**

The interviewee described his business strategy as “survival” and said that the main strategy for the farming business is to reduce costs wherever possible and to focus more on their diversification project, which they use to fund the farm.

**Presented as being good at networking, not just with other farmers**

The initial self-assessment from the interviewee in relation to networking was: “Yeah. Well this is one of our strong points.” The interviewee mentioned that he has lots of useful contacts throughout the agricultural community (not just farmers). He also mentions that networking and meeting other people in the industry is one of the main ways of spotting opportunities. The interviewee said that networking is vital: “because it’s not what you know, it’s who you know.”

**Presented as being good at recognising and realising opportunities**

The interviewee said that they are good at recognising and realising opportunities: “youngest son is like mustard, he’s always coming up with schemes.” He said that they spot opportunities through networking and talking to people. He mentioned his 5 van caravan site and the way that they have now realised that people will also pay for caravan storage so he is looking at utilising some of their pig buildings for that. He said that he reads all the literature and searches the internet, looking out for ideas and mentions that this is how they got involved with phone masts. He says that it is important - they are on the lookout for opportunities all the time and he says that is what farmers are good at.

**Case NFD9**

**Background**

The interviewee in case NFD9 is a 56 year-old man from a farming family. He owns a small (50 Ha) farm, with field crops and grazing livestock, and runs a livestock haulage business (share-farms crop side and has help with livestock when required). He takes a flexible approach to business and is also considering diversifying into letting holiday cottages.

**Presented as not using business plans (mainly production planning)**

When asked if he has a business strategy, the interviewee’s initial response was: “loosely, yes”, however he went on to explain that his strategy is flexible and based on what he thinks will make money. He talked about the way that changes in policy (particularly in relation dairy farming) have made it increasingly difficult to create a long term business strategy, indicating that a flexible, reactive approach was the only way he could deal with it.

**Presented as being good at networking, both informally and on a formal basis**

The interviewee did not give a direct self-assessment, but went straight on to say that he is good at delegating. He talked about the way that he co-ordinates people to help him with his work, rather than networking. The interviewee then went on to say that within the farming community he is often asked for his advice or opinion, and that he has informal co-operative arrangements with other farmers. However, he indicated that this informal networking would not be a main source of reliable information for him and that, similarly to case NFD1, he would use professionals for advice and information on important business matters.

**Presented as being quite good at recognising and realising opportunities**

The interviewee initially responded by saying that he must be good at this because he is still in business. Later he said that he would not exist if he was not able to recognise and realise opportunities. He indicated that he had experience in this area when he talked about some of the problems he had reconciling the potential of a business opportunity with the constraints (policy, etc.). In terms of getting information to help him to spot opportunities, he mentions that he used to be a “market junkie” and he picked up information and contacts in that way. Similarly to case VA4, he indicated that the opportunities he has taken are a survival mechanism.

## Case NFD10

### Background

The interviewee in case NFD10 is a 37 year-old farmer's daughter, educated to degree level. She owns the medium sized (285 Ha) farm and produces various crops and livestock. Last year she set up a Christmas shop following a Defra-funded diversification seminar.

### Presented as not using business plans (mainly production planning)

The interviewee said that they do not really have a strategy, other than "to make as much money, by spending as least money", which was similar to case NFD9. She then went on to say that her husband does a lot of the business thinking and that they "sort of discuss it occasionally". She said that they do not have anything written down, indicating that lack of time was a factor, but she mentioned that she does think about the business direction and talks it through with her husband. She said that it is important to know the direction you are going in and what you want to achieve.

### Presented as developing networking skills

Initially the interviewee compared herself to her husband (an agronomist) and indicated that she is not as good as he is at networking. She went on to explain that her husband has more opportunities for networking and implied that she has not really needed to network in relation to running the farm. The interviewee indicated that she needed to do some networking to get the Christmas shop project going, but that she was quite reluctant at first. Similarly to case NFD7, she presented herself as a person who has developed the skills of networking out of necessity in order to initiate a diversified business. She indicated that networking it is more useful for a diversification project than in farming, because of the need to obtain information and learn about new things.

### Presented as being good at recognising and realising opportunities

The interviewee's initial response was: "Well I suppose that the fact that we've set up something that has proved to be a success in the first year, I'd like to say yes." She also mentioned that they let out fishing rights on a stretch of the river on their land and indicated a business-like attitude towards this arrangement. She went on to talk about another potential opportunity that she has spotted (setting up a camping and caravan site). She had done some initial investigation but felt that they didn't have sufficient capital to invest in the project at the moment. She also cited lack of time as a factor: "I've got lots of ideas I could really do, it's just farming gets in the way." She said that recognising and realising opportunities is an important skill, both for farming and for diversified enterprises.

## 4.4.1 Do you have a business strategy and do you evaluate it?

Table 4.2: Self-presentations of strategic planning skills

| Summary of self-presentations in relation to business strategy     | Cases                        |            |                              |
|--|------------------------------|------------|------------------------------|
| Presented as having a formal business strategy                     | C1                           | VA1<br>VA2 | NFD1<br>NFD2<br>NFD3         |
| Presented as having a business strategy (but not a formal one)     | C2<br>C3                     |            | NFD4<br>NFD5<br>NFD6<br>NFD7 |
| Presented as using business plans                                  | C4<br>C5<br>C6               |            |                              |
| Presented as not using business plans (mainly production planning) | C7<br>C8<br>C9<br>C10<br>C11 | VA3<br>VA4 | NFD8<br>NFD9<br>NFD10        |

### **Summary of conventional farming cases**

Only one of the conventional farming cases (C1) indicated that he uses a formal business strategy. He said that they use two levels of planning, with budgets and cash flows for the next 12 months and a longer term strategy looking up to four years ahead. Two of the conventional farming cases (C2, C3) said that they do have an overall long-term strategy for the business although it is not written down. One said that it is only necessary to have a formal business strategy when you are making substantial changes to the business (C2, son).

In three cases (C4, C5, C6) the interviewees indicated that they use short term plans, but that their long-term direction is more reactive or flexible and would be driven by the market situation. The other five cases (C7, C8, C9, C10, C11) indicated that they do tend to not have any plans written down. Two of the interviewees (C7, C9) both mentioned that a strategy just “evolves” and there was an indication from this group that they take a more reactive approach in response to external factors or constraints. One of the interviewees (C7) said that it was really only larger farms that needed a formal strategy.

In general the indications given by the conventional farming cases were that formal strategies are only really necessary for larger farms or when making substantial changes to the business. The arable farmers in particular implied that the nature of production planning dictates a fairly long-term outlook anyway, but that planning any further ahead is futile because they need to be adaptable to market conditions.

### **Summary of value added cases**

In the value added category there were two interviewees who indicated that they use a formal business strategy (VA1, VA2). The interviewees in both these cases were in the process of growing and developing their business in new areas. The other two interviewees in the value added category (VA3, VA4) said that they had previously used business plans and cash-flow projections when they were setting up their business ventures, but they currently worked on a day to day basis, without formal plans. They indicated that formal plans were not really necessary while the business is controlled by one person, unless they are making substantial changes or looking for investment.

### **Summary of non-food diversification cases**

Three of the cases in the non-food diversification category indicated that they use a formal business strategy. In one case (NFD1) the wife said that they have a formal business plans for both the farm and the diversified business, although she did mention that they don't always stick to the plans. Another of the cases (NFD2) said that strategy is even more important now that the financial risks in farming are greater and that things have to be done in a more business-like way in order to compete. In the third of these cases (NFD3) the interviewee made a distinction between the planning for the farm and the diversified activities. She said that with farming they tended to plan around 18 months ahead but when looking at a new diversification project they would look up to ten years ahead.

Four of the interviewees presented themselves as having a business strategy, but not a formal one. One of the interviewees (NFD6) also stressed the need to remain flexible. Two of these cases also indicated a distinction between the planning for the farm and planning for their diversified activities, saying that the planning for the farm was minimal, aimed at reducing the importance of farming activities and keeping costs down. In one case (NFD4) the interviewee said that he had produced formal business plans for his diversified projects, but within six months they were unrecognisable. In the other case (NFD7) the interviewee was just starting off a diversification project and he talked about the amount of work that was necessary to get the finance for the project. The other one of these cases (NFD5) said that they do not have a business strategy for the farm, but they do have an overall strategy encompassing their different business interests.

Three of the interviewees (NFD8, NFD9, NFD10) indicated that although they have an idea of the overall direction in which they want to take the business, their approach is more reactive and flexible. In two of these cases (D9, D10) the interviewees mentioned that their strategy is based on whatever they think will make money and the third (D8) mentioned cost reduction and “survival”.

In the non-food diversified cases there seemed to be a greater emphasis on business strategy, with some interviewees indicating that a different (longer term) strategy is required for diversified activities than for a farm. Many of them still indicated that their strategy was informal or flexible and a few took a more reactive approach.



#### 4.4.2 Are you good at networking and utilising contacts?

**Table 4.3: Self-presentations of networking skills**

| Summary of self-presentation in relation to networking                  | Cases                          |            |                              |
|---|--------------------------------|------------|------------------------------|
| Presented as being good at networking, informally and on a formal basis | C4                             | VA47       | NFD1<br>NFD4<br>NFD5<br>NFD9 |
| Presented as being good at networking, not just with other farmers      | C7                             |            | NFD2<br>NFD3<br>NFD6<br>NFD8 |
| Presented as being good at networking informally with other farmers     | C28<br>C5<br>C6<br>C8          | VA1<br>VA3 |                              |
| Presented as (being in the process of) developing networking skills     | C1                             | VA2        | D7<br>D10                    |
| Presented as not being good at networking                               | (C2)<br>C3<br>C9<br>C10<br>C11 | (VA4)      |                              |

##### Summary of conventional farming cases

One of the interviewees (C4) talked about the importance of networking in relation to his business and the need to get sufficient information to take the business forward and he implied that he was good at networking. He indicated that some of the contact was on a professional level and some on a more informal basis.

Another of the interviewees (C7) indicated that he was good at networking with a range of people, indicating that most of this was on an informal basis. He said that he uses networking for information and that it is very important for him.

Four of the interviewees indicated that they mix with other farmers, mainly on an informal level. One of them (C5) indicated that he is very good at networking and used examples of his chairmanship and membership of clubs and societies. In two cases (C6, C2) the interviewees made a distinction between “deliberate networking” and their more informal approach which serves to keep them in contact, and on good terms, with the farming community. In the fourth case the interviewee (C8) did not give a direct self-assessment of his skill, but went on to say that he mixes socially with other farmers and indicated that networking is a good way to learn from others on an informal basis.

Although one of the interviewees (C1) said that he does not think he is very good at networking he did say that he is learning to do it. The issue of age was mentioned by one interviewee (C3), who said that he did utilise his contacts, but felt that he could make better use of them. He mentioned that the next generation were better at it.

Another interviewee (C9) equated networking with talking to people. He went on to talk about going to livestock auctions and meetings to keep in touch and to learn. However, he indicated that there was a lack of time for

<sup>7</sup> Although the interviewee presents himself as being very good at networking, he says that his brother-in-law, who runs the farm, is not.

<sup>8</sup> The son presents the father as being good at networking, although he says that he is not very good at it himself.

much of this. Another case was similar, where the interviewee (C10) indicated that farmers tend to network socially and that networking among farmers was a way to keep abreast of what was happening in the industry. He indicated that it could be important, but that there was a lack of time for networking due to the urgent nature of the day-to-day running of the farm.

One of the interviewees (C11) mentioned that person-to-person contact is important, particularly in relation to understanding and completing some of the farm paperwork.

It was evident in the interviews that people's perceptions of networking varied greatly. Many of the interviewees indicated that the ability to network was closely related to character or personality (being outgoing and sociable), rather than a skill that could be learned. One interviewee agreed that networking is important in farming, although he is no longer involved in it himself. In many cases the interviewees indicated that social or informal interaction (mainly) between farmers was their networking (although they did not necessarily refer to it as such) and only two of the farmers in the conventional farming category said that their networking encompassed a wider range of contacts which they utilised in different ways. Lack of time was mentioned as a constraint to networking and there seemed to be a sense (particularly among the older generation of farmers) that the contact aspect of farming has changed over the years, with less face-to-face interaction and more reliance on telephone and internet to do business.

### **Summary of value added cases**

In two of the value added cases the interviewees indicated that they were good at networking with other farmers. One of them (VA3) indicated that he used his friends as a type of informal network for information and advice but he made a distinction between this type of informal networking and a more formal type that might be used in a different type of business. Another interviewee (VA1) mentioned that involvement with farmers' markets has helped develop her networking skills and also talked about co-operation with a group of organic farmers.

One interviewee (VA2) compared himself with his brother who has always looked after the marketing and sales side of the business. He indicated that he was not as good as his brother due to lack of experience, but that now the business was changing he was learning to develop these skills

The interviewee describing his brother-in-law (V4) indicated that his brother-in-law would only contact other people or utilise networks when he had a specific need or purpose. The interviewee did not agree that networking is one of the most important skills for farmers.

The interviewees in the value added category indicated a broader and more business-oriented interpretation of the term networking but the attitudes towards the need to develop the skill varied. Three of the interviewees seemed to consider that they needed to develop their networks and utilise contacts in order to develop and grow their businesses. However, one of the interviewees indicated that networking skills are not really that important in farming.

### **Summary of non-food diversification cases**

Four of the interviewees in the non-food diversification category indicated that they are good at networking, both informally and formally. One interviewee (NFD4) mentioned informal networking opportunities within the farming community and said that networking is harder outside the farming community. In case NFD1 the husband did not give a direct self-assessment, but referred to his education and confidence to imply that he is skilled. They said that they use professional services for advice and information and that they have a wide circle of friends which extends beyond the farming community.

Another of the interviewees (NFD9) did not give a direct self-assessment, but talked about the way that he coordinates people to help him with his work, rather than networking. The interviewee then went on to say that within the farming community he is often asked for his advice or opinion, and that he has informal co-operative arrangements with other farmers. However, he indicated that this informal networking would not be a main source of reliable information for him and that, similarly to case NFD1, he would use professionals for advice and information on important business matters.

One of the interviewees (NFD5) mentioned that networking would be used to ask for information or advice, but she is not as involved in it as she has been previously. She gave the impression that she had both experience and capability in relation to networking, but that she no longer had a need for it.

Four of the interviewees indicated that they are good at networking with a range of people, not just farmers. One of them (NFD8) mentioned that he has lots of useful contacts throughout the agricultural community and said that networking and meeting other people in the industry is one of the main ways of spotting opportunities. Another of the interviewees (NFD6) implied that he has very good networking skills that he learnt from his father. He indicated that his networking extends further than just the farming community. One of the interviewees (NFD2) mentioned that he is the local farmers' union chairman and that they have always been involved in co-operation with neighbours within the local farming community. He also indicated a different set of people that he networks with in relation to his more innovative practices. Another of the interviewees (NFD3) mentioned an example of a networking opportunity while out hunting and, like case NFD8, indicated that networking was useful for obtaining information and getting new business. However, she did not agree that networking is one of the most important skills, and said that determination to make something work is more important.

#### 4.4.3 Are you good at recognising and realising opportunities?

**Table 4.4: Self-presentations of opportunity recognition skills**

| Summary of self-presentations in relation to opportunities               | Cases |       |       |
|--|-------|-------|-------|
| Presented as being good at recognising and realising opportunities       | C1    | VA49  | NFD1  |
|  | C2    |       | NFD2  |
|  | C5    |       | NFD3  |
|  |       |       | NFD8  |
|  |       |       | NFD10 |
| Presented as being quite good at recognising and realising opportunities | C3    | VA3   | NFD6  |
|  |       |       | NFD7  |
|  |       |       | NFD9  |
| Presented as being good at recognising opportunities                     | C4    | VA1   | NFD4  |
|  |       | VA2   | NFD5  |
| Presented as being able to recognise opportunities when they arise       | C7    | (VA4) |       |
|  | C8    |       |       |
|  | C9    |       |       |
| Presented as not being good at recognising or realising opportunities    | C6    |       |       |
|  | C10   |       |       |
|  | C11   |       |       |

Two of the interviewees indicated that they are developing their networking skills in order to get the information and support needed for their diversification businesses. One of these interviewees (D10) implied that she has not really needed to network in relation to running the farm, but has needed to do some networking to get the Christmas shop project going. The other of these interviewees (D7) initially stated that he did not feel comfortable with "formal" networking but later he talked about networking that he has been doing in relation to his diversification project, where he set up informal social occasions to elicit information from people.

The interviewees in the non-food diversified category tended to interpret networking as a business skill as well as a social skill. They mentioned both these aspects and most indicated that they take a more proactive approach to networking in order to make business contacts or look for opportunities as well as interacting more informally with the farming community. Two of the interviewees in the non-food diversified category mentioned that they

<sup>9</sup> Although the interviewee says that he is good at recognising and realising opportunities, he says that his brother-in-law only really recognises opportunities as they arise (more reactive).

were not comfortable with the 'formal' side of networking, but that they are working on developing their skill to get the support they need for their diversification projects.

### **Summary of conventional farming cases**

Three of the interviewees indicated that they are good at recognising and realising opportunities. One (C1) said that they are "always looking" at opportunities and mentioned that they went into property development long before other farmers started getting involved in similar ventures. He also said that they explore opportunities and go into quite a lot of analysis to establish what could work. Another interviewee (C5) talked about the analysis of potential opportunities and mentioned his approach of working out best and worst case scenarios. He said that he was lucky because he was encouraged to think for himself from an early age, and that many farmers do not have this opportunity. In the third case (C2) there were slightly different approaches to opportunity recognition but they both agreed that it is very important.

One of the interviewees (C3) presented himself as quite good at recognising and realising opportunities and he linked this skill to networking, explaining that he works with other farmers to look for opportunities to solve joint problems. Another of the interviewees (C4) made a point of separating the two aspects of the question and said that it is easier to recognise an opportunity than to realise it. He indicated that he would consider opportunities that had the potential to fit with his existing business

Three of the interviewees (C7, C8, C9) seemed to indicate a more reactive approach to opportunities. The examples that they gave indicated that they would consider an opportunity if it presented itself, but that they would not necessarily go looking for opportunities. One of these (C8) also made the distinction between recognising and realising opportunities. Three of the interviews (C6, C10, C11) indicated that they are not as good as they could be and seemed to indicate that the opportunities within agriculture are fairly limited anyway.

Only three of the farmers in the conventional farming category indicated that they are good at recognising and realising opportunities. For them, business opportunities tended to relate to land, buildings or contracting and they indicated that they would undertake thorough analysis before making a commitment. There was a sense among some of the other farmers in the conventional farming category that farming is not only slow to change but there is a lack of time for the reflection or interaction that could help to generate new ideas.

### **Summary of value added cases**

One interviewee (VA3) gave the impression of being quite good at recognising and realising opportunities. He talked about a variety of projects that he was involved with and indicated that it is almost a subconscious process that he is constantly engaged in.

Two of the interviewees (VA1, VA2) made a distinction between *recognising* and *realising* opportunities in a similar way to cases C4 and C8. One of these interviewees (VA1) gave the impression of actively looking for opportunities by keeping up to date with changes in EU legislation and constantly reviewing the market situation. The other (VA2) talked about the differences between old-style farming opportunities and newer technical-based or marketing based opportunities. He said that recognising opportunities goes back to networking, being aware of what is going on in the industry and keeping an open mind. He said that it is quite easy to recognise opportunities but that being able to determine whether it is the right opportunity to pursue is the most important skill.

The interviewee describing his brother-in-law (VA4) indicated that although he is good at recognising and realising opportunities, his brother-in-law would struggle with it, due to limited scope. He said that he can recognise and realise the opportunities, but it is not because he planned it - it was the only viable option to survive and keep the farm.

Again there was variation among the small group of interviewees in the value added category. For one of the farmers the option to take up an opportunity was presented as a survival mechanism and a reaction to the difficulties for small scale pig farming. For another it is an integral part of running the farm and he exhibited an open-minded approach to considering all options presented to him. For the other two interviewees there was an indication that they took a more planned and proactive approach, deliberately seeking out opportunities that would help them to expand their businesses.

### Summary of non-food diversified cases

Five of the interviewees in the diversified category indicated that they are good at recognising and realising opportunities. The husband in case NFD1 said that he is better at recognising and realising opportunities now that he is “thinking outside the farming box” and mentioned that he has benefited from training in this respect. They made the point that this is a dual skill – the first skill is getting the information to spot the opportunity and then you have to have the “drive” to go for it. Another of the interviewees (NFD3) also indicated that she keeps an open mind, saying that she is “not frightened” of looking at opportunities and that they have looked at all different sorts of things. She indicated that she had a clear approach to potential opportunities and that she undertakes thorough research before making a commitment.

One of the interviewees (NFD10), pointed to the initial success of her new business went on to talk about another potential opportunity that she has spotted but felt that they didn’t have sufficient capital to invest in the project at the moment. She also cited lack of time as a factor. Another of the interviewees (NFD2) described the way that he had built up his business and said that it is important to look for any opportunities in the current farming climate. The interviewee in case NFD8 said that they spot opportunities through networking and talking to people. He said that it is important. They are on the lookout for opportunities all the time and he said that is what farmers are good at.

Three of the interviewees indicated that they are quite good at recognising and realising opportunities. One of them (NFD9) said that he would not exist if he was unable to recognise and realise opportunities. Another (NFD7) did not give a confident response to the question and it seemed that this was tied in with the uncertainty he had in relation to his new enterprise. He indicated a cautious approach, saying that he likes to let other people try new things first, and explained that he undertook very thorough investigation before committing himself to his current project. The third of these interviewees (NFD6) indicated a degree of cynicism in relation to opportunity spotting and said that everyone is trying to do the same thing. However, he did seem to indicate that he had made an assessment of the resources available.

Similarly to cases C4, VA1 and VA2, two of the diversified interviewees said that recognising and realising opportunities are different for them. One (NFD4), indicated that he has thought of various opportunities, but he also considers whether there is a market for them. The other (NFD5) said that she can quite often recognise opportunities, but she does not want the hassle of realising them.

A larger proportion of the diversified cases indicated that they are good at recognising and realising opportunities. In this category there seemed to be a wider view of what constitutes an opportunity, looking outside the traditional farming sphere and considering the resources available.

## 4.5 Phase 2 results

This part of the analysis focuses on the interviewees views on the skill differences exhibited by farmers in general, the interviewees’ own experiences in relation to the development of these skills and their suggestions for ways that farmers could be helped to develop these skills.

### 4.5.1 Conventional farming cases

#### In your experience do some farmers have these skills more than others?

All of the interviewees in the conventional farming category agreed with the statement, although one added: “but I think all farmers when it comes to it will recognise opportunities to do something” (C8). Another interviewee added a cautionary note: “I think the most dangerous thing is if they think they’ve got them” (C5).!

#### What causes the difference?

One interviewee (C10) made a distinction between people who are “just farmers” and those that are “entrepreneurs”. In two cases the interviewees indicated that the difference is innate. One interviewee (C1) initially said: “it’s the way you’re born” and the other (C4) said: “I think some people are just like that aren’t they.” One interviewee said: “I think some of them are just good business-people. They’ve got natural management skills” (C2, son).

There was some discussion around the issue of whether these skills are actually inborn. One interviewee went on to speculate: "I think people are born with that talent and some people make use of it and stimulate it, whereas other people may be born with it and perhaps don't bother to use it" (C1). Another interviewee (C5) said that it was due to the way you're brought up.

Two of the other interviewees related the difference to personality, with one (C3) saying that it "comes with character" and another (C2, son) saying that some of the more successful (entrepreneurial) farmers have used "unscrupulous or underhand tactics in the past" and that these people are "more aggressive". One interviewee (C5) indicated that the difference was related to attitude, saying that some people have the "drive" to do it, which he related to taking a positive approach and being prepared to make the best of the situation. In a couple of interviews another aspect of character, self-confidence, was mentioned. One interviewee (C1) said that you have to be able to "sell yourself" and another (C10) said that the main difference is that some people are good salesmen and good at marketing: "a bit pushier".

Motivation was discussed in several of the interviews. One interviewee (C4) said that the difference was related to how much time and effort a person wanted to invest in their business. He said that he wanted to be able to spend time with his family, implying that he could develop his entrepreneurial skills, but he chose not to. Another interviewee (C1) mentioned job satisfaction and said that some people will be motivated to earn more due to greater responsibilities. He said that lack of money motivates a lot of people, but on the other hand if you do not have the capital to invest in a new idea it can also be a problem. Money was also mentioned in another interview (C2), where the son compared the situations of farmers who have a lot of collateral with those who would have to borrow money to invest in a new activity. He said that having to borrow money would mean that they are taking a bigger risk.

One interviewee (C3) indicated that entrepreneurial activity would often be a reaction to circumstances. He said that if your business is going okay, you don't need to look for alternatives. Another interviewee (C6) also indicated that the development of entrepreneurial skills was a reaction to external factors, when he talked about the increase in entrepreneurial activity just after the Second World War.

Age was mentioned as a factor in three cases (where the interviewees are all in their 60s). One interviewee (C3) said that the younger generation has better entrepreneurial skills which are needed because they have higher expectations of a standard of living and more choices open to them. He said that his generation "never thought outside the farm gate." Another (C2, father), said that younger people are more willing to take risks. Conversely in the third case, the interviewee said: "I can't think of many people of today's era with those skills, but there's certainly people in the past who've had them ... And they were people who were farming on a wing and a prayer really" (C6).

The interviewee in case C7 made the point that having these skills did not necessarily equate to success.

#### **Why did you develop your own skills?**

In two cases the initial responses to this question were quite self-deprecating with one interviewee saying "I think you hope you develop them" (C2, son). This sentiment was then repeated by his father when he re-joined the interview. Another interviewee said: "well my skills are very limited really. My business skills are very limited, apart from going to night school, they are virtually just acquired as going through life" (C6).

Necessity was mentioned explicitly in six cases. In three of these there was no elaboration from the interviewees, with responses like: "I suppose I had to really" (C8), "It's just a case of having to" (C9) and "from necessity" (C10). In one case (C2) the son explained by saying "If you're running a business you're a businessman. If you're an entrepreneur you're taking it somewhere I suppose. It's basically progress isn't it. It's trying to progress the business. So it's sort of out of necessity." Another interviewee made a similar point, saying "Well, necessity's one thing, looking for opportunities and always that wish to achieve something" (C3). One of the interviewees (C11) seemed to be focusing more on his technical skills in his response, when he said: "necessity, the mother of invention, I suppose", and then went on to explain how he had been just picked things up from working on the family farm and being given jobs "to bodge and mend."

Necessity was also implicit in the response where the interviewee said: "because otherwise I wouldn't have got anywhere" (C1), but he also explained that he wanted to develop his skills because he really enjoyed the job and the way of life. Another interviewee said: "well I think you've got to have skills", and went on to talk about identi-

rying skills that needed work and taking advice to try and improve them. He mentioned the motivation for him: “If you want to improve your business you’ve got to improve your skills to do it all” (C4).

Motivation to develop the skills was also mentioned: “What really helps is if you’ve ever been really hard up in your life and that is a really big *driver*. If you haven’t got any money it’s a damn good motivator” (C2, father). One interviewee mentioned *his* motivation: “Well you want your business to do well. You need to know when to buy, when to sell, what to spend your money on, make a living and have a reasonable quality of life” (C7). Money was also mentioned by another interviewee, but he said that it wasn’t his initial motivation “it was a different way of farming and to move with the times” (C3).

In one case (C5) the interviewee said that it hadn’t been a conscious decision to develop his skills, but he had known from an early age that he wanted to carry on his father’s farm, so he got his experience while being in the job and working with his father.

### **How did you develop your own skills?**

In many cases development was attributed to experience: “Basically by making some terrible mistakes probably, but you learn pretty bloody quickly then” (C1) and: “If it works you do it again, if it doesn’t, you don’t” (C5). Another interviewee (C4) also mentioned the process of “trial and error”. In another case (C2), the father implied that skills were developed through the experience of putting an idea into practice. His son added that it is not something that you are aware of. One interviewee said “I learnt them on the job” (C10), and another (C6) said that his practical skills were picked up just from watching others and learning from them.

Growing up on the family farm was mentioned in several cases. In one, the interviewee said that his skills had developed “through experience, working with dad” (C5) and in another (C11) the interviewee also indicated that it was through the experience of working on the family farm and learning from his relatives as he was growing up. Family was also mentioned in another case (C7), where the interviewee said that his father was very entrepreneurial and implied that these skills had somehow been passed on to him.

Interacting with others and learning from them was frequently mentioned by the interviewees. In one case (C1) the interviewee said that he had utilised help that was available and he had learnt a lot from a consultant that he employed. In another (C3) the interviewee said that involvement with the farmers’ union and county shows had helped, and that he was able to get a different perspective by meeting different people, “businessmen”, and learning from them. Learning from other people was also mentioned in another case (C4), where the interviewee said that he networked with other people to get ideas. One interviewee (C7) said that entrepreneurial skills can be developed through talking to other people, although he said that his skills were more instinctual than learned. Talking to other people and going to meetings was also mentioned by another interviewee (C8), although he indicated that this was on a “need to know basis” rather than an overall strategy for developing his skills. Another interviewee (C9) seemed to focus more on development of practical production skills when he mentioned that he had picked up a new technique from another farmer. Interacting with others on a formal or informal basis was used to pick up new ideas, either in an entrepreneurial sense or more production-based.

Although many of the interviewees were educated to at least degree level, education and training were given little credit for the development of their skills. One interviewee (C1) mentioned his training at college which was a mixture of theoretical and practical, but only when prompted. Another (C6) said that his family had not been able to spare him to go to college full time, but that he went to night school every winter from the age of seventeen to his mid-twenties to do City and Guilds courses. He also mentioned that (30 – 40 years ago) many people had attended training events organised by ADAS to promote new products or techniques. One interviewee (C9) also mentioned that he had done a City and Guilds course, but that was a long time ago and another (C8) said that he didn’t have a set strategy to improve his skills, although he mentioned that he did go on courses and attend meetings. Another interviewee (C4) mentioned his degree in agriculture, which he followed up with various training courses, but he also said that he has “inbuilt skills”.

The notion of innate skills was also mentioned by another interviewee (C7) and he indicated that his entrepreneurial skills are “more instinctual than learned”. In another case the interviewee talked about the need to have an open-minded attitude to allow for development. He said: “Listen. Listen and learn. Don’t be too bolshy! Some of the most unexpected people can have some bright ideas” (C3). He also mentioned that learning is an ongoing process: “You can always learn something, no matter who you are ... When you stop learning you pack up. Life is a wonderful learning curve.” This view was echoed in another interview (C2) where both the father and son

agreed that their development is an ongoing process. The son said: “I wouldn’t consider that I had done it. I mean, you’re all the time trying to move it on.”

**According to the people we interviewed, the development of these skills depended heavily on the attitudes and personality of the farmer. What do you think?**

In two cases (C1, C2) the interviewees commented that this issue had already been discussed. “Very true, that’s just what we’ve been saying isn’t it. Without the inclination to do it you’re not entrepreneurial anyway, so that’s basically the attitude isn’t it. And then sort of down to the capabilities of the individual, which I suppose is largely personality-based.” (C2, son).

Many of the interviewees mentioned confidence. In one case the interviewee said that some people are optimists, who will keep trying and will be successful, but he said: “a lot of farmers are not as pushy as they ought to be ... lacking confidence, I suppose” (C1). He indicated that self-confidence and self-belief are very important. Similarly, in another case (C2) the son said that you need: “the confidence to actually have a go and do it. The confidence that you’ll succeed” and in another the interviewee said: “I would say it’s confidence, really, ... confidence in what they’re doing, and they don’t start worrying about what’ll happen if things go wrong, they just get on with it and make it work” (C8). Conversely one interviewee warned against over-confidence saying that it can prevent people from doing well, and said: “A bit of self-doubt and questioning is healthy and that sort of person does well” (C6).

One interviewee (C3) said the ability to get on with people and to talk to people is important. He went on to say that most entrepreneurial people are extroverts and said that “entrepreneurial skills are usually gained by talking to people and discussing things with people.” Communication skills were also mentioned in another case: “Well it depends on the person you are doesn’t it. How you are, how you communicate with people” (C9). Another interviewee (C5) said that it is important for farmers to interact and to educate people to give them a positive impression. He said that there are different types of farmers; whereas some will go out with a shotgun when they see a rambler going off the footpath, he likes to think that he is “open and welcoming”. He said that an open-minded attitude is very important and this depends on how you were brought up. He also talked about skills being encouraged in a person’s younger years by their parents. In another case (C2) the father also mentioned role models as important for shaping personality, saying that if a person’s parents or grandparents “had a bit of drive and have made their mark” then it will make a difference.

Another interviewee also mentioned a positive attitude: “I think some people have a great attitude- great thirst for knowledge ... and business skills, some, and they have gone on to build businesses other than farming, very rapidly and very successfully and the farming, where they started has now just become somewhere they live” (C6). He talked about some of the farmers that he had known in the past, the ones who had not been open-minded to change, and were no longer around. He mentioned that agriculture in Lincolnshire had modernised dramatically due to a few “dynamic young men” and he said that this was down to “devotion” on their part. He said: “I’m not as focused as that, I enjoy being with my family and having other interests ... I couldn’t be as dedicated as some people have been.”

Two of the interviewees made a distinction between different approaches running the farm business. One said: “Well I tend to think that people who’ve done better round here are more business-oriented farmers as opposed to farmers. There’s farmers and there’s business-oriented farmers and I think that the people who look at it as a total business, they’re the ones who have grown their business faster.” (C4). Another (C10) said that some people are more business-like, but he mentioned that if there’s no pressure on you, or you don’t need a lifestyle than you won’t bother. He then went on to talk about risk and he said that the more successful people are those who have taken a risk. He said that people like him: “as long as they’ve got enough to get by then they won’t want to take a risk with it”. In another interview (C2) there was also some discussion in relation to risk. Initially the father suggested that a farmer’s star sign might influence their entrepreneurial skills in relation to their propensity for risk-taking. His son agreed that risk-taking was an important factor: “I think with personality you could have any end of the spectrum on personality ... underpinned by that they could be either end of the spectrum on the risk side of it.” Later, he re-iterated: “if you want bigger gains you’ve got bigger risks.”

**What could be done to develop these skills among farmers?**

Many of the interviewees struggled with this question and in five of the cases the interviewees said that they did not really know what could be done, although in three of these (C1, C4 and C11) they did go on to make suggestions. The interviewees in two cases just focused on problems with potential development. In one case the inter-



viewee said: “One of the problems is that there’s nobody left on the farm, so farmers don’t leave the farm as often as they ought to do” (C3). He also mentioned that not many people of his generation are good on computers and that “a lot of farmers don’t want to sit for two hours listening to things or watching the computer.” He also questioned who would be able to teach farmers. He finished by saying: “We’ve got to learn to be a farmer and something else. We’re not going to be just farmers, people who farm about 500 acres, which is about what I’ve got, for much longer. Well it ain’t there now. But how you teach them that? You’ve hit me on the head there a bit.” These sentiments were echoed by another interviewee who said: “I don’t know. I mean it’s difficult because farmers don’t like ... they don’t like learning and they don’t like to go anywhere” (C9). He mentioned that farmers will often pick something up from their neighbours, but a lot of their experience comes with age. He made the point that farming is different from other businesses because everything takes such a long time.

One of the main difficulties mentioned was the lack of time. In one case the interviewee said: “I don’t know. The obvious answer is training courses and things like that to improve farmers’ skills, but they haven’t got time” (C4). He talked about the lack of staff on smaller farms and that the farmer can’t take time off, especially if he has live-stock. Larger farmers with more staff might be able to go, but then it is a “vicious circle for the small guy”. In another case the interviewee suggested that courses for specific skills were generally very popular, but he acknowledged that many farmers don’t have time to get away from the farm. He said: “Well that is a problem, if you’re single-handed on a farm, you’re eight days a week and you don’t have time. But you should make time, actually, because you’d probably save yourself a lot of money in the long run” (C1).

One interviewee said that some people would be very difficult to reach because they don’t interact with the wider community. He went on to say that it would be quite difficult to get through to some people, particularly the older ones. “You’ve got to open a dialogue and you’ve got to go in and give the information and basically encourage them” (C5). However, he did say that this would need to be done quite sensitively and that, with older farmers (and the cyclical nature of farming) they have probably already tried something years ago. One interviewee (C11) said that any development would have to be started in good time, while a person was still at the age of “receptability”. One of the younger interviewees (C4) also mentioned age, saying that the majority of farmers were of the older generation and that the younger generation (like him) tended to have a higher level of education than their fathers and have probably got more skills anyway.

Two interviewees mentioned the need to promote the industry. One said that what was needed was to “give some confidence in the industry so we can attract good young people back into it” (C6) and another suggested that there should be a course on “selling ourselves to the public” (C1). He indicated that he feels strongly that farmers need to be better at public relations. He also suggested that there should be something that would help farmers with all the paperwork or they should be encouraged to employ a secretary. “

In case C2 there were differing opinions on what would help. Initially the father suggested that grants would help, but this view was criticised by the son, who said that grants could end up “bypassing” the development of skills. They went on to talk about the free consultation scheme that had been offered to farmers. They had tried it, but not found it useful and suggested that it would have been more beneficial if the funding had been available to use with your own choice of consultant that might be more appropriate to individual circumstances. Another interviewee had also used the free consultation scheme. He said that it wasn’t particularly useful because there was insufficient follow-up. He said that instead of two hours for free, it would have been more useful to have ten hours subsidised. He indicated that if done properly a consultancy type approach could be useful, certainly more than training courses. He suggested “you could offer management consultants to come in and actually have a look at the business and sit down with them and analyse it and see what’s going on and where they can improve their business” (C4).

The son in case C2 also suggested that a type of ‘experience exchange’ approach could be useful. “Another way is talking to people who’ve done it. So you’ve got to talk to either somebody who can advise you on how to go about these things or somebody who has done it successfully themselves.”

In two cases (C7, C10) the said that to some extent farmers had already developed their skills. He mentioned that there are lots of discussion groups that are very useful. He also mentioned that it is important to keep up to date and aware of current prices etc. The interviewee in case C10 also indicated that many farmers have the skills already. He said that most farmers probably have the skills but do not need to use them, but then he went on to imply that these skills cannot be taught and: “it’s something you’ve either got or you haven’t”. He then went on to concede that perhaps business skills can be learnt and gave the example of the farming industry in New Zealand

where subsidies have already been removed, and the market prices were adjusted to allow farmers to make a living without the need for subsidies.

In case C8 the interviewee mentioned meetings and courses, funded by Defra, to encourage farmers to diversify or look for opportunities. He mentioned one scheme that would pay 75% of the cost of training for a HGV licence, but indicated that he was not very interested as he already had enough to do.

In case C11 the interviewee talked about his own education, but that he just drifted into helping on his father's farm. He also said that he had learnt a lot by watching people and suggested that students should go out into the "real hard world" and let them learn by seeing what happens.

## **Summary of Conventional Farming Responses**

### **Differences in Skills**

There was agreement within the conventional farming category that some farmers have these entrepreneurial skills more than others, although one interviewee added that most farmers will recognise opportunities. There was also agreement that attitude and personality are central to the development of the skills.

Some of the interviewees made a distinction between farmers and business-oriented farmers, or farmers and entrepreneurs, implying that the ones with the skills are those who are more successful. This distinction was initially attributed to some innate ability but then other factors, including upbringing and experience were mentioned. One interviewee said that people who look at the farm as a whole business are those who are more successful (and will grow the business).

Communication skills and interaction were mentioned as important, as well as an open-minded attitude. Particular traits were associated with people who have the skills, including self-confidence, self-belief, drive, focus, and, in some cases, a more aggressive approach. Conversely, one interviewee mentioned that over-confidence will prevent development and another warned of the dangers of people thinking that they have entrepreneurial skills (when they do not).

Some of the interviewees indicated that a greater level of responsibility or a reaction to unfavourable circumstances can motivate a person to develop, while others said that it depends on how much you want to commit to the business. Money was mentioned in the context of both a motivator and a facilitator. One interviewee mentioned that lack of money is a driver, while some of the interviewees said that if you had sufficient collateral then investing was less of a risk. Others indicated that it is easier to take risks if you have nothing to lose. Some people also indicated that younger people are more willing to take risks, and that they had higher aspirations.

### **Development of Skills**

In a few cases the interviewees indicated that they are still learning, and that it is an ongoing process. Most of the interviewees indicated that their skills were developed out of necessity. Some mentioned that their need to improve was driven by a desire to do the job well, for others it was an unconscious process, or their skills were in-built or instinctual.

In many cases development was attributed to experience, both through growing up on the family farm and by making their own mistakes. Interacting with others and learning from them was mentioned in several cases, both on a formal and informal basis. Some of the interviewees also mentioned training courses but gave them very little credit for skill development.

Many of the interviewees struggled to suggest ways that farmers' entrepreneurial skills could be developed and much of the discussion focused on problems rather than potential solutions. Lack of time and isolation were big issues, particularly for smaller farmers. Age was mentioned, with some interviewees indicating that older people would be less receptive and that younger people were already better educated anyway. Some interviewees indicated that to a certain extent farmers have already developed their skills and in most cases have not needed to use them.

Two interviewees suggested that farmers, and the farming industry, need to be better at self-promotion, and one suggested that farmers need to get help with all the paperwork. Some suggestions were made: from a formal management consultancy approach, to meetings and discussion groups, to just talking to someone who has already done it.

#### 4.5.2 Value added cases

##### **In your experience do some farmers have these skills more than others?**

All four interviewees in the value added category agreed with the statement. One interviewee didn't elaborate, and just said: "Yes, obviously" (VA1).

In one case the interviewee's response focused on the skills related to opportunities and he said: "Well, the industry ... is full of a wide range of people, with very diverse experiences, very diverse skills, very diverse outlooks, and it's a mixture of the right outlook and the right skills and the right experiences that give people the opportunity to actually go out and look for opportunity" (VA2).

Age was mentioned as a factor by one interviewee: "Quite often it's a generational thing, which is easy for me to say, because I'm not of the older generation" (VA3). (He farms in partnership with his father.)

In another case (VA4) the interviewee's response related to diversification and he noted that some people had looked ahead and diversified, indicating that they had taken a more proactive approach.

##### **What causes the difference?**

Three of the four interviewees mentioned some aspect of personality. One interviewee used the term "natural talent" (VA1) and another said: "It's a different take on life" (VA3). Another of the interviewees (VA4) mentioned a range of factors, citing "outlook" and "personal confidence" as well as finance. He said that if people had the collateral to invest in a diversification project then it was not quite so difficult for them to go in to it.

Finance was also mentioned by another interviewee, who said: "Partly it's your financial position in life. How secure you are", indicating that if someone is financially secure they are less likely to take a risk (VA2). This interviewee also said that people who have worked in the fresh produce side of the industry have more entrepreneurial skills than those from the combinable crops side of the industry. He said that this has been caused by changes in the retail sector that have accelerated the relationships and skills have been required by farmers to move into a different level of business – "fast-tracking". "You couldn't be as general as to say that people from the combinable sector were less able or capable or able or interested than the root crop. It's just that very often the root crop drags more people into it and they happen to be working in the right environment" (VA2).

Situational factors were also mentioned in two of the interviews. In one case (VA1) the interviewee said the land and the location of your farm will affect what you are able to do and in another (VA4) the interviewee mentioned parents, education and experience of seeing different ways of doing things as possible reasons for the difference.

##### **Why did you develop your skills?**

One interviewee (VA1) indicated these skills were inherent when she responded with: "Oh, it's in the blood." When asked whether this meant whether she had always had the skills she said: "Yeah, I was a farmer's daughter," and she explained that her father had farmed through some tough times.

In the other value added cases (VA2, VA3, VA4) the interviewees indicated that they had developed the skills out of necessity. "Well, I guess historically it's because I always thought that's what I was going to do ... but I still needed to be able to do it to a standard, so I had to develop my skills well enough to that level. Now ... well the industry's moved on so quickly and there's so little opportunity for a farm business being our size to remain viable without developing, that I'm having to run faster to stand still. So I've got to develop skills I probably haven't developed because I haven't needed to, and now I'm having to and I'm getting on with it" (VA2). One interviewee said that he had developed his skills: "because I enjoy what I do. I want to carry on doing it" (VA3) and another simply responded with: "needs must" (VA4).

##### **How did you develop your skills?**

Necessity was mentioned again by two of the interviewees (VA1, VA4). One combined it with experience, saying: "When we got the farm and you sort of think, well we've got this mortgage, how are we going to pay for it, and you think what can you do to ... reduce the losses really" (VA1). She explained that when they first took on the farm she still kept her job as an IT consultant and was able to transfer her business skills to farming. Initially she contracted out the arable side of the farm work until she developed her experience and confidence.

Education and ongoing training were mentioned by two of the interviewees (VA2, VA3). One said that he had recently been on a very useful course and that previously they had used consultants and a variety of further edu-

cation and training courses to help them. He said that it was important to go on courses and spend some time away from the farm so that you can get wider experience and see what other people are doing. He warned of farmers becoming “parochialised” and not getting any new ideas (VA2). The other was similar in that he mentioned that he had received a basic grounding at agricultural college, but then he had followed up by going on training courses. “If there’s anything that I think I’m not very good at, which is loads of things, I go on a course to try and figure out how to do it better. But I suppose that’s how you develop your skills” (VA3).

The same interviewee also mentioned co-operation. He said that he is good with machinery but is “just getting to grips” with computers. He said that he has a friend who is good with computers who helps him out in exchange for help with his machinery.

**According to the people we interviewed, the development of these skills depended heavily on the attitudes and personality of the farmer. What do you think?**

In all the value added cases the interviewees agreed with the statement and one said: “Oh, a hundred percent. I think that’s a statement of fact really, isn’t it, as opposed to a question” (VA3). One interviewee indicated that there were other factors, when he said: “And the attitudes of the providers around” (VA4). He suggested that delivery of training should be more flexible to meet the needs of farmers.

One interviewee said that he did not know why it was the case but said: “probably being a bit more receptive to what people who are not involved in the industry think about things and the way they go about it” (VA3). Another interviewee used the example of people’s attitudes towards farmers’ markets and said that some people would hate it and not have the skills to deal with the public. She said that it had often been easier for the women. She mentioned that some farmers she knew had had to force themselves out into the farmers’ market because of their situation, but now they enjoyed it (VA1).

In one case the interviewee said that the industry sector is relevant. He said that in horticulture there hasn’t been such a reliance on subsidies so they adjusted to the situation earlier than other sectors of agriculture. He said that the removal of subsidies was a good thing “Because the reality is that they would have taken it away and ended up giving it back again, but in a different way, to incentivise people rather than just make them sit and wait for it” (VA2)

**What could be done to develop these skills among farmers?**

Training was suggested by all the interviewees in the value added cases, however potential problems with training were also mentioned. One interviewee initially suggested training but then said: “but so many people don’t have any time nowadays” (VA1). She also said: “there are other people who are just switched off, they’re just keeping their lives simple, keeping the costs as low as possible and collecting their single farm payment. It depends on the situation. If you’ve got the land and it’s paid for ... you can just sit quiet.” Another interviewee made a similar point: “I think there are certain ones you can’t develop and I think it’s pointless even trying” (VA2). He associated this with age, and went on to say: “but I think within the forty, fifty year and younger farmers ... we’ve got to inspire people. We’ve got to get them onto courses, we’ve got to get them out of their comfort zone and we’ve got to engage them and try and make them realise that they can do almost anything. I mean, the great thing about farming and farmers is that they’ve got multi-skills. And they’re all under-utilised.”

The lack of time either to go on courses or to do some lateral thinking about the business was also mentioned by another interviewee. He said: “most farms run on a skeleton staff” and later said: “I think the main skill that we need at the moment is managing red tape. It’s frightening!” (VA3). He said that farmers probably didn’t have the time or energy to develop other skills because they are too busy trying to deal with all the paperwork. He said that there had recently been some best-practice demonstrations on farms that he thought would have been useful, but they were too busy at the time to go. He suggested that training workshops would need to be run in the evening during the winter.

One of the interviewees mentioned that any courses would need to result in a qualification that has some worth, and that farmers would want to contribute towards it (VA4). He also said that it would need to be sector oriented. He suggested that mentoring schemes or rural champions could help to encourage and promote best practice. Later he mentioned that any training would need to be sector-based and that the approach would probably need to be quite different for arable farmers.

Two of the interviewees (VA2, VA3) suggested that the National Farmers’ Union could be helpful in promoting training, although one said that it would need to be redefined first to be better positioned for “marketing the

industry” and “improving the people” (VA2). The other (VA3) added that courses would need to be subsidised with some government funding. Both interviewees also mentioned that the industry needed to be made more attractive: “generally speaking, I think the industry has been sat on its arse for rather a long time and there’s been a degree of despondency ... So I think the fact that we don’t feel great about it, or haven’t done historically, hasn’t helped us want to develop our skills” (VA2) and: “unless it’s seen as a more attractive industry, I’m inclined to think that the people that you want, the real sort of sparky bright kids out of university, they’ll go and do another job, and that’s a shame really” (VA3).

A consultancy approach was briefly mentioned by one of the interviewees (VA3). He mentioned the Farm Business Advisory Service (FBAS), but said that it had not been very useful. He did not think that a consultancy approach could be useful, because it would be too difficult to get suitable people to do it. He also said that solutions should be “self-generated”.

## Summary of Value added Responses

### Differences in Skills

Throughout the value added category there was agreement that some farmers have more entrepreneurial skills than others and that their development is related to attitude and personality. The interviewees mentioned a positive outlook and proactive approach, as well as personal confidence. It was suggested that a person’s upbringing and experience will have an effect and that the younger generation are more likely to have these skills.

Finance was mentioned by two of the interviewees. One interviewee said that it was easier for a farmer to diversify if they have the collateral to invest, but the other said that if someone is financially secure they will be less likely to want to take a risk.

Situational factors were also mentioned, with the land and location of the farm affecting the opportunities available. One interviewee also felt that the industry sector was relevant and that the changes in the root crop sector had already forced some farmers to become more business-focused.

### Development of Skills

In relation to their own skills most of the interviewees indicated that they had developed out of necessity and through experience. Two of the interviewees mentioned that they use ongoing training to develop their skills, inferring that there is help available for people that want it. One interviewee mentioned her transferable business skills and another mentioned co-operation with other farmers.

All the interviewees indicated that training would be useful to help farmers develop their skills, but went on to point out potential problems. The generational issue was brought up, with two of the interviewees indicating that for some farmers there is no point in trying. Lack of time was also mentioned, exacerbated by the amount of paperwork that farmers are currently facing.

The interviewees suggested that any training would need to be flexible, preferably sector oriented, subsidised and offered during winter evenings. They said that any qualifications would need to be seen as worthwhile, and suggested that the NFU could be involved, both in supporting the training and promoting a better perception of the farming industry.

## 4.5.3 Non-food diversified cases

### In your experience do some farmers have these skills more than others?

All the interviewees agreed with the first statement, although the one interviewee generalised more about farmers in relation to each of the skills that had been mentioned. He said that most of the farmers he knows are good at networking and utilising contacts and that farmers are “pretty creative” when they see an opportunity. He said that he could not comment on creating and evaluating a business strategy “because that’s something that you do in your own house, it’s not something that people would see you doing” (NFD4).

One of the interviewees mentioned that many farmers are reluctant to change and because farming has such a long projection change is a very slow process. She said that most of the farmers in the area (upland) were involved in off-farm or contract work, rather than looking at potential diversification activities (NFD5). She also commented: “most farmers can’t see the potential in horses.” Another interviewee also generalised about farm-

ers, saying most of them are fairly traditional and changes in farming were historically fairly minimal compared with other businesses. He added: “I think in the last ten years we’ve all had to realise that that’s not now in the future. And there are people who’ll spot the opportunities, who are expanding and succeeding (NFD7).”

Size was mentioned in one case (NFD1), where the wife commented that it is very hard to grow your farm unless you are already quite large. It was also mentioned in another case (NFD3), where the interviewee said that for smaller farmers it has been a matter of “absolute necessity”, but that they were quite different from some of the bigger farms that had gone into bigger projects.

In two cases the interviewees talked about examples of people that they knew. In one example the interviewee talked about a couple who have tried to diversify but not been successful: “she doesn’t seem to understand how to go about diversification, and her husband’s so darn busy that he hasn’t got time to think of anything else” (NFD1, wife). She also mentioned a neighbour “who is an extremely skilful man” but he “doesn’t want it, he doesn’t have the confidence, so it’s not just skill, it’s something in his personality as well.” In another case the interviewee talked about a local family who are “past masters at it”. She said: “they really are very enterprising, but it’s the only way that people are actually going to survive” (NFD5).

### **What causes the difference?**

One interviewee commented: “In some respects, I think it’s the circles they move in ... the circles they’re born in to” (NFD1, husband). He went on to say that successful farmers that have grown very large over the years can afford for their children to be well educated and they socialise with equally well-educated people, and added: “If you’re born into that you’re lucky and will stay ahead of the game.” Later he mentioned that he had mixed with people at university “who were going to be successful, by and large” and said: “there was this sort of mindset for me: I’m surely educated to be able to manage more acres than this”. He summed this up by saying: “success breeds success, and people pass it on to their children.”

Education and upbringing were mentioned in several other cases. In one case the interviewee talked about the way that he and his brother were “pushed” to get a good education and that it set them up for being “much more academic and much more figures orientated” (NFD2). He said that some of his friends left home at 16 and went straight in to farming with their parents and they are not going to make as much money as they could because they do not take a business-like approach: “if they’d done a few more figures and looked into it, the money they’ve put in, they’re never going to recoup that money, let alone make any money from it.” He indicated that his education had been combined with practical experience and said: “we weren’t allowed to help much on the farm, unless we’d done our homework. We had sheep of our own and we were buying tups and selling lambs, things like that, and so we were earning money.”

Similarly, education and upbringing were mentioned by another interviewee (NFD9), who indicated that some people do not get the freedom or encouragement from their parents to be able to think for themselves. Another interviewee commented that a farmer’s upbringing would contribute to their way of working: “Their fathers wouldn’t have used a business plan, they would have had all the information they needed in their heads” (NFD4). In another case the interviewee speculated that the difference could be down to intelligence. She said: “often they’re not clever enough to do anything else, but they’re damn good at farming. But really they haven’t got the insight to do it, or the brains to take it forward ...” (NFD5).

One interviewee said that the difference is in their nature: “whether they’re reserved and not go-getting individuals, or whether they’re people who like new challenges. I think it’s probably that far more than what education they have” (NFD7). Another interviewee said: “I think it’s very much personal character” (NFD10). When asked to pinpoint what is was by thinking of an example she said: “Attitude”. The motivation of the individual was mentioned in one case, where the interviewee said: “You’ve got to love what you’re doing ... the farmers that love the farms, they’re determined to stop” (NFD3). She also mentioned that having a family that’s interested helps and added: “I think the wives help. And I’m not being flippant about that, I think it makes a huge amount of difference”.

Age was mentioned as an important factor. One interviewee said: “Age has a lot to do with it. Education has a lot to do with it ...A lot of the younger people who are going into agriculture go into it with an education behind them” (NFD10). Although she did concede that some of the “older guys” who did a lot of the earlier diversification projects “have done far better than some of us youngsters”.

Another interviewee initially said: “Generally it’s the younger ones, the ones who are looking for opportunities, really, which is probably entrepreneurial” (NFD7). But then he went on to say that there are some older people who are expanding, but that “they started expanding when they were young and they got used to looking for opportunities and that’s how they farm.” Another interviewee mentioned that the majority of farmers are over fifty and said: “They’re sort of hanging on in there. I think a lot of people have worked very hard for a very long time and they’re just worn out and they haven’t got the energy to start up something new” (NFD3).

Motivation was mentioned in a couple of cases. One interviewee mentioned “drive” and a competitive element (NFD1) and a similar idea was expressed by another interviewee who mentioned that some farmers are “comfortable ... they own the farm outright, so maybe they’re not quite as hungry” (NFD8). This interviewee also mentioned that some farmers seemed to find it difficult to take a business-like approach when dealing with other farmers. He said that some farmers seemed to be worried about making money out of other farmers and said: “they’re wearing their farmer hat all the time, not looking at the business side, looking at it purely from a, sort of, another farmer’s side”.

One interviewee (NFD6) mentioned that some farmers are very isolated and indicated that this makes it difficult for them to interact and narrows their perspective. On a similar theme another interviewee (NFD9) said that travel is useful to see how other people farm and get ideas from them.

### **Why did you develop your skills?**

One interviewee initially gave quite a self-deprecating response: “Well I wouldn’t say I was particularly skilful, I think all I’ve done is played on my strengths really ... The early days of getting an education was very much a process of just carrying on” (NFD1, husband). Education was also mentioned by another interviewee (NFD6) where he said that he was aware of the challenges in agriculture while at university, so was keen to develop his business skills. The interviewee in another case said that he knew from an early age that he would follow his parents’ example and go to university before deciding whether to come home and farm (NFD2).

Some degree of necessity was mentioned in five of the cases. In one, the interviewee said: “We’ve all got to develop skills haven’t we, in order to make a crust” (NFD4), and another indicated that his entrepreneurial skills didn’t come naturally but that they were developed out of necessity, and trying to make more out of the situation they’ve got (NFD7). One interviewee said that she developed the skills needed for her diversification project because it was something that she wanted to do and she had to “get on and do it” (NFD10). Two interviewees mentioned: “survival”, with one explaining that he had needed to become more business-like to deal with the big businesses he is involved with (NFD8) and the other saying: “It’s in the blood, some of it. Good stockmen are born, not made” but then going on to say: “other than that I just had to develop them to survive” (NFD10).

Motivation was mentioned again, and a ‘natural’ inclination. One interviewee said: “It’s just the way you are. If it’s in your blood you just can’t stop it, you know, it’s what gives you a buzz, especially now, seeing something you’ve done working. It’s great. And it’s not just for the money, it’s the buzz of doing it I think. I mean, the money’s nice but it’s certainly not the chief motivation” (NFD3). Another interviewee also talked about motivation. She said that her skills evolved out of her love of horses that she developed as a hobby, then into a business: “and then you realise that you’ve actually got quite a talent for it and so you progress it ...” (NFD5).

### **How did you develop your skills?**

Education was mentioned as a starting point in four of the cases. In two cases (NFD3, NFD7) the interviewees mentioned their degrees in agriculture, where they specialised in economics. In another (NFD10) the interviewee said that university taught her how to find things out, but that she didn’t really learn much that is relevant to what she’s doing now and similarly in another case the interviewee mentioned that he had developed a lot of his theoretical knowledge at university but that education is not enough by itself. He went on to explain that he had picked up a lot of his skills “as second nature” from his father, grandfather and the men on the farm (NFD9).

One interviewee (NFD5) said that her skills are self-learnt, except what she was taught as a child. She went on to say that if you haven’t got a natural aptitude for something then you cannot learn it. Another interviewee mentioned that he had learned a lot of his technical skills while growing up and said: “you don’t have any choice when you’re a youngster on a farm. You’re just told more or less how to do it ... and you do it” (NFD4). Up-bringing was also mentioned in another case, where the interviewee said that he was taught the value of money from an early age and said: “we’ve had a lot of support, right from the start from our parents” (NFD2).

Experience was mentioned in six of the cases. One interviewee said: “I developed my own skills through making my own mistakes with my own business ... at my expense” (NFD3), and another said: “I suppose it’s experience that develops your skills in a sense. You try some things and some things work and others don’t” (NFD7). In one case the interviewee said that his business skills have been “honed over a number of years” (NFD4) and talked about his experience in his previous occupation as a field service engineer. One of the interviewees (NFD6) had been involved in a number of businesses and he talked about some of his experiences indicating that he learnt to be quite ruthless in his business dealings. Transferable skills from previous occupations were also mentioned in a couple of other cases. One interviewee (NFD5) mentioned that she had further developed her skills while working for a vet for a number of years and another (NFD8) said that he had been able to transfer much of what he had learnt while working in the fertiliser industry, including skills from some of the many courses he had attended.

Ongoing learning was mentioned in a couple of cases. One interviewee indicated that he was involved in ongoing learning when he said: “I think often you recognise you need skills and therefore you might sign up for a course” (NFD1). The couple mentioned a number of courses that they had done, particularly to help with the tourism side of the business. In another case the interviewee said that he had followed up his degree with a number of courses over the years. He also mentioned that one of the most useful things about going on a course is: “meeting other people who are doing similar sorts of things and you get comments from other farmers, which is useful, as much as what you’re taught on the actual course” (NFD7). In a similar way another of the interviewees indicated that she had used a number of contacts to find out the information she needed to set up her diversification project. She said that she talked to people that had already done it and “picked their brains” (NFD10).

**According to the people we interviewed, the development of these skills depended heavily on the attitudes and personality of the farmer. What do you think?**

There was general agreement with the statement throughout the diversified category. However, other contributing factors were mentioned in a few cases. In one case the interviewee started by saying: “That’s what I said a minute ago isn’t it. Yeah, it comes back to the individual rather than what education you’ve had, I think” (NFD7). But he then went on to say: “I mean, my attitude has changed ... it’s arguing about the environment and genetics isn’t it. If we were still getting £150 a tonne for corn then I should think my attitude would have remained as it was, well we might as well just keep farming, your attitudes change when things change around you and ... personality I suppose it therefore follows that as you get older it develops as well...I think I’m certainly more open to new ideas than I was in a sense, which is probably saying the complete opposite of what I was saying a minute ago.” In another case the interviewee also agreed but she mentioned that education can change a person’s attitude: “If you’re a lad at home and your father is dead against, whatever, you tend to carry on the same route ... Unless you go to college. And if you go away to college and you come back home and then maybe you want to change things” (NFD5). She also mentioned that the situation can be influenced by the farmer’s family. When asked about the example of the enterprising man nearby she said: “I don’t know if it’s actually him or his wife .... They’re very hard-working, and she likes something to do as well, and I think the holiday cottages and the sandwich business and the beauty treatments are her.” One interviewee associated attitude with age and said: “The guys who are my age, in their mid-fifties and younger, I think, see the potential, that if it’s an asset and it’s on their property and somebody else wants to use it and provide them with money, they will do it, but it’s still inbred, ... tradition, you know, it’s my grass and my stock’ll eat it, that’s it” (NFD9).

Money was also mentioned in three cases. In one case (NFD8) the interviewee indicated that owing a lot of money is a motivating factor that gets people out of their “comfort zone”. In another (NFD5) the interviewee mentioned that you need enough money to back an idea, or to be able to persuade the bank to lend it to you to develop an idea, and in another (NFD7) the interviewee mentioned that it is easier to have the confidence to borrow money when you have built up a sound capital base.

One interviewee indicated that attitude is very important: “you’ve got two types of farmers. There are glass half full and glass half empty farmers and, I would say that if you always go down the glass half full route there are always opportunities ...” (NFD2). An optimistic attitude was also mentioned by another interviewee, who made the point that it is important to enjoy what you do and said: “farmers on the whole are pretty optimistic, otherwise why would we do it!” (NFD10). She said that the more optimistic you are the more ideas you will have and the more thought you will put into what you do. She went on to say that a lot of people are fed up with the situation at the moment, particularly all the paperwork, and they don’t have the energy to do anything different. Similarly, another interviewee said that it depends on if you *want* to develop your skills. He said: “A lot of people are



living in the dark ages really. We speak to farmers now that would quite happily dig a hole in the ground and bury everything” (NFD8). He said he did not know why and that he finds it difficult to get through to farmers like that.

Self-confidence and self-belief were mentioned in a couple of cases. In one case the interviewee said: “you’ve got to have the confidence to put your head above the parapet and you’ve not got to be too bothered ... if people think you’re being daft” (NFD3). She said that you should never be afraid of asking questions. “I think personality and attitude are everything, really.” This idea also emerged in another case, where the interviewee said that some people: “confront things head on and will actually, if there’s certain areas they’re not quite sure about, they’ll go and ask, they’ll go and do research into it.” (NFD9). Another interviewee talked about the need for people to stand up for what they believe in and do something about it, rather than sitting back and hoping that somebody else will do it (NFD2). He explained that this is why he had taken on the chairmanship of the farmers’ union, so that he could campaign on behalf of disadvantaged farmers.

In another case the interviewee said that some farmers are very introverted: “they’ve got their heads stuck in the sand, and the world’s changing and they aren’t changing with it. They’re just farming the way they’ve always farmed and unfortunately we just can’t afford to do that any more” (NFD4). He said that he had seen some farms in the lowlands that are moving on, but he felt that a lot of the upland farmers are not. He said that farmers’ sons aren’t interested in trying to make a living out of the farm and the farms around are being sold off. He said that eventually there will be just big farms and residential property in the North Yorkshire Moors.

There was one interviewee (NFD6) who initially disagreed with the statement and went on to talk about his grandfather and father who had been very progressive and opportunist in their business dealings. He mentioned that he employs four men on the farm who have a lot of skills and “don’t mind trying anything”. He indicated that he manages through an open forum with a consensus of views. Later he seemed to change his view slightly and said: “In terms of attitude though, if you want to make it you will and if you don’t you won’t. Some farmers don’t have the personality to do it. They need to be more entrepreneurial.”

#### **What could be done to develop these skills among farmers?**

One of the interviewees initially responded with: “Well, having said that it’s in the personality of the individual, I don’t really know that there’s much else you can do” (NFD7). However, he then went on to say that his attitude had changed as a result of the state that farming finds itself in. “you could say I was resistant to it until I was forced into a situation whereby we had to. And I don’t want to say make farming completely impossible.” Another of the interviewees initially struggled to give an answer, but then said: “you’ve got to have a need first ... they’ve got to be wanting to do it, you can’t force them to do it, you know, because there’s a lot of negative thinkers” (NFD8). He mentioned that a lot of farmers have not needed to develop their business skills historically, because they have done the same thing year in year out in a cycle.

In two cases the interviewees talked about the wider issues affecting agriculture. In one the interviewee said: “Difficult really ... I think what we desperately need is to encourage more young, bright people to come into farming. I think farming needs to be presented as a much more skilful occupation ... and not just at the basic farm staff level, I think at the higher level, we need to be getting some bright young people in to take on the management, the entrepreneurial side of it” (NFD3). In the other case the interviewee said: “if there was more financial potential in the farming job then more academically skilful people would stay within the industry ... we’re going to lose a generation because they’re going to realise that there’s easier money to be made” (NFD2).

The generational or age issue was also mentioned in a couple of other cases: “Well amongst my generation and above, you’re probably wasting your time. The younger generation have already gone through a much more rigorous process of education” (NFD1, husband). The wife in this case mentioned that education and training now was a lot more broad-based: “a lot less tunnelled” In another case the interviewee said that you could put farmers into two age categories: “ones who are going to retire and die out and the ones that are under 55” (NFD9). He said that about half of these who had grown up as stereotypical farmers sons will go out of business in a few years because they won’t have the skills to keep going and they will be subject to “legislative culling” because they won’t be able to keep up with the paperwork or work the system to access the funding they need.

One interviewee said that it would be particularly difficult to get farmers to develop their skills in relation to creating and evaluating a business strategy. They would be resistant to having to formalise a plan or write it down because they are so fed up with all the paperwork that they have to complete already (NFD4). Paperwork and legislation was also mentioned as a problem by another interviewee: “I think the biggest problem we have to deal

with in farming now is the amount of red tape we have to deal with, because it's stopping people, people are spending their time trying to comply, instead of getting on and doing the business" (NFD3). In another case the interviewee talked about potential opportunities that he would like to pursue, but can't because the local council prohibits the use of agricultural buildings for non-agricultural use. He said: "To develop skills farmers need to be given space to develop and reduce artificial barriers" (NFD6).

Four of the interviewees mentioned that training courses could be beneficial. In case NFD1 the husband said that if someone came along with a good educational package that was easy and attractive then a lot of farmers would take it up. However, his wife said that many people they know "can't understand us going on courses and they find it difficult, because I think they had bad experiences of school as children, so they don't see any pleasure associated with education ... that's a hard core of people who have left school with a bad experience and say you only learn by doing something."

One interviewee initially indicated that it could be possible to bring out these skills if they were latent within farmers, but she re-iterated that it depends on the farmer's attitude: "If they've got them and they want to use them, they'll come out anyway ... And if they want to use them how do you get them to develop them. Courses, I suppose" (NFD10). She mentioned that the diversification course she had been on was good, but went on to explain that she already had the idea before the flyer came through the door.

Another interviewee also suggested that courses could be helpful. She mentioned that there had been some free computer courses in the area to help farmers fill in their returns online, which had been quite successful. However, she also mentioned potential difficulties with courses, citing farmers' lack of time and unwillingness to cooperate. She also pointed out that any courses would need to be geared to the standard of the attendees and questioned who would be qualified to teach them, saying: "Do you need farmers to teach farmers?" (NFD5).

Similar ideas were put forward by another interviewee. He said that if classes were provided then: "you want a class that are all coming from the same place and have the same sort of abilities". He went on to say: "I mean, I've sat on courses with farmers who've got the money-, 'oh, I'll go out and buy a few acres' or, 'I'll go out and buy a harvester, or a brand new tractor' ... I might as well be talking to a Martian, for all the things we have in common!" (NFD4). He suggested that you would need separate groups for small upland farmers, larger upland farmers, small lowland farmers, larger lowland farmers, etc. You would need clear practical examples and "you'd have to have people who knew a lot about farming, that had mud on their boots and were prepared to talk to farmers on their level".

## Summary of Diversified Responses

### Differences in Skills

All the diversified interviewees agreed that some farmers have more skills than others and were able to suggest possible causes for the differences, although one added that most farmers are quite good at being creative in relation to opportunities. One of the interviewees generalised about farmers, indicating that many of them are quite traditional in their approach, although the implication was that he was referring to upland farmers. Another interviewee mentioned a tendency for the local (upland) farmers to find off-farm or contracting work to supplement the farm, rather than to look for an opportunity to diversify.

Business expansion was mentioned and this was related to farmers' skills, in particular their ability to spot opportunities. The farm size was also mentioned, with one interviewee commenting that it is difficult for smaller farmers to grow the business and another saying that there is a big difference between the diversification activities of smaller and larger farmers.

Many of the interviewees mentioned the effects of upbringing: from one interviewee who said that a person with a successful start in life will "stay ahead of the game", and one who was "pushed" by his parents, to another who indicated that the son would run the farm as their father had done. Education was also mentioned. One of the interviewees said that the younger generation are better educated and another said that education can change a person's attitude. Entrepreneurial skills were generally associated with the younger generation and there were comments that the majority of farmers are over fifty.

There was general agreement that skill development was dependent on attitude and personality, although other contributing factors were mentioned. One of the interviewees pointed out that attitudes can change when cir-

circumstances change and another associated attitude with age. In a couple of interviews the interviewees indicated that the support or involvement of the farmer's wife was very important.

Self-confidence and self-belief were mentioned by many of the interviewees, along with an optimistic attitude and outgoing nature. In a couple of interviews a business-like approach was also highlighted as being important, and there was discussion about having the "drive" to succeed and being "hungry".

### **Development of Skills**

In terms of the interviewee's skill development, some degree of necessity (or survival) was mentioned in many of the cases. For some, motivation was discussed in terms of intrinsic satisfaction and a 'natural' inclination to develop.

Some of the interviewees mentioned education as a starting point but said that education is not enough by itself. Experience was discussed both in relation to learning while growing up and by learning by making mistakes. Some expertise was also attributed to transferable skills from previous occupations. Ongoing learning was mentioned in a couple of cases and this was also associated with interacting and learning from other people.

In terms of helping farmers to develop entrepreneurial skills a couple of interviewees pointed out that it would not necessarily be appropriate in all cases, some people will not want to change and some people are too old.

There was also some discussion about the wider issues affecting agriculture and the problems with attracting skilled young people into the industry. Paperwork and legislation were mentioned as particularly difficult and time-consuming.

Four of the interviewees mentioned that courses could be useful, but all mentioned potential problems, including a lack of time, negative associations with education, farmers' unwillingness to co-operate and the difficulty in finding suitable people to teach. It was suggested that any courses should be geared to the standard of the attendees and that there would need to be separate groups for different types of farmers.

### **Workshop**

A workshop to discuss the results of these interviews occurred in April. The results were presented to 10 stakeholders. The feedback was positive and a number of suggestions were provided for further research. The stakeholders were particularly interested in how the segmentation framework had been utilised to frame the questions.

Issues raised included:

- Policy implications
- What are the common issues across Europe?
- How are the views of farmers to be incorporated into the next stage?
- Education and training of farmers to develop entrepreneurial skills

## **4.6 Discussion and conclusions**

This chapter has reported on the results of 25 qualitative interviews with farmers in the counties of Lincolnshire, North Yorkshire in England.

Three strategies have been identified: conventional, value added and non-food diversification. There appears to be similar variations between the ways in which farmers utilise each strategy. Conventional farmers tend to have more focussed networks i.e. based on particular sectors or types of activity, whereas farmers who utilise VA and NFD strategies tend to use wider networks and tend to be more open to realising opportunities.

It would be simplistic however, to suggest that there is a great deal of variation between entrepreneurial skills levels. These skill levels and attributes can and do change as a consequence of the factors and processes identified in Figure 1. As we have seen for example, individual actors explain how they have changed their perspectives and developed certain skills as a consequence of exposure to different networks.

The farmers in this sample broadly speaking recognise and embrace change. They are broadening their income base through a range of strategic mechanisms both within the agricultural sector and through -farm diversifica-

tion. Some of these are more conscious of the need for strategic planning than others. Whereas most of the respondents are aware of the need for strategic planning they are less aware of marketing issues. Furthermore, those farmers who tend to diversify are more likely to have a greater level of strategic awareness. While these farmers are, on average, younger there is no simple association between age and strategic awareness. Rather, it is a clustering of characteristics including age, education and other factors such as disposition towards risk and membership of social networks that appears to be influencing behaviour among this group.

A number of the respondents appear to be reactionary in that they respond to change rather than manage it.

Some of the respondents are very clear about the need for effective networking to enhance the business, but are less clear about how these skills can be developed. Where there is recognition that farmers do perhaps have to develop some skills in order to compete in a competitive market place there is less recognition on how this can occur.

A proportion of the respondents had self-efficacy in that they believed they had these entrepreneurial skills and therefore did not think they required any further development. Others however were aware that they and other farmers had a skill deficit but were unaware of how they and others could develop them. This then is an area for further exploration i.e. how can these farmers be identified and supported.

There is no consensus then on a) how enterprising skills can be developed and indeed b) if they can be developed. As one of the respondents quoted above suggests, "you either have the skills or you don't"

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## 5 The case of Finland: Aspiring to demonstrate the significance of entrepreneurial skills with a variety of voices

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### 5.1 Introduction

The aim is to increase understanding about the nature and relevance of entrepreneurial skills in farm businesses with the help of a qualitative interview study of 25 farmers, who represent different forms of business activity on farms.

On the basis of previous study in the ESoF the pilot study (de Wolf & Schoorlemmer 2007), and the theoretical elaboration presented in chapter 2, entrepreneurial skills are conceptualised as the skills of creating and evaluating a business strategy, networking and utilising contacts, and recognising and realising opportunities.

Methodologically, entrepreneurial skills are viewed as an issue of self-assessments and skill development related attributions, which can be approached by analysing and interpreting the self-presentations and explanations that are provided in the interview (see chapter 2.4).

From this perspective, the research questions are formulated as follows:

- How do the farmers present themselves in regard to entrepreneurial skills?
- How are these skills manifested in their self-presentations?
- Are there differences between self-presentations according to the farmer's engagement in conventional production, value-adding activities or other diversified business activities?
- How do the farmers explain the development of entrepreneurial skills among farmers?
- In the farmers' opinion, what could be done to develop entrepreneurial skills among farmers?

#### 5.1.1 The context of the cases: Some characteristics of the Finnish agriculture and case areas

Since EU membership in 1995, agricultural income in Finland has been steadily falling despite the growth in support payments. The commitment to the Common Agricultural Policy of the EU meant that it was no longer possible to regulate the market price level of agricultural products through national border protection and export subsidies; the minimum prices of agricultural products guaranteed by the EU are much lower than the producer prices paid in Finland before EU membership. The structure of Finnish agriculture has changed rapidly: in 1994 the total number of farms was 103,000 and in 2004 the number had fallen to 71,000 farms. In 2004, almost 45,000 farms of the total 71,100 were located in the areas of southern and central Finland, even though these areas only make up around 1/3 of the total surface area of the country. At the same time, the cereal area has grown, as has the concentration of the food industry and trade. In 2004 there were record levels, e.g. in meat production, although beef production has been decreasing. (Niemi and Ahlstedt 2005.)

According to the statistics for 2004, the total number of Finnish farms was 71,100. The distribution in terms of production branches was: crop production 58% of the total number of farms (average size of crop farms in terms of arable land was 31.5 ha); dairy husbandry 24.5% (average size of dairy farms in terms of head of cattle was 17.9); beef production 6.5%; pig husbandry 4.8% (average size 401 pigs); poultry production 1.3%; and other branches 4.9%. The measures are based on the number of farms that received agricultural support in 2004. (Niemi and Ahlstedt 2005; Lehtonen and Pyykkönen 2005). In 2004, the average age of farmers was 49 years old; the average age of farmers was decreasing when moving from north to south. The utilised agricultural area in Finland was 6.7% (2,253,300 ha) of the total surface area, and the percentage of the national population working in agriculture was 3.9% (93,000 persons) of the employed population in Finland. In 2003 the share of agriculture

of the total GDP (123,963 million euros) was 1.3% (1,595 million euros), and the share of the food industry 1.7% (2,144 million euros). (Niemi and Ahlstedt 2005.)

The single most important product group in the export of agricultural products is cheese. Other important articles include butter, sugar products, pork, cereals and alcoholic drinks. In 2004 the total value of Finnish food exports was 940 million euros; in the same year the value of food imports was 2,330 million euros (Ibid.).

In 2003, about 1/3 of Finnish farms were engaged in on-farm business diversification, i.e. they had some other business activities besides the primary production (Ibid). However, the interpretation of Finnish statistics concerning on-farm business diversification is not a simple matter and does coincide with, e.g. the division applied in this research project (C, VA, NFD); in the Finnish statistics, e.g. the farms engaged in value-adding activities may also be categorised as farms practicing on-farm business diversification.

### The case areas: Kauhajoki and Nurmijärvi

The interviewees were chosen from two municipalities, Kauhajoki and Nurmijärvi, which have different profiles and represent two different types of rural areas. The municipality of Kauhajoki is a typical “core rural area” in mid-western Finland, located further away from the biggest Finnish cities in an area where the conditions for agricultural production are quite favourable by Finnish standards. The municipality has a total population of 14,500 inhabitants. Different lines of agricultural primary production are quite evenly represented, including both crop farming and animal husbandry. There is also some lively industry and development activity in the food sector. Kauhajoki has a total land area of 1,315 km<sup>2</sup>, of which 21,300 hectares is farmland. The number of active farm holdings in 2004 was 630; both the amount of farmland and the number of active farms has remained more or less on the same level in recent years. Three hundred and fifty of the total 630 farms have crop production as their core farm business; in terms of the farmland hectares, the most common crop varieties include oat, barley, oilseed and protein crops, and grass or grazing. Regarding animal husbandry farms, dairy cattle farming is the most popular line of production, followed by pig rearing (see table 5.1).

The municipality of Nurmijärvi is an “urban fringe area” near Helsinki in southern Finland. The municipality has a total population of 37,500 inhabitants. Only about 2% of the population are employed in agriculture, but being in the vicinity of Helsinki capital area provides the municipality and its inhabitants some distinctive opportunities: On one hand, the municipality attracts inhabitants who work in the Helsinki area; Nurmijärvi is one of the most growth intensive municipalities in the capital area. On the other hand, being in the vicinity of Helsinki provides markets for local entrepreneurs. In the farm sector, horse rearing in particular has become a popular form of business diversification; the amount of horses in the municipality has been steadily increasing and is currently close to 1,000. Farms in the municipality have typically engaged in either non-food business diversification or wage work. With regard to lines of primary production, cabbage production has been one of the strong lines in the municipality; about 30% of Finnish cabbage is produced in the area of Nurmijärvi, even though its production has been decreasing recently. Crop production is more characteristic of the farms than animal husbandry; in terms of farmland hectares, the most common crop varieties include barley, wheat, oat, grass or grazing, and oilseed and protein crops. The most common reared animals include horses, cattle, pigs, and sheep.

Some characteristic features of the municipalities are represented in figures in table 5.1.

**Table 5.1 Some characteristics of the case municipalities**

|   | Kauhajoki | Nurmijärvi |
|---|-----------|------------|
| Population                                      | 14,500    | 37,500     |
| Percentage of workforce employed by agriculture | 12 %      | 2 %        |
| Total land area (km <sup>2</sup> )              | 1 315     | 367        |
| Area of farmland (ha)                           | 21,300    | 12,000     |
| Number of active farm holdings                  | 630       | 250        |

### Materials and methods

All together, 25 interviews were conducted, 11 in Kauhajoki and 14 in Nurmijärvi. The interviews took place between August and October 2006. The majority of the interviews took place in the farmhouses of the interviewees and their duration varied from about half an hour to a bit over two hours. The majority of the interviews

were conducted with individual farmers, but the interviewees were also given the opportunity to ask their partners (e.g. spouse, business partner, co-owner) to participate in the interview. Consequently, in 10 cases of the total 25, there were two persons participating in the interview. However, there were no obvious differences in the general answering patterns between the single and collaboratively performed interview presentations.

In both case-municipalities, the interviewees were chosen by first contacting the chairman of the local farmer's union, who was asked to provide us a list of c. 30 potential farmers to be interviewed, representing the three strategic orientations (C, VA, NFD) in roughly equal proportions. From these lists of candidates the final 25 cases were picked out; not every farmer whom we asked was willing to participate in the research, but such farmers were nevertheless a minority.

Table 5.2 lists the basic characteristics of the interviewees, showing the range of ages, core farm businesses and farming strategies (i.e. conventional farming=C, value adding=VA and non-food business diversification=NFD).

**Table 5.2 The characteristics of the Finnish interviewees**

| Case | Gender | Age | Core farm business                       | Municipality | Strategy |
|------|--------|-----|--|--------------|----------|
| 1    | Female | 47  | Sheep                                    | Kauhajoki    | NFD      |
| 2    | Male   | 32  | Various crops & livestock (Dairy) cattle | Kauhajoki    | C        |
| 3    | Male   | 41  | Various permanent crops combined         | Kauhajoki    | NFD      |
| 4    | Male   | 42  | Mushrooms                                | Kauhajoki    | VA       |
| 5    | Female | 51  | Various crops & livestock (Pork)         | Kauhajoki    | NFD      |
| 6    | Male   | 41  | Dairy cattle                             | Kauhajoki    | C        |
| 7    | Female | 44  | Horticulture                             | Kauhajoki    | VA       |
| 8    | Male   | 31  | Specialist granivores (Turkey)           | Kauhajoki    | VA       |
| 9    | Male   | 43  | Cereals, oilseed & protein crops         | Kauhajoki    | NFD      |
| 10   | Male   | 48  | Cereals, oilseed & protein crops         | Kauhajoki    | NFD      |
| 11   | Male   | 40  | Various crops & livestock (Pork)         | Kauhajoki    | C        |
| 12   | Female | 31  | Cereals, oilseed & protein crops         | Nurmijärvi   | NFD      |
| 13   | Male   | 67  | Specialist granivores (Pork)             | Nurmijärvi   | C        |
| 14   | Male   | 30  | Various permanent crops combined         | Nurmijärvi   | NFD      |
| 15   | Male   | 47  | Dairy cattle                             | Nurmijärvi   | C        |
| 16   | Male   | 55  | Horticulture                             | Nurmijärvi   | VA       |
| 17   | Male   | 29  | Cereals, oilseed & protein crops         | Nurmijärvi   | C        |
| 18   | Female | 55  | Cereals                                  | Nurmijärvi   | VA       |
| 19   | Male   | 41  | Cereals, oilseed & protein crops         | Nurmijärvi   | NFD      |
| 20   | Male   | 57  | Cereals                                  | Nurmijärvi   | NFD      |
| 21   | Male   | 41  | Horticulture                             | Nurmijärvi   | VA       |
| 22   | Male   | 43  | Cereals, oilseed & protein crops         | Nurmijärvi   | NFD      |
| 23   | Male   | 59  | General field cropping                   | Nurmijärvi   | C        |
| 24   | Male   | 61  | Cattle rearing & fattening               | Nurmijärvi   | C        |
| 25   | Male   | 47  | General field cropping                   | Nurmijärvi   | VA       |

The process of data analysis was based on the common guidelines distributed among all partners of the project consortium, included in the appendices of this report. To describe it simply, with regard to the analysis of the self-presentations concerning entrepreneurial skills, analysis focused on the identification and grouping of the variety and use of rhetorical resources applied in the presentations. With regard to the analysis of the data concerning the question of the development of these entrepreneurial skills, the analysis focused on the identification and grouping of the types of attributions of cause used by the interviewees (i.e. internal vs. external attributions and the type of factors, actors and processes suggested in the attributions).

## 5.2 Analysis I: Self-presentations regarding the entrepreneurial skills

Chapter 5.2 summarises how the 25 interviewees in the Finnish data commented on their relation to the three entrepreneurial skills (see sheets 2-4 in Appendix 1). The analyses and groupings were done from the perspective of self-presentation, i.e. by analysing how the interviewees presented themselves in relation to these skills; attention was thus paid to the variety and use of rhetorical resources that the interviewees applied when presenting their skills. The results are presented in three main categories, according to the strategic orientation of the farm; the 25 cases consist of 8 conventional production cases, 7 value adding cases, and 10 non-food business diversification cases.

In the categories the logic and order of the case comparisons are similar: the first cases are such, where the most convincing presentations of oneself as having skills and being good at their utilisation are made; the last cases are such, where the presentations of oneself as having skills and being good at their utilisation are less convincing, for one reason or another. The only exception in this respect is the category of Conventional cases, where the cases are further divided into sub-categories according to the presented conventional farming strategy, i.e. expansion, cost-reduction orientation and absence of strategic control; the gradation of the cases from most convincing presentations to less convincing are done within these sub-categories.

### 5.2.1 Conventional (C) cases

The first sub-group includes the gradation of the cases where an expansion strategy is articulated during the presentation; the second sub-group includes the gradation of the cases where a cost-reduction strategy is articulated during the presentation; and the third sub-group includes the gradation of the cases where an absence of strategic control is articulated during the presentation. The gradation of the cases within these subgroups is based on the diversity and richness of the rhetorical resources used in the making of the presentation.

#### **Presenting oneself as having the skills in connection to production and also to some marketing/sales related decisions; skills attached strategically to the expansion of production**

##### **Case 11: A 40 year old male farmer, focusing on pork production**

###### **Skill 1**

The farmer emphasises the importance of planning and writing things down when thinking about future challenges, alternatives and possible solutions. He says that their farm does not have any written business plans, even though they have thought out plans for their farm. When they started pig production, pigs were a natural choice. Their buying of the farm was characterised mostly by planning of practical things; other lines of production or business have not been thought about much since then. They have doubled their pig production since the start, and are possibly going to continue the expansion in the future also. The farmer claims that good production skills are the basis and prerequisites upon which the expansion of production must rest. He also says that it is important to succeed in the production of one's own forage, since the forage costs have quite a large effect on overall profitability.

➔ The farmer does not mention any written plans as a resource when presenting his strategic planning skills; he nevertheless emphasises the importance of planning and also of written plans. He presents his planning skills by using the context of production as a resource: the expansion of production has been based on the proper management of the production activities, both for pig and forage production. Planning skills are thus related to the possibilities to expand existing production, but mostly from the perspective of production activities.



**Skill 2**

The farmer assesses himself as being pretty good at networking and utilising contacts: “Well, I would believe that I am pretty good.” He mentions examples of co-operation between other farms, e.g., joint use of machines, contracting. In addition to that, he has been active in initiating farm co-operation in an EU funded project, thus demonstrating his abilities to launch networking among farmers. He also claims that he has created good contacts to abattoirs, and has recently changed the purchaser of pork. Furthermore, he is active in positions of trust, e.g., in the local farmer’s union.

→ The farmer provides a direct self-assessment and presents himself as having the skill of networking and utilising contacts, and as being pretty good at it. He is also able to appeal to several resources when presenting his skills. He gives examples of networking and contact utilisation in the context of production co-operation between farms, where he has had the role of an active initiator; he has created satisfactory contacts to abattoirs and a purchaser; his work in the farmers’ interest group provides another resource to describe networking, even though he only mentions it briefly.

**Skill 3**

He does not directly assess how good their farm is at recognising and realising opportunities; he says that it is often difficult to gain enough information in order to be in an ideal position to make decisions, such as investments. When the interviewer asks for examples of recognised opportunities, the farmer tells that he considers his recent change of butcher as a good choice thus far. He also considers their current pig house combination as the most profitable form of pig production at the moment and states that if one is going to continue pig production, it is the best alternative. He says that they have not considered alternatives to add value to the pig meat, such as organic production, since it would require expensive investments and following strict rules. He mentions that they have considered the possibility of arranging production co-operation between pig producers, but have not realised such plans, since the available options, e.g., collective pig houses promoted by the meat processors, tend to narrow down the farmer’s independence and one’s own decision making possibilities.

→ The farmer does not provide a direct self-assessment, but is able to present some examples as instances of recognised and realised opportunities. His rhetorical resources include changing the butcher in the context of selling, and the selected production method (pig house combination) in the context of production. It is notable that he exhibits abilities to analyse the recognition and realisation of opportunities during his commenting, but he gives arguments mainly for the difficulty of taking up any value adding activities, thereby presenting himself as being aware of risks inherent in many opportunities.

**Case 6: A dairy cattle farm, both wife (age 45) and husband (age 41) involved in the interview****Skill 1**

They start by commenting that they have a strategic plan, the purpose of which is to guide them in the running of the farm, both in the shorter and longer terms. The wife specifies that for example animal breeding choices could be considered as one part of strategic planning, which plays an important role in their production, e.g., when choosing the appropriate quality of milk. The husband adds that it is important for them to keep all production sectors in balance and not to rely too heavily on the development of only one sector; instead they aim to develop both milk and plant production and to take care that for every sector the outputs would match the inputs equally. For such a purpose they utilise written liquidity plans, where the costs are calculated on a yearly basis; they also make a yearly milk production profitability calculation, as a bought service from the local extension service organisation, where they e.g. see the working hours spent and real costs, can compare their farm with the local and national farms in order to see what their strengths and weaknesses are, and learn what needs to be improved.

→ The farmers mention using and utilising written plans as well, when presenting their strategic planning skills: they utilise both yearly liquidity and milk production profitability calculations. In their commenting they give reasons for utilising planning skills as a rhetorical resource: it guides the running of the farm, helps keep the production sectors in balance and profitable, and indicates the strengths, weaknesses and improvement issues in their production. The choosing of the appropriate milk quality could be interpreted as an example of market oriented planning in conventional production. Strategic planning is thus presented as serving several important functions. The utilisation of the skills is nevertheless mostly related to the production context, i.e. to the planning of plant and milk production, and to the evaluation of profitability and use of workforce. In their planning they also mention their contact to the extension service organisation as a rhetorical resource.

### **Skill 2**

The husband assesses that networking and utilisation of contacts is something that only his wife has taken care of; her wife agrees and assesses her husband as a person who would stay only on the farm. The wife talks about contacts to the dairy, where she knows people personally. She also claims that contacts with other farmers help them to get useful benchmarking information for the development purposes of their farm, including construction work and land prices; this benchmarking information is presented as an incentive to develop the farm. The skill is evaluated as quite important but not as the most important one.

→ The couple presents their farm as having the skill of networking and utilising contacts: the wife has them, but the husband has not. The central rhetorical resource in this presentation is the use of contacts to the dairy and to the farming population. However, there is no mentioning of a concrete co-operation between farmers, and the contacts are presented as serving only production purposes on the farm.

### **Skill 3**

After the question a silent moment follows, but eventually the wife starts with an affirmative answer: “Well yes, I think we can recognise opportunities well.” She claims that they would not be building a new cow house unless they felt that they had recognised a proper opportunity for them; she states that they have thought about other kinds of opportunities as well, but found out that they do not suit them as well. The husband agrees and says that they have a confident feeling of succeeding by doing things in their way, even though in the media he has encountered statements saying that it would be impossible to succeed on their scale. They estimate that they should be able keep something like 50 cows, which should be enough for them until the end of their active farming career. They consider this an important skill, because it is also useful for figuring out what you really want and are able to do, without getting an unbearable work overload. They assume that perhaps they could have managed by keeping the farm on a slightly smaller scale, but outside pressures emphasise expansion strongly; they claim that they nevertheless prefer to play it safe and avoid taking unnecessary risks – they mention that e.g. their neighbour comes off well, even though he has only a dozen cows.

→ The farmers provide a direct self-assessment of themselves as being good at recognising and realising opportunities; they justify this assessment by drawing on the resource of their production expansion plans (the new cow house under construction). They are also able to use the reasons for using the skill in this way as a rhetorical resource: They present themselves as having realised the suitable opportunity for them in the form of a moderate growth strategy, which should suffice for them until the end of their active farming career, guarantee a safe income and prevent the workload from increasing too much.

## **Presenting oneself as having skills in production; skills attached strategically to the expansion of the production**

### **Case 2: A dairy cattle farm, husband (age 32) involved in the interview**

#### **Skill 1**

The farmer starts by commenting that they have a business plan, the purpose of which is to guide them in the making of investments and evaluation of the overall profitability of the farm. He mentions that for example earlier this year they updated their liquidity plan while planning some new investments. He states that since the major part of their income is received once a year, one has to make some financial planning in order to guarantee the economic balance during the whole year; it also contributes to giving them more confident feeling. He considers this as important.

→ The farmer mentions using and utilising a business plan, e.g. liquidity planning. When presenting his skills, he is able to use the reasons for doing business planning as a rhetorical resource: it guides them in the making of investments and in the evaluation of the overall profitability of the farm. The use of the skill is thus related to the management of production and overall economic balance.

#### **Skill 2**

The husband assesses himself as not being good at networking and utilising contacts: “Well, not really.” He goes on to explain that he avoids local farmers’ associations and other kinds of associations, because they would only cause extra work and waste time. He thinks that a small bunch of friends is enough for him: he can utilise and consult his friends for production related activities, they have e.g. contacted friends for advice when planning

and building a new cow house. The husband does not think of this skill as one of the most important ones for himself.

→ The couple presents themselves as farmers who do not have the skill of networking or utilising contacts. However, the lack of the skill is presented as their own choice: they do not see themselves or their type of farming as benefiting from networks and contacts to local associations; in this sense, the critical evaluation of associations is one rhetorical resource of the presentation. Another resource is the contacts to friends, whose aid and advice is enough for their purposes; anyhow, these contacts with friends are not presented as a matter of contact utilisation skills.

### Skill 3

He starts with an affirmative reply: “Well, it is... There would indeed be whole lot of ideas, but it is about the realisation then.” He specifies that since working hours are limited, one is perhaps not able to realise the possibilities. He mentions as examples that they have thought about building a separate cow house for bulls and about extending their production buildings; he has also had some ideas about utilising his competence as a welder by initiating some kind of metal work business, but thus far the lack of time has prevented the ideas from proceeding into realisation. He has also had some ideas for his own products, e.g. of a machine with which to peel and dry logs; due to the current trend in bio-energy consumption he thinks that there would be demand for such a machinery. He estimates that the realisation of such ideas would require him spending at least one winter for these purposes, but at the moment he does not know whether he is going to try it out some day.

→ The farmer provides a direct self-assessment of himself as being good at recognising opportunities, even though a lack of time has been an obstacle for their realisation. His rhetorical resources include examples from production expansion plans (the new cow house) and business diversification opportunities (metal work business and development of a forest work machine). Thus he relates the use of the skill to the contexts of both primary production and other business activities.

## Skills attached strategically to the expansion of production, but presentation of the skills tends to remain on a general, speculative level

### Case 15: A dairy cattle farm, both husband (age 47) and wife (age 47) involved in the interview

#### Skill 1

The husband replies with an affirmative tone: “Well, of course one has to do some planning, to have some visions, at least in your own head.” He emphasises that one should have a realistic basis for one’s activities. However, he states that he does not have any written plans and he hardly utilises any services for these purposes; instead he has the vision in mind and spends time figuring things out himself. They state that basis of their income, including milk prices, has been pretty stable; on the other hand, they say that even the experts cannot predict some aspects of the operation environment and the EU policy itself is so unstable that it is of no use to try to plan certain things too precisely. They state that they expanded their production in 2000 by building a new cow house; they planned the expansion for several years and spent some effort in comparing different production building types, before selecting the current type. Now they are happy with the size of their farm (56 cows) and are not going to grow the production any more. They also mention machine investments, which have entailed some planning, e.g. from the perspective of taxation.

→ The farmers mention using and utilising plans, but not in written form. When presenting their strategic planning skills they discount the importance of formal plans by utilising the situation of a conventional milk producer as a rhetorical resource: many aspects of the operation environment cannot be predicted and the basis of their income is pretty stable anyway. The importance of planning is justified by drawing on the resources from the production context: they have utilised planning skills in the expansion of their milk production capacity (the selection and building of the new cow house).

#### Skill 2

The couple does not present a direct self-assessment concerning how good they are, but they assess that they have enough contacts anyway: “Of course one could have more contacts, but they will do for us, it is always the case that the more contacts one has the better.” The couple tells examples of their networking and contacts only when asked separately. They talk generally about the importance of having good relationships with officials who decide issues that are relevant for the farm, and with colleagues. They also mention that they have contacts and

networking through associations, e.g., through the association for a certain cow breed. However, they do not provide any more concrete descriptions of the content or purposes of networks or contacts, except for stating that good contacts to the local official of environmental affairs helps them to deal with the complaints that they encounter in dairy cattle farming.

→ The couple assesses that they have enough skills for their purposes. They emphasise the importance of such skills, but fail to provide concrete descriptions of the ways that they use or apply these skills. The central rhetorical resource is the positive evaluation of contacts to officials, e.g. to the local official of environmental affairs. Another resource is the positive evaluation of contact with colleagues and production related associations. The purpose of the skills remains ambiguously general; they emphasise the production perspective, but they only comment how contacts help them to deal with issues.

### Skill 3

The husband starts by commenting: "Indeed, I think this is one of the most important skills. Just like it reads here, one could answer that yes." He seems to affirm the importance of these skills but does not explicitly assess how good they are in recognising and realising opportunities. He emphasises that everyone has to spot one's own opportunities and figure out one's own ways and channels. However, when the interviewer asks them about their own decision to start with their current line of production, they state that at the start it was a forced option: the husband's parents had a dairy cattle farm, the husband and his wife had no education and somebody had to continue the farming. The farmers are not sure whether they would say that they have spotted a good opportunity in dairy cattle farming; they ponder that for example the younger generation can nowadays more easily try out professions and lines of production, but on the other hand in dairy cattle farming the production unit is so expensive that it requires long-term commitment to production. They state that they themselves are into dairy cattle farming anyway, because they have adopted clear routines and the activity still provides challenges for them, which is a motivating factor; they say that they have invented various innovations to facilitate their production, but fail to provide other examples than "construction", "facilitation of work" and "visions on how to continue forward".

→ The farmers do not clearly present themselves as either having or lacking the skills of recognising and realising opportunities, even though they evaluate them positively. Their initial comments reveal a lack of rhetorical resources with which to present their own skills: the initiation and running of their line of production is not presented as including active decision making; they fail to provide concrete examples of recognised or realised opportunities, except general production related rationalisation and planning. Perhaps their comment that they look forward to challenges in their farming gives a reason why their outlook on production is interpreted as opportunity-oriented anyway.

## **Presenting oneself as having skills for production related activities; skills attached strategically to the cost-reduction orientation and to anticipative action vis-à-vis the operation environment**

### **Case 17: Cousins, aged 30 and 40, who own a farm consortium, which produces crops**

#### **Skill 1**

The farmers start by commenting that it is almost impossible to evaluate a strategy on a short-term basis; instead, they emphasise the importance of trying to maintain their current income level by making production more effective, which means either working more efficiently and reducing more costs than others or somehow adding value to the products. Thus they emphasise that their primary objective is to maintain their income as close to the current level as possible, even though they guess that their income will decrease somewhat anyway. The main point is to utilise cost-reduction or value-adding solutions in an anticipative manner, by acting before one is driven to make forced reactions; as an example of this kind of principle they tell how they bought a joint harvester-thresher together with their neighbour, because they anticipated this to be profitable in the future. According to their view, strategic decisions have to be taken and evaluated over the long range and one has to be committed to the selected strategy, partly because in agriculture it easily takes several years to see the consequences of executed solutions, and partly because financial investments bind so much capital for a long period of time.

→ The farmers do not directly comment whether they have a business strategy, but their subsequent descriptions function to show that their actions are based on strategic planning: their rhetorical resources include, first of all, the reasons for using the skill, i.e. to maintain their income level by making anticipative actions on a cost-

reduction basis. They demonstrate this principle by using a second rhetorical resource, having bought a joint harvester-thresher together with their neighbour. As a third resource, they demonstrate their skill by analysing how strategic planning should be done: by committing to the selected strategy over the long range and evaluating its consequences over the long run. In these comments they connect the skill to the context of production.

### **Skill 2**

The farmers do not present a direct self-assessment concerning how good they are, but one of them says: “Of course the network could also be somewhat bigger, for example, the entrepreneurs outside agriculture surely have bigger networks”. The farmers describe their co-operation with the neighbouring farm: they have shared machines and also co-operate in the production work on their farms. They claim that this co-operation functions as a kind of insurance against unexpected events like accidents, but the most important incentive for them is a financial one: they aim at cutting down their production costs.

→ The farmers do not clearly present themselves as either having or lacking the skills. However, they give indirect accounts of themselves as having the skills, when they describe their close production co-operation with the neighbouring farm. Even though the rhetorical resource in this presentation is limited to production activities, these farmers are able to use their co-operation with the neighbouring farm as a rhetorical resource through which they present themselves as having the skills. Furthermore, they relate the use of such skills to clearly articulated financial purposes: they aim to cut down production costs and insure themselves against unexpected events.

### **Skill 3**

The farmers do not provide a direct self-assessment concerning how good they are at recognising and realising opportunities, but one of them states that he constantly thinks about whether there could be any ideas worth realising, but the courage to proceed to realisation is often lacking. As an example they state that before they decided to buy a joint harvester-thresher together with their neighbour, they analysed whether there could be any opportunities to buy additional field area in the region; after they came to the conclusion that no opportunities for buying are to be expected, they decided to make the joint investment. They describe at length why they decided not to take up any additional business or work activities besides primary production: they claim that since they have not yet faced very great economic pressures and do not like to take extra risks, they have decided to stick to various primary production solutions; they analyse the difficulties related to additional business activities, such as heavily increasing their work load, big start-up investments and the difficulty of finding a suitable business idea with a secure customer base, as if to demonstrate that they have recognised their opportunities in primary production but mainly recognise risks in other business activities.

→ The farmers do not explicitly present themselves as either having or lacking the skills, but indirectly they present themselves as having recognised and realised opportunities within primary production, by using their joint machine investment and cost-effectiveness calculations as rhetorical resources. Through their comments, they show the ability to analyse what the realisation of other business opportunities would require, but they view such opportunities from the perspective of risks, thereby presenting themselves as being aware of risks inherent in business opportunities outside of their primary production.

## **Case 23: A male farmer (age 59) who owns a farm consortium together with his wife and son, produces cabbage**

### **Skill 1**

The farmer replies to the question by commenting first on the importance of the skill: “Yes, surely, I would consider it important, but it is quite a big job to do because you should think quite radically about the whole farm then.” When asked separately, he admits that he himself has a business strategy for the farm, the core of which is to continue in primary production, because he thinks that the inputs and education on the farm are not sufficient to take up processing activities. He elaborates that the strategy has developed during farming: until the ‘70s the marketplace sellers were their primary buyers, but since then wholesale firms have started to dominate and they also take care of the marketing; this has led the farmer to focus on the improvement of the factors of primary production and to try to find lines of production where the costs per production unit would be as cheap as possible. He states that it is difficult to find any concrete indicators to measure the profitability between inputs and outputs except the overall profitability calculation at the end of the year and general experience-based feeling. However, he states that the contacts to and discussions with local farmers are a valuable means of evaluating

production, even though these colleagues are also competitors: in these discussions it is nevertheless possible to share knowledge and experiences of acquisition and production costs and thereby create a common standard of comparison.

→ The farmer presents himself as having a business strategy for the farm, even though he does not comment whether it is a formal or written one. He is able to present the development of the farm and production as based on strategic planning: the change of main customers from marketplace sellers to wholesale firms has contributed to a stronger emphasis on cutting down production costs; this cost reduction strategy is also presented as the suitable future orientation for the farm. When presenting his cost reduction strategy, his rhetorical resources include the contacts to and discussions with the local farmers, who provide him comparative information about acquisition and production cost standards; in the evaluation of profitability, the overall profitability calculation also helps him to some extent.

### **Skill 2**

The farmer assesses himself as not being good at networking and utilising contacts: “No, I have not developed these skills much, I am not good in this matter.” Nevertheless, he says that he knows it would be useful and beneficial to be good at networking and utilisation of contacts. He says that the purpose of networking could and should be to achieve a consensus on how to produce Finnish cabbages at a reasonable, competitive price, from the perspectives of both farmers and the Finnish markets and consumers. But given the current competition between farmers and steady contacts to purchasers, the co-operative efforts among farmers have thus far failed. Nevertheless, he reveals that he has good contacts to the purchaser, by telling how their information exchange is fluent: the purchaser gives him useful advice on potential, expected demand for products. He thinks that their relationship is largely based on trust; he thinks that the customer assesses his consortium as a trustworthy producer, who can meet the customer’s expectations.

→ The farmer presents himself as not having the skill of networking or utilising contacts. He presents his situation as preventing the use and utilisation of the skills; he presents himself as having interest in co-operation and networking by analysing their potential benefits, but presents his situation as unfavourable for such activities. The central rhetorical resource in this presentation is the situation of a conventional cabbage producer: the competitive situation in the markets is presented as hindering the development and utilisation of these skills. Nevertheless, he is able to indirectly show that he has at least some contact creation and management skills, by stating how his customer trusts his competence and provides him useful information.

### **Skill 3**

The farmer starts by commenting first on the importance of the skill: “Indeed this is an important one, very important. But whether it is among the most important ones, I don’t know, these are all pretty important issues.” Then he comments on his own skill: “Well, if I would be satisfied with my own skill, it would be a sign of giving up. If I have recognised something, it is not clear whether I have recognised it correctly, speculation is always important, but you just cannot afford to get depressed along the way.” He says that in cabbage production these skills are utilised in the exploration of possible demand trends, which are according to his views probably more prone to fluctuations than in traditional crop or meat production. He says that he analyses the statistics about current cabbage production and demand, and tries to figure out possible trends, because it is also possible to spot opportunities by acting contrary to the current trends. He also describes how the prediction of possible weather conditions may affect and create opportunities in cabbage production.

→ He does not explicitly assess himself as being good at recognising and realising opportunities, but the comment that you cannot afford to be satisfied with your skill indicates ambition regarding the skill. He also uses as his rhetorical resource the description of how the skill should be utilised: one should constantly speculate whether the recognised opportunities are still valid. Another resource utilised by him is related to the analysis of demand: since the trends in cabbage demand and supply fluctuate to some extent, it is possible to recognise opportunities by analysing the supply and demand statistics and also by acting contrary to emerging trends. These accounts provide concrete examples of the recognition of opportunities in his situation. An additional resource utilised by him was related to the prediction of weather conditions when making production decisions.

**Presenting oneself as having skills in production (and in some marketing/sales related activities); strategy shifts regarding lines of production utilised as a resource; indicating a cost-reduction orientation, but future strategy is related to the possibility of getting rid of the means of production at the age of retirement**

**Case 24: Two brothers, aged 60 and 55, whose core farm business is beef cattle rearing**

### **Skill 1**

The farmers start by stating that they do not have a written business strategy, but hesitate about whether their continuous planning and interest in the field could also be considered as strategy creation. They state that once a certain line of production is selected, you cannot go on to suddenly change things; nevertheless, evaluation of the current activities has to be done anyway. They state that when Finland joined the EU, they made a strategic decision to focus on the improvement of grain storage and a grain dryer instead of more expensive investments in new domestic animal buildings, because in the future it's easier to sell a grain production unit than an animal production unit. They claim that back in the day their taking up of the beef cattle rearing was based on major strategic planning and decision making, since before that the farm was focused mainly on grain production. Currently they are planning, e.g. the timing of product releases and variety and amount of cultivated plants.

→ The farmers do not have a formal, written business strategy, but they give examples where strategic planning has played a minor or major role: As a major strategic decision they consider their choice to change the line of production from grain production to beef cattle rearing; thus they use their current line of production as a rhetorical resource to present their skills. They claim that major strategic changes are not an option, once a certain line of production has been strategically selected; minor strategic planning is performed anyway, such as evaluation of profitability, need for investments in production and selection of produced varieties. Also these rhetorical resources are related to the context of production.

### **Skill 2**

The farmers do not present a direct self-assessment concerning how good they are, but one of them comments whether they have use for this kind of skills: "We have, we have, yes." They describe at length examples of networking and contacting and begin by describing the types of co-operation that they practise with other farms and farmers: They have mutual machine co-operation with other farms; they buy forage from other farms and sell grain and protein crops to other farms; they state that they have co-operation in buying and selling with about 15 farms, with whom they negotiate about various kinds of possibilities to buy and sell (primary) products. In addition they state that they also utilise various kinds of expertise that their friends have from different areas. Furthermore, they comment on the relationship to the meat processing company by stating that nowadays it provides them much useful production related information and services, but it requires that they are willing to actively seek and pay for these, besides making a production agreement. They mention that the purposes for doing these activities are risk management and getting advice.

→ The farmers do not explicitly present themselves as having the skills, but their lengthy descriptions of their activities in various contexts contribute indirectly to presenting themselves as having the skills and being able to utilise them. The central rhetorical resource in this presentation is the contacting and utilisation of various kinds of co-operation – machines, work, buying and selling – between farms. Another resource of their presentation deals with the utilisation of information and expertise, provided either by their friends or the meat processing company. As a third resource they refer to the purposes for doing these activities, i.e. risk management and getting useful advice.

### **Skill 3**

They start by assessing that their skill of recognising and realising opportunities has been declining during the years; they say that 15 years ago they would have responded confidently yes, but now there is not so much active farming time left for them, and hence they do not necessarily realise opportunities even though they recognise them to some extent. Consequently they claim that this is one of the most important skills, but it's just not that useful for them any more. They say that they use the skill currently when planning how to use the field area, what varieties to cultivate, and what is the proper amount of animals to be reared; this includes also taking into consideration the available subsidies. One bigger change of direction was related to the Finnish EU-membership, when subsidies for dam cow production changed radically and they realigned their cattle rearing strategy accordingly.

→ The farmers do not explicitly present themselves as having the skill any more; the utilisation and usefulness of the skill is rhetorically connected to the resource of remaining active farming time: now they are no longer eager

to realise possibilities even though they would recognise them; currently the realised opportunities are related to fine tuning in the production context and subsidies, major realisations date back to the start of the Finnish EU membership.

**Presenting the skills as useless for one's situation, which prevents the utilisation of the skills (no strategic control presented)**

**Case 13: A 67 year old male farmer, focusing on pork production**

**Skill 1**

The farmer states that they have a written business plan and states that it would be quite important, if only the other party of the contract, i.e. the actors in the vertical production chain, would also stick to the agreements. According to his view it is difficult to utilise planning, because the plans are so one-sided: the pig farmer commits himself to certain production solutions, but cannot rely on the assumptions that he must make concerning the operation environment (e.g. meat prices). He claims that it is a major problem that e.g. when their farm did a business plan in order to make investments, it soon turned out that the meat prices changed dramatically and the plans became inadequate; he mentions that their son who used to work on the farm before had to seek another job when the pork prices decreased and the initial plans on the farm did not work out any more. Nevertheless he says that it is important to try to plan the activities, such as the use of the farm area, consumption of forage and distribution of manure, even though the plans may not work in the end. He also says that nowadays officials would probably recommend business planning for much larger production units than theirs.

→ The farmer presents himself as having a written business plan, even though its utilisation is presented as very difficult. He regards the skill of strategic business planning as useful in principle, but the situation of a family-farm based pig producer in the vertical production chain is used as a resource for presenting the skill as useless to a large extent, because the operation environment is so uncontrollable. His own experiences of the difficulty of making plans in the contexts of investments and workforce use function as resources for discounting the importance of the skill for him.

**Skill 2**

The farmer does not present a direct self-assessment concerning how good he is, but says: "Well, it has been tried out for sure". He goes on to explain that in a way networking and contacts are useful, but often it seems that things like contacting the farmers' union will not change a thing and that a farmer has no means to control his situation since the big players in the market – such as central franchising groups – are too strong. He claims that in such a situation networking will not work nor bring any commercial or cost benefits.

→ The farmer does not clearly present himself as either having or lacking the skills. The farmer does not present himself as benefiting at all from the use of these skills, since his situation is presented as preventing the use and utilisation of networking and contacting skills altogether. After all, he presents himself as having tried these things but also as having recognised their uselessness. The central rhetorical resource in this presentation is the situation of a conventional pig producer: the other actors in the vertical production chain are presented as too powerful opponents.

**Skill 3**

The farmer does not present a direct self-assessment concerning how good he is at recognising and realising opportunities, but he assesses that their farm has recognised an opportunity in pork production anyway, since pigs produce a lot of meat. However, he claims that probably too many farmers have spotted the same opportunity, because constant overproduction keeps the meat prices too low. Consequently he states that the skill in question might be a good thing, but its utilisation is problematic. He describes at length the difficult situation of pig producers since 2002, when investment subsidies were directed to big pig houses and the prices of pork sank dramatically and caused problems for the profitability of family-farm-based pig production. He considers the actors of trade and industry as too powerful opponents and does not believe that increases in the producer prices are probable, even though he thinks that prices are currently too low.

→ The farmer does not clearly present himself as either having or lacking the skills of recognising and realising opportunities. He nevertheless gives indirect accounts of himself as having recognised an opportunity in pork production because of its high level of meat produced. However, he is not able to state any examples of opportu-



nity recognition or realisation after the dramatic decrease of pork prices. Consequently he states that it is difficult to utilise these skills in his situation, even though they would be useful.

### **Value adding (VA) cases**

In the first group, the presentation of oneself as having the skills and being able to utilise them is painted most convincingly, by appealing to rhetorical resources from a diversity of contexts, extending from the production context to the market arena and to the utilisation of development projects and services. Similarly, the application of the skills is presented as also reaching beyond the immediate farming community. In the subsequent sub-groups the diversity of the resources gradually thins, while one's own business activities and strategy also tend to remain more disconnected from instances of skill utilisation.

**Presenting oneself as having the skills; they manifest in a diversity of contexts, as connected to production, marketing/customer relationships and utilisation of development projects and services; the skills manifest as enabling the farmer to renew and change the emphasis of his/her products, customer contacts (also “end customers”), and business strategy and to deal with a dynamic environment**

**Case 7: A farm focusing on the production of strawberries, other berries and their processing; both wife (age 44) and husband (age 43) involved in the interview**

#### **Skill 1**

The husband starts the answering: “I don’t know if we have this skill, but anyway we talk daily, whenever we have time, about these plans, even though you would not put these things on a paper you have to discuss them anyway, it is important.” They state that their current activities (production and processing of berries) are based on a clear vision; they started to process jams in order to extend their selling season and juices in order to utilise also such strawberries that are too small to be sold fresh. At start they thought about focusing only on strawberries, but since their customers asked them a possibility to buy other berries, they decided to broaden also their variety of berries. They also built bigger frozen storages to enable the expansion of activity. They state that they did not imagine that their farm business might grow so much when they started; they say that currently there would be demand for other kind of products, too, but at the moment they just cannot produce more because of the limited time, production and storage resources. They state that both informal planning and written business plans help them to manage their business: first they think about and discuss issues, after that the ideas might be ready to be put on a paper; they have new ideas in mind and their development into products would only require some time, markets for new products would already exist; the husband says that his wife is good in planning and developing processed products, but time is a limiting factor.

→ Even though they start off their commenting by doubting if they really have strategic planning skills, they nevertheless present themselves as thinking about and discussing such things frequently; they also mention utilising formal business plans. When answering they were able to present the development of their farm business and expansion of production as based on a strategic vision and planning: they started the value adding activities in order to extend the selling season and to optimise the yield of berries; their rhetorical resources also include their customers, whose ideas and requests they have utilised in the planning and expansion of their production and product varieties. They are able to utilise their new product development activities (wife is good in developing processed products) as one application of the skill. The presentation gives the impression that their strategy is a successful one, because they mention having more demand for products than they can currently meet.

#### **Skill 2**

The farmers start by commenting that they have all sorts of things going on with other entrepreneurs and mention examples of joint acquisitions and contracting of some tasks, but after that they say: [Wife]: “I don’t know if we are too good in it.” [Husband]: “Probably it’s not one of the most important skills.” [Wife]: “We are quite slow to get on with those things.” [Husband]: “We tend to have bit of a problem with those things, because we try to do everything by ourselves and it has sometimes caused us problems.” They state that they should utilise those contacts that they already have more, and go on to elaborate that the retail trade and industrial kitchens are completely different worlds: in the retail trade it is of no use if you personally know the shopkeeper, since you should know also people from higher managerial positions; with industrial kitchens, in turn, it is possible to get more sales if you have good contacts with the matron. They are not used to attending every social occasion, even

though they believe that it would be a potential way to create and utilise contacts. Then they change their argumentation by stating that they think they have quite good networks around the area anyway: they have participated in courses and projects arranged by the vocational high school where they have got to know local entrepreneurs; subsequently a close network has formed between these enterprises, and the farmers are now able e.g. to utilise this network in their acquisitions. They also comment that the good contacts with the matrons of industrial kitchens are important for them, since they have thereby succeeded in getting more sales and demand for a wider variety of processed products. They have also utilised local market research services to find out potential demand for their products.

→ The initial direct self-assessment of these farmers emphasises a lack of skills. However, the indirect assessments and accounts of activities all contribute to presenting them as having skills and as being pretty good at utilising them. They have co-operations and joint acquisitions with other entrepreneurs; they have participated in courses and projects where they have gotten to know the local entrepreneurs and network with them. In addition, they give examples of using skills in the context of sales promotion and marketing: their good contacts to matrons of industrial kitchens have helped them to increase sales and broaden the variety of products; they have also utilised local market research services to find out potential demand and markets. Even though they present themselves as entrepreneurs who do not like to jump from social occasion to the next and rather focus on doing things themselves, their presentation suggests that they are able use and utilise the skills in diverse situations and contexts.

### **Skill 3**

The wife starts answering: “I think that in our business this skill has been quite important, we have spotted the suitable activities for us. We have pretty quickly got things going on.” Both emphasise the importance of having recognised their own opportunities and resources, e.g., not trying to compete with the big actors of the food industry but having recognised realistically their own competencies and strengths. They consider this skill especially important for them, because they do not have such a stable customer structure like milk producers have in the form of the dairy; instead they say that they must constantly search for their selling opportunities, they do not rely on their situation being similar in five years, instead they are prepared to find themselves in a completely different situation then. They state that the stable thing in their business is the production of processed products such as juices and jams besides the fresh berries, but the variety of the processed products and berries is open to change; products with low demand are left out and new ones are taken up. They mention that concerning this skill it is important to recognise and admit, if and when you have done mistakes and not to blame external factors.

→ The couple assesses themselves as being good at recognising and realising opportunities and considers this skill as important for their situation. In justifying their stand they use the resource of having recognised and found a proper market niche for them in not competing with the big players but having a variety of their own processed products besides primary production. Another resource in the demonstration of the skill is their customer and product structures, which are both open to change depending on the demand for the products; according to them this feature requires utilisation of opportunity recognition and realisation skills. They also present themselves as orientating in their business according to the demand of products: products with low demand are left out. They present themselves as not being afraid of the uncertainty related to a turbulent environment but are comfortable with the idea, as well as with the need to be able to admit when mistakes have been made. Together these resources of the presentation function to give a convincing impression of an entrepreneurial utilisation of these skills.

## **Case 4: A 42 year old male farmer, focusing on mushroom production and processing, and small scale crop production**

### **Skill 1**

The farmer starts by commenting on the plans that he has accomplished: “Well not exactly now but since taking up the family farm in 1986 I’ve done at least four business plans, first they were related to conventional farming and then to the thinking of other solutions. Obviously I must have considered them important since I did them. But I’ve used them mostly to assess the overall profitability of some businesses in the planning stage, not for example to plan the growth of some business activities. Once things start running, for example in the mushroom business, so many things have changed in six years, that you cannot evaluate things any more on the basis of the

initial plan.” He states that he utilised the advice of a planner from an extension service organisation in the start-up of the mushroom business, as well as in the planning of the mushroom processing business; then they calculated the profitability for different options, and for example came to the conclusion that is not profitable to hire external workforce, but instead rather to cut down the mushroom production a bit and to continue to run the business as a family farm. He states that now the options are clear, the first priority is to sell fresh mushrooms to a bigger chain, second is to sell the fresh surplus mushrooms to industrial kitchens, and third is to process products from the surplus mushrooms. He mentions that he has thought about making an additional business plan, where he would calculate the threshold for when it is reasonable to quit with mushrooms, if the central corporations of the trade continue to squeeze the prices and position of the small-scale producers. He describes at length the situation of Finnish small-scale mushroom producers, who do not compete with each other and are in a different position compared e.g. to Sweden, where it is easier to import cheap mushroom from mid-Europe; he guesses that it is nevertheless possible that the import of cheap mushroom to Finland is going to increase, too, and that has to be taken into account in the planning of production.

→ The direct self-assessment is pretty much in line with the indirect assessments and accounts: he mentions having made formal business plans and presents his current mushroom business as based on strategic business planning, even though he views that the usefulness of formal plans is mostly related to the start-up phase. He is able to utilise the prioritisation of his business activities as a resource when presenting his skills: the priorities of choosing between selling of the fresh mushroom and processing of products are based on strategic planning and calculation, as well as the decision not to hire an external workforce and to regulate the scale of production. An additional resource to demonstrate his strategic planning skills is related to his abilities to analyse the preconditions of profitable small-scale mushroom production in Finland in the face of possibly increasing mushroom imports. Together these resources function to present a convincing impression of the farmer as having strategic business planning and evaluation skills.

### **Skill 2**

The farmer starts by assessing that he has these kinds of skills: “Yes, yes.” He goes on to give examples of different situations and events where these skills have been manifested: He mentions that before starting the mushroom business when he had a dairy cattle, he used to be involved in the activities of the local dairy and also in the farmers’ union. In the early phases of the mushroom business he participated in an EU-funded project, where mushroom processing was taught and planned; the participants formed a network that has co-operated and kept in touch closely since then, e.g. in joint acquisitions and sharing experiences. He is also involved in the network of local entrepreneurs operating in the food sector; this network contributes to marketing and providing moral support. He is also active in contacting his customers himself: he regularly visits the nearby supermarket to promote his mushrooms to customers, and has personal contacts with the matrons of the industrial kitchens that buy his products. He also analyses some reasons and purposes for practising the skills this way: The project for mushroom processing functioned as a stimulus to launch the mushroom business; in the entrepreneur-networks the producers do not compete with each other; the networks help to cut down logistics and other costs and help in marketing; the personal product promotions help him to stand out from the competitors. He concludes by saying these skills belong to the most important ones.

→ The direct self-assessment is in line with the indirect assessments and accounts: they contribute to presenting him as having skills and as being pretty good at utilising them. He networks and utilises contacts to other entrepreneurs, e.g. joint acquisitions with other entrepreneurs; he has participated in a project where he has gotten to know the local entrepreneurs and network with them. In addition, he is able to utilise networking and contacts in marketing and as moral support. He has several resources with which to present himself as being able to promote sales promotion and marketing: personal contacts to matrons; personal product promotions to customers; participation in the network of local food entrepreneurs. By analysing the purposes and benefits of using the skills this way, he strengthens the impression of himself as mastering these skills pretty well.

### **Skill 3**

The farmer’s initial direct response is pessimistic: “Well, I guess I’m pretty poor in that. Or well I don’t know ((laughs)).” When the interviewer asks whether he views the mushroom business as a well recognised and realised opportunity, he specifies the reason for his pessimistic initial response: “The mushroom business has been an opportunity and it has worked out for a while, but now it seems that I should consider things anew once again, because I’m afraid of the cheap imports from the Eastern countries and the continuous price squeeze tak-

ing place in the central corporations of the trade. These are the current threats, they are not opportunities, and I should have a backup plan, perhaps not at all related to mushrooms.” His pessimism is related to future visions of the mushroom business, but he admits that thus far it has been an opportunity for him. He nevertheless goes on to analyse the opportunities that there might still be in the mushroom sector, and mentions that stronger emphasis on processing would prevent him from devoting enough time to the cultivation, which means that he would have to start a co-operation with some other mushroom producers; he says that actually he has also thought about that option, because his production facilities would allow an increase in processing with minor repair work. He concludes that perhaps he is not so poor at recognising and realising opportunities after all, but perhaps not the most talented person either. He mentions that perhaps it is one type of opportunity recognition that he at least knows and is able to analyse what the current trends are, and does not try to stick with such opportunities that turn out to be less profitable. He states that after all he realised the mushroom business despite some discouraging comments that he received from people and officials in the region. He also mentions that perhaps it is time once again to utilise the services of an external adviser, in order to analyse his vision related to the mushroom business and sector.

→ Even though his initial direct self-assessment indicates a lack of skills, he changes his direct self-assessment during his commenting and considers himself moderately skilful later on. His indirect accounts support the impression that he does indeed have these skills: detailed analysis of the possible trends in the mushroom sector and industry is one salient resource, with which he is able to present himself as skilful. He also presents himself as orientating his business according to the demand for products: if the mushroom sector turns out to be less profitable, he is ready to think about other kinds of options by enlarging the processing activities or by considering other businesses activities; he presents himself as being aware of, but not being afraid of uncertainty and risks, which is also manifested in the initiation of the mushroom business; he cites the permanence of the current mushroom business as one indicator of a realised opportunity. Together these resources of the presentation function to give a pretty convincing impression of an entrepreneurial utilisation of these skills.

**Presenting oneself as having the skills; they manifest in a diversity of contexts, as connected to production and marketing/customer relationships; complementarity of businesses used explicitly as an instance of the utilisation of the skills; the skills are manifested as enabling the farmer to renew and change the emphasis of his/her products, customer contacts (also “end customers”), and business strategy, and to deal with a dynamic environment**

**Case 18: A 55 year old female farmer, focusing on wine-production and selling; husband focuses on crop production; only wife involved in the interview**

#### **Skill 1**

She comments that she has a business plan for wine production and selling: “We do have a business plan, which has currently been under such a strong critical evaluation, that we have done a decision to develop and diversify this wine production and selling activity.” She states that the wine selling premises are part of a shopping centre located by a motorway and owned by her; the centre rents premises for shopkeepers and companies, such as a gas station.

Currently her wine shop does not attract enough customers, and hence she has decided to diversify the assortment of articles to also include special cheeses, jams and marmalades; in addition she is planning to start liqueur production from the berries on the farm, in the case that the state is going to allow the retail sale of liqueurs. She states that her current business strategy is to develop the brand and image of the wine shop towards a delicacy shop; the function of this kind of shop, in turn, is to attract more customers and give a competitive advantage to the shopping centre – even if the wine shop itself would not create profit – since the other shopping centres by the motorway do not have similar articles for sale. If the retail sale of liqueurs is going to be allowed and included in the assortment of the delicacy shop, she believes that the sales of her shop would immediately rise sharply; she has already done some product development and preparations for the production of liqueurs. She concludes by saying that in the beginning the wine shop was able to attract customers, partly due to its novelty value, but now she has realised that the selling of this kind of products is not easy; it requires marketing and a clear business strategy. She concludes by saying that she would like to clarify the business plan still further, since by now she has at least realised that either the wine business has to be developed for real or otherwise quit “playing games”.

→ She has a business plan for her wine business; the plan has also been evaluated and updated recently: the updated strategy is to develop a brand and image of delicacy shop by diversifying the assortment. Since the start-up she has realised that the original concept is not enough, but it has to be more distinguished and aim at bringing more added value by diversifying the product supply. With this realignment of the business plan she is able to demonstrate the skill of strategic planning: she is not confident with just “playing games”, but the business has to run for real; another resource that functions to give a similar impression are her plans and product development efforts for liqueur production, which she views as a profitable business opportunity. However, the business plan of the wine business is quite exceptional, since the most important function of the wine business is to attract more customers and give a competitive advantage to the shopping centre owned by her. The profitability of the wine business is thus part of a more complicated business plan and concept, which – in sum – can be interpreted as forming a quite ambitious and convincing presentation of the utilisation of entrepreneurial business planning skills.

### Skill 2

The interviewee assesses herself as not being good at networking and utilising contacts: “I’m not good at networking, because I have so much work to do that I’m simply not able to devote enough time and effort to networking (...)” She presents herself as a busy person and attributes her lacking skills to lack of time and resources, which she regards as crucial in order to develop the skills. Nevertheless, she emphasises that networking and contact utilisation would be very beneficial skills for her. She thinks that she would need more time to concentrate on these things; she thinks that for example a month spent just to develop these things would improve things a lot for her.

→ The interviewee presents herself as not having the skill of networking or utilising contacts. She presents her situation as preventing the use and utilisation of the skills: the workload and lack of time have prevented their development. She nevertheless presents herself as valuing these skills, and is also able to present what would be required to start developing them: something like a month to focus solely on networking and contacting issues. Thus she presents herself as a person for whom it would be perhaps possible to develop these skills.

### Skill 3

She gives an affirmative direct response: “Yes, well I do have a ‘nose up’ for opportunities all the time, and when I recognise a good opportunity, I also realise it very quickly indeed. I am kind of quick in my movements ((laughs)).” She states an example of a large retail trade company, one of her suppliers, and whom she just told how much she had bought from them and asked how much they had bought from her; she expects that she might have spotted an opportunity to make some sales here on the basis of reciprocal interests, and she also made an offer in order to realise it. She does not elaborate too much on the recognition and realisation of her wine business, but when asked, she states that altogether it was a bureaucratic and complicated issue, with all the permissions that she had to apply for and the time required in order to have a sufficient yield of one’s own berries; she also took some courses to study wine making, but such practical things she did not consider as difficult at all, according to her the realisation requires that you just take things up.

→ According to her direct self-assessment she is good at both recognising and realising opportunities. She backs up her claim by stating how she spotted that she might make some sales with her supplier, and also made them an offer once she recognised this opportunity and their potentially reciprocal interests. This resource related to the context of sales promotion provides a quite convincing example of her skills, but besides that she does not justify her claims with too many examples or rich descriptions.

**Presenting oneself as having the skills; they are manifested in the contexts of production and marketing/sales promotion; the skills are manifested as enabling the farmer to gain added value from and promote the sales of an unconventional product, without contact with “end customers”, though; customer(s) presented anyway as an opportunity**

**Case 25: A 47 year old male farmer, who produces a wide variety of organic vegetables and root crops, on an area of a couple of hectares**

### Skill 1

The farmer starts off his answering by admitting the importance of business planning skill: “It is very important indeed, and I evaluate it all the time, and on the other hand it is sometimes draining at home when you cannot get rid of these thoughts, you just have potatoes and carrots in your mind and think about the potential demand

for different varieties.” He elaborates that typically the planning includes things such as what could be the most profitable decisions at the given moment, concerning different varieties, products or package sizes. He mentions that it is possible to get feedback on these issues from his customers, besides following of general market development, also on conventional production (since the trends in conventional production reflect trends in and provide hints for organic production). He states that the prices of products such as potatoes and carrots have remained at the same level for about 10 years, but e.g. the price of strawberries has increased and hence he has started to produce strawberries, too. He states that his decision to start organic production was motivated by the decrease of prices in conventional vegetable production, followed by the Finnish EU membership and the opening of the markets; he had already tried some small scale organic production in the ‘80s, and after the EU membership he determined that it would not be profitable to continue on in conventional production any more, and either he has to quit or try organic production. He concludes that his decision to take up organic production has been a good one; it has provided him with a sufficient living.

→ The farmer states that he has a business plan, which he evaluates frequently. He relates the use of this skill to the planning of the produced varieties and products. Even though these decisions are partly related to the production context, he also connects the use of this skill to the market arena: his production and product development decisions include the planning of package sizes and feedback from customers as rhetorical resources, which strengthen the impression that he is able to react to fluctuations in the markets and to control the direction and profitability of his business. His description of the initiation of organic production gives the impression that he is oriented towards seeking profitable opportunities: he made a strategic decision to move into organic production, since he determined that conventional production would not provide sufficient living after the EU membership.

### **Skill 2**

The farmer does not present a direct self-assessment concerning how good he is, but starts off his comment by stating that he has been involved in some co-operation and collaboration on a quite small scale. He specifies that these efforts have not accumulated into systematic or large scale activities, even though he has had all sorts of plans and sometimes the producers have been enthusiastic about opportunities for utilising co-operation and networking; joint logistical solutions, organic products and processed products are mentioned as examples of such ideas. They have, e.g. talked about the possibility of putting up a company that would hire the work force and focus on the processing of various products, but plans have never been realised. Currently he is involved in a co-operative arrangement, which is related to the small-scale buying and selling of organic products between organic farmers in Southern Finland; this mutual buying and selling helps them to compensate for their vegetable supply in cases of sudden demand, e.g., when going to markets or some customer is willing to buy bigger amounts. He thinks that networking is not necessarily a good thing: it requires that those who engage in networking should also be willing to think about the interests of other participants, but this is often not the case. He concludes by saying that these skills are not so important.

→ The farmer does not clearly present himself as either having or lacking the skills, but gives indirect accounts of himself as having the skills when he describes his co-operation with other organic vegetable producers, who practice the mutual buying and selling of vegetables. This co-operation has a function of promoting sales, since it thereby becomes easier for the producers to meet the demand of their customers. Thus both co-operation among producers and sales promotion activities function as rhetorical resources in the making of the presentation of having the skills. However, the context of co-operation – other organic and vegetable producers – also functions as a resource for presenting the utilisation of the skills as useless: networking efforts do not accumulate because the proper attitude and will are lacking. According to the presentation the farmer has some skills in the context of co-operation and sales promotion, but is unable to utilise them very much because of the surrounding situation.

### **Skill 3**

He begins with an affirmative tone: “Yes, well, there are indeed these opportunities here and these ideas come into my mind, sometimes even these great inspirations ((laughs)). But the obstacle typically is the lack of time and the inability to realise these ideas.” He elaborates that the hiring of a workforce and vegetable processing business are pretty much out of question, since the profitability of the farm would decrease in the case of production enlargement, mostly because the enlarged production would lead to a change in customer structure from local food circles to large wholesale companies, who pay much less and would demand specialisation. He states that his current business is largely based on a wide variety of vegetables: he sells vegetables to a large extent to local food circles, who buy pretty small amounts of particular variety (e.g. potato), but since he is able to sell a

wide variety of different vegetables, he gets a fair price for each variety and a fair total price. He concludes that he has been able to increase profitability by enlarging the variety of products, even though some advisers have encouraged him to specialise his production.

→ His direct self-assessment emphasises him as having the skill of recognising business opportunities, but their realisation is viewed as much more difficult, due to the problematic changes in customer and production structures implied by possible production enlargements or product processing businesses. The ability to analyse different opportunities and their costs and benefits is thus one rhetorical resource for him to demonstrate his skill. Another resource is related to the initiation of his current organic production and to the business strategy characteristic of it: he selected organic production of a wide variety of products for local food circles, because he saw that it is the only profitable option to continue small-scale vegetable production in the future. Thus he is able to demonstrate that he has been able to spot opportunities by selecting certain kinds of customers and certain kinds of products. Together these resources provide a quite convincing presentation, even though he presents himself as pretty much locked to his current opportunity structure.

### **Case 21: A 41 year old male farmer, focusing on the production of herbs, aromatic and horticultural plants and vegetables, in outdoor and small scale indoor conditions**

#### **Skill 1**

The farmer comments that he has an informal business strategy: “Well this is again such a thing that of course I plan and I think about these things a lot, but I don’t have any fancy strategies on paper or haven’t got any professional help on these issues either.” He states that the important thing is to follow and try to predict the market trends and demand for products, which he calls practical planning. This includes e.g. testing the cultivation of new plants and varieties and trying to match the timing of the plant cultivation with the peaks in market demand. He states that he negotiates with his buyers and wholesale customers about the expected demand for various products and also makes some agreements about some amounts or varieties; he has e.g. together with a buyer analysed the sales rates from recent years in order to better match the growth season with the expected demand peaks. He also gets some hints about potential new products from these buyers and wholesalers. He describes at length the potential fluctuations in demand for various products and how it might be possible to respond to these fluctuations by cultivating certain varieties instead of others.

→ He comments on having an informal business plan, the core of which is to assess and try to match the cultivated plant varieties and their timing with the demand on the market. Thus his way of using the skill is related both to the production and marketing contexts; to some extent he seems to be able to promote sales with the aid of planning and production decisions. He is able to demonstrate his skill by analysing and giving examples of better and worse matches between plant varieties, the timing of their growth and market fluctuations. Another resource for him is his utilisation of customer contacts in the controlling and planning of sales: he has co-operated with his customers in the effort to match the supply and demand of products. Together these resources present him as being able to utilise strategic planning in his business.

#### **Skill 2**

The farmer’s own self-assessment of his skills is somewhat ambiguous: “Well I’m not sure whether I’m too good at such things.” Next he goes on to describe how he is in contact with other local vegetable producers; he says that the exchange of production related experiences and information is useful, even though nobody produces exactly similar plants as he does. Then he points out that the most important network and contacts are related to marketing; however, for him this means contacts to and exchange of information with wholesalers, who buy his products and provide advice concerning the demand and markets for potential products. He thinks that one reason for the scarce market oriented networking among local producers might be the vicinity of the markets, the short distances to the wholesalers and the already established fluent relationships with these wholesalers. He states that there were some initiatives to start a market oriented co-operation between producers, with which he was also involved, but these efforts failed due to lack of sufficient interest. He asserts that he might still be interested if further initiatives arise, but he nevertheless wants to maintain relationships with his current wholesale customers. He concludes by commenting that without a doubt networking and such issues are important, e.g. from the perspective of information exchange, but he would not say that these skills are among the most important ones.

→ The farmer does not clearly present himself as either having or lacking the skills, but his initial self-assessment emphasises a lack of skills. He provides some indirect accounts of himself as having the skills, when he describes his contacts to and information exchange with other vegetable producers. An essential rhetorical resource in the presentation is his relationship to wholesalers, whom he regards as trustworthy customers and useful providers of market-related information. Even though he thus comments on the skills from the perspective of markets and marketing as well, he ends up connecting such opportunities to contacts with wholesalers; the broadening of markets through networking is presented as problematic and difficult. Consequently, he does not regard these skills as the most important ones in his situation.

### **Skill 3**

He starts by criticising the question a bit: “This is a bit of an ambiguous issue, if you just are a sufficiently confident and dynamic person, it is easy for you to say that of course I recognise lot of business opportunities everywhere. But yes, in a way I think I have these things to some extent, but I prefer to be careful about these things and develop this system on the basis of my own financial resources, not to engage in new ideas too easily or rely on external capital too much.” In his comments he explains that he prefers to avoid excessive financial risks, such as big investments based on external capital; he gives examples where such enlargements of vegetable and herb production have failed. He values a safe economic basis, and estimates that enlargement of production would require such an increase in sales that the risks for his line of business would increase too much as well; also high energy costs are easily too much to handle for those who opt for large-scale greenhouse production in Finland. He thinks that vegetables such as tomatoes and cucumbers would have pretty constant demand, but it would require large-scale production and the profitability would be questionable; he has opted for a wide variety of herbs and vegetables, whose demand is not so constant but which provide more room for the farmer to move. He states that the ability to deliver products securely to the wholesaler or buyer during the season is often required, and in that sense a secure delivery of an article is an opportunity which he is seeking to realise in his business. He has asked his buyer about the possibility of delivering some more rare varieties, but the buyer was not interested because of the possible risks in delivery. He initiated his vegetable and herb production by gradually cultivating more varieties, first testing new ones and then getting rid of those that are not profitable; he has also tested such herbs that are more sensitive and risky to get sold.

→ He assesses himself as having the skills to some extent, but his criticism is directed towards unrealistic and overconfident business opportunity seeking and risk taking. This is also in line with his indirect skill-assessment, in which he emphasises the avoidance of big investments based on external capital and prefers to realise financially safe opportunities. Anyway, he is able to demonstrate his skill of opportunity recognition by analysing and stating examples of better and worse options to match the expectations of wholesalers and buyers; the ability to deliver articles securely to the buyer during the whole season is an opportunity which he is seeking to realise and has realised to some extent. Another rhetorical resource for him is his aim to preserve some room to move in his business: he states that he is used to testing and seeking new varieties and getting rid of those that are not profitable; thus he is able to maintain some freedom and control in his search for profitable opportunities. Despite the lack of examples of opportunity realisation outside his current production context, these resources present him as being able to utilise opportunity recognition and realisation in his business anyway.

## **Case 16: A farmer couple at their 50s, producing lettuce, vegetables and herbs, mainly in greenhouses; both wife and husband involved in the interview**

### **Skill 1**

They start by commenting: “Well, we did a business plan back in the days when we started this business, in order to know what to do then. We have not actually updated it.” They comment that it is difficult to assess whether this plan can be utilised any more in the evaluation of their business activities. They state that a new feature of their business since the start is e.g. their new customer: earlier they used to sell their lettuce only to one big national wholesale chain, but since it was not able to buy as much as the farm produced any more, they also started to sell their lettuce to another wholesaler; this has caused some changes to their business plan. In general, their business plan fluctuates somewhat according to the demand and supply, but the basic elements have remained the same since the start. They state that herbs are their major line of production and lettuce is produced less, but one problematic issue is that herbs are not subsidised, and therefore they do not receive official feedback information on herb production either. They say that it would not be profitable to continue the production of lettuce



if its subsidisation were removed. They conclude by claiming that it is important to do business planning anyway, because the running of such a business would not be reasonable without some prepared plans.

→ The farmers did a formal business plan when they started, but the plan is not actively being used in the evaluation of the current business any more. However, they consider business planning as important; as a rhetorical resource they give an example of the revaluation of their business, when they decided to take another wholesaler as their customer, since the old one was not able to buy their whole lettuce supply any more. As another resource they use the evaluation of the profitability of their lines of production: lettuce production is kept going as long as it is subsidised; herbs are profitable even though they are not subsidised. Thus they are able to demonstrate their business strategy and planning skills by utilising some rhetorical resources related to the evaluation of the sales and profitability, even though they do not have an updated formal plan.

### **Skill 2**

The interviewees assess themselves as not being good at networking and utilising contacts: [Wife]: “I think it is important but perhaps we are not too good in these matters.” [Husband]: “Well yes.” [Wife]: “We are a bit like hermits, out of the swim of things.” They think that one reason for their scarce networking is their long-lasting relationship with their wholesaler, who buys their products; they say that because of their stable relationship they have got used to trusting that this relationship will last. They also evaluate their wholesaler positively and think that this relationship functions really well; they comment that they could not think of a better customer for themselves. They think that the small scale of local lettuce and vegetable production might be one reason for the lack of networking among local producers, together with the producers’ sceptical attitude towards the benefits of networking. However, they bring out arguments for the possible benefits of networking and contact utilisation: they think that networking may prove to be an acute means for survival of local producers in the near future, if the big players in the market continue to grow and threaten the profitability of family farms. Thereby they also bring out justifications for the importance of these skills.

→ The farmers present themselves as not having the skill of networking or utilising contacts. They present their situation as unfavourable for the use and utilisation of the skills; the central rhetorical resource in their presentation is the safe, vertical production chain typical of local vegetable producers: the wholesaler is regarded as a trustworthy customer, and the broadening of markets through networking is presented as risky. Such a situation is presented as hindering the development and utilisation of these skills. They nevertheless present themselves as recognising and being able to point out the possible benefits of co-operation and networking, if the market situation changes unfavourably. Thus, after all, ability to reflect the potential uses of the skill of networking together with the stable, fluent relationship with the wholesaler indicates some sensitivity to the skills of networking and contact management.

### **Skill 3**

They start by giving an example of their new wholesale customer: “Last spring we started to deliver them regularly, they said that they would like to buy our product since it’s so fresh. And that is an opportunity we have recognised and realised.” They also speculate about the possibility of supplying fresh lettuce and herbs straight to retail shops in the capital area, because they guess that the shops would like to buy fresh products, if only the contracts with the wholesale chains would not limit them; however, they believe that currently the retail shops are not able to buy many products outside of their wholesalers. They state that they used to do some tailored packages for retail shops, which were delivered to the shops via the logistics of the wholesaler, who also billed them for the delivery. They have also done some of their own transportation of products to the capital area; they speculate that it is indeed one possible way to get some extra profit, but on the other hand they are such a small producer that it is not profitable to arrange their own transportation at the moment, when they are able to sell all their supply to the wholesalers anyway; they have decided that at their age they are not willing to expand their production any more. Earlier in their career they made a decision to move from outdoor cabbage production to greenhouse production of lettuce and herbs, which was initiated partly by their own interest in focusing their resources and partly by the wholesaler, who asked them to start the greenhouse production and offered to buy their whole yield. Then they familiarised themselves with the new greenhouse technologies and after that initiated the production. They criticise the fact that currently the wholesalers and the whole vegetable production sector suffer from extreme competition and the seeking of profits has gone too far, which has eroded the former solidarity between producers and buyers.

→ According to their own self-assessment they have managed to recognise and realise opportunities, in connection with the sales of their products. Their resources are the freshness value of their products, which they have

utilised e.g. by spotting a new customer. They also demonstrate their skill by analysing the possible opportunities related to direct selling opportunities, which they also realised earlier to some extent, even though they conclude that their current mode is the suitable one. These resources provide a quite convincing presentation of them as being able to recognise and realise opportunities.

**The role of the value-adding strategy tends to be somewhat disconnected from the instances of skill utilisation; some resemblance to the position of a conventional producer**

**Case 8: A 31 year old male farmer whose core farm business is turkey rearing; also some crop production**

**Skill 1**

The farmer has a business plan: “It exists and you know that it exists because it is evaluated pretty often. Small investments have to be made all the time, even though the bigger ones have been already made, and if you did not do some business planning it would be impossible for you to keep up with them.” He states that the business planning and evaluation is partly initiated and done by himself and partly he utilises the services and aid of his accounting firm, with whom he discusses pretty much everything and which provides him useful information.

→ The farmer states that he has a business plan, which he evaluates frequently. He relates the use of this skill to the making and evaluation of investments, but he does not elaborate on the function of the skill much. As an additional rhetorical resource he mentions his contact to and discussions with his accountant, whose services and information he regards as valuable means in the strategic planning of the business. In all, his presentation remains quite thin and the resources are not much elaborated.

**Skill 2**

The farmer does not present a direct self-assessment concerning how good he is, but when asked whether he regards these skills important and utilises them, he comments somewhat ambiguously: “Yes, indeed this networking is currently such a word”. He goes on to describe how his farm has co-operation between other Finnish turkey farmers; he says that the demand for turkey has decreased and there would be a lot of import-supply to the Finnish markets from abroad, which has led the Finnish producers to recognise the benefits of networking. He describes how the situation has changed: earlier the Finnish producers used to form separate cliques, but nowadays they have begun to become aware of and aim at common goals. He also states that co-operation is essential in production activities: he has co-operation with and contacts to British turkey rearing associations, who sell the birds to many Finnish producers and provide information and advice. He concludes by asserting that these skills are important.

→ The farmer does not clearly present himself as either having or lacking the skills, but gives indirect accounts of himself as having the skills, when he describes his co-operation with other producers, with which they aim at improving their sales opportunities at the Finnish markets. Thus co-operation in the context of sales promotion is one rhetorical resource for making a presentation. Another resource is connected to production, where he mentions having useful contacts to British turkey rearing associations. Thus he is able to demonstrate the use of skills in two different contexts, and also to articulate the purposes for using the skills this way.

**Skill 3**

The farmer starts his comment with an affirmative tone: ” Yes, thinking about my personal experiences, indeed I have had to recognise and realise an opportunity that suits me. My parents reared cattle and had built a cow house in the -70s, and if they had developed that activity a bit further, I would have perhaps continued that line of business. But I found this opportunity.” He justifies this comment by claiming that there were also other people, who were interested in the turkey rearing business, but he managed also to realise this opportunity; he says that if he had continued the cattle rearing and for example built a new cow house, it would probably not have counted as opportunity seeking and recognition. He states that he got first the idea of rearing birds from his relatives, who had a broiler chicken farm where the farmer used to work, besides working in the broiler industry. Then he kept in contact with a big Finnish processing company in order to explore opportunities for taking up bird rearing activities; after some information exchanges the processing company took up the possibility of turkey rearing, and the farmer familiarised himself with the activity and eventually got the opportunity to try it out. He states that the start was good and financially promising, but then some problems related to overproduction emerged, which have now been overcome with some help from the processing company; at the moment things look promising again.

→ According to his direct self-assessment he has the skills. He justifies his claim by describing the initiation of his turkey business; he thinks that it can be regarded as opportunity recognition and realisation, in contrast to e.g. decision to continue cattle rearing. In this sense, the ability to succeed in running an unconventional line of production is his resource with which he demonstrates his skill; however, it remains somewhat unclear to what extent this opportunity was suggested and facilitated by the big processing company, and how convincing his presentation eventually is, since he does not provide any additional resources or elaborations.

### **Non-food diversification (NFD) cases**

In the first group, the presentation of oneself as having the skills and being able to utilise them is painted most convincingly, by appealing to rhetorical resources from a diversity of contexts, extending from the production context to the market arena and to the utilisation of development projects and services. Similarly, the application of the skills is presented as reaching beyond the immediate farming community as well. In the subsequent sub-groups the diversity of the resources gradually thins, while the farmers' own business activities and strategy also tend to remain more disconnected from instances of skill utilisation.

**Presenting oneself as having the skills; they manifest themselves in a diversity of contexts, as connected to production, marketing/customer relationships and utilisation of development projects and services; the skills manifest themselves as enabling the farmer to renew and change the emphasis of his/her products, customer contacts (also “end customers”), and business strategy, and to deal with a dynamic environment**

#### **Case 1: A 47 year old female farmer, focusing on domestic animal tourism, and sheep rearing**

##### **Skill 1**

She comments that they have a business plan: “Yes we have a business plan for primary production, and also in the tourism business we had a business plan, which was related to its start-up plans, construction activities and subsidies. Without a doubt, this is one of the most important things, and nowadays it is included in the training for farmers.” She elaborates that the business plan is also evaluated and checked: regarding their primary production they have been involved in a profitability calculation program, arranged by the national employment and economic development centre, for almost 20 years; it tells her the monthly financial expenses and earnings, and she has considered it helpful in the evaluation of the business.

→ The farmer has a business plan, both for her primary production and tourism business. The frequent evaluation of the business is done on a monthly basis, in connection with a profitability calculation program; the evaluation concerns primary production, and in it she utilises the service provided by the national employment and economic development centre.

##### **Skill 2**

The farmer starts by determining that she has these kinds of skills: “Yes.” She goes on to give examples of different situations and events, where these skills have been manifested: She mentions that she was an active initiator in establishing a co-operative of sheep producers, which aimed at marketing mutton to the Helsinki area and currently aims to start direct selling in the nearby region. She states that the co-operative helped the farm to survive when the market situation got tighter. She is also involved in the network of local tourism entrepreneurs, who meet regularly twice a year. In addition, she has taken part in a project which aimed at developing the marketing of farm tourism businesses, especially focusing on marketing for class excursions of comprehensive schools. She concludes by saying that this is one of the most important skills.

→ The direct self-assessment is in line with the indirect assessments and accounts: they contribute to presenting her as having skills and as being pretty good at utilising them. She networks and utilises contacts to other entrepreneurs, e.g. in joint marketing of the sheep co-operative; her role as an initiator of the co-operative and the strategic use of contacts for marketing purposes strengthen the impression that she has mastered the skill of networking and contact utilisation. She has participated in a project which has provided her means to pursue new markets for the tourism business. The consistent linking of these skills to business purposes contributes to the impression that besides having contacts and networks, she is also able to utilise them.

##### **Skill 3**

She starts by commenting: “Well that is never easy. You easily become blind to your possible opportunities, be it in sheep rearing or in tourism business.” She thinks it is pretty common that things become routine and that you

may recognise some opportunities only after an outsider comments on your doings to you. She thinks that one difficulty in these things is that the opportunity has to be tried out before you learn whether it really works in practice, e.g. from the perspective of customers; and this testing of ideas always requires some extra money. She gives examples from her own tourism business only after the interviewer asks for them: The tourism business was started in '98, on the basis of a plan to develop the business in earnest but on a small budget; the idea was to play it safe and test things little by little. Recently she has taken also trainees from the local agricultural school to train them on the farm; she gets paid for teaching them. She states that through her contacts she got the idea to ask whether such things could be realised on her farm. She also states that the school excursions to the farm were successful at the start, but this year was quiet due to the limitations caused e.g. by the risk of bird flu; however, later in the summer the situation was compensated for somewhat by the help of visits from occasional tourists and village excursions.

→ She does not provide a direct self-assessment concerning how good she is at recognising and realising opportunities; instead, she analyses the possible obstacles which may interfere with such strivings, such as routines and a need to test recognised ideas. However, since she is able to state how she has overcome such obstacles by recognising and realising opportunities in her tourism business, her initial description of the challenges actually turns out to make her presentation of her skills even more convincing: she has succeeded in establishing a tourism business in earnest but little by little; and she has managed to compensate for the quiet seasons by realising additional opportunities on the farm, such as providing training for agricultural students and attracting new customer segments.

Presenting oneself as having the skills; they are manifested in a diversity of contexts, as attached to production and marketing/customer relationships; the skills are manifested as enabling the farmer to renew and change the emphasis of his/her products, customer contacts (also "end customers") and business strategy, and to deal with a dynamic environment.

## **Case 10: A 48 year old male farmer, who produces organic crops and has a construction planning business**

### **Skill 1**

The farmer has a business plan and considers this important: "I think that this business planning is important, and in the context of agriculture I have such a plan." He states that through his previous experience in the construction business he has learned to also look at agricultural activities more strategically; when his family moved to the farm, they did not have a business plan for farming, but since EU-membership he has started to more systematically plan the development of the farm; this has included the reflection on and taking up of organic production, investments and expansion of the farm. He recognised that organic production on their scale might provide them opportunities to specialise or to develop a sufficiently systematic farming cycle, and gradually he got more and more into organic production and increased the inputs and farm size. He claims that organic production requires a more determined attitude and more planning than conventional farming, since you have to commit to a 5-year cultivation cycle and long-term visions over the production. In organic production the customers typically order in advance the kind of organic products they want to buy; in the region there are arranged meetings for potential buyers and sellers of organic products. In the construction business the role of business planning is somewhat different, since there you cannot sell or advertise a product; instead, the requirements for the construction job are received from customers. In the business plan he has specified what kind of construction jobs he is ready to take and what the core competence areas are. Currently the majority of his customers are companies; many of his customers he gets through his networks.

→ The farmer has a business plan, both for his primary production and construction planning business. He has utilised his experience from another business context when taking up and doing strategic planning concerning organic production; according to him, it requires more determined attitude and planning than conventional production, with respect to production cycles; also customer relationships require planning and negotiation, since the produced varieties are based on the requirements of the customers. In his construction business the business planning includes mostly specification of the general nature of jobs that he is ready to take; the customers provide more specific requirements.

**Skill 2**

The farmer gives a direct self-assessment of his own skills: “I believe that I’m good at utilising contacts, but not necessarily in networking, if understood as affiliating to some kind of organisation or the like.” He elaborates that since he has personal contacts with people at the local institute for work and trade facilitation and also with people at local companies, he can utilise various networks and services and get access to beneficial information through them, when necessary. His reasons for preferring contact utilisation instead of networks are connected to the time and effort costs typical of many networks; he sees that he can utilise the networks anyway through proper contacts.

→ The direct self-assessment is in line with the indirect assessments and accounts: they contribute to presenting him as having skills of utilising contacts and being pretty good at it, but not as a networker. His accounts of his contacts are not limited to the context of primary production or to the farming population. The view that it is more beneficial to access networks through contact utilisation than to waste valuable time in affiliating to networks gives a dynamic impression of his way of using the skills.

**Skill 3**

He starts by assessing his own skills: “There is a lot of use for such skills, I would say that I am moderately good at recognising and realising opportunities.” Then he goes on to elaborate that perhaps he is better in realising opportunities than in recognising them, due to his experience in the construction business, where he has learned how to organise things and how to get processes on the way, to contact the right persons etc. He says that he is also used to go around “with his antennas out”, in case of possible opportunities, even though he feels that realisation is more his strength; however, a lack of time limits the willingness to seize opportunities. He states his construction planning business got started almost by accident, little by little, when he got to know enough potential customers through his former job as construction engineer; once a couple of them had asked for his services, he recognised that he could be able to make a living with this business. The organic production, in turn, was something that felt like an enjoyable way of farming, once they moved back to the farm from the town. He thought that the available EU-subsidies could enable a fairly profitable organic production for them, but his orientation is to look at things in 5-year cycles anyway, which is the length of the organic production contract, and then to evaluate whether it still seems reasonable to go on in the same way.

→ He assesses himself as being fairly good at recognising opportunities, but better at realising them, due to his organisational skills gained in the construction business. He is able to relate the recognition and realisation of opportunities both to the taking up of organic farming and the construction planning business: both businesses were taken up based on an evaluation of their profitability, once a suitable opportunity was recognised; in organic production e.g. the utilisation of the available subsidies has enabled a profitable business; the initiation of machine contracting has been based e.g. on the utilisation of previous work experience and social contacts.

**Presenting oneself as having the skills; they manifest themselves in a diversity of contexts, as connected to production and marketing/customer relationships; complementarity of businesses used explicitly as an instance of the utilisation of the skills; the skills manifest themselves as enabling the farmer to renew and change the emphasis of his/her business strategy, and to create/maintain stable customer contacts**

**Case 20: A 57 year old male farmer, focusing on horse-keeping, crop production and occasional machine contracting**

**Skill 1**

The farmer does not directly comment on the formality of his business strategy, but begins by emphasising on the one hand the importance of having a clear idea of the business that one is doing, and on the other hand the importance of calling into question the rationality of the prevailing business. He comments that for him it is important to figure out what could be the sectors where it still might be reasonable to invest efforts or expand, when he is now approaching the age of retirement. He states that his decision has been to run several businesses simultaneously, in order to be able to react to changes in the environment with small investments, and not to take up excessive investments in sectors which would require really long-term planning and commitment (such as animal rearing). He states that these decisions originate partly from the time when Finland joined the EU, because at that time it was difficult to assess or predict how the profitability of different sectors was going to develop; hence he decided to orient on the basis of local/regional demand and supply and avoid making too large investments, which would also easily require the hiring of additional workforce. In his horse-keeping business –

which is a workforce intensive sector – he has been able to get occasional workforce support from his customers; machine contracting has been an easy way to supplement the income with small effort, at times when other business is quieter.

→ The farmer does not provide an explicit, brief account of the nature of his business plan, but on the whole his commenting reveals that he has a business strategy, the core of which has been to run several businesses simultaneously (horse-keeping, machine contracting, crop production), in order to be able to react to changes in the environment with small investments, and not to take up excessive investments in sectors which would require really long-term planning and commitment (such as animal rearing). This business strategy originates from the time when Finland joined the EU, and now the focus of his strategy is to recognise the sectors or areas where it could be reasonable to focus his efforts before retiring.

### **Skill 2**

The farmer starts by commenting on his own skills: “Well, of course it is difficult to say who is good at various issues, but actually diversified farming requires co-operation in quite a few directions, and contacts. I collaborate a lot with other farm entrepreneurs.” He describes the nature of his co-operation and contacts: for about 20 years he has co-operated with the neighbouring farm, which has many years’ experience in the horse business; he co-operates with local horse stable units to guide customers to farms that can best satisfy the customers’ needs – thereby he himself is able to focus on customers that suit him best, i.e. long-term customers who pay regular visits. He states that the horse business requires a lot of negotiation with neighbours and local farmers, e.g. concerning the possibility of utilising riding routes through their land. He also states that it is crucial to negotiate with and instruct all his customers: he has to reconcile the relationships between customers and to get them to obey the common rules. He views these skills as essential and comments that in mono-active primary production it might be possible to manage by negotiating only with a couple of actors, but that does not suffice in his diversified business.

→ The farmer provides an affirmative self-assessment, a bit hesitantly at start, but presents his situation as such that it demands the skills of networking and contact utilisation. The subsequent accounts function to confirm this impression; he is able to appeal to two basic resources when presenting his skills: he gives examples of networking and contact utilisation in the context of co-operation between farms, which he has utilised to develop his horse business, to get customers, and to pursue opportunities in providing services to customers (riding routes through the land of neighbours). He also presents himself as utilising these skills when dealing with his customers: he manages the relationships between customers and instructs them in order to keep the business running fluently.

**Skill 3**

The farmer starts by pondering the barriers to realising opportunities, even if such could be recognised: “Even if I recognised these opportunities, I have not necessarily had the resources to realise them, one has had to deal with limited resources even if one knew that some opportunity might have been economically very sustainable in the long run. There are for example certain phases in life when one has to think about certain kinds of decisions. So, I would say that I can recognise opportunities pretty well, but the realisation is a bit different, since there are many affecting factors.” He elaborates that it takes quite a long time to change the course of a farm business, unless you make radical solutions such as selling half of the farm or something alike. He believes that the burden of traditions makes itself still felt pretty strongly in farming, for example farmers are reluctant to exploit the capital tied to the farm properties in the initiation of some new lines of business, even if it would be profitable. He states that he himself started to take the horse business more seriously at the time when Finland joined the EU; he had to ponder whether to expand plant production considerably and to try to rent more land at steadily higher prices, or whether to explore and focus more on his horse business by utilising his long-term co-operation with the neighbour who was already had a horse/riding business. He determined that it is not profitable to expand plant production by paying excessive rents for extra land and making excessive investments when the future trends and EU-related policy decisions are going to be uncertain anyway; thus he started to put more effort into his horse business on a regular basis, first by co-operating with his neighbour in the joint use of equipment, facilities and complementary services. He states that there has been so much demand for the horse/riding services that he has not had to make any special advertising or marketing efforts; he would have been able to expand his horse business and make considerable investments, but that would have required hiring extra workers and probably quitting of plant production, which he nevertheless wants to preserve to some extent on his farm.

→ According to the farmer’s initial self-assessment he is fairly good at recognising opportunities, but their realisation is often more problematic, due to many factors; he regards the burden of traditions and slowness in the change of a farm’s course as some of the obstacles limiting the realisation. He is able to use the initiation and development of his horse/riding business as a rhetorical resource in the presentation of his opportunity recognition and realisation skills: at the time of the entry of Finland into the EU, he determined that it is not profitable to expand plant production by paying excessive rents for extra land in uncertain conditions, but rather to focus more on his horse business by utilising his long-term co-operation with the neighbour who already had a horse/riding business. His accounts of the steady demand for the horse/riding services can be taken as indicators of a successful realisation of the opportunity. He also refers several times to his willingness to avoid excessive investments/risks as a basis for his way to realise opportunities.

**Case 9: A 43 year old male farmer, focusing on organic crop production besides owning an accounting company****Skill 1**

The farmer starts by pondering the difficulty of creating a business strategy: “Altogether, this creation and evaluation of a business strategy is extremely difficult, I think. It deals with the whole business on such a general level and it is such a multifaceted issue to make one. In our organic production we followed a quality manual, which gives you a set of questions, step by step, to aid you in thinking about these things, and it felt like such a multifaceted issue that it was difficult to think about them suddenly at such a detailed way. But when you just started doing it, things opened up pretty well.” He elaborates that the making of business plans has probably remained quite rare in farm business, unless the farms are big units with an employed workforce, and it takes time to get used to making plans for the purposes of one’s own business and aid. He states that his evaluation of business strategy includes the utilisation of some business parameters, such as revenue, number of customers, and the use of working time, both from the organic production and accounting business. By comparing the profitability and parameters between the businesses, he tries to identify the business where he should focus his efforts in order to find the optimal balance between them. He explains that in primary production the making of long-term plans is difficult due to frequently changing EU-policies and trends; instead it requires constant evaluation and checking-up of possible changes in the operational environment and corresponding reactions. However, he considers that his two businesses complement each other: if one business suffers, the other typically helps to keep the economy in balance.

→ The farmer has a written business plan for his organic production, in the form of a quality manual, and his accounts reveal that he also has an overall business strategy, which he evaluates with the help of business parame-

ters: the core of his overall strategy is to run two businesses, organic production and an accounting business, which complement each other economically, and to try to identify the right business where he should focus his efforts at the given moment, in order to maintain his economy in balance. Despite having a strategy and evaluating it, he describes the difficulty and obstacles in their realisation, which strengthens the impression that he has succeeded quite well, even though – or precisely because – the task is challenging.

### **Skill 2**

The farmer starts by assessing his own skills a bit hesitantly: “I don’t know how good I am at it, but at least I try to do it. Certain kinds of networking and contacts especially are important to me and I mostly have them.” He states that he has mutual machine and other co-operations with other farms. He also has contact with other farms because he sells and markets his products, such as organic seeds, to other farms and buys production inputs in turn. He claims that it is essential for him to have many customers, just a couple wouldn’t suffice; it is important for him to find solutions that satisfy both parties and thereby to strive for long-term customers. The trade between farms has been going on for 3 years, before that he learnt how to do it by buying crops and searching for customers. He regards these skills among the most important ones.

→ His self-assessment is a bit reserved but still presents him as having the skills to some extent. The skilful impression strengthens when he presents indirect assessments: the central rhetorical resource in his presentation is the contacting and utilisation of various kinds of networking and co-operations between farms. Production related joint use of machines and buying of production inputs are presented as one context, but the emphasis in his presentation is on the context of selling and marketing: since other farms form the markets for his products, he emphasises the importance of finding and creating enough long-term customer contacts.

### **Skill 3**

The farmer comments that nowadays opportunities must be sought all the time: “Now that everything changes really rapidly nowadays, it means that you at least have to try to think about the possible directions and new opportunities, and not just complain that everything changes.” He states that the recognition and realisation is a bit difficult, since even though an opportunity would be recognised, the realisation still requires some extra courage, especially if the business idea can not be expected to immediately bring profit. He assesses that in such issues some other entrepreneurs may have more courage to seize opportunities as “the pioneers”, even though he says that he is not a coward either. He states that he started his farming career in conventional production, as did his parents, too, but at some point he started to look for more challenges and more environmentally friendly production methods; so he participated in a course on organic production with a couple of friends. He elaborates that he wants his farming nevertheless to be profitable, even though organic production is for him also more rewarding as such. The accounting business, in turn, got started because he had been working as an agricultural consultant at an extension service organisation for ten years, and eventually wanted to ease his overall work load but also to exploit the competence gained in his wage work. At that time he simultaneously switched his previous pork production and wage work in the extension service organisation for organic crop production and the accounting business. He said that he felt that the time was favourable for taking up new opportunities then, since he was not too old yet but had gained some experience even so. He had pondered these opportunities for a considerable time and says that he has never regretted his decision to finally realise them.

→ Even though the farmer is at first a bit hesitant in his self-assessment, his further commenting reveals that his reservations are directed mostly towards realising additional, somewhat risky opportunities, once he has already succeeded in realising a value-adding business (organic production) and a diversified business (accounting company), to replace his previous pork production and wage work (as an agricultural consultant). Hence he is able to utilise both his farm businesses as rhetorical resources with which to demonstrate his opportunity recognition and realisation skills: he has realised two farm businesses, in order to utilise the competencies acquired earlier in his career and at training courses, to get rewarding experiences, and to seek economic profit.

## **Case 12: A farmer couple at their 30s, who practice machine contracting, teach horse riding and produce crops; both involved in the interview**

### **Skill 1**

The husband starts the commenting: “Well, of course you have to do some planning all the time, such as how to handle things and weigh other possibilities, too, in order to prevent yourself from becoming too stuck in the old ways of doing things.” He elaborates that the current trends in agriculture constantly bring challenges, which



puts pressure on focusing on planning. As an example he mentions the current low profitability in grain production, which means that the grain production business is largely based on subsidies. They have reacted to this situation by trying to recognise plants for cultivation whose cost-profit ratio are the best, and by keeping an eye on the cultivation choices that other farmers make, as well as the changing criteria for subsidies. The husband estimates that their machine contracting business is clearly more profitable than the primary production, but they nevertheless want to keep on producing grain to some extent as long as it does not accrue more costs than earnings. However, the distribution of working time is easy, since the machine contracting is done in the wintertime and primary production focuses on the summertime. They used to rear beef cattle, but since it would have required new investments and the profitability was questionable, they decided to switch the cattle rearing to more profitable machine contracting. The wife comments that the horse business is not much planned, but a more hobby-like activity and run on a daily basis.

→ The farmers have a business plan, even though they don't comment on how formal it is. Anyway, the evaluation of profitability is the basis of the planning for their primary production and machine contracting activities: for primary production they try to recognise profitable plant varieties for cultivation; the initiation of machine contracting, in turn, was based on the calculation that it was going to be more profitable than cattle rearing. They present their businesses as complementing each other: primary production focuses on the summertime, machine contracting on the wintertime. The horse business is an exception in this respect, since it is presented more as a hobby-like activity.

### **Skill 2**

The wife gives a direct assessment of his husband as skilful: "He is quite good, at least in creating contacts, such a social person. I think that he knows an awful lot of people." They assess that their wintertime machine contracting business was based on the utilisation of contacts, and evaluate it as an important skill from their perspective. They state that in primary production contact utilisation is also beneficial, even though to a lesser extent; they mention their contacts and production contract with the mill, but also emphasise the importance of exchanging experiences with other farmers, concerning e.g. the usefulness of various production techniques and plant protection methods.

→ The initial affirmative direct assessment of the husband as skilful gets confirmation in the following presentation, mainly from two rhetorical resources: examples of networking and contact utilisation are given, first, by referring to the importance of contact with people outside agriculture in the creation of the machine contracting business (the city as customer); second, in the context of primary production, examples are given by referring to contacts and the exchange of production technical experiences between local farmers.

### **Skill 3**

The wife starts commenting: "I guess we have realised these opportunities." The husband continues: "Yes, I guess we have recognised them, too, typically we have our eyes and ears open and for example lately we have weighed different alternatives, but often these ideas remain on the level of reflection, because we have enough work to do already." They explain that since quitting cattle rearing they have thought about ways to utilise the existing equipment and machinery, e.g. in the cultivation of various special plants, but the problem is that they are often too time consuming; that is why they have currently ended up in cultivating less time consuming oil crops, but leaving the door open for some other plants. The machine contracting business complements their crop production, because they can utilise their machinery all year; they state that mere machine contracting alone would probably not be profitable either, but together they are a good combination. They started the machine contracting with the city through the husband's school-time training contacts, and gradually also took local private persons as their customers.

→ They assess themselves as being fairly good at recognising and realising opportunities, even though the opportunities often remain unrealised because they already have enough work with their current activities. They are able to use their current activities as resources when presenting their skills: their oil crop cultivation was based on the intention to recognise a profitable variety, where they could utilise their existing machinery and equipment; the machine contracting business was initiated because it complements their crop production: together the activities are a profitable combination. In the realisation of their machine contracting they have been able to utilise their social contacts.

**Presenting oneself as having the skills; they manifest in production activities but also in the contexts of co-operation and sales promotion; complementarity of the businesses is not explicitly presented as an instance of the utilisation of the skills, though**

**Case 19: A farmer couple in their 40s, who have a sawing and wood processing business, and who produce crops; both involved in the interview**

### **Skill 1**

The wife takes the first turn: “No, we don’t have a business strategy and we do not evaluate it.” She explains that they are so dependent on the forces of nature that it is pretty much useless to make longer plans on a more detailed level; once they see how the year starts, they make further plans correspondingly. However, she specifies that they make general plans on 3-5 year basis, concerning e.g. investments, machinery acquisitions, but otherwise it is important to “live in the moment”. They state that since they have decided to cultivate a wide variety of cereals, their cultivation is not that vulnerable to changes in market prices, even though they also take the market prices into consideration when making cultivation decisions; one of their customers is the local zoo, which buys oat steadily. Machine contracting is always done when they have some extra time; in the sawing business approximately half of their customers are permanent – there are plenty of sawing and wood processing jobs for them to do, since they live in a municipality which attracts many inhabitants to build new houses.

→ According to their initial self-assessment they do not have a business strategy, since they conceive it as too rigid for their purposes; instead they emphasise the importance of acting according to the demands of changing situations. However, they state that they make general plans on 3-5 year basis, which concern e.g. the making of investments. Their strategic decisions include: the cultivation of a wide variety of cereals (in order to avoid being too dependent on price decreases on a certain sector); serving local permanent and mobile customers in their sawing and wood processing business; and filling the remaining spare time with machine contracting jobs.

### **Skill 2**

The farmers do not provide a direct self-assessment of their skills, but go on to describe examples of their activities: in primary production they utilise joint machine co-operation and are involved in several networks of that kind. They describe networking and contact utilisation as essential also for the sawing business: the local entrepreneurs in the wood sector are used to working in a certain chain, where one focuses on some part of the work process (e.g. cutting down the trees) and the next entrepreneur executes the following step (e.g. collecting the logs). The interviewees are in a node position in this network, and many entrepreneurs and customers contact them when searching for some kind of service, product or job; they say that in this network there is no competition between the entrepreneurs. Local horse farms, in turn, are their customers and buy sawdust from them. They conclude by saying that these skills are important.

→ Even though they do not present a direct self-assessment, a quite skilful impression is formed through their indirect assessments and accounts. The central rhetorical resource in the presentation is the contacting and utilisation of various kinds of networking and co-operation between farms. Production related joint use of machines is presented as one context, but the emphasis is on the context of collective distribution of work, including the selling, marketing and collective guiding of customers. In this sense, the aspect of co-operative network is emphasised and the utilisation of contacts remains in the background.

### **Skill 3**

The husband begins with an affirmative answer: “Yes, yes.” His wife continues by justifying that since the start of their farming career they have been able to change their line of production, by quitting their previous, unprofitable poultry farming and intensifying their crop production, sawing business and taking on new customers (e.g. the zoo). During the times of their poultry farming the sawing business was run on an occasional basis, but since then the business has grown and they have started to specialise their sawing and wood processing services.

→ According to their initial self-assessment they are good at recognising and realising opportunities; they justify their claim by describing how they have succeeded in changing their line of business from unprofitable poultry farming into diversified farming, by intensifying their businesses and spotting new customers (both in crop production and sawing business) and developing their sawing and wood processing services.

**Case 14: A farmer couple at their 30s, who practice crop production and horse keeping, providing also teaching of horse riding; husband involved as the main interviewee, but his wife also makes a couple of comments**

**Skill 1**

The husband starts with a criticism of the question and of the opinions of the experts: “These are completely odd questions then. Here you see the difference in perspectives between producers and the ones in higher positions.” He continues that of course one has to have to some kind of plan, at least figured out in one’s head, even though he believes that family farms neither have nor need any written business plans. However, the wife specifies that they had to do a written business plan in connection with a recent application. They explain that since they have already figured out the plans in their heads, such written plans do not bring much added value for them; their informal plans include issues such as needs to make investments within a range of 2-5 years, but they don’t have any particularly tailored formal business plan for their farm business. The husband elaborates that one function of the plans is to help them to focus their activities in a reasonable way; he thinks that currently it would not be profitable to focus on grain production at all, since the prices in Finland are so low compared to e.g. mid-European prices. He adds that if thought of in this way, he is willing to change his initial stand and admit that it is important to plan your business strategies. Still he wants to make the point that due to uncertainty of e.g. EU policies and grain prices, it is very difficult to do long-term planning, e.g. 5 years ahead; as an example he mentions that the environmental subsidies are about to change again, and if they will obtain only two years, it does not provide reasonable grounds to make plans (e.g. for investments).

→ According to the husband’s initial stand, the whole idea behind the question is strange; he criticises the ideas of experts and claims that family farms neither have nor need any formal, written business plans. The justifications he and his wife provide for such a stand in their commenting, deal with the uselessness of formal plans and usefulness of informal planning, and the difficulty of making any long-term plans due to uncertainty of e.g. EU policies and grain prices. However, they admit that they have plans figured out in their heads, concerning e.g. needs to make investments, and have also made a written business plan in connection with a financial application. If the skill is conceived as informal strategic planning, they are willing to affirm its use and usefulness; such a skill helps them to focus their activities in reasonable ways (e.g. by bringing down grain production in the case of low prices).

**Skill 2**

The farmer does not give a direct self-assessment of his own skills: “It depends what is actually meant by these skills, of course networking is important in many respects, you have to co-operate with other farmers, neighbours and suppliers.” He claims that it is important for them to aim at long-term customerships with the farms who buy hay from them (other horse farms); new customers are taken in only if they have an obvious chance to increase their production. He claims that the principal means to attract and maintain long-term customerships are quality of the hay and certainty in delivery. He gives reasons for the importance of networking, relying mainly on the context of primary production: nowadays the investments and machine costs are so high that you have to try to cut down costs by co-operation and collaboration. He criticises the big players, who buy the crop for mills etc., for unfairly paying too little for high-quality crops; on the other hand he regards the production contract with the wholesaler as important, because it guarantees a safe demand for the crop, also in the case of low-quality crop yield. He says that these skills are important if you look them from the proper perspective.

→ The farmer does not clearly assess himself as skilful, but admits their importance anyway. He is able to demonstrate his use of skills only in the context of primary production; no examples are given from the context of diversified horse business. His central rhetorical resource is related to the markets for hay, which consist of local horse farms. He emphasises the importance of hay quality and secure delivery as means to maintain long-term customer contacts. The importance of secure demand is also emphasised when he comments on his contact to the wholesaler who buys the crop. The dynamic aspect in the creation of customerships or markets is not emphasised in his presentation.

**Skill 3**

The husband starts by indirectly affirming the question: “Let’s say that we are located so close to Helsinki, that you have indeed all sorts of opportunities here.” He elaborates that compared to most other parts of Finland, the opportunities abound; as an example he takes up their horse business: their municipality is the leading horse/riding business region in Finland, and the majority of their customers comes from the densely populated Helsinki area. He continues that there are plenty of opportunities, except for grain production; the steadily in-

creasing number of horse/riding businesses in the municipality has led him to focus on the production of hay for other local horse owners, instead of grain production, because of its better coverage. Also in their own horse/riding business they have succeeded in attracting customers from the Helsinki area, where most of their customers come from. However, for conventional farming he considers the vicinity of Helsinki area as a disadvantage, because of the diminishing opportunities to get or maintain sufficient farming land, and complaints about smell inconveniences from newly moved inhabitants.

→ The farmer's initial self-assessment emphasises that it is easy to recognise opportunities in their region, but he does not directly comment on how good he is in recognising and realising opportunities. He is nevertheless able to use their principal farm businesses as rhetorical resources in demonstrating how they have recognised and realised opportunities brought by the vicinity of the Helsinki area: they have managed to attract majority of their horse/riding business customers from the Helsinki area; and since their municipality is the leading horse/riding business region in Finland, they have also concentrated on the production of hay for other local horse owners, instead of grain production.

**Presenting oneself as having some skills in production context and concerning general economic awareness, but otherwise presentation remains more on a speculative level**

**Case 5: A mother (age 51) and her son (age 27) who focus on pig production, peat production and machine contracting; both involved in the interview**

**Skill 1**

The son starts the answering: "Well yes, in connection with the farm deal we did such a business plan that it helped us to assess the general profitability rates of the pig production, of the machine contracting business and of our plant production." They give further justifications for the importance by stating that such planning is a means to assess the profitability of different sub-sectors, to evaluate the suitability of the work efforts spent on different sectors and to figure out possible ways to do things differently (e.g. to quit rearing animals and to focus on other things). The business plan that was made in connection with the farm deal helped them also to evaluate the general profitability of the farm in order to see whether some aspects should be developed or not.

→ The farmers have a business plan made in connection with the farm deal and consider business planning important. They have utilised this business plan to evaluate the overall profitability of the farm, to learn possible points of development and ways of doing things differently, and to assess the balance and profitability of their business sectors.

**Skill 2**

They start by commenting on their own skills: "Well we do have some co-operation and stuff, but it could be improved for sure." They state that they have asked their neighbours to start using joint machines with them, and one neighbour got in; they mention their joint using of a sowing machine as an example. In machine contracting they made verbal contracts for a longer period with couple of local farms. Also in peat production they have a long-term deal with the owner of the marsh, so that they can rely on the continuity of the peat production work. As reasons for networking they mention the reduction of costs in production; as reasons for its difficulty they mention the independent attitude characteristic of local people.

→ Even though they do not directly assess themselves as skilful, they mention that they have co-operation. The central rhetorical resource in the presentation of their networking and contact utilisation skills are the contacts to the farming population. One context is related to the joint use of machines and machine contracting. Another context for mentioning the use of skills is related to the peat production, where their contact to the owner of the marsh is taken up. Their emphasis in both contexts is on maintenance of long-term customerships. In this sense, the aspect of stability is emphasised instead of a dynamic orientation.

**Skill 3**

The son admits that they have recognised various opportunities but have not perhaps had the courage to realise them: "Indeed I have thought about several possibilities, calculated and recognised some opportunities, but haven't had the courage to realise those, because they always require investments which include risks." He elaborates that perhaps some risks should be taken at some point, but since he has just taken over half of the farm and is only getting used to running the business, it is better for him to wait a few more years; then it should be easier for him to see the farm business holistically and to assess how different activities might fit into it. Their peat

production has been running for about 20 years already and was started by the previous generation; hence it was natural for them to continue the peat business in the familiar manner. Machine contracting, in turn, was started by the son: a farmer acquaintance asked him to do some harvesting, and the son recognised that he is able to utilise the harvester in his spare time in order to also serve a couple of other customers. They comment that they have decided not to expand their pig production, since it would require such massive investments that their repayment might take the rest of son's farming career. The son assesses that he might be able to run the farm just on the basis of machine contracting, plant production and peat production, even if he got rid of the pigs; one opportunity could be to switch the pig production into winter-time pork production and to concentrate on other businesses in the summertime. He also mentions the possibilities of utilising his education in electrical engineering to take up of some additional businesses in the future.

→ They claim to be fairly good at recognising opportunities, but to lack the courage to realise them. The son presents himself as avoiding risk taking at the moment, since he is only in the very early stages of his farming career; the tendency to avoid risks manifests itself also in their decision not to invest in and expand their pig production. The examples of recognised and realised opportunities are limited to the taking up and expansion of machine contracting (peat production has continued on the already established tracks) and to the speculation of the possible ways to compensate for the pig production (concentration on the remaining activities, taking up winter-time pork production, or taking up additional businesses), should he end up in quitting pig production.

## **Case 22: A 43 year old male farmer, focusing on thermal contracting business and crop production**

### **Skill 1**

The farmer does not clearly explain the nature of his business plan: "Well yes, perhaps now activities other than agriculture have started to become more interesting. It feels that mere grain production has become so difficult that it will be easier to take up other activities."

He explains that the size of his field area is such that it is possible to make it a kind of part-time farming, by having joint machines and co-operation with other farmers and reducing production costs; in order to make a living on mere grain production the size of the field area would have to be bigger. He states that being in the vicinity of the capital city area brings farmers many opportunities anyway if they only are willing to make some effort; hence the price of the grain is not that decisive. He says that the quality of the primary production work has to be sufficiently good in order to give him satisfaction; since he is used to thinking of himself as farmer, he thinks he will continue farming anyway, either by focusing more on other businesses or by trying to increase the field area.

→ Even though the farmer does not clearly state how formal his business plan is, his indirect accounts present him as having a strategic plan for his business: he is willing to continue primary production to some extent, by applying cost reduction and possibly also growth strategies, and to complement the primary production activities with other businesses, perhaps by strengthening their role in the future.

### **Skill 2**

He begins by giving only a reserved self-assessment of his skills: "When you operate in primary production, these things do not bring you much, or well, you might get something out of them." Interestingly, he relies in this assessment only on the primary production activities of his farm. In the context of primary production he regards the big buyer of the crops as a useful contact, since the local representative of the company is very active and co-operative, e.g. in providing contacts to industry (production techniques and facilities). He elaborates that in the thermal contracting business the role of networking and contact utilisation is not emphasised very much; there are two other partners in the company and the distribution of work is fluid between them, but contacts to other thermal entrepreneurs are scarce. He mentions that he took a course on thermal entrepreneurship arranged by an association, and since then the association has been a useful contact: the association provides information, advice and demonstrates new devices, and his enterprise, in turn, demonstrates its operation on excursions arranged by the association. He claims that, after all, these are useful skills, e.g. from the perspective of moral support and sharing of experiences.

→ The farmer's self-assessment suggests that he does not actually have the skill of networking or utilising contacts; he says that the skills would not necessarily bring him much. The following indirect assessments and accounts present him as utilising his contact to the buyer's representative, but this contact is limited to production related advice, information exchange and acquisition of technology. In the context of the thermal contracting business his examples of useful contacts are limited to the association that arranges courses on the subject: he has

taken the course and after that had reciprocal co-operation with the association, concerning thermal production methods, technology and training. In all, his examples of the utilisation of the skills are limited to the context of production and getting moral support from colleagues.

### **Skill 3**

The farmer begins his answer by discounting his skills: "I am pretty lazy in these things." He justifies his assessment by stating that he may be able to recognise some opportunities but because of his laziness he easily lets them pass by. He says that he ought to be more active in these things, even though he claims that he nevertheless wants to be a farmer and not to realise some completely different kinds of opportunities. He regards the initiation of his thermal business as partly accidental: he wonders why the training association asked him to launch the business in the region. He states that he showed initiative anyway in collecting the small group of entrepreneurs who eventually realised the thermal contracting business. He himself became convinced of the thermal contracting business, because it did not require any investing of own capital; he says that he likes to play it safe and avoid risk taking – that is why this business suited him well.

→ Even though the farmer's initial self-assessment emphasises the lack of skills, his subsequent indirect assessments reveal that regarding the thermal contracting business he has been active in recognising an opportunity, which does not require too much risk taking and provides him a possibility to keep on conventional farming, too. Similarly, he himself has been active in realising the business, when he gathered other entrepreneurs to join him in the business. He mentions that his laziness and risk avoidance limit his eagerness to realise opportunities.

## **Presenting the skills as useless, except production related networking and innovation, and ability to take up a NFD-business**

### **Case 3: A farmer couple at their 40s, focusing on machine contracting and crop production**

#### **Skill 1**

The wife starts the commenting: "We have had a business plan, but in practice we have never used it anywhere." The husband continues: "I don't consider that an issue at all, as far as we are concerned." They claim that they have never encountered a need to utilise the business plan that they did back in the day. They justify this claim by explaining that in their machine contracting it is possible to know only a couple of hours in advance what to do next; that is why they do not consider it reasonable to plan their activities beforehand. The husband states that there is a lot of paper work to be done in any case, and the amount of paper work should be decreased instead of increasing it. The wife continues that since they themselves do their bookkeeping and EU-related paper work, they are sufficiently aware of the status of their business; for an enterprise operating with investments and capital of several millions it might be useful to utilise a business plan, but not for a family farm of their size, which does not have any hired workforce.

→ The farmers made a business plan long time ago, but have not utilised it. They do not consider business planning important. They justify this stand by using the nature of their farm businesses as resources: their machine contracting business is so unpredictable that it is of no use to try to plan it in advance; the scale of their production is so small that they can manage it without any formal planning. However, they mention that their bookkeeping and EU-related paper work help them to stay in touch with the status of their business.

#### **Skill 2**

They begin by giving a reserved self-assessment of their skills: "We haven't had a need to affiliate to any kind of networked system." They state that in machine contracting their customer network consists of the farms in the nearby area. They claim that they have good contacts with these farms, as well as with the shops, stores and bank. They specify that it is important for them to aim at long-term customerships, which is most convenient when aiming to create and maintain personal, trustworthy contacts with the local farmers and neighbours, who form their customer network. They conclude that utilisation of contacts is an important skill, nobody is able to get along by him/herself.

→ The couple presents themselves as farmers who do not actually have the skill of networking or utilising contacts, since they claim that they have no use for affiliations in any networked systems. However, the following indirect assessments and accounts present them as utilising their contacts to the farming population in their machine contracting business: since other farms form the markets for their contracting services, they emphasise

the importance of maintaining good contacts with the local farmers and the value of long-term customerships. They also mention having good contacts with service providers, such as stores and bank.

### Skill 3

The wife starts the commenting: “This recognition and spotting of opportunities is indeed strengths of my husband.” The husband continues by stating how he has realised a business of making and selling firewood, based on his estimation of high oil prices and increasing demand for wood energy; he states that he has turned the high oil prices into an opportunity, he is also applying for a patent for a system to dry up grain with. He tells of having done some other inventions along the way, too. The wife confirms that it is important to be able to recognise and realise opportunities, in order to survive in the farming sector. They state they decided to take up the machine contracting business, because they had to quit their earlier pork production due to some health problems and to find some compensating source of income.

→ The wife assesses that his husband is good at recognising opportunities; the husband indirectly admits the claim by telling how he has found and realised an opportunity to have a fire wood business due to high oil prices; he has also realised some other inventions. They are also able to use their starting of the machine contracting business as a rhetorical resource, to describe how they found a compensating source of income when they had to quit their former pork production.

### Overall comparison of the self-presentations regarding the entrepreneurial skills

In all three interviewee groups there are convincing presentations, where farmers present themselves as having the skills and being able to utilise them. Hence, it seems that membership in any of the three interviewee groups does not preclude the possibility of making a skilful presentation; all strategies provide the interviewed farmers some rhetorical resources with which to present themselves as skilful. It is noteworthy that none of the interviewees assessed him/herself as unambiguously unskilful; instead, when the absence of one or more skills was indicated, it was done indirectly by referring to the irrelevance of the skill from one’s own perspective. On the other hand, in every group there are presentations, where some of the three skills are either regarded as irrelevant for oneself, or the presentation of oneself as having the skill is less convincingly made. In this sense, there is variation within each of the three strategic orientation groups, both in terms of the convincingness of the presentations and the valuation of the skills.

The variation in the convincingness of the skill presentations and valuation of the skill manifests itself with regard to each of the three skills. The convincingness manifests as concrete examples of business activities with which the claim of having the skill is justified, as the degree of richness of such descriptions, and as the diversity of contexts to which such descriptions are attached. With regard to the skill of creating and evaluating a business strategy, in the convincing presentations the farmers were able to demonstrate the initiation and calibration of their current business as grounded in strategic planning and its evaluation, e.g. by means of assessing the fluctuations of the sales, markets, profitability and customer feedback. In such more convincing presentations both sides of the strategy skill, i.e. its creation and evaluation were connected to the management of one’s own farm business activities. Similarly, when this skill was judged as important, it was typically done by appealing to the need to be aware of and control the profitability of the business and investments. In the less convincing presentations the strategy skill was demonstrated merely by referring to executed decisions on a general level, such as decision to take up certain line of production or to make certain investment; in such cases the planning is presented as entailing neither active selection among different alternatives nor concrete means to evaluate the feasibility of different alternatives. When the importance of this skill was discounted, it was typically done by appealing to the uncertain, changing nature of the operation environment and farm business (e.g. policies and prices). Interestingly, the idea of the controllability of the business is thus used as an argument to both highlight and discount the importance of the strategy skill: it is possible to argue that the uncertainty inherent in the operation environment implies that the strategic planning of the farm business is necessary, or that it implies that the strategic planning is useless.

The third skill, opportunity recognition and realisation, and its presentations were closely intertwined with the skill of strategy creation and evaluation: the ability to recognise and realise opportunities was also typically reflected in the ways with which the interviewees described the creation and evaluation of their business strategies; therefore I will briefly describe the essential variation in the opportunity skill presentations before moving on to compare the presentations related to the skill of networking and utilising contacts. With regard to the skill of

recognising and realising opportunities, in the convincing presentations the farmers were able to demonstrate the evolution of their farm business – its different phases, initiation and calibration – as a process of recognising and realising opportunities; they were able to describe e.g. the recognition of a market niche, changes in product and customer structures and efforts at sales promotion as instances of realised opportunities. These features were also typically cited as grounds for the importance of the skill. Nobody rejected these skills as straightforwardly unimportant; instead, in a couple of exceptions the phase of one's farming career or the general business situation were presented as factors which discount the relevance of this skill from one's own perspective. Even though the importance of the opportunity skills was acknowledged consistently by all interviewees, there was nevertheless variation in the degree of richness and credibility of the self-presentations; in some cases the presentation was done by speculatively focusing on the recognition of potential opportunities, but examples of realised opportunities remained scarce or vague. Such was the case when interviewees speculated about potential production expansion plans or about potential business diversification opportunities, without moving to demonstrate the aspect of opportunity realisation. In the more convincing cases the interviewees were able to integrate two other skills – the creation of their business strategy and utilisation of contacts – to the more general pursuit of opportunities. In this way the opportunity skill emerged as a higher level, overarching skill, which was not disconnected from the other skills and business activities. Instead, the interviewees could demonstrate various aspects of their business activities – utilisation of machine co-operation, exchange of market related information with the customer, participation in a network of other entrepreneurs – as instances of recognised opportunities, which had also led to the realisation of opportunities.

With regard to the skill of networking and utilising contacts, there was variation in the level of generality and business relatedness, which was similar to the variation characteristic of the opportunity skill presentations. In the convincing presentations the farmers were able to demonstrate how they utilised contacts or networks for their business purposes: potential buyers, such as kitchen matrons or customers, were contacted for product promotion purposes; contacts from previous jobs were utilised in order to acquire expert advice or service commissions; co-operation with colleagues was done in order to reduce production costs. In such examples the skill clearly serves the goals of the farm business. On the contrary, in the less convincing presentations networking and utilisation of contacts were not self-evidently serving business goals, but remained somehow disconnected: contacts to buyers, such as processing company or dairy were mentioned, but their contribution to the farm business remained unelaborated; useful contacts could be presented as restricted mostly to farmer colleagues and serving general information exchange purposes. If the networks or contacts were restricted to the local farming community, it was more difficult for the farmers to provide a convincing presentation of a skilful utilisation of contacts and networks for their business purposes. Similarly, the importance of the skill was typically discounted, if the farm business was based on only one permanent customer and no concrete co-operation to reduce the production costs was made.

Next I will sum up how the skills, their presence and absence, typically manifest in conventional production, in value adding businesses, and in non-food business diversification. Thereby it is possible to address the question of what the nature of the activity that is performed skilfully is in the case of each group.

*How do the skills typically manifest in conventional production?*

As mentioned above, with a few exceptions, all strategic orientations, conventional production included, provided the farmers enough resources for making quite convincing and nuanced presentations of the use of skills.

Although the resources with which the presentations were composed differed somewhat between the strategic categories, it was possible to apply resources related to e.g. buying and selling and market arena contexts in conventional production as well, even though in the conventional group the use of such resources was limited. Mentioned examples included the change of the main customer (e.g. abattoir) and the selling of production inputs and outputs between farms. Nonetheless, a distinctive feature in the conventional production group was the scarcity of market arena related rhetorical resources in the presentations. This concerned all three skills. As a whole, the presentations were typically made by relying on the resources drawn from the context of production. With regard to strategy creation and opportunity recognition skills, having the skills was typically associated with either of the two alternative strategic orientations, i.e. either to the expansion of production or to the cost-reduction orientation. In both orientations the selection of the cultivated plants or reared animals were mentioned as examples of strategic decision and realised opportunities, but in the expansion of production the emphasis was on the pursuit of production growth (e.g. new investments), whereas in the cost-reduction orientation the emphasis was on cutting down production costs (e.g. machine co-operation, changing/renewing the type of



the means of production). With regard to the skill of networking and utilising contacts, having the skills was typically confined to the farming community, either to other farmers or to the actors of the agro-food production chain. The contacts and networks with colleagues were typically presented as serving information exchange and (machine/production) co-operation purposes; the contacts to the actors in the agro-food production chain were typically presented as serving the continuity, stability and quality of the production.

*How do the skills typically manifest themselves in the value adding business?*

In contrast to the conventional group, the dynamic and market oriented nature in the use and utilisation of the skills manifested itself in the value adding group. The farmers tended to integrate their skills strategically to the dynamic pursuit of market opportunities and promotion of sales. Of course, this tendency was not consistently present in all cases, but emerged nevertheless in most of the cases in connection to some or all of the skills. The business strategy was typically based on a recognised opportunity – the opportunity to get added value from some product – and it also included evaluation and shifts of strategy, according to the fluctuations of demand. The executed modifications and changes in the product and customer structure functioned as rhetorical resources with which quite rich and convincing presentations of the utilisation of strategy and opportunity skills were made; among other things, feedback from customers was actively utilised in the development of profitable products, and the processing of products was flexibly utilised in order to optimise the yield from primary production. With regard to the skill of networking and utilising contacts, potential buyers, such as kitchen matrons or customers, were contacted for product promotion purposes; joint acquisitions with other entrepreneurs were utilised in order to get access to cheaper or rare means of production; development projects, training courses and extension services were utilised as a means to develop one's own know-how, get access to novel information and to get to know other entrepreneurs. There was typically an element of opportunity recognition and realisation involved in the skilful use of networking skills, as well as strategy skills. On the basis of these descriptions one might suggest an interpretation, according to which skilful value adding business is such an activity, where the opportunity skill is prone to emerge as a higher level, overarching skill, integrating the two other skills into an integrated management of the whole business.

*How do the skills typically manifest themselves in non-food business diversification?*

In line with the value-adding group, the dynamic and market oriented nature of the use and utilisation of the skills also manifested itself in the non-food business diversification group. The contexts for the utilisation of the skills are diverse, similarly to the value adding group. Strategic and opportunity skills are connected both to the production and market arenas; the products or services are actively marketed or sold to certain customer segments, and the choice of the customer segment is typically presented as a matter of strategic decision. The utilisation of networks and contacts is not limited to the farming community, even though it may form the markets or provide resources for co-operation for the purposes of business diversification; however, the contacts and networks typically reach beyond the farming community: contacts from previous jobs or occupations are utilised for product development and marketing; new customer segments are actively sought beyond the immediately surrounding area; projects, courses and services are actively utilised in order to launch and develop the diversified business.

With regard to the skills of creating and evaluating a business strategy and recognising and realising opportunities, a salient feature in this group was a strategic evaluation concerning the profitability of conventional primary production and subsequent strategic decision to take up additional, non-food business to compensate for primary production. In this sense a strategic vision is characteristic of this group; the farmers have typically evaluated that it is more profitable to take up an additional business than to commit oneself into an uncertain future by expanding the primary production. Accordingly, calculations concerning economic profitability were brought out as drivers to take up business diversification. Furthermore, some of the farmers described explicitly that the complementarity of the businesses is for them related to the utilisation of the skills; the complementarity of different kinds of businesses is an opportunity recognised and realised. On the basis of these descriptions, and in line with the previous value adding group, one might suggest that in business diversification the opportunity skill is also prone to emerge as a higher level, overarching skill, related either to the initiation and start-up phase or to the running and management of the whole business.

*What seem to be the major differences in the skill manifestations between the three groups?*

The dynamic, market oriented nature of the use and utilisation of the skills manifested itself only in the value adding and business diversification categories. In the conventional cases there were no examples where the farm-

ers would have integrated all skills strategically to the pursuit of business opportunities. In the conventional group, the skill of recognising and realising opportunities remains a skill that is easily disconnected from the other skills; in two other groups, it is the opportunity skill that tends to emerge as an overarching denominator in the presentation of all skills. Similarly, in the conventional group the examples of the application of the skills tend to be confined to the contexts of production and to the farming community. In the two other groups the examples of the application of the skills more typically also encompass the market arena and reach beyond the local farming community. However, despite these differences, there are still rhetorical resources available to conventional farmers, which are used to make quite convincing presentations of the utilisation of entrepreneurial skills; the nature of the resources is just somewhat different.

With regard to the differences in value adding business and non-food business diversification groups, the differences between them are more “fine-grained”. In both groups the contacts, networks and pursuit of opportunities reach typically beyond the farming community: contacts from previous jobs, occupations or training projects and courses are utilised for product development and marketing; new customer segments are actively sought beyond the immediate surrounding area; various services and contacts are actively utilised in order to launch and develop the business. However, in the value-adding business it was more typical that the customer structure was more akin to that of a conventional producer: in a couple of cases there was only one or a couple of big customers on whom the farmer was dependent to a large extent. In spite of this, the customer was a source of business opportunities for these value adding farmers, contrary to the situation of conventional producers. In business diversification, such a situation seemed to be more exceptional; in a couple of cases the main customer was the municipality or the city (e.g. machine contracting, thermal contracting), but also in such cases it would be quite possible to imagine that the change of customers would not in principle pose bigger problems. According to a rough distinction, in the value adding business the strength and dominant locus of opportunity recognition and realisation seems to lie in the capacity to modify the product structure, whereas in the business diversification it seems to lie more in the capacity to deal with/modify the customer structure.

*When and how is the absence of skills manifested in the cases?*

The most obvious example of a case where the skills can be interpreted to be absent is case 13 from the conventional production group, where the skills are actually presented as irrelevant and useless for oneself. This farmer, who focused on conventional pork production, presented his situation as so uncontrollable that he is not able to utilise the skills in his farming business. He presented the other actors in the vertical production chain as such powerful opponents that the use of these skills would not benefit the business in his situation. Even though he mentioned that e.g. strategic business planning could be useful in principle, and that he has in principle realised an opportunity in pork production because of the high level of meat produced, he was nevertheless unable to give examples of how he could apply such skills in his current situation. Consequently he views all three skills as rather irrelevant for him. In the group of conventional farmers there are also a couple of other examples, which demonstrate the difficulties for a farmer located in a vertical production chain to present the utilisation of the skills convincingly: in e.g. cases 2 and 15 the demonstration of the skills is limited to the making of investments and expanding and rationalising the production, but otherwise the skills are not convincingly integrated into the management of their business.

Similarly, in value adding and business diversification groups there are a couple of examples, where the situation of the farmer resembles such a position in the vertical production chain; the difference is that in these cases the relationship to the customers are evaluated positively; the customers are a source for spotting new (market) opportunities and also promoting sales. Hence the integration and significance of the skills to the business becomes demonstrated to a larger extent.

An interesting observation regarding the overall impression of the presentations is that almost all interviewees are willing to present themselves as having developed entrepreneurial skills to some extent and consider these skills important, regardless of the resources with which they are composing their own skill-presentation. In this sense it can be argued that the interviewed farmers have to a considerable extent adopted – or been socialised into – an entrepreneurial discourse; there are only a couple of exceptions, where the skills are judged as unimportant or not relevant for oneself.

## 5.3 Analysis II: Explanations of the development of entrepreneurial skills and opinions on the promotion of it

In chapter 5.3 we analyse the data that consist of the comments concerning the development of the entrepreneurial skills, i.e. answers to the questions that were introduced to the interviewees on sheets 5-8 (see Appendix 1).

The analysis describes, first, the answers given to the questions on the sheets, and how the interviewees took a stand on the issues and assumptions introduced through the questions. Secondly, the analysis indicates a variety of explanations offered by the interviewees for the development of entrepreneurial skills. Categories of explanations are viewed as different types of attributions, which suggest that skill development is caused or determined by some particular factor or actor. Interviews for the eight cases are analysed cross-sectionally sheet by sheet, treating comments on each sheet primarily as unified sets of data, and paying only secondary attention to the differences between interviews.

Informed by the study of social cognition, we use the distinction between internal and external attributions (internal means that the cause is located inside the individual; external that the cause is located outside the individual) as a starting point for identifying differences in the explanations. Beyond that, we consult the data itself and try to uncover such qualitative variation that appears recognisable and obvious in the observed talk.

### 5.3.1 Comments on skill development among farmers in conventional production

In this first section we analyse data from eight cases, who were interviewed as representatives of conventional farmers (i.e. conventional primary production in agriculture).

#### Explaining the differences in skills (Sheet 5)

All of the interviewees gave positive answer to the first question on the sheet 5. They claimed that there are differences in entrepreneurial skills among farmers. To the second question, concerning the reasons for these differences, an interviewee said that it is too hard to tell what the exact causes are, and another emphasised that there are always several reasons behind such differences. However, in all interviews one or a few explanations were offered.

In three of the interviews the difference in entrepreneurial skills was attributed to the character or personality of individual farmer. "I guess it is character that causes the differences" (7). In two interviews experience was offered as an explanation: "experience is one thing which accumulates skills and knowledge" (1) or: "we say, we have been learning this business for thirty five years now, well, nobody knows really how to do this, but we have such an understanding that we do know something about this business, so that when someone who is just starting with a clean sheet, with no prior experience, things must be much more difficult for that person." (7)

Three interviewees mentioned education or training as a factor contributing to differences in skills.

Age was brought up in five interviews. In each case it was suggested that younger farmers have more entrepreneurial skills than the older ones do. The younger generation was portrayed as more innovative, open-minded and also more able to calculate profitability and organise networks.

"Young ones are skilful ... they are more active in networking and farm co-operation than old ones, they are less prejudiced, they do not hesitate to ask others to work for them, or sell their own work to others. ." (3)

Age was associated with the succession process, too. According to one interviewee, the old generation easily becomes a drag on the development on the farm. Especially if the older generation continues to live on the farm, they remain in the position of opinion leader even if officially retired. (4) Another interviewee (7) talked about differences in farm cultures or traditions that are transmitted from generation to generation, and manifest themselves as ways of action that are very hard to break or change.

Unlike internal attributions to personality, experience, or age of the individual, the influence of the older generation and farm traditions represent external causal attributions. These causes are external to the individual farmer who is viewed here as a target actor with some degree of entrepreneurial skills. They are part of the situation of the individual. In three interviews, networks were offered as an explanation for the differences in skills. A net-

work is also an aspect of the situation of the individual, and can be viewed as a cause that is external to the individual (or as a cause that consists of the relation between the individual and the environment). According to one interviewee, “it is difficult to change what you have already learned, and those farmers who have more contacts, and networks, they are able to view the future with more of an open mind, to act, and to change their plans a little; they might have a more clear direction.” (7)

One interviewee offered role models as an explanation. According to him, a certain key person who is active and innovative in his business may have considerable influence over other farmers who are able to benefit from this kind of best practice by observing how new things could be done and getting convinced that they can be successfully done. (7)

According to three interviewees also the ongoing structural changes in agriculture contribute to the development of entrepreneurial skills and hence to the differences in them. Those who accept the fact that the situation is changing and that it is not enough to rely on stable subsidies anymore are more likely to take action and try new solutions, and thereby create for themselves opportunities to learn entrepreneurial skills.

One more external attribution was made by an interviewee, according to whom the learning of these skills is easier when there is more capital (land, forest) which facilitates a farmer’s investments. (8) He claimed that the initial capital possessed by the farmer creates different starting points for different farmers, which then contributed to the development of entrepreneurial skills.

A couple additional remarks on the data are relevant here. First, one can observe a certain flexibility in the way the interviewees use the phrase entrepreneurial skills. Sometimes they seem to equate the difference in entrepreneurial skills to difference in success. One interviewee did this explicitly, when commenting that “some are more successful than others; or more skilful” (8). On the other hand, one interviewee spontaneously started to talk about the skill difference as a difference in entrepreneurial spirit (5). When the interviewer asked whether he considered these as one and same thing, he agreed, but added that entrepreneurial spirit also covers commitment to work and willingness to work hard. In one case the skills were labelled as entrepreneurial qualities:

- Interviewee 1: Some do have better skills than others; some have more entrepreneurial qualities: more capacity and courage in recognising and realising opportunities, some have better networks; some utilise contacts more, some have a better business strategy than others; farmers are different at this.
- Interviewee 2: There are differences in the readiness for change.

Readiness for change, which was mentioned at the end of the excerpt, and innovativeness in farm strategy were used in some of the interviews in such a way that it is very difficult to tell whether they should be judged as synonyms for entrepreneurial skills or causes for the development of these skills. Anyhow, from the examples presented by the interviewees, it can be inferred that innovativeness in the data analysed here was almost exclusively connected with innovations in production technology.

The second remark concerns the relationship between entrepreneurial skills and lines of production. This relationship was not brought up spontaneously by the interviewees. In a couple of cases the interviewer asked about this. In one case the other interviewee denied that the line of production would make a difference (7). In the other case the interviewee, who is raising pigs himself, claimed that the farmers in livestock production are generally more skilful than the farmers who restrict their production to arable crops (5). According to him, quality requirements and the nature of marketing channels make livestock production a much more demanding as business. It is worth mentioning that in a pilot interview with an arable crop farmer, which is not included in the data analysed here, the interviewee suggested, contrary to this, that in livestock production farmers are so confined to their work that they do not have time to reflect and develop their opportunity and networking skills.

#### **Accounting for the development of one’s own skills (Sheet 6)**

The main question introduced on sheet 6 was: How did you develop your skills? The interviewees answered the question, as a rule, as if accepting that it was already established that they do have these skills. There was one exception, which confirms this pattern:

- Interviewee 1: It is hard to say]
- Interviewee 2: the skills are] developing all the time; you never become fully-trained, one learns all the time

- Interviewee 1: When talking about these kinds of skills, you cannot say how I did develop them; it is something that you learn (gradually) through work, through life,

The message in the excerpt is two-folded. The interviewees “modestly” deny that they should be considered fully-trained, but on the other hand they claim that they have been learning and keep on learning these skills, and show that they are not unaware of them. Additionally, they end up attributing the cause of skill development to the process of learning by experience.

All in all, the most common explanation for their own skill development offered by the interviewees was to attribute the development of skills to one’s own experience and learning by doing: “Well the skills develop through the years” (2). Learning through trial and error was mentioned in several interviews, for example: “I have learned the hard way” (6).

Some interviewees emphasised their own intention to develop the skills: “I try to develop my skills all the time, I envision things ... the skills develop as a by-product. You will notice if you make a mistake. I am not so eager to get involved in all kinds of projects, but I do test new things” (7). Skill development was also connected to searching actively for information, for example by taking courses, reading professional literature, following the media and political climate, talking with other farmers. One interviewee attributed the development of his own skills to his willingness to find out new perspectives. He told that “When I was in agricultural school, I could not understand why some students wanted to do practical training on their own farm when they had a chance to see something new, to go train on some other farm.” (5)

In four interviews it was suggested that previous experiences in other jobs or professions had significantly contributed to the development of entrepreneurial skills. The benefit of this kind of experience was mostly associated with the widening of one’s own perspective: “Both of us have experience from other jobs too, paid work; that gives a wider perspective” or “I spent four years as a farm adviser, and a project leader, that was good schooling, I got to know different kinds of things and people, and so on, that was efficient way to develop oneself”. (5)

In a couple of interviews, general education and agricultural training were said to have enhanced skill development: “Because I have some basic education, it has been easier to learn new skills”(6). Also in the context of education and training it was the widening of one’s own perspective that was emphasised as a critical outcome: “If you don’t have training, you don’t have the perspective or will to develop” (6)

All in all, the essential point in the explanations offered by these interviewees is that the skills have gradually developed in the course of running the farm, supported by their own initiative, and by events which have widened their own perspective, such as training or having an off-farm job. The farmer is thereby portrayed as an active learner, with a will and desire to learn. External actors and factors are left in the background. At most, they serve as circumstances or situations in which the farmer’s learning process takes place. Also, networks and providers of professional advisory services seem to conform to this pattern. In all of the other interviews these were brought out as contributing to the development of one’s own skills. However, they were presented clearly as something additional, and not so crucial: “And our networks have also helped us to be able to recognise different alternatives” (2); “But well, these advisory services have also contributed” (1); “After we decided to stay on farm, advisory services and all these courses have added to this” (3)

The second question on the sheet 6, about why the skills were developed, stimulated only brief comments. In a couple of interviews it was left unanswered altogether. Some interviewees referred to economic goals: “We develop our skills because we want to earn our living, to get a somewhat more secure living” (2) or “Why, because we want better profit” (6). The others offered their own internal motivation or dispositions as reasons. According to one interviewee, it is in his nature that he wants to develop himself (7). Another one emphasised his curiosity: “It is curiosity that has forced me to develop myself ... it is not so much the money, but curiosity in itself”. (4)

### **Evaluating the role of personality and attitudes in the development of the skills (Sheet 7)**

Sheet 7 presented a view that the development of entrepreneurial skills depends heavily on the attitudes and personality of the farmer. Most of the interviewees agreed with this opinion. One farmer, for example, had a favourable stand to this view by saying: “I agree, some farmers are conservative, prejudiced against new things, that kind of personality does not enhance development.” (5) Another one claimed that individual characteristics are even more crucial than economic resources: “Even if you have a good economic starting point, but your own

abilities are not good enough, you won't learn the skills; and on the other hand, even if the starting point was modest, a capable fellow can make lots to happen" (3).

In addition to attitudes and personality, will and abilities were also mentioned. One interviewee argued that there is great variety among farmers concerning their mental abilities. According to this interviewee, such individual characteristics determine the development of entrepreneurial skills so that: "Some farmers are able to deal with a small amount of issues; some are able to deal with large amounts of issues. Some stick to old familiar ways, while others recognise new opportunities and are, perhaps, able to develop their farm and networks more, create more contacts." (6)

A couple interviewees (2, 5) were strong proponents of the crucial role of individual characteristics and argued that it is very difficult to influence the development of skills from outside, for example by training, if the personality and attitudes of the farmer are not entrepreneurially oriented.

In many of the answers, upon closer inspection one can observe that the interviewees are, as a matter of fact, talking about developing the farm, instead of developing entrepreneurial skills. A couple of examples: "I totally agree, listen, there are plenty of opportunities to develop a farm, it depends totally on one's own attitudes." (7) and "You need to develop the farm all the time; it depends on the farmer himself whether that is done or not" (4). Farm success, as well, was attributed to the farmer's personality in one interview in this context (4).

Hence, on the basis of these observations, it can be concluded that in some interviews the development of entrepreneurial skills was associated very closely – if not equated - with developing the farm. Does this simply imply confusion on the part of the interviewees, or do they assume that skill development happens through the activity of developing the farm? Both of these interpretations seem reasonable. In any case, developing the farm was mentioned in several of the interviews analysed here. A further remark is relevant to this. Whenever developing of the farm was not talked about only generally, it was almost exclusively associated with the growth or enlargement of the farm business: The interviewees talked about making investments, building bigger production units and buying more land. Once or twice, the making of investments was also connected with renewing the production system and equipment, without explicit mention of enlargement.

Even though none of the interviewees explicitly disagreed with the view introduced on sheet 6, some reservations were presented. One interviewee commented: "I can agree a lot with that, it indeed depends on such things, in many cases it depends on one's own life-situation, and attitudes; life-situation creates attitudes. (1) Another claimed that it is not only a question of attitudes, but also practical matters, such as available land and the price of it, that constrain the possibilities for a farmer to develop his entrepreneurial skills (3). One argued that uneven regional distribution of subsidies makes it harder for some farmers to develop themselves. The strongest objection was presented by an interviewee who started to comment on the sheet as follows:

*"Well yes, of course the developing of the skills depends on the farmer, but the farmer should be allowed a chance, I mean that if he does his job properly, then the decision-makers ought to take care that the farmer gets a decent salary for his work, that it would be profitable; it makes no sense if the farmer educates and trains himself, and achieves the skills, if the business is then made unprofitable by the decision-makers. In that case it does not matter how skilful you are, and what your attitudes are." (8)*

The interviewee went on by pointing out that during Finland's EU-membership the earned income of farmers, on average, has decreased considerably compared to the rest of the population. He argued that the price of pork has gone down by half, seriously challenging their business plan. According to him, the Finnish food-industry deliberately keeps the producer prices low. Further: individual farmers are powerless when dealing with big abattoirs, left unaided by farmers unions and political decision-makers.

This account could be interpreted so that the interviewee accepts, on one hand, that the development of the entrepreneurial skills depends on the farmer himself. However, he denies the view that it is the farmer alone who is responsible for the skill development taking place, because other actors also contribute to the situation or circumstances which enable the farmer to learn the skills. From this perspective, some external actors even hinder or prevent the development of the farmer's skills. On the other hand, it is worth noting that in this account the interviewee is not only giving attributions to the development of skills, but also to the economic gain of the farmer. It is noteworthy that he questions the assumption that economic gain would always be determined by the skills of the farmer. Hence, he also suggests that entrepreneurial skills can be learned, after all, in spite of the

obstacles caused by the farmer's disadvantageous position at the bottom of the vertical food-chain, but this learning may well be in vain, in terms of the farmer's economic reward.

### **Accounting for the appropriate means to develop the skills among farmers (Sheet 8)**

The question on sheet 8 was "What could be done to develop these skills among farmers?". Several types of answers can be distinguished in the data. Some of the interviewees suggested that attempts should be made to influence the attitudes of farmers. One brought out economic gain as an argument that could be used for this purpose. He said: "Money motivates. Farmers should be persuaded to believe that it is profitable to develop entrepreneurial skills; that it will pay out in the long run if one develops them." (5) Another recommended that in agricultural training and education it should be emphasised more, that it is not only the practical skills which are important, and that one should therefore also invest time and effort in planning, monitoring and managing one's business, and accept the fact that outside advice is valuable, too (1)

The supply of education, training and courses as well as advisory services were mentioned in several interviews as a primary means for enhancing and promoting the development of the entrepreneurial skills of farmers. In some cases it was argued that the current supply is sufficient, while others suggested that more courses and training could be arranged, especially with a focus on business strategy and management. One interviewee suggested that more public money could be allocated for increasing business advisory services for farmers.

In one interview, development projects as well as R & D activities were brought out as important and recommendable public policy measures in one interview. (5) Farmer networks and discussion groups were mentioned as efficient ways to enhance the development of entrepreneurial skills, allowing farmers to exchange and share experiences and information between them. (1, 6) One interviewee argued for strengthening the entrepreneurial spirit of the local community.

In the answers that we have described so far, one can recognise an assumption that entrepreneurial skills of the farmers could, and should, be developed. However, more pessimistic and reserved opinions were also expressed in several interviews. First, some interviewees argued that courses and training do not reach the right targets. It was suggested that those who need better skills will not participate in training. (2, 5) According to a few of the interviewees, extensive supply of training is not necessary, or it is useless. For example: "I believe that those who want to develop these skills will find out the information themselves, then there are those who are not interested in developing themselves". (7) Uselessness of development efforts was connected especially to the older generation as targets of development.

It was said that some of the older farmers are already at the stage of cooling off, and the development of entrepreneurial skills is not relevant for them (6). One interviewee talked about old farmers as a lost generation: "well, how should I say it, this might be a lost generation, there is not much that could be done anymore" (2).

An interesting assumption can be detected in most of the comments of this type: it is assumed that the question is about developing the entrepreneurial skills of all farmers. This assumption is then rejected, on the basis that development is useless or irrelevant in the case of many farmers.

In one category of reserved comments it was emphasised that the promotion of the development of entrepreneurial skills must not violate a farmer's autonomy; the learning of the skills should be voluntary, the use of pressure and force were disapproved of (2,5). For example:

*"Nowadays there is much talk of farming being a business like any other business, well, the skills should compare to other entrepreneurs, but I don't know, it depends mainly on each and every person's own activity that the skills will be developed; advisor organisations or farmers unions may urge farmers in that direction, but nobody should be forced of course" (3)*

Lastly, one interviewee commented on sheet 8 extensively with a clear rejection of the idea of promoting the development of entrepreneurial skills among farmers. He opened by saying:

*"When I really think about it, I am not sure if it is in anybody's interests that these skills be developed. There need to be those who quit, so that others who stay in business will have better opportunities. It only heats up competition if everyone starts making changes and developments... there is too much production and that should be decreased. Those who survive need to make it more efficiently" (4)*

Again, the most obvious target for rejection is the idea of developing the skills of every farmer. However, instead of the argument that development is useless or irrelevant for certain farmers, this interviewee referred to hard competition in the industry, and argued that it would be undesirable to have all farmers equipped with better entrepreneurial skills. He repeated these views, and added that there are plenty of skilful farmers who know how to develop themselves and where to find advice, and hence do not need any active training or promotion. In any case, according to him, the efforts to improve the entrepreneurial skills of farmers should be targeted to that core group of farmers, who are already seriously developing their farms.

To briefly sum up the comments on sheet 8 in the conventional producer group of interviews: the interviewees showed that it is possible to enhance and promote the development of entrepreneurial skills among farmers by trying to influence farmers' attitudes towards these skills, ensuring and increasing the supply of training and advisory services, and promoting farmer networks and discussion groups. On the other hand, it was argued that active promotion is unnecessary or useless in the case of many farmers, and that it would even be undesirable to try to develop the entrepreneurial skills of all the farmers.

### **Comments on skill development among farmers in the value-adding business group**

In this second section we analyse data from seven cases who were interviewed as representatives of value-adding business group

#### **Explaining the differences in skills (Sheet 5)**

All of the interviewees gave positive answers to the first question, i.e. they accepted the claim that there are differences in entrepreneurial skills among farmers. One interviewee commented that even though there still are differences, they have gradually become smaller, because of the growing education level of the farmers. To the second question, concerning the reasons for these differences, all interviewees offered at least a couple of explanations.

In six out of seven cases the character or personality of the individual farmer was mentioned as causing differences in skills; it was the most common type of explanation in this group: "The engagement and involvement in at least some kind of activities makes a big difference in general, it does not necessarily have to do with formal education, but with how sociable you are." (4) In two interviews experience was offered as an explanation, but in a different sense compared to the conventional cases: these two interviewees assessed that if the farmer's experience is based on mere farming, it may be a disadvantage; it may narrow down the enthusiasm and perspective of the farmer.

Training and education were mentioned as causing differences in skills in three cases: "Some start their farming career as agronomists, some have not educated themselves even for one day. Such things make big differences indeed." (4)

The three above mentioned attribution types represent internal attributions of cause. The type of external attributions of cause varied more. The most common types of external attributions were related to the available economic and farm resources (3 mentions), to the nature and labour intensity of the line of production on the farm (3 mentions), and to the presence or absence of a favourable farm/business environment (3 mentions).

The available economic and farm resources were offered as explanations in three cases. Two interviewees brought up existing financial and material (e.g. land) resources as factors explaining the differences; however, neither of these interviewees commented on this issue as the primary causal factor: "I think that it depends an awful lot on the personal activity of the farmer him/herself, but of course the existing financial resources also make a difference." (18) One interviewee commented that the possibility of getting subsidies for the development of the farm has made a difference between farms: "In our region we did not get any development subsidies, contrary to the farms further up north, which exploited all these subsidies. In the beginning it was a decisive factor." (16)

In three cases the differences in skills were attributed to the labour intensity and characteristics (e.g. scale) of the line of production; one interviewee commented that specialisation in conventional production tends to prevent the development of skills: "If you have specialised in the production of, let's say only one vegetable, then you are stuck with that plant until the age of retirement, you cannot change things because it would mean changing the



machinery, customers and markets. There is not much planning to do in such a situation.” Two interviewees commented that the scale of the farm may bring out some advantage: e.g. a typical family farm has to focus its efforts so much on production activities that it easily lacks the time and motivation required to develop entrepreneurial skills.

The differences in skills were attributed to the influence of a favourable farm/business environment by three interviewees, even though a bit differently. One interviewee mentioned the proximity of forage providing industrial plants as a competitive advantage for animal husbandry farms (21); another referred to regional differences as causing differences in skills because of the different customer and market potential inherent in different regions: “It is completely different thing to farm something or run some farm winery business in a region where you have lots of customers and opportunities than to move to the backwoods where nobody will find their way. These geographical differences are indeed a factor in Finland, we are so few after all.” (18) A different argument appealing to the farming environment was applied by a farmer, who indicated that rapid structural and market changes after EU membership have led to the increase of differences between farms (8).

Finally, one interviewee attributed the differences in skills to farming traditions: some farmers continue to follow the old ways of doing things and are thereby excluded from many beneficial innovations, insights and technological developments (7).

Unlike in the conventional group, in this group the variety of external attributions was bigger than the variety of internal attributions: the variety of external attributions consisted of 8 types, or actually subtypes, whereas internal attribution consisted only of 3 types; however, none of the external attribution types was so widely shared among the interviewees as the internal attribution related to the character or personality of the farmer. Another interesting observation is that contrary to the conventional group, none of the interviewees attributed the differences in skills to the age of farmers.

#### **Accounting for the development of one’s own skills (Sheet 6)**

All interviewees answered the question as if accepting that they do have these skills; in this group there were no exceptions to this rule.

If the explanations about the development of one’s own skills are looked at from the perspective of the type of learner that is portrayed in them, a picture of an active farmer who learns by doing and utilising the available education and training is painted; all except one case presented education and training as having contributed to the development of their skills, i.e. this was the most common type of explanation provided in this group. The only interviewees (a farmer couple) who did not bring up the role of education and training focused exclusively on the process of trial and error as the cause of their skill development. Indeed, the notions of trial and error or learning by doing were almost as commonly used as explanations as education and training; they were offered as explanations in five out of seven cases. A typical pattern was to emphasise both an external impulse, provided e.g. by training, and one’s own explorative efforts and learning by doing as having jointly contributed to the development of the skills.

All in all, the given types of explanations included the following:

- Trial and error, learning by doing (5 mentions)
- Education, training, studies (6 mentions)
- Farming background and tradition (2 mentions)
- Experience gained from other jobs and occupations (1 mentions)
- Participation in a business incubator -project (1 mention)
- Social comparison and collective support between colleagues (1 mention)
- Distancing oneself from the daily production routines, e.g. by hiring workforce to the farm (1 mention)
- Due to the increasing market competition (1 mention)

Viewed as a whole, external actors or factors were not given the final credit for any of the explanations made by the interviewees, but the consistent emphasis on education and training can be viewed as a distinctive feature in this group anyway. It indicates that an external impulse is typically considered as decisive in the development process anyway. A couple of interesting observations regarding the role of external stimulating factors are worth mentioning: Firstly, participation in a business incubator project is taken up in one case as a cause for having

developed the skills; in this case the role of external, facilitating factors and conditions is emphasised the most strongly: the farmers (wife and husband) start their answer by commenting jokingly that they developed their skills by doing things wrong the right number of times. After that they take a more serious tone: “No but seriously, if we think about our strawberry cultivation, it was the participation in a special plant cultivation course that got us interested in the idea. (...) In the processing business we benefited from participation in a business incubator project, where they helped launch new businesses.” (7) Such an account is the most concrete example of the utilisation of external means as aids in the development of the skills.

Secondly, the role of external actors as a means of broadening and finding of new perspectives is emphasised in two additional explanation types. In case 8 the farmer explains that since his studies he has benefited in his skill development from the social comparison between and collective support from colleagues. According to him, another crucial factor has been the distancing of oneself from the daily production routines, especially by hiring a workforce on the farm. In both explanations the important issues concern the possibility of getting some distance from farming routines and comparing and testing new perspectives.

Macro-level factors were brought out in only one response; a farmer of organic vegetables responded to the question by commenting that one has to develop the skills, “it is a must”. When the interviewer asked whether this necessity has to do with the tightening market situation or competition, the interviewee admitted that the increasing market competition is a force that drives to him to seek out added value and fair prices, instead of conventional production.

The second question, about why the skills were developed, again stimulated only brief comments. In some cases the descriptions of how the skills have been developed were intertwined with the descriptions of the reasons for having developed them; this is the case e.g. with the response cited above, where macro-level market competition was mentioned both as a driver and as a condition for developing the skills. In a couple of interviews the second question was left more or less unanswered. Otherwise all interviewees referred to some sort of economic incentives as reasons for developing their skills: in a couple of cases the general trend and competition among farms was mentioned as the reason. One interviewee stated that he had learned the importance of e.g. managerial skills for all kinds of businesses in his previous job. In one case the initiation of the current line of business and strategy (i.e. recognition of an unconventional line of production and value-adding processing of the products) were presented as the reasons to develop the skills.

### **Evaluating the role of personality and attitudes in the development of skills (Sheet 7)**

Most of the interviewees agreed with the opinion that “the development of entrepreneurial skills depends heavily on the attitudes and personality of the farmer”; none of the interviewees in this group presented a straightforward disagreement or rejection. One farmer couple, for example, agreed strongly with this view by saying:

*Husband: “Yes indeed I agree, one hundred and ten percent. Those two words say it all, attitude and personality.”*

*Wife: “That’s the way it is.” (7)*

However, when the commenting of the interviewees is examined more closely, it turns out that some of them have reservations about their favourable stands; some of them even do this quite emphatically. One interviewee commented that she agrees, but such a stand is one side of the coin in a broader issue:

*“I agree for the most part, and then one thing would be to arrange further or advanced training for the purposes of various farm businesses. That part is currently insufficient. (...) But without the right attitude no training will help you much.” (18)*

In three cases the interviewees made a more or less similar point and stated that the right attitude is a precondition for farmers learning about and participating in development activities.

In three cases the interviewees were critical of the prevailing services or arrangements that seek to aid in the development of skills. In the quotation cited above the criticism was directed towards the lack of appropriate further training. Also another farmer made a similar point and directed his criticism towards the rigidity and one-sidedness of the available training and extension services; it was his view that since the farms have already differentiated to a large extent, this should also be reflected more in the services that are provided for the farms. He also took up the thorough change in the European agricultural system and commented that under the changing

conditions attitudes have to change too, sooner or later; he thought that previously farming work was production driven, whereas nowadays “office skills”, planning and optimisation of subsidies have become more decisive for farmers. Interestingly, such a productionist discourse was used “protectively”, especially in two other cases, to emphasise the importance of high quality cultivation skills and a traditional “bond with the land”. Such a discourse actually tended to turn the question upside down; the attitudes and personality of the farmer were taken to highlight the importance of a traditional producer identity and discount current trends, which run the risk of detaching farmers from the dutiful engagement in production activities:

*“The attitude matters, there are these passive farmers who have become passive because of this Soviet European Union system, and this huge paper work load and subordination to regulations have indeed caused paralysis among farmers.” (21)*

In this comment it is most obvious that the interviewee is not talking about the development of the three entrepreneurial skills mentioned in the sheets any more, but uses the provided argumentative stimulus to defend the productionist identity and autonomy of farmers. Similar tones were included in a few cases, as it were; these observations could be interpreted thus: that the agreement with the stand functions for the interviewees as way to promote the autonomy and the productionist identity of farmers: it is the traditional, agrarian productionist attitude that matters in farming.

Taken together, the importance of attitudes and personality were not questioned, but some additional measures or reservations were also presented. In addition to attitude, commitment and will were emphasised as crucial antecedents to the development of skills; in one case the appropriate attitude was specified as meaning courage, since the future and the operating environment of farming were considered risky. Indeed, in many answers the changing operational environment (EU, markets, industry, extension services) figured as a counterpart to the emphasis on the farmer’s personality and attitudes. In a couple of cases a straightforward criticism was directed towards inappropriate EU and national policies, which were seen as hindering the adoption of the right attitude toward farming; then it was not so much the entrepreneurial skills but the production and cultivation skills that were considered as suffering from the lack of an appropriate attitude.

In one case the farmer claimed that it is typical that the younger generation adopt the right attitude, i.e. more development-oriented and EU-positive attitudes than the older generation. Interestingly, he also guessed that it might be possible to cause some production-oriented farmers to recognise new opportunities with the aid of some external informational or development measures. Such a stand seems significant, especially if contrasted with the otherwise typical defence of farmer autonomy.

#### **Accounting for the appropriate means to develop the skills among farmers (Sheet 8)**

Several types of answers were given to the last question concerning the means that could be done to develop the three skills among farmers. Taken together, most of the interviewees suggested some means that could be applied to facilitate the development of the skills. However, interestingly and contrary to the cases in the previous conventional group, a couple of cases presented predominantly pessimistic views about the current policies and state of affairs, as if to suggest that favourable development would require a change in the current policies (e.g. related to criteria and targeting of EU subsidies). In addition to these predominantly pessimistic views, interviewees presented reservations concerning the facilitation of the development of the skills; interviewees also presented opinions about how the development should not or cannot be done. In other words, development of the skills was not regarded as a simple matter.

Education, training, informational and advisory services were the most commonly suggested means to facilitate the development of the skills among farmers. Some saw these measures as the principal means, whereas others considered them to be useful in connection with some other means. In one case a particularly concrete formulation was mentioned: an interviewee regarded as particularly useful the current practice, where a certain level of formal training is required when taking over a farm. Training and advisory services were also judged to be helpful in facilitating the development of business planning and business strategy skills.

However, even though training and counselling type activities were frequently mentioned, interviewees also presented reservations about their limits. For example, a couple of interviewees said that it is difficult to change anyone’s attitudes; those who need training the most do not necessarily take part in any kind courses or projects.

A couple mentioned that the older generation may not be willing to train themselves anymore in new things; in other words, there was some suspicion towards the idea that all farmers could be activated to develop their skills.

Interestingly, the role of subsidies and policies related to them was mentioned almost as commonly as the aforementioned education and training; four out of seven interviewees referred to them in their answers. Both constructive improvement suggestions and criticism directed towards current practices were suggested. A couple of interviewees expressed pretty emphatically that it is crucial to ensuring the continuity and profitability of domestic primary production, e.g. with the help of sufficient subsidies; the values of self-sufficient domestic production, predictability of the agricultural operation environment and sufficient economic incentives for farmers were mentioned in this context. One interviewee mentioned the possibility of motivating farmers to develop e.g. their networking skills with the targeting of subsidies: the subsidies could be targeted more to those farmers who demonstrate networking in their farming. Three out of these four interviewees who referred to the role of subsidies directed criticism towards the current state of policy measures. The current system was seen as inappropriate, too frequently variable and prone to creating uncertainty and uneven conditions. A couple of interviewees claimed that the current EU and subsidy policies tend to motivate farmers to optimise the available subsidies instead of developing their entrepreneurial skills, e.g. the large farms tend to be more profitable than smaller ones merely on the basis of the subsidies that they are able to get. In a further variant of the criticism, dissatisfaction towards the targeting of investment subsidies was expressed; they were seen as motivating farmers to make too risky investments on too vague future prospects, sometimes to totally inappropriate targets.

Two interviewees took up the theme of increasing the appreciation of domestic primary production and high-quality primary products as a means of motivating farmers to develop their skills and production.

The role of high-level, professional research and development activity on the domestic farming and agricultural sector was also brought up by two interviewees as a means that helps the farmers to develop their production.

In one comment an interesting, concrete suggestion about a possible way to develop business planning skills was made:

*“Since some reports are currently expected by the EU anyway, these cultivation reports every fifth year and the like, perhaps also making of an obligatory business plan could be included in these procedures, let’s say every fifth year.” (4)*

This comment represents one of the few instances when the potential of obligatory policy measures to facilitate the skill development was valued positively.

One interviewee also made the point that the current agricultural operation environment with its open markets and removed price subsidies already in itself drives the farmers to develop their skills. However, it was suggested that the policy makers and experts could explicate the principles and justifications of the current system more, in order to motivate the farmers to perceive the potential advantages that the system might entail from their perspective.

### **Comments on skill development among farmers with non-food business diversification**

In this section we analyse data from ten cases who were interviewed as representatives of farmers with non-food business diversification

Explaining the differences in skills (Sheet 5)

Most of the interviewees gave positive answers to the first question, i.e. they saw that there are differences in the skills between farmers. However, there were also a couple of exceptions, where the interviewees started to ponder what the question actually means and whether the difference between farmers really lies in their skills. For example, in one case the wife commented that according to her opinion one cannot say that some have more skills than others; it is rather about how farmers use their skills. A possible interpretation could be that she wanted to avoid the impression that farmers are somehow born unequal with respect to skills; instead she stated that some are willing to put their skills into practice, whereas others are not. Another farmer commented first that among grain producers (which he is, too) there is not much of a differences, but went on to ask what is actually meant by the question, because according to his view there are always some differences in the products produced between farmers. His stand can be interpreted as indicating the difficulty of making gradations among farmers focused on

primary production; however, he did not use e.g. the skills related to business diversification as a resource to compare farmers either. Finally, in a third case the husband started first by commenting that it is really difficult to go on to evaluate the skills of other farmers, but his wife responded emphatically that it is crystal-clear that some have more skills than others, because some see opportunities everywhere and some are just happy to stick to the old and familiar ways of doing things. After this clarification the husband also agreed and commented that when looked at in this way there indeed are differences. However, these cases were exceptions – otherwise the differences in skills between farmers were pretty much taken for granted. Some interviewees thought that the differences are so evident that there is even no need to ask a thing like that:

*“This is a ridiculous question, this is six-love [using a tennis-metaphor]. (...) I would say that two hundred percent.” (10)*

To the second question, concerning the reasons for these differences, a variety of explanations were offered. Most of the interviewees offered at least a couple of explanations for the existence of differences in skills.

Most commonly, the character or personality of the individual farmer was mentioned as causing differences in skills. In five out of ten cases a stable internal factor, be it personality, character or even genes, was offered as an explanation. In three cases the explanation offered resembled the notion of character or personality quite a lot, but the internal factor was not described as necessarily stable, but more as an orientation or attitude; as put by one interviewee:

*“I think it is the attitude toward life that matters. Some gave up already in 1995 when we joined the EU. They just try to hang on to what they used to have then, or have even given up on that.” (3)*

In this comment a pessimistic view of life is regarded as an obstacle for the development of skills. In some cases the interviewees talked about more or less the same phenomenon but from a different perspective by offering enthusiasm or eagerness about new things as explanations for the differences in skills. However, when explanations of this type were used, it was not common to bring up the possibility of change; the basic character or attitude was typically viewed as a quite stable antecedent to the development of the skills.

Character, personality and attitude represent internal attributions of cause. Other internal attributions in this group were age (4 mentions) and education or training (4 mentions). As explanations age and education were nonetheless used somewhat differently, since education or training implied that it is possible for farmers to acquire or learn the skills, whereas age implied that the basic division has been already drawn, i.e. the younger generation is willing and able to develop their skills but the older generation is not.

External attributions were not too popular among the farmers in this group. All together, four types of external attributions were offered as explanations for the differences in skills. In the most common type the differences were attributed to the farming and family tradition or background; this kind of attribution was used in three out of ten cases. The effect of farming tradition or family background was formulated in two different but complementary ways: according to one view the skills have not been developed if the farms have been rigidly sticking to the old ways of doing things; according to another formulation it has been the proactive or entrepreneurially oriented farming background which has helped the skilful farmers to develop their skills.

The remaining three external attribution types deal with the resources accessible to different types of farms. Each type was mentioned by only one interviewee. Firstly, in one case the differences were attributed to the progressivity of the line of production: “Dairy cattle and pig farms have traditionally been effectively observed by the extension services, which have also provided them diverse counselling, but nevertheless we sheep farmers got quality training much earlier than those farms. Here the sheep production sector has been really active, but now it does not provide me new information anymore.” (1) Secondly, in another case the differences were attributed to the available financial resources, such as the farm’s debt, the amount of financial capital, and the possibility of balancing the capital flows between diversified business and primary production. Finally, in a third case the interviewee took up the effect of the location and density of population near the farm; however, he ended up in stating that e.g. the proximity of potential customers and markets does not determine the possibility of realising opportunities and developing skills, but it mostly determines the nature of the opportunities and skills realised: near population centres farms can utilise the mobility of customers, but in more remote areas farms can focus on production that is transferable, regardless of the location of the markets.

Similar to the conventional group but unlike the value adding group, among these non-food business diversifiers the age of farmers was regarded as a considerable explanatory factor. However, in line with the other groups, the

character, personality or attitude of the farmers were most commonly mentioned as the decisive factors. A remarkably repetitive pattern in the answers of this group was a combination, where a stable proactive orientation, grounded in personality or attitudes, was seen as an antecedent, which together with appropriate training or available knowledge has contributed to the development of the skills.

#### Accounting for the development of one's own skills (Sheet 6)

All interviewees answered the question about the development of their own skills as if accepting that they do have these skills; in that sense the existence of the skills was more or less taken for granted by all interviewees. Perhaps the only exception worth mentioning was a farmer who started his answer thus: "Well, we have not actually developed the skills, they have just come about along the way." (22) The farmer denied the assumption that he would have personally initiated the development of the skills in particular, but he nevertheless accepted the assumption that he has skills. This line of argumentation was more generally a typical characteristic of this group: all together seven out of ten interviewees referred to the experiential learning process as the origin of their skills; some talked about this process in quite exact terms, such as "by trial and error" or "learning by doing", whereas others used more metaphoric expressions, such as "the work itself has taught me". The most distinctive feature of the answers in this group, however, was the consistent view that training or education have contributed to the development of own skills; in fact, in all ten cases the role of education or training was mentioned as one factor behind the development of the skills. As a whole, the explanations about the development of one's own skills consisted of the following thematic categories:

- One's own intention, initiative and interest (5 mentions)
- Appropriate personality or character (3 mentions)
- Trial and error, learning by doing (7 mentions)
- Proactive farming tradition or example from parents (2 mentions)
- 
- Education, training, courses (10 mentions)
- Social comparison, contacts and learning from others (5 mentions)
- Experience from other jobs or enterprising (2 mentions)
- Media, professional publications (2 mentions)

A typical pattern was to emphasise both one's own active efforts or experiences gained in the farming business and the role of training, education or professional courses. If the explanations for the development of one's own skills are looked at from the perspective of the type of learner that is portrayed by them, a picture of an active farmer who learns by doing and utilising the available education and training is painted. In this group the thematic categories described above can be divided into two general groups according to the function or result of the genesis of the skills: In the first four categories the genesis of the skills is related to the establishment of an appropriate, stable orientation towards the farming work itself, whether it be acquired through experience, nurture or nature. In the last four categories the genesis is related to the widening of one's own perspective and the ability to distance oneself from the immediate and concrete farming work, be it with the aid of diverse knowledge, experiences or social contacts. In other words, two opposing learning or acquisition processes for skills are implicated in the answers: the one is about the "calibration" of the appropriate entrepreneurial orientation and the other is about the ability to reflect and modify this orientation when necessary.

The second question, about why the skills were developed, again only stimulated brief comments and was in many cases intertwined with the descriptions of their development process. The reasons for having developed the skills included: pursuit of maintaining good quality in production; pursuit of one's own business opportunities; pursuit of profitability; forward-looking orientation; example from one's own parents; running into obstacles with initial plans in primary production; and general progress of the agricultural sector, including the EU policies. In a couple of cases the interviewees stated that either the reasons are too hard to perceive retrospectively or that no particular goals have directed the development of their skills.

#### Evaluating the role of personality and attitudes in the development of the skills (Sheet 7)

If one looks at the direct reactions made to the statement "the development of entrepreneurial skills depends heavily on the attitudes and personality of the farmer", no questioning responses were made. All interviewees agreed with this statement, which was presented to them as an essential opinion of the experts. Typically the interviewees agreed with the opinion quite strongly, like this farmer couple:

*Wife: I completely agree-*

*Husband: [Yes]*

*Wife: Since the attitudes and personality matter an awful lot, if you are against everything new and you have sort of a negative attitude to every issue, you cannot develop yourself or learn anything.*

*Husband: And you do not have the courage to try out any new things.(19)*

However, if the answers are looked at in more detail and in their entirety, one is able to recognise a couple of cases where reservations towards the statement were made. Most deviating stands were brought up by a farmer, who initially agreed with the statement by appealing to the idea that in the end it is up to the farmer, whether he/she is willing to behave defensively or proactively. After this initial agreement he nevertheless started to elaborate the reasons for the farmers' pessimistic orientation and emphasised strongly that farmers are extremely dependent on other actors and cannot typically control their situation by other means except by trying to produce good quality products. After all, income is mostly dependent on decisions that are made by other actors than the farmer him/herself. He criticises the current situation of the farmers, where the farmer's union has been ineffective in defending their position and the producer prices are lagging behind the European level; he says that it seems really difficult for farmers to start e.g. exporting their products in a situation where the domestic prices are low. He criticises the setting where issues that touch deeply upon a farmers' life are decided without the representation of the farmers; according to his opinion the farmers are not asked anything at all when the issues are being negotiated. The farmer's stand thus changes completely as he gives his answer: first he agrees that the farmers can indeed choose their basic orientation, but nevertheless it is his view that in the end the farmers are lacking the means to control their situation. In this sense he ends up presenting a stand that is contrary to the opinion of the experts. In his comment he describes the typical situation of a conventional farmer locked in a vertical production chain and claims that such a farmer cannot really develop anything much more than the quality of his/her products. A clear opposing stand is thus articulated.

Another deviating opinion was presented in a case where a mother and her son agreed initially that if a farmer is just happy to continue farming the way it has always been done, this attitude probably will not change too easily and new things remain unexplored. After this initial stand they elaborate that even though it may be pretty difficult to change an attitude if the person him/herself is not interested, there could be considerable incentives anyway. As an example they mention that within grain production some "pseudo-farming" is practiced, where the primary goal is to optimise the subsidies without focusing on other issues or skills. They believe that the attitude towards farming would change a lot if the level of direct subsidies were to decrease and prices of the products were to increase equally. Hence they present an opposing stand to an opinion which holds that the development of entrepreneurial skills depends on the attitudes or personality of the farmers alone; instead they state that there are external – in this case economic – incentives, which affect the attitudes of the farmers.

Besides these two deviating stands no considerable reservations were presented. The reasons and justifications that were presented to support this opinion (i.e. that the development of the skills is to a large extent dependent on the personality and attitudes of the farmers) were nevertheless varied. According to a common type of justification, it is either an open-minded and active attitude that is required for the skills to develop, or it is the reluctance and sticking to old routines that prevents one from developing the skills. There were some differences in the extent to which the interviewees saw that it is possible to change or affect attitudes; some said that for example marketing or diversified businesses just will not come off, unless the farmer has the appropriate attitude. One farmer made an explicit differentiation between attitudes and personality by commenting that it is indeed a question of an appropriate attitude but not necessarily a question of personality. In one case the farmer claimed that it is probably more typical that the younger generation adopts the right attitude and is more development-oriented in their farming. All in all, the answers give the impression that the nature of farming and its operation environment have changed so that an active, open minded attitude is at least useful if not necessary, and just continuing farming along same old lines will not be enough.

### **Accounting for the appropriate means to develop the skills among farmers (Sheet 8)**

Concerning the question what should be done to facilitate the development of the skills among farmers, several types of answers can be recognised in this group, as was also the case in the conventional and value adding groups. Taken together, all interviewees suggested that at least something could be done to facilitate the devel-

opment of skills. On the other hand, a remarkably salient feature in many answers was a concern or worry about the fate of Finnish agriculture in the near future; either the interviewees saw that it is not possible or reasonable to try to develop the skills of all farmers, or that the profitability of farming and the motivation of farmers in general should be somehow guaranteed. In other words, many farmers saw that there are other crucial issues that should be taken care of besides – or even before – developing the entrepreneurial skills of the farmers. Further, even if the interviewees did not express concern about other issues besides the development of the skills, many of them nevertheless expressed reservations concerning the facilitation of skill development; for example, in the case of education and training it was emphasised that not everybody is willing or able to participate; in one case it was emphasised that the current level of training is already sufficient and that the traditional cultivation skills are more threatened. Also some of the suggested means concerned general or macro-level arrangements, such as guaranteeing better producer prices, reducing frustrating bureaucracy and making private deals between farmers and processing companies easier, or stabilising the operational environment and agreeing on more long-term policy definitions.

Education, training, informational and advisory services were among the suggested measures, as well as facilitation of networking and salience of local best practices. Interestingly, in some cases the need to be able to distance oneself from immediate farming work once in a while was brought out; some suggested that it could be achieved by providing more training on managerial and time-management issues, whereas some suggested that better or more stable income expectations might motivate the farmers to hire more labour on their farms.

### **Retrospective interpretation of comments on sheets 2-4, from the perspective of skill development attribution**

If the comments and self-presentations that were made to answer the questions about one's own skills (sheets 2-4) are retrospectively interpreted from the perspective of skill development attributions, a couple of points are worth consideration.

First, there were a couple of cases where the farmers discounted the importance of one or more of the entrepreneurial skills, from their own perspective. Typically their self-presentation indicated that the skill(s) may be useful for some farmers, but they personally do not benefit from such skills. The most obvious example of such a case was case 13 from the conventional production group. This farmer, who focused on conventional pork production, presented his situation as so uncontrollable that he was not able to utilise the skills in his farming business. He presented the other actors in the vertical production chain as such that the use of these skills would not benefit the business in his situation. Also the other cases, where the importance of the skills was discounted, resembled case 13, since their position was also akin to that of a conventional producer: contacts beyond the farmer community or the production arena were rare and customer contacts were quite stable, as was the overall business strategy. In this sense, the position akin to a conventional producer seems to be somehow associated with the discounting of the importance of the skills.

Secondly, from the perspective of skill development attribution, there seem to be at least two possible interpretations for these observations: On the one hand, if the self-presentations are taken at face value, it is possible to interpret that the position of a farmer locked in the vertical production chain as such is a factor which prevents the farmer from learning or utilising these entrepreneurial skills. On the other hand, it is also possible to interpret these cases where the importance of these skills was discounted, from the perspective of the attitudes of the farmers who made the presentations. Then it would be possible to suggest that it is rather the reluctant attitude of these farmers towards the entrepreneurial skills which is an obstacle for the learning of the skills. Then it would seem more that in a vertical position, characteristic of a conventional farmer, it would be easier to maintain and express a reluctant attitude, probably because the tasks, activities and resources in such a position are often quite different from those of genuine entrepreneurs.

### **Summary of attributions and comparison of groups**

#### **Differences and similarities in the explanations given to questions 5-7 between the three groups**



With regard to the answers to question 5, about the existence of differences in skills between farmers, the farmers in all three groups tended to agree with the opinion that differences in skills exist. This general tendency is not surprising: after all, the skills were typically individualistically conceived.

With regard to the second part of the question about the causes of the differences in skills, some differences in the suggested causes between the groups were observed. In the conventional group, the differences in skills were typically attributed to factors internal to the individual, such as age, character or personality, experience and education or training; external factors, such as farm traditions, contacts and networks, and adaptation to ongoing structural change were also mentioned as causes, but to a somewhat lesser extent.

The attribution of the differences in skills to the character, personality and attitude of the farmers was common to all three groups. Instead, the age of farmers was brought up as a considerable explanatory factor in the conventional and non-food business diversification -groups, but not in the value adding -group. The most salient difference in the explanations could be found between the conventional group and the value adding group: in the value adding group external attributions related to the characteristics of the line of production, to the resources of the farm, and to the characteristics of the business environment were emphasised by several interviewees, but in the conventional group references to such issues were almost absent. In the group of business diversifiers such issues were brought up too, but to a lesser extent than in the value adding group. Such a difference in the attributions could be understandably interpreted e.g. by appealing to differences in the perspectives and nature of the activities of prototypical conventional and value adding farmers; farmers engaged in value adding businesses have had to distance themselves from immediate primary production activities and possibly to exploit the resources of the farm and ponder the business opportunities typical of the surrounding area when launching their business, which may explain their sensitivity to these issues.

With regard to the answers to question 6, about the ways of and reasons for having developed their own skills, almost all farmers in all three groups answered the question as if accepting that they have developed the skills, at least to some extent. This observation can be contrasted to the results of the Finnish survey results presented in chapter 2, where the respondents were quite modest in their own skill-evaluations; it seems that the interview situation has encouraged the interviewees to make skilful self-presentations, in contrast to the situation of a questionnaire response. If the explanations on the development of one's own skills are looked at from the perspective of the type of learner that is portrayed in them, one recognises a striking resemblance between all three groups (C, VA and NFD): a picture of an active farmer who learns by doing, supported by her own initiative and by various events which have widened her own perspective. The differences between the groups are largely related to the nature of the factors that have contributed to widening the perspectives of the farmers: in case of value adding and non-food diversification groups, the role of external factors is more strongly and concretely painted; in these groups the contribution of education, training, development projects and networks is more richly and directly connected to the development of own skills than in the conventional group.

With regard to the answers to question 7, about the statement that the development of the entrepreneurial skills depends to a large extent on the personality and attitudes of the farmer, farmers in all three groups tended generally to agree with the opinion. However, in many cases in all groups it seemed obvious that in their answers to this question the interviewees were also talking quite flexibly about the development of the whole farm, besides commenting on the development of entrepreneurial skills; thus it seemed that the role of attitudes and personality were also judged as important in activities related to farming in general. Anyway, the consistent agreement with the opinion was not surprising, given the general emphasis of individual characteristics, personality and attitudes as causes for the development of skills already in connection with the previous questions. It was also typical to view the right attitude as some kind of precondition for participation in activities which eventually develop entrepreneurial skills (e.g. training, networking).

In addition to attitude and personality, some additional antecedents for the development of skills were mentioned in all groups; among them were, on one hand farmer-related attributes, such as age, will and ability, and on the other hand factors external to the farmer, such as characteristics of the farm, appropriate training and services, and motivating economic incentives. Some of these factors were brought up as competing explanations for the development of the skills and presented as discounting the importance of attitudes and personality. In other words, even though the effect of attitudes and personality was largely acknowledged, there were also exceptions in all groups where the primary role of attitudes and personality alone was questioned. Interestingly, some interviewees in all three groups applied a traditional, productionist discourse to defend the importance of dutiful

engagement in production activities; the use of such a counter-repertoire to the entrepreneurialistic discourse was not confined to the conventional group.

With regard to the type of arguments presented to justify the reserved stands, the groups also differed from each other slightly. In the conventional group, reservations towards the statement were presented by appealing to the various phases of life that limit or enable activities, to the characteristics of the farm, and to the crucial impact of agro-food markets, subsidies and other policy decisions. In addition to arguments like these, in value adding and non-food diversification groups the interviewees justified their reserved stands by also appealing to other factors that affect the development of the skills, such as the age of the farmers and the availability of appropriate training and development services.

### **The general patterns of the explanations**

Questions 5-7 dealt with the development of the three entrepreneurial skills, by focusing on factors that either facilitate or hinder their development. On the basis of the answers to these questions, it is now possible to summarise the general patterns of the explanations, with regard to both facilitating and hindering factors. Two things have to be taken into account when interpreting the explanations. First, the explanations presented here do not tell us about the factors that facilitate or hinder the development of the skills in the reality behind the speech of the interviewees; instead, they are verbal descriptions that tell us how the actors involved account for the development of entrepreneurial skills. This leads us to the second important point, namely to the status of the phenomenon in question, i.e.: how is the phenomenon of the development of the skills understood in this context? The idea of skills was introduced to the interviewees as something that can be learned. This implies that the question of their development concerns the ways with which these skills can be learned. Indeed, the interviewees adopted this approach and commented in their answers on factors that facilitate and hinder the learning of these skills. Hence, by summarising the provided explanations, we are able to answer the question: How did the interviewed farmers perceive the issues that facilitate and hinder the learning of entrepreneurial skills?

The explanations can be divided into two types of attributions: attributions internal to the farmer, and attributions external to the farmer. Internal and external attributions were used to indicate factors that both facilitate and hinder the development of the skills, which gives us four general patterns of explanation with which the farmers accounted for the learning of entrepreneurial skills. Internal attributions included the personality, attitudes, experiences and age of the farmers. Accordingly, an open-minded, proactive and enthusiastic orientation, together with the experience gained in the course of persistently exploring novel farming activities, was viewed as facilitating the learning of the skills. Furthermore, the younger generation was viewed as possessing these characteristics to a larger extent, or otherwise as being more prone to adopting such orientations. Respectively, attributions contrary to these were presented to indicate the obstacles for learning the skills: narrow-minded, routine-based, backward-looking, and defensive orientations together with the inability to try out new things, e.g. due to engaging too much in routine production activities, were viewed as hindering the development of the skills.

External attributions (facilitating or hindering factors that are external to the farmer) included issues and activities related to education, training and counselling services; material and financial resources; characteristics of the line of production; definitions of policies and subsidies; market prices for products; decisions of the agro-food industry; contacts and networks with colleagues, experts and other entrepreneurs. Respectively, if looked at from the perspective of factors that facilitate and encourage the learning of skills, these factors were articulated as availability of appropriate, diverse training and counselling services, predictable market visions and policies, dynamically oriented line of production, and motivating financial incentives and profits. If looked at from the perspective of external factors that hinder and discourage the learning of skills, these factors were articulated as lack of appropriate training and counselling; influence of rigid farming traditions and routines; misplaced incentives and policies that encourage farmers to get into “pseudo-farming”, unprofitable investments and prevent their long-term envisioning and planning.

### **Exploration and adoption of novel perspectives as a common denominator in the explanations**

If the variety of the explanations – both facilitating and hindering factors – is viewed from the perspective of potential common denominators, the idea of exploration and adoption of novel perspectives emerges as a strong candidate. All of the explanation -types mentioned above (as instances of the general patterns of explanations) can be related to the idea of adopting novel perspectives, as an explicit or implicit rationale accounting for the

development of the skills. In other words, when the interviewees presented justifications for their view that the aforementioned internal and external factors affect the learning of skills, they typically did it by constructing the learning event as a process involving the widening of one's perspectives – or the testing and adoption of novel ones. Facilitating factors functioned to introduce the farmer to novel perspectives and distance her from habitual ones, whereas the hindering factors tended to prevent the farmer from breathing fresh air into her activities and accessing novel perspectives.

With regard to different types of explanations, this principle is manifested as follows: Attributions focusing on personality and attitudes implied that some farmers are conservative and prejudiced towards new things and stick to routines, whereas others are enthusiastic about new things and open to novel opportunities. Attributions focusing on the personal experience implied that viable solutions are acquired through diverse work experiences, active envisioning and exploration of new things, whereas close involvement in mere primary production may narrow the perspective of the farmer. Attributions focusing on age implied that the younger generation is more unprejudiced and innovative. With respect to external attributions, factors such as education, training, characteristics of the line of production, contacts and networks were typically associated with broadening one's own perspective, access to new stimuli and reference standards. Similarly, more structural issues, markets and policy definitions could be valued either positively or negatively, depending on their postulated contribution to an innovative and proactive orientation: structural change to the agricultural sector and markets could be viewed either as a facilitator, if the emphasis was put on the way it activates farmers to seek for new solutions in farming, or as a hindrance, if the emphasis was put on the way that uncertain and low producer prices in open markets decrease the farmers' motivation to ponder various opportunities for engaging in serious farming businesses.

Taken together, if we seek to reduce the variety of the explanations into a common denominator that nevertheless characterises the explanations as a whole, it can be done reasonably with help of the distinction concerning the exploration and adoption of new perspectives: learning the skills tends to be associated with issues and activities that facilitate the adoption of novel perspectives, whereas barriers to learning tend to be associated with issues and activities that prevent access to and exploration of novel perspectives.

### **What could be done to develop the skills?**

With regard to the last question, concerning the things that could be done to develop these entrepreneurial skills among farmers, with a couple of exceptions the general stand of the interviewees was that these skills could and should be developed. In line with all of the other questions, these answers can also be taken as indicators of the agreement of the interviewees about the importance of entrepreneurial skills and entrepreneurialism in general. However, agreement with or adoption of entrepreneurialism seems not to be by any means overarching or complete. For example, it was quite common to express concern or even pessimism about the current state of affairs and to suggest that either the development of entrepreneurial skills would also require other measures besides those that focus on the individual farmers or also that other issues than the development of entrepreneurial skills should be taken care of.

An interesting assumption could be detected in many comments, where reservations towards the development of the skills were expressed: it was often assumed that the question is about developing the entrepreneurial skills of all farmers. This assumption was then rejected, e.g. by appealing to the argument that development is useless, irrelevant or uninteresting for the targets in the case of many farmers. In one variant of the reserved stand it was expressed that the profitability of farming and the motivation of farmers in general should somehow be guaranteed first, before moving on to develop the entrepreneurial skills of individual farmers. Such a stand implies what should be done while also questioning the status of skill development as the primary task. In another variant of the reserved stand it was emphasised that the promotion of the development of entrepreneurial skills must not violate the autonomy of farmers; instead, the learning of skills should be voluntary. Further, in a couple of cases the need for skill development was questioned by appealing to the argument that in the face of tightening competition it is natural that some farmers drop out of the scene; according to such an "evolutionary" argument, the development of the skills of all farmers is more likely to hinder the situation of the more competitive farmers.

Concerning the means or measures suggested in cases where a favourable stand towards the question was taken, a variety of suggestions were made in all groups. In the conventional group, the suggested means or measures included education, training, extension services, arrangement of development projects and facilitation of information exchange, networking and positive atmosphere. In addition to means like these, in the value adding and

non-food diversification groups the role of national and EU-level policy and decision making was also brought up, as well as the position of the farmers and their products in the changing markets. In conclusion it is nevertheless possible to note that the interviewees suggested very few such means or measures that are not already applied quite commonly and targeted to the development of farms more generally. A possible interpretation for this observation could be that the quite abstract idea of entrepreneurial skills and their development is perhaps not too familiar or easily accessible for the interviewed farmers, since the suggestions concerning the development of entrepreneurial skills tend to be associated with pretty concrete and familiar issues.

## **5.4 Conclusions and discussion**

### **5.4.1 Self-presentations of the entrepreneurial skills assessed**

In conclusion, the interviewed farmers presented themselves generally as skilful with regard to the three entrepreneurial skills. In all three interviewee groups the farmers were able to use some rhetorical resources with which to present themselves as having at least some skills and being able to utilise them to some extent. There were a couple of such exceptions to this rule, where the interviewees presented themselves as lacking some of these skills, but in these cases the absence of the skills was typically presented as resulting from their irrelevance to one's own situation; none of the interviewees assessed him/herself as unambiguously unskilful. Since none of the interviewees presented him/herself as straightforwardly unskilful, the assessment of the degree of skilfulness is by no means a simple task. There is no simple way to make a gradation of the cases on the basis of the degree of skilfulness, when almost all farmers present themselves as having the skills to some extent. In this study we assessed the skilfulness of the presentations on the basis of the convincingness of the argumentation, i.e. on the basis of the rhetorical resources that were used in the making of the self-presentations. With regard to the variety and characteristics of the rhetorical resources used, it was possible to identify differences in the convincingness of the presentations. Further, on the basis of the differences in the convincingness of the self-presentations, salient variation in terms of skilfulness could be detected.

By paying attention to the variety and characteristics of the rhetorical resources used, we were able to identify the ways with which these three skills were manifested in the self-presentations of the interviewees. With regard to the first skill, creating and evaluating a business strategy, the manifestations included, at the simplest, decisions to take up certain line of production or make a certain investment; in such cases the planning was presented as entailing neither active selection among different alternatives nor a concrete means to evaluate the feasibility of different alternatives. When more sophisticated, the manifestations of this skill included the articulation of the current farming strategy, i.e. in the conventional group as either expansion or cost-reduction strategy and in the other groups as niche-oriented value-adding strategy or compensatory business diversification strategy, where the initiation and evaluation of the business strategy was presented as grounded in, e.g. assessment of the fluctuations of the sales, markets, profitability and customer feedback. With regard to the second skill, networking and utilisation of contacts, the manifestations included, at the simplest, contacts or networks with buyers (e.g. processing company or dairy) and farmer colleagues, but their utilisation from the perspective of the farm business remained unelaborated. When more sophisticated, the manifestations of this skill included the articulation of the utilisation of the contacts or networks from the perspective of business goals: potential buyers, such as kitchen matrons or customers, were contacted for product promotion purposes; contacts from previous jobs were utilised in order to acquire expert advice or service commissions; and co-operation with colleagues was done in order to reduce production costs. With regard to the third skill, recognition and realisation of opportunities, the manifestations included, at the simplest, speculations about potential opportunities (e.g. production expansion plans or potential business diversification opportunities), where examples of realised opportunities remained vague and the skill as such was disconnected from the current farm business. When more sophisticated, the manifestations of this skill included the integration of two other skills – the creation of their business strategy and utilisation of contacts – to the more general pursuit and realisation of opportunities. In this way the opportunity skill emerged as a higher level, overarching skill, which was not disconnected from the other skills and business activities.

In summary, it is possible to perceive a salient distinction with respect to all three skills: at the simplest, the manifestations of the skills were limited mostly to the production context, but they could also reach to the context of market arena and sales promotion; and similarly, at the simplest, they were limited mostly to the context of the

local farming community, but they could also extend to contexts and situations beyond the immediate farming community.

In each of the three interviewee groups (C, VA, NFD), there were on the one hand at least some convincing presentations of oneself as having all skills, where quite diverse and rich rhetorical resources were used, by citing examples from the contexts of production and market arena, as well as from other communities and situations besides the immediate farming community. However, there was a clear difference in the typical manifestations of the skills (and in the rhetorical resources used) between the conventional group and the two other groups (VA and NFD): in the presentations of the conventional group, the manifestations were more typically grounded in the contexts of production and the local farming community, whereas in the two other groups the manifestations were also more typically grounded in the contexts of the market arena and those reaching beyond the local farming community (e.g. participation in development projects, networks with other entrepreneurs, colleagues and customers). On the basis of the more comprehensive diversity and richness of the accessible rhetorical resources, it was easier for the farmers engaged in value adding businesses and in non-food diversification businesses to present more convincing manifestations of their skills than for the farmers engaged in conventional production. Between the value-adding and non-food diversification groups the differences in the manifestations of the skills were much smaller; the manifestations pretty much resembled each other, even though in the VA group the strategy and opportunity skill tended to manifest itself as somewhat more market oriented, whereas in the NFD group these skills tended to reflect more the complementarity and synergy between the primary production and the non-food businesses. Hence, even though it was difficult to make differentiations between the groups on the basis of the skilfulness of the self-presentations alone, the presented manifestations of the skills differed from each other considerably between the conventional group and the two other (VA, NFD) groups.

If viewing the manifestations of the skills from the perspective of notions that are typically associated with entrepreneurial behaviour, a couple of observations are worth consideration. First, with regard to the skill of recognising and realising opportunities, it could be noted that innovativeness, an attribute typically associated with entrepreneurial activity, manifested itself mostly in value adding and non-food diversification groups. Innovations concerning products were more typical of the value adding group, which, almost by definition, seems to be based on the recognition of some unconventional product: in value adding cases there were examples of product development and utilisation of customer feedback in the modification of products in order to pursue new customers and markets. Innovations concerning production methods could be recognised in all groups: for conventional producers the innovations concerning production methods, such as investments in new means of production, were one of the primary ways of demonstrating the realised opportunities. Another attribute characteristic of entrepreneurial behaviour, namely risk taking, was also mentioned in the presentations of the opportunity skill, but interestingly, typically as something that should be avoided. This tendency to avoid risks manifested itself, e.g. among non-food business diversifiers as one of the reasons for having initiated a non-food business instead of risky investments into the expansion of primary production. As a whole, nobody in any of the groups demonstrated his/her willingness or abilities to take risks in connection with any of the skills; absence of this feature is perhaps one of the peculiar characteristics of this Finnish sample.

In all, the formulation of the three entrepreneurial skills used in this study seemed to be a valid and usable way to assess the adoption and importance of entrepreneurial skills among farmers. These skills could be communicated and discussed quite easily with the interviewees and they often stimulated lengthy and illustrative accounts of the activities of the interviewees. The presented manifestations of these skills also differentiated the groups from each other (i.e., C from VA and NFD) in a way that seems quite reasonable. One feature of the skill-formulations that seemed to benefit the analysis and comparisons between the groups was the two-fold formulation of each skill. Each skill-formulation included two aspects, one that proved to be easier for the interviewees to demonstrate and other that proved to be more challenging to demonstrate: in case of the strategy skill, the creation of a strategy was the more easily demonstrated aspect, whereas evaluation of the strategy was convincingly demonstrated by fewer interviewees; the same principle also applied in the case networking (easier) and utilisation of contacts (more challenging), and opportunity recognition (easier) and opportunity realisation (more challenging). Hence, the applied skill-formulations seemed to offer the interviewees an easier or a more challenging way to demonstrate their skills, which proved to be a helpful methodological solution when making comparison between the presentations and the groups: the farmers engaged in conventional production tended to base their presentations on the more easily demonstrated aspects of the skills, but ran into trouble with the more challenging aspect of the skills; their rhetorical resources did not seem to allow them to demonstrate their skills as comprehensively as the resources characteristic of the two other groups.

### **Accounting for the development of entrepreneurial skills among farmers**

The provided explanations concerning the development of entrepreneurial skills could be divided into two types of attributions: attributions internal to the farmer, and attributions external to the farmer. Internal and external attributions were used to indicate factors that both facilitate and hinder the development of the skills, which means that the farmers accounted for the learning of entrepreneurial skills with four types of explanations. Internal, facilitating attributions included: an open-minded, proactive and enthusiastic orientation; experience gained in the course of persistently exploring novel farming activities; and age (the younger generation was typically viewed as possessing these characteristics to a larger extent, or otherwise as being more prone to adopting such orientations). Respectively, internal hindering attributions included: narrow-minded, routine-based, backward-looking, and defensive attitudes and orientations; inability to try out new things, e.g. due to too tight engagement in routine production activities; and age (the older generation was typically viewed as being more resistant to changes).

External, facilitating attributions included: availability of appropriate, diverse training and counselling services; predictable market visions and policies; dynamically oriented line of production; and motivating financial incentives and profits. If looked at from the perspective of external factors that hinder and discourage the learning of the skills, such attributions included: lack of appropriate training and counselling; influence of rigid farming traditions and routines; misplaced incentives and policies that encourage farmers into “pseudo-farming”, unprofitable investments and prevent their long-term vision and planning.

With regard to the question concerning the things that could be done to develop these entrepreneurial skills among farmers, with a couple of exceptions the general stand of the interviewees was that these skills could and should be developed. However, when the answers were examined more closely, it turned out that considerable reservations about the facilitation of the development of the skills were also presented; these reservations did not reject the idea of skill development completely, but instead presented additional means or measures that should be taken besides the ones that focus on skills of individual farmers. Some interviewees also expressed that it would be wrong to think that the entrepreneurial skills of all farmers should be developed, by appealing to arguments such as the respecting of the autonomy of farmers, differences in personal dispositions between farmers, or the biasing impact on competition within the farm sector. Concerning the means or measures suggested in cases where a favourable stand towards the question was taken, a variety of suggestions were made in all groups (C, VA and NFD). The suggested means or measures included: education; training and courses; up-to-date extension services; arrangement of development projects; facilitation of information exchange and networking; and creation of a positive atmosphere. Interestingly, societally and politically oriented development suggestions were brought up more in value adding and non-food diversification groups; in addition to suggestions like the preceding ones, facilitation of the predictability, motivating and participatory nature of national and EU-level policy and decision making were brought up, as well as securing of continuity of national food-production in Finland.

If the variety of the explanations is viewed from the perspective of the nature of the implicated skill development process, the idea of learning seems to be commonly rooted in the core of the accounts. In other words, when the interviewees presented justifications for their view that the aforementioned internal and external factors affect the learning of skills, they typically did it by constructing the learning event as a process involving the widening of one's perspectives – or the testing and adoption of novel ones. Facilitating factors functioned to introduce the farmer to novel perspectives and distance her from habitual ones, whereas the hindering factors tended to prevent the farmer from breathing fresh air into her activities and accessing novel perspectives.

Concerning the overall attitude expressed in the answers to questions on skill development, the generally compliant orientation in the answers can be taken to indicate that the interviewees orient quite favourably to the idea of developing entrepreneurial skills and to the importance of these entrepreneurial skills more generally. This tendency is in line with the comments made earlier in connection with the presentation of their own skills, where the overall importance of these skills was hardly questioned. However, compliance or adoption of entrepreneurialism seems not to be overarching or complete, since it was quite common to express concern or even pessimism about the current state of affairs and to suggest that either the development of entrepreneurial skills would also require other measures besides those that focus on the individual farmers or that other issues than the development of entrepreneurial skills should also be taken care of. When expressing such concerns, the interviewees easily made their points by using old “producer” discourse; such a discourse was to some extent used by inter-

viewees from all groups. Concerns about the continuity of the Finnish agriculture and about the means and incentives with which to guarantee high-quality domestic food production in the future were expressed in all three interviewee groups. Such a line of argumentation, which pinpointed the crucial role of policy definitions, subsidies and relations within the Finnish food industry as determinants of the fate of the whole Finnish agro-food sector, emerged as a counter-repertoire to the otherwise consistent emphasis on individual orientations and farmer-centric perspective.

### **Contribution and comments from the workshop with experts**

The workshop took place in the municipality of Nurmijärvi, in the municipal government office. Four experts, representing regional agricultural officials, extension services, local agricultural and rural administration and the farmers' interest group, joined the workshop. The workshop lasted about three hours and its aim was to discuss with the experts about the assumptions and results of the research, focusing on the work done in the main stage of the project. In the first part of the workshop the basic setting and assumptions of the project and farmer interviews were presented to the experts. After that, the results of the interviews were presented and similarities and differences between the farmers' and the experts' views were discussed.

The discussion was started by presenting the basic assumptions behind the qualitative farmer interviews, the selection of the three skills and the three strategic orientation groups. The experts were asked to reflect on the assumptions and decisions made and to comment, whether they could come up with some complements, objections or other remarks. In the discussion, no objections concerning the assumptions and setting were brought up. The experts did not question the rationality of selecting the entrepreneurial skills and the strategic groups in the manner it was done in. Instead, the experts made some comments concerning the nature of a qualitative research setting by suggesting that it probably is a challenging task to manage a systematic, uniform procedure in a setting involving six countries and researchers from different backgrounds. Other comments concerned the way the samples of farmers were selected and what kind of farmers were likely to be picked up in the sample. One expert also took up the concept of managerial and leading skills and their role in the composition of the three skills, since he regarded managerial skills as important in many current farm businesses. The comment was followed by some discussion, where the role of managerial skills was elaborated and suggested that in a way such skills are already included as aspects in the currently formulated three skills; strategy skills, networking skills and opportunity realisation skills all refer to such general tasks and activities, which can be viewed as core elements in managerial and leading skills.

In all, the experts did not disagree with the importance of the three entrepreneurial skills. The following step in the workshop was the presentation and discussion of the results concerning the assessments of the farmers' own skills and the factors that affect their development. In general, the experts commented that according to their experiences it is reasonable to expect pretty fluent self-presentations of the farmers' own entrepreneurial skills among the more advanced, prominent group of farmers, which had tended to be selected to be the samples in the project. Hence the general findings as such did not raise much wonderment or additional remarks. However, experts believed that outside such an advanced group of farmers other, less fluent kinds of self-presentations can also be expected. Such a stand is in line with the attributions of the interviewed farmers, whose general view was that there are indeed differences in the level of skilfulness among farmers. Furthermore, the experts speculated about the effects of various farm characteristics or factors, such as line of production and investment intensive-ness, on the level of acquired skills.

Experts tended to agree with the finding that skills manifest themselves differently depending on the strategic orientation of the farm; on the basis of their experiences they regarded such a variation as reflecting the differing social realities on farms. The findings concerning the different manifestations of networking and contact utilisation skills stimulated some discussion; experts commented that the narrowness of the social networks of farmers may indeed prove to be an obstacle for business and skill development – conventional farmers may suffer from the lack of diverse contacts, but on the other hand business diversifiers easily suffer from an unfavourable competitive position unless they are able to form e.g. effective co-operative or marketing networks. The workshop participants engaged in discussing and commenting on different aspects related to the difficulties of networking and the scarcity of contacts and touched upon issues, such as the decline of farmers' associations and the communal structure of the farming population, decreasing co-operation opportunities due to the decrease in the

sheer number of farms, and the importance of facilitating peer learning through the exchange of best practices and experiences.

Concerning the development of entrepreneurial skills, all experts agreed on a particular tendency, namely that those farmers who already are active will also be prone to acquiring and adopting new perspectives and to developing their entrepreneurial skills further. This was also one of the central obstacles for the development of the skills brought up by the experts. The same obstacle was generally mentioned by the interviewed farmers, too, and also in this respect the opinions of the experts seemed to resonate with those of the farmers. Concerning the mechanism of the learning of the skills, the experts agreed with the finding that the self-initiated learning of farmers is essential for the learning of entrepreneurial skills, as well as one's own activity and effort in exposing oneself to new perspectives.

Towards the end of the workshop the discussion turned to the questions concerning what could be done to develop these skills among farmers. Among the issues brought up was the facilitation of social networking in the farming population, already touched upon a bit earlier. One of the experts commented that the goal-setting and the following-up of their realisation is typically vague on many farms and they should be supported and encouraged with various procedures and expert advice. Another comment focused on the difficulty of many farmers have perceiving and recognising their own weak points; instead, many farmers prefer to develop those aspects where they already are quite good. In order to improve such a bias, an objective charting of weak points was suggested. Such a comment could perhaps also be taken to indicate a point, where the commenting of these experts and the interviewed farmers potentially diverge from each other: the doubt that farmers prefer to focus merely on their strengths could imply that the accounts of farmers (e.g. concerning the development of the skills) may leave some blind spots untouched.

### **Evaluation of the results**

When evaluating these Finnish results, a couple of remarks seem worth mentioning. First, with regard to the general nature of the results, i.e. the general positive orientation towards these three entrepreneurial skills and consistent aspiration to make an entrepreneurial presentation of oneself, one could hypothesise that in the Finnish context such results would probably be more applicable to regions where the future of farming seems still quite secure (e.g. south-western Finland). The selected case municipalities represented “a core rural area” and “an urban fringe area”, where agriculture and farming still have a steady foothold and their future seems not to be completely threatened. Similar entrepreneurial self-presentations and explanations of skill development might be found in other Finnish “core rural” and “urban fringe areas”, too.

Secondly, the results, which indicated that within value adding and non-food business diversification groups it was easier for the farmers to make a convincing and rich self-presentation of their entrepreneurial skills, are in line with other research evidence, which suggests that farmers engaged in diversified business activities have a stronger entrepreneurial identity than farmers engaged in conventional primary production. In this respect it is also interesting to note that the structural changes in Finnish agriculture have been accompanied by means of a progressive increase of the proportion of farms engaged in such diversified business activities.

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## 6 Assessment of entrepreneurial skills and the factors enhancing or hindering the development of such skills through a study of farms within the region of Tuscany

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### 6.1 Introduction

#### 6.1.1 General introduction

This report is the conclusion of research carried out in Italy for the main study of the ESoF Project. The objective of the main study is to identify and assess the entrepreneurial skills of farmers and the factors enhancing or hindering the development of these skills.

The previous research phases and the survey carried out within the pilot study were done to conceptualise the main entrepreneurial skills with reference to the following three main issues concerning farm-business activity:

- The entrepreneurial skill of having/elaborating a business strategy;
- The entrepreneurial skill of networking and/or utilising contacts;
- The entrepreneurial skill of recognising and realising opportunities;

Thus, according to the general objective of the main study, a qualitative study has been carried out with a sample of farmers and with different forms of business activity on the farms, in order to increase understanding of the nature and relevance of these entrepreneurial skills. This document reports the results of the study carried out in *Italy* through a series of face to face interviews conducted by Italian researchers during the summer and autumn of 2006. The sample in the Italian case study is represented by twenty-five interviewees.

In continuity with the previous study conducted within the pilot study of the project, the geographical and socio-economic context of the main study research in Italy refers to the *Tuscany region*, this time also focusing on some specific rural and agricultural areas of this region. A description of the case study area follows in the next section.

The interviews were divided into two parts. The quantitative part used a questionnaire that gathered general information about the farmer and about farm activities. It was followed by a qualitative part which was based on guidelines that are common to the other research partners of the project, and articulated seven questions which interviewees have been asked to reply to and/or provide comments and opinions (see appendices).

The purpose of the questions (illustrated to the interviewees through the use of 8 question sheets) was to obtain answers from which it was possible to describe how the farmers present themselves in relation to entrepreneurial skills and how they manifest these skills within their own farm business activity.

In order to do this, we analysed the comments and accounts that they presented on the issues introduced on sheets 2-4 by interpreting the data as *self-presentations* made by the interviewees. The methodology and results of this first analysis are provided in Section 6.2 “Analysis I - cases and their self presentations regarding the skills”, where a comparison of the manifestation of skills among different forms of business activity on farms was made.

The analysis of factors enhancing or hindering the development of entrepreneurial skills was done in a second section. Here the research questions aimed at obtaining information on how farmers explain the causes for differential development of entrepreneurial skills among farmers and which were the main factors that they identify as relevant to the development of entrepreneurial skills. The results of this second analysis are provided in Section 6.3 “Analysis II: attributions of skill development”.

In the final section of the chapter we sum up the main answers that emerged from the two analyses of our research questions.

### 6.1.2 The context: the Tuscany region

As previously noted, Tuscany provides the geographical, socio-economic, and political context of the Italian case study. In the following text some information and data are presented to provide a better understanding of the general context within which the interviewed farmers operate.

#### General description

Tuscany is located in central Italy and covers 22,992.5 km<sup>2</sup> of which 5,770 km<sup>2</sup> are mountains, 15,230 km<sup>2</sup> hillside and 1,930 km<sup>2</sup> plains. It has a population of just under 3.5 million (*Istat, Census on population, 2001*). To the north and east Tuscany is bordered by the Apennine mountain chain, while to the west it is bordered by the Tyrrhenian Sea. For administrative purposes Tuscany is divided into ten *provinces*: Florence (chief town of the region), Arezzo, Grosseto, Livorno, Lucca, Massa Carrara, Pisa, Pistoia, Prato and Siena. The provinces with the highest number of residents are Florence, Pisa, Lucca and Livorno, whilst the most densely populated (residents per sq. km) are Florence, Livorno and Pistoia.

**Table 6.1.2.1 Population and territory in Tuscany and Italy**

|                                  | Tuscany   | Italy      | Tuscany/ Italy |
|----------------------------------|-----------|------------|----------------|
| Resident Population <sup>1</sup> | 3,497,806 | 56,995,744 | 6.1%           |
| Territory (km <sup>2</sup> )     | 22,992.50 | 301,333    | 7.6%           |
| Inhabitants per km <sup>2</sup>  | 156.1     | 180        |                |

<sup>1</sup> Istat, Census of population, 2001, numbers

#### Historical background

The history of Tuscany is a history of small independent states, the Medieval “*Comuni*”, which over the centuries created the present towns. Today there are approximately 280 *Comuni* and each is proud of its own history and traditions. Until the end of the 1950s Tuscany was essentially a rural region. After that time, industrial development took place and later the services sector also developed. Factories spread all over the countryside, following the pattern of scattered settlement, which was based on the farm unit as the prevailing model of the agricultural organisation of space. Therefore, especially in the plains and valley bottoms, a composite reality was formed, which has been defined as the “*urbanised countryside*”. Data from the last census show that there are only 23 urban centres of over 20,000 inhabitants absorbing not even half of the overall population. In Tuscany the concept of rurality is linked to the history of the territory and to the talent of the local population to develop consistently with the values and tradition they inherited from the past. This attitude has shaped the present day natural environment and landscape.

#### Data on economy

The main sectors on which the Tuscan economy is based are textile, clothing, tanning leather and shoe making, the paper industry, marble extraction, agriculture and above all tourism. In 2005 the AV of total economy was 86,327 million Euro, representing 6.8% of the total Italian AV (*Irpet on Istat data, 2005*). In 2004, the total level of employment within all economic sectors was 1,488,000 and the unemployed rate in 2004 was 5.2%, in comparison to 8.0% for Italy (*Istat*).

#### The agricultural sector

Tuscany is an important region within the national agricultural context. The VAC (gross value added) of Agriculture, hunting and forestry represents almost 5% of Italian agricultural value and the 1.5% of Tuscany’s economy. There are 58,000 people employed in the sector, which is 3.9% of the total Tuscan labour force and 4.4% of that of Italian agriculture (*Istat and Irpet data, 2005*).

According to the last National Census on Agriculture (2000) there were about 140,000 farms covering over 1.300 million hectares, representing 5.4% of the total number of Italian farms and 8.3% of total land. Farms bigger than 1 ha, or with a production value of over 2500 Euro (*Istat, 2003*) and excluding businesses dedicated solely to forestry activities, represent 84.6% of the total number of agricultural businesses in Tuscany but cover 99% of the utilised agricultural area (UAA), illustrating the fact that these are economically the most important farms. Since

the 1990s in the northern regions of Italy, and more recently in the south, including Tuscany, agricultural enterprises have been transformed, meaning farms have been expanding in size, have become increasingly specialised and are often led by young entrepreneurs, although succession of ownership remains one of the main problems affecting the sector.

**Table.6.1.2.2 Farms and land in Tuscany**

|                            | Tuscany <sup>1</sup> | Tuscany <sup>2</sup> | Italy      | Tuscany/<br>Italy |
|----------------------------|----------------------|----------------------|------------|-------------------|
| Farms (n)                  | 89,728               | 139,872              | 2,594,825  | 5.4%              |
| Total surface (ha)         | 1,383,121            | 1,627,461            | 19,605,518 | 8.3%              |
| UAA (ha)                   | 791,169              | 857,698              | 13,206,296 | 6.5%              |
| Average farm size TS (ha)  | 15.4                 | 11.6                 | 7.6        |                   |
| Average farm size UAA (ha) | 8.8                  | 6.1                  | 5.1        |                   |

Source: <sup>1</sup>Research “*Survey on structure and production of Tuscan farms (SPA 2003)*” – [ISTAT in collaboration with Regions and Provinces]. EU area: only farms with UAA over 1 ha or with production value > 2500 euro;

<sup>2</sup>ISTAT: General Census of Italian Agriculture of 2000.

Concerning the use of the land (2005), the total cultivatable land is 534,291 ha and the main crops are represented by hard wheat (116.898 ha), soft wheat (27.876 ha), corn (28.757 ha), sunflowers (26.937), forages (166.259 ha). According to the data from the 8<sup>th</sup> Report on Rural Economics and Policies of Tuscany (2006), hard wheat production decreased in 2005 with respect to the previous years (see also *Genedec EU Research Project, Italian report*, 2006).

*Vineyards* (quality production 34,798 ha, other wine production 23,472 ha) and *olive trees* (96,883 ha) are the other representative types of agriculture in the region. Quality wine production with a geographical denomination (EU certified quality label DOC, DOCG and IGT) makes up over 80% of production, with DOCG and DOC wines representing 56% of total production (*Irpet*, 2006). Tuscany is one of the main Italian regions for wine production and it exports all over the world, although during the past few years the sector has recorded some difficulties due to market instability and above all to the presence of new competitor countries.

Olive-trees represent 11% of the total regional land and involve almost 80,000 farms (Census data 2000). On average olive oil production has recently accounted for 5% of the value of total regional agricultural production (*Irpet*, 2006). This value, however, underestimates the real contribution made by olive culture, both because those farmers that commercialise olive oil directly are able to obtain a higher price in comparison to average unbottled oil (which is used in evaluating agricultural gross income) and because it doesn't take into account the multifunctional contribution of olive culture in terms of landscape and soil management, which is particularly important within marginal areas.

### The Tuscan model of agriculture

Nowadays, Tuscany is recognised as a region with very dynamic and innovative rural development policies, which have strengthened and enabled entrepreneurship to flourish, especially through its focus on traditionally inspired high quality products.

This region has in particular been regarded as developing an “alternative agricultural model” within agricultural global markets over the last 10-15 years. The main aspects that characterise what some analysts describe as the “*Tuscan model of agriculture*” are:

- Dynamism of small and medium enterprises;
- Quality production with limited environmental impact relative to intensive production and a higher added value per hectare;
- Integration and relationship with the territory;
- Enterprises active in international markets given the strong tourist influx;
- Generalised awareness of the processes linked to the application of rural development policies and the concept of multi-functionality;

- Feminine element emerges strongly within Tuscan entrepreneurship; over the last few years the role of women has been characterised by greater flexibility and adaptability, for example, in relation to newly emerging economic elements.

### Quality production (EU quality schemes regulation)

In Tuscany there are<sup>10</sup> 10 PDO and 9 PGI products, including cheeses, hams, olive-oils, spelt, chestnuts, beef and honey, strictly connected with the regional territory and with other activities (e.g. direct selling on the farm, agri-tourism) and often with important production well-known outside the regional border as well. In 2003 products under PDO and PGI certification were produced to the value of 100 million Euro in Tuscany, showing strong interest by consumers and by farmers, who found in the EU logo not only a tool for their products' protection but also an effective instrument for entering national and international markets and new distribution channels. These products don't cover the entire range of *traditional* products<sup>11</sup>, whose number was recently evaluated to be 451 products (Arsia, 2006). These have a great potential impact but at the moment are produced in very small quantities.

### Short supply chains

*Direct selling* on the farm and at *farmers' markets*, which strengthens production and food consumption with a local dimension, are very widespread activities in Tuscany, especially for high value production lines such as horticulture, wine, olive oil, fruit, meat and cheese. It is an old activity (traditionally, small farmers used to go to the town to sell their products, mainly fresh vegetables and fruits), but in recent years it has been considered a remnant of the past. Only recently, with the emergence of rural development as a consolidated path of development, have short chains started to be considered part of a strategy of adding value for small producers. Currently direct selling enjoys strong synergies with agro-tourism and eco-tourism. Membership in a *wine route*, for example, compels the farmers to be available to allow tourists' visits to farms, and the presence of tourists in the area strongly stimulates direct selling. The increasing number of farmers' markets (10, directly managed by farmers in different cities) and *purchasing consumer groups* (the Italian GAS, in Tuscany they were started in the nineties but have developed more strongly over the last 4-5 years, and currently number 50; *Irpet*, 2006) represent the way by which deep and direct relations between the farmer and consumer is now stressed. However, whilst short supply chains may support the vitality of regional agriculture they must also respond to society's demands in terms of transparency and safety of productive systems and products.

### Organic farming

Tuscany represents a special case within the Italian situation. Organic agriculture began in this region long before it appeared elsewhere, although along particular lines which have led to neither privileged foreign outlets (such as in the case of Sicily, in the south of Italy) nor to large organised distribution like in Veneto (northern region). From the 1970s until today, the number of organic farms has steadily increased in Tuscany, yet the marketing has followed a specific development based on the predominance of direct marketing.

In the Tuscan context a major role for endorsing the development of organic agriculture had been played by growing consumer demand (especially from tourist demand for typical products and recreational services), by the EU financial support (EEC Reg. 2078/92), by the specific policies activated by the regional government (through the Arsia, the Regional Agency for Development and Innovation in the agro-forestry sector, which plays a pivotal role) and by the activities of the organic farmers association (CTPB). According to the "*Regional List of Organic Operators in Tuscany*" the total number of operators is 2,960, while the total farmed land is 101,239 ha (9% of total UAA in Tuscany), of which 82.6% (83,649 ha) is already certified as organic and 17.4% (17,590 ha) is still in conversion [31.12.2005-Arsia].

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<sup>10</sup> Update to 2005, representing the 12% of total quality product in Italy (156, March 2006)

<sup>11</sup> "*Prodotti tradizionali toscani*": these products are not certified with an EU logo but are collected on a national list and are defined as "agro-food products whose processing, preserving and maturing methods have been consolidated over time, carried on in the territory homogeneously, for a period of no less than 25 years".

### **Multifunctionality**

Several activities related to farming (different from traditional ones but always utilising a farm's resources) are developing within rural areas as new forms of farms evolve. Through these activities farmers can respond to new consumer and societal demands for food products, for environmental, ecological and landscape value, for socio-cultural aspects and they can gain an important additional farm income.

'About 7,000 Tuscan farms (representing almost 7.5% of total regional farms) are involved in activities aimed at adding value through vegetables and animal food product processing and with non-food diversification activities such as agritourism [Tuscany Region, 2005]

### **Agritourism**

Agritourism, as a form of non-food farm business diversification, is expanding in Italy, and is seen as playing an important role in the processes of rural development as the best expression of the multi-functionality of agriculture towards which the Tuscan region is oriented. Its contribution has been significant above all for the increase of family farm income and employment, but also for the added value that the activity is able to produce for the farm, not only in monetary terms. At the beginning of the 1980s, agritourism developed in central Tuscany (in Chianti, in the provinces of Florence and Siena) and today is spread all over the region. Generally this activity is carried out on pluriactive farms and the accommodations for guests is in old restored rural buildings. The success of agri-tourism in Tuscany can be attributed to four important factors: the intensity and the peculiar characteristics of tourist flows; the characteristics of the Tuscan landscape; an important heritage of rural buildings diffused over the territory; and the uncertain outcomes of modernisation of agriculture. Within the Italian context Tuscany is currently (last available data refer to the end of 2005, *Irpet on Agritourist and Tuscany Region* data) the main agritouristic region with its 3,527 agritourism farms and it has 24% of licensed farms in Italy (the 2<sup>nd</sup> region is Trentino Alto Adige with 18.1%). In Tuscan provinces agritourism is mainly distributed in the provinces of Siena (26.7% on total), Grosseto (21.9%) and Florence (15.2%) [*Tuscany Region*, December 2005]

Besides agritourism other important and increasing expressions of multifunctionality of Tuscan farming is represented by *educational farms*, *social-care farms* and *farms producing agro-energies*.

### **Female presence**

Female employment has been increasing in last ten years in Tuscany, as in other Italian regions and EU countries. Women appear to be particularly innovative and dynamic in farming and increasingly contribute to those activities which have rapidly developed in recent years, such as agritourism, where the female presence on all farms has increased in Tuscany from 33.8% to 39.2% in only four years (from 2000 up to 2004), and for organic farms to 32.4%. Women are less apparent in traditional sectors with higher added value such as nursery gardens (23.6%) and wine production (23.1%). In fact, activities that have been present in the territory for a long time are the ones for which the male presence has been greatest.

In the farming sector there is a high percentage of self-employed female farmers (53.1% vs. 46.9% of subordinate employers in 2005), and this is higher with respect to the other productive sectors and above all with respect to self-employed male farmers in the agricultural sector (49.7%). There are a large number of female farmers who manage enterprises autonomously, even if the farms they control are small and are family farms [*Tuscany Region*, 2006]

### **Young farmers**

According to the 2005 "*Istat survey on work situations*", in Tuscany there were 23,599 people aged under 39 years employed within agriculture, 40.6% of all workers, one of the highest levels among Italian regions (except for some southern regions such as Puglia, Calabria and Sardegna). However, this figure must be considered along with the role that young people play on farms and the fact that it is those people who directly manage the farms who are the ones that determine the farms' strategic orientation and can decide on changes in management. Only 8.5% of all the farms in Tuscany are managed by people aged less than 40 years old, while many young farmers are working on family farms following the lead of an older father.

The presence of young entrepreneurs in agriculture is generally considered essential for strengthening the social and economic dynamism of the sector and for faster diffusion of innovative practices. Several cultural changes are needed to modify the actual productive structure in depth and to improve farm turnover. These changes are not sufficient for making a large impact in Tuscan agriculture but the process of change has been started.

### **The socio-political framework**

At the institutional level the region is very active in promoting socio-economic policies for entrepreneurial innovation and rural development. Total public expenditures for agriculture represent 2% of total regional budget (Irpel, 2005), whilst policies related to the environment are becoming more important.

Current and future strategies and actions supporting rural areas and the agricultural sector are diverse and, in addition to EU related programmes (e.g. Rural Development Plans and the Leader Program) and regional ones (extraordinary planning of investments), they relate to a wide range of goals including: agro-food valorisation and improvement of food safety e.g. typical, organic and GMO-free food, traceability systems, food chain improvements, the *agriqualita'* brand, funding for conversion to organic farming, genetic improvement of breeds with a specific interest, and the preservation of local animal breeds; and diversification of farm activities and the multifunctional impacts of agriculture, the creation of "rural districts", the preservation of and valorisation of the environment and landscape, ethical improvements, creating networks between different stakeholders, and promotional activities for research and innovation.

Recently a law proposal<sup>12</sup> has been presented to the Tuscany Region Council which tries to define the figure of the "professional agricultural entrepreneur" on a regional scale, introducing innovative aspects regarding equal opportunity and simplifying bureaucracy and the relationships between public administration and farmers through the creation of a unique model for financial contributions and certificate requirements. Tuscany is the first Italian region that has planned such actions which will be formalised through the adoption of a law.

In concert with the regional government other public administrations at the local level such as *Provinces* and the *Mountain Communities* play a leading role in directly supporting farmers with financial incentives or through actions for promoting and adding value to products. The *Regional Agency for Development and Innovation in the Agro-forest sector* (ARSIA) plays an important role within research promotion, development of innovation and within the network which join the subjects of production, the world of research, institutions and direct and indirect end users of agriculture and rural spaces. Education and research activities are carried out at three *Universities* (Florence, Pisa and Siena), while several *farmers' associations* are active in supporting commercial and promotional initiatives: for example the three main national *Farmers' Unions* (Coldiretti, Cia and Confagricoltura) are distributed widely in the territory and all have regional, provincial and local offices. Finally, due to the high tourist inflow in Tuscany, many *tourist associations* are involved in the socio-political framework in which farmers operate, such as *environmental organisations* and *consumer associations*.

### **Some aspects of the local frameworks of the interviewed farms**

The aspects described so far represent some of the main elements that characterise the general regional framework in which interviewees carry out their activity and business. In Tuscany there is a further local context (geographical, socio-economic and political) in which the farm is involved, and which can strongly influence the entrepreneur and his/her business. As previously mentioned interviews were conducted in different Tuscan provinces with most of them on farms situated within three provinces: *Pisa*, *Livorno* and *Massa Carrara*.

Farms of the province of *Pisa* are mainly distributed in two different areas: *inland low-hill area and the plain area around the city and along the river Arno*. The *inland low-hill area* is characterised by an area of cereal production together with sheep rearing for cheese production (close the village of Volterra); the pleasantness of the typical Tuscan landscape and the presence of historical towns have generated a tourist flow which has favoured the growth of several agritourism ventures. Wine production has an important place within the sector. The *plain area around the city and along the river Arno* is characterised by large specialised farms oriented to the conventional production of cereals, oil seeds (and in the past sugar beets) sold to local buyers (farmer's co-operative-*Consorzi Agrari*). Within specific areas, horticulture is being developed.

Farmer's unions play an important role in a farmer's business activity and the nearness of a university means that several farmers became involved in research projects.

In the province of *Livorno* farms are mainly distributed in two different areas viz. a *middle area along the coast and a southern area*. The *middle area along the coast* is characterised by olive trees and horticulture but the main sector is wine production, especially on the hillside around the village of *Bolgheri* where some high-quality wine producers have been the originators of entrepreneurial development processes. Nearness to the sea is another aspect which determines a high tourist flow and the presence of many agritourism ventures. The *southern area* is

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<sup>12</sup> Law proposal n° 174 of 22 March 2007 "Rules concerning agricultural entrepreneur figure and farm enterprise aspects".

a plain area in which it's possible to find large specialised farms producing horticultural products (tomatoes, spinach, and melons) and oil seed (corn) but also many small farms which are at the end of their life cycle. Two large and important actors affect farmers' strategies within this area. These are: the biggest Tuscan co-operative of agricultural production and services, which has grown over a few years from a grouping of three earlier farmers' co-operative, and the headquarters of *Coop* (a consumer co-operative) which is the biggest Tuscan retailer.

Lastly, there are the farms located in the rural area of the province of *Massa Carrara* in the north of Tuscany (called *Lunigiana*), which is a valley characterised by high levels of activity in the plain area (it was the transit for Christian pilgrims coming from the north of Europe to Rome during the medieval period) whilst the mountain area can be defined as a marginal area in comparison to the coast or to other Tuscan rural areas. Thus the geographical aspects together with a "close mentality" (as defined by interviewees) are among the main factors that in the past have been the reason the development of a general entrepreneurial culture and farmer co-operation was hindered (each attempt at forming co-operatives has failed). Currently the activities of some emerging young farmers, with the support of the public administration together with various associations (i.e. Slow Food) and farmers' unions, are trying to revitalise the agricultural and rural fabric focussing on the promotion of and valorisation of typical productions and improving the multifunctionality of farms under the rubric of resource management in the mountains.

### 6.1.3 Overview of cases: methods, interviews process and description of case data

#### Case selection and farmer recruitment

The selection of the Tuscan farmer sample is based on common criteria adopted by all of the country research teams involved in the project and they are:

- *Gender*: at least 5 females should be included in the sample;
- *Age*: at most 5 interviewees over 55 years old;
- *Typology*: a fair representation (at least 6) of each of the following 3 types of farms:

A. Farms without non-agricultural business concentrating on primary production (Conventional)

B. Farms without non-agricultural business engaging in value adding activities (e.g. processing, niche marketing)

C. Farms with non-agricultural business (any non-food diversification business)

In addition to these criteria we tried to select farmers from key production sectors (in terms of their importance for the regional agricultural economy) such as viticulture, olive oil production, grain production, horticulture and fruit, sheep and cow rearing, especially within the "Conventional" group. The research also aimed to cover other aspects which have, over the years, emerged as significant for Tuscan agriculture (such as organic production, on-farm processing and the direct selling of products, niche marketing etc.) as activities able to guarantee added value for farmers and agritourism ventures, and on-farm social-care as non food diversification activities. Multifunctionality, but also emerging female and younger farmer entrepreneurship are aspects considered during the composition of the sample.

The identification of interviewees started in June 2006 using a database of the Department of Agronomy at the University of Pisa. For this support thanks are due to the following actors (experts and stakeholders): Technicians from RICA (Informative Farm Accounting Data Network; farm's database for Tuscany, Province of Pisa); Members of AGEA (Agency for Management of Agro-environmental Experiences); Technicians of Provincial Administrations; Freelance professionals (Agronomists); Agricultural Trade Union Representatives; Technicians and representatives of Farmer's and Agricultural Services Co-operative;

We also tried to identify interviewees according to criteria related to the logistics of organising interviews and the farmers' availability to be interviewed. As mentioned above research was also focussed mainly on the Provinces of *Pisa* (inland hill areas and plain areas), *Livorno* (hill and plain area along the coast) and *Massa Carrara* (marginal mountain area in the north).

People to be interviewed were not identified all at the same time but in batches of 2-3 at the time, in order to try to make the selection in a balanced way, according to the farm typology (Conventional, Value Added, Non food diversifiers. etc.), the entrepreneur's characteristics, the sector of production and the geographical area.

The general descriptions of the personal characteristics of interviewees and their farms are reported in the following sections.

### The interview process

Interviews started in July 2006 and finished at the end of October. Two researchers from the Department of Agronomy at the University of Pisa conducted 25 interviews of the Italian case study for the University of Cardiff and the location for all of the interviews was the relevant farm. Interviews consisted of an initial quantitative part for which a questionnaire gathered information on interviewees and their farm business activities. The second part was qualitative in nature and is based on a collection of opinions and statements on the relationship between farmers and their entrepreneurial skills (as referred to in the general introduction). The qualitative part of the interviews were recorded, and, on average, the interview time was about 1 hour and 15 minutes, divided into 15 minutes for the questionnaire and an hour for the qualitative part. The total length of speech for each interview, divided between the total time needed to complete the questionnaire and to finish the qualitative part of the interview, together with a description of the interviewee's attitude during the interview is provided in the following tables.

**Table 6.1.3.1**

| ID | G. | Age | Type | Q. aire | Q. part | Total time | Interviewee's attitude during the interview  |
|----|----|-----|------|---------|---------|------------|--|
| 1  | M  | 43  | C    | 16'     | 1h 12'  | 1h 28'     | Talkative, available, extroverted  |
| 2  | M  | 48  | C    | 25'     | 1h 21'  | 1h 46'     | Calm, available, he lacks a little concentration   |
| 3  | M  | 72  | B    | 15'     | 53'     | 1h 08'     | Initially hesitant   |
| 4  | F  | 67  | C    | 26'     | 1h 03'  | 1h 29'     | Calm, available, he lacks a little concentration<br>She requires her daughter's help in the interviews   |
| 5  | M  | 43  | A    | 8'      | 35'     | 43'        | Dynamic, concise, accurate but did not have a long time to give to the interview   |
| 6  | M  | 46  | A    | 14'     | 1h 15'  | 1h 29'     | Talkative, available, little concentration, difficulty focusing on issues  |
| 7  | M  | 50  | B    | 7'      | 1h 01'  | 1h 08'     | Very calm, not very talkative, sound of his voice very low   |
| 8  | M  | 40  | C    | 23'     | 1h 14'  | 1h 37'     | Talkative, available, interested   |
| 9  | M  | 33  | B    | 15'     | 1h 00'  | 1h 15'     | Dynamic, talkative but concise, accurate, determined   |
| 10 | M  | 33  | B    | 10'     | 1h 03'  | 1h 13'     | Talkative, available, but he did not always pay attention because his little son was at home   |
| 11 | M  | 35  | C    | 10'     | 49'     | 59'        | Dynamic, concise but showed some impatience about the length of the interview;   |
| 12 | M  | 40  | A    | 16'     | 48'     | 1h 04'     | Hesitant, a little timid not talkative   |
| 13 | M  | 58  | A    | 10'     | 1h 10'  | 1h 20'     | Very talkative, he constantly gesticulates   |
| 14 | F  | 47  | B    | 26'     | 1h 19'  | 1h 45'     | Very available and very talkative  |
| 15 | F  | 39  | A    | 9'      | 1h 04'  | 1h 13'     | Talkative but concise, determined  |
| 16 | F  | 60  | B    | 15'     | 30'     | 45'        | Very talkative, bizarre, eccentric, in the beginning not manageable for the interview  |
| 17 | F  | 43  | B    | 19'     | 1h 03'  | 1h 22'     | Very available, determined character, she is a little unsure about some questions  |
| 18 | M  | 34  | C    | 10'     | 1h 03'  | 1h 13'     | Talkative but with long initial silences after some questions (we don't know if he seems to think about his answers or he considers the questions obvious (?)) |
| 19 | M  | 40  | B    | 11'     | 40'     | 51'        | He postponed several interview appointments but finally, we succeeded. He is concise and accurate  |
| 20 | M  | 40  | B    | 9'      | 49'     | 58'        | Available, quite talkative, he doesn't always pay attention because his little son was at home   |
| 21 | M  | 36  | A    | 10'     | 44'     | 54'        | Available, quite talkative   |
| 22 | F  | 43  | A    | 10'     | 1h 12'  | 1h 22'     | Very tense and initially hesitant, she becomes relaxed during the interview  |
| 23 | M  | 28  | A    | 18'     | 55'     | 1h 03'     | Available, not very talkative, he is a little surprised by the questions (he thinks that all the entrepreneurs should have such entrepreneurial skills)        |
| 24 | F  | 54  | C    | 18'     | 54'     | 1h 12'     | Available, quite talkative, enthusiastic while talking about her activity on an educational farm   |
| 25 | M  | 43  | C    | 21'     | 39'     | 1h         | Available, talkative, calm, despite the interruption by some members of a social co-operative (people affected by mental illness)                              |

ID = Identification number of interview; G=Gender, Type=Typology of farm



**Table 6.1.3.2 Length of speech of interviews**

| TIME (Minutes)                       | < 45'    | 45'- 60' | 60'- 75' | 75'- 90' | > 90' |
|--------------------------------------|----------|----------|----------|----------|-------|
| Qualitative part (no. of interviews) | 5        | 7        | 11       | 2        | 0     |
| %                                    | 20.0     | 28.0     | 44.0     | 8.0      | 0.0   |
| Total interview (no. of interviews)  | 2        | 4        | 10       | 6        | 3     |
| %                                    | 8.0      | 16.0     | 40.0     | 24.0     | 12.0  |
| Average time for Questionnaire       | 15'      |          |          |          |       |
| Average time for Qualitative part    | 58'      |          |          |          |       |
| Average time Interview               | 1h 13 m. |          |          |          |       |

**First impression of the interviews**

Almost all the interviewees appeared very friendly and available to receive us and to answer the questions; only in a few cases do we report a slight impatience about the length of the interview. All the interviewees answered the questions on our sheets. It was not always the talkative interviewees who gave exhaustive answers; on the contrary, different people, although concise, answered satisfactorily without the need of further stimuli to answer.

After the conclusion of the interviews, all the material recorded was transcribed in Italian and then analysed for this report. Transcribed interviews were also later translated into English.

**The interviewees**

Although an overall and in-depth analysis of the data related to the characteristics of interviewees and their farms is the aim of a comparative study based on the findings of all the countries' questionnaires, here we would like to report on some aspects that came out of the Italian questionnaires.

In the following general table, some personal characteristics of the interviewees are provided (ID here represents the Italian progressive identification number):

**Table 6.1.3.3: Interviewee's characteristics**

| ID | Gender | Age | Education               | Work experience/Prior occupation/Background                  |
|----|--------|-----|-------------------------|--|
| 1  | M      | 43  | A Levels                | Shepherd   |
| 2  | M      | 48  | A Levels                | Agricultural activity  |
| 3  | M      | 72  | O Levels / CSEs / GCSEs | Agricultural activity (parental farm)                        |
| 4  | F      | 67  | A Levels                | Secretary  |
| 5  | M      | 43  | NVQ Level 1 - 2         | Engineering worker   |
| 6  | M      | 46  | NVQ Level 1 - 2         | Agricultural activity (parental farm)                        |
| 7  | M      | 50  | O Levels / CSEs / GCSEs | Lithographer   |
| 8  | M      | 40  | A Levels                | Student/agricultural activity (parental farm)                |
| 9  | M      | 33  | Higher Degree           | Lawyer (also now)  |
| 10 | M      | 33  | NVQ Level 3             | Highly trained agricultural worker                           |
| 11 | M      | 35  | NVQ Level 3             | Student  |
| 12 | M      | 40  | A Levels                | Student  |
| 13 | M      | 58  | No Qualifications       | Agricultural worker  |
| 14 | F      | 47  | A Levels                | Dental assistant; administrative employee; mother, housewife |
| 15 | F      | 39  | First Degree            | Student/agricultural coadjutant on parental farm             |
| 16 | F      | 60  | Higher Degree           | Farmer   |
| 17 | F      | 43  | A Levels                | Tourist operator/shop assistant                              |
| 18 | M      | 34  | O Levels / CSEs / GCSEs | Farmer in parental farm                                      |
| 19 | M      | 40  | A Levels                | Publicist  |
| 20 | M      | 41  | A Levels                | Student  |
| 21 | M      | 36  | O Levels / CSEs / GCSEs | Mechanic   |
| 22 | F      | 43  | A Levels                | Coadjutant on parental farm                                  |
| 23 | M      | 28  | Higher Degree           | Student  |
| 24 | F      | 54  | A Levels                | Teacher  |
| 25 | M      | 43  | A Levels                | Educator   |

**Gender and age**

Our sample is mainly composed of males (18, or 72% of the total), while the number of female interviewees is 7 (28%). The following table shows the distribution of interviewees according to gender and age group:

**Table 6.1.3.4 Interviewees' distribution for gender and age**

|            | < 35 | 36 - 45 | 46 - 55 | > 55 | Tot. |
|------------|------|---------|---------|------|------|
| Male       | 5    | 8       | 3       | 2    | 18   |
| Female     | 0    | 3       | 2       | 2    | 7    |
| Total      | 5    | 11      | 5       | 4    | 25   |
| % of Total | 20   | 44      | 20      | 16   | 100  |

The average age is 44.6 years; the range is represented by the minimum value of 28 years and the maximum of 72 years; as a whole the sample is mostly represented by entrepreneurs under the age of 45 (16, 64% of total), while only 4 interviewees are over 55 years old. If we consider that most (52.9 %) of Tuscan farms are managed by people over 60 and only 8% is under 40 (*Istat, Census 2000*) and that in our sample these values are 12% (over 60) and 28% (under 40), respectively, we could say that our farmers are quite young.

**Education**

Most of interviewees have higher school education; there are 4 people with a degree but only two of them are in the agricultural sciences. Only one person has no educational qualification.

**Work experience**

Almost half of the sample (11 people, 44%) have always been engaged or involved in agricultural activities, either on parental farms or in other structures; other people (5, 20%), although having been previously involved in other jobs or as students, come from families with an agricultural background. The last part of the sample (9, 36%) is made up of people who had not been involved in farming before and come from extra-agricultural sectors.

**Farmer's involvement and role in Association, Groups, Farmer's Trade Unions, Co-operatives ...**

There is an interesting element showing a certain dynamism among farmers in our sample that is related to the role played by most of them, at different levels and in different ways (from simple member or associate to manager, chairman or company promoter), within various groups and associations, from producers and breeders, trade unions, co-operatives, consortia to production and marketing networks and cultural associations.

This aspect was not a criterion that was used for farmer selection, but emerged later during interviews. It might be able to be ascribed to the recruitment method we adopted, by which stakeholders and experts provided us with particular farmers according our requirements, but it was surprising to recognise the diffusion of this aspect among both young and older farmers. It is also noticeable that most of the organic producers interviewed belong to the Tuscan Organic Producers Committee (CTPB) that started its activities in the early eighties representing one of the older associations within organic farming in Italy.

**Table 6.1.3.5**

| ID | Gender | <sup>1</sup> Farmer's roles within Associations, Groups, Trade Unions, Co-operatives...                   |
|----|--------|---|
| 1  | M      | Member of CTPB  |
| 2  | M      | Member of CTPB  |
| 3  | M      | Chairman of the Local Office of the National Farmer's Trade Union Coldiretti                              |
| 4  | F      | Charter Member of CTPB  |
| 5  | M      | Chairman of a Local Farmer's Co-operative; Member of a Local Cherry Consortium                            |
| 6  | M      | Ex chairman of Olive Producers Association of Tuscany   |
| 7  | M      | Member of CTPB  |
| 8  | M      | Active within the Local Office of the National Farmer's Trade Union CIA)                                  |
| y  | M      | Lawyer, Chairman of Young Entrepreneurs local branch of the National Farmer's Trade Union Confagricoltura |
| y  | M      | Chairman of Local (provincial) Breeders Association;  |
| y  | M      | -   |
| 12 | M      | -   |
| 13 | M      | Active within the Local Office of the National Farmer's Trade Union Coldiretti                            |
| 14 | F      | Member of a Women Agricultural Entrepreneurs Association  |

| ID | Gender | <sup>1</sup> Farmer's roles within Associations, Groups, Trade Unions, Co-operatives...                  |
|----|--------|--|
| 15 | F      | Representative of Local Sheep Breeders' Association  |
| 16 | F      | Manageress of the Country Communication Centre; Member of a Women Agricultural Entrepreneurs Association |
| 17 | F      | Member of a Women's Agricultural Entrepreneurs Association and of the Local Producers Consortium         |
| 18 | M      | Involved in a Social care Farming Association and in a Purchasing Group                                  |
| 19 | M      | Vice-chairman of CIA Pisa; member of a Local Producers-Retailers Association                             |
| 20 | M      | Vice-chairman of an Organic producers Association  |
| 21 | M      | Vice-chairman of Young Entrepreneurs local branch of the National Farmer's Trade Union-CIA               |
| 22 | F      | Member of a Producers Co-operative   |
| 23 | M      | -  |
| 24 | F      | Involved in a local agritourism network  |
| 25 | M      | Responsible for a Social-care activity co-operative  |

1 Note: CTPB = Tuscan Coordination of Organic Farmers; COLDIRETTI, CONFAGRICOLTURA, CIA = the 3 National Farmers' Organisations (Trade Unions) with local branches;

### The farms

As previously indicated, the selection of interviewees was also based on the following farm typology:

- Type A - Farms without non-agricultural business concentrating on primary production – Conventional;
- Type B - Farms without non-agricultural business engaging in value adding activities (e.g. processing, niche marketing);
- Type C - Farms with non-agricultural business (any non-food business);

#### Type A

Eight farms are included in the first typology “*Conventional production*” (ID 5, 6, 12, 13, 15, 21, 22 and 23).

**Table 6.1.3.6 Typology A - Farms without non-agricultural business concentrating on primary production - Conventional**

| No. | ID | Core farming business                  | Activities  | Pr. |
|-----|----|--|---|-----|
| 1   | 5  | Fruit & citrus fruit                   | Fruit selling to GDO and to fruit and vegetable wholesale-markets | PI  |
| 2   | 6  | Vineyards & Olives                     | Olive and grape selling   | PI  |
| 3   | 12 | Cattle dairying, rearing & fattening   | Beef and milk production wholesale to a local dairy and butcher   | MS  |
| 4   | 13 | Cereals, oilseed & protein crops       | Production wholesale to the Provincial Farmer's Consortium        | PI  |
| 5   | 15 | Sheep, goats & other grazing livestock | Milk production wholesale to dairy                                | GR  |
| 6   | 21 | Cereals                                | Production wholesale to a Farmer's Co-operative                   | PI  |
| 7   | 22 | General field cropping                 | Production wholesale to a Farmer's Co-operative                   | LI  |
| 8   | 23 | Cereals, oilseed & protein crops       | Production wholesale to a Farmer's Co-operative                   | LI  |

This group of farms covering different production sectors include farms with large conventional productions whose Core Farming Businesses (CFB) are “Cereals, oilseed & protein crops”, “Cereals” and “General Field cropping” (13, 21, 22 and 23). These farms sell their produce (cereals, fodder oilseeds) to a big Co-operative or to an Agrarian Consortium which processes it directly or supplies it to the animal husbandry sector.

The produce of farms 12 and 13 (cow and sheep milk) is all sold within a short chain to small processing structures such as dairies and butchers (farmer 13 is reviewing her farm strategy and she would like to start with her own milk processing and cheese making on-farm). Farmer 5 provides wholesale fruit to a large distribution chain and to local markets, while farmer 6 supplies wholesale grapes to the local winegrowers' co-operative (the Italian

“*cantina sociale*”) and olives to an oil mill. Only part of his olive production is processed into olive oil and sold directly from the farm.

#### Type B

There are nine farms included in the second typology “*Adding value*” (ID 3, 7, 9, 10, 14, 16, 17, 19 and 20).

**Table 6.1.3.7 Typology B - Farms without non-agricultural business engaging in value adding activities (e.g. processing, niche marketing)**

| n. | ID | Core farming business                                    | VA activities  | Pr. |
|----|----|--|--|-----|
| 1  | 3  | Vineyards  | Grape processing, wine bottling  | PI  |
| 2  | 7  | Olives (Organic)   | Olive-oil bottling and niche marketing   | LI  |
| 3  | 9  | Cattle rearing & fattening (Organic)                     | Niche products and marketing: organic Angus beef   | MS  |
| 4  | 10 | Sheep, goats & other grazing livestock                   | Processing + niche products and niche marketing: on-farm made sheep cheese of raw milk                       | MS  |
| 5  | 14 | Horticulture (Organic)                                   | Niche production, processing, packaging and niche marketing: fresh vegetables and fruit, preserves, jam etc. | LI  |
| 6  | 16 | Vegetable fibre  | Niche products and marketing: hemp products  | LI  |
| 7  | 17 | Horticulture (+vineyards, olives, orris-root production) | Niche products   | FI  |
| 8  | 19 | Horticulture (Organic)                                   | Niche production (Vegetables and fruit processing, packaged products)  | PI  |
| 9  | 20 | Cereals, oilseed & protein crops (organic)               | Production sold directly to organic breeders   | PI  |

These farms represent a very widespread type in Tuscany. This includes farms that are not large and that do not have a specific and high crop-specialisation. They have different activities able to generate added value to primary production, such as niche and quality production (typical, traditional and organic production), on-farm processing and direct selling. When products are not sold on the farm, they are generally sold through a local short marketing chain (private customers, restaurants, farm butchery, farmers’ markets and local food shops). For this type it has also been attempted to cover as much of those production sectors that are typical in Tuscan agriculture (vineyards, olives, horticulture, sheep farming) as was possible.

Farmer no. 20 claims to recognise the added value for his activity by supplying some organic breeders directly with his organic crops production.

Farmer no. 16 could maybe represent her activity as an extreme case within entrepreneurship in agriculture but nevertheless is very interesting due to her personality, her work and life experience, and her ideas on entrepreneurship.

#### Type C

Eight farms included in the third type “*Non-food business-diversification*” (ID 1, 2, 4, 8, 11, 18, 24 and 25).

**Table 6.1.3.8 Typology C - Farms with non-agricultural business (any non-food business)**

| n. | ID | Core farming business                            | Non-food business                          | Pr. |
|----|----|--|--|-----|
| 1  | 1  | Sheep, goats & other grazing livestock (organic) | Agro-tourism                               | PI  |
| 2  | 2  | Cereals, oilseed & protein crops (organic)       | Agro-tourism                               | PI  |
| 3  | 4  | Vineyards + Olives (organic)                     | Agro-tourism                               | FI  |
| 4  | 8  | Vineyards  | Agro-tourism                               | LI  |
| 5  | 11 | Vineyards + Olives                               | Agro-tourism                               | MS  |
| 6  | 18 | Horticulture                                     | Social Agriculture (Care activity on farm) | PI  |

| n. | ID | Core farming business   | Non-food business   | Pr. |
|----|----|-------------------------|---|-----|
| 7  | 24 | Cattle rearing          | Educational activities on farm (+agritourism)             | PO  |
| 8  | 25 | Olives and Horticulture | Social Agriculture (care activity on farm) (+agritourism) | PO  |

On most farms of this group the primary non-food activity is represented by agritourism, a phenomenon that is very diffused across the entire region and which plays an important general socio-economic role, not just in the agricultural sector. Although this can be indicated as the main non-food activity, agritourism is not the only one. Indeed for some farms accommodation activity is coupled with catering (farm-restaurants), and for others the agritouristic activity is complementary to other important non-food farm activities.

The cases of farm 24 and 25<sup>13</sup>, are reported as examples that stress how within the ambit of multifunctional agriculture, non-food activities can focus on the “social role” of agriculture (support to people with social, mental and physical illnesses, educational activity for school children); and this aspect is developing in this region and assuming a greater importance within the farm-business, as is also well represented in the case of farm 18.

### Overview

The following table provides an overview of the interviewed farms, with the indication of total land, head of animals, the production system followed and the geographical location;

**Table 6.1.3.9 Farm data**

| ID | Core Farming business                         | Total Land (ha) | No. of animals | Production system | Farm type | Farm's Location | Province      |
|----|---|-----------------|----------------|-------------------|-----------|-----------------|---------------|
| 1  | Sheep, goats & other grazing...               | 150             | 1,000          | Organic           | C         | Hill            | Pisa          |
| 2  | Cereals, oilseed & protein crops              | 96              |                | Organic           | C         | Hill            | Pisa          |
| 3  | Vineyards                                     | 14              |                |                   | B         | Low Hill        | Pisa          |
| 4  | Vineyards + Olives                            | 5               |                | Organic           | C         | Hill            | Florence      |
| 5  | Fruit & citrus fruit                          | 7               |                | IPM <sup>14</sup> | A         | Hill            | Pisa          |
| 6  | Vineyards + Olives                            | 52              |                |                   | A         | Hill            | Pisa          |
| 7  | Olives  | 5               |                | Organic           | B         | Hill            | Livorno       |
| 8  | Vineyards                                     | 18              |                |                   | C         | Plain           | Livorno       |
| 9  | Cattle rearing & fattening                    | 120             | 100            | Organic           | B         | Hill            | Massa Carrara |
| 10 | Sheep, goats & other grazing...               | 37              | 150            |                   | B         | High Hill       | Massa Carrara |
| 11 | Vineyards + Olives                            | 13              |                |                   | C         | Hill            | Massa Carrara |
| 12 | Cattle dairying, rearing & fatteni.           | 11              | 36             |                   | A         | Hill            | Massa Carrara |
| 13 | Cereals, oilseed & protein crops              | 300             |                |                   | A         | Plain           | Pisa          |
| 14 | Horticulture                                  | 5.2             |                | Organic           | B         | Hill            | Livorno       |
| 15 | Sheep, goats & other grazing...               | 45              | 400            |                   | A         | Plain           | Grosseto      |
| 16 | Field cropping                                | 7               |                | Organic           | B         | Low Hill        | Livorno       |
| 17 | Horticulture (+ vineyards, olives, orrisroot) | 25              |                |                   | B         | Plain           | Florence      |
| 18 | Horticulture                                  | 18              |                | Organic           | C         | Plain           | Pisa          |
| 19 | Horticulture                                  | 11              |                | Organic           | B         | Plain           | Pisa          |
| 20 | Cereals, oilseed & protein crops              | 67              |                | Organic           | B         | Hill            | Pisa          |
| 21 | Cereals                                       | 85              |                | IPM               | A         | Plain           | Pisa          |
| 22 | General field cropping                        | 33              |                | IPM               | A         | Plain           | Livorno       |
| 23 | Cereals, oilseed & protein crops              | 40              |                | IPM               | A         | Plain           | Livorno       |
| 24 | Cattle rearing                                | 120             | n.a.           |                   | C         | Hill            | Prato         |
| 25 | Olives and Horticulture                       | 19              |                |                   | C         | Hill            | Prato         |

Data to evaluate productivity and economic performance of the farms is not available (UAA, Gross Income (PLV), Value Added, Costs (direct and indirect) Labour, etc). Considering that almost half of the farms (48%)

<sup>13</sup> Farm no. 25 is quite different compared to the other farms of this group; this is due to the fact that it represents a branch of a larger social co-operative. Thus the ultimate mission of the farm isn't focused on obtaining an economic profit but rather on social aspects. Anyway, within a framework of entrepreneurship, the farm is also managing to pay attention to the budget.

<sup>14</sup> IPM-Integrated Pest Management

within the sample have a total land area under 20 ha (5 are under 10 ha) and that the farmed area is lower than this we could say that these farms are not large or extensive, compared with the situation in other EU countries. However, the average farm size of 44.5 ha, although influenced by the 300 ha of farm 13, is quite high when referring to the average in-region size, which is just 15.4 ha (*Statistic bureau of Tuscany Region – Elaboration on ISTAT data, 2003*). The following table shows how several different core farming businesses are represented in general and with the attempt to cover the three strategic orientations:

**Table 6.1.3.10 Core farming business**

| CFB                                    | A | B | C | Tot |
|--|---|---|---|-----|
| Vineyards                              |   | 1 | 1 | 2   |
| Olives                                 |   | 1 |   | 1   |
| Vineyards + Olives                     | 1 |   | 2 | 3   |
| Olives & Horticulture                  |   |   | 1 | 1   |
| Cereals                                | 1 |   |   | 1   |
| Cereals, oilseed & protein crops       | 2 | 1 | 1 | 4   |
| Field cropping                         | 1 | 1 |   | 2   |
| Horticulture                           |   | 3 | 1 | 4   |
| Fruit & citrus fruit                   | 1 |   |   | 1   |
| Cattle dairying, rearing & fattening   | 1 |   |   | 1   |
| Cattle rearing & fattening (beef)      |   | 1 |   | 1   |
| Sheep, goats & other grazing livestock | 1 | 1 | 1 | 3   |
| Cattle rearing                         |   |   | 1 | 1   |
| Total                                  | 8 | 9 | 8 | 25  |

**Table 6.1.3.11 Farms: Territorial distribution**

| Provinces     |    |
|---------------|----|
| Pisa          | 10 |
| Livorno       | 6  |
| Massa Carrara | 4  |
| Florence      | 2  |
| Grosseto      | 1  |
| Prato         | 2  |
| Total         | 25 |

With reference to territorial distribution, the farms are distributed in 6 of the 10 Tuscan provinces; in this way it is possible to see how in some cases local characteristics can influence the level and development of entrepreneurial skills in farmers.

All the aspects reported up to now (from farmer typology to the farm structure and distribution) show that the selected farms are professionally managed (not as part-time farming or hobby) and are representative of entrepreneurial agricultural reality in Tuscany.

## 6.2 Analysis I - Self-presentations regarding the skills: description and interpretation

### Analysis process

As already quoted in the general introduction, the respondents were asked to answer to the following questions through 3 different sheets<sup>15</sup>:

Sheet 2

1. Do you have a business strategy and do you evaluate it?
2. Do you consider this important?

Sheet 3

1. Are you good at networking and utilising contacts?
2. Is this one of the most important skills, from your own perspective?

Sheet 4

1. Are you able to recognise and realise opportunities?
2. Is this one of the most important skills, from your own perspective?

Opinions and comments given by the interviewees have been then analysed according to the following indications:

1. *What does the interviewee say about his/her own skill?*  
(Referring to direct self-assessments and/or indirect self-assessments)
2. *What does the interviewee talk about?*  
(Introducing the social environment/situation relevant to these skills)
3. *Does the interviewee talk about the purposes or reasons for having/showing these skills?*  
(Giving reasons for utilisation/showing skills)
4. *What does the interviewee say about the importance of these skills?*  
(The importance of these skills for one's business)

In Section 6.2 we report a first analysis consisting of a *description and interpretation of the "Self-presentations"*, i.e. the way in which the interviewees present themselves in relation to the 3 entrepreneurial skills, a summary of the main aspects resulting from analysis carried out following the 4 indications mentioned above. Some information and characteristics about interviewees and farm activities are provided before the summaries. All summaries relate exclusively to the interviewee's opinions. The interviewees' word-for-word direct quotations are in *italic* between inverted commas.

The following *interpretation* of each self-presentation takes into account all aspects concerning interviewees' main rhetorical resources that they used to present themselves as having or not having such skills.

The results of the analysis are presented here within the three strategic case-groups by which our farms' sample was originally constituted (Group 1: farms without non-agricultural business concentrating on primary production – Conventional; Group 2: farms without non-agricultural business engaged in Value Adding activities; Group 3: farms with non-agricultural business (any non-food business, Diversification activities)).

We tried to describe cases within a group according to an order that already indicates the degree of similarities and difference. Thus the most similar case follows the previous one and the last one is the most different from the first case. For each group, results of comparison are reported in a final summary.

The conclusion of the Section provides an overall comparison to highlight similarities and differences between the 25 different single case studies and between the three strategic groups.

A second analysis of the data reported in the next Section (6.3) is related to factors that enhance and hinder development of such skills as resulting from the questions of the last sheets (from 5 to 8).

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<sup>15</sup> Sheet 1 introduces the 3 skills and the process by which they have been elaborated during the pilot study.

### 6.2.1 “Conventional” (C) cases

#### Group 1: cases n. 5, 6, 12, 13, 15, 21, 22, and 23

**A. Dynamic farmers skilled at selecting future diversification business strategies able to create added value and able to recognise and utilise contacts and networking as opportunities to develop such strategies (cases 5, 15 and 21)**

##### Case 5

Man, 43 years old, A-level education; he had been an engineer before engaging in agricultural activity. The farm is located in a hilly area in the centre of Tuscany, in the Province of Pisa; farm activities consist of fruit production (selling to GDO and to fruit and vegetables wholesale markets).

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: interviewee answers saying: “I don’t have a formal written business strategy, but in some way I plan my initiatives”.

He declares himself to be part of a farmer’s co-operative (of which he is also Chairman), which provides main inputs on future aims and the way to follow them; he states that his farm strategy is based on typical local products, both in giving added value to the territory and to increase the economic performance of single farms and the co-operative as a whole. He says that following a business strategy to help a farm gain a satisfactory economic income. To follow this goal he started with several initiatives on the valuation of local products, such as: agreements with Local Public Authorities, production planning with the Large Organised Distribution, promotion of these products within LOD’s sales points, and improvement of sales distribution channels. He identifies other strategies to take advantage of opportunities: agreements with Public Bodies to develop social care farming, which can also improve new market channels for products (e.g. school catering and purchasing consumers’ groups {Italian GAS}); to focus on opportunities provided by Public Authorities for management of public green areas; to co-operate and create networks of small farmers to liaise with LOG; he further states that developing a business strategy is an important consideration for his farm and for farmers in general, because it generates survival processes within a global and unique market, through the diversification of activities.

Interpretation: The farmer, in his well structured self-presentation, shows that he follows a defined business strategy, although not elaborated with a formal business plan; strategy focuses on typical production. He clearly identifies the purposes of his strategy in the improvement of farm economic performance and in the general appreciation of the territory. He also identifies actions to achieve these purposes. In his self-presentation he refers to his farm and to the co-operative. He recognises other important strategies that could be followed to generate new opportunities of income and development (for his farm, for the co-operative and the territory); thus he recognises the important role that these skills can play in generating processes for farm survival. On the whole, he presents all these aspects as rhetorical resources showing he has good skill in elaborating a business strategy for his farm.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he doesn’t make a direct self-assessment whether he has this skill or not, but he declares: “I exert myself to have it”.

Initially he refers this skill to networking since he declares himself a promoter and a founder of a Co-operative Association of fruit farmers. He says that reasons for networking are to connect and spread information among the farmers, as well as to shorten the distribution chain and to improve the producers’ image. Yet he talks about contacts in relation to a process, undertaken with other parties, to build a Committee for the promotion of a typical cherry in their territory. He finally says how networking and utilising contacts are important aspects for the farmers, in regard to the changes within the agricultural sector, not only among farmers but also with consumers, public institutions and all those who are aiming to protect typical local products. He adds that networking skills and utilising contacts are considered important by the farmers in order to develop new aspects such as social agriculture or public management of green areas.

Interpretation: he presents himself as a person who has good skills in networking and utilising contacts; a strength referred to in his presentation is his experience as promoter and a founder of a Farmers Co-operative,



which is used in sales promotion, spreading information among the farmers and improving their image. Another positive dimension is his activity as member and promoter of a Committee of Defence and Promotion of a Local Cherry, which guarantees a network among different interested parties (farmers, consumers, public Institutions) aiming at protecting local typical products and at promoting the territory.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: He doesn't directly assert whether he has or has not got such skill, but he affirms/says: "one tries, to say that I have this skill is to be rather ambitious, one simply tries."

In addition, he declares that when potential opportunities present themselves they ought to be analysed in order to understand if the opportunity can be carried out and subsequently one ought to try: "we ought to be pioneers, to go forward, always look for something new". He regards this as a fundamental attitude for agriculture; for example, local public councils put 'Territorial Agreements' out to tender, and he declares, to have used this occasion together with other producers to present a claim for the creation of a 'conditioning centre' on the hills of the Pisan area." It is a gamble, nonetheless we ought to try, and therefore we have made a claim, because we think to be able to favour local agriculture, therefore we try, but the result would be seen a posteriori". He considers the skill to recognise opportunities as being important, but also that in order to be able to create them: "they ought to be created, somehow we have to give the input to the European Community on how to invest the money/capital". This is also in view of the changes that are currently happening in the agricultural field, for which it becomes a necessity to be able to single out new possibilities. Lastly, he declares that this ability falls within the most important skills, as to be dynamic, always looking for new things to discover, to know, can bring positive results (even if this is not always the case); "It is important to create opportunities for oneself, to remain active oneself in an agriculture that mainly involves people from various social backgrounds".

Interpretation: He does not present himself as a person with such abilities, but declares to be trying to manifest them; nevertheless, from his declarations it emerges overall that he has such ability. In fact he mentions the example of how he exploited a given opportunity (he has made a claim, within the tender of area pacts, for the project of making a conditioning centre) and he refers to the importance and necessity to be dynamic within the agricultural sector, to try new paths, new opportunities, and also to be able to create opportunities. He also declares that it is necessary to analyse opportunities in order to understand if they are viable, and subsequently to try them out, since the results can only be seen in retrospect. He declares that opportunities are a useful means of evolution and innovation.

#### Case 15

Woman, 39 years old, first degree in agricultural area; she comes from an agricultural family; with her brother she has been responsible for running the farm for 4 years. Farm is located in province of Grosseto, on plane; the activities on farm consist of sheep rearing and milk sale to a local dairy (lambs sold to occasional traders).

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: interviewee initially answers as follows: "I don't follow just a business strategy, but I have a personal planning by which I manage my activities and I try to carry out it; I make an evaluation of how it's going on, but we haven't got short term strategies, everything we do is seen within the long-term".

Planning aims to characterise the farm sheep milk with a higher quality with respect to the average of other similar products, through better Omega-3 content and sheep's selection; currently, through the lens of a diversification strategy, farm is involved in a milk quality chain supplying the production to some local semi-industrial dairies. Anyway, she states to be not satisfactory with this solution, that doesn't enhance at the best the real quality of the milk and doesn't provide an economic added value. For these reasons she has decided to build a little dairy-farm to manage directly with family labour, to produce what she calls "a niche and quality product"; to achieve these aims she says that she has started and improved collaboration with the University, researches on the internet, exchange of opinions with the local Breeder's Association, with customers and suppliers. She declares to make an evaluation of her economic availabilities to develop a Project, to look for additional Public funding and for new opportunities that can support the long term strategy. Interviewee considers it is very important to have and to elaborate a business strategy, especially for young farmers and for those who want to run their activity in a modern and professional way, to get an income and an economic profit, rather than the traditional farm management based on simple farm survival.

**Interpretation:** In her self-presentation the farmer declares to have adopted what she calls “personal planning”; she refers to a strategy that achieve to diversify her own production to obtain an added value and an acknowledgment of the final quality (reached through a co-operation with University); to carry out her long term strategy she is going to build a dairy in her farm, to process directly the milk into a niche cheese, thus to be autonomous within farm business choices from industrial dairies. All these aspects she provides in her self-presentation, included the way she looks for information, contacts and findings, can be seen as resources giving the idea of an entrepreneur with a good skill of elaborating a business strategy.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** She presents herself as very skilful: “*Not simply good, excellent (laughter)... and excuse my being proud*” and gives several justifications and examples.

She attributes her skill exactly to her “*being a woman*” in addition to her studies and experience. She talks about her skills referring to direct contacts with different people (entrepreneurs, buyers, customers and Institutions, University that she says she wanted to create) and to a Breeders’ Association to which she belongs; through her skills she declares to have acquired appreciation and respect from all the other breeders, but also from all other actors connected with agriculture. This has allowed her to arrange meetings, to summon the people and to fight and win several challenges such as for milk price and against wolves (cause of damage for breeding activity). She repeatedly stresses that this skill is very important for not being exploited, while contacts and confrontation are necessary to reach not just subsistence but an income generating activity to advance and improve. Finally she declares that the skill becomes real added value when coupled with web surfing and use of other technological instruments.

**Interpretation:** she presents herself as a person who is very skilful especially in utilising contacts but also in networking; she uses, as rhetorical resources in her self-presentation her background (studies, life-experience and character) and contacts she has had with producers, buyers, customers Institutions and University; she wanted to create these contacts to present herself as a good breeder’s representative in the Association she belongs to solve different sheep breeders common problems; Farm openness, contacting and confrontation permit her an advance and improve avoiding to be exploited in a such difficult sector as sheep breeding, especially for a woman.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he declares “I could have the skill to recognise opportunities when they arise, however, I don’t always have the possibility, nor the ability, of making the most of them in the sense of making them mine.”

Opportunities can come up in various ways (e.g. a farm for sale, some machinery for sale, grants to convert conventional agriculture into organic.); these can be identified, but one can’t always be in a position to exploit them, and make them yours: “*especially in this field, first of all, opportunities do not easily present themselves: and also it is a field where the majority of farmers carry on because of loans, because they make investments that require loans from banks, and when the chance comes up, you have invested so much that you can’t even take advantage of it...*” The farmer tell us of opportunities that she has recognised and exploited: of the collaboration with Pisa University, for instance; it has allowed her to produce a particular product, milk enriched with omega-3, and that has given her the possibility of meeting and establishing relationships with people that have been useful not only to improve the farm’s assets, but also to initiate a ‘political’ activity by which she intends to engage herself to improve the sheep farming sector, she provides examples of other opportunities that she has been able to recognise but that she has not been able to pursue because she was not in a good position to do it: “*I am talking about ‘agritourism’ for example, the fact that I want at all costs to realise an educational farm. I have all the means to do it, but I lack the funding... I don’t have the permits because it is not easy to obtain them.*” Lastly, she declares that the skill is important, but it is in relation to the context in which is presented.

**Interpretation:** overall, by her story and statements, she appears as a subject able to identify and exploit opportunities, and to this end she reports some examples ( the making of milk enriched with omega-3, the contacts that have allowed her to start a ‘political’ activity to improve the difficult situation of the sheep farming sector, with the University collaboration). Nevertheless, she underlines the difference between recognising and actually exploiting opportunities, as she has not always been in a position to handle and/or make them hers, as when it has happened for the ‘agritourism’ or the educational farm, but this is not because of her lack of ability, but rather because of the lack of economic means and the necessary permits; in addition she thinks it is important to consider the context – decisions taken and objectives chosen- in which opportunities have presented themselves.

Opportunities are useful to buy machinery, to transform your own farm, to realise innovative product, and to realise projects.

### Case 21

Man, 36 years old, O-Level Education; he was a mechanic before starting to work on his farm (parental farm); the farm is located in a plain area in the centre of Tuscany, province of Pisa; the core-farming business is cereals production, wholesale to a Farmer's co-operative.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: interviewee answers affirmatively: "the strategy is to spend as little as possible, to carry out a good quality product and trying to sell it for as much as it's possible, this is the strategy".

He declares to follow a strategy within his farm based on the cost's minimisation to get higher final net proceeds, trying meanwhile to maintain the product on good quality levels. Costs reduction is gained through a rationalisation of the land work processes (anymore deep ploughing) and the use of modern and specialised machinery that determines shorter working-times and a useful expenditure of entrepreneur's time on farm activities. He thinks that CAP and the development of the cereals' market will cause a lot of difficulties in this sector (he says that some first effects are already visible). It's for this reason that he is going to develop his strategy of introducing alternative crops to cereals, but above all getting a higher added value to his production, shortening the supply chain and processing wheat directly into quality pasta (he thinks to adopt the Quality brand "Agriqualita" that Tuscany Region give to "integrated pest management" agro-productions and food products). Finally he recognises the importance of this skill: "*strategies became important especially when there are no more margins of proceeds on farm; during the past these margins of proceeds were rather certain; old generation have based their activity on this without putting any problems about the adoption of new business strategies, but they operated and still today operate always in the same way*".

Interpretation: after all he presents himself as an entrepreneur with appreciable skills of elaborating business strategies: currently he follows a non formal (without the adoption of a formal business plan) strategy based on costs reduction and aimed to get a higher final income (through the rationalisation of land work processes, of labour and the adoption of specialised machines); he is aware of the difficulties he is going to meet within the sector in which is involved and detects a solution in developing own strategy on crops diversification and on providing an added value to the production (through processing, shorting distribution chain and adopting a quality label).

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he presents his own skills as follows: "I can try to have contacts with other subjects, for sure, but my ability to build networks is not so good".

The interviewee declares being skilled in utilising contacts, less so in networking owing to lack of time or maybe lack of real effort. Along his talking he seems thus to refer to utilising contacts. Yet, although he says he is not skilled in establishing networking, he says that recently he has become vice president of the AGIA, an association of young farmers, exactly because he wants to "*make contacts with people to listen to different opinions*". The issue of lack of time is still an obstacle (in this case, as expressed later, the reference is probably to networking within the same association). The main purpose is that of finding solution to shared problems and looking for alternative more profitable productions; "*We have all the same problem within the same boat, and we all try to do something, we exchange trying to reach higher margins*" even though the severe problem of funds for innovative/alternative investments persists. As a consequence, some good ideas have been dropped. Now, within the AGIA Association, they are working around a Project (he is a promoter) on the issue of energy-crops: "*for example in Spain they are testing electrical plants fuelled by barley, and so we are trying to investigate which are the required conditions*". He thinks this skill is important: "*Surely, because union makes strength. The more you agree, the more you manage to have success, you have more input on the market and everywhere*"; He further reflects about the old farmers not being able to possess such skill "*because everybody thought to make better than the rest, but in the end there were no results, you don't go anywhere*". On the contrary "*it's important to receive others' opinions, and then of course you have to experiment personally*".

**Interpretation:** at the beginning he presents himself as a person who has quite a skill in utilising contacts and less to networking; but looking at his presentation as a whole he following provides further resources by which he presents himself as skilful also for networking; within this aspect he refers to his own experience as important member of an Association of Young Farmers, his involvement in a network with different people within a Research Project, his enforces in finding productive and economic solutions to the farmers' shared problems.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he declares himself to have the ability to recognise and exploit opportunities: *"I think so, because when I have had the opportunities, I have exploited them, in the sense that I have caught them on the fly"*; he carries on talking about the opportunities in general that one is not always able to catch because of a lack of information; he mentions as an example the opportunities presented by the Law n.23<sup>16</sup> which has given funds for agriculture, of which very few people were informed, while he, by being aware, was able to exploit such opportunity; in that respect, he mentions the importance of the internet as a means of collecting information. He then talks of the opportunities that have risen but that he has not taken on because he was not in the right situation to do it, as he would have had to make some investments in means and work that he was not in a position to do: *"well, given the way my situation is, it was not worth it, but I have exploited the opportunities, when there have been possibilities"*. Lastly he declares that this ability is important: *"if you can't recognise or exploit opportunities, it is not easy to carry on"*, this is for both the future of your farm and of your own activity.

**Interpretation:** he presents himself as a person who has the ability to recognise and exploit opportunities; in support of his assertion, he refers to the fact of having recognised and taken advantage of the opportunities that other entrepreneurs have not been able to recognise (i.e. Instruments foreseen by Law 23), and having made personal use of information resources (internet). He traces in the lack of information an obstacle to recognising and exploiting opportunities, in the sense that if one is not informed, the opportunity cannot be exploited: *"the ones that I did not know of, I did not exploit"*; furthermore he considers it important to evaluate if the potential possibility exists (i.e. To support the opportunity with sustainable investments) of exploiting an opportunity when it is presented. He concludes by recognising the importance of opportunities that are able to continue with one's own activity.

## **b. Farmers that manifest general entrepreneurial skills, currently limited by several factors yet showing potential margins of improvement (case 23 and 22)**

### **Case 23**

Man, 28 years old, higher degree in agricultural studies; he was a student and a coadjutant in parental farm before to start working as owner; the farm is located on a plain area in the centre of Tuscany, province of Livorno; the core-farming business is cereals oilseed and protein crops wholesale to a Farmer's co-operative.

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** interviewee answers directly and affirmatively: *"Of course that there's a business strategy..."*

He declares that his strategy (informal, without the adoption of a formal business plan) is currently based on the planning of production according the evolution of the market and trying to control costs production and to minimise business risks through audits, managing meanwhile capital investments. He states that his strategy for the future is addressed to buy innovative and multifunctional machineries to use within the multifunctionality of the farm (he refers for example to machinery that can be used for olives picking but also for green services); in the future he wants to have a direct approach to the market (identifying new market channels) to catch that added value that is currently captured by different intermediaries that operate along the chain producer-retailer-final consumer. He believes that to achieve this aim could guarantee a better autonomy within his business choices, better profits and the reaching of the effective status of enterprise. He thinks that it is important to have a business strategy and to evaluate it because it permits him to recognise eventual mistakes made in running the farm and consequently to provide for. About this he reports some examples of entrepreneurs in the area that

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<sup>16</sup> Law 23 December 1999. n. 499. Rationalisation of interventions in the agricultural, agro food, agro industrial and forestry sectors, that sees above all, the promotion of developmental politics and of rural safeguards, through sustaining a multifunctional economy in view of a sustainable development of the territorial equilibrium.

have had success following certain choices and he thinks that they surely followed a specific business strategy in their farm.

**Interpretation:** he initially remains a little surprised by the question for the reason that he thinks it is obvious to have a business strategy within his job, although not formally represented by a business plan; he presents himself as very professional and provides different arguments to discussion, showing his knowledge and opinions; despite his young age (he has been working only for a few years) and declares not yet to have a well developed autonomous distribution of his products (as he would like to do), he clearly and with conviction states what will be the guidelines of his business strategy for the future, focused on multifunctionality and in shortening his distribution, to achieve an added value for his products; he uses as further resource in describing his skill, some successful entrepreneurs, as examples of what it means to have a good business strategies.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** he comments the question on own skills: “Yes, I have no problems in relationships with others”. He also adds: “Since I haven’t had contacts with all actors of the various chains, my yes is a partial one... with those I managed to intercept I’ve been successful, I’ve got some answers...”

He talks in general of contacts with different subjects (farming people); he claims that to have contacts with Institutions is probably most difficult for him and he further adds that since he has only been working for a few years he does not have so many commercial contacts but he would develop them. He thinks that networking is closely connected with the importance of making communication; thanks to communication it is possible to promote one’s farm, products and methods of productions; it is also possible to understand what the market wants and/or lacks.

**Interpretation:** he presents himself as a person who has quite a skill in utilising contacts; his main rhetorical resource refers to his experience of contacting with other farming people he thinks are important to improve communication to get information on market’s trends, on new production systems and in promoting one’s farm. He attributes a certain lack in this skill to the fact he started activity recently and he has still to develop some kind of contacts. In this framework he doesn’t provide specific resources within networking.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he claims to have managerial skill; “yes...”, “sure”; he gives as an example the opportunity he has taken through the ‘no food’ sunflower cultivation (proposed by a producers’ co-operative that has given him a guaranteed income) and through financial means foreseen by the rural developmental plans; he asserts that not all recognised opportunities, can be exploited, because for example the required investments in terms of human resources are too high for one’s own situation; furthermore you need to be able to know how to manage them and this is not always possible “... *the opportunity is there, perhaps it presents to you and you have the possibility to ask for loans and facilitations, but it is not enough just to do these kind of things, but you also need to manage the commercial phase, for instance. Since you are somebody who offers a finished product you have to be able to locate it...*”

He declares that such ability is important because in so far as the opportunities – for example the search for efficient equipment that reduces cost, or loans with facilitated treatments – can guarantee the farm an improvement in quality or at least an increase in profitability.

**Interpretation:** he presents himself as a person with the ability to recognise and exploit the opportunities (as for the sunflower ‘no food’ or for the rural developmental plans); he underlines that the recognised opportunities can not always be exploited as it is necessary to know and be able to manage the situations and conditions that should be introduced in place from the opportunities that have presented themselves, also in view of one’s own farm situation. The opportunities are useful to make the farm improve in quality or to determine an increase in profitability.

## Case 22

Woman, 43 years old, A-Levels Education; she studied agriculture and she was a coadjutant in parental farm before to start working as owner; the farm is located in a plain area in the centre of Tuscany, province of Livorno; the core-farming business is general field cropping (sunflower, vegetables, olives) wholesale to a Farmer’s co-operative.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: interviewee answers directly and affirmatively: “yes, we follow a strategy because in any case upon 33 hectares of land, you must see where to produce a thing rather than another one”.

She declares that her strategy (informal, without the adoption of a formal business plan) is based on the achievement of a good economic performance (to maximise profits), thus to change crops when they are not profitable any more (she provides some examples of this, such as for the case of sugar beet). Her farm strategy develops through the elaboration of cultural-plans that are necessary to get incentives and subsidies previewed by CAP’s and Regional financial instruments. She recognises the importance of crop diversification so that to avoid or to limit those possible risks (due to the climate, market etc) which could affect a single culture. Within a framework of diversification she is going to start an agritourism activity, renovating some disused farm buildings; for farmer agritourism represents mainly a very important extra income that doesn’t need too much effort and an element of personal satisfaction (through acknowledgment of hospitality from the guests, beauty of the landscape and the farm); finally she recognises in co-operation with other producers (she belongs to a farmers co-operative) an important element of her strategy, because it’s possible to find solutions to common problems. She states that it is important to have and to evaluate a business strategy because “*an entrepreneur can think to do a lot of things, but he has to verify that achieved results are congruent with what he thought*”.

Interpretation: she presents herself as an entrepreneur who adopts a strategy, based on cultural planning, exploiting opportunities provided by existent economic incentives with the aim to achieve a economic gain; she shows a particular skill when she explains her plans, the objectives and purposes for developing a strategy of diversification through agritourism; another resource she uses in enforcing her skill is a strategy of co-operation (utilising contacts) with other farms recognising in this the importance and benefits for her farm.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: she maintains she has such skill: “*said among us, I think yes*”.

In general she talks of relations with different kinds of actors, which she builds above all to obtain information about those issues she doesn’t understand very well or she feels unprepared for and to get new opportunities. She participates in a co-operative-association of production and service but she makes no reference to a real networking activity or to her skill in this field. She thinks that these skills are important for exchange of information, to achieve elements of innovation to be able to improve her own work. Furthermore, she says that contacts with other farmers and people in general are useful also to “consolidate personal identity”, to achieve “improved psycho-physical wellness”, and in this way “productivity is positively influenced”.

Interpretation: she presents herself as a person who has quite a skill in utilising contacts; she brings as a rhetorical resource contacting with other farming people by which she uses to get information and develop and improve own job, also through the positive influence this skill can have on farmer’s character and productivity. She doesn’t bring important resources manifesting her skill within networking activity.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: She starts by talking about her father and the fact that, because of his strong personality, she has often been able to be the first to take advantage of opportunities that have presented themselves, she then declares herself to have this ability in relation to the internal opportunities of the farm, but not for external ones: “*for the external opportunities to do extra things as for instance the fact that I would have liked to do a nursery, I have not been able to evaluate the risk that was presented to me....I did not feel able to do it....outside the farm I am not sure how much I will be ready for....*”; an opportunity that she has taken on it has been the one to assign a part of the farm lands to an experiment for the production of sunflower bio-fuel that has allowed her to stipulate an agreement (before production) that guarantees her a secure price of the product, while if this had not happened she would have not had the certainty at the least of being able to place the product or to get a remunerative price, and this is an important factor for her tranquillity. In fact later on she declares that such ability is important, as it can positively weigh upon the future plans of the company; besides if the opportunities are not used one stays put; finally she declares: “*the figure of the farmer as it was once intended it is now out of date and therefore...(such ability) is however a capacity to improve oneself...; if one knows how to catch an opportunity he/she is not only a farmer per se but also a person that has been able to be an entrepreneur...*”.

Interpretation: initially she presents herself a bit uncertain and mentions as a factor that has not allowed her to develop this skill the presence of her dad’s personality that is still influencing her entrepreneurial choices; she

asserts anyhow to have the skills required in relation to the internal activities of the farm ( she has caught the opportunity of substituting the maize culture with one of experimental sunflower for bio-fuel gaining a favourable contract) but not for those external/extra (to realise a nursery ex-novo). She highlights the importance of catching the opportunities that give a certain equilibrium and safety and therefore make it possible to think and build future plans for the farm; the ability is seen also as a capacity of improvement that can transform the farmer entrepreneur. The opportunities are useful for not staying put, but for improve oneself.

**c. Traditional farmers, showing skills mainly in the productive sector, having found their dimension in the Conventional production and running the farm consistently with the past, without any relevant strategic changes and not inclined to networking (cases 6, 13 and 12)**

**Case 6**

Man, 46 years old, A-levels education; he has been always engaged in agricultural activity (parental farm). The farm is located on a hill area in the centre of Tuscany, province of Pisa; farm activities consist of grapes and olives production and selling to processors (with some direct selling of olive oil).

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: interviewee answers affirmatively: “I have followed a strategy and I’m still doing it to develop my farm and to continue with this job”.

He declares to have decided to follow a new strategy within his farm about 10 years ago, as a reaction to difficulties derived from the Mc Sharry reform and the fragmentation of parental farm in 3 parts. Thus he changed the core farming business, from cereals (not very productive and remunerative for the area) into vineyards and olive trees. Meanwhile he states to have reduced and the stopped to work on behalf of other farmers (unsatisfactory e demanding too much work). About the evaluation of strategy adopted he claims: “*the evaluation of farm activities confirms that the strategy I have then elaborated, followed and I still follow today was right, if not, according to the conditions of ten years ago, I would not be here still farming and with not so bad prospective that all in all I have today*”. Finally he remarks the importance of having a business strategy, to know how to do as a farmer and what to produce; it’s necessary to evaluate carefully the strategy at the beginning and to develop it, improving then eventual wrong aspects.

Interpretation: entrepreneur in his presentation declares to have elaborated and followed an own business strategy, not formal, focused on the adoption of a more profitable crop-productions. The fact he has had to elaborate this strategy in the past during a critical moment for his farm and to evaluate the validity of this choice nowadays, represents a rhetorical resource of the skill that interview brings within his self-presentation.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he answers that he is no good in this skill: “I’m a lonely wolf, I’m no good in this kind of thing”, “and anyway I don’t think I have so much this kind of ability”.

In his answers he declares of not being able to relate positively with other farmers, due to his personality (“*reserved and hardly flexible*”) and to the fact of having never found any subject to relate positively with (as an example, he reports about the experience made during his activity as regional President of an association of olive producers); he thinks he has established a kind of relationship with customers (clients), but although his efforts he doesn’t show too much skill because it’s not easy and natural for him. He remarks the importance in general of relationship with customers and utilising contacts as an element providing added value to an entrepreneur; he recognises that production skill and ability to present products to the client should balance, yet it’s not always possible to reach such equilibrium.

Interpretation: he presents himself as a person who has not skills of networking and utilising contacts due to his personality and to the fact of having never found any good interlocutor; the central rhetorical resource he uses in his presentation to assert this attitude refers to his negative experience as regional President of an Association of olive producers and to his direct relationships with customers which he considers too difficult to carry out and not natural.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he declares himself to be able to recognise opportunities but not to be able to exploit them: “to exploit opportunities is easier, no I can’t do it because life is fast and we in agriculture go slow...one needs to do things quickly because if one arrives four years late, it is better not to start at all.”

The reasons for such difficulty are various: the shortage of time and capita, the nature of agricultural production (the long time needed to experience the results of new cultures and of new installations, and the difficulty, linked to these long times, of being able to meet the market demands without at the same time totally giving up what one has because it has cost time and money), “*the environmental inclination*” of the territory where one works; he believes that those who have capita and perhaps come from outside the agricultural sector could be more skilful in exploiting opportunities: “*they invest in more commercial than productive methods and in a short space of time they are on the ball, in short for the producer.....it is difficult....we are very static, the farm is as it is and the capita are as they are....*” He describes the wine-growing sector; when there has been a boom, most of them have followed the examples of those faster ones, they have recognised and exploited an opportunity that has then gone against them, as they have had big investments, and after the end of the boom in the sector they have gone to the red. A fundamental thing is to exploit the opportunities that follow the existing direction that will lead, for example to diversifying the activity without losing sight of the farm’s founding principles. The entrepreneur gives as an example the opportunity that has presented to him and that he has been able to recognise (financing the new installation for a new vineyard) but he has not been able to take full advantage of though being “conditioned by economical possibilities”. Lastly, of the ability in question, he affirms: “*it is important but it is not one of the most important*”, *because our system of cultivating is slow and the changes are slow*”; it is important if one does not lose sight of what the farm is, its basis, and its main direction.

**Interpretation:** the interviewee presents himself as being able to recognise opportunities but not to be able to exploit them. He gives as an example of opportunities- installation for a new vineyard – recognised and exploited but only partially, (installation of 2.3 hectares when it could have reached 8) caused by economic difficulties.

In fact, a factor considered important is the presence of capita though which one can realise opportunities that arise. Furthermore, given the nature of the production, agricultural – there are long production times and, slow changes – it is important to recognise and exploit opportunities that take into account what it already has in place, that will lead eventually to diversify the agricultural activity without losing sight of the pre-existing direction of the farm (a more radical change can be decided only once in the life of the farm).

### Case 13

Man, 58 years old, no educational qualification; he has always been an agricultural worker; he runs his farm since 34 years. The farm is located in province of Pisa, on plane; the activities consist of cereals, oilseeds and protein crops (300 hectares) and all products are sold to Provincial Farmer’s Co-operative (Consorzio Agrario di Pisa).

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** interviewee answers affirmatively: “We necessarily have a strategy, because farm can’t go on keeping own head down...”

The strategy is mainly based on a planning of those crops that could have a demand on the market, trying to anticipate (gathering information), on the contrary, the ones that will have problems of placement. He provides some examples of different strategic solutions he followed in the past on this point (e.g. sugar beet, a profitable crop on which farm made in the past a lot of investments on machineries (exclusive for this crop); currently they leaved this crop because without market and EU subsidies, but farmer has succeeded in selling all machineries before they would became unusable; now the choice is addressed on different crops). He maintains that the large size of his farm, through the crop-rotation, can guarantee a good flexibility and the research of solutions that allow certain vitality to the farm. According interview, this will not be anymore a good strategy for all those farms specialised in cereals or similar productions but characterised by a low size; he believes that in the future, also due to the lacking of EU subsidies for some crops, these farms should convert their core-farming business or find other solution, or they will be obliged to end activity.

**Interpretation:** In his self-presentation, the entrepreneur declares to have adopted during his work-experience a business strategy, not formal, based on the planning of those productions which could guarantee at the moment a better income, due to Agricultural Policies, seasonality and market demand. He provides different examples on



this issue; he claims that he can follow this strategy thanks to the extension of his farm, which provides a certain level of flexibility and operative-ness. As a whole in his presentation he doesn't bring specific elements which can identify him as particularly skilful.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** he maintains he has quite skill, thanks also to the experience he has acquired: "some skills I think I have them by now, I have some experience, so I believe I manage to balance; but you never learn in this sector, I'm 58 and I never stop learning".

He says to establish contacts directly with both salesmen and farmers, especially as an instrument to gather information on how to make a product or whether on its profitability. He considers important this skill, even though it is not considered the main skill; he says that it's a very important thing when the farmer has direct connections with consumers (this not being his case).

**Interpretation:** He presents himself as a person who has skill of utilising contacts; he brings examples to support his assessment that refer to his relation with producers and other farming people during his working experience to gather information on those products that could have a better market penetration and profitability. He claims this skill is important, but not the main. He doesn't provide resources referring to his skill within networking activity.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he does not directly assert himself to have such ability, but declares: "it is not that I sleep on it, I try to be a bit informed, I follow things, I follow meetings and you end up knowing a bit";

He declares that the professional organisations should inform their members of the opportunities that they can take advantage of, they should keep them up to date as he believes that the entrepreneur can not always follow these issues. To exploit the opportunities means to weigh the type of opportunities that present themselves, as these may be not suitable, not useful to the farm or leading to investments that are unsustainable. The issue of investments is important, especially considering modern times: "*I have never tried to invest when it would have put me in difficulty, but I have always proceeded slowly, by always investing based on the farm*"; another factor worth considering is the productive sector that can influence the possibility of realising activities of diversification: "*Those who have animals has thought for instance of going into the slaughter of the calves, but this is a different sector.....if you don't have a product that you can directly deal in with the consumer, you leave such things out*". Lastly he recognises the importance of this ability and of its limitations: "*it is important, but it is also important to be able to do things well, it is useless to recognise opportunities if you are not in the position to carry them on, because you also have to manage them well...*"

**Interpretation:** he does not directly present himself as a person with or without such ability, but however declares himself to be "somebody who does not sleep, but that follows things", and therefore tries to keep himself informed on possible opportunities." Nevertheless, he does not give examples of opportunities that have been recognised but not exploited. He considers it important to be able to value the opportunities that come up in a way as to exploit opportunities that will then end up being inappropriate or wrong for the farm or unmanageable, and to avoid unmanageable investments; in this vision one has to take into consideration the productive sector of the farm. In addition, it is important to be informed by the professional organisations about possible opportunities.

## Case 12

Man, 40 years old, A-Level Education; he studied agriculture and he has been always engaged in agricultural activities (parental farm). The farm is located in a mountainous marginal area in the north of Tuscan, province of Massa Carrara; farm activities consist of beef and milk production wholesale to a local dairy and butcher.

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** interviewee provides the following answer: "Within our farm we followed a certain strategy at the beginning and now we move along that strategy... after 15 years this is automatic for us..."

He declares to continue in following the strategy that was initially adopted by his father, aimed at quality productions (milk and beef for little local processors) trying to meet market's needs on the territory. He doesn't think that the local market provides particular inputs to change strategy; thus the only innovative modification within

the farm has been applied to production system (machine milking). He maintains that the current farm size represents the best for family work and he is not going to increase production level because it would require external agricultural workers. These elements let farmer say that in his own case that the “*farm is managed always on the same levels*”, without the need of particular business strategies. He thinks that to elaborate a strategy could be important for those farms involved in more dynamic markets, but within the context of his farm it is possible to continue without the elaboration and development of new strategies.

Interpretation: entrepreneur in his self-presentation declares that he would carry on his activity following father and to keep the farm on the same level; he doesn't provide any particular factor that shows an elaboration or adoption of an own business strategy, by which it's possible to describe the skill he manifests on this aspects. He ascribes this situation to the fact that within the context in which farm is operating (low dynamism of the market) a new or different strategy is not considered as important.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he answers to the first question saying to have this skill: “*well, with the few local breeders yes*”.

He talks of superficial contacts with some breeders. He says that also with customers, suppliers and Public Institutions it's normal for him to have and utilise contacts. He says that in general establishing contacts provides him with a comparison of other subjects in order to gather information and to know where he can find help with bureaucratic issues. He acknowledges the importance of these skills but he is not able to explain why.

Interpretation: he presents himself as a person who is not very talkative and who has a certain skill of utilising contacts; but the only resources he brings up to support this assertion is simply the relationships with other local producers and other actors, which sometimes he uses to gather information and opportunities for funding. He doesn't add resources about networking.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: he presents himself as being able to recognise and exploit opportunities when they arise: “*I don't think to have done silly things and to have made the most of those opportunities that have come up*”, he declares also that to exploit opportunities “*depends on the subject in question, if he/she judges is as feasible or not*”. He gives as example important machinery bought through loans, or the possibility of creating a consortium of producers to sell meat, an opportunity that he has consequently decided not to take on, as it presented some price limitations that did not convince him. He affirms that such ability is important: “*an opportunity if taken in the right way can change your life for the better*”, initially he declares not knowing which is the most important ability amongst those envisaged, but subsequently he declares that this is the most important: “*the opportunity sooner or later comes, one needs to be able to recognise the right one...or the one that could be a risk*”, he also affirms that to exploit the opportunity at the right time depends on a multiplicity of factors and on luck.

Interpretation: he uses very short and concise concepts, even if he is stimulated to discuss; nevertheless he appears as being able to recognise and exploit opportunities, and he gives as an example the imported machinery bought through loans. He supports the necessity of exploiting the right opportunities amongst those presented and to exclude those that could represent a risk. He thinks that opportunities can change life for the better.

### **Summary of Conventional (C) case presentations**

Such group consists of 8 people (2 women and 6 men) with an average age of 41, i.e. the lowest average of the 3 cases. All the 8 farms sell their Conventional production to processors (dairy-factories, social wine cellars), to cooperative or Agrarian Consortia and to large organised distribution. On the whole, analysis of characteristics show similarities and differences: They cover in fact several productive sectors (from intensive farming to animal breeding) so that they meet different specific problems of such sectors, they are for sure expression of different agricultural environments and social economic conditions (they range from specialised farming in the flat area around Pisa to the marginal mountain farming), and the farmers are characterised by their average relatively low age (only one is over 50).

Through analysis and comparison of this group, we can assert in general that all 8 farmers provide statements, examples and resources that show them as having at least one of our 3 skills.

In general we can also outline further groups of farmers showing similar behaviours, similar ways of expressing and/or illustrating their entrepreneurial skills, objectives and abilities to make connections. At the same time, in these sub-groups essential differences emerge.

*Dynamic farmers skilled at selecting future diversification business strategies able to grant added Value and be able to recognise and utilise contacts and networking as opportunities to develop such strategies (cases 5, 15 and 21)*

A first group of subjects can be made out from what we called subgroup 1 (SG1, cases 5, 15 and 21). This consists of 3 farmers that in their presentations provide elements that characterise them as very skilled and dynamic entrepreneurs. In fact, they point to long term and wide ranging strategies. Case 5 tends to maintain and strengthen the Conventional phase, although aiming at adding value for the individual farm, the co-operative association to which he belongs and the territory in general. In the remaining two cases, it is possible to detect a fundamental willingness to change operating methods; delivery of total productions to co-operative associations is no more rewarding or presents emerging problems for the future, thus they elaborate ideas to diversify productions and to obtain added value by means of increasing quality products, of specific marks and productive process, of direct processing and of niche production.

SG1's components focus their strategies on networking (of which they are often promoters and by which they manifest their specific skills, e.g. farmer 15 with her stubborn, decisive and domineering personality) and on connections with other actors (in case 21 this doesn't emerge from direct assertion but from his global presentation). They report of having selected opportunities and also of having taken them when possible (according to the availability of money, the context in which they would be introduced, etc.) so as to provide further resources to their projects and objectives in terms of money, means and information.

*Farmers that manifest general entrepreneurial skills, limited at the moment by several factors yet showing potential margins of improvement (case 23 and 22)*

Subgroup 2 (SG2, cases 23 and 22) consists of 2 young farmers (case 23 is the youngest respondent in the sample and has a degree in Agricultural Sciences). They have recently started their own farms and were previously employed in their respective parental farms.

In their presentations they bring several resources so as to demonstrate their main skills; under a few aspects they are very similar to the first group, especially when they put into practice peculiar skills aimed at selecting short-term activities able to provide added value to production (shortening of chain and direct selling or multifunctionality as with case 23) or at diversifying activities (agritourism with case 22). Yet in comparison with the first group, in their self-presentations several elements show that these farmers are still in an initial phase that does not allow total expression of a few skills; both are actually characterised by a short autonomous job experience. Such elements prevented farmer 23 from developing specific sales circles and also from fully verifying his skills of utilising contacts ("since when I started my activity I have not so many commercial contacts (interviewee 23)") and, opposite to group 1, even less opportunities of networking. In case 22 total decisional autonomy is lacking, together with the impossibility of taking potential opportunities, due to father's influence: ". He states about his father's strong personality. Often this last was the one who seized opportunities (interviewee 22)". These farmers, however, are quickly gaining the correct experience and undoubtedly show remarkable potential entrepreneurial skills.

*Traditional farmers, showing skills mainly in the productive sector, having found their dimension in the Conventional production and running the farm consistently with the past, without any relevant strategic changes and not inclined to networking (case 6, 13 and 12)*

Subgroup 3 (SG3, cases 6, 13 and 12) consists of farmers that are skilled under many respects, but on the whole they appear to focus such skills on Conventional production. In the main the strategies are consistent with central activity (i.e. Conventional production) so as to keep the farm on the usual levels, and they consist of meeting the market's requirements, lowering costs and innovating basically only in the production processes. In one case (nr. 12) the farmer acknowledges how the low dynamism of the market in which the farm operates does not provide any stimulus to adopting further strategies, while expressing specific skills is not considered fundamental in this sense. In another case (nr. 13), the large sized farm allows operators to adapt to external changes by means of solutions that do not require turning their pursued strategies upside-down. Case 6 changed his strategy a few

years ago, but since then he is following along the same line. The marketing phase consists of sales to a single and regular purchaser, based usually on long term commercial agreements and therefore doesn't require extreme involvement in terms of finding new solutions; for this reason respondents declare that they are more skilled with the actors operating along the chain (suppliers, consultants and whole dealers, with the exception of final customers that are not included in the chain). As to relationship with other farmers they refer only to contacts for exchanging ideas or sometimes media, but frequently these are superficial contacts and there is no reference to networking.

In this case personality has a noticeable influence, as in case 6, which causes real difficulties in relationship (maybe the only case out of 25) or, as in case 12, who defines himself as skilled yet is not able to provide the same reasoning provided by other farmers in other sub-groups, due probably to extreme shyness and introversion. In reference with opportunities, they appear skilled in selecting them, yet they are not so skilled in taking them and attribute this fact to fear of hazardous investments. If mistaken, these could provoke derangement and difficulties to the farm. Even when they refer to opportunities that have been seized, they provide examples always related with production phase (e.g. purchasing of machinery and financing the plant of vineyard).

### 6.2.2 "Value adding" (VA) cases

Group 2: cases n. 3, 7, 9, 10, 14, 16, 17, 19, and 20 of the sample

#### a. Farmer showing especial entrepreneurial skills characterised by use of a formal business plan (Case 19)

##### Case 19

Man, 40 years old, A-Level Education; he has been a publicist before starting with his farm; the farm (organic) is located in hilly area in the centre of Tuscany, province of Pisa; the core-farming business is horticulture (Organic) and farm activities consist of niche production (vegetables and fruit processing, packaged products).

*Skill: creating and evaluating a business strategy (sheet 2)*

Self presentation: interviewee provides an explicit and positive answer: "yes, I have a business strategy and evaluate it; my strategy is based on multifunctionality".

He describes the main points of his own strategy as follows: diversification of production in several products to reduce the economic risk (e.g. if a frost causes damage to olive trees they can turn to tomatoes or onions); processing of fresh product (a processed product is more conservable, provides stocks and can be more easily sold); creation of new product (e.g. the "Agresto", a syrup of green grapes). He declares that strategy concerns the brief period but is mainly elaborated for achieving multifunctional aspects within a long period: for this purpose he is arranging the farm for direct selling and for a wine shop where products can be tasted directly. This strategy is formalised through the adoption of a formal business plan and it is evaluated annually: "*we improved the evaluation through a management software; at the beginning this was a little difficult for the lacking of confronting data; but thanks to the software we can confront the goals of written plan with data acquired through the accounts and now this check works well*". He considers that it is very important to have a business strategy and to evaluate it, to understand possible mistakes and to try to improve them and especially because nowadays a farm needs a formal business plan if it requires a bank credit.

Interpretation: entrepreneur presents himself as particularly skilful confirming to have a strategy based on multifunctionality (different activities on farm, from processing to direct selling, arranging place on farm for product's tasting) formalised with a business plan, evaluated through a management software; he has elaborated his own strategy within the short and longer term and he declares to have started funds raising to achieve his goals. He recognises the importance of having a strategy and to formalise it with a business plan because only in this way will banks provide a substantial credit to entrepreneur's requirements.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he makes a direct self-assessment as follows: "I think yes (...), I'm quite skilled in establishing networks and contacts".

He talks of contacts and networking with farmers, processors, banks, Institutions and other actors; he took a fundamental part in building the Network to which he belongs ("Association Colli of San Miniato", consisting of producers, processors and sellers). He says that networking has been done to have a *critical mass* to obtain fi-

nancing, discount on purchase, a place to open the first sales point in the little town of San Miniato; he asserts: “*this network by now functions very well, we even attend strategic meetings*”. He declares that these skills are very important to create a strategy, so at first he thinks that the elaboration of good farm planning is needed.

**Interpretation:** he presents himself as a person who is very skilful in networking and in utilising contacts; he uses as rhetorical resources the experience in networking and contacting he has with local entrepreneurs and other different actors (producers, processors, banks, Institutions) he used to build an Association to start an activity of niche product selling, but after having planned his farm-business strategy. He presents himself as one of the promoter of this Network and adds other resources as to be a representative of local Farmer’s Trade Union.

*Skill: recognise and realise opportunities (sheet 4)*

**Self presentation:** he declares to have this ability: “I hope to have it, I think I have got it, it is difficulty that I miss out an opportunity if presented to me”, even if he initially declares: “this is a 100 million dollar question, because of one has this skill, he is able to get any company working”; he carries on declaring that he hopes to carry on having this skill in the future due to the general difficulties of the agricultural sector. He brings the example of an opportunity in the form of a tourist from his B&B that has become the link to initiate a business of the farm’s products as export to Oslo:” a business that it is growing year after year.” He affirms to be a particular case in terms of being able to recognise and exploit opportunities, as before working for the agricultural sector he worked in marketing for seven years; he affirms that this is a skill that one generally has thanks to a “strong personal intuition” or because of “specific experience in the field” or “specific studies in the field”; finally he declares that this is a very important skill, but amongst the skills or experience previously mentioned it is difficult to say which one is the most important “they are three characteristics that somebody must have” “there has to be a mix of the three always, in order for a company to work well”.

**Interpretation:** he answer the question by declaring to have such a skill; this is also thanks to his work experience (7 years in the marketing sector). He brings the example of an opportunity he has exploited which came up in the form of one of his B&B tourists, who has become the link to initiate a very good business export activity to Oslo. He supports the idea that this skill is important (agricultural farm that transform) in order to be competitive against bigger farms of the agrofeed sector and in order to avoid general difficulties of the agricultural sector; he declares that the three skills are equally important, as all the three need to be present.

## **b. Dynamic farmers making the strong point out of their skill in utilising contacts and networking (Case 17, 14 and 16)**

### **Case 17**

Woman, 43 years old, A level qualification; she has a non-agricultural background; she has been responsible for running the farm for 5 years. The farm (25 hectares) is located on plain in central Tuscany, province of Florence; the core farming business is horticulture; the diversified activities are niche vegetable typical production (onion, artichoke etc.) and orrisroot production for wine and cosmetic sector-niche marketing.

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self presentation:** interviewee provides the following answer: “At the beginning the farm strategy was the one adopted by my parents, that was production wholesale to local winegrowers’ co-operative (cantina sociale) and to oil mill...then we believed on wine production making innovations within vineyards... but when we have seen, as many other farms, that wine sector was anymore profitable, we started with a production of typical vegetables...so that was a strategy”.

She reports that some years ago, together with her brother in law, she started to run the farm succeeding her parents; they left wine production (*we were not also very fond of it*) focusing on niche vegetables products, new production and olive-trees (Certaldo’s onion, Empoli’s artichoke and orrisroot for no food utilisation); at the same time they wanted to get added value from their own olives production through bottling olive-oil; all these aspects have been developed by a research of new market channels, such as shops, farmers’ markets and private consumers. She states that everything has been done to improve final aims and market opportunities. This new strategy has been evaluated during the first years of application and improved within those aspects which determined higher costs. She declares: *currently the evaluation of the strategy we adopted confirms that the farm can be profitable*”. She considers it is important for a farm to have a strategy, because agriculture has changed with re-

spect to the past where things were easier to do and to manage, but nowadays it's no longer possible to proceed on the same way and without a strategy.

**Interpretation:** the farmer explains, through the history of her farm, the way by which she (and her brother-in-law) have changed the parental business strategy into a new one, with the aim to find better opportunities from the market and to improve farm goals. The new strategy is based on the conversion of wine and Conventional olive production into local typical production and olive oil bottling to achieve a higher added value. She indirectly reinforces the description of her skill bringing as rhetorical resources two aspects that have been successful within her strategy, such as to have followed her creativity (e.g. to have rediscovered a product -orrisroot- which is used in wine industry providing her a good income) and her passion for olive trees (preferred to vineyards that she doesn't love). Finally, the fact she declares that after some years the evaluation of the strategy adopted has contributed to make the farm more profitable, confirms that the farmer has shown and still shows good skill on this aspect.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** She makes a direct-self assessment stating to have "a huge skill" in networking; "I have this skill and I see it from how they look for me".

As she underlines, this is confirmed by the fact that she was asked to organise some events (e.g. local markets of typical products) from local entrepreneurs (e.g. Consortia) or Public Bodies and to her belonging to Female Farmers Association "Women in the Field" with which she took part in a seminar entitled "Networking among women". She says has acquired this skill of relationship working for 10 years in a Public Administration's office in direct contact with people and now she fulfils one's potential in agricultural activity.

She says that there are multiple reasons for networking, since in markets and fairs it provides material support and management suggestions ensuring selling channels and a higher visibility and opportunity to all (in particular if the group consists also of farmers with no particular catching products - a catching product is represented by wine, defined a "buttonhole"); she says that in her opinion, to possess these skills means above all to have contacts with people in order to start exchange on different levels (work, products, suggestions...). She talks also of contacts with different actors such as Institutions, suppliers and customers (clients). She says that utilising contacts and networking are important if associated in particular with customers as the best farm's products promotion.

**Interpretation:** she presents herself as a person who is very skilful primarily in networking and then in utilising contacts; she demonstrates this by her presentation experience and examples referring to networking with local entrepreneurs for small markets and with other female farmers, especially during direct form of collective selling a mutual exchange of suggestion, work and products, to improve visibility, promotion and opportunities. A further rhetorical resource that makes her say that she has skill of relationship with people refers to her previous experience in Public Administration as office worker where she acquired and developed her skill.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** she declares to have such skill: "yes I have this, as I have been one of the first to believe in shorter chain" (at the bottom of sheet 4 she explains that opportunities are those that allow to have a place where one can directly sell his/her own products, in other words "a business thing"; when she had the opportunity to work on this idea - for instance to organise and take part in seasonal markets in the Emopolese-Valdelsa area - she did it as she thought that it would have otherwise been a lost opportunity; besides she considers having "lots of ideas" important (to create opportunities as for example to produce new oil early so as to be able to sell the products before other producers) also because the time for the harvest are always long and "those who should understand these things have long times; and in relation to the importance of such skill she declares that this skill is strictly linked to that of being able to establish contacts and networks" perhaps is the same thing" (and related to this she later declares: "If I had been alone not part of a network most likely the opportunity would have not come up in the first place"); she continues by saying: "I don't know if these are important things but they are spontaneous for me"; she declares that the network allows her to have more opportunities, to present herself as part of a group (women in the field) and therefore to have more visibility, and to have a different rapport with the other associations and public bodies (more strength, more direct contacts that facilitate sales opportunities of products in various situations, wide range of products on offer...); she then affirms that she recognising opportunities are "one of the most important aspects", as it is that of making opportunities to be exploited.

**Interpretation:** she answers the question declaring to have such skill and giving examples such as organising and participating in local seasonal markets, opportunities are in fact viewed as possibilities of organising, building and participating in a shorter chain, and therefore to be able to sell one's products directly. This skill is tightly linked to that of networking (and maybe it is the same thing) that it is viewed as an instrument able to cause an even bigger number of opportunities; giving higher strength and visibility. Another important factor is the capacity to be able to create opportunities.

#### Case 14

Woman, 47 years old, professional qualification (NVQ level 3); she has non-agricultural background; she is responsible with her partner for running the farm since 5 years. The farm (organic) is located on low hill in province of Livorno; the core farming business is horticulture; the diversified activities are vegetable and fruit processing, packaging (vegetable preserved in oil, jams) and niche marketing.

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** interviewee provides the following self-assessment: "First of all I haven't a planned strategy, because seasons are the main factors that influence my activity and I am strongly connected to weather conditions ... practically my farm strategy focused on a diversification of production and even on vegetables variety".

She declares to have started few years ago a horticultural activity in parallel with olives trees; during a small farmer's market she presented a processed product (fennel's marmalade) which she thought to create and produce due to a big quantity of unsold fennels. This product met large appreciation among consumers so that she started processing vegetables. By that time she found that processed vegetable could guarantee an important added value; after that she started a productive diversification adopting non common species within the area of her farm (e.g. a variety of aubergine typical of another region) and that could be processed as preserves. Now she declares that this strategy is evaluated annually always within this relation with final consumers, during direct selling. Through her own researches and experimentations the farmer directly now produces the seeds of these particular varieties. She believes that the strategy of diversification is determined by contingent needs and must be accompanied also by luck. To have a business strategy is considered important since to have aims and to find the best ways to achieve them provides stimuli to farmers and permits them to evolve, to diversify from mass production and to meet market demand.

**Interpretation:** the farmer initially says that she doesn't follow a planned strategy and declares to be strongly influenced by weather conditions. However in her presentation she also continues saying that her strategy is based on a diversification of products and on their processing to obtain an added value. Within this context she presents herself as skilful in those elements which characterise her strategy such as looking for new varieties, self-producing seeds, to create new products to meet consumer's preferences and requirements during small markets and exhibitions.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** she gives a direct self assessment on her own skill claiming that she has it, due also to her being an outgoing person: "yes, I'm not boasting but I think I have it" "it's a matter of character, it's not out of reasoning, it comes out spontaneously".

She says also that her skill has been refined by testing during the farming activities, in farmers' markets and contacts with customers. She talks both to utilising direct contacts and networking (in informal network) with other entrepreneurs, customers and Institutions in the area to improve her information and activities; she declares to belong also to a formal structure "Women in the Field (a Female Farmers Association)" and her first co-operation with other farms started through that association. She recognises these skills as very important: utilising contacts with customers facilitates selling, networking is fundamental in improving both the farms and the territory where they operate.

**Interpretation:** she presents herself as a person who has the skill of utilising contacts and networking; the main rhetorical resource she uses is the relation with producers and customers she gets especially during farmers' markets and in her Association, where she uses contacts to get information, to improve activities and to facilitates selling; she thinks that networking is useful to improve her farm and the territory it belongs.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: at the beginning she does not really answer the question, but declares: opportunities are like this (...) in other words I had to do everything, to go everywhere, in all the ways they were presented to me I always exploited them...; and I still move along this line”; at present values more whether or not to use opportunities also in view of the economical return: “it is always positive to have contacts and besides it is always worth trying with things as then other opportunities open up”. For the entrepreneur opportunities are those that exist in the territory and which allow her to make her product well-known by focusing on the territory (given the small dimensions of the productivity): “if I can make my company well-known in the area and surrounding burroughs, I will have the possibility that even more people will come to buy here in the farm, and therefore I expand my circle of acquaintances and I then create contacts with shops, restaurants, and businesses that are present in the territory”. She states of a few opportunities that have been presented to her and that she has used, and she then declares that opportunities have to be searched for. At this point, she reckons that in the end, she feels she really has the skill to recognise and catch opportunities: “in short I think so... even if one has to create set situations (...) if I carried on being isolated nothing would have come out, but this is an innate aspect of someone’s character”. She declares that this skill is not as important but is a “consequence”, in other words it becomes important when other skills are also present.

Interpretation: She presents herself, even if indirectly, as a woman skilled in recognising and catching opportunities. She gives as an example different opportunities that have been recognised and caught, such as participating in local markets, collaborating with different people that allow her product to become well-known, and to expand and diversify her communication channels. In fact she reckons that opportunities are presented with those events that happen in one’s own territory, because of the small size of production, and that allow her products to be well-known, and to amplify her business circle, her contacts and relations and therefore create the condition to achieve other opportunities ( for example she has met in a local market an area leader of the Conad-retailer, and this has allowed her to place her products in the supermarket in Rosignano); she reaffirms on more than one occasion that opportunities have to be not just recognised but also found and created.

#### Case 16

Woman, 60 years old, higher degree in languages and literature; she has agricultural background and has run the farm for 10 years. The farm (organic) is located close to the sea, on the plain in the province of Livorno; the core farming business is field crops (hemp and flax); the diversified activities are hemp processing and niche-marketing, educational activities and recovery/reuse of Italian hemp and flax weave traditional cycle.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self presentation: interviewee provides the following direct self-assessment: “yes, my business strategy is to produce my own products and evaluate if people like these products”.

She talks about her system of niche production which consists of textile and food natural’s products. She declares to look for an evaluation of her work through direct contact with consumers (meeting and product’s tasting), occasions that she identifies as an integral part of her business strategy. She thinks that having a business strategy is nowadays very important for a farm, but it is fundamental to first of all know the market, the consumer’s requirements and marketing phase. After having acquired this knowledge the farmer can start with production; this concept, according to the interviewee (who is a foreigner) is still lacking within Italian agriculture.

Interpretation: the farmer faces this question rather quickly; she declares that she has a personal strategy, which consists of niche production and direct evaluation of consumer’s appreciation at different events. She thus provides the description of strategy as very simple but that implies market and marketing knowledge, aspects that she says to have acquired during her working experience; this is a rhetorical resource she brings in her self-presentation about her skill especially when comparing herself with other Italian farmers.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: she expressly declares she has this skill: “I’m not enrolled in any party and maybe that’s why I’m able to establish networking with all those interested in my talks; of course it depends on the partner I have in front of me, I’m not always doing the same with everybody”.

She talks about her skills referring to both utilising contacts and network, bringing as an example the activity she does within the association “Women in the Field (A Female Farmers Association)” to which she belongs. She also remarks the importance of being flexible and able to adapt to establish good relationships, although she thinks



this skill is not strong in the farming sector, characterised instead by mental restriction as a negative factor. She believes that this skill is very important (that is why she joined the group “Women in the Field”), because it is fundamental to unite and exchange ideas and experiences.

Interpretation: she presents herself as a person who is skilful in utilising contacts and networking; the resource that she adopts refers to networking with other female farmers, through an Association who permits her to unite and exchange ideas and experiences. She claims that to establish good relations is a positive attitude in agricultural sector, and she indirectly recognises that she has this skill, as seen previously, when comparing with other Italian farmers.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: he declares while laughing : “*I had to learn how to recognise opportunities, because I might have lost a few chances sometimes*”, he refers to agricultural benefits; “I believe I have the will to do it, but as one in always in the field working, he does not have the chance to pick up these opportunities”; in relation to this he declares that information related to the market, and funds for grants are missing, and this should be the duty of professional organisations that on the contrary do not have the time or the possibility of providing information; he reaffirms that it is important to be informed on all these aspects that could generate opportunities, as often in agriculture even though one might have the skill, the possibility of recognising opportunities is missing; in fact he repeats that he thinks that it is of fundamental importance that there should be someone, specifically people that “*are not in the field*”, that could do this job of helping and informing on the available opportunities”; unfortunately he reckons that this help is missing and this causes a loss in funds that should be used. He considers this skill “one of the most important” even if not the most important: “*if one has already a product established it is not the most important thing*”.

Interpretation: he does not directly answer the question as he affirms of having “the will” of recognising and exploiting opportunities; he refers of the possibility of using funds for agriculture as an example of missed opportunity; while he does not give examples of missed opportunities; nonetheless, by his personal and business story comes out that he somehow has this skill; he declares that it is very important that have someone – while professional organisations do not operate in this way – that informs farmers of raising opportunities, as the farmer has to operate in this field and sometimes even if he shows such skill he does not always have the chance to recognise and exploit opportunity.

### **c. Farmers with general entrepreneurial skills, yet limited under a few specific aspects (Case 20, 3, 9 and 10) (Case 20 and 3)**

#### **Case 20**

Man, 41 years old, A-Level Education; he studied agriculture before starting with his farm; the farm (Organic) is located in a hill area in the centre of Tuscany, province of Pisa; the core-farming business is cereals, oilseed & protein crops (organic) and farm activities consist of production directly sold to organic breeders.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: the interviewee answer in an explicit and positive way: “Yes, the business strategy that I have established for my farm is that of working in collaboration with my own products’ users...”

He says that he is collaborating with other four organic companies with focus on livestock management that buy their own products and quantities in relation to the organic market flow; he says that this strategy of co-operation allows him mainly to obtain added value to the product being sold, a larger profit and lower prices for the final buyer, because you shorten the chain and eliminate intermediaries (traders); he also declares that he is getting ready for the conservation of the silos forage for his own property and for directly supplying companies; this will contribute to eliminate another level of the chain (transport) and it will guarantee further added value; lastly this activity allows direct exchange of advice (e.g. on the composition of the food ratio for animals), it is a common growth between entrepreneurs and buyers. He says that he has on more than one occasion reviewed previously adopted strategies and to have given them up when they were not more achievable. (e.g. direct transformation of organic wheat for pasta, or oil transformation). He declares that it is important to have a strategy, to know the field and the context within the farm operates in order to know what to do and where to place the product; it is also important to carry out a verification in order to evaluate possible errors and in view of avoiding them in the future.

**Interpretation:** farmer states that his business strategy consists of obtaining an added value for his production; he follows this goal through collaboration with some breeding farms, to which he directly sells his fodder; this allows shortening the distribution chain bypassing intermediaries. He refers to some actions he carries out to develop his strategy (planning of production and of animal feed) and the further ones he would like to do (direct transport of feed on farm). He also uses as rhetorical resource the fact that he has in the past elaborated different strategies within his farm and the skill to have checked and stopped them just in time if he recognised that they can't be followed anymore. He clearly recognises the importance for a farmer to have a strategy and evaluates it to be autonomous within ones choices, although he says that many farmers still prefer working on external directions (CAP, Trade Unions etc.).

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** he makes a positive and affirmative self-assessment about his skills: *“personally yes, on my part I think yes”*.

He declares he has good contacts with a wide range of actors, such as producers, associations, single public officers, a context of relationships that is well-fitting for a long time, also due to his skills. He says he developed his skills for his activity of advisor (manager consultant) for several farms for a number of years. He also declares he has some problems in his relations with politicians and the similar ones (council counsellors). He says that skill in networking allows for passing on news and information, and this may prevent mistakes when running a farm, representing in this way also an economical opportunity. He considers this skill as important, but it must be linked with knowledge. He thinks it is relevant within human and professional relationships and for farm management.

**Interpretation:** he presents himself as a person who has a good skill in networking and in utilising contacts; the central rhetorical resource refers to networking and contacting with local breeders which he used to shorten the distribution chain of his products (bypassing wholesalers), that allows him to get an AV on price of selling and to breeders a costs reduction. A special rhetorical resource he uses refers to contacting single farmers and associations as consultant, where he uses his skills to reinforce human and professional relationships and to get and give information.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he is uncertain on this: *“I have 75% of this skill and, as he repeats later on: “I can say to have it three quarters because sometime you can make mistake- cantonate”*; he gives the example of an exploited opportunity that came out thanks to a contact with a wild pork breeder that has allowed him to know and understand his own needs as a breeder (the type of cereals) and to transfer this knowledge to other breeders of the same field as to allow a direct sell of his own product. He declares that this skill is important because it is strictly linked to his personal contacts: *“if you don't have the skill to exploit opportunities (...) with personal contacts, you can do nothing with it”*; furthermore he asserts that knowledge (practical, scientific etc.) are at the basis of recognising and exploiting opportunities: *“a lot of people have good will, resources, labour, but are lacking experience, contacts, because of this they rely on a third party support (...) otherwise they make very big mistakes because they do things out of time and they risk everything .... from knowledge you get the skill of recognising opportunities...”*. He concludes by saying how it is therefore necessary, once certain opportunities have been recognised, to evaluate them in order to understand if they are appropriate to one's own situation: *for example (...) agritourism could be an opportunity for me, but it does not fit with my attitude to the world of work, and therefore I don't view it as an opportunity for me”*.

**Interpretation:** by declaring to have this skill at 75%, he seems to show a certain lack of something, even if he does not gives examples to justify this declaration; still he gives as an example an exploited opportunity that has allowed him to directly sell his own products to breeders, and to shorten and improve the productive chain; he reports the correlation between the ability to exploit opportunity and relational skills). He considers it is important to have appropriate work knowledge of what one does and to be able to evaluate whether a given opportunity is a real opportunity to be exploited rather than an opportunity not suitable to one's own situation/personality/type of approach (he gives the example of agritourism).

**Case 3**

Man, 72 years old, O-levels education; he has been always engaged in agricultural activity (parental farm). The farm is located on a hill area in the centre of Tuscany, province of Pisa; these farm activities consist of grapes and wine production, bottling and packaging.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: interviewee doesn't provide a direct self-assessment but says: "a perfect business strategy to evaluate should be related to a phase of market stability that doesn't exist".

At the beginning he states that the adoption of a specific farm strategy is strongly influenced by market instability (especially for the wine sector) together with unknown weather conditions; then he declares that anyway his strategy consists of investments in new grapes variety and innovative wines adapting to the continuous changes of markets requirements. He says he invests a lot in processing, bottling and selling, to be always on the cutting edge and competitive. He considers this skill as the main one. He states that farmers, even the small ones, should have a strategy to enter the market and to be able to sell.

Interpretation: he makes a non direct self-assessment and initially not very clear; anyway he declares to have elaborated and followed in his experience a business strategy based on technological innovation and on new typology of products; he recognises he has this skill when he describes that he is still in the market, always on the cutting edge and competitive. However, as a whole, he doesn't present any other resources to define his skills.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he answers saying he has developed these skills apparent in the past and he keeps on even today: "Personally, I had them because I had contacts with many people in a network let's say of high level, and I managed to reach them", "I have always minded these connections myself".

He says he thinks of having this ability as to relations with his customers, to set up a solid commercial network to sell the products. He talks also of his skill in utilising contacts with Public Administrations. He maintains being able to connect with producers, even though it would be useful to talk more with them. He considers these skills important because they encourage the growth of sale opportunities, but he does not expand further into the subject.

Interpretation: he presents himself as a person who has the skill of utilising contacts and networking; in his presentation he uses as resources of this the experience he had in building relationships with his customers to establishment of a solid commercial network to sell the products. Another rhetorical resource he uses in his self-presentation refers to the contacts he built along all his activity with Public Administrations and farmers.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: initially he declares: it is very difficult to answer the question" and he carries on: "I will put a question mark as there could be or not this skill, but if it is not present it could be a problem...let's say that not all balls come to the net..."; he asserts to have recognised some opportunities when they have come up, but in the end there could have been better ones that he might not have recognised; in general he declares: regarding the opportunities I did not exploit, I managed well, and I have been lucky but I don't know...." He recognises not to have exploited the opportunity of the catering service of some national airports as an important business channel, but reaffirms not to be able to declare whether he has recognised other opportunities as such; lastly he declares that such skill is important because those who do not see opportunities fall behind.

Interpretation: he seems uncertain about the answer, he initially declares that it is difficult to be able to answer; later while talking he refers to the fact of having being able to recognise and also having exploited some opportunities (he gives as example the trading of his wine in some airports) but he refers not to have recognised all the possibilities that have presented to him with any certainty; he affirms that the chances he has exploited, have gone well, perhaps also due to good luck: "in our life there is always a good luck moment that comes along and if you don't take it when it comes it never will..."; under this vision to exploit opportunities for an entrepreneur means not to fall behind. Overall, the elements given in the self-presentation do not contribute to defining in a clear way whether the entrepreneur has or not such skill".

**(Case 9 and 10)**

**Case 9**

Man, 33 years old, Higher degree, lawyer; he has been responsible for running the family farm for 5 years. The farm (organic) is located in a mountainous marginal area in the north of Tuscany, province of Massa Carrara; activities consist of cattle rearing and fattening (organic niche beef production, Angus race) and direct selling in the farm-butchery; at the moment they are preparing to open incoming agritourism activities.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self presentation: interviewee answers as follows: “Within my farm there has been a business strategy at the beginning of activity, and it was based in recognising farm’s priorities and on moving consequently”.

He says that the main priority was the re-establishment of a farm that was in a state of neglect. In this first phase business strategy focused on market requirements towards some products. Thus he declares to have personally gathered information through the internet and going to visit different national and extra-national farms. Within this framework he turned towards those more suitable products for the context in which farm is located; he decided on running a breeding activity for quality meat production: “we looked for a quality product, a niche product, meanwhile without business competitors in this area, and we have adopted cattle of Angus breed”. The following phase has been focused on re-organisation of the production processes, investing a lot on farm structures, resources and automations so that to reduce labour fixed costs. He declares to have tried to re-organise marketing and selling phase through networking with other farmers who have a stronger leverage on the market (but he recognises that networking has been difficult and has provided few results). Currently he is going to start an agritourist activity and a specific business strategy will be based on co-operation with tourist agencies and on foreign guests; he also wants to develop diversification of farm activities through collaboration with Public Authorities for green services, also for the valorisation of agricultural machines increased in these years on farm. Finally he considers this skill very important, because he thinks that entrepreneurial activity cannot’ be left to chance, but to have planning, also using an informal business plan.

Interpretation: entrepreneur presents himself as very professional and explains himself very well, through a historical narrative, the development of his business strategy, clearly showing priorities, aims and actions adopted within his farm. He provides as a building block of his skill also the documentation (direct on farm and on internet) he gathered to elaborate his strategy. He shows particular skill in identifying strategies and actions for the future; he recognises the importance of having a strategy based also on informal business plan (he thinks that formalisation could determine few flexibility in adopting solutions, which in agriculture is an important aspect). As a whole he presents himself as skilful in creating and developing business strategies.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he answers providing a structured response: “As to production and contacts with other farmers, producers and breeders... probably not”; “As to marketing – that means a second category of actors, that means customers – I’m sorry to say – and this is a defect of mine – I have no ability to establish any network of relationships”; “It’s much better as far as suppliers are concerned”.

Thus he maintains that his ability depends upon the subject with whom he relates. He maintains he is not able to create relationships with other entrepreneurs, because he wasn’t able to establish it in his area, due to the low level of farmers’ business-like approach and their narrow-minded attitude. He maintains that with customers he believes that he does not have skills in relationships since he feels he is more talented in producing rather than selling; He also declares that he manages to interact with suppliers much better, thanks to supplier’s stronger businesslike attitude and with Institutions since they are available to promote and support farms. He recognises the importance that these skills have on all phases, from production to selling. He further specifies that business strategy must include marketing, which will never be efficient without a well-organised network of contacts.

Interpretation: he presents himself as a person who hasn’t got skills of networking and utilising contacts with customers; he attributes this aspect to his poor relationships with local entrepreneurs also due to their narrow mind attitude (which he also experienced as President of a local farmer’s Trade Union) and his better attitude towards production than selling; yet he says to show better these skills with suppliers and Public Institutions. Anyway he recognises the importance that these skills have on all phases, from production to selling.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** I answer by saying “It depends, sometime yes, sometime no...(..) it is intuition..., the intuition of understanding the things are changing, a sort of foresight...”

He confirms that he has been able to exploit certain opportunities, while he has missed out on some others, and he mentions a project related to the transformation of goat’s milk that he has been carrying on for five years and that only now he is able to finish, even if he declares, “*I have almost missed the train, for certain aspects*” He affirms that this intuition, that can be considered as a personal attribute, needs to be helped to be brought out, helped by keeping oneself informed, keep up to date, to follow the political developments and the laws, starting with the European laws. This can be achieved by participating in fairs, meeting, conferences, as well as putting oneself in other producers’ situation: *if there in other regions 40 producers that do a certain thing I can consider whether to do it too, perhaps there is not innovation, but at least updating, and this is already something...*” In the role of President of a Category Association he reckons that professional organisation should have a fundamental role in increasing knowledge of the sector’s workers, but he reckons that they are actually amongst the subjects “*more inactive if not harmful*” of the entire agricultural business. In addition, he declares that there is a difference between recognising and exploiting opportunities: “*recognising is the first step, exploiting is realising them*”, nevertheless opportunities are not always exploited because of one’s own inabilities, but because, for instance, sometimes an investment that one can’t take on is needed (“*It should be on the access to credit which is fundamental, that in my opinion, for the agricultural farm that has high investments and low productivity, perhaps more than for other sectors...the capacity of investing and modernising of an agricultural farm has to tack into the credit, if it does not have particular skills.*” Lastly he declares that such skill is not one of the most important, but that it becomes important: “*when things go badly... or for those that can’t be satisfied...or for those that want to move forward or for those that want to improve a situation that is undoubtedly compromised.*”

**Interpretation:** he affirms not to always possess this skill, he reaffirms that sometimes he has exploited opportunities, some other times not. In this sense he gives the example of a project related to the transformation of goats’ milk, an opportunity that he has not been able to fully exploit at the right time. He admits that such skill depend on one’s intuition skill, a personal skill that has to be developed through one’s own study, training and information, and also through the help of organisation in the sector, which at present are lacking; besides, because exploiting opportunities means achieving them, it is necessary that the producers is in a situation to do it by having access the most appropriate credit for the agricultural farm. Opportunities are above all useful to help out a difficult situation, and also for those who are not satisfied and want to move forward. Overall, in his presentation he seems not to be particularly able, but the reasons he mentions clearly show that he knows the meaning of opportunities, the ways in which they can be identified and the importance of his own farm to exploit them.

#### **Case 10**

Man, 33 years old, NVQ Level 3; he studied agriculture; before which he was a high-trained agricultural trainer in a north Italy with industrial breeding, before became responsible for running his own farm. The farm is located in a mountainous marginal area in the north of Tuscany, province of Massa Carrara; activities consist of sheep & goats rearing with a milk production and processing and on-farm made sheep cheese of raw milk-niche marketing (little farmer’s markets, restaurants, private consumers).

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self presentation:** interviewee answers as follows: “There is a minimum strategy in one’s mind... I think, excluding large farms, that it’s difficult to have a formal business plan... anyway you must have a minimum of strategy”.

He declares to develop his strategy according those products that are more required by customers, on the experience of the previous year. He reports, for example, to have noticed a growth of demand for goat’s cheese; thus he decided to increase the number of such animals within his rearing but without a specific, formal or written planning. As a whole strategy is based on a seasonal planning of milk and cheese production, according to feed, to the events in which he wants to participate (farmer’s market, exhibitions, fairs etc.) and to the kind of product he wants to present to final consumer. He declares to evaluate this way of working through an analysis of the activity carried on during the year, gathering data on production (milk and cheese). He recognises the importance of

this skill and states that every entrepreneur has a certain strategy in mind, even if he says that is not always necessary to formalise it through a written business plan.

**Interpretation:** the farmer in his self-presentation explains that he has a planning mainly based on the evaluation of the previous years; he doesn't refer to particular strategies but simply year by year he plans production on customers requirements, on demand trends and on seasonality. In general the importance of strategy seems to be in direct selling, where he has exchanged opinions with consumers and he knows what they prefer and what they would like.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** he provides a composite answer about his skills of networking and utilising contacts in relation to different partners: *"no... to be honest no... quite often I have contacts with wholesalers, but most times I somehow drop them... from this point of view I don't think I am a big get-together one"*.

He thinks that the reduced dimensions of his farm and his craft working methods will never be able to meet wholesaler's requirements in terms of quantity or prices (deemed as too low); He also declares: *"with private customers I have established remarkable links of trust...I have no problem with people coming to buy a cheese directly; on the contrary I enjoy being with them"*. He says he uses these contacts in fairs or farmers market where he sells his cheese, for increasing fidelity of customers, to improve appreciation of product and increase of sales. He declares that he has good relations with a few farmers, but these are often superficial without any real network; he also declares not to have too much skill in relating within Producers Associations although he says he is the President of the local Association of Breeders, and he has problems in connecting with Public Institutions, but only as to some aspects. He claims that these skills are important to promote commercial issues (such as buying of raw materials at more profitable prices or final sales on large scale), to create the possibility of selecting and addressing certain markets where it is not possible to sell directly, as indispensable, in particular with farmers that directly process and sell their own products.

**Interpretation:** he presents himself as a person who does not have skills of utilising contacts with wholesalers; the resources he uses to explain this aspect is on the previous relationships he declares to have had with some of them and to the impossibility of satisfying their commercial requirements. Anyway he presents himself as showing better skill when relating with customers, using contacts during fairs or farmers markets where he can improve appreciation of product and increase sales.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he affirms that he knows how to recognise opportunities, but of not knowing how to exploit them *"recognising them yes, perhaps not to exploit them...not always ready to exploit them..."*; this is because he considers himself a *"traditionalist"*, in other words somebody who *"has always produced in a certain way"* and *"in the good and bad we have always carried on"*, as because of having small productions it has never been necessary to diversify production. He gives the example of how he has been able to recognise in the last few years the tendency of fresh cheeses consumers' demand, but he declares that he has only exploited this opportunity lately, only since its sale has gone into a bit of a crisis and he has therefore started to diversify cheese production, by producing also a fresh one in order to have different products to display in the fairs, but he also declares: *"if we did not have a crisis, I would have never thought of it, even if I knew about the tendency, as until that moment the product was sold anyhow"*. He continues saying that there is a big difference between recognising and exploiting opportunities: *"it is easy to recognise an opportunity as it is the users that makes you recognise it, and you see it, as you just need to go to the supermarket...I have learnt to go and see what there is on the cheese display and understand the tendency...the problem is how to exploit it..."*

He also declares that this skill is important, but compared to the previous one (contact and networking) it is not indispensable, at least for small productions, while it becomes as such if we take into consideration large sized farms: *"since you have so much product to sell in a short time that you need to know how to exploit the all..."* Generally, this skill becomes more important if you consider opportunities related to loans, especially if you have in mind to build something in a short time.

**Interpretation:** he differentiates the skill of recognising opportunities from that of exploiting them, by declaring that he possess the first but not always the second one, also because, being a bit traditionalist, he has produced in a certain way and he has always carried on in this way. In fact not having had problems in selling his own – small – production, he has not had the need to exploit such opportunity that he had recognised long time ago (diversi-

fyng production to meet new consumers' tendencies); he has done it only the moment when his sale has gone into crisis. In fact he considers important such skill, particularly for those who have big quantities of products to trade, or if one has the need to obtain loans in a short time.

**d. A farmer stating that they have not followed any specific business strategy, because until now not necessary for the farm (Case 7)**

**Case 7**

Man, 50 years old, O levels education; he was a lithographer before being engaged in agricultural activity. The farm (organic) is located along the coast, on a low hill area in the centre of Tuscany, province of Livorno; farm activities consist of olive production, olive oil bottling and packaging - niche marketing.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: interviewee initially answers negatively: "I would say no... anyway it depends of what we mean...; I say no if we refer to a strategy for marketing".

He declares that he has not followed any particular business strategy until now, and he mainly refers to marketing; this is due to the fact that he has never had problems in selling his products (olive oil); however he recognises that, as a consequence of some difficulties that have characterised the Tuscan olive oil sector in the last two years, he will elaborate and develop a business strategy focused on sale diversification and on increasing the number of marketing channels. He says, about this issue, that he has already started with some initiatives: he produces a particular variety of olive oil (obtained by a single variety and flavoured- that is well appreciated by tourists), he promotes the organic production system (during fairs and events) and he has opened his sales to Consumer's purchasing groups and restaurants, as well as private consumers and specialist shops. He considers it is important for a farmer to adopt a strategy because by doing so he can identify more adequate marketing channels for his products. He finally adds that farmers should find alternative solution to the wholesale olives supply to mills, since to diversify with his own product (bottling and direct selling) guarantees the economic and professional acknowledgment of farmer's work.

Interpretation: entrepreneur makes a negative direct self-assessment saying that he has never followed a business strategy in the past, mainly for marketing, because it wasn't a prerequisite within his activity; however he recognises that a more specific strategy for his business is needed, to overcome new selling difficulties he begins to find within the sector; thus he provides some examples of actions he has already started to try to solve these problems that he uses as examples of a the skill of elaborating a business strategy.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he presents himself as skilful in utilising contacts: "Oh, yes, for sure", "Yes, with others as well, no problem".

He talks about utilising contacts with customers, that he uses mainly into product marketing, thus in finding market channels for the product (he reports an example that he managed to convince customers of other farms about the quality of his olive oil by providing them more detailed explanations about production methods and tasting than those provided by the previous farmers). He states, however, not to have too much skill in utilising contacts with Trade Unions, because he thinks they don't care about the interests of minorities (e.g. organic farmers like him). He says that utilising contacts is an important skill that nowadays farmers have to prove in marketing rather than during production.

Interpretation: he presents himself as a person who has a good skill both of utilising contacts and networking; in his presentation to enforce his assertions refers examples to his relation with customers, which is used to find of new market channels and within the Tuscan Coordination of Organic Farmers (CTPB) and one GAS (Purchasing Group) to which he belongs although he doesn't go further into the issue.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: the interviewee initially asks if the opportunity refers to "contributions, loans, or development plans"; he then affirms that in relation to possibilities of variations in the cultural plans for the refurbishment of an equipment park, he has always exploited such opportunity, without going to professional organisations, which are according to him, useful to "improving the farm"; he recognises opportunities and values whether to exploit

them or not, based on experience: “*it is the experience that makes you have certain considerations*”; he also declares: “*it is generally good to try everything... if it does not take too much of your time, you can easily try everything, when you are risking of exceeding with the expenses, you will think twenty times whether to make a choice...*” He reports the example of an exhibition in Germany of Italian Wine bar, where the presence of the farmer was not required but only a sample of the product: “*well, the money spent to send the products have been in my opinion wasted, because based on the experience, I am convinced that the product is not valued in this way or in a catalogue, as if it is when the producer is there to present and describe it. Lastly, he declares that such skill is important, as well as other skills taken into consideration: “I am not comparing (...), all three are important, because they are part of the same design, of the same strategy, an one can never exclude the other”.*”

**Interpretation:** overall the entrepreneur shows a certain skill; after having asked for clarification on the questions, he supports the fact of having exploited opportunities through the possibilities offered by the conforming to plans to obtain modernisation of the farm’s equipments. He declares that, although generally it is good to try anything, especially if it not too demanding, one has to evaluate which opportunities to exploit or not based on his/her own experience (he gives the example of an experience of participating in a German show); he declares that the three examined skills are all part of the same strategic design. Opportunities are reckoned important to improve the farm.

### **Summary of Value Adding (VA) case presentations**

The group consists of 9 farms characterised by added value obtained through diversification of production, territorial products, quality products, niche products, processing of products and shortening of the production chain. As well as the previous one, this group immediately provides similarities and differences due to different personal backgrounds, to different productive sectors (from organic vegetables to animal breeding), to different agricultural environments and to different social economical conditions (from the coast in Maremma to the mountain in Lunigiana). Age ranges widely from 33 to 72, but the majority is below 50 years.

Through analysis and comparison of elements offered in their respective presentations, we can say that in general farmers belonging to this group show at least more than one of the skills under consideration. Those expressing some “deficiency” refer not to total absence but to limits to the expression of their skills. The sub-groups have been created on the basis of skills and/or deficiencies as declared by the farmers. Obviously there are also “transverse” similarities and within a same group there may also be differences. Actually, the first and the last groups entail single farmers showing characteristics that are not comparable with the rest.

#### *Farmer showing special entrepreneurial skills characterised by use of a formal business plan (case 19)*

Coming from non agricultural sector, the young farmer appears very capable as to the three skills under consideration and is a single separated case (the only one), since his business strategy is formalised through a formal business plan assessed by a management software; strategy is based on multifunctionality so as “*to divide risks*”; he considers that it is very important to have a business strategy to understand potential mistakes and improve them; above all according to him the formal business plan is necessary to obtain credit from the banks. He uses contacts and networks so as to create a “*critical mass*” and to exploit his strategies and opportunities of becoming competitive. The three skills under investigation are considered as very important (even though business strategy comes first after relationships) and all important to efficiently run a farm.

#### *Dynamic farmers making the strong point out of their skill in utilising contacts and networking (case 17, 14 and 16)*

Subgroup 2 consists of three female farmers (aged 43, 47 and 60; 2 Italian and 1 German; two of them (14 and 16) with a non-agricultural background and 17 with a parental farm but coming from another activity in Public Administration). They manifest sound business strategy, optimal skills in utilising contacts and networking, ability to recognise and take opportunities. Business strategy is based on diversification/processing of local, traditional and niche products; it is indispensable to differentiate from mass production, to develop, to improve access to the market. Cases 14 and 16 assess business strategy through direct contacts with consumers, while according to case 17 the assessment is more directly connected with productivity, for example with reduction of production costs.



The three farmers depend also on relationship strategies, showing good ability to establish contacts (they are performing actors and also promoters of formal and informal networks). Case 16 negatively considers the closed mentality of the agricultural sector's components, which in general are not inclined to relationships. As to opportunity, they regard as important being able also to create them (in particular cases 17 and 14) and from this perspective they point out to the close connection between ability to connect and ability to recognise and take opportunities, since contacts and networks are experienced also as instruments able to foster and widen favourable conditions to be exploited. Networking is a valid instrument to exchange information, ideas and experiences, as well as to promote sales and improve farm activities together with the territory (nr. 14). To take opportunities means also to advertise one's products and improve their marketing (also by means of the short chain). According to case 16, poor exploitation of opportunities is frequently due to lack of information (on competition, markets, etc.) and not to lack of entrepreneurial skill (information should be provided by sector associations).

*Farmers with general entrepreneurial skills, yet limited under a few specific aspects (case 20, 3, 10 and 9)*

The present sub-group is further divided as follows:

(*Case nr. 20 and 3*): consisting of a young entrepreneurs and an older one (41 and 72 years) who demonstrate several skills in their presentation, yet they report that they are not totally skilled in recognising and taking opportunities. Their strategy is based in particular on shortening of chain (nr. 20 grows grains he sells directly to some breeders; nr. 3 processes his grapes, directly bottling and selling wine) so as to be autonomous (nr. 20) and competitive by means of innovative investments (nr. 3). Both appear skilled in their ability with relationships and underline the importance of such skill aiming at improving economic opportunities connected with sales of products, but useful also in carrying information around (nr. 20). They report having recognised and taken opportunities, yet not completely because you need also to be lucky (3) and you have to know what you are going do (20). To take opportunities means being prompt.

Nr. 20 presents analogies with the 3 farms of the preceding group, since connections underpin the other skills: business strategy flows through a network (although a small one) that allows direct selling, while the opportunity given as an example starts with co-operation with a network of breeders.

(*Cases 9 and 10*): these are 2 young entrepreneurs, skilled under many respects yet lacking in network ability, acknowledgment and above all take hold of opportunities. They appear skilled in put into practice their business strategies and consequent assessments, taking into account several productive and marketing factors (nr. 9 in particular provides a well planned professional business strategy and is also quite skilled in selecting future strategies and moves). Their business strategy is based on diversification and processing, production of niche and quality products, direct sales and, nr. 9 in particular, on exploitation of potential specific features in the territory.

Both think that a formal strategy is unnecessary: according to nr. 9 with formal strategies the possibilities for new solutions are less flexible; according to nr. 10 only the large enterprises really need them.

Connection skills, realised especially in utilising contacts rather than networking, are manifest only in relation with a few actors: nr. 9 is more inclined to production than to marketing, shows good connection skills with suppliers and Institutions; nr. 10 instead has good connections with customers and producers (the latter ones lack perspective to make the following step, i.e. networking to find common solutions). Both however recognise relevance of such skill, since this is the one that allows progress and rules the whole farm cycle, from production to marketing. Additionally no 9 asserts that strategy and contacts are closely connected, since to build and develop a business strategy entails ability to establish relationships.

Finally, not taking opportunities is due to several reasons, even though they are able to recognise new consumers' trend (10) and to get information and training (9). As to importance of information, no 9 point out at inefficiency of category associations, while both consider to be informed important in order to develop or to solve critical problems.

*Farmer declaring of not having followed any specific business strategy, because until now not necessary for the farm (case 7)*

This farmer, aged 50, shows on the whole several skills, yet he asserts not having used any business strategy (especially as to marketing) because until now he has had no problems in marketing of products. Due to current difficulties, he is starting to elaborate one, i.e. diversification of products and marketing channels. As to the latter

ones, he also uses networks (Communal Food Purchasing Groups – GAS). He possesses an ability to use contacts and networking, which he considers important especially to strengthen the marketing phase (in production technical support is much stronger).

### 6.2.3 “Non-food diversification” (NFD) cases

Group 3: cases n. 1, 2, 4, 8, 11, 18, 24 and 25 of the sample

#### a. Farmers showing good skills by exploiting social and economic opportunities originating from multifunctional farming (cases 18 and 24)

##### **Case 18: Non-agricultural business: care farming (care and support of people affected by psychic and mental disease, in collaboration with Public Administration-Health Agencies).**

Man, 34 years old, 0-Level Education; he has been always engaged as farmer in his parental farm. The farm (organic) is located in hill area in the centre of Tuscany, in province of Pisa; farm activities consist of horticultural production.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: he positively affirms: “yes, sure...I carry out a business strategy based on the products we have, in other words you have to understand what the farm wants and how it wants to do it...what are the market potentials, and then we move based on these”. He declares that the business strategy has changed in the course of the years. Initially products (organic garden fruits) were sold to GDO in a limited range; subsequently various factors (possibilities of furnishing school meals, participation in Social projects, contacts with Buyers Groups) have given the opportunity of using new trading channels; and consequently has increased the range of products being offered (from 4 to 60) but also production costs; which are nonetheless balanced by higher sale prices, achieved with these short market chains and that could have not been guaranteed by the GD. In addition, these products allow more trust from the client, who appreciates the products, and consequently there is satisfaction on the part of the farmer for his work being valued and for the quality of his products. Therefore the present strategy is based on strengthening contacts with various parts (Public Bodies, Associations, and consumers) and on the participation in various projects that allow a strengthening and also the start of new business circuits, which are short and able to guarantee higher final prices. Together with this, it is important to research new solutions to meet the needs of various clients, through the common production programming, amplification of the range of products on offer, and more suitable and usable forms of marketing. The interviewee believes it important for the strategy to be flexible and not rigid, leaving room for manoeuvre, in case new opportunities come up.

Interpretation: the farmer presents himself to be pursuing a business strategy that has changed in the last few years, and that is based on the analysis of the farm’s potentials and the relationship with the market. He describes the way in which the initial strategy has changed over the years; he has shown particular skill when he was able to elaborate a new strategy towards new opportunities arising in the social agricultural sector, and in contacts with institutions (schools’ lunches) and Associations (GAS); he has therefore reinforced links with them and he has initiated active collaboration and projects that have also guaranteed new business outcomes, shorter business chains that allow higher earnings. His presentation provides evidence of knowledge of a subject in which he has demonstrated, and continues to demonstrate particular skills in elaborating business strategies.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: The interviewee expressly states that he has this skill; this comes from an individual trait in him and also due to his “belief” in organic and social agriculture: “yes, I’m able to connect with people because I believe in organically produced products and in social farming also as a network of farms...”

While according to other farmers the skill is due to the difficult conditions of farming sector and also to the completely wrong economic system in which entrepreneurs and consumers operate. He manages to establish and utilise contacts and relationship with different actors (farmers, clients and suppliers) yet not sometimes with Institution because of a personal lack of understanding of bureaucracy and political systems; As to networking, he claims to be member of some Purchasing Groups (GAS) and participates also in a project on social agriculture, of which he was one of the originators. There is a double purpose in utilising contacts and networking: “on the one side it is useful to personally interact with farmers ready to have contacts and if you start and propose to

*act, then they are willing to do*” and maybe be able to make a project together; on the other side it serves to find solutions to problematic issues on the market or within the farming sector, not only on the side of producers but also consumers and this is exactly the meaning of the Purchasing Groups. These skills are viewed as key elements: *”Absolutely yes, to me it is top place, it’s important to interact. If you don’t, how is it possible to express what you are doing?”* It’s important to inform on how you cultivate your land, how you process your product; furthermore, large organised wholesalers look at the farms only *”as just a number”*, and this is another reason why *”it’s important to connect with people, and then if you establish contacts and build networks that’s even better”*.

**Interpretation:** he presents himself as a person who is very skilful in networking and in utilising contacts; the central rhetorical resource within his presentation refers to networking and contacting with local entrepreneurs and other actors (customers, suppliers, less with Institution) which permits him to interact personally to promote Projects and collaboration, to improve marketing and selling (both for farmers and consumers) and the farm and entrepreneurs image.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** the interviewee – perhaps because he identifies the term opportunity with something mainly economic – he initially declares himself to be unable to answer the question: *”I work a lot on the human aspect, the initial choice of following organic agriculture was done following the human aspect, as in those years there was not much business, and the same applies to social agriculture and the possibility of offering services for people’s social hardship; therefore they make a proposal to me and if I like it because the human aspect of it, I don’t look at the economic side; if this aspect comes out, I try to understand how to operate and I act following this; it isn’t that I don’t want to progress, but it comes as second to me”*.

Therefore to him opportunities are interactions and collaborations with people in view of creating projects that are of benefit to the community; and in this respect the results show that he has such skill: *”regarding results, I am personally satisfied at present, there is a lot to be done, but fundamentally human relationships are of fundamental importance.”*; he reaffirms that interacting with people and developing communication remain key aspects from which economical opportunities can or cannot come out; the sale at organic canteens, or the project GAS, and the social involvement, have all been opportunities that he has exploited through: *”a rather human and social approach”* and not because of the economical opportunities. Subsequently, when the economical side had also developed, he tried to do his best in understanding how to go about it. He believes this skill to be important: *”as an entrepreneur, I can say that I have had opportunities and I have been on the ball, and therefore I have done it...”*; but he admits to finding himself in difficulty to answer the question, He wants to point out what the opportunities are: *”if they are also economic, but do not take into account what is around you, then in my opinion these are not opportunities; but in another way they are; for instance if OGM crops and earning lots of money can be for someone an opportunity, for me it is not, I don’t care; therefore it always depends what one wants to achieve”*.

**Interpretation:** he initially declares himself not knowing how to answer the question, but once through the interview he admits of having such skill and in relation to this he gives the various examples such as the conversion to organic farming, the sale of organic products to canteens, and the GAS, a social agricultural project. He clarifies that opportunities are mainly viewed under the human and social aspect, as an opportunity for development and personal growth but also for others, exploiting opportunities represents a chance to interact with people, collaborate and create projects that are of benefit to the community (...) *”a common thing, to really exploit opportunities, is to consider one’s own expectations and future paths that one wants to follow (in relation to this an opportunity can be considered as such). Only on a latter stage, opportunities can be seen as such, also from an economic side, as have been the one previously mentioned.*

#### **Case 24: Non-agricultural business: agritourism and educational activity (schools’ visits) on farm.**

Woman, 54 years old, A-levels; she was a teacher before to start working within farm activities; the farm is located in a hill area in the centre of Tuscany, in province of Prato; the core-farming business is Cattle rearing.

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** the interviewee directly answers and in a positive way: *”surely, yes... since I started to work here I had in mind objectives for the work I had to do in the company, and I tried to achieve the short-term and long-term objectives through the creation of a programme as such”*.

She declares the farm, compared to the past, when it was run by her brother-in-laws, has in the last few years changed the strategy directed towards the territory and the local situations, in a way that creates synergies between farms and evaluates opportunities that the area can offer; he highlights the main aspects of her strategy as follows: creation of a network amongst entrepreneurs (especially amongst those that work in the same sector, (livestock management) and periodical links with Associations of breeders, in order to increase the value of certain typical breeds; and increase the value of projects, collaboration with Public Bodies; supply of services to the area, and approaches to the agricultural multifunction (i.e. educational farm); giving value to farms' structure and of 'agri-tourism' personnel, creation of 'agri-tourism' network; all of these aspects contribute to the farm, and the area benefits in a tightly synergised way. He also says that when elaborating a strategy, it is fundamental on the part of the entrepreneur to demonstrate certain creativity, *"the key that can open many doors"*. According to the interviewee to have a farm strategy is a very important aspect: to set objectives and achieve them by believing strongly in them, also through elaborating creative projects and paths, these are nowadays fundamental elements to make a company survive.

Interpretation: the farmer declares herself to be following a farm's strategy that has in the last few years changed and in contrast to the past (in-law's management). It has focused on opening up to the external context, looking for synergies with other farms and other areas' realities; she has demonstrated herself to be particularly able in reinforcing this strategy aiming at different steps in production (safeguard of typical breeds at risk of extinction), by being active in networking (creation of 'agri-tourism' network), multifunctionality and diversification (educational farm activities, services for the territory). She reckons creativity as a particular element that has characterised her entrepreneurial initiative and that she reckons has to be put side by side when elaborating a farm's strategy. All of these elements give an image of someone who has demonstrated and continues to demonstrate particular skills in elaborating a farm's strategy

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: at first she maintains that she doesn't think of being good: *"any good, but I try (laughter)"*. She adds, however, that she manages to utilise contacts and also networking, even though in *"an intuitive manner"*. Instead an agricultural entrepreneur should be more professional, since this is an *"absolutely fundamental"* skill and it is necessary to possess knowledge about it: *"because if you want to be able at networking you need to know something, to have knowledge, you cannot do anything just intuitively"*. In general she claims to have no problems in relating with different subjects (in this case especially Institutions, Schools, teachers, pupils and parents); as to networking, she had a few problems with old farmers, since it is not easy to share common paths with them because of *"different ways of interpreting farm activities"*; she is member of a Committee that gathers agritourism farms in the area, i.e. the local farms of the valley introduce themselves all together with an offer of 150 beds and with all traditional and specific resources of the area. The purpose of networking is closely connected with farm strategy (the interviewee largely speaks of networking, contacts and relationships when answering to questions of sheet nr. 2, from which we can extract the following concept: the farmer strongly believes in networking between different actors in the territory – farmers, institutions and associations. She uses networking in her farm strategy and to reach a real collective growth in the area. She claims that networking is fundamental to communicate the farmers' and farms' image.

Interpretation: after all she presents herself as a person who has the skill in utilising contacts and in networking; she uses as main rhetorical resource the experience she has in contacting and networking especially with other agritourism (less with local old farmers); she uses this skill within farm's strategy to improve a personal and general collective growth of the area. She stresses the importance of having relationships with everybody to communicate the farmers' professionalism and farms' image, elements that she uses to promote the educational activity on own farm.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: She declares herself to be *"very messy"* and she might recognise an opportunity, she will exploit it but may not always make it her own, as there are so many steps – time available, right situation at the right time, collaboration amongst people that are involved – that have to go in the right direction, and sometimes opportunities are missed. She declares herself having been able to exploit all the opportunities that had presented to her in terms of the educational farm (for instance, the regional funds); overall it is an opportunity that has had *"pretty good success"* as she reports *"we have plenty of work"*; in relation to products she affirms: *"probably I have missed some opportunities or I had fear of taking a rather too risky step than what I felt was right in that moment"*.

She therefore recognises the need to have such skill in certain fields, in other she still needs to learn, showing nonetheless willingness to do it. This skill is important, as often opportunities can come up by chance, giving rise to situations that were just hypothetical, a dream, as for instance the educational farm, created initially as a bit of a game, but later shown to be a very important activity for the farm: she considers it fundamental to have information about opportunities (she mentions the funds), which are scarce, and it could make a difference for the agricultural entrepreneur who “*stays hidden in his corner and will never know about these things*; in this respect, she reckons that some associations give “*very little help*” to entrepreneurs

**Interpretation:** she presents herself as responsible for some of the farm’s activities and gives as an example the educational farm, the creation of which has been a big opportunity that she has recognised and exploited, while for others (products) she still has to learn. She declares that it is important to have the skill of combining ideas with input and external opportunities, when you are ready/experienced to be able to achieve such ideas; in addition the presence of related information on opportunities and funds is fundamental, something that should be the role of reputable associations that instead “never help.”

### **b. Farmers showing good skills in running production and marketing by promoting relationship between farm and territory (case 1, 11 and 8)**

#### **Case 1: Non-agricultural business: agritourism with restaurant (catering).**

Man, 43 years old, A-levels education; he has been always engaged in agricultural activity (parental farm). The farm (organic) is located on an hill area in the centre of Tuscany, province of Pisa; farm activities consist of sheep, goats & other grazing livestock (Milk production and processing, on-farm made sheep cheese of raw milk, Olive oil production; direct selling on farm, niche marketing;

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** the interviewee positively answers the question: “Yes, I have a farm strategy, and by this I mean how the image of our company is perceived from the outside”.

He reckons that any farm should refer to the cultural socio-economical context within which it operates, activating synergies with other farms; in well-known area such as the one in Tuscany, he reckons that such strategy should be adopted, aiming at high quality products, by selling not just the product, but also the brand and the image of the farm, linked to the rural territory of Tuscany. In this way, he affirms himself to not having been limited just to the production phase of sheep’s milk and to the transformation of the farm, but to have activated other forms of income (‘agri-tourism’, direct sale to farms, production of cosmetic products etc.). This aspect is important as it contributes to the farm’s aim of making a profit, but with a balanced management that, especially for a farm, takes into consideration the protection and renewal of natural products. He states that he has done an economic verification (balance analysis, production cost, marginal revenues), and at the same time giving high attention to the personal quality of life (e.g. less net income, but travels around the world to promote products and start new networks). The business strategy is considered fundamental, especially in association, in other words if done by various farms of an area that operate in synergy, in a way that guarantees market expansion and further sales opportunities.

**Interpretation:** the farmer presents himself as particularly skilful in creating and developing strategies; he declares to have focused strategy on farm’s image and on its relationship with the territory. He started farming activity, succeeding his father, with a simple sheep breeding, following with the building of a dairy on farm to processes milk directly, adding a farm shop for direct selling of high quality products and developing an agritourism activity; he states that nowadays a farm must continuously evolve broadening one’s horizons. So that he recently started within farm a new activity of natural body care products. To achieve a good return he always made audits on the profitability of strategy adopted. An important issue for his strategy has always been to preserve natural balance within his farm and to pay attention to quality of his own relationships.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** he doesn’t provide a direct self-assessment on his own personal skill, yet he refers to his farm: “I think that a strong point of my farm in particular and of other farms in general is exactly the ability to have connections, to take part to many national and international events”.

He talks of contacts, direct connections with people (managers, caterers, on-line magazines, service companies) established in events and fairs; he says he uses these contacts to enter the market, to facilitate farm activities and to allow one's own products to become known. He claims that contacts with society in general are important since the farm operates in this social environment and has to confront with it.

**Interpretation:** He presents himself as a person who has the skill of utilising contacts; he recognises that his skill of relationships is the strong element that characterises his farm and states to have proved this with direct connections with people (managers, caterers, on-line magazines, service companies) during events, fairs but also daily with people (i.e. at the bar) to facilitate farm/agritourism-business, to improve his and farm image, and the adoption of new market channels. Within his presentation he doesn't provide resources to assess ones skill on networking.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he affirms himself to have this skill: "I have exploited everything I could (...) I think so (I have this skill) it is not me saying it but it is demonstrated by what the farm has achieved in 15 years";

In fact, he states of how initially the farm was formed just by both himself and his father, they were shepherds and did not even produce cheese. He then reaffirms that he has exploited opportunities and he has also tried to create them. He gives as example an American wholesale representative that he met at the Biofach fair in Nuremberg, and with whom he has initiated a collaboration based on business agreements that were different from what the wholesale had initially proposed, but more in line with his production capacity: "*non only did I exploit the opportunity, but I also changed it in my favour based on my possibilities*". Regarding the importance of this skill, he declares: "*this is one of these skills that if you don't have you don't go very far because you can't exploit opportunities that are presented to you, even in the form of contacts; because the farm does not progress*"; "*a real entrepreneur must have this skill*"; he concludes that affirming oneself to be an entrepreneur is a job that you don't learn just like that, nor like that you learn to recognise opportunities: "*it is something that you don't learn at school, but something that you already have and with school you can improve and learn how to do it better, but(...)you are born an entrepreneur, you don't become (...)*"

**Interpretation:** he presents himself as being able in recognising, exploiting and creating opportunities and he reckons that the excellent evolution of his farm has been proof of this; he uses as an example of an exploited opportunity, the one that has allowed him to trade oil in America through a wholesale contact, with whom he has reached a different agreement – appropriate to his productive dimension – from the one initially proposed. He reckons that opportunities should also be created, or "moulded", in relation to one's own possibilities, and situation; to exploit all these opportunities allows the company to grow and improve.

### **Case 8: Non-agricultural business: agritourism.**

Man, 40 years old, NQ levels 3 education; he studied on agriculture and he has been always engaged in agricultural activity (parental farm). The farm is located along the coast, on a plain area in the centre of Tuscany; farm activities consist of grapes and wine production, bottling, packaging and selling, (he converted a few years ago from prior core farming business, horticulture)

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** the entrepreneur answers positively to the question: "Yes, I have a philosophy that I carry on to reach an objective that I have initially set... let's say that is not something on paper, also because I am not a farm and I only have to answer for myself, and my family, but we have plans on what we want to achieve and these objectives have to be reached, and to overcome them would be even better..."

He affirms that his farm's strategy has been completely modified with the new shift in production from farm-fruit to wine-growing that has happened a few years ago. At the basis of this strategic choice there was his entrepreneur's will to face sales in an independent way from third parties (referring to relation with wholesalers in the farmer-fruit sector), and becoming "*his own boss in the goods decision*". In particular, the farm's strategy on production and wine sale is based on high quality production; that relies on innovation and consultation with external specialist (oenologist), to face on-going market changes presented by globalisation and in order to be competitive with the largest local producers. He says that he tries to reinforce this strategy by trying to expand his

production's borders and by activating contacts abroad and participating in fairs and international events (e.g. Vinitaly). He also declares himself to verify the developed programme and analyse weaknesses in order to improve them. Lastly, he recognises the importance of this skill as he reckons that an entrepreneur can't improve his farm without a strategic programme.

**Interpretation:** the entrepreneur declares that some years ago he has recognised and implemented a new farm strategy that has seen a conversion from horticulture to wine culture with the aim of becoming independent on his choices from people that had a greater contractual and decisional strength in the distribution chain, in other words wholesalers; up to now he has not entirely evaluated the effects of this new strategy, even if he declares to have verification and analysis of potential weaknesses in order to improve them. Nonetheless, he is aware of the importance of having a strategy, and he shows the ability in reinforcing it by consulting experts and specialists and by expanding his market horizon by participating at important fairs and international events (vinitaly). In his presentation he does not refer to strategies adopted in the agricultural activity, probably he is at present very busy with the new wine-culture activity.

*Skill: networking and utilising contacts (sheet 3)*

**Self-presentation:** he initially assesses his own skill as follow: "Let's say I don't think I 'm on a top level", but he acknowledges his own efforts to improve and develop such skill: "Let's say I have the will and strength to do it, because more or less you have to confront and because to improve yourself it's more useful not to stay quiet and peaceful at home...".

He compares his own skill in networking with other wine farmers in the area, by which he exchanges suggestions, opinions and shares common purchases (machinery for the vineyard and for bottling). He says the purpose for networking is to guarantee small wine farmers, like he is, and their market strategies; he also talks about utilising contacts and he refers to relationship with other colleagues, suppliers and customers, that he uses to achieve a general work improvement, to produce and to sell avoiding the same mistakes that others had already made; he states that networking is important for the small-sized entrepreneurs so as to avoid being crushed by large competitors without any opportunity of marketing channels while utilising contacts with customers is an important factor also in promoting agritourism.

**Interpretation:** he presents himself as a person who does not have a very high level of skills both of utilising contacts and networking; yet he states his own efforts to improve and develop such skills and uses as resource uniting other small wine-farmers in the area to be alternative to the market strategies of large producers, to favour steady comparison, and to allow common purchases at reduced costs. He also refers to relationship with other colleagues, suppliers and customers to achieve a general work improvement, to get information to produce and to sell avoiding mistakes, but in this case he doesn't make a specific reference to networking.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he does not give a direct answer, but affirms: "the answer is divided in two as, firstly you can recognise when something is possible to do, but secondly it is worth checking your budget to evaluating whether you are running before you can walk, and in order for that to become an opportunity because it could well end there."

He gives as example the claim – that it has been approved – for the loans through the Leader + GAL Etruria to buy machinery for the wine culture sector, that he has found out on Internet, in fact he affirms: "I like browsing on Internet, if there are possibilities to take advantage of contributions"; he tries to involve in these opportunities other entrepreneurs to reputable Association's meetings; he locates other opportunities in fairs that are useful to "expand the market"; in this context since it is not possible to do everything has been proposed, also because of high cost, it is necessary to evaluate, also through the colleagues' opinion, on what to choose according to the farm's needs and goals.

Regarding the skill's importance he does not directly answer by mentioning the dichotomy previously mentioned: "I answer a bit in the same way as before: one thing is the skill of recognising what can be an opportunity, knowing how to single out the moment; another is to be able to achieve such opportunity because the key to it is the economic situation; you also need luck to have the best opportunity in the best moment..."

**Interpretation:** he does not give a direct self-assessment, but he affirms to have used the new possibilities envisaged by the public investments to buy machinery and to continue carrying out the research by gaining new in-

formation on the internet, and looking for the next fairs in order to participate and expand his own market, and involving other farmers in the opportunities found, he shows his skill of recognising and exploiting opportunities. He affirms that once an opportunity has been recognised it is necessary to evaluate whether this is achievable, if one has or not the possibility to exploit it, according to one's own needs and (economic) situation so as not to run before you can walk.

## Case 11

Non-agricultural business: *agritourism*.

Man, 35 years old; the farm is located in a mountainous marginal area in the north of Tuscany, province of Massa Carrara; farm activities consist of grapes and olives production, wine and olive oil - niche marketing-Agritourism with restaurant (catering).

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: the interviewee answers in a positive way: "yes, let's say that the strategies can also be different depending on the subject in question".

He declares that in his farm the strategy evolves in relation to the production and marketing phase; in relation to the agricultural production (wine) the strategy is determined based on the market course, or in other words the consumer's requests, and therefore the productive line focuses on the end product; in this way he reckons it is useful to compare oneself with other experiences, to see the market's trends, and what the potential clients wants and subsequently to adopt business strategies.

Regarding the marketing besides the conventional business channels more appropriate to the farms dimension (direct sale to consumers or to sector's operators) the farm aims at channels of innovative sale (e.g. 'on-line sale' through the offer of stock products with particular offers at specific time of the year). He declares that this requires an on-going up-dating (through internet or magazines) by him and the need to compare with other entrepreneurial realities.

He declares that he implements an internal verification, that takes into consideration the results of a strategy compared to previous years, that brings out, by observing if the implementation of a specific strategy has or has not brought increases compared to different strategies adopted by similar farms; the checks are also not formal but they are always constant and refer to the revenue for the wine production, even if it is often influenced by the market's flows; nevertheless in 'agritourism' revenue is not longer reliable data because it depends on the period and on the presence of guest in a given structure. Lastly, he reckons important to implement a strategy in a farm that allows to eliminate the production costs and at the same time to elaborate a marketing plan to sell the product; a skill that has to be part of the professional skills of the farmer and that have to be continuously evaluated and confronted with other entrepreneurial realities.

Interpretation: the entrepreneur expound his strategy in an articulate way, reporting objectives and actions related to the production phase, of marketing, products, and agri-tourist activity; it is not a formalised strategy through the use of a strategic written plan; for the production phase he demonstrates a particular skill in looking to strengthen the strategy (aiming at an end product of quality) by doing a constructive comparison with other farms, and knowing the market, its evolution, the client's demands; regarding the marketing he has found further trading channels in the sale of stock products (wine, grappa etc) via on-line; he continuously keeps himself updated through various sources of information; he implements constants checks both within the farm (comparison to previous years) and outside the farm (comparison with other farms); all these elements show a particular entrepreneurial ability in the adoption and elaboration of a business strategy.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: the interviewee answers to the question very concisely. He comments his own skill: "I believe I have it, even though I may appear to boast, but I manage to cover relationships with other producers, as well as with other actors within the sector and also outside."

He speaks of these skills in terms of dialogue and relationship with other producers, but he doesn't say explicitly whether he is involved in producers' network. As to utilising contacts, he refers again to dialogue and relationships he has set up with other subjects also external to the sector and with Bodies engaged in promoting and



distributing the product. He thinks that networking of producers is particularly important in a global market, since a producer is not able to penetrate a specific market on his own, while he has more chance in conjunction with others. To be able to establish dialogue, to be able to utilise contacts is important because out of exchange of opinions it is possible to have synergies suitable to solve shared problems.

**Interpretation:** he presents himself as a person who has skill of utilising contacts; he based his belief on reporting the relation he has with producers and other farming people for promoting and distributing products. He calls them relationships, but he never refers, here, to a specific activity of networking or adoption or involvement in networks. He identifies these skills as being important in penetrating specific markets and in activating synergies among farmers.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he positively answers the question, specifying: “sometimes it is opportune to be in contact with other operators because so many opportunities perhaps can’t be exploited alone but can be exploited in much more incisive and performing when it is a group of people, when you create a partnership”; he gives as example some clients that wanted a quantity of product that on his own it would have not been able to satisfy because of this he had to be supported by other producers that on their hand have exploited the opportunity. He declares that there is difference between recognising and exploiting opportunities as “to recognise you need very little, you need a thought that this could be a very nice idea”, while exploiting “is a subsequent step” that requires “a bit of courage because suppose the use of time, energy, and economic, and you never know whether they will go to a good end, it is part of the investment and of the managerial risks”, the entrepreneur reckons and he says it while laughing, of having such courage “sometimes you have it less, it depends”. In addition, he affirms that this is an important skill because “for instance, it gives you the possibility of having more potential clients, to make your name known”. In fact he asserts that the opportunities can be linked to the market, in other words, new clients that increase the sale and the revenue, or linked to the production, in other words: “opportunity of growing, new productive strategies, new productive techniques”.

**Interpretation:** he positively answers the question by clarifying that in some cases opportunities have to be exploited in a partnership as this make the situation work better; in fact he gives as an example when he has been able to satisfy quantitatively the requests of some clients thanks to the union of other producers. He declares that recognising an opportunity – new clients, new productive strategies – it is easy, while exploiting and achieving it requires a certain amount of courage – use of time, energies and economies – as a good result is uncertain, but he declares that this is part of the managerial risk. Through these elements, the entrepreneur presents himself as able to recognise and exploit opportunities.

### **Farmers who repeatedly declare they do not follow any production strategies, yet present themselves with good skills in networking (case 2 and 4)**

#### **Case 2: Non-agricultural business: agritourism**

Man, 48 years old, A-levels education; he has been always engaged in agricultural activity (parental farm). The farm (organic) is located on an hill area in the centre of Tuscany, in province of Pisa; farm activities consist of cereals production in part sold to a mill which processes grain into organic pasta; selling of pasta and other farm products in Agritourism.

*Skill: creating and evaluating a business strategy (sheet 2)*

**Self-presentation:** the interviewee answers negatively, but he can see possibilities for the future “Up to now no, but certainly from next year”.

He declares that he has not followed particular strategies for the farm up to now, as within his activity it was sufficient to give value to the best opportunities given by the funds and loans from the PSR and PAC; nevertheless he reckons that from now on the revision of PAC, with the changes to the system and the creation of direct contributions to farms will bring a change in his farm’s strategy; he declares that the new strategy will have to aim towards product diversification (transformation of his own production of organic wheat in flour and bread into an oven that he wants to build on the farm) of the agricultural activity. In this view he reckons that the agritourist activity is very important and has to develop a specific strategy for this activity (promotion of the farm

and of the territory through aerial photos and use of a web site, diversified offer of farmers' products to clients, a clientele of trust).

He declares that the problems that farmers will face with the change of the CAP are today even more felt and he gives as example of how many producers compared to the pasts, also non organic, attend today CTPB meetings (of which he is a member) to find common solutions (i.e. exchange ideas, aggregation of products' offer etc.)

Interpretation: at the beginning entrepreneur declares to have never followed particular business strategies, because they were not essential within his activity. He states that till now it was enough to look for and to use public funding for cereal production; Although this assessment he provides seems to show a certain lacking of skill, anyway, due to the changing of scenarios and perspectives within the cereal sector, he recognises that a more specific strategy is needed. He takes as an example how he is moving on within the elaboration of a Project focused on product diversification (it refers to a higher quality wheat production to make bread on a farm oven and to sell it on short market chains); he also refers he is trying to involve in this Project different people (from University to Purchasing Groups [GAS]). He shows a need of strategy elaboration also on agri-tourist activity, where he aims at different promotional solutions.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: he immediately confirms to have such skill: "Yes, surely yes", although then he adds "Or rather we try, we take action, and then I don't know if I'm skilled or not because results are not always the same you would expect. I do make connections, for sure, and I think I keep doing it but as to my ability it's up to others to say I have it or not".

He talks of networking that he uses within the Consortium of Organic Producers to which he belongs, to reach targets by means of union of producers' intents (i.e. a Project about producing quality bread processed with flour from a specific variety of wheat, totally different from the industrial production). He says that networking is an important skill because it gives the opportunity to operate in short term and provides an opportunity of comparing with others' experience and learn what is more useful for one's own business.

Interpretation: He presents himself as a person who has the skill of networking; he brings as resources his networking activity within an Organic Farmer's Committee he uses to reach targets by means of union of producers' intents.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: Initially a bit uncertain, he declares that he has such skill "*sometimes you have sometimes you don't, generally but truly generally it is yes*"; he mentions as recognised and exploited opportunities those of spelt that he has started to grow as the first in his area (in 1998), together with a friend, whose advice he followed, an opportunity that he had positively evaluated both from a market point of view, that was asking for such an organic product, and from agronomical, as such culture was appropriate for the organic growing; another opportunity that he exploited was that of substituting a variety of ancient wheat suggested by an agronomic expert that he has given him an higher outcome. He then declares that if he divides up the economic aspect and the quality of life, he thinks he has guessed right on how to exploit opportunities, as even if he earns less than in the past (the high quality of the products is expensive) "*it is fine because when you come home you see an environment that you like, a house that you like and therefore...*". He reckons that such skill is important "*If not apart the economical side, if you don't know a minimum how to exploit what you want it is tough*" also because in the agricultural sector life is mainly on your farm and "*therefore if the work you do, you can make it "noble", meaning you contribute to others and that satisfies you, that does not always damage and destroy but that sometimes creates, then you are already at a good start...*"; therefore "*it is important to exploit opportunity because refer to your life*".

Interpretation: he initially seems a bit hesitant and gives an answer that does not allow a clear interpretation; however he affirms that he has a skill even if partially and gives several examples of exploited opportunities, such as having started the growth of spelt, a researched market product and appropriate for the organic method, and that of ancient wheat varieties. He declares that opportunities have to be exploited in order to have a life of high quality: in agriculture your own life coincides greatly with that of the farm, therefore to exploit opportunity to have an agriculture that creates rather than destroys, that does something for others, this make the work "noble", of higher satisfaction (opportunities saw not only from an economical point of view, but mainly social and human).

**Case 4: Non-agricultural business: agritourism.**

Woman, 67 years old, A-levels education; she had been a secretary before engaging in agricultural activity. The farm (organic) is located on a hill area in the centre of Tuscany; farm activities consist of Grapes and olives production, wine and olive oil selling in agritourism.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: the interviewee answers in the following way: “perhaps we have a strategy rather for the ‘agritourism’ than agriculture... we don’t plan year by year of how to improve the agricultural part, we adapt to what happens and we see how to carry on, this is the strategy.... We adapt to what happens, and we see what needs doing, it is not something planned.”

She reckons therefore that for the agricultural phase it is difficult to adopt a particular strategy given the limited farm’s productions and therefore she limits herself to adapting the production to the clients’ requests. In relation to ‘agri-tourism’ there is instead a farm’s strategy based on diversification and improvement of quality of the offer of the lodges (various apartments for various needs), and on the promotion through collaboration with other ‘agritourism’, tour-operators and tourist agencies, via either internet or paper advertisements. She declares that a farm of a given size should have a farm’s strategy but the unknown issues that gravitate around the agricultural activity (climatic conditions, markets, etc.) make one think that it should not be possible to adopt a real farm’s strategy.

Interpretation: entrepreneur says that she doesn’t follow a particular strategy, due to the small dimension of her farm, although she recognises the importance of creating a business strategy within farming activity. In such way she doesn’t provide further elements to define her skills. She instead manifests better ability when explaining strategy adopted for agritourism, which is more specific, well structured, aimed to diversify and qualify the offer and focused on building networks with other agritourism, tour operators and tourist agencies.

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: she provides a very positive direct-assessment about her skill: “I would say yes... for sure I’m able to have contacts with people and to utilise contacts not only with my personal clients but also with several other clients”.

She refers to the ability of utilising contact mainly with the customers of the farm and agritourism, for selling not only a holiday but also an image of the way of being of the entrepreneur, of his/her ability to care for guests and of being appreciated and chosen for these reasons. She also says that she is involved within an informal network of agritourism in their area and she is trying to improve contacts. She claims that utilising contacts and networking are important in agritourism activities to promote services, products and to enlarge reception capacity of the area resulting in economic benefits for the farms belonging to the network. In addition to this she claims that her own skill has contributed to improve her knowledge but also the appreciation she receives from different actors, in particular within the rural environment that is strongly male-oriented, when she moved to Tuscany from Milan (North Italy) at the beginning of the 80’s.

Interpretation: she presents herself as a person who has a good skill of utilising contacts and networking; The context of her presentation refers to farm business and to agri-tourist activity where she is able to use contacts with customers for selling products but also to show own way of being, and a network of agritourism to promote services, products and to achieve a general socio-economic growth in the area. Another rhetorical resource she uses in her presentation refers to her life, when talking about her skills that she had to demonstrate when relating with new people after moving in the area especially as female newcomer.

*Skill: recognise and realise opportunities (sheet 4)*

Self-presentation: she positively answers: “*a posteriori I can say yes*”, and subsequently “*I feel I can say yes*”; she gives as example the tourist activity that she started and diversified as a way of pleasing different types of users. She then talks of the difficulty of agricultural activity especially wine, which production does not allow her to be part “of a certain discourse”, while with the oil she has been able to create trust with clients in an advantageous way. She declares that this skill is important: “*sure, I think so(...) if I had this skill also for the agriculture I will be on the ball*”.

Interpretation: she present herself as able, referring above all to agritouristic activities; in this case she gives the example of exploited opportunities to start and later diversify this agritouristic activity: nonetheless she expressly

recognises of showing less ability for agricultural activity; overall this part of the interview is very concise the resources mentioned to demonstrate her skills are rather limited.

**A specific case: the manager of a social farming co-operative (Case 25)**

Non-agricultural business: social care farming (care and support of people affected by psychic and mental disease, in collaboration with Public Administration and Local Health Agencies) and agritourism.

This case is quite different within other cases of this group; this is due to the fact that farm-activity is a branch of a larger Social-co-operative which is involved in care activities (rehabilitation and support of people with mental disease in collaboration with Public Administration and Local Health Agencies). Thus the final mission of the farm isn't addressed to obtain an economic profit but rather on social aspects. Anyway, within a framework of entrepreneurship, the farm also managed to pay attention to the budget.

The farming manager is a man, 43 years old, A-levels; he was an educator before to start working within farm; the farm is located in a hill area in the centre of Tuscany"; the core-farming business is Olives and horticulture.

*Skill: creating and evaluating a business strategy (sheet 2)*

Self-presentation: the interviewee gives the following answer: "the strategy at present in the farm is that of integration with the mission of a co-operative, and thereby offering psycho-social rehabilitation to disadvantaged people and work opportunities to people coming from less well off bands". "I would say that at the moment we are in a phase where a real strategy has not been implemented for the agricultural side, but the deep conviction that at first this farm has to stand on its own legs and therefore leave an assistant and external approach and it is necessary to implement a strategy so that this farm can economically stand up on its own ..."

The interviewee identifies three strategic priorities that refer to the social mission, the positive management of the farm's revenue and the production of quality foodstuffs products; in achieving these strategies he declares that some verifications are necessary; verification of the social aspect of the effective participation of people to developmental training (in the last 5 years there have been 5 cases) in the productive process; the economic verification of the farm's management is done through the revenue: the economic healing of the last few years has given positive outcomes and the losses of the past have been overcome; indicators that the strategy of reaching good products has been nearly achieved, are found in the requests from food-stuffs representatives that find the products interesting, not only for the social aspect, but also for their taste and quality from the local wine route Consortium that often requires the co-operative products to be at fairs and expositions. It is very important for the interviewee to follow a strategy on a farm, because it allows a position on the market, giving in this way an input to the quality and promotion of products that are characterised by their ethical and social content.

Interpretation: Even if he is in a different situation from that of a "real" entrepreneur; the interviewee is actually involved in the restructuring phase of the agricultural farm; the priority is to report a revenue as balanced, with the primary objective that is the social one; he has been able to locate fundamental points on what will be the future strategy, namely to be able to make the farm independent of the co-operative from an economic point of view focusing on quality products; a few audits on the revenue have confirmed that the strategy adopted in the last few years is starting to give positive results; during the interview he recognises that he does not have particular skill in the agronomic field, but is very motivated and decisive. He reckons he has been chosen for this managerial role because of his specific experience as an educator;

*Skill: networking and utilising contacts (sheet 3)*

Self-presentation: He explicitly affirms that he possess this skill: "I feel I can say that I'm quite strong in this sense", also because this is part of those competences inherent in carrying out social activity. "It is somehow our job, so we can say not only for me but also for all the people turning around us; these are the things easier for us".

He talks in particular of his skill of networking with different subjects, such as institutions, farmers and other actors of social farming; at the moment, among other things, he carries out a project that involves some local producers of product able to promote the territory. He says that the purposes of networking are implicit in the farm mission, which is a social one; therefore farm activity is based on projects for which association structures, collective dimensions and dialogue are essential factors. He considers the skill very important, because it provides a better visibility and understanding of own activity outside the farm and allows him to find partners for

Projects. He claims that to associate is fundamental because it allows small sized farms to start initiatives that would otherwise be impossible in isolation.

**Interpretation:** He presents himself as a person who has a good skill in utilising contacts and networking; the rhetorical resources he uses in showing such skills refers to his activity of contacting and networking different subjects, such as institutions, farmers and other actors of social farming he played and continually plays within the social mission of the farm, to promote and develop socio-economic Projects. In this way he claims that networking contributes also to unite the forces of small farms, providing opportunities to start initiatives otherwise impossible in isolation.

*Skill: recognise and realise opportunities (sheet 4)*

**Self-presentation:** he affirms that he hopes he has this skill as ;“*it will be fundamental*”; he gives as example an idea related to a project on the pasture activity, an opportunity that has been recognised and where “*they are working on as to make it exploitable as such*” as “*for these projects you need the contribution of different people from ASL but also the Council and the Borough and probably we count upon being able to take advantage of a measure of the Developmental rural Plan for the social agriculture and therefore a very important source of funds..*” He declares that this skill is important “*also in the sense of capacity of innovation*” that allows to put “*together a working machine*”, as the opportunities related to innovation give “*breath to all the rest*”, in fact he reflects that “*probably agricultural activity it would hardly be able to guarantee certain results and therefore in this moment I foresee an opportunity in diversifying ... (..)Sometimes, I think that, it is important to survive not just for increasing the revenue*”.

**Interpretation:** he does not directly answer the question affirming that he hopes that he has such skill. He gives the example of opportunities as that one of the production of dry figs, and of the pasture project, an opportunity that he is trying to exploit. Opportunities are seen as skills of innovation, diversification, and are important not just for increasing the revenue, but also unfortunately, for the farm’s agricultural survival.

### **Summary of non food diversification (NFD) presentations**

The NFD group consists of 7 farmers and 1 manager in a social co-operative association (6 men and 2 women with an average age of 45.5). Farmers carry on also further non-agricultural activities in the farms. As already mentioned above, agritourism is one of the most common activities used to diversified production in the Tuscan farms and today is also a relevant source of additional agricultural income, often even the prevailing one. With the exception of case 18, all farms in the group carry out agritourism. However, only in 5 cases (1, 2, 4, 8 and 11) within our sample we considered this as a non-food diversification activity. Aside from the single entrepreneurial skills, it is necessary to underline that these farms are located in specific territorial environments affected by large tourist flows and this undoubtedly contributed to give impulse to the development of agritourism activity.

In 3 farms (18, 24 and 25) non-food diversification activity is a social one (care farming and educational farm).

The productive orientations of these farms range from production of wine and oil, to horticulture and to cereals.

It is not easy to select further sub-divisions of farmers showing relevant similarities and differences. In comparison with the other groups, activities and multifunctional aspects here increase, together with complexity of connections to be taken into consideration. As a consequence, also the choice of which elements are to be investigated when assessing and illustrating the respondents’ entrepreneurial skills is increasing.

However, for the current group we selected the following typology of farmers:

#### *1 Farmers showing good skills by exploiting social and economic opportunities originating from multifunctional farming (cases 18 and 24)*

These two farmers have quite different backgrounds. Case 18 is a young man aged 34 without any specific education, he has always been involved in farming, he works in the farm he inherited from his father and produces vegetables; case 24 is mature woman aged 54, is a former teacher, has substituted her parents-in-law in the farm, which is now mainly focused on animal breeding.

However, in comparison with the preceding farms, these 2 entrepreneurs have characterised their managements through more marked openness to the outside and have started to tackle with those opportunities that might be

offered by the territory. Showing further skills they have been able to exploit some of those opportunities, mainly originating from the new requirements that society has recently started to demand from farming, i.e. not only production of quality consumption goods but also availability of services in the social, environmental and energy fields. In this case, pushed by their personal conviction of being able to carry out their role of farmers also in the social fields (support to people affected by psychological and social problems and teaching rural traditions to children), they have enhanced these opportunities elaborating specific business strategies, even developing new ones and relying on good skills of using contacts and networking. The final result is the general economic development of their farms. In their self-presentations these farmers are proud of being able to run their farm efficiently, to be part of networks and to carry out such activities that also contribute to promoting the collective territory

*2 Farmers showing good skills in running production and marketing by promoting relationship between farm and territory (case 1, 11 and 8)*

Under this typology we can include those farmers showing peculiar skills (in growing order from case 1 to 8) of elaborating strategies, utilising contacts and in general being able to recognise and partially take opportunities. They base their activity on promoting quality production (from wine to cheese) and largely using those elements that might identify the farm as part of the territory in which is located. The image of both farm and farmer plays an important role in communicating with the outside. Thus, marketing to promote these aspects becomes fundamental. Farmers show good skills in this phase, they promote themselves in fairs, exhibitions and events, where they establish contacts with people and they get information also from the internet.

Along with these activities, agritourism also becomes simultaneously an objective and an instrument of promotion of both farm and territory, in this sense farmers are particularly skilled in using web sites. An important element seems to characterise them in comparison with farmers investigated above (SG1); even though in their self-presentations they seem to show good skills in using contacts with different actors, in comparing and co-operating (occasionally) with other farmers and in acknowledging the importance of activating partnerships they don't report of belonging to formal networks nor declare specific skills in this area.

*Farmers who repeatedly declare they do not follow any production strategies, yet present themselves with good skills in networking (cases 2 and 4)*

These two entrepreneurs share their assertion of not following at the moment any specific business strategy. Case 4 attributes such a lack to the small size of her farm that do not require a business strategy; case 2 acknowledges he has never used any strategy because he has always programmed his farm toward the exploitation of production benefits provided by CAP and Tuscan Rural Development Plan's subsidies. Apart from this orientation which may be seen as a precise strategy, it is nonetheless interesting to note that during the interview the farmer reports he was among the first to start cultivating organic spelt many years ago; at that time production of spelt was not common, so he took an economic opportunity, which included vivacious strategic choice and not only activity focused on supports to production. He intends also to develop future strategy focused on diversification, because he is aware that the new courses introduced by the CAP will limit the one used until now. Both farmers were among the first to start organic farming in Tuscany (they are also among the first members of Tuscan Coordination of Organic Producers, i.e. one of the oldest organic association in Italy). The adoption of organic farming somehow reflects their interpretation of agriculture, which for both of them means to guarantee good quality of life, good products and good relationships with the environment. They are similar to the previous group when they try to transfer these elements into the agritourism activity, together with their way of being and their image. In this case, they prove that they possess an ability to elaborate strategies and the willingness to strengthen them. In contrast to the previous group, however, they show also good skill of networking, in particular farmer 4 takes part in a network of agritourism in the area and farmer 2's networking skill is expressed within the Coordination of Organic Producers.

*A specific case: the manager of a social farming co-operative (Case 25)*

This case is quite different from other cases of this group; this is due to the fact that farm-activity is a branch of a larger Social-co-operative, which is involved in care activities (rehabilitation and support of people with mental

disease carried out together with Public Administrations and Local Health Agencies). Thus the final mission of the farm isn't addressed to obtain an economic profit but rather on social aspects. Anyway, in terms of entrepreneurship, the farm is also managed with attention to the budget.

The person in charge of the economic side definitely is more skilled in elaborating and activating contacts and networking aimed at obtaining alternative financial resources (Projects and co-operation with Local Health Agencies) than in agricultural production, which by now is in course of development. As he said, his skills allow him to work and manage people in need of support and originate from his experience as an educator; this is also why the President of the Co-operative association chose him. Additionally, his studies of agronomy allow him to assess the efficiency of the farming sector of the Co-operative association and also to activate strategies focused on quality products which are characterised by ethical and social contents and start to be appreciated by Conventional dealers, associations and consumers.

#### 6.2.4 Overall comparison of presentations among three groups

##### **Summing up the similarities and differences in skill-related self-presentations between individual cases:**

All of the interviewed farmers were kind and ready to receive us and to answer questions; only in a few cases did we notice some slight impatience due to the length of the interview.

Although with different content and shapes, all respondents answered questions as proposed by the sheets, usually understanding the meaning; we think that some people experienced more difficulty understanding the question about "business strategy" and explaining with concrete examples the answer about "opportunities".

We can also say that the more talkative ones did not always fully understand the question or provided exhaustive answers, while in our opinion several more concise respondents fully answered with no need of further urging.

On the whole, in each of the three strategic groups we have no record of any farmers declaring that they did not possess all the three skills.

Leaving aside specific similarities and differences resulting from the summaries we reported for each strategic group, in the current paragraph we would like to employ a general differentiation of entrepreneurs sub-dividing the *self-presentations* according to *resources* and *elements* brought about to characterise level and modes through which they manifest all their skills within the farm-business.

To this aim, we selected two main groups of interviewees:

- (a) – Farmers who provide resources which enable them to present their skills credibly;
- (b) – Farmers who do not provide resources as to some skills (or specific aspects) or do not do it sufficiently or who openly declare they have gaps, or openly declare that they are not skilled. Often the distinction is a subtle one, so that some examples from the second group might be fitted in the first one and vice versa.

Such comparison does not divide farmers into skilled and unskilled ones, but merely identifies a different way of presenting oneself and recognising one's own skills. For example, case 9 offers a very articulate, valid and detailed presentation, but he also manages to detect his shortcomings. On the other hand, other respondents present themselves as skilled, yet they do not provide exhaustive resources to support their assertions.

*(a) Farmers presenting themselves as having skills, being able to utilise them, through comprehensive and convincing rhetorical resources providing for each skill.*

Case: 19 (VA), 5 (C), 17 (VA), 15 (C), 18 (NFD), 24 (NFD), 21 (C), 14 (VA);

In general these farmers provide quite clear and concrete resources and examples in reference to *each of the three skills* under investigation, therefore supporting their convictions. Belonging to a specific strategic group does not seem to entail relevant differences as far as self-presentations are concerned.

They manifest skill in elaborating and/or developing "business strategies" (in case 19 even adopting a formal business plan) that are focused on adding value to their productions by means of diversification and often in terms of multifunctionality. They frequently carry out intermediate assessments on the efficiency of the pursued strategy. They manifest an ability to make connections (both utilising contacts and networking) and provide

examples of the setting in which such an ability is expressed (Associations, Groups, Consortia, co-operative associations, etc.). They report an ability to recognise and take opportunities by referring to situations, facts and occasions that contributed to the general development of their activities or persons or that initiated other processes within the farm business or overall territory.

In the following tables we provide some examples of how farmers within the 3 strategic groups provide resources to manifest the 3 entrepreneurial skills as a whole:

|                     | Skills             | Resources provided and how they are manifested in the farm business   | Benefits identified for one's farm business and for the entrepreneur in general  |
|---------------------|--------------------|---|--|
| <b>Case 19 (VA)</b> | Business strategy  | Strategy is elaborated with the adoption of a formal business plan, aimed to multifunctionality, evaluated with management software and confirms validity of strategy adopted described within its main aspects, pointing out aims and purpose, actions.  | To have good farm business management, to evaluate possible mistakes, to get credit from banks.  |
|                     | Utilising contacts | He is a vice-chairman of farmers' Trade Unions, he has ongoing contacts with banks, processors, Public Institutions;  | To create and to enforce a strategy, to get new opportunities for selling.   |
|                     | Networking         | He talks about his experience as a promoter of producers, processors & sellers network; he refers to it: " <i>now it works well</i> ".  |  |
|                     | Opportunities      | Example: a tourist at his B&B has been a contact for opening a new shop in Oslo (Norway); Ex. He states he developed this skill working in the marketing sector in the past.  | To be competitive (for a processing farm) with large farms in the agro-food sector and to compensate for difficulties in the agricultural sector.  |
| <b>Case 5 (C)</b>   | Business strategy  | He refers to a specific and clear strategy based on typical production, describing its main aspects, pointing out aims, purpose and actions by which strategy develops production.  | To improve farming economic performance (to gain a satisfactory income) and general promotion of the territory.  |
|                     | Utilising contacts | He talks about his experience as a founder and promoter of a Farmer's co-operative; experience in contacting people for creating a Committee of Defence and Promotion of a local Cherry   | To connect and spread information among the farmers, as well as to shorten the distribution chain and to improve the producer's image; to safeguard local typical products; to develop new aspects such as social agriculture or management of public green areas. |
|                     | Networking         | He refers to his experience as member and promoter of a Committee of Defence and Promotion of a local Cherry (network among different actors such as farmers, consumers and Institutions)   |  |
|                     | Opportunities      | Example: about a financial opportunity provided by the Local public Administration, which they used to build a conditioning centre for vegetables on the hills of Pisa.   | To evolve, to create new opportunities and to innovate agriculture to open it up to society.   |
| <b>Case 18 (C)</b>  | Business strategy  | He refers to a strategy that evolved from and now based on diversification of distribution and market channels, describing how the strategy has developed, getting a new opportunity he found within social activities and how now it is aimed toward strengthening contacts with several people. Positive results obtained make him think he has this skill. | To know exactly where the farm is going and how it is working.   |
|                     | Utilising contacts | He manages to establish and utilise contacts and relationships with different actors (farmers, clients and suppliers, schools);   | To improve marketing and selling (both for farmers and consumers) and the farm's and entrepreneurs' image.   |
|                     | Networking         | He claims to be member of a Purchasing Consumers Group (GAS) and he also participates in a Project on social agriculture, of which he was one of the promoters.   |  |
|                     | Opportunities      | Examples: provision of organic food for school canteens, GAS, Care-farming Projects were initially an occasion for personal growth and for the community as a whole but also an economic opportunity for the farm; positive results obtained make him think and say he has this skill.  | To interact and co-operate with people in creating Projects, resources and services that are beneficial to society.  |

*Farmers providing resources through which they manifest themselves as having some specific skill and...*



In this case the interviewees also show their skills by providing suitable resources and justifications. In many cases we have presentations of very skilful farmers. In any case, in contrast to group A, it is possible to gather cases in which resources mainly refer only to some skills or to some specific aspects within the skills.

*...not providing resources for other skills*

- No resources are provided about networking:  
Case 1 (NFD), 11 (NFD), 8 (NFD), 23 (C), 13 (C): good resources on business strategy, contacts and opportunities are provided (no resources on opportunity skill for nr. 13);  
Case 23: this is maybe due to his short working experience that has still not allowed a well-developed commercial system, as he mentions;

*...providing poor resources for other skills*

- Poor provision of resources on the skill of recognising and realising opportunities  
Case 3 (VA): he finds it very difficult to answer the question and doesn't provide enough resources; (he provides good resources on business strategy & contacts, less on networking)  
Case 13 (C): he shows uncertainty about the question and provides poor resources on this issue.
- Short presentation and poor provision of resources on some skills  
Case 16 (VA): she provides poor resources in general due to a short presentation; (good on strategy and networking)  
Case 12 (C): although he mentions that he has skills (e.g. within utilising contacts and networking) he doesn't provide enough resources (in general due to a particular character attitude-hesitant, a little timid not talkative) to make an adequate interpretation about his real skills.

*...declaring a lacking of skill (in part/for some aspects)*

- *Strategy*  
Case 4 (NFD): she hasn't any particular production strategy within the farm business because it's considered not required for the small dimension of her farm.  
Case 2 (NFD): he hasn't any particular production strategy within the farm business because up till now it has been enough to make full use of CAP and Tuscan Rural Development Plan subsidies.  
Case 7 (VA): he hasn't a marketing strategy within the farm business since he has never had problems selling his products.
- *Skill of recognising and realising opportunities*  
An important aspect refers to the difference that some entrepreneurs find between recognising and realising opportunities.

Farmers who recognise particular limits within their skill:

- Case 20 (VA): he maintains he has such skill at 75% because sometimes some opportunities he has recognised were not so good (he provides good resources on business strategy, networking & contacts)
- Case 22 (C): she claims little skill at recognising opportunity, especially for extra-farm activities, sometimes due to her father's influence on some aspects of her farm business management; (good resources on business strategy & contacts are provided)
- Case 6 (C): he declares he has the skill of recognising but not of realising opportunities, because "*the world goes fast and we as farmers go slowly*"; lack of time and capital, the peculiarity of some farming activities and the attitude of territory.
- Case 10 (VA): he declares he has the skill of recognising but not always of realising opportunities, because he considers himself a traditional farmer, and he doesn't need particular changes for his small production
- Case 4 and 24 (NFD): they maintain they have good skills in some farm activities (e.g. no. 4 in agritourism and no. 24 in educational farms, both less in farming products)

Farmers showing the skill of recognising opportunities but blaming being unable to realise them on other factors:

- Case 5 (C), Case 21 (C): although they present themselves as skilful entrepreneurs (see group a), they occasionally say that it is impossible to realise opportunities ascribing this to a lack of capital, substantial efforts of labour and resources, impossibility of managing them under farm business conditions.

Case 10 (VA): he states he has this skill partially but he recognises that not all farmers are able to realise opportunity, not because of one's own incapacity, but because opportunity needs an investment that farmer can't sustain. Further considerations

Case 8 (NFD): he thinks it's easy to recognise an opportunity, yet it is necessary to match it up to one's own financial resources

Case 11 (NFD): he maintains it is not easy to recognise an opportunity, yet it is necessary to find courage to take the risks about something even if you don't know whether it will be successful or not.

Case 16 (VA): she maintains that farmers in general fail to recognise opportunity because of lack of availability of information

- *Few skills and knowledge about the practice of production activities:*

Case 25 (NFD): because he is an educator and although he studied agricultural sciences he thinks he needs to develop such skills.

...expressly declaring not having specific skill

- *Not having skill at networking and/or utilising contacts*

Case 9 (VA): he hasn't got the skill of networking, because he wasn't able to establish it in his area, due to a lack of a business-like approach by farmers and their narrow-minded attitude; he does not believe that he has any skill in relationships with customers since he feels he is more talented at producing than selling. (Good resources on strategy and in part on opportunity)

Case 10 (VA): he doesn't have any skills in utilising contacts with wholesalers; the resources he uses to explain this aspect are the previous relationships he says that he had with some of them and the impossibility of satisfying their commercial requirements (enough resources on strategy are provided)

Case 6 (C): no skills at networking and utilising contacts due to his personality and to the fact of never having found any good channels; the resource he uses to emphasise this attitude refers to his negative experience as regional President of an association of olive producers and his direct relationships with customers which he considers too difficult to carry out and not natural.

The interviewees that state that they are unable to network and utilise contacts ascribe their problems to their own personalities (reserved, lonesome, un-diplomatic and uncompromising) more oriented to production than to external contacts with customers, but they also report difficulties finding adequate partners to establish contacts and networks among farmers, especially in certain areas and among elderly people (they remark on the narrow-minded attitude which is present in several agricultural sectors). In the end it is difficult to define how much this attitude could be ascribed to the entrepreneur's modesty and way of being (character, ideas etc.), but this is part of their rhetorical resources that make them assess negative skill in their self-presentations.

### **Summing up the similarities and differences in skill related self-presentations between strategic groups (C), (VA), (NFD)**

A general horizontal comparison of the 3 strategic groups shows how entrepreneurial skills are equally manifested among the three strategic groups. It is not possible to assess where these skills are more or less concentrated, but it is possible to consider the different ways in which they are manifested.

#### **Conventional group**

We could say that in the first group *Conventional production (C)* but also for a few cases of group VA, skills are mainly fulfilled within the farm-environment and very often entrepreneurs are influenced in their attitude by a consolidated aptitude towards the production phase rather than external relationships.

In particular, cases 6, 13 and 12 find their own dimension within Conventional production, dealing with the final buyer- mainly processors and selling to farms (butcheries, dairies, cereal consortia, trade associations, distributors) - and utilising contacts best with people involved in farming (technicians, sellers, suppliers of materials, consultants), through a relationship focused on acquiring technical-scientific knowledge or gathering information on productive opportunities offered by the market; these farmers don't show relevant changes in business strategy and attitude to networking.

Opportunity concerns production activities (technological innovation and public subsidies to crop production). Practically they present themselves as good producers, but ultimately quite static within their activity.

Within this group it is however possible to find good examples of young and dynamic farmers, such as cases 5, 15 and 21 (but also 22 and 23). These farmers, limited by the small decision-making autonomy of Conventional activities and by increasing economic difficulties, think they have to re-define the whole farm-strategy and also show their skills in the external farm-environment, focusing on diversification strategies (adding value, shortening the distribution chain, directly processing products and pointing to quality production), on networking (not currently in cases 22 and 23) and on utilising contacts as opportunities for developing these strategies.

Interviewees (3, 5 and 15) acquire and show skills within the role they play in Farmers' Trade Unions, Breeders Associations or co-operatives, performing farmers' representation and aiming at solving common problems (e.g. responding to the difficulties met by farmers in selling and marketing, struggling for equal prices of products, providing instruments and tools for finding opportunities in the field of technological innovation and the system of financial subsidies).

In this group farmers present an agricultural socio-cultural background.

#### **Value adding**

These farmers present themselves as dynamic (e.g. case 19, 17, 14, 16, 20) through business strategies oriented to the local market (small, quality, traditional and niche production), very often supported by a favourable local context (for the presence of short market-chains like small farmer's markets, purchasing consumer's groups, direct selling on farm) by which they bring out their good relational skills within networking (e.g. Female farmers Association, Selling Association, etc., excluding for this aspect cases 9 and 10) and within the direct contact with customers/clients (especially for 7, 10, 14 and 16). From this perspective, the skill of realising opportunity also consists of utilising those tools which facilitate openness to the market and direct contact with end clients. Here it is possible to find skills in creating opportunity, which in many cases is manifested through the creation of innovative food/non-food products appreciated by consumers (e.g. syrup of green grapes, fennel marmalade, orrisroot for wine-industry, hemp food products etc.)

As previously mentioned, within this group it is possible to recognise 3 female farmers (14, 16 and 17) presenting themselves as highly communicative and skilful, having developed such skills within a Female's Entrepreneurs Association, which is focused on product selling and marketing in collective spaces, on transferring knowledge, exchanging opinions and ideas and on discussion about issues related to a female role in modern agriculture.

In this strategic group most farmers present a non-agricultural socio-cultural background.

#### **Non-food diversification**

As for the previous group it is possible to find farmers who present themselves as skilled within the *Non-food diversification* group. In this case skills are used to support different business strategies and activities carried out by entrepreneurs, also within non agricultural business (agritourism, care farming and educational farm); having to deal with several actors, from agricultural, rural and urban context within the perspective of complete openness to the society as a whole, relational skills acquire particular relevance here, as it is possible to notice from many self-presentations. Here, many farmers show specific skills in strengthening personal identity and in activating the development process at the farm and territory levels through the socio-economic opportunities they find within multifunctional activities (Social Projects, networks of agri-tourism, communication and marketing)

There is a similarity among farmers (1, 4, 11 and 8) and the subjects (3, 7, 10 and 14 of VA group) when referring to end customers, but in this case, due to their agritourism activity, it also relates to different actors involved in the tourist sector and to promotion services (for example these farmers declare that they often communicate and establish contacts both at specialised fairs and during cultural events and through the use of web-sites.

Also in this case some of these farmers present a non-agricultural socio-cultural background.

### **6.3 Analysis II - Attributions of skill development: factors enhancing or hindering the development of these skills**

#### **Analysis process**

After the first part of interview related to the exposition of farmers' opinions about the 3 entrepreneurial skills (sheet 2, 3 and 4, then analysed and described within chapter 2), respondents were asked to answer the following questions on the other 4 sheets:

Sheet 5

1. *In your opinion do some farmers have these skills more than others? If so, what causes the difference*

Sheet 6

1. *How did you develop your own skills?*
- 2. *Why did you develop your own skills?*

Sheet 7

1. *According to the experts whom we interviewed, the development of these skills depends heavily on the attitudes and personality of the farmer. What do you think?*

Sheet 8

1. *What could be done to develop these skills among farmers?*

Section 6.3 reports on analyses of the results of the answers provided by interviewees to questions on sheets 5, 6, 7 and 8, related to those factors enhancing and /or hindering the development of the entrepreneurial skills of farmers.

Opinions and comments given by interviewees were analysed, trying to find an overall qualitative variation among answers within each strategic groups (Conventional, Value Adding and Non-food Diversification) according the following indication:

- a) Interviewee's comments concerning the differences among farmers in these skills. Which kinds of explanations for differences were presented by the interviewees?
- b) Which kinds of explanations did the interviewees present for the development of their own skills?
- c) Which kinds of stands did the interviewees take on the issue that was introduced on sheet 7. Which kinds of justifications did they present for their stands?
- d) Which types of answers were presented to the question on sheet 8?

Different stands and positions of interviewees with respect to issues and arguments on sheets 5-8 have been described and the explanations provided have been reported within wider categories which explain those factors that, according to the interviewees, can cause or determine the development of entrepreneurial skills.

Results are further summarised in categories of attribution through a final overview on the output of the three groups (6.3.5).

### 6.3.1 "Conventional" cases

#### **Sheet 5. Do some farmers have more skills than others, and if so, what causes the differences?**

Most interviewees answer the first question affirming that some entrepreneurs demonstrate better skills than others and in this sense they even detect conflicting typologies.

In 4 cases they think that they can say so because they refer to direct contacts with entrepreneurs showing such differences.

In general, conflicts concern Young/old entrepreneurs, Traditional/idealistic entrepreneurs, Farming entrepreneurs /direct farmers (13), Brave entrepreneurs taking risks/ static entrepreneurs.

The interviewees indicate several factors are behind these distinctions and almost all provide different justifications, which are often interconnected.

Among all the elements and factors the interviewees described some of them in such a way that we might define them as *individual and personal attributions* and are to be ascribed to the figure of the entrepreneur.

As for the other 2 groups (VA and NFD), we first describe these kind of factors (*individual factors*) and in the following section we describe causes that are connected with external circumstances (*external factors*).

In some cases we still keep an individual attribution (environmental/cultural context or propensity at networking) for those causes that connect the individual and the environment or that on the contrary are individual and external at the same time (for example mentality when considered as coming from the social context).

#### *Individual factors*

According to one interviewee (5), *age* is an influential factor regarding difference in skills. He thinks that young people are more eager to create a different world, they perceive current changes and in their activities they continue to discover new things. On the opposite side, old people are less sensitive to stimulus coming from either inner personality or external factors, and in their activities they allow themselves to be dragged on rather than start new activities. Diverging *interest* that is the basis for such different approaches also determines differences in showing entrepreneurial skills.

Two interviewees (21, 13) indicate the farmer's *mental attitude* as a factor for where differences originate; in one's (21) opinion, *age* is always a factor that affects mentality and old people are more closed off to innovation than young ones. He gives use of PCs and email as an example. Interviewee (13) identifies the typical mentality of many Tuscan farmers as a hindering element for co-operation, no matter what the age. Often strong diverging political opinions have prevented and still prevent the development of co-operative associations, which, in contrast, have been largely successful in nearby Emilia Romagna.

*Character* is the key factor advanced by one interviewee (12) as the cause of differences, especially in the relational field, therefore those who possess an open character are ready to compare and stay with people, in contrast to the introverted, lonesome, asocial ones; interviewee (15) also includes character as a differentiating element among the many she enumerates.

*Contact* and *exchange* with other people and farmers are primary factors also in the interviewee's (21) opinion:

"According to me another factor that determines these difference is exchanges with other people, other farmers, therefore there is one who maybe has no contacts at all, always stays at the farm and this makes the difference, because meeting each other facilitates development of skills, also because you may see what others are doing and exchange and compare with them" (21).

One interviewee (22) indicates as a factor the personal *willingness to change*, that is people that instinctively always tend to improve by challenging themselves.

*The experience in one's own sector* is the main element, according to interviewee 15, which is a determinant in making differences among entrepreneurs and especially in the sheep-rearing sector:

"I can answer that there are for sure people with more skills than others, determined by several factors, from family origin, studies, the way in which you relate to others, your character, the training you also undergo privately and what else you want... but the role of experience in this sector is the fundamental one..." (15)

Experience is also as very important according to interviewee 23, who even refers to experience acquired in other sectors: he acknowledges that entrepreneurs that acquired and developed their management skills in other production sectors and only entered farming later with their heritage of knowledge and skills have proved to be more skilful.

*Education, training* (15) (23) and *cultural level* (23) are additional important factors because they contribute to strengthening and improving entrepreneurial skills by implementing knowledge coming from experience.

Finally, for one interviewee (23) "*innate nose for good business*" is the personal factor that causes difference among entrepreneurs independent of other factors.

#### *External factors*

All these elements as identified by interviewees are to be ascribed to the person of the entrepreneur. Below, we report on additional factors that, according to the interviewees, influence the entrepreneurs' skills from outside. We remember that interviewees were asked if the geographical context of a specific productive sector could be the cause of difference for entrepreneurs within their skills.

In three interviews (13, 15, 23) they refer to belonging to a *specific productive sector* and/or to *typology of activity* as the diverging cause among entrepreneurs. Interviewee (13) thinks that if an entrepreneur manages an activity that includes direct contact with consumers or direct sales or product processing he is able to expand his activity by moving towards end consumers' requirements, improving and broadening all his skills. In contrast, those like him who sell their entire production (no matter if Conventional, grains, maize or sunflower) do not have such improvement opportunities.

If there was the opportunity to join with other farmers and directly process one's own production (e.g. a wind-mill), he indicates this collective management as the problematic point, since often coordination skills are lacking. Additionally, he had already mentioned difficulties with co-operating due to different mental attitudes as a common feature for many Tuscan farmers.

Interviewee (15) acknowledges for example that the sheep rearing she does is different from cattle breeding, which has evolved over recent years thanks to its higher susceptibility to technological innovation. Sheep rearing has stuck with traditional systems that have favoured marked individualism among producers and production is focused on quantity rather than quality. Such differences are due to a "*cultural diversity*" and many young people today are trying to change and manage their farm innovatively. Often however, and especially in this sector, they are subject to their fathers' influence.

According to case 23, the type of activity, together with *good luck, climate* and *local area*, has an influence on farmers, even though not directly on their skill (e.g. if horticultural products freeze in Emilia Romagna, farmers from Tuscany might benefit from that natural event)

The *area* in which farmers operate and its *peculiar vocation* for a *specific activity* might be a cause of further differences for 3 respondents (15, 22, and 23):

*Historical background* (e.g. migration of shepherds from Sardinia to Tuscany in the '60s and their breeding methods that are still present in many areas of the region [15]);

*Previous successful experiences:*

"For example in Bolgheri (famous location for top quality wines), due to the large expansion of vineyards and also to the famous people like Frescobaldi and Antinori (historic & international Italian wine producers), they are more favoured; they have more contacts than us and different opportunities for their products on a larger market. Thus a famous and well-known area will always be more rich and have more opportunities than a less well known one" (22) and "Obviously if you start anew making wine in the area of Bolgheri, you are already ahead, because the area is famous and you are taking advantage of what somebody else created previously..." (23)

*Geographical and climate factors:*

"At Suvereto (town in the province of Livorno) the land is more suitable for wine and there is also a microclimate that favours a lower propagation of some diseases" (22).

"if you start with agritourism in this area (Cornia Valley, south of Livorno) you are favoured, because you have the sea and hills, and the paying customers choose the beauty of the area" (23).

Finally, interviewees (15, 22) further identify *influence of family of origin*, that may be either a negative influence as in some fathers' attitudes not allowing their sons much entrepreneurial autonomy until they leave the farm, which means very late (15), or a positive influence, since fathers' experiences may represent an example for the sons from which they may learn instead and acquire skills. (22).

*External factors* such as consequences from the CAP or *decreased profit* for some varieties may stimulate *willingness to change*, fostering innovation skills and new ways of problem solving (5).

*The size of the farms* may also be influential, in that small sized farms have less mass to move, are easier and more dynamic to manage, have more opportunities in comparison with large sized farms and large productions (6).

## Sheet 6. How and why did farmers develop their own skills

### *How did farmers develop their own skills*

To the question on how they developed their skills, interviewees answered with different assertions but they all started from a basis of having already shown that they possess, at least partially, these skills through their answers to the previous questions.

Several respondents address the question by synthesizing the elements, considering the three skills on the whole and selecting a single mode by which they had developed them. Others describe more numerous modes more completely and deeply. In case 23 the interviewee chooses to describe such aspects referring to each single skill under study.

*Experience* is a first common element for all the answers. In 3 interviews respondents (12, 13, 21) refer explicitly to how it has developed their own skills.

With “experience” farmers refer to the heritage of learning that they have acquired with their activity through their everyday *practice*, which often presented errors or conditions that taught them to refine their skills.

“Well, through experience I think... mainly through experience... there is a saying ‘you learn by making mistakes’, because you can make a mistake once but not twice... experience for sure” (12)

“I haven’t been to school; if I had to learn something I had to learn it on my own ((laughter)) on my skin... so personal experience and on the field...” (13)

“At my own expenses, I mean you develop skills on your own shoulders when you get beaten; you learn this way, because maybe if you’re told about something you don’t believe it, but when things happen to you then you learn. So I developed them somehow by listening to others, somehow experiencing personally and somehow assessing the situations; then slowly with experience you get to reach your goal” (21)

In cases 5 and 15 the farmers believe that maybe *these skills already existed* and in time these have been manifested since they started farming, while later these developed through different ways.

Other important elements are *comparison* and *listening* to others and they are directly mentioned in 4 interviews (5, 15, 21, 23). Along with a constructive confrontation, the tendency to ask questions and to listen to other farmers has allowed farmers to address and to solve a few shared problems, while acquiring at the same time a range of information and experiences.

*Confrontation* initially starts with one’s own farming business, as interviewee 15 said:

“... I think I developed them exactly by coming back to the farm and starting to deal with this farming world and its difficulties where I had to move on also taking into account the other farmers” (15)

Confrontation also develops in connection with other farmers, with associations, with farming professional organisations (5 and 23) and many other people involved in the chain such as suppliers and customers (23).

Three interviewees (5, 6, and 23) recognise they had also developed their skills through *knowledge*. They directly mention this term, that however is present in many other answers in its broad meaning.

Several meanings are included here in the word “knowledge”: to know the quite complex farming sectors, its mechanisms and its relevant influential factors; to get information on available instruments to innovate on and improve one’s farm; to have contacts and direct knowledge of people that might be useful to one’s general activity.

“Let’s say that my skills are born with me, yet when I grew up I started to get to know associations, I started to read, I started to meet university professors, to belong to farming study centres to improve my farming... Over the years, I deepened my knowledge by visiting more developed farms... all in all personal knowledge, coupled with willingness to know” (5) “How you develop your skills? With a little knowledge, it’s obvious! If we know what they already decided at the WTO, if we know what our future will be according to Community policy over the next seven, eight, nine or ten years, it’s obvious that you act considering such perspectives and you try to prepare yourself... (6)

“...To know and to take opportunities, how did I do it and how I try to do it? Well, reading, using the web, Terra and Vita (agricultural specialised magazine), going to professional organisations and talking with other farming actors, no matter whether other producers, customers or suppliers...” (23)

We point out that two interviewees (6, 15) maintain that knowledge of both the local and general political situation is an important element to consider when assessing the influential factors for the development of the determined skills.

According to interviewees, the instruments they mention are different aiming at developing technical, practical, economical knowledge as well as relations and legislative information. These instruments refer to personal training (school education 22) and personal motivation (reading, using the web), to direct experiments (21 knowledge of different agricultural methods through direct experiments) and to exchange of experiences.

Interviewee 23 acknowledges that to become skilled at developing a business strategy his father's example was fundamental, while previous contacts derived from his father and his own contacts created over 10 years of technical school and university allowed him to increase his knowledge and to become skilled at establishing and utilising contacts.

*Why farmers developed their own skills.*

In general the interviewees answer the question, reporting several resources that may be summarised as three main motivations that are obviously interrelated:

*Self-motivation:*

There are recurring elements in the answers of the different respondents such as *willingness to grow and improve oneself and one's own farm* (interviewees 5, 12 and 22), *to reach set goals and personal satisfaction* (6, 15, 21 e 22) and to comply with a *choice of living* that would allow them to leave (6) an old job or to start a new activity in the farm (15).

*Economical motivation:*

To *increase one's income* is the motivation that, in three interviews (5, 12, and 21), pushed the farmers to develop their skills. While in cases 5 and 12 the economic reasons are secondary to the personal wish to grow and progress, interviewee 21 maintains that a satisfactory farm income contributes to personal satisfaction and to making the work lighter.

*Necessity:*

Interviewee 13 answers that he was compelled to develop his skills to be able to keep up with changes and the no. 23 declares:

*"Today if an entrepreneur wants to have a business he must necessarily develop them, and more or less everybody is trying to develop them".*

Finally interviewee no. 5 also points out the necessity of having developed his skills in order to carry on a kind of activity that allows him to be present on the land and to protect the environment, thus helping to add value to the area of the Pisa Hills and to Tuscan farming in general.

### **Sheet 7. Farmers' opinions about their agreement with the expert's assertion: "development of entrepreneurial skills depends heavily on the farmer's personality and attitudes"**

As to the statement reported on sheet 7, if stimulated almost all respondents provide concise answers, maybe because they are beginning to get tired of the interview. Some just agree with the statement, in some other cases they go into this aspect in depth.

All respondents agree with the experts' statement, no cases totally disagree.

At first some respondents remark how the *development of business skills is an extremely subjective factor*. For example no. 5 maintains:

*"I agree, some farmers feel dragged on and even if they join some initiatives still keep feeling dragged on; others create and create, contacts... situations instead and I think that this belongs to the individual skills of the different farmers" (5)*

Interviewee no. 23 (reading the question aloud again) interprets the statement as a confirmation of his opinions previously expressed, so that even experts take it for granted that today an entrepreneur must possess such skills,



yet the degree of development from person to person depends on the entrepreneur: “*Each entrepreneur is different because the subjective factor is a determinant one*” (23)

While, as reported later, personality becomes an important element for him.

Those who neatly agree select the positive aspects of personality as factors that may deeply influence development of such skills:

“*You must be stone headed, stubborn... character helps, you need a lot of personality, I mean stubbornness since personality is too a nice word*” (6).

“*I think that character and personality are very important to reach development of such skills, yes. To have an open character is also very helpful: if you are forlorn others feel uneasy, if you are open others feel at ease, thus character and personality are very helpful*” (21)

“*To be a business farmer also means taking some risks and this depends on your character; you can choose the level of business risk you want to take...*” (23)

Two cases (5 and 6) identify *passion* and *willingness* as distinctive elements in one’s personality and as able to promote development of those skills. Interviewee no. 22 maintains that *external environment* is very influential in modifying her behaviour, yet in a reciprocal relationship according to a concept that she defines as “*almost philosophical*”. Her character and willingness to improve may affect the environment and job activity, thus improving some professional aspects allows you to dedicate energies to other sectors and maybe exactly to those sectors in which your skills are less efficient.

Most cases highlight, directly or indirectly, the aspects connected with the farmers’ personalities and characters; some cases also point at *farmers’ attitudes* and the way in which they propose themselves to others. This last point is usually a consequence of personality, yet for several respondents (21, 22 and 23) it becomes relevant to development of skills.

In a couple of interviews (5 and 6) *personal preferences* and *natural attitudes* are considered necessary factors so that farmers might be able to believe in what they are doing, to feel satisfied, to find energy to strengthen and improve their own skills in pursuing their goals.

Finally, in two cases (13, 15) respondents acknowledge the importance of personality and individual aptitudes for affecting skill development, yet with some reservations. Interviewee no. 13 at first appears perplexed and unsure, maintaining that such aspects were more influential in the past, when farmers confined themselves to their farms and developed the necessary skills for relating with the outside (contacts and opportunities) much less. He observes that today young people are more open and available in comparison, are educated and updated, and are more able to innovate or to establish contacts. By saying that personalities of young people have changed, he however confirms indirectly that these two factors do weigh in developing business skills. When this is brought to his attention, he confirms that he agrees with the initial statement.

Also interviewee no. 15 declares she agrees about personality being an important factor, yet she underlines how this is only partially true and not the prevailing aspect:

“*I have a very strong personality, they listen to me and this helps. But you must have also something concrete, a minimum as a starting basis from which you’ll be able to develop and exploit your skills*”. (15)

She considers how, especially when starting one’s activity, personality must be supported by other elements ranging from *good luck* (casualty in following certain trends), to *availability of initial capital* (owned and not rented farm, for example) and to *family* (a supportive family instead of a hindering one).

Finally she recognises *time* as a determinant factor in developing one’s own skills. Those who are too busy in practical activities may not be able to be dedicated to personal improvement and attend training courses, connect to the web or attend meetings of Farmers’ Associations. To spend time in this way also means dedicating less time to practical activity with the consequent employment of external staff, yet especially in sheep rearing all this has to be carefully prepared so as not to produce negative results in the end.

### Sheet 8. What could be done to develop skills among farmers?

The respondents are particularly loquacious on this issue. Several answers focus on the main difficulties and weak points that affect the farming sectors and the respondents think that providing adequate answers to solve certain problematic issues might result in establishing conditions that are able to stimulate, improve and develop business skills.

The large majority report therefore a series of actions and instruments through which they think it is possible to act directly or indirectly on farmers and the social economic farming context. They also select which actors should or could be promoters of such actions.

A first element often mentioned (5, 15, 21, 22, 23) refers to *communication* that should exist among farmers and between farmers and other chain actors. They refer to the exchange of ideas and opinions, to an open confrontation, being able to share experiences in order to solve shared problems and provide incentives to spur farmers' skills. For efficient communication, farmers should meet and many wish that such meeting opportunities were more frequent and continuous.

*"The first thing I can think of is to associate, to be together, to exchange ideas and opinions, being able to listen and assess others' suggestions" (21) and still: "To make farmers meet, make them talk to each other, provide information, promote exchange of information, establish networks of people, increase the number of meeting opportunities" (22)*

*To meet* means to promote ability in establishing relationships and contacts with other farming actors and is seen as a further step towards associations and networking that in turn many consider as opportunities for development for the single and collective skills, as reported by interview 15 and 5:

*"It's necessary to create conditions aiming to associate, establish networks, promote oneself, reach a critical mass and become competitive with the large organised distribution" (5)*

*To meet* is also an opportunity to *share and receive information*, another important element to develop business skills:

*"Unfortunately today we work so much that we have little time to spend on relationships with other farmers, thus an action might be that of creating moments of information... where the different opportunities might also be illustrated both in the short and long term, thus spurring the ability of the single farmer to take them" (23).*

According to interviewee no. 22 the need for information may have a relevant influence on skill development, since it might shorten the real time between an idea and its application:

*"When you are informed, you are more quick to put your skill into practice; if you think about something, but then you are unsure and not confident, you need thirty years to put it into practice. Yet if you have the correct information, you may do it straight off... so skill develops by means of knowledge and information..." (22)*

In general also other respondents use the term "*information*" in a broad sense, even though they don't ask for technical information but for information on market trends and policy affecting future settings. Resulting from a couple of interviews, receiving such information simultaneously with the current changes may allow farmers to be more operative and show more efficient skills:

*"We should have much more information, but not technical information. If you need something technical, you go and look for that. Yet farmers do not read the newspaper pages on agricultural policy, estimates of market productions and political decisions. If this kind of information is lacking, you can't develop skills such as that of taking opportunities, for example" (6)*

*"For sure, informing the farming actors as much as possible about current trends in European, Italian and regional farming policies as well as all the novelties of the sector may facilitate skill development" (23)*

*Education and training* are also reported in a couple of interviews (5, 15). Interviewee no. 15, for example, feels that it is important to educate farmers in her sector (sheep rearing) by means of *targeted courses not open to everyone, locally managed, and organised in small groups*. These should provide the basis of knowledge to people who often do not possess adequate school education; for them to address more complex subjects such as market-

ing or planning might be off-putting. Also interviewee no. 5, as reported below, mentioned training courses as a possible stimulus for farmers' skill development.

Finally, since the same respondents (5, 15) consider young people as more inclined to show specific skills they think of *generation turnover* as imperative, aiming at keeping those youth that already operate in farming and promoting new entries. This might be achieved through different actions.

Interviewee no. 5 maintains that the entrepreneur must be spurred and stimulated to address a common objective and feel like being part of a change, a personal and social one. Thus, he could recognise the important role his skills might play in this process:

*"I think that solicitations coming from the farming world, the category associations and public bodies like the Arsia (Regional Agency for Innovation in Agriculture) and the university may develop some skills that are able to foster certain activities. I think that to do that it will be necessary to make farmers feel confident about what they are doing, in a target. Then they will work and if supported by public institutions they will want to make their share and will do the best to take part in change, to be capable. And capable means to participate and be somehow attentive and creative" (5).*

In order to activate such a process, the interviewee sees as fundamental acting on the land and preparing favourable conditions for the youth in the rural world by means of services and incentives, to development such as training courses. This would be the way to promote achieving an income both through traditional and multi-functional farming.

Also interviewee no. 15 thinks that promotion of stability and insertion of young people are necessary to solve the generational crisis, which affects the sheep sector in particular. She indicates training courses on the farm would be a good instrument to this end:

*"We should create networks of training and experience for those who don't have them, if we want to get close to the youth... Even courses held by the same breeders and not only by experts. The breeders may host the young people on their farms, so that they could live on a farm, learn the job and understand what it means..." (15)*

In addition to actions that might promote skill development from the outside, these two interviewees wish that the same farmers might prove able to create their own objective:

*"Often I push the younger ones to take their fathers' farms and they answer: to which end? But you also have to create your own goal! When you have experience and contacts you invent your job, so you should exploit the practicable ways" (15) and "It's up also to the farmer to be able to seize those objectives that affect him directly... A skilled farmer is also the one who creates his own conditions together with public institutions on territory that is also fertile enough to host other farmers and so on;" (5)*

It is interesting the aspect that interviewee n. 23 identifies as a possible limit to his skill development, i.e. not being able to operate in a context that may guarantee a minimum of confidence for the future:

*"The opportunities I see in the short and middle term are those of renovating the farm and focusing not only on multifunctional activities... yet since I don't have any precise guideline to follow I have some difficulties investing. In our globalised world everything may happen, but in my opinion investors might be more confident if they knew for example that Italy is going to follow a certain route supported by a strong political willingness to follow a serious agricultural policy, that today is a little lacking and everyone operates on his own. On the contrary, we would be able to work more confidently... Maybe today I have to go to the bank to get a mortgage and potentially I would feel able to risk it and take 10; in the end I prefer to take 5, because I say to myself: wait a minute, and if they change their minds or the current conditions...(23)*

Such an aspect also results from other interviews (15 and 5), since the lack of clarity of the legal system and scarce attention from politicians may curb investments:

*"Now, at some meetings there are young people starting to get closer; they just need to be pushed a little; to come back or to continue their fathers' activity they need a minimum of assurances, otherwise the farming sector is doomed to close down" (15)*

Out of these last examples we notice an entreaty from the interviewees that institutions, politicians and even professional organisations build adequate social, political, legal and structural conditions. Such conditions must promote farming by strengthening farmers' confidence in the future, i.e. an element that undoubtedly represents the ideal background for skill development of the single farmers and the whole category as well.

Finally one interviewee (22) maintains that, such as in his case, the market is the promoter of skill development. If the market is static or provides few opportunities his skills will not be able to develop as well. However, he does not indicate actions or actors able to promote development of the market.

### 6.3.2 "Value Adding" (VA) cases

#### Sheet 5. Do some farmers have more skills than others, and if so, what causes the differences?

Interviewees in this group agree that *there are differences in entrepreneurial skills among farmers* and also in this case they indicate several factors and almost all provide various justifications, reasons and motivations, which are often interrelated.

As for the previous group, we can still describe individual and external factors.

#### *Individual factors*

Four interviewees (10, 16, 19, 20) mentioned *education* and or *training* and/or *culture* as factors contributing to differences in skills; according to one of them, training and cultural level are key factors, yet he adds that much depends on how training has been acquired (he offers the example of an agronomist who made "big stupid mistakes" in his farm, while a farmer with only three years of school managed very well a farm sized 500 ha). Relevance of educational level is connected in particular to elements such as wider perspectives, more developed skill to connect and more dynamic activities.

Age (or youth) was cited in three interviews (14, 16, and 19). Two interviewees are the same ones who also mentioned the educational level; in one case (16) age and education are interrelated by the farmer, who says that young people are more prepared and dynamic, "so there is a difference compared with the old ones that keep on with the same old stories". All three respondents declared or suggested that younger farmers have more entrepreneurial skills than the older ones. The motivations are similar to those referring to the educational level, yet they are more detailed and thoughtful. The younger generation was described as more open-minded, more dynamic and innovative; one case (19), reporting age data from the National Observatory of Young Farmers, stated:

*"We have with 8% of entrepreneurs younger than 40 out of the total farming world, and a further 25% aged younger than 50... That's why I say that here there are 30 farms out of 100 that will be able to address innovation and take opportunities. For the rest there is nothing to do, it is mathematical they have no possibility to change. In fact in 2013 when the umbrella CAP funds end, there will be a big collapse"* (19)

Four interviewees mentioned (9, 14, 17, 20) *character or personality*; in detail: personal vocation (9); willingness to reach a goal, perseverance, not to surrender and passion for the job (14); creativity (17); and personal skills (20). One respondent said that differences among more or less skilled entrepreneurs is an individual factor and asserts:

*"If we are two in a same work environment and I'm drowning in debt and I cannot do my job, while you manage to do it with the same means, it's evident that the single person makes the difference"* (20).

#### *Mentality as a combination of internal and external factors*

*Mentality (more or less open, more or less innovative and more or less inclined to innovation)* results from four interviews (3, 9, 10, and 14) as an element sometimes relating to character and individual personality. In one case, the farmer is naturally more introverted in comparison with other entrepreneurs, especially when largely focused on the production side (9). In another case, mentality is also considered the social (external) context affecting the inhabitants; this respondent comes from Liguria (Italian region) where everybody is "watchful and close", while moving to Tuscany she "has revealed" some characteristics she did not know she possessed (to be more open, more cheerful). This is due to the Tuscan influence: "Tuscan people socialise more, are more jovial and open, a totally different mentality" (14). Another respondent (10) reports something similar, even though he

attributes the cause to the geographical position (external); in fact the geographical area is seen as a “localisation” of different mentalities, as he said:

*“Up there (northern Italy) farmers have learned to be entrepreneurs, even if farmers and sons of farmers (...) While here the new regulations are just something to submit to, up there they are seen as an incentive to improve”.*

The situation is also connected to the typology of farming: a poorer one in the area of the respondent and a richer one in the north of Italy, in the Pisa and Grosseto valleys that determines a different mentality.

#### *External factors*

Four interviewees (9, 14, 16, and 19) mention the *environmental* and/or *cultural* and/or *social* and/or *economic context* in which you live and work as the fundamental factor that makes the difference. In another case (19) the environmental and cultural context represents also the “*background*”, i.e. either having worked previously in a non agricultural sector or being born into a farming family. Four respondents (7, 10, 16, 19) cite such elements both as environmental and cultural context, and as provenance (external causal attributions but also a cause that consists of the relationship between the individual and the environment) or as past experience or personal history (individual causal attribution). In all cases provenance from non agricultural sectors is always indicated as motive of higher skills, due to different reasons such as higher inclination to network (16 and 19), more open mentality and different vision (10), higher propensity to innovate (7 and 16). From this perspective, one interviewee (10) draws a neat distinction between being farmers or entrepreneurs and says that skills are much less evident among farmers than entrepreneurs, adding that it is “*inversely proportional*”.

As already remarked, relational skills and networking are instruments that make the individual more able to act, to change and to weigh more on the market for two cases (16 and 19), and even though times are changing they underline the still scarce propensity to co-operate and to do things together.

One interviewee (14) presented *role models* as a motivation. He maintains that a skilful person may “*open the way*” for other farmers who benefit from this situation by observing how new things might be done. These other farmers, however, are limited in all cases because they are more static and they are not always able to exploit such a driving force.

Another interviewee (3) provided another external attribution by saying that the expression of these skills is easier and greater when there are more *economic and financial means*; different initial capital (money) and different levels of capability, as the interviewee says:

*“We started from zero, but someone like Frescobaldi (an historic Italian wine-producer) started from a gold mountain and yet I acknowledge he’s been superior to us, thanks also to his superior possibilities... ... if you have lots of money, skills come on their own; if he’s not skilled enough, all the same he has somebody skilled on his behalf... (3).*

Another external attribution is the relationship between entrepreneurial skills and *sector/production/product*. For one case (17) the principal reason for difference in showing skills is given by having a “*driving product*”, that is indicated as the wine:

*“90% of farmers more skilled than me produce wine (...) difference consists in the product you make and wine is the most important one”.*

In two cases (7, 9), *farm typology* is relevant. If the farmer grow grains for example he/she focuses on yields and reduction of work cost, while investing very little in marketing. In one case (7), to produce organically is considered a positive factor, since many organic farmers come from non agricultural sectors and, as already mentioned, this facilitates developments of skills such as innovation and relationship abilities.

*Farm size* (9) and *geographical area* of the farm (10). This last asserts:

*“A farmers who lives in a place of transit maybe is able to see the world changing much more than one who lives on the mountain and comes down only for shopping... (10).*

Another external attribution is given by interviewee (14), according to whom availability of *funds* may hinder a farmer’s skills, in particular with the older ones. They choose to produce a certain product according to the available financial public supports, without any other kind of assessments. In this way they follow the global market

requirements instead of considering the needs of the territory. This is partially comprehensible because in this way you reach a sure income.

### **Sheet 6. How and why farmers developed their own skills**

#### *How farmers developed their own skills*

The most common explanation that interviewees quoted for their skill development is *education* (19, 20, 17, 10) and *training* (7, 9, 17, one of them also belonging to the previous group); education refers to agricultural or tourism management schools (that including marketing studies). Generally education and training were some of the means of broadening one's own knowledge and perspective; in particular, marketing studies and training are considered as much important, together with business management. For example:

*"Taking part in training courses I've been taught a lot on the side of business organisation and marketing"* (9).

Four interviewees (9, 10, 16, and 20) attribute the development of skills to one's own *experience* in the sector and learning by doing:

*"in part they have come day by day through experience"* (10).

Learning through error is a factor that was cited in other interviews; for example a farmer declares: *"you learn by making mistakes"* (9).

*Previous experiences in other jobs or profession* are the factors indicated by three interviewees (16, 17, and 19) for the development of entrepreneurial skills. In particular in one case the benefit of this kind of experience was associated with broadening of one's own perspective:

*"they serve to broaden our overall view"* (19).

Experiences acquired in marketing and business management are now much appreciated:

*"I was a buyer for a chemical factory and that was a prison for me, yet this made me understand the importance of organisation and taught me a method for managing the job. My job at an advertising agency made me understand the side of marketing and the importance of brand or of your own final product"* (19).

Two interviewees (14 and 16) make a reference to their own *character* and *personality*: in fact they declare they developed their skills out of an individual challenge, *seeking innovation and not being passive* (14), because *you must also work on yourself, discuss your points of view to improve and never take anything for granted* (16).

*Updating* and *knowledge* about various aspects of *one's own work* are recognised as important elements for skill development - by searching for information, reading professional articles, magazines and books, taking professional workshops and courses (7) - or discussing/comparing with other farmers (17). In this sense another farmer declares:

*"The fact I travelled a lot was fundamental to seeing how others work, taking examples from both their structures and breed, becoming able to recognise what can be valid and profitable..."*(9).

#### *Why farmers developed their own skills.*

##### *Self-motivation:*

Some interviewees offered (at least in part) their own *personal motivation*: personal and professional enrichment (7); to grow, to evolve and to emerge *"something inborn in me"* (14). In another case (19) it's *"the passion I have and willingness to accomplish something"* and also *"the willingness to connect with others that brings you to do networking"*. Interviewee 17 declares that you must look for new projects and new perspectives, to move on because *"I cannot stay still (...) it's not in my character"*.

##### *Necessity compelled them to manage their own business:*

One interviewee (3) talks about his taking charge of his father's farm during the '70s and his *need* to comply with the social economical changes of the time. He had to build a different management policy, starting to package his products and to find new marketing channels.

Four interviewees declare that they *had to develop* their skills, *it was necessary* to be able to manage the business. For example:

*“You need to develop them, otherwise you cannot bring what you want to do to the end”* (10);

*“It was necessary to develop these skills to keep on with my farm”* (17).

A peculiar case is that of interviewee no. 16, who affirms that she has developed her skills because she firmly believes in *“the necessity of being more active in healing the earth, because we are not well and all I do is for the young people”*. She further says: *“To improve agriculture according to welfare and recovery of the old jobs”*, thus offering a social motivation to development and use of her skills.

**Sheet 7. Farmers’ opinions about their agreement with the expert’s assertion: “development of entrepreneurial skills depends heavily on the farmer’s personality and attitudes”.**

Also within this group *interviewees agreed with the view introduced by the sheet and no cases totally disagree*, but most farmers, as reported below, added further motivations to those mentioned on the sheet.

In all cases character and personality are considered key factors in the development of business skills, for example: *“Obviously I agree”* (7); *“It’s fundamentally true”* (9); *“Of course it depends on this”* (16). Additionally, they mention an introverted character as a hindrance to skill development: *“Closed character is no good, it must disappear, and you need a cheerful character”* (3) or *“Try to tell to an introvert to establish connections”* (19).

Three farmers totally agree and two of them (17, 20) declare that opinion reported on sheet 7 includes what they had already said for previous sheets’ questions.

Several interviewees further specify a few aspects of personality, character and attitudes that are decisive for skill development: passion, openness of mind, willingness, persistence, positive attitude, inclination toward social relationships, humility of understanding one’ mistakes, and carefulness. Two interviewees confer an absolute value to the word “character”; one declares: *“to make business you must have character (...) if I had no character I would have left at the first negative result”* (10); while stressing the influence of character on skill development, another person says: *“If I had less character I would have made different choices”* (wrong choices, thus showing lacking skill).

A peculiar opinion about personality is reported by interviewee no. 16, who maintains that personality is a consequence of being aware of *“what you are and who you want to be”*: *“All life long the influence of personality on skill development is the basis and also how you work on it. Personality means a mask, doesn’t it? So to me you need to go beyond personality if you really want to succeed. To be successful you need also to know yourself, because what you want is the basis or destiny of your life. If you own a farm because your father left it to you and you aren’t aware that this is your destiny... (...) that is no good, because the farmer’s soul that is at the basis of everything would be lacking”*.

Many interviewees declares that the assertion on sheet 7 is true, but that it also is necessary to consider other elements: habits (cases 3 and 10); cultural context (9); farm size (9); general framework (“what the farmer manages to absorb from his surroundings”) (7); experiences (that affect skill development 50%) (19); environmental context, which is one of the causes of differences among farmers (16).

Two interviewees declare more or less openly that *external actors* contribute to the situation that facilitates in or hinders the farmer from skill learning: one (17) talks of farmers who made wrong choices when following agronomists’ indications (and this was due to their weak personality); another one reports that *“farmers’ unions might be helpful”* for improving connection skills of the more introverted ones (19).

**Sheet 8. What could be done to develop skills among farmers?**

Interviewees provided articulate answers as they tried to select actions and measures for developing farmers’ entrepreneurial skills, specifying which organisations should promote skills development.

Thus there is a generalised assumption about which entrepreneurial skills could and also should be improved, but on the other hand some pessimistic or negative opinions were also expressed.

Several interviewees individuate in *Training, meeting and updating* measures for promoting the development of entrepreneurial skills. Two farmers (3 and 9) underline that these instruments should initially address young people, because if they were targeted to the old farmers “*they would not even start, because the mentality is always the same*”. This is a problem, since in Italy many farmers are old (3). Farmers of the older generations are not able to “*get anything useful*” from the training courses (9). Some farmers suggested that training could be arranged especially with a focus on marketing or legal aspects. A farmer (10) also underlines the importance of adequate school preparation (obviously referred to the sector), which should be modelled on different educational patterns also taking into account the characteristics of the territory so to make more availability for different kinds of farming (It’s useless to fill up agrarian students only with ‘wine culture’ when most of them are going to work in areas covered by 60% woods where goat rearing would be much more appropriate;)

Finally two farmers cited the advisory service that might be provided through specialised fairs (e.g. organic products or agritourism) “*where there is a concentration of farmers of a certain kind*” (20).

According to several interviews, another important instrument for skill development is *exchange* and *comparison* among farmers, to be achieved through *discussion groups* and even *visits to model farms*. Exchange of ideas, for example, “*is important to open up reciprocal new horizons*” (14), or is important “*because you learn of different experiences and possibly different solutions to the usual problems*” (10). That exchange should take place among farmers belonging to similar typologies, so as to put together similar problems and requirements (10, 14).

Exchange and comparison also take place through the networks, as mentioned by several farmers as an efficient way for making exchanging and sharing experience possible, practice, knowledge and information (9, 16, 19, 20), but also to overcome the prevailing individualism and diffidence hindering skill development (20) and to improve one’s bargaining power in both purchasing and sales (9, 10).

Anyway, a few underline that exchange, comparison and above all building of networks are not easily accomplished, due to several reasons such as for example the old farmers (19) or many farmers that think “*they are always the best*” (20, 17). In this sense, interviewee no. 17 notes a fundamental difference existing between men and women, the latter being more inclined to share, to build networks (she belongs to one of them). Male mentalities appear more closed, individualist and they are not open to co-operation, “*they are nasty among themselves*”.

These last cases highlight motivations for the negative or pessimistic assumptions we mentioned above, even though the cases under consideration do indicate actions to be taken in order to improve entrepreneurial skills. The first action, as already mentioned in a different perspective, referred to old farmers and in practice is irrelevant and useless. Two cases demonstrate that they do not have confidence in their sector; one declares that farmers “*do not attend meeting nor are they interested in networks unless they have water right under their chin*” (20); the other one maintains that “*there is nothing to do because it’s a matter of character ...to me everything may be done, yet I’m convinced that only very few people would attend training courses to benefit skill development... the rest of them would say - ‘I’m still better than you -’*”, and as already specified she refers to male farmers (17).

As to *which structures should promote skill development*, the *sector associations* (Farmers Trade Unions) are mentioned the most frequently (5 interviews), even though opinion about them is quite negative. In a couple of cases, they say that professional associations should take care of this aspect, yet they don’t do it. In other interviews, they state directly or indirectly that these associations should not be the ones to promote the development of farmers’ skill (7, 10, and 14), since they support only the large industrialised farms. *Associations of producers* are instead indicated and appreciated, as well as *Institutions* (mostly the public ones) like the *Regions*, the *Universities*, the *Mountain Communities*, the Assessorato (Council) of Agriculture, Trade and Tourism (the latter also in synergistic actions ranging from incentives, advertising and promotion of the product and the territory, case 7). At least in some cases, the pressure on these structures seems to be strong, such as they should operate (economically, politically and with structures) to support farming activities and create a favourable context for skill development.

To conclude, it is interesting to note that two interviewees (7 and 20) make reference to the *Community Agricultural Policy* as a disincentive for skill development. One farmer states that:

“*with contributions based on historical average and not actual production you can even grow nothing and receive contributions all the same*” (7);

another one declares:



*“The Community political system has decided to slaughter agriculture and its background, without even realising that other services go together with agriculture. At a higher level they decided that you take food from somewhere else and here you come only to have a panoramic view... the problem is how this panorama will be tomorrow... but I’m an optimistic person (laughter)...” (20).*

Within a “political recommendation” it is interesting to report the point of view of a farmer (9) who referred to the relationship among public funds and farm size:

*“The too small farms shouldn’t be qualified as entrepreneurial actors... they shouldn’t take part in the farming system as we are addressing it now... They are too incentive for sure, because they are so strictly connected with the territory, nothing to say about it. Yet we shouldn’t consider them as productive entities, because they are not and considering the impressive number of this kind of farm in Italian territory (...). It would be interesting to see how much they consume without bringing anything on the market in production terms”. Obviously he doesn’t refer to all small sized farms, since “it’s clear that specialised vegetables farms sized 2 ha mean something else. I’m speaking of breeding farms with just a few animals, I’m speaking of people that open the VAT and when they want to build a house they can do that without paying urbanisation taxes. Or they take 1000 litres of farm gas and then use it in their car (...) Those people use public funds for the most different things, to make a fence in front of the house where they keep their horse... these are unproductive farms and harmful from this point of view... they are very important however for other functions, and to be promoted in different ways... but not as real productive enterprises” (9).*

### 6.3.3 “Non-food diversification” cases

#### Sheet 5. Do some farmers have more skills than others, and if so, what causes the differences?

The interviewees in this group agree that there are differences among farmers in having or showing such skills.

All respondents base their answers on direct contacts as examples of skilful or less skilful farmers.

Some of them compare directly or indirectly the two typologies by identifying the skilful farmers as “brave, creative and professional” (24); “pioneering” “proactive” “cunning”, i.e. able to activate profitable personal contacts or hide opportunities from others (8), “biodynamic” (2), “able to invent and pursue something” (1); “confident” (18); “those having something more and also doing work for the rest” (25).

Some respondents underline that the number of farmers exhibiting all three skills are still scarce in comparison with the majority.

Also in this group, they report several factors that may cause differences among farmers, differentiated as internal-individual personal, factors and external.

#### *Individual factors*

A first term used in some cases (1, 2, 4, and 8) is *willingness*. Interviewee no. 2 speaks for example of “*willingness to believe in what you do*” as a support to farmers when they work many hours a day; interviewee no. 1 says: “*willingness to make*”, to carry on one’s activity and create something new; interviewee no. 8 thinks that difference is caused by willingness to do something different, to offer proposals and not just wait for some improvement.

Interviewee no. 4 speaks of “*different willingness of the young people*” in comparison with the old ones.

Still within a range of individual characteristics and attitudes, two interviewees (4 and 18) use the term *mentality* as synonymous with a constructive mind open to innovation and the external world.

The respondents recognise that often young people (*age*) are more open:

*“Today farmers’ children have school education, not all of them of course, but this already bears out a different opening. These new generations have willingness and skills, such as kindness, and they are doing well in agritourism. I mean there is a change of quality with the new generations. In the past mentality was much closer, now it’s going to open and they can see new opportunities” (4) and again: “the mentality, the behaviour... maybe as young people we are able to see things better, because we are a new society in which we are more or less all equal and thus we interact a little better. We understand what people might be looking for, we are more open and we manage to communicate differently” (18).*

In a couple of interviews (23 & 25) *open attitude to the outside* indicates the factor that is able to favour different development of skills, especially the connection ones. This is an individual trait that over the last few years has not always come equally into sight among farmers, when these last overcame the self-sufficient phase and started to compare with society and the external world in terms of their farm size.

The interviewees believe that other causes of difference may be selected within the personal traits and thus indicate *intelligence* (2 & 4); *passion* (4); *inborn attitudes* (2 & 11); *courage, creativity and expertise* (24); a good deal of *luck* (11).

#### *External factors*

There are also factors affecting farmers from the outside that may determine relevant differences.

In a couple of interviews these are *local context* and *geographical difference*, as reported by interviewee no. 8:

*“As to hill or valley, I think it’s more a matter of territory and area... My example: if I were not in Bolgheri I would never have started production of wine... I must say the big names (of famous wine producers) in this sense supported us, because they have been the driving force...”* (8).

When asked which were the particular skills shown by pioneers in the area, the interviewee asserts that initially a sound *economic availability* was helpful, yet later they were able to exploit the capacity of the territory to create top quality wines, thanks also to relevant promotions at the global level and thus becoming the driving force for many other wine producers and farmers in the area.

According to interviewee no. 11 the *product* may represent one of the several factors of difference, especially with food products such as wine, oil and cheese. To illustrate the validity of these products it is also necessary to provide relevant skills in communication and marketing.

An interviewee reports that her poor *computer knowledge* is a personal limit:

*“I’m from a past generation not very able to use a PC, I desperately try to, I realise day by day that this a huge problem for me because today you make everything on PCs and I am missing out tremendously...”* (24).

In comparison with other actors, she reports such element as a cause of difference in entrepreneurial skills.

#### **Sheet 6. How and why farmers developed their own skills**

As with the other groups, these interviewees also take having certain skills for granted. In many cases they have no difficulty selecting how they developed them and their basic motivation, also referring to particular examples, situations or moments.

#### *How farmers developed their own skills*

The modes are different. A few interviewees (1, 8, and 11) consider *comparison* and *ability to connect with others* as fundamental, also establishing and taking care of professional and friendly relationships:

*“So, you develop these skills by creating contacts and with a good amount of resolve and persistence. I spent a lot of time at the bar ((laughter)) in time, experience... contacts...”* (1).

According to no. 8, knowing conditions of producers from other regions, attending fairs to get information are among the best ways to develop one’s own activity. The same is true for no. 11, who also adds that updating and reading allow him to develop his skills.

A few interviewees (24, 4, 2) maintain that their taking part in *training courses* or specialised schools has been important. For example, no. 24 underlines that in addition to her individual creativity she received valid help from a specific course for women that were starting their farming activity:

*“It was very helpful to attend this training course where there were other women on the verge of starting to farm... I must thank that course, because they assigned me a final research project on educational farms, which I didn’t know anything about. From that, also taking ideas here and there, we started the project that actually we now have on the farm”* (24).

Also interviewees 4 and 2 state they received an important support for their skill development from courses on wine tasting and communication and at a training school for organic farming respectively.

Several respondents (18, 8, 4, and 25) refer to *experience* as a determining factor in skill development. Interviewee no. 18 reports that he had no school education and over time his father and grandfather taught him the fundamental learning that now allows him to run his farm. Interviewee no. 8 relates his countless commercial and productive trials and mistakes, from which he also drew important learning over time to refine his entrepreneurial skills. Interviewee no. 4 ascribes some of her particular abilities to a previous job experience at a camping site, where she had to provide catering and housing to hundreds of people. This taught her to relate with people and manage problematic situations, which in turn are important for running her current agritourism activity.

Interviewee no. 25 mentions his previous experience as a teacher, and also within the university, not in terms of technical knowledge but as a “*gym where you can develop certain skills*”:

“The university may represent a place where you compare with other people and other points of view... thus not strictly in educational terms it also favours development of certain abilities; I guess that if you experience only the farm you don’t have such an opportunity” (25).

*Why farmers developed their own skills.*

The common element in all answers as to why the respondents developed or tried to develop their skills is undoubtedly being able to *keep their activity professional and profitable*, which they consider the objective of all entrepreneurs.

*Self-motivation*

Nonetheless, several of them also refer to a range of more personal motivations. A couple of interviewees (1, 8) appear to be willing to reach farm levels that are now considered optimal, i.e. they were pushed by a sort of *pride and wanting for decision-making and managerial autonomy*. For example no.1 reports that his father had a low opinion of him and he wanted to show he was able to build a model farm: “*I developed those skills to become autonomous from my family and to show my father that I was able to do something... time has proved I was right... I managed to make the farm autonomous in all regards, a model farm...*” (1)

Also interviewee no. 8 refers to the need to show his skills to become independent from wholesalers, to become more visible and to have his efforts acknowledged: “*Now at least I’m proud, and even though I must work 18 hours in a field I am working for something I like and promoting the farm ...*” (8)

According to interviewee no. 2, his motivation for skill development with organically produced products is also related to *human growth*, not only professional growth. He wanted to tailor an activity for himself to also carry on at his best the ethical environmental contents of organic farming.

On the whole, several respondents referred to a *huge passion* (18 and 8) and to continuous development of skills that allowed the farms not only to survive (*necessity*) (24) but also to *work at its best* (11, 8, 24, 25) when they started such entrepreneurial activities.

*Economic motivation*

To develop one’s skills aimed therefore at *improving business strategy* on the basis of consumers’ requirements, such as for example case 11 who states:

“*I developed my skills to refine those technical business strategies that are the basis of my projects*” (11)

He adds an interesting remark on the *necessity* of fulfilling consumers’ requirements:

“*You must develop skills because you must always update, it would be like a surgeon that doesn’t attend updating courses on new techniques and stays at what he was taught 20 years before. Techniques move on and patients are more and more demanding. Our customers demand more because their information grows, they are no longer the same as 30 years ago. These are demanding customers and they know what they want, for our part we must know what we should offer to them*” (11)

Even interviewee no. 25 agrees about the *necessity* of developing and demonstrating these skills to be able to manage a farm today. He underlines, however, that some farmers do not exhibit them and yet they take advantage of someone else’s job, as it might happen in consortia and co-operative associations.

**Sheet 7. Farmers' answers about their agreement with the expert's assertion: development of entrepreneurial skills depends heavily on the farmer's personality and attitudes**

In general the *respondents agree with the assertion*, even though several underline that personality and attitudes are not the exclusive elements in training and development of entrepreneurial skills.

Interviewees 1 and 2 assign a fundamental role to personality, but they specify how the *context* is equally important:

*"Personality is fundamental, together with your environment... So if there are other farms to build synergies, it's also fundamental that Public Bodies help you as much as possible" (1) and: "The basis rests on personality, but I would add that you need to find a positive context; if along the way the farmer meets somebody giving him inputs he will follow them according to his attitudes..." (2)*

In a couple of interviews, *willingness* plays a relevant role. To interviewee no. 4 this means *passion and a desire to propose and carry on one's own way of being*, a way of thinking and acting that counterbalances the male one, often still dominated by prejudice against women's role in farming. According to no. 8 willingness means *continuous research for staying together with others and communicating*. These factors may help the farmers' activity especially at the stage of sales, as acknowledged by interviewee no. 4.

As in the previous cases, the *positive aspects of personality, favourable attitudes and openness to others* are key factors in developing certain skills. In this sense, no. 18 selects being available to have a dialogue, to discuss one's own opinions and to accept suggestions as a way of acquiring knowledge to develop one's own strategies. Interviewee no. 11 introduces interesting remarks, saying that if a person is more inclined to make personal contacts they may also offer up the image of a more skilful entrepreneur: *"I think it is an on-target assertion, because attitudes are part of a person. One person is more inclined to make personal contacts and more capable of connecting; another is more introverted and finds it difficult to express what one would like to. This might make you think that the latter has lacking entrepreneurial skills... Personality is therefore most important when you compare with other individuals and open character is important for giving the idea of an open entrepreneur who is willing to have a dialogue with his clients. An introverted person makes you think of a close farm, similar to a fortress..." (11)*

In general the interviewees think that these factors play a prevailing role in the development of entrepreneurial skills, even though these should be inserted in adequate frameworks and be supported by external actors such as Associations (2), Public Bodies (18, 25) and University (18).

In one case (24) the respondent states at first she doesn't completely agree with the assertion and she thinks that between skills and personality there is an inverse relationship. Personality doesn't play a key role, but being competent in one's work makes a person more confident. Competence, therefore, might also help the more introverted ones become more communicative, even though their personality would not allow them to so much:

*"No, I do not totally agree ((pause))... in my opinion a person that starts to have competence also knows how to control himself or herself and will make efforts to communicate, even though his/her personality would not allow that too much... If you are more confident of what you think you are also able to tell it and also in the correct way..." (24).*

The interviewee seems to focus her answer on technical and coordination skills. Since she comes from a non-agricultural sector and has not acquired such skills, she probably does not feel confident, even though she shows a positive personality open to dialogue and connections. She thinks therefore that personality has an influence, yet not a key one.

**Sheet 8. What could and should be done to develop skills among farmers**

As with the other groups the interviewees felt especially stimulated by the question and provided articulated answers as they tried to select actions and measures to develop farmers' entrepreneurial skills, together with the most appropriate actors for such actions.

As already reported in the previous groups, meetings and comparison among farmers represent the fundamental moments for promoting skill development. For example, case no. 1 asks for *"actions targeted to increasing meeting space, where once can cultivate one's ability by means of cultural exchange of opinions"*. Interviewees 11, 18, 24 and 25 express similar views and find it really important that farmers be able compare with other people and situations, tell their experiences, learn positive examples from those farmers that had found solutions to common

problems. These moments represent a first step towards more concrete interactions among farmers, implementing synergies aiming at developing individual and collective projects and actions.

Sector associations, whose actions farmers appear to criticise heavily, should play a fundamental role. Yet the associations are nonetheless indicated as the more appropriate promoters.

A few interviewees assign as much importance to the *role of Institutions* (Community and Regions) in planning and putting into practice the agricultural policies. Specifically, interviewee no. 2 asks for a revision of the public funds for agriculture saying:

*“Political action is fundamentally aiming at revising criteria of financial contributions that until now have favoured passive aids and big owners above all and instead should favour real work on the farm”* (2).

Interviewee no. 8 favours abolishing them and states:

*“they must act at the European level... first of all take back all contributions, nothing. Free competition. Because to give premiums to those who don’t cultivate the land means supporting the big landowners, they make profit even without cultivating, and they damage us. This is just unfair competition...”* (8)

Interviewee no. 25 instead proposed that Institutions financially reward those showing the highest degree of innovation.

The relevant role of Institutions also in promoting connections among farmers, as already reported, is underlined by interviewee no. 18, according to whom: *“Institutions must provide concrete answers to farmers’ efforts, actions that are able to give confidence to farmers, many of whom are right now in a phase of uncertainty”*. To him, inputs are necessary to further stimulate maintaining farming with enthusiasm and confidence.

A few farmers mention *training*. Interviewee no. 4 thinks of training courses that are apt to provide concrete support on real concrete issues and in particular marketing and non-verbal communication courses, trying to give information about which opportunities and marketing channels are available on the market. Likewise, interviewee no. 24 points to the need for improvement of marketing to be fulfilled by means of training courses, and interviewee no. 11 states that select specific training courses entrusted to experts is the solution for improving technical and marketing issues. Interviewee no. 25 also considers it important to receive support by means of courses focused on technical improvement and innovation.

Frequently, training courses represent opportunities for promoting the spread of *information*, which is another element indicated as being a useful instrument for the improvement and the development of skills. For example, interviewee no. 1 thinks it is positive to create a data bank for sharing experiences and development models all over the world – thus increasing information in a network – and he indicates that Institutions are the most suitable promoters:

*Institutions and organised associations should play a role because they are able to do what a farmer cannot. Thus, it is the Public Body that has to provide you with the instruments suitable for receiving information...”* (1)

To have *broader knowledge of the market and computer instruments*, as well as to *educating consumers about conscious consumption* are the elements indicated by interviewee no. 24 as adequate tools for the development of farmers’ skills.

### **6.3.4 Retrospective interpretations of comments on sheets 2-4, from the perspective of skill development attribution**

Through a retrospective overview of the comments provided by interviewees on sheets 2-4 it is possible to notice that they already provide, in this first part of the interview, indications about some enhancing or hindering factors within the perspective of their own and general skills development; these factors are substantially the same identified later and described in depth through answers on sheets 5 to 8.

Being involved in networks (with different subjects), participating in farmers’ associations, co-operatives and various Projects, attending meetings, fairs and events are among the main factors identified as promoting and increasing the global level of entrepreneurial skills among farmers, due to a sharing of knowledge, experiences and information.

Just spreading information is one other factor recognised as important and a higher involvement within this aspect is required from Farmer's Unions.

Experience acquired in previous extra-farming activity is already identified by several interviewees as an element that has contributed to specific personal entrepreneurial skills.

Within the first part there are also elements described as factors that sometimes can hinder entrepreneurial skills such as a closed personality, which negatively influences the character and skill of relationships, and a narrow minded attitude and not being available to confront oneself, that is often considered as diffused among farmers; these factors have been recognised by someone as the ones that hinder possible forms of co-operation and collaboration among farmers themselves and a poor business approach. The cultural and socio-economic context of a specific area has this negative influence on many farmers' mentality and vice-versa, a vicious circle in which innovation and development are not favoured. As a consequence, within this context even the market is characterised by poor vitality and for someone this is also one of the causes of the poor possibility of skills development.

Finally interviewees identify further enhancing and/or hindering factors as initial capital (high-low) and family of origin (positive influence-negative influence).

### **6.3.5 Summary of attributions and comparison of groups**

This section summarises different factors and/or different ways identified by interviewees as possible elements for enhancing or hindering the entrepreneurial skills of farmers. As previously shown, interviewees reported several factors, sometimes utilising different terms or words to explain the same concept. In this summary we tried to include all similar aspects within the broader context, thus to make them more homogeneous and eventually comparable the results emerged from the analysis of the three groups. Initially, the results that are reported here concern an overview of the 3 groups.

#### **Do some farmers' have these skills more than others?**

According to the answers provided on *sheet 5*, it is possible to make a first statement: the interview sample as a whole maintains that *there are differences among farmers in having and showing personal entrepreneurial skills* that are the subject of our research, differences that are sometimes substantial.

Within this general agreement interviewees mainly refer to examples and experiences related to their activity; some of them are already able to distinguish during the first part of the question different farmer's typologies having and showing such skills in different ways, thus describing in advance those factors of differences that will be better analysed over the course of the question.

#### **Causes of difference among farmers**

Interviewees identified several factors which can be distinguished as *personal-individual factors*, depending on and forming within the internal attributions of farmer, and factors which, apart from the will of the farmer, can influence the development of his skills from the *external* environment.

These factors, sometimes clearly indicated and explained by interviewees and sometimes only mentioned within their answers, are reported below.

#### **Factors of difference: personal attributions**

##### *Character and personality*

(Factors quoted by interviewees: 1, 2, 4, 5, 8, 14, 22, 24). These important elements include a series of aspects among which the term *willingness* is quoted as the expression of a obstinate personality in achieving goals, in changing things, a will which pushes the farmer "to do" and to be active and which is able to influence the farmer's skills and to cause differences. Interviewees provide within character and personality also other terms such as "interest", "courage" and "passion".

##### *Natural inborn skills*

(2,4,9,11,17,20,23,24). This concept encapsulates different terms that for the interviewees, as the meaning of the word suggests, were born with the person; these skills can be developed over time, but represents elements which every single person can have or not. Individual vocation or attitude towards some specific matters, nose for good business, but also creativity (often attributed to women) and intelligence are inborn factors that can cause differences among farmers when showing one's skills.

#### *Mentality*

(3, 4, 9, 10, 14, 19, 18). The way of thinking, the mental attitude by which a person deals with things and above all the positive aspects of what is defined as opened-mind, are often considered important factors by interviewees. This is a factor strictly related to the character and personality and for some interviewees it changes with age (young vs. old), gender (male vs. female), the geographical area (i.e. north vs. south, Tuscan vs. others) and it can be influenced by the external context. For some the farmer is a person who is characterised by a narrow-mind.

#### *Open attitude to the environment outside the farm*

(24,25). This is an aspect of mentality which is quoted by those interviewees coming from the extra-agricultural sector. They think that farmers should improve this attitude, as they found higher skills among farmers that addressed their activity in both the extra-farm and extra-agricultural sectors.

#### *Education, training and culture*

(10, 15, 16, 19, 20, 23). These factors imply the acquiring of knowledge and competence, the ability to utilise data and to elaborate strategies; they have a quite positive influence on mental attitude, promote relational skills, favour greater dynamism and as a whole are so recognised as elements able to cause differences among farmers.

#### *Age*

(4, 5, 16, 19). According to some interviewees age plays a decisive role: especially in the younger generation, it can influence different aspects such as mentality, promoting their openness; it has influence on will and on educational levels, helping young people in perceiving current changes and pushing them to do new things. On the other hand, older people are less sensitive to stimulus coming from either one's inner personality or external factors, and in their activities they allow themselves to be dragged along rather than start new activities.

#### *Experience*

(15, 23). Experience in one's sector or extra-agricultural training are recognised in a couple of cases as main factors for differences.

*Contact, exchange and being able to relate* (21, 16, 19) are the final additional aspects identified by some interviewees, specifically by 3 farmers that are involved with formal or informal networks.

The last factor mentioned by a single case (24) is **professionalism** of the entrepreneur.

### **Factors of difference: external attributions**

#### *Typology of activity and/or sector of production*

(7, 9, 11, 13, 15, 17, 23). Within different interviews the cause for differences is recognised as being related to the specificity of the farming activity or sector of production. Sometimes it is the farm typology that can improve some skills: if an entrepreneur manages an activity that includes direct contact with consumers or direct sales or product processing he is able to expand his activity by moving towards the end consumers' requirements, improving and broadening some of his skills. Meanwhile farmers involved in Conventional production will be more focused on production and will exhibit greater skill at reaching higher productions or lower costs.

*The product*: production of some agro-food products (cheese, wine, olive oil, processed ham) with respect to other crops (cereals, milk, unprocessed meat) is recognised as a factor that can contribute to showing different skills.

*Typology of breeding*, in one case for example, is indicated as an element causing differences among breeders, because interviewees asserts that cattle breeding is more innovative with respect to sheep rearing, due to a "cultural diversity".

#### *The socio-economic framework and/or the area of reference*

(8,10,15,22,23). In the early '90s, in the south of the Province of Livorno, some important and international wine producers (also coming from the outside area) started burgeoning production of quality wines, well known and appreciated all over the world. This development process, pushed by these *successful entrepreneurs*, who have been *driving forces* in creating a favourable socio-economical framework that, according to some interviewees from the area, has become, for a lot of small wine-producers of that context, one of the main factors for acquiring and developing specific entrepreneurial skills. Interviewees also associate this factor with the *peculiar geographical and climate factors* of the area, another important cause of difference among farmers within the wine sector.

Some interviewees reported other reasons for differences within the socio-economical context or the area of reference: the *historical background* (for example the migration of shepherds from Sardinia to Tuscany in the '60s and their breeding methods that are still present in many areas of the region is quoted) or the *farm location* within the territory (isolation of the farm can influence entrepreneurial skills and be a cause of difference among farmers).

#### *Cultural background*

(7,10,16,19). This factor is strictly related to those already seen previously, such as experience, mentality and the socio-economic framework. These interviewees underline the importance of personal background in influencing entrepreneurs (but stressing the context, the human-environment relationship). Almost all think that a provenance from the extra agricultural cultural-context, from which they declare to be from and where they formed themselves, was the factor that improved their skills above all in regard to networking, adapting to changes and approaching to things with a better open-minded attitude.

Interviewees quoted further reasons such as:

#### *Farm dimensions*

(6, 9), so that small farmers (with a small farm size unit and production) present better flexibility of movement with respect to bigger ones and within this aspect they show themselves to be more dynamic and skilful in realising opportunities.

#### *Influence of original family*

(15, 22) which can assume a double weight, positive thus promoting skills, but often negative, hindering them and thus causing differences.

#### *Initial capital*

(8, 3), so that the entrepreneur who starts up his own activity with consistent financial resources probably has more opportunities and chances above all to show his own skills with respect to others.

*CAP reform, decreasing income* (because that can influence a farmer's willingness), but also *funding, knowledge of computing, luck* and *general climate conditions* are further factors identified as being able to generate differences among farmers in regard to entrepreneurial skills.

As one can see, all these factors are often interconnected and for some elements quoted by interviewees it is not always easy to distinguish exactly the ambit in which they can be categorised or described.

In any case the interviewees provided many useful elements to be able to describe factors directly or indirectly causing the presence of our skills among agricultural entrepreneurs.

### **Different ways and motivations by which farmers declare to have developed their own skills**

Also in this case, interviewees provide in their answers (to questions on sheet 6), different modes, instruments and actions by which they declare that they have developed their own skills and the motivation for this, moving, as already mentioned for the analysis of single groups, from a common basis of having already shown that they possess, at least partially, these skills through their answers to the previous questions (sheets 2-4). How farmers developed their own skills is discussed below:

#### *Experience*

(4,8,9,10,12,13,16,17,18,19,20,21,25). Although experience was not a term that was specifically mentioned for the previous question about the cause of difference in entrepreneurial skills among farmers, we can now observe that



many interviewees clearly refer to or in any case quote this term as the main factor through which they developed their own skills.

For some interviewees (8, 9, 10, 12, 13, 16, 18, 20, 21) experience was formed by time within their activity, it's the result of hard work and *daily practice on the farm*, but also through learning by doing, and through trial and error, often dearly paid, through which farmers have succeeded in improving their own skills and activity. Farmers that used this concept are obviously the ones with an agricultural background (or have been working in agriculture for a long period).

In different cases, interviewees refer instead to the experience they have acquired within other sectors, outside the agricultural context and through which they have had the possibility of developing specific qualities and skills (as already described in "the cultural background") and to show them also transferring them to agricultural activity.

#### *Knowledge (education, training and information)*

(2, 5, 6, 7, 9, 10, 17, 19, 20, 22, 23, 24). Under the term "Knowledge" all those learning and competences and reserves of knowledge that interviewees declare to have acquired through their personal *education, training and information gathering* and by which they declare to have developed own skills have been combined.

Thus interviewees refer to their *school education*, general or specific to agricultural sciences (2, 10, 17, 19, 20, 22) and to various *training courses* (marketing, communications, food tasting, up-dating, on entrepreneurship etc.) (7, 9, 17, 24); they say they have developed their own skills by *reading* books and specialised magazines and *using the internet* (5, 7, 23) and through the *specific knowledge of the sector* (rules, normative, laws) (6, 17).

#### *Listening, confrontation and relationship*

(1, 5, 8, 11, 15, 17, 21, 23). This is an important factor for a number of interviewees and one of the aspects to point out for developing farmers' skills in the future.

These interviewees declare that they have developed their relational skills, but also the skill of elaborating strategies and realising opportunities, just through confrontation with other subjects, not only farmers, but everyone involved in the sector, humility in terms of being able to listen and to accept advice and the ability to be able to relate to others.

#### *Direct knowledge of people useful to one's activity*

(5, 6, 15, 23). Always within the ambit we illustrated above, we can report relationships and direct knowledge both of people and systems; some interviewees declare that they developed their skills attending the lectures of *university professors* as part of research Projects or at university courses (5, 23) improving their learning in this way; other interviewees mention having developed specific skills through the *knowledge of the local political system* and politicians or local representatives and attending *Farmers' Trade Organisation*, because these are recognised as leading actors within the sector, able to provide important information (normative and financial, how to have licenses and permission etc.) for farming activity.

Finally, among further modalities by which interviewees declare to have developed their skills, "*counting on own character and personality*" (14, 16) and "*through father's example*" have been cited (23).

### **Reasons for farmers to develop their own skills**

We tried to sum up the different motivations provided for this question under three main aspects: self-motivation, economical motivation and motivation spurred by the necessity/need to make changes sufficient for the farm or sector. Also in this case these aspects are not always exclusive but often strictly interrelated and sometimes one is a consequence of others.

#### *Self-motivation*

(1, 2, 5, 6, 7, 8, 12, 14, 15, 16, 17, 18, 19, 21, 22). Mostly interviewees assert they have developed their own skills mainly pushed by factors linked to their own personal sphere, but always paying attention to their own farm.

Some (2, 5, 7, 12, 22) talk about a desire for their own human growth and for self enhancement and improvement.

To achieve personal goals and to obtain personal satisfaction through this has been another motivation indicated in other cases (6, 15, 21, 22); a sort of personal challenge, driven by pride and by the willingness to be autonomous for farm decisions and management (1 and 8), accompanied by the wish not to be passive and to discuss their own points of view, to improve and never take anything for granted (14 and 16) gave further input to skills development; these motivations are often synonymous with a strong personality of the farmer.

Interviewees still quote: *passion* for one's job, for things in general and for relationships (9, 18, and 19); *life choices*, when trying to leave an old job or starting a new activity to create new perspectives.

#### *Economic motivation*

(5, 11, 12, 21, 23, 25). The economic motivation or the motivations linked to some farm's aspects described by interviewees range from a wish for *increasing farm performances and efficiency*, to the achievement of a higher income, improving strategies, following the concept of enterprise, because, as quoted from some interviewees, nowadays whoever runs a business must have these entrepreneurial skills.

#### *Necessity*

(3, 4, 5, 10, 13, 16, 24). This term combines a series of motivations which in part have been already considered within previous ones; but in this case interviewees present such motivations not as a personal wish or will but rather as actions *that respond to specific requirements or particular needs* forced in part by external (farm/extra farm environment) factors.

Thus they report the necessity of developing some skills as a consequence of a changed farm and /or sector context, or of continuing activity (*farm survival* was the term used by an interviewee), of being able to manage the business, or responding to new client requirements.

Finally, in a couple of interviews (5, 16) farmers maintain that, besides the motivation already shown, they have had to develop their own skills for the necessity (but also for a personal will in this case) of continuing to carry out an environmental function (stewards of the land) or a social function (to support agricultural and world sustainable development).

### **Interviewees' opinion about the expert's assertion that development of entrepreneurial skills depends heavily on a farmer's personality and attitudes.**

Almost all interviewees agree on the fact that the development of entrepreneurial skills depends on a farmer's personality and attitudes.

Those interviewees that for the previous questions had already stressed the heavy influence of these factors on skills are now pleased to find their statements being confirmed by the experts.

In this case individual factors are considered fundamental to skills development. Thus willingness, but also passion, desire, stubbornness, inclination toward having social relationships and still persistence, humility in understanding one's mistakes, carefulness, positive attitude, openness of mind are indicated as the basic attributes of personality in influencing skills, as already seen when describing factors that cause difference among farmers.

It is recognised how a *willing character* and the *attitude of being open to dialogue and to confrontation* allow farmers to facilitate contacts, provide an image of a person able to exhibit relational skills, and contribute to general skills development. There are also some single cases in which interviewees think that character can have an influence on entrepreneurial undertakings and that to follow natural attitudes and to feel satisfied about them provides energy for working and improves skills in pursuing goals.

Some interviewees, although they consider character, personality and attitudes important, think that such elements are not exclusive factors in influencing the development of entrepreneurial skills. They consider the expert's assertion true but it should be taken into account jointly with other factors.

Thus interviewees identify in the *social, cultural and environmental context* a factor able to give positive inputs regarding the development of a farmer's skills (promoting relationships, activating synergies, exchanges, ideas etc.) and the favourable ambit in which character and personality can be further formed.

*Habits, experience*, but also *starting capital, fortune, and time to spend* are other important factors that must go together with personality and attitudes for influencing skills development.

As we have seen in their answers interviewees draw on most of those elements they provided for the question on sheet 5 when defining factors causing differences among farmers.

As a whole there is only one case in which an interviewee declares he or she does not completely agree with the expert's assertion, because she thinks that there is an inverse relationship between skills and personality. Personality doesn't play a key role, but being competent at one's work makes a person more confident. Competence, therefore, might also help the more introverted ones become more communicative, even though their personality would not let them so much.

### **Actions, measures, tools and actors for developing entrepreneurial skills among farmers.**

Interviewees recollecting ideas and assertions expressed during the entire interview provide a series of interesting indications to answer the final question focussed on identifying what could be done or should be done to develop the entrepreneurial skills of farmers. Among interviewees there are cases directly showing measures and instruments for pursuing this goal; others make it indirectly, through a wider and deeper analysis of the problems and difficulties afflicting agriculture and the rural world, trying to find possible solutions through very articulated answers.

We tried to sum up common aspects of the issues and measures identified by interviewees and emerged from the analysis of wider categories as follows:

#### *To promote meeting, communication and confront*

(1, 5, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25). Some 2/3 of interviewed people made a clear reference or indicates, quotes, talks about the necessity of realising and promoting these measures to improve farmers' skills.

They talk about actions to improve meetings such as conferences, workshops, discussion tables, focus groups, visits to model farms, where cultural exchanges of ideas may be promoted, and opinions and experiences shared. According to the interviewees, through these moments it is possible to match different experiences among entrepreneurs and other subjects to solve problems or to give input to stimulate the farmer and his skills. These meetings are identified as the first step toward encouraging relational skills, a step towards the growth of single and collective skills and to networking.

Networks are considered the most suitable tool for knowledge and information dissemination among farmers; they permit them to overcome the prevailing individualism and diffidence and support farmers in their bargaining power both for selling and purchasing as well as for creating synergies for projects and strategy development.

#### *Education and training*

(3, 4, 5, 9, 10, 11, 15, 20, 24, 25). School education still remains one of the main factors for forming some skills, but training is recognised as having a fundamental role in their development. Methods, contents and targets to which training must be addressed change from one subject to another. In one case the interviewee thinks that it would be more useful to organise basic courses of general knowledge especially in those sectors in which farmers are characterised by a lower level of education (e.g. sheep rearing). In other cases, instead interviewees would prefer specific courses on marketing, aspects of communication; a knowledge of these matters, which sometimes is lacking among farmers, is considered very important for selling one's products or recognising economic opportunities.

It should be particularly interesting for someone to create advisory services at fairs or within an agricultural area with a high concentration of farmers and to assign this service to specialised agencies of training.

#### *To promote the spread and availability of information*

(1, 23, 22, 6). Some interviewees identify information (the term is adopted here within its wider meaning) as a tool that could have a positive influence on farmer skill development. Often they think that there is a lack of information or that it is too difficult to find it, also in relation to the little amount of time that farmers can dedicate to this operation.

It seems that in most cases information about markets and policies are required more than on technical issues. Aiming at data and information spreading one farmer hopes that the creation of a data bank where farmers can compile experiences and where it may be possible to find solutions to one's problems can be achieved.

*To operate in a socio-economic and political framework*

(2, 5, 8, 15, 18, 23, 25). As said before, some interviewees, besides the direct actions on farmers, identify a series of necessary actions and measures for leading within the socio-economic and political framework in which farmers operate as a pre-condition for later positively influencing the development of entrepreneurial skills.

Lastly, we report other actions indicated by some interviewees related in one case to the wish that *the same farmers might prove to be able to create their own objective* (5, 15) and in another case to *consumer education* towards an 'conscious consumption', as well as to help the farmers with their own strategic choices and providing stimuli for their own skills of utilising contacts and recognising opportunity (24).

Different interviewees believe that *time* could be an important factor for enhancing development of skills; farmers declare that especially for some period during the year they are very busy with farming activity and following bureaucratic aspects. The lack of time is seen as an element that doesn't permit farmers to look for information, to attend business meetings within the Farmer's Association and in general a lack of time is described in this case as a hindering factor.

**Some consideration of the group's comparison**

Regarding the comparison among answers provided by interviewees within three different strategic groups, *we can state that no substantial differences emerged* through which it would be possible to identify specific strategies or methods for the development of entrepreneurial skills. Within the Conventional group it seems that interviewees provide more elements for the 4 questions (sheets 5-8) as a whole compared to the other two groups.

As emerged from the previous chapter, focussing on the analysis of single entrepreneurial skills, some interviewees belonging to the Conventional group assert that having fewer contacts with final consumers is surely a cause of differences compared with the other two groups (which instead presents these relationships) in developing specific skills.

Many subjects claim to have developed their own skills within activities in extra-farming sectors; since these subjects mostly belong to VA and NFD groups, it is in these groups that it is mainly possible to find these kind of answers, although in the Conventional group some interviewees also speak indirectly of having developed skills at university (15 and 23) or as a mechanic (21).

The overview of causes of difference, factors and methods identified for developing skills shown in the previous summary, is provided below, reporting the main issues that emerged for 4 different sheets within each single group.

*Sheet 5: cause of differences among farmers*

C = members quote factors in a more homogeneous way in their answers

VA = the causes quoted by members can be mainly represented by the terms "*mentality*" (quoted within 5 interviewees), "*education and training*" (4), "*cultural context and background*" (4)

NFD = the causes quoted by members can be mainly represented by the terms "*character and personality*" (5) and "*natural inborn abilities*" (4).

*Sheet 6:*

How interviewees described having developed their own skills

C = most of the members provide causes which refer to "*knowledge (education and training)*" (4), *Listening, confrontation, relations* (4), *Direct knowledge of people* (4) *Experience* (3).

VA = *Experience* (6) and *Knowledge* (6) are modalities mainly quoted by members of this group. Three answers make a reference to experience acquired in previous extra-farming activities.

NFD = Answers here are more concise and terms utilised mainly refer to *Experience* (3), *Listening, confrontation, relations* (3), *Knowledge* (2). Also in this case two answers make a reference to experience acquired in previous extra-farming activities.

*Why interviewees stated they developed their own skills*

C = almost all interviewees provide more motivations; among these motivations the prevailing is *self-motivation* (6), followed by the *economic-motivation* and from *necessity* (3)

VA = almost all interviewees provide more motivations; among these motivations the prevailing is *self-motivation* (6), followed by *necessity* (3); differently from the other two groups here a strictly economic motivation (willingness/wish to increase farm income) seems to be missing; interviewees relate economic motivations with the necessity of being able to manage the farm business.

NFD = each interviewee provides more motivations, on the whole equally distributed, with a little preponderance of *self-motivation* (4)

*Sheet 7: consideration of expert assertions*

As previously mentioned almost all interviewees answer that they are in agreement with the experts assertion, there is no particular evidence of differences among groups on the whole in answering, small differences are due to single mentions.

*Sheet 8: measurers, actions and instruments for developing farmers' skills*

Also for this question interviewees provide answers distributed equally among the issues reported in the summary overview. It is possible to recognise elements related to the issue "to promote meeting, communication, exchanges and confrontation" in each group, so that for "Education and training" (going down just a little moving from NFD, to AV and to Conventional).

It can be noted that the request for more information is mainly cited within the Conventional group (6, 22, 23), while the issue "reformulation of CAP policy and subsidies" is cited within the VA and NFD groups and not in the Conventional group.

## 6.4 Summing up, discussion and conclusions

In this section we summarise the main results that emerged in relation to our starting research questions.

### 6.4.1 Farmers' presentation in regard to skills

Concerning the first part of the interview analysis, through which we tried to understand and to evaluate the skills of entrepreneurs through the analysis and the interpretation of their self-presentations i.e. the way interviewees present themselves according to such skills and whether they maintain that they have them or not, we can state that:

Each interviewee presents himself with a specific skill and as a whole, in each of the three strategic groups we don't record any cases of farmers declaring that they do not possess any of the three skills.

According to the interpretation of resources provided by interviewees within their self-presentations to show if they have or do not have these skills we have identified 2 general types of farmers:

a) **Farmers who** provide resources by which they are able to show their skills credibly, so that we have identified them as:

Farmers who present themselves as having skills, and being able to utilise them, through a comprehensive and convincing provision of the rhetorical resources for each skill.

b) **Farmers who** do not completely provide resources as to some skills (or specific aspects of those skills) or do not make sufficient or open declarations that they have gaps nor do they provide resources with which they openly declare that they are not skilled, so that we have identified them as:

Farmers providing resources through which they manifest only some specific skill because they do not provide resources for other skills, or they provide poor rhetorical resources for other skills, or declare a lack of skill (in part/for some aspects) or expressly declare that they do not have a specific skill.

Thus the resources that an interviewee provides during the interview for presenting him/herself as skilful or not is the first criterion adopted to highlight differences among farmers, and this can be influenced by several factors.

Firstly, it can be due to the real presence or absence of skills, if a farmer makes assertions because he is aware of his own capacities considering that he has proved them within his experience. But the provision of resources can depend also on the personal characteristics of interviewee, the way in which he presents his own assertion and opinions, whether he is less talkative or not with respect to others and his character and personality. For example, as reported, some interviewees that state that they were not able to network and utilise contacts ascribe their problems to their own personalities (reserved, loner, un-diplomatic and uncompromising) and are more oriented to production than to external contacts with customers. However, they report that they also have difficulty finding adequate partners among farmers with whom to establish contacts and networks, especially in certain areas and among more elderly people due to their narrow-minded attitude. We have also had the impression that farmers were skilful at these skills, but it is difficult to define how much this attitude could be ascribed to the farmer's modesty, pride at being different (character, ideas etc.). This is part of the farmers' rhetorical resources that make them assess negative skill in their self-presentations.

Finally the role played by interviewer could also influence the presentation of resources by the interviewee, such as when the interviewer doesn't understand the exact meaning of farmer's assertions, or when he doesn't give him further stimuli to improve the discussion or if the environmental conditions of the interview are not the best (presence of another person, noises, continuous interruption of the interview etc.). However, the interview guide was useful for minimising such contextual variations and the conduct of the interviews improved over time and with experience. A large amount of useful information has thus been collected. In general, entrepreneurs who presented themselves as skilful within each of the three skills under investigation supported their convictions. In this case through the provision of quite clear and realistic resources we were able to accept their self-presentations as convincing.

Farmers manifest skill at elaborating and/or developing "business strategies" that are focused on adding value to their produce by means of diversification and often from the perspective of multifunctional agriculture. They frequently carry out intermediate assessments on the efficiency of the pursued strategy. They manifest the ability to make connections (both utilising contacts and networking) and provide examples of the setting in which such an ability is expressed (Associations, Groups, Consortia, co-operative associations, etc.). They report on the ability to recognise and take opportunities by referring to situations, facts and occasions that contributed to the general development of their activities or persons or that ignited other processes within the business farm or overall territory.

To belong to a specific strategic group does not seem to entail relevant differences as far as single self-presentations are concerned. On the other hand, some entrepreneurs who do not completely provide resources about some skills (or specific aspects) or do not make it sufficiently clear, made us evaluate those self-presentations as not being as convincing as the ones from first group, but it is not possible to state whether they have these skills or not.

Finally there are entrepreneurs who openly state that they have gaps or provide resources through which they openly state that they are not skilled. In these cases we can say that there are interviewees who are able to offer very articulate, valid and detailed presentations but manage to identify their own limitations as well. These presentations sometimes look more convincing with respect to others in which respondents who present themselves as skilled do not provide exhaustive resources to support their assertions.

If we look at the different entrepreneurs' manifestations of skills within the farm business we identified different entrepreneurs' types within each strategic group as follows:

*Conventional cases*

- Three dynamic farmers skilled at selecting future diversification business strategies able to create added value and able to recognise and utilise contacts and networking as opportunities for developing such strategies;
- Two farmers that manifest general entrepreneurial skills, limited at the moment by several factors yet showing potential for improvement;
- Three traditional farmers, showing skills mainly in the productive sector, having found their dimension in the Conventional production and running the farm consistent with past practice, without any relevant strategic changes and not inclined to network.

*Value adding cases*

- One farmer showing especial entrepreneurial skills characterised by the use of a formal business plan;
- Three dynamic farmers making a strong point of their skill at utilising contacts and networking;
- Four farmers with general entrepreneurial skills, yet limited for a few specific aspects;
- One farmer stating the he did not follow any specific business strategy, because until now it has not been necessary for the farm.

*Non-food diversification cases*

- Two farmers showing good skills by exploiting social and economic opportunities originating from multi-functional farming;
- Three farmers showing good skills in running production and marketing by promoting the relationship between farm and territory;
- Two farmers who repeatedly declare that they do not follow any production strategies, yet present themselves with good skills in networking.

**6.4.2 Skills manifestation within the farm business**

The case study highlights the presence, in different strategic groups and in different areas, of several farmers, each one characterised by their own personal development project, which start from different situations, but which are capable of producing a good income and a satisfactory job for the farmer. From analysis of the farmers' accounts it emerges that not only is economic gain or profit maximisation important but objectives that are more linked to personal goals which are derived from familial context and the local community are also important. Thus farmers present themselves as skilful (or not) in relation to their skill and to the context in which they operate, showing their skill in different ways.

*Business strategies*

Almost all farmers in the sample state that they have a business strategy (only very few report not to have adopted or followed specific or particular strategies). For some of them the manifestation of this skill has been in part defined by the description of farmers' typology related to their strategic group. The adoption of a business strategy is generally not formalised through a formal business plan except for one case, where a farmer states that he has a strategy focused on farm *multifunctionality* so as "to divide risks" and to have adopted a formal business plan, assessed by management software. His reason for adopting the plan is also to obtain credit more easily from the banks.

Several farmers point to medium/long term and wide ranging strategies; many of them asserting that they have developed a *diversification strategy* to obtain a final added value to their products and to their activity, merging symbolic product messages and services to the client/consumer related to typicality, to the artisanal (hand made) nature of the product, to the specificity of production methods, to the product's healthfulness and safety, and also to the environment in which the production activity is carried out.

These strategies are not new. They are goals of EU, National and Regional planning documents, but many farmers have already reached these goals and were able to anticipate the socio-economic changes that are relevant to rural areas. These farmers offer tangible proof of a renewal that is currently occurring in agriculture. But other farmers are also showing their skills in this process, for example, within Conventional production some young interviewees have decided (or are motivated) to adopt a strategy based on adding value rather than to continuing with bulk (conventional) activities

When farmers talk about diversification they refer to:

- *Production*, by means of increasing "quality products" (i.e. associated with specific quality and safety marks and brand, such as PDO or Organic; raw hand made cheeses, high quality sheep's milk, a better Omega-3 content, sheep breed selection, higher quality wheat production to make bread, in co-operation with University research studies); "niche products", "territorial" and exploitation of potential specific features in the territory (i.e. the Aberdeen Angus breed which is uncommon in Italy, orrisroot for the wine production sector, local and traditional vegetables varieties and animal breeds, flavoured olive oil, hemp-foods, or innovative

products for market such as a syrup of green grapes or a fennel marmalade).

A group of innovative entrepreneurs can be identified as those who research the process of adding value to products through the rediscovery of territorial links and a qualification of productive processes so as to enhance the interaction between human activity and local environmental resources. Often new techniques (that are sometimes also innovative), which preserve a local identity both of a product and process and are associated with local resources, are developed through entrepreneurial activity. These activities bring improved products to markets that are oriented to traditional and quality products, without excluding the application of innovative processes (including technological innovation) that follow from the development and use of Information Technology and new food hygiene and safety requirements.

Different farmers focus on specific strategies for *adding value and promoting quality products* (from wine to cheese) largely using those elements that might identify the farm as part of the territory in which it is located. Thus the image of both the farm and farmer plays an important role in marketing, and promoting these aspects becomes fundamental. Some farmers show good skills for this phase, promoting themselves at fairs, exhibitions and events, where they establish contacts with people, and also obtain information from the internet.

- *Processing Activity* : directly bottling wine or olive oil, by means of innovative investments of machineries especially within the wine-sector, in vineyards and wine cellars; processing selected quality grain into bread directly at a farm-bakery; self-production of the seeds of typical local products (seed keeper); on-farm milk processing with the building of a little dairy.
- *Marketing channels*: in particular “shortening of market chain”, as direct selling on the farm, selling to Consumers’ Groups of Purchasers, at farmer’s markets, directly to breeders, improving contacts and synergies within networks; but also looking at international markets, mainly within the wine, olive oil sectors and agritourism, finding contacts with buyers and clients especially during international fairs and events; selling on the web, also through the build up of a stock of products to offer during particular times of the year.
- *Diversifying activities*, within the framework of *multifunctionality*: i.e. agritourism but also cosmetics products, the added value of farm machineries for management of public green areas or starting social care or educational activities on farm. Farmers within this framework start to have a more marked openness to the outside and to engage with those opportunities that might be offered by the territory, through agreements with Public Bodies and focus on opportunities provided by Public Authorities. Within these farms sometimes the main function of the farm changes, moving from productive farm to a provider of services for other farms and for society in general. Multifunctionality within these farms is not an abstract term, but it becomes a concrete and winning strategy which generates confidence in the future and in the continuity of farm life.

Strategies adopted within agritouristic activities include strengthening agritourism networking to planning and to match up the global accommodation offerings with demand for the territory.

For some farmers these strategies fit and are consistent with their central activity (i.e. Conventional production), and they meet the market’s requirements, lowering costs and innovating basically only in the production processes.

Farmers identify the importance of having a business strategy and to show good skills in elaborating or developing it as follows.

A business strategy:

- allows the identification of and/or the improvement of marketing channels to provide further selling possibilities, mainly if carried out synergistically with other farms in the territory;
- allows the start of on-farm processes through diversification within a market in order to differentiate from other products;
- allows more autonomy;
- avoids improvisation and casual work within farming;
- allows the farmer to follow his/her own aims (what farmer wants to do and how), to run the farm professionally, differently from traditional farm management based exclusively on simple survival;



### Additionally

- Aims, projects and ways followed within a strategy are continuous stimuli for the farmer, offering personal growth and improvement;
- The skill is important especially when there are no more margins identifiable on the farm and the farmer must improve his/her own activity.
- The evaluation of the business strategy followed on farm is considered important for identifying mistakes in planning and management and for taking measures to remedy them
- Farm business strategy formalised through a formal business plan allows for better planning and a better evaluation of management, but can be the cause of inelasticity and a loss of flexibility in realising new opportunities; some farmers think that such strategies are therefore more suitable for large farms.
- Business strategy can be considered as not important for those farms which base their activity mainly on EU funding or for those which operate in less dynamic and marginal market contexts.

### *Relational skills*

In general, when the interviewees comment on the level or the methods used to manifest their relational skills they refer to both *networking and utilising contacts*.

Most of them, however, understand the question on sheet 3 exactly as the ability to connect and to maintain contacts. As a consequence, they mostly associate their own skill to this phrase. As to *networking*, interviewees mainly refer to relationships/connections with other producers. In a few cases there are proper networks – ranging from a simple co-operation for exchanging machinery and information to more complex links aiming at selling end products, networks of agritourism ventures, farmers’ markets and co-operative associations. These links can develop into more complex integrations involving different actors - not only farmers. These can include Committees for Promotion and Protection of Products, Universities, Agencies for Rural Development and Public Institutions, the relationship being one where each actor provides specific economic, scientific or legislative competency with the aim of promoting a whole rural territory through a single product. There are also consumer’s purchasing groups that activate synergies between producers and consumers to create shorter supply chains and promote quality products. In these cases some persons emerge as promoters or main actors in the network.

Other interviewees talk about their skills and locate them within the context of Farmers’ Associations (e.g. organic farmers or breeders or women agricultural entrepreneurs) where networking is a valid instrument for exchanging information, ideas and experiences, as well as for promoting sales and improving farm activities in relation to the geographical territory. Within farmer unions, farmers outline a relationship through which they offer their knowledge, expertise and time to solve different problematic issues among other members and start projects aimed at researching modes and instrument of economic sponsorships.

Finally there are those operating in complex and formal networks (Social Agriculture and Education) which involve many public (Institutions-Administrations, Schools, Local Health Agencies) and private (other co-operative associations, entrepreneurs, individual citizens, different associations) actors within integrated projects and where farmers have enhanced these opportunities by elaborating specific business strategies, and even develop profitable new ones. But they are mainly proud of being part of these kinds of networks and of being able to carry out activities that contribute to promoting an entire collective territory.

When speaking of *contacts*, interviewees refer to horizontal relationships built with many different subjects. Most are farmers, with whom there are often friendly links. These, however, are often superficial relationships and are typically not too significant in terms of networking. Clients represent another important category of actors with which interviewees think they demonstrate their relationship skills best, in particular those farmers who sell directly on the farm or maintain other direct contacts with final consumers. Finally, suppliers and institutions are privileged subjects with whom interviewees state that they are able to utilise contacts. In the first case, these are professional contacts, even though several farmers recognise that suppliers usually place more importance on their interests than other actors may. The skill of utilising contacts with institutions is being reported because today these are important interlocutors involved in several areas of agricultural activity (from bureaucracy to promotion and marketing of territory, etc.).

*The reasons* for utilising contacts and networking differ and include:

- Uniting, and bringing together different actors, mainly agricultural entrepreneurs sharing common targets for example to identify solutions to problems that are experienced by producers, especially during selling and marketing, in order to achieve deeper penetration of the market; to create a critical mass of product which is able to meet specific market requirements; to diversify from large producers and to be more visible on the market; to reach a critical mass of people able to guarantee a significant weight when political-economic strategies are chosen; to obtain profitable final prices; and to obtain reductions in costs of sales and production.
- Conveying news and information, spreading positive experiences and providing and obtaining suggestions e.g. to avoid mistakes already made by others in the past;
- Facilitating and preparing comparisons, interactions and relationships among numerous subjects, so as to acquire and spread information of various kinds (technical-productive information, bureaucratic, opportunities) together with improved communication;
- Highlighting and improving issues related to production and marketing (e.g. alternative more profitable productions, new market channels, enhancing contacts with clients, advertising products, and shortening the food supply-chain);
- Advancing and improving issues related to farmers and farms, such as personal or farm image, development, and success;
- Solving problems and finding solutions to shared problems.

Networking and utilising contacts skills are considered important for:

- Marketing and selling;
- The exchange of information, ideas, opinions and experiences;
- The image of the person, the farm and the products;
- Individual growth and improvement;
- Diversification from large producers and improved competition:
- General improvement of farms and local territory;
- Optimisation of client reception in local agritourism ventures.
- Comparison between farm and the context in which it operates;
- Promotion of the building of networks;
- Direct on-farm sales as to producer-consumer relationships;
- Interaction with clients and confidence building.

A few interviewees stress the close connection between the 'networking' and 'utilising contacts' skills and the adoption of a certain production strategy; even though they ascribe different levels of importance to the two skills, they think of them as operating in close synergy and as being mutually important.

### *Opportunities*

Some aspects concerning skill related to opportunities have already been mentioned within two other skills. Almost all the farmers think that they have the skill of at least recognising an opportunity, while some maintain that they are less skilful at realising opportunities. In fact some of them underline the substantial difference between having the skill of recognise an opportunity and being able to take the following step of taking the opportunity.

When talking about opportunities farmers refer to financial, economic or technical opportunities and/or to opportunities concerning social context or individual aspects.

Skills of recognising and realising opportunities are applied to enable general farm improvement and growth, contributing to its continuous development. These skills permit the farm to improve its commercial status, through forms of cost reduction (purchasing useful machinery), innovative production methods, identifying potential clients or starting new marketing channels, activating or mobilising resources relevant to farmers' projects and objectives in terms of money and information.

Many farmers identify new commercial opportunities by utilising contacts and from their networking activity but they also adopt new business strategies on-farm to respond to specific societal needs and requirements.

Farmers refer to situations, occasions, and events with which they can improve both personally and professionally. To show a particular skill in this case means that farmers increase their contacts and relationships, creating new conditions for further opportunities; farmers may activate useful measures for the community (i.e. projects and activities with social aspects) and/or to improve their quality of life.

The realisation of an opportunity sometimes requires, in addition to a large allocation of time and energy, a significant amount of courage to invest financial resources, particularly when a positive result is uncertain. According to some farmers this is part of entrepreneurial risk-taking, but it is not exhibited by all farmers. Within Conventional production for example some farmers state that they are not so skilled at taking opportunities and attribute this fact to a fear of risky investments. If mistaken, these investments could threaten the farm's viability.

### 6.4.3 Skills manifestation according to farmers' engagement in three strategic groups

It's possible to assign farmers who present themselves as skilful to three strategic groups. Within *Conventional production (C)* but also for a few cases in the Value Added group skills are mainly fulfilled within the farm-environment and very often entrepreneurs are influenced in their attitude by their aptitude for the production phase rather than external relationships. For example, young and dynamic entrepreneurs, who have limited decision-making autonomy within the context of Conventional activity and who are aware of increasingly difficult economic conditions, are thinking about re-defining the whole farm-strategy, and they also show their skills in the external farm-environment, focusing on diversification strategies (adding value, shortening distribution chain, directly processing products and concentrating on quality production), on networking and on utilising contacts as opportunities for developing these strategies.

In moving from the C group towards VA and then to the NFD group we observe a change in the nature of relationships and networks, because by involving more actors these relationships and networks become more complex, multifarious and ordered. We can observe in general greater openness to the environment outside the farm, primarily oriented to the market and the end consumers by means of co-operation among small producers aiming at supporting the marketing and selling phases.

Entrepreneurs in the *Value Adding* group show their skills through business strategies oriented to the local market, very often supported by a favourable local context (e.g. the presence of short market-chains such as small farmers' markets, purchasing consumers' groups, direct selling on the farm) through which they bring out good relational skills in networking and in direct contact with customers/clients. The skill of realising opportunity consists of utilising those tools that facilitate openness to the market and direct contact with final clients. Here it is possible to find skills at creating opportunity, which in many cases have been manifested through the creation of innovative food/non-food products appreciated by consumers.

Within the NFD group skills are used to support different business strategies and activities carried out by entrepreneurs within non agricultural businesses (agritourism, care farming and educational farm) having to interact with several actors, within agricultural, rural and urban contexts and with an attitude of complete openness to society as a whole. Relational skills acquired here are particularly relevant, as it is possible to notice from many self-presentations. Here, many farmers exhibit specific skills at strengthening personal identity and at activating development processes, at the farm and territory levels, through the socio-economic opportunities that they find within multifunctional activities (Social Projects, networks for agritourism, communication and marketing).

It appears that most entrepreneurs from a non-agricultural background had already formed their relational skills outside the farming environment and in a different socio-cultural context (e.g. legal profession, teachers, publicist in marketing sector, administrative employees, social educators, etc.) where they build up skills in dealing with people. It appears that they are now also able to exhibit these skills in relation to agricultural activities.

Entrepreneurs with an agricultural background have developed relational skills entirely within their farm setting and attribute them in part to their open character, as exemplified by receiving the researchers, by presenting themselves during interview, and by their communicative nature.

### *About the skills*

The high levels of agreement on the importance of the skills that are manifested by entrepreneurs show how the formulation of such entrepreneurial skills was correct for the running of the MAIN STUDY. Almost all entrepreneurs recognise that these skills, particularly those of elaborating a business strategy and utilising contacts and networking as being a fundamental part of farm business activities. This view is also confirmed by the results of expert workshops, and it has been stressed how these skills are very often connected and related and how they are strengthened when operating in concert.

Note that there were some comments made in discussing the nature of the third skill, and especially stressing a difference between recognising and realising opportunities. It was noted that, due to a number of factors, recognising opportunities was easier to do than realising them. It was suggested in one instance that the third skill is a consequence of the first two skills. Finally different farmers also maintain that it is important not only to have the skill of realising and recognising opportunities but also to show skill at creating opportunities.

#### **6.4.4 Factors and causes for enhancing or hindering the development of entrepreneurial skills**

An initial identification and description of factors that, according to interviewees, enhance or hinder the development of the entrepreneurial skills of farmers emerged from the second part of the analysis of the interviews. These highlight differences among farmers in exhibiting their own entrepreneurial skills. Such differences are mainly caused by personal attributions such as the farmer's character or inborn skills, but also external attributions such as the type of activity and the socio-economic framework in which farmer operates. Mentality has a double aspect, which can be determined by personal characteristics but is also the result of the socio-cultural context in which a person is formed.

Personal characteristics quoted by respondents, such as the expression of an obstinate personality in relation to achieving goals and in changing things, or a strong character and personality, or "courage" and "passion", and also an open mind or an open attitude towards external factors, are recognised as positive elements that can be generally considered enhancing the development of skills. Correspondingly, their lack or absence is seen as a cause for hindering skill development.

Other factors can have a double influence—both enhancing and hindering. For example, age, especially within the younger generation, is seen to be positively influential in relation to different aspects such as mentality, promoting openness and flexibility. Age also has an influence on motivation and on educational levels, helping young people to perceive current changes and encouraging them to explore new avenues. In contrast, older people are seen to be less sensitive to stimulus either coming from one's inner personality, or from external factors, and are more likely to be pulled or dragged into making changes and new activities rather than to initiate them.

The sample records a break in the attitude towards what in the past was considered "the right way of farming" when the farmer considered him/herself as a "mere executor of directives planned at the EU or National/Regional level by governments or trade unions" (interview number 20) and based a large amount of his/her activity on public subsidies. This break is easier for those people who have a personal and social background that is not related to "conventional" agriculture, and is mainly exhibited by young farmers or by people with extra-farming experience. In this context, it has also been stressed how cultural background (in terms of education, training culture, experience) is another important factor in enhancing or hindering the development of skills.

The importance of socio-cultural context is in part confirmed by a case of a young farmer within a context in which he recognises the predominance of his own closed mentality and his difficulty in opening up to the external farm environment (through networking, the market etc.), and which, therefore, inhibits the improvement of his business strategies. However, this is one of only a few cases in which the farmer requires public subsidies to help and protect the farm business, and behind his assertions we have identified the presence and influence of his father's mentality (his father was present during the interview for few minutes) as an hindering factor for developing his own entrepreneurial skill.

As a demonstration that the socio-cultural context, the economic context, the family, and in this case character of the farmer (a little timid) have all had an important influence on the farmer's skill development, we can report

the presence of other young and dynamic entrepreneurs in the same area as the above example area. They had moved from other geographical areas and had gained some experiences outside farming, and present themselves, albeit with some difficulties, as entrepreneurial and are aware that they have to be self-reliant and carry on their activities without resorting to dependence on state support.

However, even with older farmers the research shows that the older 'dependent' mentality is not as widely diffused now. These farmers are also able to recognise the need to reformulate their activities in response to changing contexts (e.g. to abandon production methods based on subsidies and to develop other entrepreneurial skills), but as previously noted older farmers prefer to change by incremental amounts rather than by radical degrees.

Interviewees report that they have developed their own skills mainly through experience, education and training, and through interaction with and by relating to other people. They are motivated by a desire to improve their own personal job-satisfaction by increasing their professionalism and by improving profitability. In general, we could say that interviewees acquired and developed their skills through a complex learning process, often over a long period, based on a daily practice on the farm and/or within other sectors. They evolved by acquiring general or specific agricultural knowledge as part of a school education; through participation in various training courses (marketing, communication, food tasting, up-dating, on entrepreneurship etc.) or reading books and specialised magazines, using the internet; and through specific knowledge of the sector (rules, standards, laws). This process of knowledge and competence acquisition has been strengthened through relationships and direct interaction with other actors, not only farmers, but everyone involved in the sector, from politicians to the farmer's representative, from researchers to consumers, and by the farmers' preparedness to listen and to accept advice.

In general farmers maintain that development of skills depends heavily on the farmer's character and attitude, but these factors are not considered exclusive by many farmers and must be integrated with the socio-economic and cultural context in which farmer works and with his/her own experience and habits.

#### **6.4.5 Measures and actors that contribute to the development of entrepreneurial skills**

Interviewees believe that entrepreneurial skills can be improved and developed and identify several measures through which this can be done. These measures concern actions that are directly oriented to the farmer such as promoting meetings, communication, and interaction among farmers and other actors. Such activity can include meetings such as conferences, workshops, discussion round-tables, focus groups, and visits to model farms, where the exchange of ideas, opinions and experiences may be encouraged and where relational skills, and networking may be developed.

Measures may also refer to wider initiatives that act on the socio-economic and political framework, enhancing, for example, the succession of farm control from the older to the younger generation, and farmers' confidence in the future. One of the major structural changes mentioned by interviewees has been identified as the reformulation of the role of the CAP and its accompanying measures of intervention, but there is no agreement as to what kind of changes are necessary in this context. Some of the interviewees who made this argument maintain that the CAP with its current funding system has created a dependency culture among farmers and has also favoured larger farms. According to other interviewees, the new, reformed CAP and the shift in policy instruments from price supports to direct payments will lead to less production, which could again favour those entrepreneurs with large farms whilst hindering development of entrepreneurial skills. These interviewees hope for new forms of public intervention, which will reward those farmers who show improved ability to innovate or, in the extreme case, for the complete abolition of public support to promote free competition and to encourage farmers to show and develop their own skills to benefit from market opportunities.

Another important issue dealt with by some interviewees is the succession of management control in agriculture. This is an acutely felt problem within both the Tuscan and the more general Italian agricultural sectors. Farmers thus identify as a priority those actions and processes which may improve the entry and stability of young people in agriculture, so that general skill levels may be improved within the sector, in accordance with the finding above that younger farmers exhibit these skills more readily. An ensemble of actions, carried out at different levels, should offer young people the expectation of satisfactory incomes from agricultural activities and to also provide the kind of service provision within rural area that may be available in the city.

In the same vein interviewees consider that a context where there is a baseline level of financial safety and certainty is necessary, particularly when the farmer is considering investments and may need to take out bank loans. The lack of clarity in the legal system and the low level of interest from politicians about devising a suitable legal framework are factors that may curb investment and hinder the development of the abilities of entrepreneur.

#### *The leading role of other actors*

It is a common opinion among farmers interviewed that changing attitudes and farm business strategies entail new demands on institutions and other actors. Thus viewed through such a lens *Public Institutions* (Administrations) and *political organisations* at different territorial levels (from the EU, the Region, Mountain Communities etc) can and should play leading roles in building social, political, legal and structural conditions to promote farming by boosting farmers' confidence in the future. This view represents the ideal baseline for developing the skills of individual farmers as well as those for the whole category.

The development and provision of policies, rules and governance tools should be necessary to support changes promoted by innovations that occur in the territory, even if these often remain invisible to public institutions. This should be improved along with the function of some actors able to link entrepreneurs to the institutional and political ambit. In research carried out recently (see "*Innovative entrepreneurs in the south of Italy*<sup>17</sup>") authors suggested that there was a need for a specific professional actor who would support farm businesses, farm innovation and farm development with a double function. Along with a function of support in relational and information-provision terms, this actor should also be able to offer specialist support on technical innovations and on production and commercialisation phases. The actor envisaged should have a complete vision of the innovative process of enterprise and could also play the role of mediator.

Despite often being criticised for their work, interviewees recognise that *Farmers Trade Unions* perform an important role as representative (a leading role as for P.I.) and in the context of training. However, they seem to suggest that the Unions should take a stronger role in the diffusion of information.

*Universities and the Arsia (Regional Agency for Development and Innovation in Agriculture)* are seen as sources of knowledge and useful partners in developing projects, while *Farmers Associations* (i.e. organic producers, breeding farmers etc.) are often quoted as being especially useful in promoting the development of relational skills and as support to the different activities of individual farmers.

Research was carried out in only one region and, therefore, results and observations that have emerged pertain to the particular historical development of the agricultural, political and cultural context of Tuscany. It may not be possible to generalise them for all farm business within the Italian context, since it is a very heterogeneous country and its agricultural sector is no exception. Agricultural practices and socio-economic and political contexts are very different within northern regions and equally so in southern regions. Therefore, further and more extensive research is needed in order to produce data that can be generalised for the whole country. However, since the sample composition (as described in the first Section) can be seen to be representative of different economic and productive realities which characterise this region, these conclusions can be extended to the regional level.

#### **6.4.6 Analytical contribution and comment from an experts' Workshop**

A national workshop held in Pisa (a city that belongs to the region where interviews were conducted) at the end of May 2007, gave us the opportunity to discuss the interview questions with some outsider experts and to reflect on the findings from the interviews through a comparison of expert opinion with that of the farmers.

About 13 experts from local contexts, ranging from extension workers to agricultural university professors/teachers, and governmental officers to representatives of regional farmers' associations, and related to the geographical Tuscan area in which research had been carried out, were invited to participate to the discussion. Seven of those invited attended the workshop.

The workshop was held by researchers following common guidelines, indication and suggestions provided by coordinator of the ESoF Project. The research team introduced participants to the ESoF Project, to the pilot study

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<sup>17</sup> Inea, EU, MiPAF (2001) edit by Scettri, R., "Novità in campagna – innovatori agricoli nel sud Italia, elaborated under the Multiregional Programme "Supporting activities to training and extension services in agriculture" financed by EU and Mipaf

results and to the workshop aims within the context of the main study. The main focus of the project was explained in terms of the three entrepreneurial skills. The experts were then asked to provide opinions and comments about the questions, which had also been presented to farmers during the interviews.

To the first question posed to participants, viz. “*Do you think these skills are the most important skills for farmers nowadays?*”, experts as a whole agree on the importance of such entrepreneurial skills and no one disagreed. There was only one example of some doubt with respect to the ‘opportunity skill’, suggesting that this skill was less important than the other two skills because it is a consequence of them. This individual expert maintained that it is more important to firstly show skills of elaborating a strategy and relational skills. However, in general the expert point of view is similar to the farmers’ on this issue.

The experts had different views about the importance of skills. Responses to the entrepreneurial skill of “*having/elaborating a business strategy*” produced as follows:

- So that the entrepreneur follows a clear and logical plan to obtain a feasible result;
- To elaborate a business plan with intermediate strategies and evaluation;
- Necessary to orient one’s own business investments
- To understand whether the methods taken up within the business has resulted in gains of the original aims
- To respond to the external context when it is characterised by greater instability
- To respond to the reduction of public funds for specific crops and the absence of CAP guarantees
- It allows the presence of several alternative modes of life and work
- It helps to understand the existence of a new market
- After having found a market it helps in understanding what works well or not
- Since depending on improvisations in the business world within the context of globalisation is difficult
- The role of the entrepreneur has to be recovered
- Its importance for planning activities to obtain an income
- Without skills and strategy it is not possible to get any results

They identify the importance of the entrepreneurial skill of *networking and/or utilising contacts* in terms of the following motivations:

- Farms are too small to survive alone
- It (the skill) is useful for interacting with others to improve oneself and one’s own knowledge
- It is useful for creating new opportunities
- It makes learning and innovation easier
- Networks allow growth and improvement of knowledge and thus of innovation
- Interaction and positive relations are always constructive experiences
- Through networks it is possible to mobilise resources and find solutions to common problems
- It is useful in order to gain knowledge of the products and to improve visibility in the market
- Improves the local use and understanding of the concept of typical-ness and typical products

Finally, when considering the entrepreneurial skill of “*recognising and realising opportunities*”, experts provide the following reasons for the importance of this skill:

- It is important to have commercial channel
- To be able to anticipate eventual crises
- Opportunities can provide a new added value that was not noticed originally
- To follow the requirements of the market
- To take advantage of change, and evolution
- The ability to realise opportunities comes from being able to collect information better than others
- To be able to have knowledge and to develop it in decisions is the essence of business
- This skill is less important than the other two skills because it is a consequence of them. So it is more important to show the previous skills of elaborating a strategy and relational skills

To the second question to participants, *what do you think which farmers develop or which ones are able to develop these skills? Which farmers are not able to?*, experts identify different types of farmers able to develop these skills,

both within the 3 skills and in general. The experts' interpretations and analyses are from different perspectives, and enhance those that emerge from the farmers' interviews.

### Distribution of farmers exhibiting each skill

| Skill 1 Strategy  | Skill 2 Contacts and net.  | Skill 3 Opportunities  | Skilful in general  |
|---|--|--|---|
| - Young entrepreneurs   | - Who produce food for fresh consumption or it is then processed   | - Who have interests not focused only within a specific sector   | - Those farms which are created through investments and capital of industrial sector subjects |
| - Entrepreneurs with ethical motivations                      | - Who is more available for dialogue and co-operation  | - Who are likely to be non-conformist  | - Younger generation  |
| - involved in new types of farm activity                      | - Subjects already involved in a network of relationship and able to convert that in an economic network | - Not dependant on age or gender or social status but is a personal characteristic                                 | - Co-operatives   |
| - with medium-high cultural level                             | - Not dependant on age or gender, even if women are more capable at making networks                      | - (intuition, risk-attitude);  | - Who are in charge with other models and who demonstrate greater open mindedness             |
| - who have greater preparation                                |  | - Who have the skill to develop information = more informed farmers (about culture or about belonging to networks) | - Not skilful; Old generation closed within their archaic convictions                         |
| - Who have greater passion                                    |  |  |   |
| - Who are more careful about the contexts                     |  |  |   |
| - Who have a better knowledge of the strategic planning tools |  |  |   |
| - Who follow specific training                                |  |  |   |

The third question posed to participants was formulated in two parts:

3.a. Why do some farmers have these skills and others don't? and

3.b What do you think, which factors enhance or hinder the development of the skills?

Experts indicate that differences occur at different levels of importance (1 more important – 3, less) to these factors (as shown by the initial guidelines). A brainstorming session defined a categorisation and a final position.

The causes of difference among farmers in showing their skills (why do some farmers have these skills more than other?) according experts are the following:

#### *First level*

- Personal characteristics, character and aptitude
- Personal skills
- Personal Know how, knowledge
- Risk propensity
- Availability for getting more information (for skill 3)
- Influence by specific and sectoral political and social policies (skills 1+2)

#### *Second level*

- Communication skill
- Education and training
- Specific knowledge about problems
- Influence of socio-economic context
- Influence of socio-cultural context

#### *Third level*

- A better availability of resources (in general)
- A greater availability of initial capital to invest
- Knowledge of the context
- Good luck



Concerning the last question, experts identify some factors, measures or subjects for enhancing (or hindering) the development of entrepreneurial skills, and award them different levels of importance. As for the previous question a brainstorming session defined the overall position as follows:

*First level*

- Associations
- Development policies
- Market evolution
- The socio-economic and environmental context
- Information asymmetry or access to information

*Second level*

- Co-operation
- Improvement in the socio-political context
- Absence of financial support
- Luck

*Third level*

- Resource sharing
- Personal aims non-aligned with economic policy objectives
- Cultural context

After discussing results from the experts' workshop the results from farmer's interviews were reviewed. As we have seen the experts' point of view of these issues closely agree with the results that emerged from the farmers' interviews. In particular the role of information and the diffusion of knowledge and innovation, and how these are considered by actors, emerge as some of the main factors that influence the improvement of skill levels. Strengthening that learning process is, hence, the basis for enhancing the development of entrepreneurial skills among farmers.

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## 7 Skills and skill development of Dutch farmers

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### 7.1 Introduction

#### 7.1.1 Background

The Dutch agricultural sector is quite unique in Europe, because of its degree of specialisation and its knowledge and cost intensity. The climatic and soil conditions enable a large variety of production branches, varying from 'traditional' sectors like arable and dairy farming to the production of ornamental trees and pot plant production in greenhouses. The traditional agricultural sectors have been supported for years with subsidies and market regulation measures, like arable and dairy production, while other sectors have always been in an open and competitive market, like flower bulbs and ornamental trees. The development of these sectors is therefore also quite different. It could be suggested that the entrepreneurial skills in these sectors are also very different. The number of farms is still decreasing by 3 to 4 percent per year, while the average farm size is increasing. In 2004, two third of the farmer population was in the age group of 40-64 years old. Only 13 percent was younger than 40 years old, which means that the average age is increasing (LEI/CBS, 2005). For a more detailed description of Dutch agriculture, an overview is given in Wolf *et al* (2007).

#### 7.1.2 Interview population

The interview population was selected in such a way that the variety was maximised. Therefore, producers from different branches and age groups were selected. They were also classified in three main strategic orientations, conventional, value-adding or diversification. The first group is mainly oriented to bulk production for the world market and are regarded as a group of conventional farmers. The second group focuses on adding value to their primary products, orientating to niche markets. Examples are processing activities, direct selling and branding. The third group has added some non-food diversified activities to the primary production, such as energy production, care and nature preservation.

In table 7.1 the interview population is shown. Farmers were selected from the network of the research institute, partly with the help of a farm advisor (vegetable sector). Farmers were called by phone and asked if they are willing to participate in an interview about entrepreneurial skills, which is part of a European research project. Some of the farmers called were not willing to participate; a busy period on the farm and frequent participation in interviews and research activities were the main reasons for these farmers.

**Table 7.1 Interviewee population The Netherlands, categorised into sectors and strategic orientations**

| Branch / sector        | Strategic orientation |              |                 | Total numbers |
|------------------------|-----------------------|--------------|-----------------|---------------|
|                        | bulk market           | value adding | diversification |               |
| Arable                 | 1                     | 1            | 2               | 4             |
| Dairy                  | 4                     |              |                 | 4             |
| Greenhouse vegetables  | 1                     | 1            |                 | 2             |
| Greenhouse ornamentals | 1                     | 1            |                 | 2             |
| Vegetables             | 1                     | 1            |                 | 2             |
| Pigs                   | 1                     |              |                 | 1             |
| Poultry                |                       | 1            |                 | 1             |
| Fruit                  |                       | 1            | 1               | 2             |
| Ornamental trees       |                       | 2            |                 | 2             |
| Mixed farming var.*    | 4                     |              | 1               | 5             |
| Total                  | 13                    | 8            | 4               | 25            |

\* Two or more main branches / sectors on a farm, e.g. arable and livestock or pigs and dairy cattle.

Three interviewees were female farmers. Two of them are co-operating with their husbands; one is single and works on her own. Regarding the age groups, the interview population is categorised into three groups. The average date of birth of the population is November 1962.

**Table 7.2 Interviewee population the Netherlands, categorised in age groups**

| Age group                             | numbers | %   |
|---------------------------------------|---------|-----|
| I 55+ (born before 1952)              | 4       | 16  |
| II 40-55 (born between 1952 and 1967) | 12      | 48  |
| III younger than 40 (born after 1967) | 9       | 36  |
| Total interview population            | 25      | 100 |

The interview time (except for the introductory part and the quantitative questionnaire) varied from about one hour to more than two hours. Only two farmers had a deadline for the interview, due to another appointment.

### 7.1.3 Methodology

The interview consisted of three parts: It started with an introductory part, in which the interviewer told about the project and the setting of the interview and both the interviewer and the farmer introduced themselves. During the second part, the farmer filled in a questionnaire with some data about himself and his farm. In the third, qualitative part, the questions about the entrepreneurial skills and the skill development of the farmer were discussed.

The qualitative questionnaire methodology is based on argumentation derived from rhetorical social psychology. This means that the analysis looks at the argumentation of the respondent. The questionnaire consisted of seven questions (asked in Dutch):

1. Do you have a business strategy and do you evaluate it? Do you consider this important?
2. Are you good at networking and utilising contacts? Is this one of the most important skills?
3. Are you able to recognise and realise opportunities? Is this one of the most important skills, from your own perspective?
4. In your experience, do some farmers have these skills more than others? If so, what causes the difference?
5. How did you develop your own skills? Why did you develop your own skills?
6. According to the experts whom we interviewed, the development of these skills depends heavily on the attitudes and personality of the farmer. What do you think?
7. What could be done to develop these skills among farmers?

The first three questions ask about the entrepreneurial skills of the farmer. Question 4 asks about the skills of other farmers and possible reasons for differences in skill level between farmers. The last three questions ask about skill development and factors that could influence it.

The interview was tape-recorded and fully transcribed. The transcript was analysed with the help of the guidelines provided by the Finnish partners. In paragraph 7.2 the results of questions 1, 2 and 3 are presented, while in paragraph 7.3 the results of the other questions are presented.

## 7.2 Analysis I: Self-presentations regarding the entrepreneurial skills

The self-presentations are analysed through the identification of 1. Direct comments, e.g. “Yes, I am” or “I don’t think so;” and the rhetorical resources used by the interviewee to justify his/her stand: 2. Examples, e.g. a description of the business strategy or examples of networks the farmer participates in. 3. Purposes, reasons and benefits, e.g. reasons that explain the business strategy, purposes and benefits of the participation in a network or reasons to realise an opportunity; and arguments concerning the importance of the skills: 4. Explanation of the importance of the skills, e.g. ‘It is very important to have these skills, because without them you can’t continue in business.’”

The first step is to summarise the use of these resources in the interviews. The second step is an interpretative step, interpreting the degree to which the farmer has these skills according to the presentation. In this paragraph

all interviews are worked out in this way, followed by a comparison. The self-presentations are ordered in three groups, looking at the strategic orientation/development of their farms. The first group is mainly oriented to bulk production for the world market and is regarded as a group of conventional farmers. The second group focuses on adding value to their primary products, orientating to niche markets. Examples are processing activities, direct selling and branding. The third group has some non-food diversified activities in addition to the primary production, such as energy production, care and nature preservation. These groups are only a rough division. Some farms have such specific features that they don't really fit into one of these categories. In these cases, the researcher has made a choice, which is explained in the text.

Based on the self-presentations, a sub-grouping was made for all strategic orientations. This sub-grouping is made afterwards and increases the comparability of self-presentations for the reader.

### 7.2.1 Conventional

The conventional farmers could be divided in two subgroups, based on their self-presentations. The first group could be named 'craftsmen, professionals', while the second group can be identified as 'professional-manager types.' This division is made afterwards and is explained in more detail in the headings above the self-presentations.

#### *Group A. Craftsmen, professionals*

These farmers could be characterised as farmers who focus on the optimisation of the production process. They work on increasing profitability through lowering the cost level and increasing the production and the product quality. The market is very much organised and co-operatives are responsible for processing and/or selling their products. In the Netherlands, dairy farmers are a good example of this entrepreneurial type.

In general, these farmers have no employees. The farms are family farms and are taken over from their parents or will be taken over by their sons. All of them show some level of the entrepreneurial skills which are discussed in the interview. None of them presents him/herself as a very skilled person. During the interviews, people were all able to explain their strategy and seem to be quite successful in it. Their networks and contacts are mainly limited to agriculture. Their contacts outside agriculture are not directly connected to their farm business. The opportunities mentioned by the farmers are strongly connected to the optimisation strategy (buying land, introducing new techniques).

#### **Case 2**

The farmer is 59 years old and co-operates with his son (29 years old). They own a dairy farm with 52 ha of land and 80 dairy cows. On this farm, 12 ha are grass shoulders of provincial motorways. The farmer participates in a farmers' research network, called 'Dairy Academy.'

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmers' response develops during the interview. First, he states: "In principle, we don't have a strategy." His explanation shows that he does not have a clear growth strategy, in contrast to many of his colleagues. After a while, the farmer concludes: "I clearly have a strategy..." His strategy is focused on optimisation of the current farm business. The choice for this strategy is coloured by the comparison with the growth strategy. He knows farmers with a larger farm and a similar income, but these farmers are always busy. He wants a nice life with time for other things. Besides this, he states that taking over a large farm is more difficult than taking over a smaller and financially healthy business. The farmer also mentions two negative points of his optimisation strategy: First of all, optimisation is something temporary. Second, in the period that both he and his son are working on the farm, the farm is too small for two incomes. When his son takes over the farm totally, this problem will be solved. The farmer believes that having a strategy is quite important: "Yes, I believe this is very important." But for him, being aware of why you have a certain strategy is more important. He sometimes asks other farmers why they always want to enlarge their farms.

*Interpretation:* The farmer presents himself as having these skills, although he first of all stated that he had no strategy. He is very much aware of his own strategy of optimisation, because it is quite rare in his sector. He is able to explain and defend his strategy quite well, compared with the very common growth strategy. The farmer is also able to state the disadvantages of his own strategy. His strategy is quite successful overall, because it brings the farmer the things that are important for him: Time for other things and a sufficient income.

*Skills of networking and utilising contacts*

*Self-presentation:* The farmer states, “Not in networking by internet, yes for contacts.” He says that he is member of a farmers’ study group, a dairy farmers’ research network and a regional farmers’ co-operation for nature conservation and tourism. He visits other farms and also gets visits from other farmers on his farm. These contacts and networks are useful for the farmer, to learn from other farmers, to keep informed about the latest developments and to discuss strategy. The farmer wants to criticise the growth strategy of most of his colleagues and gets this opportunity because of his networks. The farmer states that this skill is very important, although it is more instructive for other farmers than for himself.

*Interpretation:* The farmer presents himself as a person who has the skill of networking and utilising contacts. He is member of various farmers’ networks and groups. These groups create opportunities to visit other farms and to talk with other farmers. These visits are useful for learning from other farmers, for keeping informed about the latest (technical) developments and for discussing farm strategy.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer hesitates to confirm that he has the skills of recognising and realising opportunities. Sometimes, things seem to be opportunities, but they are not really, according to the farmer. After some examples, he states that he is not good in it. The farmer states that he recognised the opportunity of wind energy, but decided to wait to realise it. After a while, the regional policy changed, so it was no longer possible to build wind mills. This experience resulted in another extreme, when the farmer wanted to realise another opportunity (sun energy) very quickly, not knowing that the firm who wanted to sell his products was conning him. The farmer concludes in the interview that these experiences determine his attitude to opportunities.

On the other hand, the farmer says he is realising some smaller opportunities together with some colleagues, such as a visitors centre. He states: “It’s the same as biogas installations. It looks if these things are small opportunities, and after ten years (...), you will know if it was a real opportunity. The opportunities you start to realise, you will know afterwards if it was a good opportunity.” Another opportunity the farmer realised is the use of the grass shoulders of provincial motorways: “This shows that I am not a really good entrepreneur. These shoulders are relatively cheap and the returns are good. Looking at wind mills, you are talking about one million Euros.” The farmer concludes: “I believe it is a very important skill, but I am not sure if I am good at it.”

*Interpretation:* The farmer presents himself as a person who is not really good at recognising and realising opportunities. Due to some bad experiences in the past, the farmer has a reserved attitude towards new opportunities. On the other hand, the farmer is aware that realising opportunities has something to do with risk taking. When the financial risk is relatively small, the farmer is able to recognise and realise opportunities. A good example is the use of the grass shoulders for his farm, which is quite beneficial and the financial risk is low.

*Overall interpretation*

The farmer in this case presents himself as a person who has developed these skills partly. His strategy skills are the most developed and pronounced. The networking skills are developed, but are only focused on his own (dairy) sector. The opportunity skills are less developed, which has to do with the risk attitude of the farmer and some experiences in the past. The network skills are strongly related to the farm strategy (optimisation): The network and the contacts are utilised to gather information about optimising the farmer’s own business and to discuss the growth strategy of other dairy farmers.

**Case 13**

The farmer is 40 years old and took over the dairy farm of his parents in 1992. The farm was moved to the current site in 1998 and nowadays has a size of 60 ha. The annual production is approx. 1 million litres milk. His parents are still working at the farm.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer states that he does not have a very straight and detailed strategy, but he has a clear vision about the direction of development for the business. The farmer wants to enlarge his business, for several reasons: He wants to develop a dairy farm that is profitable in the future, so scale increase is necessary. Second, the possibilities for growth are many in his area, because many farms will come for sale. Thirdly, he has a personal drive to develop his business: “The business goes well, we are healthy. Yes, this gives me the drive to go on.”

The farmer states that almost all dairy farmers have this growth strategy: “This is no point for discussion with my colleagues. They all think the same.” Only, some of them are jealous: “They can’t see that others are successful.”

At the same time he looks carefully for opportunities to realise this growth strategy: “If something comes to me, I know exactly what I want.” The farmer: “That belongs to a strategy. Dream, think, do.” So, when a neighbouring farm became for sale for a good price, he has bought it together with two other farmers. But, currently he does not want to buy milk quota because of the extreme high price. He sums up some factors that determine his decision to realise opportunities: The profitability of the current business and the financial means to do investments are major factors: “Do I have the possibilities to finance the investment?” The returns on this investment are also important: “I don’t want to invest in milk quota. You’ll never get it back.” Third, the labour aspect is relevant: “I have a one-man farm, so I have to think about the work... Time for the family is also important.” Fourthly, personal feeling plays an important role in the decisions: “Look, I believe entrepreneurship should give a good feeling.”

*Interpretation:* This farmer presents himself as a farmer with a clear growth strategy, who anticipates opportunities to realise his strategy. He is able to defend his strategy with several arguments and explains his process of decision making in detail. Moreover, his strategy is quite successful, regarding the good financial results of the farm and the growth of the farm until now.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The respondent does not directly comment on his own skills, but states “it is very important to have contacts.” He gives several examples of contact with other farmers through membership of a farmers’ study group, a research network and farmer meetings. He also mentions some examples of contacts outside agriculture through membership of the parish board and the school board. Third, he works on stable relations with the usual contacts of a dairy farmer, e.g. agents of the bank, the feed supplier, the accountant, the contractor and the vet. The farmer stresses the importance of the social function of these various contexts and talks about his personal interest in the human character. The stability of relations with the usual context gives the farmer some benefits that are important for him. Contact with people outside agriculture give him opportunities to be an ambassador for agriculture and get feedback from outsiders.

*Interpretation:* The farmer presents himself as a skilled person who likes to have contacts with various people inside and outside agriculture. He is always eager to have stable relations with the usual contacts of a dairy farmer and has various contacts outside agriculture. The farmer is able to express the benefits of and reasons for these contacts, which are partly business-related and partly related to his personal interests.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states he is quite satisfied with the business development: “I can’t say that I have missed any opportunities.” He states: “You need a network around you. Opportunities should be given to you.” He explains that otherwise he would never have had the opportunity to buy a neighbouring farm together with two other colleagues: “If I would have been a bastard, yes, if people don’t trust you, than you won’t get some opportunities.”

The farmer explains that some things are opportunities that you have to realise at a certain moment, for example when a neighbouring farm comes for sale. Other things are not really opportunities, e.g. buying milk quota: “Call a broker and you will do it or not.” The farmer states he bought some quota for a bit higher price than the current price. But he does not regret it: “At the moment we made the decision, it felt good, so we did it. We had maybe saved some money, but so be it. I don’t think this is mismanagement.” The farmer explains that he makes quick decisions: “You’ll take them, using your feeling. If you start calculating, then you’ll see it is impossible. People who always said that it is impossible to buy land are not farmers anymore.”

These skills are quite important for the farmer: “People who never recognised and realised opportunities, their business doesn’t exist anymore.” He touches on the importance of pro-activity, using a nice comparison: “In the past, if you...if you don’t realise the opportunity to make a pass at a girl, than you will stay alone. They won’t come to you, normally. (...) In fact, this is also entrepreneurship.”

*Interpretation:* The farmer presents himself as a skilled person in respect to the recognition and realisation of opportunities. He explains that his social network is important to recognising opportunities. For realising opportunities, decision making is important. The farmer believes that a good feeling is more important than detailed calculations.

*Overall interpretation*

This farmer presents himself as a skilled person. He has a clear strategy that forms the framework for the recognition of new opportunities. He stresses the importance of a network inside and outside agriculture for several purposes, also for the recognition of opportunities. In this case, skills are very much related to each other.

**Case 15**

The farmer (44 years old) has a dairy farm with approx. 50 ha. He co-operates with his parents, from whom he took over the farm. At that time the farm was a mixed farm with dairy cattle and pigs. After a few years, the farmer specialised in dairy.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer confirms that he has these skills. His strategy is focused on growth. According to the farmer, scale increase is necessary to maintain a profitable business for the future. He does not want to work with employees, so maybe in the future some tasks will be delegated to a contractor. The specialisation in dairy cattle fits in this strategy: Two activities don't go together; the farmer had to divide his attention and labour. The farmer does not see good alternatives for his growth strategy: Doing nothing is not an option, other agricultural activities are competitive with the dairy activities and he does not like diversification activities because of the visitors to the farm. Besides this, there are many opportunities to enlarge the farm at this site. The stable is big enough for more livestock and some neighbours will end their farm in the coming years, so land will come for sale. The farmer discusses his strategy with his wife and his parents and uses other people for information or a final check of the plans, e.g. a calculation by the accountant. Strategic issues are normally not discussed with other dairy farmers. Having a strategy is quite important for the farmer: "You have to know where you want to go with your business."

*Interpretation:* The farmer presents himself as a person who has developed the skills of creating and evaluating a strategy. He is able to describe and motivate his growth strategy, showing that he has a good view on the opportunities of his farm and that he has evaluated alternative strategies.

*Skills of networking and utilising contacts*

*Self-presentation:* Direct comment on own skills is "Yes, I think so." The farmer talks about his membership in a dairy farmers' study group, the participation in a research project, his visits to farmer meetings and his membership on the church board. Benefits and purposes of these contacts are: Learning from other farmers, meeting other people, getting new ideas and leaving the farm business behind him for a while. For these reasons, the skills of networking and utilising contacts are important. The farmer mentions other farmers that don't participate in networks and have almost no contacts. In many cases, the farms of these people don't develop any more.

*Interpretation:* The farmer presents himself as a person who has developed these skills reasonably. He mentions some examples that show his participation in networks. The farmer describes the benefits of these skills only in general terms and does not mention any specific examples for his own farm.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer comments on his skills: "I don't know exactly, it might be." He says he does not have specific examples, although he mentions two things. First, he states that his parents have a different view of investments: His parents did not want to borrow for investments, but nowadays it is normal. This attitude has hindered his parents in the development of the business. "They should have built a new and modern stable 10 years ago. The farm would be developed further, now." A second example is given by the farmer when he tells about an opportunity of buying land. Near his farm, 10 hectares came for sale. The farmer wanted to buy it and at the same time sell 5 hectares at some distance from the farm. However, the 10 hectares were quite expensive. In the end, he bought 5 hectares for a lower price and kept his own far away field of 5 hectares. He concludes: "It seemed to be an opportunity, but you should thoroughly deliberate about it."

*Interpretation:* This farmer presents himself as a person who is not very good at recognising and realising opportunities, which has partly to do with his conservative risk attitude. Maybe, the even more conservative attitude of his parents also plays a role, because he discusses important decisions with them.



*Overall interpretation*

This farmer presents himself as a person who has developed these entrepreneurial skills reasonably well. In respect to the strategic skills, he is able to explain and defend his strategy in a quite detailed way. This is somehow contradictory to his response about the opportunity skills, which seem to be less developed.

**Case 18**

The farmer (39 years old) owns a dairy farm of 42 hectares in the north of the Netherlands. He has co-operated with his parents since 1990 and took over the farm in 2001. Originally, the farm also had arable crops and pigs, but his parents specialised in dairy farming. The farmer is single and has no employees.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer explains that he has a strategy. “My objective is to enlarge my farm a bit and I want to automate.” Specialisation in dairy farming is also part of his strategy. The growth strategy is justified from the perspective of the increasing costs and the (world) market price of milk. The farmer foresees that the Dutch dairy sector will have to compete on the world market, but does not expect problems: “The co-operative expects a production growth of 20 percent in the north of the Netherlands.” The strategy of automation has a very specific reason: The farmer has physical and psychological barriers, because he was in a coma for half a year. Because he wants to be a farmer, he has to organise his work in such a way that he is able to do it. The farmer recently bought a milk robot, because the traditional way of milking the cows is too heavy. Besides this, the farmer says “Why should I work so hard that at a certain moment I am not able to work anymore? I have nobody who wants to take over the farm, so it’s just for me that I am working.” The specialisation strategy is explained by the farmer: “You’d better specialise in your core business. (...) Other activities take time and money and energy. (...) And I have a good income now, so I am going on with dairy farming.”

His automation strategy was in some way conflicting with his growth strategy: To do the investment for the milk robot, the farmer had to sell some land. However, to reduce costs and to increase the returns on the investment of the milk robot, he has to enlarge his farm. But, anyway, the farmer keeps calm: “I’m still going on. If it happens in 3 years or in 6 years, I don’t mind; I am going on.”

*Interpretation:* This farmer presents himself as a person who has these skills. He has a clear strategy, which is justified with several reasons. His personal situation is a major driver behind his strategy. Until now, the strategy has resulted in a good financial result and the farmer expects that he can go on in this way.

*Skills of networking and utilising contacts*

*Self-presentation:* Direct comment on his own skills is “Yes, most of the times.” The farmer is involved in various agricultural networks, such as research networks, a farmers’ study group and nature co-operation and visits other farms during excursions of the farmers’ association. These contacts are a way of learning for the farmer that is different from reading books. Learning from other farmers, learning by bits and pieces is important for him. Besides this, the farmer likes to try something new and therefore participated in a research project. The importance of this skill for the farmer is also focused on learning: “I think you can learn a lot through it.”

*Interpretation:* The farmer presents himself as a person who has the skill of networking and utilising contacts. He uses various contacts with other farmers for learning and trying something new, to improve his own farm business.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer responds: “Recognising? Yes. Realising? Sometimes.” He explains that he is not always able to realise opportunities, for instance for financial reasons or due to time pressure. An opportunity he has recognised and realised is the milk robot. The first robot was demonstrated at a fair in 1993. The farmer went there to see it, not only for curiosity: “I am in the milking stable for 4 hours a day. (...) If you want to increase the farm size, you have to increase the size of the milking room. This investment is as high as for a milk robot.” But it took a long time before the robot was bought: The robot was installed a week after the interview took place. His father was not interested in a robot, that’s something that is too modern. Also other farmers doubted: “We don’t want to work in this way, it’s too futuristic.” In 1996, the farmer took a course on robot milking. This course was crucial: “And then I said, yes, I will do it.” In the following years, he invited several suppliers to the farm. When he took over the farm in 2001, he needed some time to make up his own strategy. And in 2006, he decided to

invest in a robot. Therefore he sold some land on which he cropped silage maize. This crop was not a success on the clay soil, experienced the farmer: “We have grown maize for 5 years. We’ve had one very good year, one moderate year and the other years were always bad. (...) So it was cheaper to buy maize.” However, this decision was conflicting with his growth strategy, but “things happen and you can’t affect it.”

*Interpretation:* The farmer presents himself as a person who has developed the skills of recognising and realising opportunities reasonably. The example shows that it takes a long time to analyse and take a decision to realise an opportunity. The farmer explains that the financial situation and the time investment do not always allow one to realise opportunities, illustrated with an example.

#### *Overall interpretation*

The farmer presents himself as a person who has developed these skills reasonably well. His personal health situation plays an important role for his strategy. The farmer has realised good financial results, although he does not always have enough financial possibilities to realise opportunities.

#### **Case 19**

The respondent is a female farmer (30 years old) who owes an arable farm of 40 ha in the central part of the Netherlands. Her mother ran the farm for five years, since her father died. She rented out the land for the most labour intensive crops. In 2005, she took over the farm from her mother. She had no experience and education in agriculture before she took over the farm. Her mother is still involved in the farm.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer responds: “At the moment, I don’t really have a strategy.” She explains that she has agreed with her mother that the first five years are an experiment, in which she looks for the best strategy. In this period, she is fully concentrating on the primary farm business: “I might like the work, but I also want to generate an income with it. If not, what am I going to do?” She has several options in mind: Going on with the farm in the same way or with other crops, combine it with a part time job or end the farm business and look for a new full time job. One thing is quite important: “I want to do the things I like. That’s the most important thing.” Therefore, she evaluates the strategy all the time: “Do I like this or not?” She has ideas about starting an alternative health practice at home, which could either be combined with the farm business or replace it.

To get higher labour efficiency on the farm, she has started to grow sun flowers. She is also working on a more profitable selling strategy. Last year, she had fewer contracts for the arable products than before. Due to this, the uncertainty and risk increases, but the average price was higher: “It feels good, but you have to get the feeling about how it works in the market.” She uses information from other farmers, from trade agents and from the internet to improve her selling strategy and take decisions.

*Interpretation:* The farmer presents herself as a person who is developing these skills. She has recently started farming when she took over the farm from her mother. The first five years are used for setting the strategy, which means that she is evaluating the strategy all the time. The farmer mentions several options for the future, inside and outside agriculture. She has recently started with cut flowers and is actively working on the selling strategy of the farm to improve the financial results.

#### *Skills of networking and utilising contacts*

*Self-presentation:* Direct comment of the farmer on her skills is ambivalent; she says she often waits until things come to her. On the other hand, she dealt with clients in her former job, so she thinks she easily makes contacts. She has organised a small network of 4 farmers who have given advice about the farm work since she took over the farm. She participates in a financial farmers’ study group and in a research project on integrated crop protection. She was recently asked to join a young farmers’ group and to take a secretary position in the farmers’ association. The skill is one of the important ones to be a successful farmer, although: “I know there are many people that aren’t that socialised, they are not so good in networking, but they are also able to go on.”

*Interpretation:* The farmer presents herself as a person who has the skill of networking and utilising contacts. Examples are a self-organised support network with 4 farmers to get advice for the farm work and participation in a farmers’ study group and a research project. These activities are meant for supporting the farmer after the take-over of the farm, without any farmer experience. Information, knowledge and practical advice are the main benefits of the contacts and networks.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states: “I do recognise many opportunities. But to realise them well, that demands something more.” She mentions the example of the sunflowers. One year ago, she started with growing this crop for cut flowers: “You have to buy seeds; I have bought a sowing machine. (...) But last year it was not a big success, and that is because of the problems with selling them.” But why did she start with sunflowers and not with wind mills or something else? The farmer: “It looks so nice! And I like flowers. So sunflowers were just an idea and I have asked somebody about the possibilities for other types of flowers.” She concluded that sunflowers, at least the varieties she grows, are more exclusive, which is attractive for marketing perspectives. And it fits with the labour planning of the other crops on the farm. In the future, she thinks about growing other more exclusive cut flowers.

She started with selling to some flower shops in the area and her neighbour sold them in his farm shop where he sells his pumpkins. The average price at the auction was too low: “I did not realise the cost price. Even the costs for transport to the auction were not paid with this price level. Then I don’t even bring them there.” The farmer is not sure for next year: “Do I want to go on in this way? A small area, sell them mostly to flower shops and in the farm shop of my neighbour? Or should I do it big and sell them to the auction?” For the last option, she needs a part time worker on the farm. She is not sure if she wants this and if it is financially possible.

The skills of recognising and realising opportunities are important: “In agriculture, one should be an entrepreneur, not only a farmer. You have to look further than only your products.”

*Interpretation:* The farmer presents herself as a person who is able to recognise and realise opportunities, although she states that realising them is more difficult. She gives several examples of opportunities she wants to realise or has partly realised.

*Overall interpretation*

This farmer presents herself as a person who has developed these skills reasonably well and is still developing them. She has recently started farming and pays high attention to the development of a strategy, the realisation of opportunities, participation in networks and the utilisation of contacts.

**Case 25**

The farmer (41 years old) owns a farm with dairy cattle, pigs and sheep with a total area of 40 ha.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer states: “I don’t have a clear strategy... I don’t have an idea, like I want to grow in a specific number of years to such and such a size. I don’t have this. I just want to keep this farm profitable, if possible within its current size.” The financial results are also the basis for a yearly evaluation of the strategy. The farm size has been the same since 1997, when he took over the farm from his parents. The farmer does not like the development of a scale increase in agriculture, for several reasons. He has a full time job on his current farm and also wants some time for his family and his hobbies. Besides this, growth demands huge investments and the farmer believes this is not profitable. In his situation, he has to borrow money for big investments, so the costs are quite high. If his children want to take over the farm in the future, a large farm is difficult to take over. The question if the farm in its current size will be profitable is difficult to answer: “That’s the risk I take. But I’m less anxious for that, than when I would take a big step and do large investments. This can go wrong as well.”

The farm has 3 activities, of which sheep is the newest: “Sheep have been incorporated for a few years. We could contract with a regional party to graze the banks of a brook. We do have 40 sheep nowadays, that’s the maximum I think.” The combination of pigs with dairy cattle was done for several reasons. It originates from the time before he took over the farm. But by ending the pig business, the farmer would not earn enough money to invest in dairy cattle. However ending the dairy business would generate enough money to do big investments in pig farming. However: “I do like cows too much, to switch totally to pigs.” It has also to do with spreading the risk.

The farmer doesn’t want to focus too much on selling and marketing: “That’s not a thing on which I should concentrate myself everyday. I’m too worried before: do I get enough for it? Should I wait a few days more? Even afterwards, I’m still looking at the price development to see if I did well. (...) I do like it, but if it is about large amounts of money, then it is too stressful.” He has organised with contracts that he is able to focus on the production process and less on the selling and marketing.

*Interpretation:* The farmer presents himself as a person who has partly developed the skills of creating and evaluating a strategy. His strategy is keeping the current farm profitable. He doesn't want to expand his business because of the risks he perceives and because of the labour intensity of a bigger farm. His conservative risk perception also appears when he talks about his strategy for marketing and selling.

*Skills of networking and utilising contacts*

*Self-presentation:* The farmer states: "I'm not very good at networking. But I think I'm quite good at making contact with buyers and suppliers, through my attitude. I often notice that my attitude is positive, regarding the reactions." The farmer explains that he has frequent contact with the buyer of his pigs, who also buys male calves. This person visits the farm almost every week. This is different for the dairy company: "This company doesn't come to me. But if there is a meeting of the dairy company, I will go there, so people do know me and I know them also." Besides these 'normal' farm relations, the farmer is member of the board of the regional farm association. Eight years ago, when he took over the farm, he became a member of the farmers' association. About one year later they were looking for a new board member. The farmer: "I do see the value of the association. It's quite important." He explains that his board membership does not have a very clear direct benefit for his farm. He mentions that he is better informed about legislation and that he has a good network in the municipality through regular meetings with them. But the benefits of these meetings are not only for his farm: "For the sector, yes. It's important when they take decisions about the agricultural sector that they have contacts with representatives. It's also good to keep them informed about things that happen in agriculture." He gives an example that shows that these regular meetings have resulted in better conditions for farmers in this area.

*Interpretation:* The farmer presents himself as a person who has partly developed these skills. On behalf of his farm, he has a limited number of contacts with buyers and suppliers. As a board member of the farmers' association, he has a larger network, which is not primarily beneficial for his own farm, but for the agricultural sector in his region.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states: "I believe I am able to recognise and realise opportunities." These skills are not necessary for the selling of milk and pigs, according to the farmer: "Although the price is bad, you have to sell the pigs at a certain moment. You can't stop them growing." The farmer gives an example of an opportunity he recognised and realised: In the Dutch situation, dairy farmers have an exceptional position in EU nutrient legislation when they have 70% grassland or more. "We have fed the cows in the wintertime only with silage maize and in summertime with 80%. We had only a small pasture for the cows. For the derogation regulation we had to have 70% grassland. This regulation was so profitable for our farm, so I have decided to change the feed scheme." The farmer has replaced his maize land with pastures, although this was completely new for him, and also for the cows: "They didn't like silage grass at first. It tastes completely different."

The farmer explains that it is very important to analyse opportunities if they are really opportunities: "You should be able to recognise and realise opportunities, but it also means that you should not realise some of them if you think it will not be successful. In that case, it is in fact not an opportunity." Another aspect the farmer thinks is important, is the element of pro-activity: "You could always wait and see, or be afraid to do something, but you won't be successful." He states that, due to changed regulations, it is no longer possible to build a new stable. The farmer was informed about this before, because of his board membership in the farmers' association. He didn't realise this opportunity, because it did not fit in his strategy.

*Interpretation:* The farmer presents himself as a person who has partly developed these skills. He states that he doesn't need these skills for selling and marketing. He gives an example how he recognised and realised an opportunity in legislation. In general, he states that the ability to analyse and judge opportunities and have a proactive attitude are important in respect to these skills.

*Overall interpretation*

The farmer presents himself as a person who has developed these skills reasonably well. In the self-presentation, elements of risk taking and pro-activity play a role in the background: The farmer has a conservative strategy and doesn't take large risks for realising opportunities. His networking skills are not very related to his own farm: The farmer accentuates his representative function as a board member of the farm association.

**Group B. Professional-Manager-type**

This group is partly comparable with group A. They also have a strong focus on the optimisation of the business, but at the same time they have to be more market oriented. The market is less organised and people have to develop their own market strategy. Many of these farmers/growers could be found in horticulture and floriculture. Arable farmers with products like seed potatoes and tulips also need to develop a market strategy.

All these farmers do have entrepreneurial skills to some extent. Their strategy is well-developed and also has a market component, besides the optimisation of the business. Networks and contacts are also utilised for marketing and selling. Opportunities are often connected to the market environment. Some of those farmers are very skilled at networking, like cases 10, 16 and 24. Many of the farmers are working in a partnership with their family and say that they have organised entrepreneurial tasks and responsibilities within the partnership. Some of the farmers are working with a number of employees.

**Case 6**

This grower is 43 years old and grows pot and border plants in a 2.5 ha greenhouse. Eight years ago, the grower switched from tomatoes to pot and border plant production.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The grower states: “Yes, I have a business strategy, yes, and I do evaluate it every year.” His strategy is clearly described and motivated. His marketing strategy is focused on lowering risks and uncertainties through contracts with buyers, instead of selling at auction. In these contracts, the price and the quantity is agreed upon and there is an intention for the delivery period. He has bad experiences with selling at auction, both with tomatoes and with pot and border plants, because of the price uncertainty: “You are working very hard, producing a good product, but you don’t know if you will be paid for it.” His marketing strategy is quite successful: The financial results are always good and about 85 percent of the production is contracted before production starts. The grower always wants to realise the demands of his buyers: “Never say no.” When he gets a large order with high time pressure, he tries to organise everything to fulfil this demand, knowing that he will be paid a good price and have a satisfied customer. The grower does not want to enlarge his business: The production is very seasonal, so he does not want a large full time staff. Besides this, he wants to have some time for other things: “Enjoying your life is also important.”

*Interpretation:* The grower presents himself as a person who is able to develop and evaluate a strategy for his business. He has changed from tomatoes to pot and border plants and has replaced the auction with contracts with buyers to lower financial risks. This strategy is very successful, because the risks are lower and the financial results are good. The grower is able to justify his choice not to enlarge the business, both looking at his business and regarding his personal wish to have some time to enjoy life.

*Skills of networking and utilising contacts*

*Self-presentation:* The grower states he is not really good in it, because he is not active in making contacts and participation in networks. However, he states he has stable relationships with clients, has contacts with someone who developed barcodes on plant pots, reads farmers’ journals and visit fairs. Moreover, the contacts with other growers don’t work anymore because of the competition between growers. The grower sums up some reasons and purposes for networking and utilising contacts, but also for not doing this. He explains that this skill is quite important when a grower needs to improve his business, but he thinks it is possible to have a successful enterprise without this skill.

*Interpretation:* The grower presents himself as a person who is reasonably good at networking and utilising contacts, although he is quite selective in doing it. He used his contact with a developer of barcodes on plant pots which attracted new customers. He is eager to create and maintain a stable relationship with customers. Secondly, the farmer is aware of the risk of losing unique selling points to other growers through contacts with them. That’s a reason for not having contacts with other growers.

*Skill of recognising and realising opportunities*

*Self-presentation:* The grower is not quite sure about his own skills. After a long silence, he says that he has recognised an opportunity, but has not realised it. This opportunity did not really fit in his strategy that focuses on lowering risk. The grower states, “I am always willing to consider new opportunities and to try them. But I have to be true to myself.” Another example is energy production in greenhouses. He thinks it is a big opportunity for

growers, but not for his business, looking at the scale. The skill of recognising and realising opportunities is not important for the grower, because there is no need to improve the business: “If you need opportunities to survive, than these skills are crucial.” In this context he mentions that about 10 years ago, the farm results were very bad in tomato production, so he looked for new opportunities. He had to decide: Enlarge the farm or go another way. He decided to switch to production of pot and border plants. He states: “Maybe, in 3 or 4 years I will be in the situation where I have to recognise and realise a new opportunity.”

*Interpretation:* The grower presents himself as a person who is reasonably able to recognise and realise opportunities. He mentions several examples of opportunities he recognises, although he did not realise them all, for specific reasons. According to this grower, this skill is important when your business needs a new impulse, but not in the case of a successful business.

#### *Overall interpretation*

The grower in this case presents himself as a person who has developed these skills reasonably well. His strategic skills are quite well developed, regarding his ability to describe and motivate his strategy. Both networking and opportunity skills are reasonably developed. The grower makes use of networks and contacts and is aware of opportunities when necessary, i.e. when he has to improve his business.

#### **Case 8**

The farmer (44 years old) runs an arable farm of 100 ha that is focused on the production of seed potatoes. He co-operates with his brother. Besides the arable farm, they have a stable with approx. 15.000 laying hens.

The recordings of these three questions are lost.

#### **Case 10**

This respondent (39 years old) owns a 3 ha greenhouse and produces lettuce and courgettes. Formerly, they grow tomatoes. He co-operates with his father and brother. On the farm, 5 people are working full time and 4 are part time workers.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The grower explains that he has a strategy, but not a formal written one. “I mean, I have a strategy for the coming years. But there are so many factors determining if I can realise it.” The grower specialises in two crops (courgettes and lettuce) that are optimal for the situation of the firm. The greenhouse is different from many others, because crops are still grown in the soil. The strategy changed in the past: They produced tomatoes, but when other growers switched to production on substrate, the company was no longer competitive. So they started with green courgettes, later on they also started with yellow courgettes. The company grew in the past, but the grower does not want to enlarge it further. “In fact, we have three different crops. This is more complicated and it takes more time. (...) But it feels good, we like the diversity of crops and different work.” Maybe, when they want to buy another company, this will be somewhat larger. The grower is already anticipating: “We have to leave this location in 4 or 5 years, and I already know which business I want to have on another location.” At the same time, he is anticipating market trends: “If the price of lettuce and courgettes is too low at that time, I will not realise my current idea. You have to change the strategy when necessary. (...) So, you have to be aware of such developments.”

*Interpretation:* The grower presents himself as a person who has developed the skills of creating and evaluating a strategy. His strategy is optimised in relation with the characteristics of the site and the developments in the market. He stresses the importance of being able to adapt a strategy and to be able to anticipate developments and trends. The grower therefore does not have a formal, written strategy, but has one in his mind that is continuously developing.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The grower says: “Contacts, yes I think this is one of our strong points. At least, I think so.” The grower has a large network and many contacts with other growers, in and outside the Netherlands, mainly because of his membership on various boards and committees. The benefits of the contacts with other growers are diverse: Information supply, solutions to technical problems, being informed about the latest developments, inspiration for new techniques, all aimed at development of the business. The contacts with buyers are delegated to his brother. The skill is very important for the grower: it has helped to develop the business.

*Interpretation:* The grower presents himself as a very skilled person. He has many contacts with other growers, mainly due to his participation in various boards and committees. These contacts enable the farmer to develop his own business, because he is continuously informed about the latest developments, problems and solutions. Therefore, the grower states that this skill is very important.

*Skill of recognising and realising opportunities*

*Self-presentation:* The grower states that they have realised several opportunities, but also that they have neglected some opportunities. However, the grower has no regret. For the grower it is important to have a good look at opportunities: “When we bought the neighbouring farm, the greenhouses in the front nearly collapsed. When you don’t look further, we would have missed a nice opportunity to expand the business.” A few years later, they had again the opportunity to buy a neighbouring greenhouse company. They did not because the grower had some health problems. Looking at the increasing land prices, the grower says: “I could have borrowed a lot of money. But on the other hand, I didn’t bother. When it came for sale, I just had health problems. If it came for sale one year later, I might have bought it. But at that time I did not buy it, very consciously.” This skill is important for the grower, because it determines the development of the business.

*Interpretation:* The grower presents himself as a person who has the skills of recognising and realising opportunities. He is able to analyse opportunities and decides quite consciously whether he will realise them. If he decides not to realise an opportunity, he has no regret afterwards, as he shows with an example.

*Overall interpretation*

The grower presents himself as a skilful person in respect to all skills. He is very much aware of the importance of networking and utilising contacts for his own business. His strategy is quite flexible, to enable anticipation of new developments. The grower stresses the importance of continuous evaluation of the strategy, also in respect to new opportunities.

**Case 16**

The respondent is a female farmer (36 years old) that owns a pig farm in the southeast of the Netherlands, together with her husband (41 years old). The farm has developed from a specialised breeding farm, producing piglets, to a so-called closed pig farm, which means that they breed piglets from suckler sows for their own use. These piglets are raised on the same farm for pork production. The only products that leave the farm are full grown animals. The husband is responsible for the pig production and the wife for the administrative issues. On the farm, 5 people are full time employed and 2 people are employed part time.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer responds: “We have a strategy. That means: we want to have a closed pig farm and to produce for the Dutch market. We also want to grow bigger to decrease the cost. (...) So the strategy is still the same, but we have to enlarge the farm.” The closed production system is motivated by the farmer: “In long term, the profitability of a closed pig farm is not very much higher. But it is less risky. If you can’t sell the piglets, you’ll have a problem. In the past, we had big problems with it. So, we wanted a more stable system with fewer risks.” Besides this, they work with contracts that also contain fixed moments of delivery, to create a more stable work load. “The more employees, the more you need good planning. It is important to make the most efficient use of labour, because it is expensive.” The farm has grown quite fast, compared with many others. But the farmers keep one thing in mind: “We do want sound financing that is not only dependent on loans.” High interest payments are contradictory to the wish to decrease the cost price and a strong dependence on loans diminishes the possibility for new investments. The farmer thinks growth will slow down in the future, because of the age and the management capacities of herself and her husband and also because of the ongoing competition on the market. The cost level is an important instrument to evaluate the strategy: “Every year, we do evaluate the cost level with the accountant and the bank.”

The farmer states they do realise a bit higher price for their pigs than average, because of the higher quality level and because of the stable relationship with a buyer since 1996. “They know our constant high quality and that it causes less problems at the slaughter house.” The farmer is also trying to fulfil the demands of this client when possible: “If they want more pigs next week, we can manage this.” The other way around: “If we want to sell some more pigs, we can bring them.” The focus on high quality also results in a strong focus on healthy pigs: “We only

feed the best there is. Some people go for the cheapest; they feed everything they can get. But we want safety and quality.” In this respect, the farm is an example for other farmers.

This aspect of high quality is also the reason that the farmer does not expect competition from Eastern European countries: “Consumers are spoiled here. They want high quality and low fat. (..) Eastern European consumers have other demands, so their pigs are different and cannot meet our quality standards.” On the other hand, she fears a changing consumer preference towards fast food: “If consumers in Western Europe eat more hamburgers, then it doesn’t matter which quality of pork is used.” The farmer states it is very important to watch these trends, and she is also interested in this stuff. Just before the interview, she visited a friend in Canada, but she looked carefully at the consumers’ preference and livestock production.

Creating and evaluating a strategy is very important: “If you want to create a good place for your farm in the market, if you want to continue in the long term, you should be aware of and anticipate market developments.” And: “Every day, every year, you have to make decisions, to anticipate the market. If you don’t have a strategy, you are acting quite arbitrarily, taking wrong decisions and ultimately this is bad for your business.”

*Interpretation:* This farmer is presenting herself as a very skilful person in respect to having and evaluating a strategy. She is able to explain and justify the strategy in detail and she shows with an example that this strategy is a result of every-day being aware of developments and trends in the market. This orientation to the market is international, including developments in the consumption patterns in Western and Eastern Europe, the U.S. and Canada.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer has no direct comments on her own skills, but states that this skill is essential. The farmer and her husband both do part of the business relations, related to their individual responsibilities on the farm. She mentions contacts with colleagues who supply them with information and affect their decision making. These contacts keep them aware of new developments. The farmer and her husband have created a network of pig farmers and advisors to improve their own business. Advisors are important, because they know many other farms. Representatives from other organisations are also important, because they give access to their networks.

She misses the contacts with non-agricultural enterprises, because she thinks she can learn more from these businesses about strategy, decision making and logistics. Their farm is not comparable with many agricultural businesses and smaller SME’s, because of the size and the complexity: “We can learn a lot from businesses with 40 employees. Larger logistics flows, that’s something we can learn about. But smaller companies, there are many here, yes, we have passed that stage.” The farmer wanted to join a local business club, but this was not a success for several reasons. The first reason is the small size of the other companies: “Companies with one employee, so we thought we cannot learn from them.” The second reason is the gap between agricultural and non-agricultural business: “Non-agricultural entrepreneurs are looking to agriculture, they think it’s easy. Just switch on the machine to feed the pigs, nothing difficult at all.” Third reason is the male dominance in such clubs: “I was the only woman. Who wants a woman in a male world?” The skill of networking and utilising contacts is essential, according to the farmer, because other people can supply the farmer with information to improve strategy and decision making. Over the long term, the skill is crucial for farm continuity.

*Interpretation:* The farmer presents herself as a person who has developed the skills of networking and utilising contacts, regarding the contacts with farmers and other people who supply the farmer with information that can help to improve strategy and decision making. The farmer explains these skills are in fact the skills she and of her husband have. According to the farmer, these skills are the grease for the engine of the business.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states that the recognition and realisation of opportunities is a skill her husband has: “Yes, he recognises opportunities; Small ones and big ones. If he recognises an opportunity, he is able to realise it.” She mentions several examples. They planned and organised the building process of their farm, to have the most suitable and practical design and to reduce costs: “He calls till he has found a firm that can realise it, even if it located in the north of the Netherlands.” “To reduce costs and to realise something really good, that works efficiently.” A second example of a realised opportunity is the self-production of the feed. When they were in Canada 12 years ago, they saw that farmers had better quality pigs, which could be related to the feed. So, back home, they started with buying their own ingredients to produce the feed for their pigs. “We have started with it in 1994 and it produced good results for the business.” Another example is about something that was not a very



good opportunity: They expected that the feed price would increase, so they contracted feed for a certain price for a long period. Afterwards, it was not necessary. It is difficult to foresee the development in markets with high fluctuations.

Recognising opportunities is the most important thing: “Are you active in networking? Are you alert to recognising relevant opportunities and trends? If you know them, you are able to realise them.” The farmer reads farmers’ journals and internet sites to keep informed. When she was busy with a part time job and did not read everything as before, she missed the information about a policy change. This caused some extra costs for the farm.

The farmer states that her husband always wants to realise opportunities himself. This causes him to be quite busy, for instance with building a new stable, and when a problem occurs, he has not enough time to solve it. The farmer believes it is important to recognise and realise opportunities at an early stage, although they don’t want to experiment. “We won’t try it first, but we want to learn from the experiences of others and make some improvements to the concept.”

*Interpretation:* The farmer presents herself and her husband as a couple which has the skills of recognising and realising opportunities. She gives some examples of opportunities they recognised and realised, that are quite successful for the business. She is also able to explain the weak points, both in recognising and in realising opportunities. Recognising opportunities is related to networking and utilising contacts, according to this farmer.

#### *Overall interpretation*

This farmer presents herself as a person who has developed these entrepreneurial skills. She includes the skills of her husband in this presentation, who did not participate in the interview.

#### **Case 22**

The farmer (35 years old) owes an arable farm of 110 ha in the north of the Netherlands together with his father and his brother. Their main products are seed potatoes. The farmer is responsible for the seed potatoes. Besides this, they grow flower bulbs (tulips), for which his brother is responsible.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer replies that he has a strategy, focused on quality production and a good financial result. Also for the future, they want to maintain the combination of arable and flower bulb production in one company, to spread risks: “When the potatoes are doing bad, maybe the tulips are doing better.” This is also because he and his brother divided responsibilities for these activities. Splitting up the farm is also financially unattractive: “You have to buy everything twofold, such as machines.”

Although they want to increase the farm size, last year they planted fewer flower bulbs than before. This was not the strategy: “We wanted to keep the area, but there were no good varieties available.” Increasing the farm size is also difficult, because of the land price: “We are not buying land at this time. It’s too expensive.” The flower bulb business is focused on production, not on trading, for several reasons: “We can’t include trading in our farm. That’s not our personal quality and we are also far away from the trade centres (that are in the western part of the Netherlands).”

The evaluation of the strategy is something they do in an informal way: “We discuss many things during coffee breaks. (...) We don’t call this ‘evaluation’, but that doesn’t matter.” The farmer explains that co-operation with his father makes this internal evaluation process happen: “It’s our situation. There are three of us, and we always have something to talk about. (...) If you are working on a farm on your own, it will be difficult. You will need somebody outside the farm to evaluate.” This continuous evaluation makes the strategy not very strict. The focus on scale increase is not as strong as before, because of the land price and the labour intensity of the seed potatoes and flower bulbs: “So our strategy has changed to less growth, but higher income. That’s different from 5 years ago.”

*Interpretation:* The farmer presents himself as a person who has developed the skills of creating and evaluating a strategy reasonably well. He explains that his future ambitions are sometimes corrected through evaluation with his brother and his father.

### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer states that he and his brother are good at networking and utilising contacts, but that time is limiting: “It’s only a tiny part of our work. (...) We cannot spend much time on contacts. We can’t do that. Other things will go wrong then.” First of all, he states that they don’t have many contacts with buyers, because trade organisations are specialised in selling the products of associated farmers. The farmer and his brother do visit excursions, field demonstrations and farmer meetings to keep informed. They utilise their contacts with suppliers to get information about e.g. crop protection and nutrition. Sometimes they go to the auction: “When you see somebody you have met once, you’ll chat about growing tulips and so on. You will hear a lot.”

The farmer has recently chosen another potato trader. This company started only recently in the Netherlands, but the farmer decided to wait and see. However, he used his network and his contacts with other farmers to be informed about it: “Just make contacts with farmers who have already joined that new company. Just be informed, visit farms and see the varieties.” After two years, they also decided to change to the new potato trader: “So I think this was also networking.”

About the question of whether these skills are important, the farmer replies that it is important to be open to ideas, feedback and external information. An established network and a number of contacts are important to the farmer, to save time if you want to know something. The farmer states that social skills are also important: “Sometimes you have to come towards your customer, to get something back. (...) to realise that next time he will buy your product again.”

*Interpretation:* The farmer presents himself as a person who has reasonably developed skills of networking and utilising contacts. He utilises his contacts and networks quite efficient, because he does not have time for contacts and participation in networks. However, he gives some examples that show that his network and contact utilisation is also quite effective. The role of trade organisations is quite important in respect to the networking activities of the farmer. These organisations have taken over some networks and contacts from their clients (farmers).

### *Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states that he (and his brother) do realise recognised opportunities. The switch to a new seed potato trader is a good example: “It was a major effort for our farm, to switch. It has some costs, but we will have something good for the future.” Their original trader did not want to increase the area contracted for seed potatoes, although the farmer wanted to get more hectares. So they started looking for opportunities. They found a new company that wanted to contract them to grow some varieties: “So we are growing now with <new trader>, and with <original trader> we keep the same area contracted.”

Another example is the flower bulb production: “We started with flower bulbs, because we perceived this as a diversification of the business; another pillar under the business.” As he said before, spreading the risk is one of the motives for combining seed potatoes and flower bulbs.

About current opportunities, the farmer mentions the demand for bio-fuels. He doesn’t want to grow bio-energy crops, but he perceives other opportunities: “We won’t grow these crops, but farms in other countries will do so on large scales, maybe also on some extensive farms in the Netherlands. But I believe the area of other crops will decrease through this development: less potato, less onions. So the market will improve for the crops we grow.” The usage of grain for bio-energy will stimulate this development as well: “The grain price will increase. (...) If the grain price is higher, then the prospects for other products will increase. It will become attractive to grow more wheat, so farmers will grow fewer onions, fewer carrots, fewer potatoes.”

*Interpretation:* The farmer presents himself as a person who has the skills of recognising and realising opportunities. He gives some examples of opportunities he realised (switch to another seed potato trader, flower bulb production) and also some opportunities he currently recognises. He expects that the demand for bio-energy will improve the perspectives of labour- and knowledge-intensive crops they grow, such as seed potatoes, onions and flower bulbs.

### *Overall interpretation*

The farmer presents himself as a person who has developed these skills reasonably well. The farm is focused on primary production of high-quality plant material (flower bulbs, seed potatoes). The farmer utilises networks and contacts quite effectively, but stresses the element of time efficiency. An existing network and established contacts can save time for information gathering. The farmer perceives opportunities for his high-value products,

due to the increasing demand for bio-energy crops: The production of high-value crops will be left to specialised capital and knowledge intensive farms, e.g. in the Netherlands.

#### Case 24

The farmer (39 years old) has an arable farm of 100 ha, combined with a poultry farm since 1991. He co-operates with his brother (48 years old). The arable part of the farm is specialised in seed potato production.

##### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer replies to the question of whether he has a strategy and evaluates it: “I do have a farm strategy.” His strategy is focused on consolidation of the current business, which is profitable. Four years ago, they decided to increase the area of seed potatoes to compensate for the lower prices of wheat and sugar beets. The growth is limited by labour availability. The farmer co-operates with his brother and they want no full time employees: “This requires a big scale increase, so you not only have to invest in personnel, but also in machines and storage. And I don’t know if we want this. Not at the moment.”

They started with poultry in 1991, when the farm was smaller. They had some time during the winter and in the summer, so they started looking for activities that could generate some additional income. At that time, the market for chicken meat was improving, so they started that. An additional advantage of this business is the independence of the climatic conditions. They also expected to realise a steadier income, but this didn’t work: “In 2005, the bird disease appeared in Europe and consumers refused to eat chicken meat anymore. The price dropped from 68 cents to 50 cents.” They have thought about a new poultry stable, but some problems occurred: The legislation for intensive livestock is limiting, because they have to pay to carry off the manure. With the current size, they use the manure on the arable part of the farm. So, when the area of seed potatoes increases, they will have possibilities for increasing the poultry business as well. However, the regional government made regulations that prohibit building large stables. “So building a smaller stable is less attractive. The bigger it is, the lower the costs per chicken, that’s quite easy.”

It is not clear if the farm will be taken over by the children of the farmer and/or his brother. However, this will affect the farm strategy: “If we don’t have successors, we will do it differently in the last few years, compared to the situation when one of them will take over the farm. In that case, we will go on in the direction we want to develop the farm. We will make different choices.” The farmer doesn’t want to stay a farmer forever: “I want to go on until I’m 60; I don’t want to go on until I’m 87. Absolutely not. When I’m 60, I have done my job.” His brother also will end farming at about the age of 65, expects the farmer.

The evaluation of the strategy is something normal: “If you have a strategy, you have to evaluate it every once in a while. Like me, I am not evaluating it *a la minute* and also not on paper, but I am evaluating it year round. I think about the farm strategy year round and about how to improve things and so on.” He does not have big discussions with his brother about it: “Often, we have the same ideas. We are working as a small team.”

*Interpretation:* The farmer presents himself as a person who has developed the skills of creating and evaluating a strategy. His strategy is focused on consolidation of profitability, which is quite successful. In the past, they started with poultry and some years ago they decided to increase the area of the seed potatoes. At the moment, the labour availability is limiting growth. For the future, the farmer and his brother want to end farming when they are 60 or 65 years old. It is not clear yet if their children will take over the farm, but this will affect their strategy a lot.

##### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer says: “Yes, I am very good at it.” Both he and his brother are members of various boards, committees and farmers’ organisations. He also participates in a research project and is a member of the steering committee of another research programme. He explains: “I like it; it is a nice thing to do.” Besides this, the farmer explains that these networks are quite useful. The farmer gives an example: “Last year, I had a meeting of the regional farmers’ association. We had some seed potatoes that were disqualified, so we had to sell them for consumption. My brother wanted to sell them, because it became springtime. I wanted to wait a while longer. But, coincidentally, I had that meeting and I had a chat with the chair. I told him about our potatoes. He said: Wait for two or three weeks, because the statistics will be published next week. These statistics will say that there are fewer potatoes than expected before, so the price will increase. And it happened: For one or two weeks, the prices were one or two Euros higher. It resulted in 6,000 or 7,000 Euros more.” These meetings with other people

by chance are quite important for the farmer. He has a lot of contacts and participates in various networks, to create opportunities to meet people and to get new ideas. He states that he often goes to fairs, but doesn't go to see new machines and big tractors: "If you want to see the show, you have to go on Friday evening or on Saturday morning, when it is quiet. But I don't go for the show; I'm going for the networks and the contacts. You will always hear something interesting or useful." He also states that he learns from other farmers when he visits farms, e.g. with a study group or an excursion: "You'll see something and will think, hey, that's easy. This will be a simplification of my job. So we have copied things a few times from other farmers who solved a problem."

*Interpretation:* The farmer presents himself as a person who is very skilled. He likes networking and contacts and mentioned many examples of network participation, contacts and visits to farmers and agricultural fairs. The farmer mentions the element of 'lucky' meetings with people by coincidence. His strategy seems to be focused on the maximum exposure time for these coincidental meetings.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states that he is able to recognise opportunities, but realising them is more difficult: "It's not always possible to realise them, even if you want to." He explains what he means with an example. He wanted to build a wind mill (for energy production), but he did not get permission from the regional government. The farmer gives two examples of realised opportunities: Some years ago, a family member of his brother's offered them some land to rent for seed potato cropping. First, they decided not to do this, because of the distance and the transport difficulties. Later on, the farmer thought over the benefits of it, for instance the possibility to increase the area of seed potatoes. Besides this, the soil quality was good. So they decided to rent the land, and: "We have not had any regrets."

A second opportunity they recognised was the poultry business. The farmer states that they started thinking about possibilities for making better use of their own labour in winter and summer time. There was no land for sale, so enlarging the arable farm was impossible. At that time, companies were looking for farmers who wanted to start with poultry in that region. The market for chicken meat was improving, so they decided to start with a poultry business besides the arable farm. They started with no experience, but got intensive supervision of the vet and the feed supplier. Because of infection risks, it is difficult to learn from other farmers.

These skills are less important than the strategy and networking skills, according to the farmer. This has to do with the farm characteristics: All products are sold through contracts, so market opportunities are less relevant for the farmer: "If you are acting independently in a free market, than you have to recognise opportunities for where to sell your product. That's different in our case."

*Interpretation:* The farmer presents himself as a person who has developed the skills of recognising and realising opportunities reasonably well. He explains that sometimes opportunities cannot be realised for some reason, although you want to. He gives two examples of recognised and realised opportunities. The farmer states that these skills are important, but less important than strategic and networking skills. The relatively well-organised sector works with contracts and specialised trade organisations, so the farmers don't have to be so eager for opportunities in the market.

#### *Over all interpretation*

The farmer presents himself as a person who has developed these skills. He is very skilled at networking and utilising contacts. His strategy is focused on the continuation of the current business, which generates a good income. Maybe this is why the opportunity skills are considered less important.

### **7.2.2 Value added**

This category is divided in two subgroups, based on the self-presentations. The first group of respondents is mainly oriented toward primary production activities, while the second group has concentrated on the value-adding activities.

#### **Group A. Production-oriented**

These farmers are still focused on the optimisation of the production process, but at the same time their marketing strategy is based on adding value, mainly through focusing on a niche market. Quality production and the production of specialties are good examples of this strategy. Many of these entrepreneurial types could be found

in sectors that are very specialised, like ornamental trees and flowers. In these markets one could not speak of bulk markets because of the large diversity in product categories. Organic farmers are also good examples of this group.

All farmers present themselves as persons who have developed entrepreneurial skills. Their network activities are strongly oriented toward marketing and selling, although they also utilise them for optimisation of production. The opportunities mentioned by the respondents also show a mixture of production and market orientation. Two farmers are somehow different: One (case 9) presents himself as a person who has developed his skills at least reasonably well; the other (case 14) presents himself as a very skilled person. The latter is a very successful entrepreneur who also has won an award as entrepreneur of the year.

### Case 3

The grower (58 years old) owns an ornamental tree nursery of 17 ha together with his 30 year old son. They grow spindles, which mean that they produce young trees from seedlings and cuttings. These spindles are sold to tree growers, who produce ornamental trees for the market. In 2005, they started selling directly to private customers, for which they grow some spindles for a few years more. They have 3 part time employees at work.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The grower states: “Yes, we have a certain strategy. And yes, the results are discussed at a certain moment.” His strategy is focused on quality production, instead of growth: “We want to lower costs and increase income.” Quality is the way to get a better position in the market: “We try to create a situation where they say: If you want to have a good tree, you have to go there. (...) It’s important that the quality starts selling the product.” Growth is not a very good strategy in the sector: “It is a very small market with only a few nurseries. The risk of growth is overproduction. If these nurseries all decide to grow, then it will be finished soon.” Another aspect is the much specialised character of the business: “You need a lot of knowledge to do the work and to realise our quality. You have to do it yourself; it’s not the case that you can let somebody else do the work.” A third element is the labour aspect. The business is very labour intensive, so the total area is limited. A new machine that replaces part of the hand labour, can therefore make it possible to increase the farm’s size. Fourth, the grower and his son don’t want to have a large company with several employees: “That’s not a thing that I’m good at. I don’t really like it. My son did have that ambition, but he has recovered from that idea.”

The evaluation of the strategy is something very important for the grower: “That’s our daily business. Are we doing the right things? Last week, we asked ourselves: Don’t we have too many trees? Couldn’t we better plant a bit less?” The co-operation with his son is an advantage for the evaluation process. Before his son started working, he discussed things with his buyers. At that time, a lot of the production was contracted. Nowadays, they have a more open market strategy, which is evaluated in an ongoing discussion between the grower and his son.

Creating and evaluating a strategy is very important for the grower: “First of all, you should be good at your job. But second, you should go on. You should be able to think ahead.” The grower states that things have changed in this respect: “When my father started the farm, he planted fruit trees. They believed that if you started producing, if your farm is running, than the rest will follow automatically. But last year, I spoke with a grower, a good grower. He told me, today it’s the case that we don’t know in August if the business is doing well in January. So the stability of the business... Yes, that’s the market.” Evaluating the strategy is very important, regarding these uncertainties and changing conditions.

Last year, they started with direct selling. This fits quite well in the farm strategy, if the scale is limited: “We should keep in mind that it doesn’t take too much time. (...) On a limited scale, it fits within the business. We won’t start a new business besides the original.”

*Interpretation:* The farmer presents himself (and his son) as skilled persons. He has a clear strategy that is explained with several reasons. The characteristics of his business demand a relatively small-scale, labour and knowledge intensive type of production. He evaluates the business strategy very often with his son. This is important, because the market is very unstable, so anticipating changing conditions is necessary for the business. The direct selling activity is evaluated to see if it fits in the business strategy and the grower has also developed ideas of how to go on with it.

*Skills of networking and utilising contacts*

*Self-presentation:* The grower states that the younger generation is more skilled and more active at networking and utilising contacts. His generation is more focused on the production process. The grower delegates these activities to his son more and more. The grower mentions frequent contacts with clients, who visit the nursery to see the products. These visits are used to identify demands and get information about the trade. The grower sometimes experiments with new varieties for customers. The grower is also a member of a crop protection study group. This group meets at a different farm every time. The farmer: “We always learn something, sometimes also how not to do it.” The marketing for the direct selling is diverse: They have made a website, advertise and have direct contact with gardeners. They also send a stock list and sometimes a sample of some trees to gardeners in the region. This skill is important to have to continue the business successfully, according to the farmer: “You won’t survive, if you don’t have these skills.”

*Interpretation:* This grower presents himself as a person who has this skill of networking and utilising contacts. He mentions various contacts with clients and customers, which enable the farmer to sell his products and keep informed about the market and customer demands. Second, the grower and his son have recently started direct selling, for which they are very active with marketing (using the internet and sending brochures and samples to potential customers).

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer laughs when he replies: “For that question, I have to look back, I guess?” He states that his father started with a fruit farm. In the early seventies, the profitability of the business decreased, so his father, the farmer and his brother started looking for other opportunities. They started with a tree nursery and with strawberries. His brother has continued with the strawberries, which is now a separate business. But why and how did they start with ornamental trees? The grower: “My eldest brother was working on the farm for the quality inspection for ornamental trees, so I knew the developments in that sector. He had many contacts with tree growers, and one of them heard about my wish to start a tree nursery. He asked my brother: Could your brother grow some trees for us? So, by bits and pieces, we started and have expanded the nursery.” The grower has not very explicitly analysed opportunities and taken decisions for this business: “When I recognised the opportunity, I was already realising it.” Some years ago, the farmer wanted to start fruit production, but decided not to do this. “I did like it very much and I still like it. But I didn’t start.” This new activity required more labour than was available, and the grower didn’t want to work with full-time employees: “A man extra, that’s the person who has to be paid first. And if the financial results are bad... maybe we were too careful in the past.” He explains that his parents didn’t even want to borrow money to do investments: “You can’t imagine this today, looking at the big investments you have to do.” About his son: “I think he is in turn more entrepreneurial, compared with myself.” He discusses these things thoroughly with his son, but at the same time: “I have learned to give him some freedom. He has to go on with the business and he takes more risks than I ever did. But I feel that I should give him some freedom.” The business strategy is important for the grower to take decisions about the realisation of opportunities: “You cannot do everything. (...) You should have a strategy.” The decision not to start with fruit production was taken because it did not fit into the farm strategy, which is based on their own labour force and high quality spindle production: “We couldn’t realise the quality level when the fruit business competes with the tree nursery. At the end, you won’t have anything.” The direct selling activities are also evaluated with the strategy.

They also look for opportunities to anticipate the demand. Therefore, they make use of information from buyers, journals and various contacts with other people. On the other hand, they are looking carefully to their colleagues: “If there is an increasing demand for a variety, I will not plant it when my colleagues are doing this. Therefore, I sometimes drive through that area and have a good look at the back of the nurseries. What varieties do they have?” The grower is open for new ideas, for instance new machines: “I have done a lot by hand, very heavy work. Today there are machines. You could say, I’ve done it always without machines, but that doesn’t work. We bought a new machine to dig out the trees. Look what the capacity of this machine is. Then I think, yes, I have done this job myself...”

*Interpretation:* The grower presents himself as a person who has developed these skills. He gives several examples that show that he is open to opportunities, although he won’t realise them if they don’t fit into the business strategy. He uses his network to be informed about trends and developments in the market, to be able to anticipate

them. The opportunities mentioned are mainly focused on the optimisation of production, although the grower mentioned the opportunity of direct selling before.

#### *Overall interpretation*

The grower presents himself as a quite skilled person. He has a clear and well-motivated strategy that is focused on quality production. His son plays an important role in the evaluation and evolution of the strategy. He has a diverse network that is related to various aspects of the business, such as crop protection, selling, marketing and information gathering. This network is being transferred to his son little by little. The business strategy is a framework for opportunity recognition: If an opportunity fits to the business then it will be realised.

#### **Case 4**

This grower is 37 years old and has quite recently started with a pot plant nursery. After finishing his agricultural education, he started working as an extension agent and has also worked at a horticultural research institute. He produces ornamental pot plants (*Calathea Crocata*). The greenhouses have a total surface of 2.2 ha. He is working with 7 full time and 3 part time employees.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The grower replies: “Yes, I have one. (...). Do you evaluate it? I think so... In 2005, I decided to specialise in one variety. And looking at the market developments, you need to adapt.” The strategy of the grower contains several elements: Scale increase (doubling in 10 years), niche market orientation (differentiation towards other growers through high quality, adding value through different pot types) and chain integration (plant breeding). The grower states that he pays attention to the selection of plant varieties and the selection and development of his employees, regarding this strategy. The strategy is motivated by three elements: The personal objectives of the grower, the market and the possibilities of the farm. The strategy is evaluated in an ongoing process, in which external people play an important role, e.g. the bank and traders. Evaluating the strategy is important to be able to anticipate new developments, according to the grower. Therefore a strategy should be flexible.

*Interpretation:* The grower presents himself as a person who has a strategy and evaluates it. His value-adding strategy is clearly described and motivated. The grower is also able to describe the evaluation process, in which other people play an important role. According to the grower, anticipation of new developments is a crucial element in the strategy development process. The strategy also translates into the daily business, affecting the selection of plant varieties and the HRM of the grower.

#### *Skills of networking and utilising contacts*

*Self-presentation:* Comment on his own skills: “Well, I think I am quite good at it.” The grower sums up a number of examples of networks and contacts he has: He is member of a study group, the growers’ association, the board of a regional bank and visits other nurseries and fairs. He is also aware of the opportunities of coincidental contacts with people. Sometimes, the grower also makes use of contacts with former colleagues (advisory, research). The grower wants to improve his contacts with customers, without using intermediates. He uses his networks and contacts for various purposes: to solve technical and production problems, to keep informed about the latest developments, to discuss and check his own opinion and to see what is happening outside the farm. The grower wants to leave the farm regularly to see what is happening outside. This skill is important, because you need other people that have other areas of expertise and other networks than yourself.

*Interpretation:* The grower presents himself as a person who is quite good at networking and utilising contacts. He gives a number of examples that show the variety of networks and contacts. He also makes use of the contacts and networks that originate from his former jobs (research, advisory). The grower is also able to explain the reasons for and benefits of utilising contacts and participation in networks. The grower is aware that he needs other people’s expertise and networks for his business.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The grower comments on his skills: “I think reasonably good.” The grower distinguishes between recognising and realising opportunities. He recognises many opportunities, but it is important to realise that ones that strengthen the core business: “Everything that distracts from your main process, you should not do.” Another precondition is that the business is running well, before realising opportunities: “You’d better do one thing well, instead of doing two things bad.” He gives an example of not realising an opportunity, when he

decided not to rent a greenhouse for a new activity, because his core business needed his full attention. An opportunity he did realise was buying his current location: He heard from an informal contact with the bank that this site would come for sale in a few days. He decided very quickly to contact the owner, before other growers: "Such an outstanding opportunity has to be realised as soon as possible." This skill is very important, because everything changes: "If you don't recognise opportunities, someone else will." Again, the grower distinguishes between recognising and realising: "First is to recognise them, but realising is equally important."

*Interpretation:* The grower presents himself as a skilful person, who is able to recognise and realise opportunities. He states that selectivity is essential for realising opportunities: It is impossible to realise all opportunities and some opportunities are distracting from the core business. He gives an example of an opportunity that he has not realised, because it was competitive with his main business. He also shows in another example that he is able to estimate the quality of the opportunity and to take decisions about realisation. These skills are important to anticipate changes in the business environment, according to the grower. It is also important to decide quite fast to realise good opportunities, because "otherwise someone else will."

#### *Overall interpretation*

The grower presents himself as a person with well-developed entrepreneurial skills. He is able to describe and justify his strategy and his strategy-evaluation process. His strategy has a practical impact on his business, e.g. in HRM. He has a large and diverse network that partly originates from his former jobs. He is able to recognise opportunities and to decide about realisation. His network is important for the evaluation of his strategy and for recognition of opportunities. The business strategy functions as a criterion for decisions about realising opportunities.

#### **Case 5**

The farmer (42 years old) has a 90 ha organic arable farm. He has a higher degree (Wageningen University) and has worked part time as a farm advisor, focused on organic farmers in his area.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The strategy of the farmer is to optimise and enlarge the organic arable farm and to add livestock activity, to create a mixed farm. The farmer uses a self-developed computer model to plan and evaluate his strategy for the farm. This model needs all kind of farm data and produces overviews of labour planning, nutrient needs and income. The farmer makes a plan for the next eight years, which is evaluated and updated every year: "In practice, every year the plans are changed. I now already have a plan for 2008 that includes some changes that will take place in the next two years."

The farmer took over the farm in 1992. At that time, the farm was a conventional arable farm of 48 hectares. The farmer had already developed some ideas about organic farming during his agricultural study at the university, but he waited till 1997 to convert: "When I took over the farm, I was quite sure that the farm was too big to go organic. This also had to do with a lack of experience. If I had switched at that time, it would have been impossible to manage 48 hectares without any experience and knowledge. During the first five years, I developed this. So in 1997, I became inspired again, so I decided to convert." But it was not only a strategic decision: "It was also an idealistic consideration." That is also the case for the idea of creating a mixed farm: "Through this, I can produce the manure I need... simply, to come closer to the ideal picture of an organic farm with closed cycles."

*Interpretation:* The farmer presents himself as a person who has reasonably developed the skills of creating and evaluating a strategy. His strategy is focused on the further development and optimisation of an organic farm, which is driven by idealistic motives. He uses a self-developed computer model to plan and evaluate his strategy.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer states he is not really good at making contacts, although this has improved. He states he is quite good in utilising his contacts. The farmer has supervised a group of organic farmers and participates in a project about co-operation with nature conservation. He does not think very strategically about contacts and network development, but is aware of opportunities during coincidental contacts. The farmer states that the skill is very important for marketing and selling his products, since he quit being a member of a co-operative firm.



*Interpretation:* The farmer presents himself as a person who is not really good at making contacts and developing a personal network, although he utilises his relationships quite well. The supervision of the study group enabled the farmer to learn from other farmers and created some extra income. The nature conservation project creates opportunities for the farmer to realise the idea of a mixed farm. The contacts with various people are necessary to sell the products without using a co-operative firm.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states after a long silence that he might be missing something, but that he “recognises many opportunities as opportunities and threats as threats”. Since he left the co-operative, he has to look for opportunities to sell his products. The farmer recognises some opportunities in the market he has not yet realised. He explains that this is related to networks, which are also important for selling the products. A second example is the farmers’ study group he supervised: “We met with this group and at a certain moment the need for a deeper discussion developed and people asked for more structure. I have recognised this opportunity.” The farmer states that he ended this activity, because it took too much time. The skills of recognising and realising opportunities are important for the farmer: “If you stay there and sit down, you won’t come anywhere. (...) If you want to go on... to take to right decisions, it is quite useful to recognise opportunities.”

The farmer states that he was in China recently. He discovered that the Chinese word for crisis is the same as the word for opportunity. For him, this was an eye-opener. He uses this as a motto, to keep in mind that difficulties can be transformed into opportunities.

*Interpretation:* The farmer presents himself as a person who has developed these skills reasonably well. He does not mention examples of important opportunities for his farm, although he states that he recognises market opportunities in general. Opportunities are important for business development.

*Overall interpretation*

The farmer presents himself as a person who has developed these skills reasonably well. He is quite short in his explanations and gives only a few examples of networks and opportunities. The interviewer had the impression that this person is quite introverted and doesn’t talk easily about himself and his skills. An interesting element is the self-developed computer model to test his strategy. His idealistic motivation for organic farming affects his strategy, in which he works towards a mixed farm with closed nutrient cycles. He used his network and recognised the opportunity of co-operation with a nature conservation organisation, enabling the farmer to include also cattle in the business. He has supervised a group of organic farmers, although he ended this activity recently. His academic background could explain this activity and also the use of a computer model for farm planning and strategy evaluation.

**Case 9**

This farmer is 37 years old and owes a 15 ha farm that specialises in vegetable production. His main product is iceberg lettuce. He started the business from scratch: His parents had a mixed farm with pigs and dairy, but he decided to start with vegetable production. His products are partly sold in a farm shop and partly sold directly to regional buyers, like restaurants.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer states “Yes, I have a strategy, yes.” His strategy has gradually developed into a strategy where the production of iceberg lettuce is the main element. The farmer has tried several other crops, but for several reasons, iceberg lettuce is the best one: “It is sold everywhere and it is used for all purposes, so there is always trade.” He is also the only producer in his region, so he is able to sell to local buyers. It is also a nice crop to work with, which is an advantage for finding part time employees. The farmer doesn’t want to employ foreign people, e.g. from Poland because of the language problem. He therefore works with Dutch students. The farmer sells one third of his production through contracts and two thirds for market prices. He has stable relationships with a few buyers, to avoid the low prices and the extra costs at auction. Besides iceberg lettuce, he has some leek and asparagus to have some employment and extra income in the winter and early spring. These products are mainly sold through direct selling.

Expanding the farm size depends on the possibility of getting new contracts, to manage the financial risk. This farm strategy has developed through trial and error: “In the beginning, I learned a lot, but it was quite tough. But at a certain moment, we saw an opportunity with a good contract with iceberg lettuce.”

*Interpretation:* The farmer presents himself as a person who has developed these skills. He has developed a successful strategy through trial and error, since he started with vegetable production. His strategy has a strong focus on the market. He is able to justify his strategy, for instance by the specific location of the farm and the availability of part time employees.

*Skills of networking and utilising contacts*

*Self-presentation:* The farmer states he is not really good at networking and utilising contacts, because the initiative of his contacts comes from the other side. However, he also states that he makes use of these contacts for specific reasons. The farmer does not participate in regional farmers' groups, because in his area there are almost no comparable farms (moderate-sized vegetable farms with similar crops). The farmer states that he uses this skill for selling and marketing: A colleague connected him to a buyer who was looking for iceberg lettuce and the farmer connected a buyer who was looking for strawberries with another colleague. He also tried to organise direct selling to a regional supermarket, but this initiative did not succeed. He also makes use of the internet and e-mail to keep in touch with the latest developments in the sector.

*Interpretation:* The farmer presents himself as a person who has developed the skill of networking and utilising contacts reasonably well. He makes use of existing farm contacts for information; he has contacts with buyers and makes use of the internet and e-mail for information supply. For the farmer, the importance of the skill related to other farmers is limited, because there are no comparable farms in the area. The interview also shows that the farmer is quite passive in networking and contacts.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states: "Yes, for our farm here, I think yes." He gives an example of the asparagus: This crop is in all regards a big opportunity for the farm, because there are no other growers in that area and it does not compete with the labour use for other crops and the price per unit is quite high. But to realise this opportunity in a successful way, some things are done by the farmer: "We had good varieties, quite productive, but a bit late. So consumers were asking for it, but we did not have anything. So I started with a very early variety, because people will also return later in the asparagus season." And: "We also sell asparagus wine; we provide recipes and instructions for cleaning asparagus, so people will eat very nice asparagus. And it works quite well, last year we had a Saturday with 78 buyers at one day. We were not able to keep up with harvesting." The farmer gave another example of recognising and realising opportunities: "Iceberg lettuce, we just went in. But truly, this was an opportunity." In the discussion about strategic skills, the farmer explained that iceberg lettuce is also a very suitable crop for his farm.

The farmer starts the discussion about skills and luck: "Recognising opportunities, it sounds quite clever, but you also need some luck. You will hear something by coincidence, you are asked for something by coincidence... You can also have bad luck... Some people always have bad luck." A bit later: "The most important thing is how to deal with these things in a clever way. ... You have to look forward, think forward at long term." He connects this also with solving problems: "A good entrepreneur is somebody who can solve problems."

*Interpretation:* The farmer presents himself as a person who has the skills of recognising and realising opportunities. He gives two nice examples of opportunities that he has recognised and realised. These examples show also that the farmer experiments with some new things, to test if these are real opportunities. If yes, he goes on with realisation.

*Overall interpretation*

The farmer presents himself as a person that has developed these skills. His strategy is gradually developed and he is experimenting with new things, proving if they are good opportunities that fit his business. He is quite passive about making contacts and participation in networks, although he makes use of the existing networks and contacts.

**Case 12**

The respondent (46 years old) has a 2 ha nursery, producing ornamental trees (*Salix*). The nursery is located in the western part of the Netherlands. On this nursery, 14 people are full time employed and 5 part time.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The grower has a clear strategy: “I want to be the market leader for my product in Europe.” This ambition has developed since the grower started with the nursery. In the first few years, he had a large variety of trees. But in 1999, he changed his business and switched to the production of one cultivar (Salix). The grower: “At that time, this was revolutionary.” The choice for this particular cultivar was determined for various reasons: “First of all, it was a cultivar that I managed to grow. Secondly, it was a cultivar for which I had a good name and good marketing. Third, it was a cultivar that, if you want to grow it on a large scale, you can’t imitate it easily because it is quite complicated. You will need lots of people in peak seasons and it is technically difficult.” Nowadays, he is the largest producer of Salix in the Netherlands with a production of 500,000 per year. He has integrated various steps in the production in his company, to create a stronger position in the market: “Everybody can grow trees. But then you are depending on good connections with commerce, with your supplier. (...) We do everything from the beginning. We breed ourselves, we grow it and we sell it.”

However, he has to deal with a strong competition from German growers, for a very specific reason: “If I want to employ Polish people, I have to pay 15.5 Euros per hour. In Germany they are paid 7 or 8 Euros, legally. But the net wages for employees is still higher compared to the Netherlands.” This is caused by differences among the legislation in various European countries. The grower: “So I have to win the battle, starting from a 0-1 position.” On the other hand, he has some advantages: “First, we have the advantage of the location. We are in the middle of the auctions and in Boskoop they will start a large tree centre.” The third advantage is the high quality of labour in the Netherlands: “Polish employees are only a temporary workforce. They are not as motivated as full time employees and they have less experience and knowledge.”

Although quality seems to be important, the competition in the market largely depends on the price and on the possibility of delivering large quantities. The grower is able to realise a low cost price, due to the large scale, advanced techniques that save man hours and a high production per square meter: “In the Netherlands, I’m may be the cheapest.” The large scale also enables the grower to deliver large quantities: “I’m one of the very few who can deliver large quantities. That’s an advantage. Large uniform quantities. Early or late, they will come to me for this. They know me quite well.”

The grower has formalised his strategy in a written business and marketing plan. This is part of his study ‘Entrepreneurship and Agribusiness’, which he started a year ago. For this, he had to carry out a market analysis: “For me, this was the reason to have a good look at the Salix market. And yes, at that time things becomes clearer.” In general: “In my experience, the things I’m doing at school are working like a catalyst in my mind.” The grower decided to start with a study because of his ambition to do something else. Until a few years ago, he participated on the boards of various organisations and companies. Because he likes these things, he wanted to professionalise his skills to be able to advance to an executive post somewhere. This means that he possibly has to sell his business: “Who knows? But then, I want to sell a sellable business.” He is not sure if his children will succeed on the farm: “I don’t advise my children to take over the business. I know too much about it, how difficult it is. So, if they still want to take over, after I have warned them, then I am sure they are really motivated. And then, they are also able to manage it.” The idea of switching to something very different doesn’t affect the grower in his daily business: “What I’m doing now with my company, I want to do it 100 percent.” But the grower doesn’t stick to this particular idea: “I have even more ideas and plans... If I want to do it all, I should have to become 200. I have to make a choice.”

*Interpretation:* The grower presents himself as a person who has developed these skills very well. He has a clear strategy that forms a visible pattern in the business development. The grower is able to take big decisions with a large impact if they are necessary to realise his strategy. He has identified the strengths and weaknesses and is very conscious of utilising the strengths and dealing with these weaknesses. His study ‘Entrepreneurship and Agribusiness’ stimulated the grower to think about his strategy and make decisions about his personal development and the development of the business. He states that he has many ideas and plans, and one of them is to get an executive post at a large company or organisation, even if this means that he has to sell his firm. His study contributes to the personal development that is necessary to be able to get such an executive post.

*Skills of networking and utilising contacts*

*Self-presentation:* The grower comments on his skills: “I think that I master it reasonably well, but I could do it much better.” He characterises himself as a quite straight-forward person, who doesn’t say things that people want to hear. “I’m sure that my farm could have been much bigger if I hadn’t been so loud-mouthed.” He talks

about his contacts with buyers and marketing co-operation with other farmers. He says that the co-operation is used for promoting sales, with the help of large quantities of uniform products. He says that this kind of networking is very important because for individual small growers marketing and selling is difficult. He says that they have succeeded in increasing the sales through the co-operation.

*Interpretation:* In all, he presents himself as a person with good skills in networking and contacting, even though he denies being good at flattering people. The central building block in his presentation is the relationship with buyers and the co-operation with other growers, which is successfully used for promoting sales.

*Skill of recognising and realising opportunities*

*Self-presentation:* The growers' direct response is: "Yes! Do you need some additions?" and laughs. Because he is a person who easily generates ideas, recognising opportunities is not a problem for the grower: "There are many ideas in my mind. Sometimes they will come to the surface and then I will think it over." Realising them is something that is more difficult: "For realisation, you need other growers. And when are you able to do something together? When there is some pressure." The grower explains that many business opportunities are too big for an individual firm like his. Only very large companies are able to realise them. Therefore, he co-operates with other nurseries. This co-operation is mainly active in co-operative buying of materials, but also in promotion and marketing: "This year, we were with 9 people at the Plantarium Fair, last week." Besides this, the group is also a means to realise opportunities. Therefore, the growers select opportunities together that are important to realise and make one or two of them responsible for it: "One member of the group has a supplier who is part of a co-operative group in China. Over long term, this can add value to our group. This grower in our group will put effort into it. Yes, this initiative comes from the group and he is chosen to do it. I also have a project that I am responsible for, together with two colleagues."

The grower is also interested in other agricultural sectors. He has contacts with arable farmers and the family of his wife has some greenhouses with flowers. His father had a dairy farm and his cousins still own one. He also reads journals from other sectors. The grower also recognises opportunities for these sectors: "I also have ideas for agriculture in the Netherlands. I have been interested in other sectors for a long time."

*Interpretation:* The grower presents himself as a person who is really good at recognising and realising opportunities. He always has many ideas that come easily to mind. He mentions the need for co-operation with other growers to realise opportunities. Therefore, he makes use of an existing co-operation with some colleagues. In this group, ideas and opportunities are discussed and selected and group members are made responsible for it.

*Overall interpretation*

The grower presents himself as a very skilled person with a strong internal motivation. He is still developing his skills through a part time study 'Entrepreneurship and Agribusiness', which catalyses his many ideas and plans and sharpens his strategy. He is a person who has many ideas and plans for his business and for his personal development and recognises opportunities easily. He presents himself as a straight-forward person, which is a characteristic that sometimes hinders participation in networks and the utilisation of contacts. On the other hand, he mentions several examples that show that he is able to co-operate very successful with other growers. Moreover, he is a driving force behind various co-operation initiatives, of which some are still successful.

**Case 14**

The respondent is a 70-year-old male farmer. He started in 1960 with a small poultry farm that has expanded into a very large company that integrates breeding, production of laying hens, egg production and manure processing and export. The firm has several production locations in the Netherlands and one in Poland. Besides this, the farmer has a foundation for his missionary and agricultural development projects in Africa. For a few years, the company has been a separate entity that acts under the auspices of the foundation. The farmer still has a large role in tactical and strategic decisions. About 15 years ago, the farmer won a prize for 'entrepreneur of the year'.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer states that he has a strategy: "We try to produce high-value products, like eggs, for the lowest possible costs. And we want to realise the highest possible price." This strategy is illustrated with several examples. The farmer tries to combine a low price with high quality through a very good production management: "It is very important to provide maximum care for the chicken we start with. With optimal care in the first weeks, you will get 10 eggs more per chicken later on." Technical innovations also contribute to this. The

farmer states: “I am somebody who invents things. New things. We have here a new type of a stable; we developed it ourselves in co-operation with a technical company. With this stable, we can grow the chicken very well. We have realised very high production levels with it.” Also the egg production is much higher than average: “Our hens produce more than 400 eggs on average. For other farms, most hens will go to the slaughter house with 350.”

The quality aspect is very important for the business strategy: “We have skipped one stage. Five years ago, there was a development of free-range eggs and organic production and so on. But I had already seen many problems with diseases and I wanted a safe product.” This doesn’t mean that animal welfare is not an issue for the farmer. It is one of the most important elements to achieve high quality and a high production level. At the time everybody switched to free-range eggs, the farmer developed ‘welfare-housing’: “The hens have a laying nest and a stick to sit on, but they can’t reach their own excrement.” The farmer also anticipates policy developments: “In 2012, we can change them easily to a system that conforms to the stricter legislation.”

The farmer has also invented a process to dry the chicken manure. This fits into the strategy: “We had a problem carrying off the manure. (...) Now we dry the manure with the heat of the hens, so we are able to get permission to export it to other countries. So, with a surplus of manure, we now produce high-value plant nutrition. In greenhouses in the desert in the US, tomatoes are grown on it.”

The farmer states that his strategy has been successful so far: “We have built something nice, my wife and I together. And I always have very good employees. The location managers... most of them have been working here for more than 20 years.” Creating a strategy is very important, but the farmer states that evaluation becomes even more important, because legislation changes all the time. The farmer gives an example: “One location burnt down half a year ago. Four weeks later we had a plan with a new housing type.” This was tested on another location where they had four different types on a small scale. Information is gathered through various means: “We work with various people. As much information as possible. We have somebody from the Parliament in our board. Furthermore, we are just back from a trip to Spain, to see the latest developments.”

*Interpretation:* The farmer presents himself as a very skilled person. He has developed a very successful business strategy that is focused on high quality and low price. These elements are realised through outstanding management of the production process, supported by modern techniques. The farmer’s inventions contribute to the strategy and are tested carefully on a small scale before introduction on a larger scale. Knowledge and information is gathered through a wide and diverse network and through visits to farms inside and outside the country.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer states that he has these skills: “Yes, I do think very widely.” He gives a long list of examples and mentions the various reasons and benefits. He talks about the board of the business foundation: “We have an accountant, a jurist, a member of the Parliament, a scientist, somebody from a large bank. All of them are Christians. We want to work legally and transparently. Four times a year, we have an extensive meeting with these people.” During these meetings, they discuss the business results and the strategy, using the various expertises of these people.

The farmer also organises farm visits abroad with employees: “We do travel a lot internationally. I will take with me the most relevant people. The location manager and the director went with me to Spain to see the latest developments.” These visits sharpen the vision for the business: “It confirms your own strategy; that you’re on the right path.” Besides this, the farmer is active in underdeveloped countries with agricultural projects, combined with missionary activities. He is member of a group of Christian farmers. If he needs the expertise of someone, he takes the initiative to contact this person. Strangely enough, the farmer thinks other skills and external factors are more important than the skill of networking and utilising contacts, in respect to the continuity of the business. He illustrates this with an example that skills are not the only thing you need to continue the business: “My neighbour has 15 cows and 150 sows, a very fine man. I had a chat with him last week, but for him, there is no future. But it’s just like the supermarkets: they also win the competition with the bakery.” The farmer explains that many farmers have no future prospects, because they are too small to compete on the market. They also have no financial means to do investments and increase the scale. Besides this, they had no possibilities to expand the farm, because the farm is situated very close to the village. He does not relate this situation to skills, although skills are also important to be successful.

*Interpretation:* The farmer presents himself as a very skilled person. He has a large variety of contacts with various purposes and benefits. He takes the initiative to contact relevant people, e.g. to invite them for membership on the foundation board or to organise an international farm visit. His personal drive, based on his Christian belief, determines his actions. Skills are not the only thing a farmer needs to continue his business, although they are important. The farmer believes that some farmers are not in the situation to continue their business, because of different circumstances, such as the financial means to do investments or the location of the farm.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer: “Yes, I have a big vision. But it comes from two sides: From your own vision, enthusiasm and courage and from your relationships to be able to know what happens in the business environment.” He had already mentioned several examples when he talked about his strategy that show that the farmer anticipates changing regulations. Besides this, he also mentioned some examples of inventions he did to improve the business. Again he mentions one more example: “I was in Atlanta (US) at a fair and I was thinking about the ventilation in large stables. How can all these hens be supplied with sufficient oxygen? In Atlanta, I saw the principle of length-ventilation. It’s a bit more expensive. (...) We started with it, 12 years ago, and it was unique at that time.” He also mentions an example of something he did wrong. He built a new housing, which didn’t work. The farmer: “It cost me a hundred thousands guilders. I misled myself, because I only looked at the low investments.”

*Interpretation:* The farmer presents himself as a very skilled person. He mentions many examples of opportunities he recognised and realised. He has made several inventions that worked out very successfully. The farmer has a large network for gathering information and visits farms in the Netherlands and abroad, to keep informed about the latest developments. He is therefore able to anticipate the developments in legislation and to make use of knowledge about new techniques and housing systems.

*Overall interpretation*

The farmer presents himself as a very skilled person. He has build up from scratch a large and very successful business. He makes use of people with various areas of expertises inside and outside agriculture to evaluate the strategy and keep informed about the latest developments in policy, legislation and techniques, and to recognise opportunities. Besides this, he is very inventive and has developed various techniques that have contributed greatly to the success of the business. He is also active in development projects in Africa, for which he also uses his experience and network. He presents himself as a person with a strong internal motivation, driven by his Christian belief.

**Group B. Value-adding oriented**

This group of people has a strategy in which the value adding activities are the central part. All other activities, including primary production, contribute to it. These farmers are found in various sectors. Their value-adding activities are concentrated on either direct selling or innovation.

The farmers state that their strategy is different from many other farms. They all developed this strategy through the years, using their networks and contacts and realising opportunities that appeared. The farmers with direct selling have a different network, which is strongly focused on customers and marketing, while the grower with an innovation strategy has a network that supplies him with knowledge and innovative ideas. These farmers all present themselves as skilled people. One of them (Case 21) is very skilled in all aspects. Two of them are co-operating with family members. They do state that they have organised the entrepreneurial tasks and responsibilities within the partnership. All of them are working with employees.

**Case 11**

The respondent (42 years old) owes a 1.4 ha greenhouse and produces tomatoes. He is continuously working on the development of new market concepts for tomatoes, in co-operation with a retailer. He co-operates with his brother. 7 people are employed part time in the greenhouse.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The grower states that his strategy is focused on innovative tomato varieties. He did not want to increase the size of the business, because he didn’t want to make big investments and spend a lot of energy and time on it. The grower: “I’m doing what I like. And I discovered that I like this. Working on new things. Trying

to make them productive.” The philosophy of the grower is to start with production of new varieties when he has an agreement with a retailer who is interested. By doing this, he avoids high risk investments. When the production increases and other growers start growing the variety, the grower starts looking for a new one, because at that time the prices will decrease.

His network is quite important for this strategy: “I always have some new varieties in my greenhouse. And I show them to people in my network. Through my enthusiasm, I try to make them enthusiastic as well and at some point you will get response.” This network consists of some retailers that are able to introduce new products and concepts on the market.

The grower thinks that this strategy will also work in the future: “Supermarkets want to distinguish themselves from their competitors. They have tried to compete on price, but that’s something that is finite. So they are trying to distinguish themselves in another way, and new products are a good option.” The grower doesn’t know which products that will be in a few years: “But I do trust that at that time there will be something that enables me to create an income.”

*Interpretation:* The grower presents himself as a person who has these strategic skills. His strategy is focused on the production of new tomato varieties. For this, he attracts buyers to get returns on the investment at an early stage. When the variety is successful and other growers start with the production, the grower again looks for a new variety. His network is important to the marketing aspect of his strategy. The grower explains that his strategy conforms to the market developments.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The grower states that he is not very busy with networking, but that his activities in this respect are effective. His network and contact activities are based on his specific needs. Besides a general informational need, the grower uses his contacts to develop new varieties, find growers for it, develop the marketing concept and introduce it to the market. The skill of networking and utilising contacts is important for the grower, because “I can’t do everything myself, so I need other people.”

*Interpretation:* The grower presents himself as a person who has the skill of networking and utilising contacts. He looks very carefully at the utility of networks and contacts, does not network and make contacts because he likes it. He is quite successful at networking and utilising contacts in respect to his strategy. He finds people and organisations that can help him with introducing new varieties to the market and is aware of his own capacities as a grower.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The grower states: “I hope so... I believe, yes. At least, when I look back, yes. And for the future, I don’t know yet.” He explains that he has recognised and realised opportunities in the past, but he doesn’t know yet if he will recognise new opportunities in the future. The grower mentions two new tomato varieties with which he was quite successful.

The grower states that he has learned, and developed himself: “I have more self-confidence now.” In the past, he deliberated about opportunities: “So, in the past, I always worked with pluses and minuses, but then you are acting quite conservatively. Nowadays, I am taking decisions based on my feeling.” This feeling is based on experience, which gives one more self-confidence. Asked for the risks of this type of decision making, the grower responds that looking for certainties is also risky. Moreover: “It is impossible to be in the first position when you play it safe.” The most important thing for the grower is: “You should do what you like to do. Otherwise, you shouldn’t do it. (...) It doesn’t mean that every day will be nice. But the direction you have chosen should fit to you. You should not do things for somebody else.”

*Interpretation:* The grower presents himself as a person who has developed these skills. He is able to recognise and realise opportunities, which is an important element of his business strategy. This skill has to do with risk-taking, but looking for certainties is also risky for his strategy, because he wants to be the first with new varieties. For this grower, a good feeling is more important than a thorough analysis of positive and negative aspects of a certain opportunity. This feeling is also based on experiences from the past.

#### *Overall interpretation*

The grower presents himself as a person who has developed these entrepreneurial skills. He tells a coherent story about his strategy, his networks and contacts and the way he approaches opportunities. His focus on the profit-

able production of new tomato varieties demands an intensive and good relationship with market parties and keeping a careful watch on external trends and developments. The grower is successful at this strategy and feels also happy about it.

#### Case 17

The farmer (36 years old) has a vegetable production farm of 15 ha, combined with direct selling. His main product is asparagus. The farm is located in the south of the Netherlands near a highway that was recently built on a part of the farm land.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer states that his strategy is focused on further development of the direct selling activity: “I want to enlarge my customer circle. I’m doing my best to get more customers to the farmyard.” This direct selling activity originates from about 15 years ago, when he left school. At that time, his father dealt in livestock and had some cows for meat production. The farmer first wanted to take over the farm and switch to dairy farming, but the investment in milk quota was very high: “At that time, the director of my school gave me an idea, he said, you should start with asparagus, you have a nice location and I think that’s better than sitting under the cows all day. And so, we started with one hectare of asparagus. And I must say it was a good advice.” The farmer states that this strategy fits him and the farm situation well: “I do like it; it’s a nice group of customers to deal with. (...) At the auction, you’re just a number.” And: “We are the only ones who grows asparagus in this region. It’s an exclusive vegetable in this region. (...) And we are near the highway; so many customers will come here when they drive on it. (...) The soil is OK here. There are big differences; if you go 5 km further, you will have clay soil, so you can’t grow asparagus there. (...) It’s not a crop that can easily be combined with other things. It’s a crop of three months, 7 days a week.”

The farmer wants to professionalise the farm shop. To attract more customers, the farmer is increasing his product assortment, partly through growing other crops like carrots and potatoes and partly through buying products from other farmers, like ham, eggs and wine. Carrots and potatoes also fit the farm, because these crops don’t require much labour in the asparagus season.

*Interpretation:* The farmer presents himself as a person who has developed these skills. The strategy of the farmer is focused on direct selling and fits him and his farm situation. The location of the farm is advantageous for this strategy, because the farm is far away from competitors and close to customers.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer comments on his skills: “Yes, I am quite good in making contacts and utilising contacts for something.” He takes the initiative to contact people when he wants something (information, complaint or question). He gives an example of a question he had about legislation. He called the Ministry of Agriculture with his question: “The lady told me that I was the first with this question, but she admitted that this was not clear in the legislation. So if I want to know something, I just call the right person.”

The farmer has made flyers and booklets to attract clients to his farm shop. The farmer says that it works: “People call us and tell that a friend or a neighbour has been to the farm. They ask how they can find us. Or they have the booklet; they have got it from somebody as a gift.” The farmer has a history of problems with the government about various things around the farm. He has taken initiatives to solve problems or to show his goodwill: “I have told my story to the alderman, the new one. Fortunately it is somebody who understands me. He answered that he would solve the problems. After an hour, he phoned me again and he had summoned the officer to stop this trouble. (...) A year ago, they needed some land for a bicycle road. This plan existed already, but the officers from the municipality didn’t dare to come to me, because they thought I was still angry about the troubles before. I heard something about it via some informal contacts, so I decided to go to them and tell them that I am willing to talk about it.”

*Interpretation:* The farmer presents himself as a person who has these skills. He takes initiative for contacts if he has a question or when he wants to address and solve a certain problem. He has also developed a marketing strategy that is based on personal contacts and the networks of his customers.



*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states: “If there is an opportunity, we will realise it.” He explains that opportunity recognition is more difficult than realising it. A very important element in this respect is the analysis of opportunities: “That’s very important. Don’t blindly trust someone’s story.” He gives an example: “Some years ago, there was a new technique for asparagus. Everybody was enthusiastic. This should be it. But we travelled around and visited some farmers and we said: if anything is going to be a disaster, it will be this thing. One or two years later, a new system was developed. We bought one. All the other farmers threw away that other rubbish and bought that new machine.”

The farmer is not unwilling to work with new things and has some problems with it, but: “In that case, I would say: Yes please, if you want to test that machine on my farm. But I would not pay them for development and marketing of their machine.” These skills are very important for the farmer: “I won’t stand still. If there is something new, I want to know more about it, and if it suits me, I will go on with it.” The farmer believes that being able to recognise opportunities is more important than being able to realise them: “If you are at the stage where you can realise it, that’s only a small step. But if you don’t recognise it, you can’t realise anything.”

*Interpretation:* The farmer presents himself as a person who has developed these skills. He explains that recognising opportunities is more difficult, because this needs a careful analysis about whether something is really an opportunity for his own business. For the farmer, it’s important to make this analysis personally and not blindly believe other people. The farmer is not unwilling to test new techniques, but doesn’t want to pay the full price for it because of the experimental stage.

*Overall interpretation*

The farmer presents himself as a person who has developed these entrepreneurial skills. He has developed a direct selling strategy that fits him and his business and that makes use of the situation of the farm. Although the farmer has serious problems with the regional and local government, he tries to solve it by utilising his contacts. The farmer states that recognising opportunities is more difficult than realising them.

**Case 21**

The farmer (59 years old) has a fruit and arable production farm (46 ha), combined with a large farm shop in the north of the Netherlands. All products from the farm are sold in the farm shop, such as apples, pears, potatoes and wheat meal. Besides this, the farmer also sells other products, like oranges and wine. The farmer co-operates with his son, his brother and the son of his brother. Both sons will take over the firm. On the farm, 9 people are employed full time and 3 part time.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer replies directly: “Yes, we have a business strategy, because we are with four persons in a partnership. In this case, it is more important to make things more transparent. (...) The younger generation is now involved in the business. They have also new and different ideas. Sometimes it’s better not to stick to old ideas.” He says that they have regular meetings once a month to discuss the farm results and the strategy. Besides this, they have a lot of informal contact, for instance during meals. The farmer has taken a course some years ago, in which a group of farmers analysed their farms and evaluated the strategy. He uses this knowledge now for his own business.

The strategy of the farm is oriented toward the farm shop. The farmer’s parents started with direct selling 35 years ago, because the price at auction was bad. The farmer and his brother went on with direct selling, but professionalised five years ago: “We had a big fire. Everything was gone, except the house. At that time we had already a fairly large shop, but not very customer-friendly. (...) Due to that fire, we could make a choice for a better design and a modern image. The shop isn’t bigger, but has a new look.” The farmer also built a meeting and excursion room for about 100 people. In the shop, he sells his own products. He has permission to sell regional products and a certain percentage of other products like oranges. The farm shop has a good location, partly because it is near a large tourist site, which results in customers from all over the country.

Asked for the strategy, the farmer says: “Nowadays, we are also discussing: Where are we standing in 5 years? I think, the shop, that’s still growing. I often think that the meeting room will be gone; it will be a shop room at that time. And on both sides, we’ve built a room, maybe with a tea room. In that direction, but we are still dealing with the public.” The farmer wants to distinguish his farm shop from a supermarket: “I believe if you want to

have a farm shop, first of all you should have a certain atmosphere. In a supermarket, you should go there and hurry up, everything goes fast. But here, it has the atmosphere of calm.” Quality and taste are also important elements for the farmer to keep satisfied customers. He organises taste panels, in which he tests new varieties. And it works: “We have nice products. (...) My wife works at school, and she hears from the mothers of the children, if they have no time, they will buy apples in the supermarket. And their children will taste it. Strange, isn’t it? The same apples, but less tasty.” It’s the same case for potatoes. Therefore, the farmer built his own storage and doesn’t buy potatoes from other farmers: “I’ve said: Give me just one farmer that can grow potatoes for us with a good quality, without patches and damage.”

The farmer also organises things to get more customers: “We’re currently working on something new, something with chicken. You can buy a laying hen with or without a house, you can buy the feed. And during the holidays, you can bring your chicken here for a while. (...) We also have some animals, horses and so, that’s nice for the children. Now chicken are added to it.” Once a year, he organises also a day for customers that attracts over 1,000 visitors: “We have a chef then, a baker, a butcher, a bee keeper, and we organise excursions to the orchard. People can ask me to identify pests and diseases when they bring some leaves with them; we have courses and so on.” He also organises taste panels, not only to test new apple and pear varieties, but also wines, to attract customers. These taste panels are also used to evaluate the farm strategy: “Last Saturday, we had an apple-taste day with eight varieties. We had 360 customers that day and we asked 100 of them to taste these varieties and give them a mark. That’s important for us: How do customers experience the taste of a new variety.”

*Interpretation:* The farmer presents himself as a very skilled person. He explains that the co-operation with four people enhances the development and evaluation of the farm strategy. He also uses the customers of the farm shop to develop his strategy, especially to choose new fruit varieties. (NB this choice is a long term decision: apple trees start producing three years after planting and will be replaced normally about 10 years later). His strategy of direct selling is quite successful. The farm shop is situated near a large tourist site and attracts large numbers of customers. The strategy is focused on expansion of the direct selling activities through the addition of new activities like a tea room, through the selling of new products like live chickens and through the organisation of events for customers like taste panels and open days.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer answers: “Yes, I believe, yes.” Within the farm, he is responsible for public relations. He likes it very much and also participates in various organisations and projects. The project for selling live chickens is being tried out at 12 farm shops in the Netherlands, and he is the one who was selected in his province. His networking activities are strongly focused on the promotion of his business: “When the Queen was in our province last year, she received a basket with our products and a brochure about our shop. That’s networking: The man who offered this basket to the Queen, I am on a board with him.” He is a member of the business society, which is useful for the promotion of his products. Once a year, they organise a meeting: “All the entrepreneurs are present, also from large companies. They fill some baskets with regional products, for which they pay me and some other people. These will go to a nursing home or something like that. I also take some brochures with me; I’m quite generous with them. I do have some chats and... at a certain moment, I sell them some fruit baskets. Sometimes 15 a day. That’s what I’m good at.”

He often visits fairs to present his products and make contacts with e.g. travel organisations. These organisations organise trips to his farm, for which he is paid. He therefore organises some activities and presentations and visitors can buy his products at the farm shop. He also gives them some brochures to give to family members and neighbours. The farmer: “I often say: They have paid for it, they took some brochures with them and they will return. They have had a nice day.” When there are many visitors at the tourist site near his farm, he sends a boy with some brochures there: “He will give brochures to the visitors and they will get a surprise when they deliver it to our farm shop.”

His networking skills are also useful in respect to the local government: “When we had that fire, the mayor was here. He said to me, if I can help you, please contact me. We started rebuilding without formal permission and I received it afterwards. People said to me that I was building without permission, because it was not published. But the mayor had organised something within the municipality and I have had all possible co-operation. That’s also a piece of networking.”

Although the farmer is very active in networking and visiting fairs etc., he looks carefully at the effects: “We do like to chat, but it has to yield something. We went to a fair for some years. (...) After three times, we said, it was

nice, but we'll stop with this. We have some nice new customers, but at some point you should see if it is still delivering some returns.”

*Interpretation:* The farmer presents himself as a very skilled person. Within the farm, he is responsible for the external relations and the promotional activities. He is very active in networking and utilising contacts. He uses various opportunities to promote his products and attract new customers to the farm shop. According to the farmer, networks and contacts are very useful for these purposes. His networks also contribute to a positive and co-operative attitude of the local government towards his business.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The farmer: “Yes... (long silence)... that's a difficult question.” He explains that, when his farm burnt down, large opportunities occurred, but: “First it was dramatic. Later on, it became an opportunity.” Besides the examples that were already mentioned before, the farmer mentions a few others: “We want to organise an art exhibition here in the wintertime. It's quiet at that time here. So we want to start something with art.” He explains that these things are supporting the farm shop business: “Everything we do is meant for that shop, to promote the shop.” He also organised an event for families: “We have organised a day on which families could harvest their own apples. We've had families who've never been here before. They saw it on the internet. That's also something you need, some networks to participate in it.” For the feast of St. Nicholas he makes an offer for a special dish, combined with a free carrot for the children. He also visits other farmers, not only in his region: “Also in the south of the Netherlands and across the border. We saw in Italy how they packed wine. With that packaging, the wine stays OK for two months after opening because it keeps oxygen out. Our bottles with apple juice have to be consumed within a week.” But bottles have also an advantage: “People will return them to the farm shop and buy a new one. That other packaging is thrown away.”

*Interpretation:* Again, the farmer presents himself as a very skilled person. He recognises and realises various opportunities that contribute to the promotion of the farm shop. He presents himself as somebody who is quite clever at utilising activities, events and happenings to attract customers to his farm shop. One could say that the farmer also creates opportunities for his business. This was also the reason not to start with a new type of throw-away packaging, although it has some advantages. The original glass bottles are returned to the farm shop, which brings more customers to the shop.

#### *Overall interpretation*

The farmer presents himself as a very skilled person. He co-operates with his brother, his son and his nephew, but he is mainly responsible for the external relations and promotional activities. His strategy is oriented around the farm shop. All other activities, such as arable and fruit production, excursions, exhibitions and a small animal garden are contributing to the direct selling strategy. The strategy is developed and evaluated both through regular formal meetings within the partnership and through informal discussions. Customers are also used to develop the strategy, e.g. with a taste panel to select new fruit varieties. His various networks and many contacts are utilised for promotion of the products and attracting customers to the farm shop. The farmer is able to create and realise opportunities for marketing and promotion. Over all, the farm business is very successful, regarding the large number of customers and the ongoing growth of the turnover.

### **7.2.3 Non-food diversification**

This group can also be divided in two subgroups, based on the self-presentation: The first group consists of two farmers who are strongly focused on their primary production activities. The diversified activities don't belong to the core business. These farmers present themselves as primary producers. The second group is different, because the diversification activities are the core business of the strategy. These farmers present themselves as diversified farmers.

#### ***Group A. Diversified farmers with an internal orientation***

These farmers have diversification activities on their farm, but the primary production activities are still the dominant activity. The interviews show that the farm strategy is focused on optimisation of the primary production. The diversification activities are an extra income source, enabling the farmer to get a full income and to make investments in his primary business.

On both farms, the primary business does not generate a full income: On one farm due to the small farm size, on the other because of the low prices of the products. The diversification activities don't add a social activity to the farm and are not connecting the farm to the outside world.

Both farmers present themselves as skilled persons. One of them is currently thinking over his farm strategy, due to the bad market situation. He is analysing various alternatives, but had not made a choice at the time the interview took place. The networking skills of both farmers are not strongly connected to their primary business. Both farmers mention that their networks and contacts contributed to the diversification activities. Besides this, both farmers were/are active in representative functions, like the farmers' association. These activities are not directly connected to their business, but to their personal interests. Opportunity recognition and realisation is partly connected to the optimisation of the primary business (buying land) and partly to the realisation of diversification activities.

### Case 1

The farmer (39 years old) has a small arable farm with 32.5 ha. He grows potatoes, sugar beets and wheat. He has recently built 3 large wind mills for energy production, in co-operation with his neighbour farmer. He has finished his higher agricultural education (BSc) and was working part time at an agricultural research institute at the time the interview took place.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer replies that it is quite important to have a strategy: "If you don't have this skill, you'd better close your farm. If you don't have a strategy, you will drift from the left to the right. You will always run behind things and be too late." The farmer explains that once you have chosen a certain strategy, you should stick to it more or less: "You could make some improvements and refinements, but it is not a good thing to change the strategy, because it will have a huge impact on the farm." He means that some investments will lose their value and the expertise of the farmer becomes useless, when the strategy is changed radically. The farmer has developed a strategy that focuses on arable production, combined with activities that generate extra income. The scale of the arable farm is too small to generate a full income, and increasing the farm size is quite expensive. Therefore, wind mills are a nice form of diversification: "They do generate a nice extra income and they don't take much time." He also works part time at a research institute for arable and vegetable production, which is next to his farm. This job is quite flexible, so the farmer has no problem carrying out his farm work: "I can plan some days of in spring and during the harvest, and because of the short distance it's easy to go to the farm for something small." Over the long term, the farmer wants to expand his farm, aiming at the generation of a full income.

*Interpretation:* The farmer presents himself as a person who has developed these skills. He has set his long term objective, which is full time farming. Because of the small size of the farm this is not yet possible. Therefore he works part time as a researcher at an institute near his farm. Recently he has built wind mills that also generate some extra income. These extra income sources contribute to his long term objective through the generation of some investment possibilities. They also make it possible to be a farmer on a small farm today.

#### *Skills of networking and utilising contacts*

*Self-presentation:* Answers with "Yes. That's applicable to me. I am very good at it. It fits me; I am very good at networking." He states that he has a very large network, and easily makes contacts. He specifies his network relations with some examples: he is a board member of the farmers' association and member of a regional business network. These networks have resulted in new contacts with various people. These contacts have helped him to realise windmills on his farm. He also has a network on behalf of his research job. The farmer says that he likes networking and making contacts.

He states that this skill is not important for his farm and for comparable farms with a small number of clients. However, when farmers have a more complicated selling strategy, contacts with buyers / clients are much more important. Contacts and a diverse personal network can also help to realise something (windmills). For people who represent farmers (e.g. farmers' associations, politicians), it is very important to have this skill.

*Interpretation:* This farmer presents himself as a farmer who has the skill of networking and utilising contacts. An example is the membership on the farmers' association board, for which he needs these skills. A second example is the membership in the regional business network. Both networks connect him to other people and sup-

ply him with information. The farmers' networking and the contact skills are not directly connected to the primary farm business, but help him to realise his diversification business (windmills).

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states that these skills are important for his farm. He has recognised the opportunity of wind energy and has realised it together with his neighbour through the building of three wind mills. The farmer: "It took a lot of time and energy, but finally I have realised it." This opportunity strengthens the business, because it generates extra income and it doesn't really compete with the arable production: "It doesn't cost me any time, only a small part of my land. On the other hand, it produces a lot of money, more than an arable crop could do on that area." For the farmer, it is important to realise an opportunity at the time you recognise it. In his area many farmers got permission to build wind mills and due to subsidies it is still profitable to build them. But the regional government doesn't want any more windmills in the area and the national policy wants to end the subsidies on wind energy. This means that farmers who did not realise this opportunity are not able to do it anymore. Another important thing for the farmer is to think in opportunities, instead of thinking in threats: "Many farmers only perceive threats and that's bad for the business. But if you perceive opportunities... You may not realise all of them, but it's another attitude. And at some time, an opportunity will occur which you will realise."

*Interpretation:* The farmer presents himself as a person who has reasonably developed these skills. The farmer recognised and realised the opportunity of wind energy, which fits very well into the farm business. This example supports his statement that opportunities should be realised when you recognise them, because due to policy changes it is no longer possible to build wind mills in this area. The farmer states that the attitude of farmers is crucial: Do they perceive threats or opportunities? The latter attitude is more fruitful for the business.

*Over all interpretation*

The farmer presents himself as a person who has developed these skills. He stresses in all cases the importance of these skills. The strategy of the farmer is based on a long term objective of developing an arable farm that generates a full income. He recently realised some wind mills, which contribute to this objective. His current part time occupation as a researcher is something that is temporary. The farmer is active in various farmer and business networks and also utilises his network within the research institute.

**Case 7**

The farmer (54 years old) has a large arable farm (160 ha) with starch potatoes, sugar beets and wheat. Besides this farm he runs a fuel company with mainly farmer customers in the area. He did not take over the farm from his parents, but bought a farm in 1986. He has enlarged this farm to the current size.

*Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer does not directly comment on his skills. He explains his farm strategy: "Our strategy has always been to increase the size of the farm. Be big and work with as few people as possible." This strategy originates from the start of the farm 20 years ago. The farm has traditional crops of the region, such as starch potatoes, wheat and sugar beets. The price of these products is still decreasing, due to the lower subsidies and the removal of market protection schemes. The farmer states that a scale increase is too expensive in this situation, so people start doing other things: "People start doing other things, such as breeding new potato varieties. I myself have a fuel business besides my farm. These things have evolved, that's how it goes, but we would have liked to buy land." Other crops don't fit into the farm, because of the risks for soil borne diseases.

The farmer wants to go on with his farm, although he keeps some other options open. Selling the farm is one of these options: "If this (the low prices) goes on, maybe someone else should do it." Another option is: "I haven't ruled out the option that we emigrate somewhere." The farmer and his son think about and discuss the farm strategy almost daily. However, the farmer makes some remarks that the strategy of an arable farm cannot be changed easily: "Giving direction to an arable farm is not that easy, like something in commerce. I mean, you have land. That has a certain value and you want to maintain it. It's your house, your piggy bank. You can handle some bad results (*because of this financial buffer, PdW*), that's an advantage. But you should have a structural income. If not, you should end the business." He believes that the perspectives for arable farming will improve, due to the competition of non-food production, e.g. biomass for energy production.

*Interpretation:* The farmer presents himself as a person who has developed these skills. He has been quite successful with scale increases, regarding the fact that he has established a farm of 160 hectares in 20 years. The last five years, this strategy hasn't been working anymore, because the prices for arable products are too low to buy land. Therefore, the farmer is currently evaluating his strategy and analyses various other options. His diversification activity functions as an extra income source, but is not the core business.

*Skills of networking and utilising contacts*

*Self-presentation:* The farmer does not directly comment on his own skills, but says "You just need networks. If you want to realise something, it's important to have contacts." The farmer has some contacts that originate from his history in equestrian sports and his former membership on various boards (farmers' association, advisory service). He is also member of the Lions' club. These networks connect the farmer to relevant people that supply him with information and business opportunities (fuel company). On the other hand, the farmer also feels it is his responsibility to be involved with boards, although he likes it. The farmer also does not like to be on the farm all the time. He states that this skill is necessary and it is possible to learn it. However, some farmers have a successful business without this skill of networking.

*Interpretation:* The farmer presents himself as a person who has the skill of networking and utilising contacts. The farmer is able to explain reasons and benefits of networks and contacts for the farmer that are partly business related and partly personally. However, he states that one can have a successful business without the skill of networking.

*Skill of recognising and realising opportunities*

*Self-presentation:* The farmer states that recognising and realising opportunities are very important skills to continue the business: "It has to do with ongoing development, anticipation of external developments." He states that the farm strategy has not changed since the beginning, but the farm itself has developed. The farmer explains that growth has always been the best way to continue the business: "I always said, boys, area, sugar beets, potatoes, I have to grow. (...) Some years ago, everybody said we were wrong. We should diversify the business. But these diversified farms, they're doing worse. And the farms who invested in quota or land, they are still farming." The farmer recognised and realised various opportunities for developing his farm: "My grandfather and my father never possessed any land, they always rented it. We had no house either, nothing. But my grandfather had some shares from a bank. I got them from my father; he thought they had no value. But all at once, they started increasing, and at a certain moment their value was about 200,000 or 300,000 guilders. With that money and some money I earned, we bought 22 hectares. And so I started." Besides this, he rented some more land. When the landlord went bankrupt, the farmer found an investor who bought this land, so the farmer could go on renting it. With the money he earned, he went on buying more land. The farmer says that contacts and a network are important for recognise opportunities, but also to be able to realise them.

*Interpretation:* The farmer presents himself as a person who has these skills. He is able to recognise and realise opportunities that fit the farm strategy. This strategy, focused on growth, also implies that various opportunities are not realised, such as diversification in tourism or a second agricultural activity. However, the farmer stated earlier that he has his fuel business besides his farm, which is important for generating some extra income.

*Overall interpretation*

The farmer presents himself as a person who has these skills. His strategy has worked out quite well and the farmer has been able to develop his farm from 0 to 160 hectares in 20 years. Currently, the prices of his products are too low to get returns on new investments in land. The interview shows that the farmer is in a stage of evaluation of his growth strategy and orientation toward new opportunities. His diversification business is not a very central part of his business strategy, but is something necessary to generate extra income. His networks are quite important for the farmer to recognise and realise opportunities. He also personally likes to be involved in networks outside the farm business. That might be the reason for his statement that farmers without networking skills are able to have a successful business.

***Group B. Diversified farmers with an external orientation***

These farmers have a strong orientation toward the business environment and the consumer. The diversification activities are strongly integrated in the farm and connect their business directly to consumers and society. Both farmers present themselves as very skilled people. They have an elaborated strategy, are good at networking and

utilising contacts and are able to recognise and realise opportunities. They present themselves as people with a clear personal vision and interest that drives their entrepreneurial behaviour. Both farmers say that their networking and contacting activities have two main target groups: The local government, from which they need and get goodwill and a co-operative attitude, and consumers, to whom they want to promote and sell their products. Their strategy and vision enable the farmers to recognise opportunities and decide about realisation. Both farmers give the impression that they started with something unique, which was controversial with ongoing developments: Starting a farm in an urban area (case 20) is a good example, just as the production of cherries (case 23). Both farmers say they are very successful in their strategy and are proud of what they realised.

### Case 20

The respondent is a female farmer (47 years old) who runs a mixed (arable, vegetable and meat) organic farm of 600 ha together with her husband (49 years old). Her husband has a higher degree in soil sciences. A part of the fields are spread over the area of Almere, a large city in the central part of the Netherlands. (Almere was founded in 1985 and currently has 183,000 inhabitants. It is situated in an agricultural region). The suckler cows graze in a large nature area about 20 km from the farm. The farmer has a farm shop and a visitor's centre for citizens of the city where the farm is situated. In 2006, the farm had been in existence for 10 years.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer replies: "Yes, we do have a strategy and we do evaluate it, yes. And it's very important." Their strategy is to run a full organic farm near the city with a close relationship with that city. The parents of the farmer and her husband didn't have a farm. 15 years ago, they formulated the idea of farming in close contact with citizens: "We have the vision that in the Netherlands agriculture should be more than something you can see, something more like there is the countryside and here is the city and there no relation. 15 years ago, we got the idea that the city would meet agriculture more and more, but also that they would need each other." The farmer and her husband started looking for a location to start a farm in the area close to a large city. When they looked abroad, they got an offer to start in Almere. They needed the co-operation of the city council to get land and to get permissions for various things, but the council was not used to this situation. Therefore, the farmer had to make it clear to the city council that their farm is valuable for the city.

The farm is therefore oriented towards the relationship with citizens: "Our fields for arable and vegetable production are spread over the city, are situated in residential areas. That's a major connection. (...) The other connection is education: Every year, hundreds of school classes visit the farm to see a cow and to take a lesson about the seasons. And every day and especially on the weekends, many people walk among the cows, in the farm yard. The third track is the selling of the meat to citizens. That's very successful so close to the city. (...) Meat is something with a bad image in the supermarket, but with a good image in a farm shop." The relationship with the city council is also important: "We have worked for years on the relationship with the city council, to build goodwill. We have visited meetings and parties for the opening of something to have a talk with the alderman. All new mayors are invited for a lunch here on the farm. That's what you have to do for it." There is still some work to do because the farmer wants to have more land that they can use for the long term. Nowadays, many fields are meant for house building and are spread over the city. This takes a lot of time for transport and it is also difficult to travel with machines through residential areas: "We travel a lot with our tractors through the city with many roundabouts and speed ramps. It is becoming more and more difficult. It's our dream to get more land near the farm and there will always be enough bits and pieces in the city. But if we would have a base plot of 80 hectares, the other 20 won't be a problem anymore. For that we will travel a bit."

The long term strategy of the farm is based on agronomic principles for organic farming. For instance, they don't want to intensify the crop rotation: "We see many colleagues that replace alfalfa with more intensive crops with a higher financial result. But we know, and it is also confirmed on their farms, that the problems with weeds and diseases increase and the production level and the soil quality will decrease." This means that the farmer doesn't follow the whims of the market: "You should stick to the agronomic principles. If the market demands vegetables at once, you should not do it. These are short term things that will present you the bill later on." The farmer explains that this is the most profitable strategy for the farm, in contrast to a short-term policy that requires compromising the organic principles: "I dare to say, we are one of the most profitable farms, also of the organic farms. I am idealistic, but that's the reason we are doing so well, I stick to my ideals. An ideal is an idea you believe in. And if you have an agronomic understanding of your farm, that's also idealism, but it will pay itself back."

The farmer states that the production part of the business is the basis of all other activities. She has told the city council that she doesn't need money for their contribution to the city, as long as the farm can make use of enough land. In practice that's more difficult than getting money for the restoration of an exhibition room.

About the evaluation of the strategy, the farmer says: "That's something we do on New Year's Eve. Both of us make a list of highlights and lowlights of last year and then a list about next year, what we expect, what we want and don't want and so on. And then we compare our lists and look at the lists of a year ago. (...) This is very useful, that's super. And then we open the champagne!"

*Interpretation:* The farmer presents herself as a very skilled person. She and her husband have developed a very unique strategy that focuses on organic farming which is connected to a city. Once a year they have a formal moment for evaluation and to make plans for next year. She explains that a long term focus is more profitable than a short term view, especially in organic farming. The farmer is quite dependent on the goodwill of the city council, for which she uses her networks and contacts, but the most important strategy was and is to develop a farm that is valuable for citizens and for the city. The maintenance of the green area in the city, the educational programmes and direct selling activities contribute to this. The farmer is quite successful, regarding the financial results and the way the farm has developed.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer replies: "Eh, yes, I believe I am very good at it. But, I think it's more a talent than a skill." She explains that she took a course to learn how to network: "It was terrible. How do I enter a chat, how do I leave it, how do I make sure that people don't forget me, how they can find me again... Terrible! But that's because I am allergic to people who act in this way. In this way: I am here for a while to network." The farmer says she does not utilise contacts, but she makes, has and maintains contacts: "Sometimes things will come out. But that's something mutual, isn't it?"

The best example to show that she has these skills is for the farmer: "An example is that we started with nothing, we didn't know anybody, nothing and nobody. We have now been here for ten years and we are in the news, the alderman comes to the farm, everybody knows us, at least everybody on the city council who is relevant for us." Since the farmer is involved in a research project about city-related agriculture, things went faster. The farmer works quite rationally: "First, you have to know what you want. Second, which organisations are important? Do I know somebody there? If not, do I know somebody who knows anyone there?"

The farm is situated on a city estate, on which various other things are settled since the farm is there. At the openings the farmer was invited to, she tried to contact the alderman who did the opening ceremony: "At that point, I will estimate if it is the right moment to chat?" The contacts with the municipality are very important, because she makes use of the land in the city.

She has also many other contacts: "I'm thinking of consumers, for the selling of the meat. If you realise what comes out... People who want to baby-sit... Or a man who comes here now two days a week to make everything look clean and well-organised. On the other hand, he has now the time of his life."

This skill is quite important for the farmer: "It's a talent you must have. Without it, you should not have a farm with a lot of social activity." Other farmers also need these skills: "There is a movement that farmers have to communicate more." But there is something more important: "You should be a good farmer. This will result in high quality, and with quality you can come out. If we made a mess of it, agronomically, so our fields looked bad and our meat tasted bad, then we wouldn't be here anymore. I'm sure! It's your calling card, that's why people return."

*Interpretation:* The farmer presents herself as a very skilled person. She has many networks and contacts, focused on two important stakeholder groups. One is the municipality and the other is the group of consumers. She stresses that contacts always need something mutual and gives some examples of what results for her and for the other party. She works in quite a structured manner in making contacts, although she wants to act in a natural way that fits to her personality.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The farmer says: "Yes, I believe I'm good at recognising opportunities. But I think that everybody who is positive and optimistic will be good at it. It's a trait, I believe. That's the same if you perceive something that happens as a threat or an opportunity." The most important element in this skill is for the farmer:



“Don’t want to realise all opportunities. Be selective of opportunities: Some things seem to be an opportunity, but they aren’t. Those are tiny opportunities that need a large effort to get something out.” The basis for making this selection is the farm strategy and the underlying vision: “Choices are made based on the vision you have. Vision is the most important thing. That’s also the basis for the strategy. If you have a clear vision, so you know what you want to do, you will be able to analyse whether something is an opportunity or not.”

Last year, they got a subsidy from the ministry of agriculture, with which they hired an expert to describe the identity of the business. This is used as a framework to make tactical decisions. The farmer: “We made a checklist about the relevance of various things, like soil quality, nice machines, being in the newspaper and my husband and I filled in this list: Important, not important. We compared it and we used these elements to describe the farm identity. We use it now like a touchstone for decisions. Are we going to build a new barn or do we buy a new tractor? Like that.” For the farmer, this was very important: “So many things come to us: Are you willing to do this? Should we do that? In the initial years, that’s very useful and you should anticipate things that come to you. But when the farm has a certain shape, and at that point you shouldn’t let yourself be distracted by other things.” This gives the farmer stability and creates also a stable image for other people.

The farmer isn’t sure about the importance of this skill: “I’m not sure if this is more important than the other skills. Sure, you should be able to recognise opportunities, but I believe if you know what you’re doing, you will recognise opportunities. But what I think is important is to be critical towards opportunities, analyse them and take decisions.”

*Interpretation:* The farmer presents herself as a very skilled person. The response of the farmer shows that she is very skilled at recognising opportunities, because she stresses the importance of being selective in realising them. She is very explicit about the relevance of these skills, especially about the skill to realise the right opportunities. She therefore developed and formulated an identity paper for the farm that is used as a touchstone for tactical decisions. She states that opportunity recognition also has to do with traits and attitudes: A positive and optimistic person will perceive opportunities when other people will perceive threats.

#### *Overall interpretation*

The farmer presents herself as a very skilled person. She has developed an elaborated and quite unique strategy, which is based on a clear personal vision. The relationship between the farm and the city is the central issue in this vision. Her networking activities are also focused on the improvement of this relationship, for which the municipality and the citizens are the most important target groups. The farmer shows that she is very talented at recognising opportunities. She stresses the importance of a critical and selective attitude towards opportunities. She therefore has developed an identity paper that functions as a touchstone for decisions. This paper is based on a long term vision for the farm, which is also the basis of the farm strategy.

#### **Case 23**

The respondent is a 47-year-old farmer with a 32 ha fruit production farm (apples, pears, cherries). Besides this he runs a farm shop where he sells a part of his fruit production. He has some diversification activities: Once a year he organises a cherry fair. Besides this he has a meeting room on his farm that is available for groups and parties.

#### *Skill of creating and evaluating a strategy*

*Self-presentation:* The farmer states he has a strategy, which is that he wants to expand the cherry business. The farmer has a particular personal interest in the history of cherry production in his region. He has written a book about it, which is sold in book shops and in farm shops in the region. He explains that in the past, all farms were mixed. They had some arable land, some cattle and some fruit trees. In his area, most of the fruit trees were cherry trees. Since World War II, those farms have specialised mostly in dairy cattle or fruit production and cherry trees were replaced by apples. This development resulted in a situation where the area of cherry orchards declined from about 5,000 ha in the sixties to about 200 ha at the beginning of the 21<sup>st</sup> century. Most of the cherries were imported, although the quality of those cherries is quite bad: “Cherries have to be consumed at the latest one week after picking. This means that imported cherries are picked before ripening. Therefore, the taste is bad.”

The farm strategy is complementary to this development. His father had a mixed farm with cattle and fruit, mainly apples and pears and a small area of cherries. When the farmer started working on the farm in 1991, the

cattle activities were ended. On the grassland, fruit trees were planted, mainly cherries. At the same time, they started a farm shop near the motorway. Nowadays, almost all cherries are sold at this farm shop and the rest are sold to grocery stores and fruit & vegetable shops. The strategy is regularly evaluated with his father and his wife.

Because of the bad financial results in apple production, the farmer wants to replace a part of the apples with cherry trees every year. He also likes growing cherries: "It's a nice crop and it's quite easy to do if you are used to it, also in respect to crop protection. And also because we have a good location for direct selling, I want to go on with cherries." Cherry production is quite risky, because hail and rain can cause enormous damage. In the late eighties, the farmer started covering the orchard with gauze and plastic, which lowered the risk. However, this is quite expensive, so the realisation of his strategy also depends on the possibility of making investments: "We've had enormous hail damage in apples and pears, which cost hundreds of thousands. That's the brake on my investments, so I can't plant more cherries now."

The combination of apples, pears and cherries results in quite a long labour-intensive period: "Cherries are harvested before apples and pears, so that's nice. A disadvantage is that we have a very long harvest period. We start in the middle of July, and sometimes after the cherries we have one or two weeks of nothing, but then the harvesting of apples and pears starts again. So we are harvesting almost five months a year. That's quite long." The farmer works with employees from Eastern Europe and with part time employees from the region, like housewives and students: "People like to work in cherries and I am the only big cherry farmer in the region."

Promotion of the cherries is also part of his strategy. He was quite interested in the history of cherry production, so he decided to write a book: ". He got funding from the EU and was sponsored by various local organisations and companies. The farmer: "You can think of about 50,000 Euros. We hired a writer and it had to be produced, pictures had to be taken and so on." Besides the book he wrote, once a year he organises a cherry fair over a weekend together with some colleagues. They organise catering, presentations, a musical, concerts and they have a cherry queen. Last year, about 7,000 people visited this fair.

*Interpretation:* The farmer presents himself as a very skilled person. His strategy is focused on cherry production and direct selling, which is very successful. Because of the high investments, capital is the limiting factor for his strategy to increase the area of cherries. He also works very actively on the promotion of cherry production, through the writing of a book and through the yearly cherry fair, which is attended by about 7,000 people.

#### *Skills of networking and utilising contacts*

*Self-presentation:* The farmer: "I think I myself am reasonably good at networking and contacts. I am able to find the right people to realise things." He gives several examples: "The book is a good example. I have asked various people, and yes, maybe you don't see it yourself, but implicitly it's a skill you have." During harvest time, the farmer also needs his skills: "At that time I am working with 55 people, and then I have the skills to make good contacts and keep everybody working, and also to go on with the selling and the commerce and so on." Sometimes people ask the farmer how he is able to organise this, and also receive groups of visitors on his farm. The farmer: "You should be a bit cheeky, yes. Go there and don't think everything will be all right, have a reserved attitude towards other people, no. Be a bit cheeky in the right way."

The farmer works quite actively on maintaining existing contacts, even if nothing comes out in the short term: "You should give the people the idea they are important, you should keep the relationship good. Maybe this year you don't need him, but after a few years you might say, yes, it's nice that I know him and he knows me." His promotional activities also contribute to his network: "To create some publicity for the cherry fair and for the book, that opens doors. They know me, they just know me. They know that you're serious and professional. (...)" The mayor is very positive about the cherry fair; it's also a promotion of the region. And that matters: You have an entrance if you have something."

The farmer believes that he would not have realised what he has without these skills: "If I had not started that cherry fair 6 years ago, I would not have been where I am. Maybe the farm development would have stood still or maybe I would have grown a bit, but I wouldn't have been able to sell so many cherries near the motorway. Sometimes people ask me why at the same time 5 cars are parked near my farm shop, and only one near the shop of a colleague. That's because I am well-known, people see you're doing it well and, yes, through the cherry fair." This fair is not profitable in itself, but many things come out later, not only buyers in his farm shop: "Once a year my farm is open for visitors, for 6 weeks. This barn is transformed to an indoor orchard. With a lift truck I put in some trees, some old machines and a green carpet on the floor. The municipality has no problems with this. I

receive groups, but they never had any problems with it, while other farmers, when they rent a room for parties, they've got serious problems. But for us, the municipality sees that it is also promotion for the region and the cherries and they have no problems with it."

*Interpretation:* The farmer presents himself as a very skilled person. He has many contacts and maintains these relationships carefully. His promotional activities do contribute to his networks and contacts, because people know him. The farmer says the local government is very co-operative, because he created goodwill with his promotional activities and the way he keeps in contact with people.

#### *Skill of recognising and realising opportunities*

*Self-presentation:* The farmer says that he has already answered this question. He recognised and realised business opportunities in growing cherries. He is also starting with a new apple variety. Other growers don't do it; he is one of the three growers in the area. Recognising and realising opportunities has to do with risk taking. The farmer states: "Other farmers say, I don't do it, it could go wrong. But the trade organisation invests in it and I have the trust that it will work out well." For the farmer, there is also the element of spreading the risk: "I have three products. The cherry season was very good and apples and pears were bad. But I can manage it." He also has some agro-tourism activities on his farm. The farm is open for visitors 6 weeks per year, but this activity is not the core business: "It's an opportunity which is related to the cherries. For promotion, to get well-known." The farmer gives another example: "When the auction here merged with another one, the buildings here became for sale. The local government wanted to have that land. I bought two large buildings there, large cold stores. I worked 5 or 6 weeks to dismantle everything. I transported everything to my farm and rebuilt it. Now I have two big cold store houses here with a very low investment."

These skills are very important for the farmer: "Yes, I believe it's one of the most important. Don't become dulled by routine, look further than your own nose's length." The farmer worked before as a farmers' assistant for 9 years. He worked on various farms: "I learned so much. If I had worked on our farm when I left school, I would have followed my father and I was already dulled by routine. My father and my uncle were more conservative, didn't take big risks, and were anxious about making investments. And yes, while working as a farmers' assistant, I learned a lot. From the worst farmer you could learn something."

*Interpretation:* The farmer presents himself as a skilled person. He recognised and realised various opportunities for his business. The farmer connects these skills to risk taking and to an external orientation. The farmer worked on various other farms before he took over the farm of his father. He states that this period was very important to him.

#### *Overall interpretation*

The farmer presents himself as a very skilled person. His strategy is quite successful and leads to an ongoing improvement of the financial results. The cherry production and direct selling is very profitable and the farmer wants to increase the scale. For this, he organises promotional activities that are quite successful. On the other hand, he spreads out the risks by maintaining the apple and pear production. His promotional activities do interact with his networking and contact skills: He needs other people to organise it and it results in new networks and contacts, new consumers and goodwill within the municipality. The skills of recognising and realising opportunities are related by the farmer to risk taking and external orientation.

### **7.2.4 Overall comparison**

When comparing all 25 interviews, all farmers present themselves as more or less skilled people in respect to all three entrepreneurial skills. This could be related to the impression of the interviewers that all 25 farmers are successful in their specific situation, using the skills they have developed. At the same time, the self-presentations do show variation: Some farmers present themselves as less skilful, while others present themselves as very skilful. Some of the farmers have a more extensive description and argumentation of their strategy than others, for instance.

However, one should be aware that the differences in self-presentations are also part of the presentations: Some of the farmers have a more extensive presentation of their skills, which could point at a higher degree of skill development. On the other hand, the setting for the interview caused in some cases a quite brief skill presentation, e.g. when the time for the interview was limited. At least, the differences between self-presentations might not be related that strictly to differences in skill development, but to the differences in the business and the busi-

ness environment. This will be explained next. Although all farmers present themselves as more or less having these three skills, the expression of the skills is quite different. All farmers presented their strategy skills through the explanation of their strategy. In general, the development of strategic skills could be related to the fact if the strategy was somehow unique or different. Some of the interviewed farmers have a very common strategy and are not very used to explaining and justifying it. When asked for the future perspectives, they explain that they see only two general options: Go on with the current strategy or end the business. These farmers mostly have a conventional strategic orientation (production for the bulk market), like dairy and arable farmers. On the other hand, some interviewed farmers have a very different strategy that is unique in their sector. They show that they are used to explaining and justifying it and are themselves convinced of their strategy. These farmers are found in the categories with a value-added and diversified strategic orientation. All farmers evaluate the strategy quite frequently, although only a few evaluate it in a formal way, e.g. in a meeting within the partnership. Having and evaluating a strategy is important for all farmers, especially for farmers who co-operate in a partnership.

Skills of networking and utilising contacts are presented in various ways. Some farmers mention only a few examples, others mention several. Some farmers have a wide range of contacts and networks in and outside agriculture (mainly farmers with a value-added or diversified strategic orientation), while others only mention contacts with other farmers (mainly conventional farmers). Some farmers don't connect these networks and contacts to their farm business, which is quite strange. They only mention a specific personal interest or the benefits for the sector, e.g. through the board membership of a farmers' association. Other farmers have a well-organised and targeted way of participating in networks and of developing and making use of contacts, which is strongly related to the farm business. In this way, networking skills also depend on the business strategy. When the strategy is oriented toward adding value or diversification, the networks and contacts will be different (consumers, government). In the value-adding and diversification cases, some nice examples can be found of farmers that have very well-developed networking skills.

Opportunity skills are presented in various ways. Some farmers say they are able to recognise opportunities, but have difficulties with realising them, while others tell that realising opportunities is easier than recognising them. All farmers mentioned one or more examples of opportunities they recognised and/or realised. Some of them also mentioned opportunities they recognised, but did not realise for several reasons. Looking at the examples given, there is a wide variety of opportunities, e.g. new techniques, diversification activities, marketing and selling opportunities, opportunities to get more land etc. The most important element in the skill presentations is the importance of being able to judge if something is an opportunity for your own business. In many cases the business strategy functions like a framework for this analysis. Networks and contacts are an important means of recognising opportunities.

To summarise the comparison of the 25 self-presentations, the six subcategories are translated to six entrepreneurial types. For these types, skills manifest themselves in quite different ways, as explained in paragraphs 7.2.1, 7.2.2 and 7.2.3. The typical examples are derived from the interview population, but are not meant to generalise, e.g. not all dairy farmers will fit in the category 'craftsmen.'

| Strategic orientation:   | Conventional            |                                 | Value-adding                      |                                    | Diversification                               |                                    |
|--------------------------|-------------------------|---------------------------------|-----------------------------------|------------------------------------|---|------------------------------------|
| <b>Typology:</b>         | <b>Craftsman</b>        | <b>Craftsman-manager</b>        | <b>Specialty producer</b>         | <b>Marketer</b>                    | <b>Primary producer</b>                       | <b>Diversified farmer</b>          |
| <i>Typical examples:</i> | <i>"a dairy farmer"</i> | <i>"a seed potatoes grower"</i> | <i>"a ornamental tree grower"</i> | <i>"a farmer with a farm shop"</i> | <i>"an arable farmer with wind mills"</i>     | <i>"a city-farmer"</i>             |
| Strategy:                | Production              | Production and market           | Production and market             | Value added activities             | Strengthen primary production                 | Multifunctional activities         |
| Networking:              | Colleagues, experts     | Colleagues, buyers              | Colleagues, buyers                | Buyers, colleagues (int.)          | Colleagues, experts                           | Government, citizens, colleagues   |
| Opportunities:           | Optimal production      | Optimal production and sales    | Optimal production and sales      | Extend added value                 | Optimising primary production, extra revenues | Optimising relations with citizens |

## 7.3 Analysis II Comments on skill development

### 7.3.1 Conventional

#### Differences in skill development between farmers

##### *Results*

All conventional farmers agree that there are differences between farmers with respect to these entrepreneurial skills. When asked how this can be seen, various things are mentioned:

- All farmers mention the farm development, farmers who start with new things, although the examples of these new things are quite different. Some farmers mention relatively small things, like a new variety or a new nutrient. Others also mention larger things, like a new crop or a diversification activity.
- All farmers state that farmers who don't develop their business are missing these skills. Ongoing farm development is seen as proof of these skills. Examples of farm development are investments in growth and/or diversification.
- Some respondents mention the differences in financial results: Farmers who have these skills are more successful. One farmer implies that: Farmers that don't have these skills could have a higher income, because they do not invest it in their business. But over the long term, these farmers will have to end their business, because such an old-fashioned farm is not profitable anymore, according to the respondents.
- Few respondents mention that differences between farmers are seen in the participation in networks. Some farmers are quite active, go to meetings and on excursions and others never leave the farmyard. They explain that an external orientation also contributes to the farm development, because it can inspire you with new ideas and developments.

Some farmers mention the differences between regions: In the south of the Netherlands, farmers are more entrepreneurial, take more risks, while farmers in the north are more conservative. Another farmer states that in her region the entrepreneurial qualities are higher than in other regions: In her region, the land was reclaimed in the late seventies and farms were built in the late eighties, so farmers who started a farm were willing to develop a new and successful business. In contrast, farmers in other regions often are anticipating ending the business.

Asked for the reasons for differences between farmers, the respondents mentioned several things:

- An open and positive attitude towards new things and developments is mentioned frequently, in contrast with a negative attitude that only perceives threats. This attitude makes it so that farmers are able to anticipate new things and developments or not.
- The willingness to take risks is also mentioned frequently. When the farmer doesn't want to take risks, it will hinder him from making investments and developing his business. Some farmers compare themselves to their parents, stating that their parents were not used to taking large risks, while it is currently impossible to be a farmer and develop the business without taking risks.
- The ability to make decisions is often mentioned by respondents as something that helps the farmer to develop his business step by step. The realisation of recognised opportunities needs a decision, and some respondents state that some farmers have difficulties making a decision and starting to realise something. This also hinders business development. Other farmers are taking decisions without a good analysis of the benefits and risks, so these farmers sometimes realise 'wrong' opportunities. Taking the right decision at the right time is also important: Many farmers make investments when the market stabilises, resulting in overproduction and bad financial results, according to one of the respondents.
- Some farmers mention the inner motivation of a farmer, the love for the job and the feeling with animals and plant production: Without it, a farmer cannot be successful.
- In general, personal characteristics and attitudes are behind the differences in skill development. As one farmer says: "It's just the character of the entrepreneur that makes the difference."
- The business environment and social contacts between farmers are mentioned by some respondents: One farmer states that close contacts between farmers can enhance business development.
- Age and education are explicitly not mentioned as reasons for differences in skills. When asked for it, farmers reject these possibilities and state that other reasons determine the entrepreneurial qualities more. Only one farmer says: "Look, when you leave school, you need a break. You want to do too much, too many risks. It's good to have your father looking after you, although he shouldn't hinder you too much. And I also

know that some farmers who are 50 or 60 years old without a successor think 'It's all OK for me, I don't like to invest a lot. Ending the farm is also a good skill.'

- Another farmer also mentions the differences between generations: "Sometimes the successor doesn't get responsibilities within the partnership, so he is not able to develop his skills. Maybe it's a strange example: My grandfather was good at slaughtering chicken, he did it till he was 80. But my father never learned it. That's it, a clever father can be quite useful on the farm, but he can hinder your personal development."

### *Interpretation*

When looking at the response to this question, farmers make it quite clear that differences in skills do exist amongst farmers. These differences are visible, according to the respondents, mainly in business development. More skilled farmers develop their business, doing investments and starting with new activities or techniques. Some farmers also mention financial results (in the long term) as an indication of skill development. Active participation in networks is also something that shows something about the skills of a farmer.

Factors that are behind these differences are mostly related to personal characteristics and attitudes. The attitude towards new developments (opportunity or threat), the risk attitude of farmers and the ability to make decisions are the most important factors, according to the farmers. Age and education do not have a clear effect on the skill level of farmers. The succession of generations on family farms can affect the skill development of farmers, positively and negatively: A positive effect could be that the younger generation learns from their parents. On the other hand, the older generation can also hinder the skill development of their children by staying responsible for some tasks and activities on the farm.

### **Comments on one's own skill development**

#### *Results*

All farmers state that they have developed their skills. Some of them have trouble explaining this, because they find it difficult to quantify their own skill development. On the other hand, all farmers say that they have learned something in the past. About how they developed their skills, various answers are given:

- Learning by doing is the most important way for the farmers to develop their skills. Some farmers add the element of reflection: Doing something is one thing, but for learning you need reflection. How did I do this, what can be improved? For that reflection, other people are also by through some farmers. Some farmers go even further in learning by doing when they explain that making mistakes is the best way to learn, also in combination with reflection. It makes it possible for them to avoid new mistakes.
- Seven out of twelve farmers mention (post-education) courses they have taken, about farm economics, strategy development, farm succession, communication and entrepreneurship. Some other farmers say they did not take courses, but used other ways to develop their skills. Two farmers mention compulsory courses about crop protection, when asked if they took some courses. The farmers say that these courses don't contribute to skill development at all.
- Education is mentioned by some respondents, but in a different way. All farmers agree that (agricultural) education creates a theoretical basis for skills, but skills are developed in practice. Besides this, education is for some farmers too much focused on production skills and not enough on entrepreneurial skills. One farmer states that in his time, education was much better than currently. He says that the school time of his son was a waste of time. However, two other farmers explain that regular education is valuable, not only for the things learned, but also for getting a wider view and for the contacts and the networks with other people.
- Some farmers have developed their skills through learning from other farmers. Visits, contacts, farmers' journals, meetings, committees, study groups and excursions are used to make use of the experience and knowledge of colleagues and to discuss about certain topics. For some farmers, these contacts are the best way to learn and develop skills. One farmer explains that a practical period on another farm during school is very useful for skill development, because it stimulates reflection on one's own farm business.
- Meetings, for instance organised through banks and farmers' associations, are also useful for skill development for some farmers. Professionals and experts with or without an agricultural background are invited for such meetings to give a lecture to the farmers.

Asked for the reasons why farmers have developed their skills, various answers were given:

- The need for skill development is mentioned by almost all of the farmers. Running a farm becomes more complicated because of internal developments (scale increase, new activities) or external developments (policy, market). One farmer took a course in oral presentation skills, because he has to deal with groups of customers that visit his farm. Another farmer states that financial insight becomes more and more important to being able to manage the cost price. One farmer explains that the development of skills becomes still more important: “Being a farmer and running a successful business becomes more and more complicated. You have to develop skills; otherwise you will fail and lose the competition.”
- Developing the business is also something that needs specific skills of the farmer, like networking skills and opportunity skills: Networking skills are necessary to make use of external resources (information, ideas, funds and support) and opportunity skills are necessary for recognising and realising opportunities that contribute to business development. Starting a new activity or enlarging the business can also create the need for skills. One farmer took a course on entrepreneurship with a focus on HRM, because she has to deal with a number of employees. Other farmers followed more technical courses, visited other farmers or used expert knowledge, because they started a new production activity.
- Optimisation of the business is also mentioned frequently in this group. Farmers improve their professional skills by visiting other farmers, reading journals and going to events like meetings and fairs. These activities can also help them to recognise (technical) opportunities to optimise production. Courses are also used for the development of professional skills. However, two farmers say that they regularly participate in a crop protection course, which is compulsory to keep a spraying license, but these farmers do not have the idea that they are learning anything.
- Personal development is also a motivation for some farmers to develop their skills. This means that the skills they want to develop are not primarily used for the farm business. One farmer states that personal development can help one to get a broader view of things.
- Personal interest in a certain topic can also stimulate farmers to develop their skills. Some farmers say that they have taken courses or attended meetings because they are interested in a certain topic and want to know more about it. Some farmers have a more technical interest, which is used on the farm to optimise the production. Others are more interested in entrepreneurial topics, like strategy development and innovation. Personal interest is often driven by the character of the farmer, which stimulates the farmer to develop the particular skills, as they explain: “It’s something in you that makes you interested in it. And when you’re interested, you’re always learning about it and you will go where you can learn.”

Some farmers say that they are working in a partnership, which enables specialisation in skill development. In most cases, one is responsible for the production and the other for management, or there is a division between internal and external things.

### *Interpretation*

All farmers confirm in some way that they have developed their skills. Some farmers are working on skill development in a very structured way (e.g. using feedback of other people), but most of the respondents say that they just believe that their skills have developed because of practical experiences. Learning by doing is the main principle for all the farmers, although, again, some farmers make a more effective and targeted use of it. Six out of twelve farmers have taken specific courses, related to entrepreneurial skills, like financial management, social skills, HRM and entrepreneurship. Agricultural education is important for theoretical knowledge, which is complementary to practical experience. Education is also important for getting a wider view (practical periods on other farms, various topics). Other farmers are also important for skill development. Farmers learn a lot from other farmers, not only how to improve the production but also about strategy development and opportunity recognition.

For all farmers, the need for skill development is quite clear. Their job becomes more complicated and the demands of farm management are still increasing. They do not have to be good, they have to be the best. For some farmers a specific need for skill development is caused by farm development. When they start with a new activity or the farm size increases, some skills become more important. Regarding the case group, it is quite logical that these farmers are focused on optimisation of the business. Professional and management skills are therefore important for them. Some farmers have also personal objectives for developing their skills, like a particular interest in a certain topic or the wish for personal development.

### **Relation to traits**

### *Results*

All farmers agree with the statement that skill development depends on the attitude and personality of the farmer. The elements mentioned are:

- General comments about the personality of the farmer. Some farmers say that ‘being a personality’ is important in contacts with other people. Getting the trust of customers or getting financing for investments from the bank is largely dependent on the way a person presents him/herself. One farmer states that the bank will make different decisions for the same question, depending on whether you are able to present a convincing image of yourself, your farm and your idea. The negotiation skills also depend on personal qualities.
- Learning attitude. If somebody is willing to learn, he/she will be more open to feedback and will develop his/her skills more easily. One farmer states that a self-centred attitude hinders the learning attitude.
- An open attitude is mentioned very frequently. A farmer who is open to comments will get more feedback and can improve things better. An open attitude for new things is something that helps the farmer to recognise opportunities and develop the farm.
- A positive attitude, which is related to personal motives and how you stand in life, is very important for various reasons. Some farmers say that a positive attitude affects the perception of opportunities, while people with a negative attitude will perceive threats. Two other farmers also mention the impact of a positive or negative attitude on the social contacts and the development of networking skills. People with a positive attitude also want to learn in many cases.
- Risk attitude is also mentioned by farmers, in some cases also related to the attitude towards new things. Some farmers are very conservative and will not easily start new things or develop their farm. This has impact on the development of a strategy and opportunity skills.
- Drive and motivation are also factors that affect the development of skills. Some farmers are always working on the development of their business, which stimulates the skill development a lot. A very motivated farmer will do his job better than a less motivated farmer. One farmer states that motivation and love for the job is something innate, something that is part of growing up on the farm. The entrepreneurial spirit is also something that is genetic, according to one farmer: “My neighbour has recently started with veal production. He is the same as his brothers. They all started their own business.”
- Some farmers mention social attitude: An extroverted person is more able to make contacts and participate in networks than an introverted person. This is also largely genetically and culturally determined. Some farmers mention differences between regions: They believe people in the south are more extroverted and open than people in the north of the Netherlands.

### *Interpretation*

It is quite clear from the responses that personal attitudes and characteristics affect the skill development of farmers. Personality is important for the self-presentation of a farmer towards customers or banks. An open attitude, drive, motivation and willingness to learn are important factors that stimulate skill development. Specific factors that affect strategy and opportunity skills are risk attitude and a positive or negative attitude. For networking skills, an introverted or extroverted character can either hinder or help making contacts and participation in networks. A positive attitude is also good for social contacts.

### **How to stimulate the skill development of farmers**

#### *Results*

When asked how the skill development of farmers can be stimulated, various responses are given. The question itself elicits a characteristic response from almost all of the farmers: The first element is the personal responsibility of farmers and second is the need to focus on target groups. Farmers are entrepreneurs and therefore responsible for their own business. This means that they are also responsible for the development of their skills. If they decide not to develop skills, it will be impossible to stimulate the skill development of these farmers. On the other hand, if they want to develop skills, their requests should be fulfilled in a way that fits their needs. Generally, measures and activities to stimulate skill development amongst farmers should therefore focus on farmers who want to develop their skills. Another remark along this line is that skill development is only possible when the farmer has some talents: “Something of it should be in you; otherwise you can’t develop a certain skill.”

All farmers give at least one or two suggestions and make remarks about how to stimulate skill development:



- A main cluster of comments and suggestions is about education. Some farmers agree that (higher) agricultural education is important in its current set-up. One farmer states that the focus of schools on farm management in addition to professional skills is beneficial for students who will take over the farm. Other farmers say that education is too focused on theory, which is not enough to become skilled. They suggest that education should have a closer relationship with practice, for instance through practical periods or a combination of part time work and part time education. Being responsible for certain tasks and activities on the farm can stimulate skill development and learning processes at school, because theory and application are connected. The importance of the practical period for students is stressed by almost all farmers. A good relationship and coordination between schools and training farms are important for the effective coaching of students on the farms.  
One farmer states that the problem of agricultural education is not primarily the educational aspect: “The real problem is the lack of students. This will cause a problem with farm succession, but also with filling jobs in agribusiness.” She believes that the bad financial results of farms in the last few decades have resulted in young people not wanting to work in agriculture. The possibilities for developing in a job are also small, so employees will leave the sector after a few years. It is quite difficult to change this pattern, but the farmer thinks that a better (financial) appreciation of jobs in agriculture can contribute to it.
- Post-educational courses and trainings are mentioned frequently. Some farmers say that skill development is stimulated through the work situation: If a young guy leaves school and becomes responsible for (a part of) the farm, he will see which things he has to learn and develop. Besides this, courses and trainings become more effective in this situation, because theoretical issues can be tested in practice. Generally, farmers believe that the offering of courses and trainings is sufficient, although the promotion of courses and trainings could be improved, e.g. through advertorials in farmers’ journals. Another aspect of continuing education is the fact that employees on larger farms are also willing to develop their skills if they want to develop their careers. One farmer states that such large farms are in fact mini-schools, in which employees are developing specific skills in a work situation.
- Farmers’ networks and study groups are useful for some farmers for stimulating skill development. They can learn from other farmers and get some reflection of their business, e.g. through the comparison of financial results and the discussion about the differences. On the other hand, one farmer mentions that the success of such discussions depends on the openness of the participating farmers: “If they don’t want to say how they are successful or why they have such bad results, you can’t learn from it.” Networks, which are often guided by experts or researchers, are more objective. Farmers that participate in them are very positive about the learning effects. At the same time they say that networks are attracting a specific group of farmers who like discussion with colleagues and are willing to invest time in these activities.
- Journals could write articles about specific aspects of farming, e.g. with some examples of farmers in practice, to reflect and inspire farmers. An instructive article about information gathering using the internet and e-mail is mentioned, which can help farmers to improve their networking skills. A Dutch farmers’ journal recently had a series about entrepreneurship, with interviews with farmers. For some interviewees these articles are useful for reflecting on their own practice.
- Meetings for farmers can also help one learn from other farmers and experts. One farmer mentions meetings of the farmers’ association that are organised in wintertime. He explains that he goes there to learn something about the topic which is being discussed, but sometimes he also asks other questions he has. The farmer: “You are the only one who determines if you will learn something. If somebody says he has not learned anything, I can’t understand this. Why didn’t he ask an interesting question? I always do when the meeting is not very interesting for me.”

A more difficult ‘suggestion’ is the comment of one farmer, who mentions that difficult circumstances have always stimulated entrepreneurship in agriculture. Policy measures have a high impact on the situation in agriculture, e.g. market protection measures and price supports. If these things disappear, farmers will need to be more skilful. Some farmers will develop their skills and the most skilled farmers will survive.

#### *Interpretation*

Looking at the response, one should no longer talk about the stimulation of skill development of farmers, but about facilitation of farmers who want to develop their skills. All farmers make it clear that skill development is also a responsibility of the entrepreneur. This also implies that a part of the farmers’ population is not willing to develop their skills. The farmers interviewed recommend not spending energy on this group by offering them

something to develop their skills. If people want to, courses and trainings could be offered, but all farmers believe that this offering is already sufficient.

The main instruments that can stimulate skill development are types of education that are linked with practice. Students and farmers should be able to test theoretical things in practice and the other way around, generate learning questions out of the daily practice. Both agricultural education and post-educational trainings can help farmers to develop their skills. Contacts with other farmers can also stimulate skill development, e.g. in networks and study groups, enhancing benchmarking, reflection and inspiration between farmers. Farmers' journals and meetings organised by farmers' associations also play a stimulating role for skill development of some farmers.

### 7.3.2 Value added

#### Differences in skill development between farmers

##### *Results*

All farmers agree that there are differences in skill development between farmers, except one farmer. This farmer doesn't want to judge other farmers: "Farmers have different objectives. If they reach them, it is OK. I don't want to say that somebody who has to sell his business is not very skilled. Maybe he gets a large amount of money for it."

All other farmers mention differences between colleagues. One farmer states that the circumstances in his branch (vegetable production) are so difficult, that the current farmers' population is more or less skilled. Another farmer confirms this statement in general, stating that only the best farmers will survive in the future, because circumstances are becoming even more difficult. Various answers are given about how differences between farmers become visible:

- Farm development is frequently mentioned. Some farmers are always working on farm development; others are still doing the same things as 20 years ago. One farmer explains that maintaining the business also requires entrepreneurial skills, but business development demands a higher skill level. Another farmer states that some farmers will realise various things on their business, while others won't realise anything. A farmer: "You can see the differences on one street. Some farms are still the same as 30 years ago, while others have built large buildings and have expanded the farm."
- Some farmers mention the networking activities, e.g. the size of the network and the intensity of participation in networks. Some farmers are very active and have a large and diverse network, others live quite isolated on their farm.
- The ability to continue the business over the long term is also mentioned by some respondents. This is seen as a proof of entrepreneurship by the farmers, except two respondents who mention that ending the farm business at the right time can also show entrepreneurship.
- One farmer states that farmers in some sectors are more entrepreneurial. He explains that farmers in horticulture (greenhouses) and intensive livestock are more skilled than their colleagues in arable or dairy farming.
- One farmer states that differences in skill development are also seen in the variety of farm strategies. A farmer will develop a strategy that fits to his personal skills, which makes it that one farmer will go for diversification and another for a scale increase.
- A farmer mentions differences between age groups. Older farmers have more entrepreneurial qualities than younger farmers. They will do more investments and have less difficulty attracting employees. Another farmer states that younger farmers are more entrepreneurial than their parents.

Asked for the reasons for these differences, various answers are given by the respondents:

- An open, external attitude towards new developments and towards the environment is mentioned often. A farmer with this attitude is able to recognise opportunities and to develop his business. This attitude also enables farmers to interact with other people, like customers. On the other hand, farmers with a conservative, internal attitude are not open to development: "Some people believe that everything will be all right, because they've done this all their life."
- Close to the former reason, the openness to feedback and the willingness to learn are also mentioned. Farmers who want to improve the business and their personal skills will develop skills more easily than farmers who don't listen to other people. A self-critical attitude is also mentioned in this respect.

- Social skills are mentioned frequently. Introverted farmers have more trouble with networking and learning from other people.
- Motivation or drive is an important explanation for differences between farmers. One farmer states that the younger generation makes a choice about becoming a farmer or not very consciously, which makes the young farmers very motivated, while the older generation succeeded their parents automatically.
- The risk attitude of farmers can be very different. Some farmers are conservative and don't want to take risks, while others with a different risk perception do big investments for farm development.
- Personality characteristics, talents and personal interests: Some farmers mention that all people are different, have different talents and qualities. Some farmers are real professionals and are focused on the most optimal production process, but don't have manager and entrepreneurial qualities. These farmers have trouble surviving nowadays, because professional skills are not enough to be successful.
- Financial means, the possibility of making investments also determines the entrepreneurial behaviour of farmers. Some (older) farmers have had better years in the past, which enable them to do larger investments in farm development. Comparable with this issue is the difference in circumstances: some farmers have no possibilities for developing the farm on their location or are working in a branch with a very bad market situation. One farmer mentions the animal diseases of the past few years: Some farmers had to end their business, although they were good entrepreneurs.

### *Interpretation*

All farmers perceive differences between the skill development of farmers. Variety in farm development and the networking activity of farmers are the most visible features of skill differences. Besides skills, various other reasons are given for these differences, which are mainly attitudes and personal characteristics. The different circumstances for farmers can also explain why some farmers are able to develop their business more than others (experience, financial means).

### **Comments on one's own skill development**

#### *Results*

All farmers say that they have developed their skills more or less, in different ways:

- Learning by doing is the main way to develop skills for this group of respondents as well. Some respondents learn in a structured way, using experiments on a small scale or moments of formal reflection with other people. The value of mistakes for learning is confirmed by almost all of the respondents. Some respondents explain that learning by doing is the most effective way to learn, e.g. compared to education, because you have some responsibility and the practical application of theoretical knowledge.
- Except for two respondents, all of the farmers mention courses as a way to develop skills. These farmers have taken various courses, e.g. courses about farm succession, presentation skills, marketing, computer skills, entrepreneurship and creative thinking. One farmer is dyslexic, which prevents him from taking courses.
- Learning from other farmers is also mentioned frequently. One farmer: "Steal with your eyes. Visit other farms, listen to your competitors and take ideas and insights with you." Some farmers also go abroad for this purpose. Two farmers say that they participate in networks, boards and committees to be able to learn from other people. Another farmer states that the value of learning from other farmers is limited if they only tell their successes and not their mistakes.
- Education is an important way to develop skills. All farmers mention that education is more theoretical, gives broad knowledge and forms a basis for skill development. Examples of skills developed in education are teamwork skills and presentation skills. One farmer states that education has to be broader than practice: "When you are at school, you can't exactly tell which skills you need. Looking back, I can say that I've never used some knowledge about maths, but I use other things almost daily. And I can't say that I never will use maths in the future." Another farmer has started an agribusiness study besides his job, which stimulated him to develop a strategy and a marketing plan.
- Work experience on other farms, e.g. during a practical period or before taking over the farm of one's parents, is quite valuable for skill development. Some farmers say that they learned a lot during that period.

About the reasons to develop skills, the necessity to do so is mentioned by all farmers. Some of them look internally and conclude that they have to develop specific skills to carry out some tasks properly or more generally, to

maintain a profitable business. Others look externally and feel that they have to develop skills to keep up with technical, market and policy developments. Personal interest and motivation is also a reason for skill development for some farmers: They want to develop themselves or their skills because they are interested in a specific topic. One farmer states that he wanted to do a study when he left school, but never did. After 20 years, he finally decided to start that study now and to combine it with the farm business. Another reason for some farmers to do something to develop skills is that contacts with other people, e.g. during courses or farm visits, are useful for them and their business. A few respondents mention that they did not develop particular skills because they delegated some tasks to employees or family members within the partnership.

#### *Interpretation*

All farmers have developed their skills more or less. Experience and learning by doing is the main way skills are developed, followed by courses that almost all farmers have done. In some way or another, all the farmers had a specific motivation for developing skills, from which the need for specific skills in the farm business is the most important. The ambition for personal development and the interest in a particular topic is for some farmers also a reason to take courses etc.

### **Relation to traits**

#### *Results*

All farmers agree with the statement that personality has an influence on skill development. One farmer states that this statement is not limited to agriculture only, but that it is true for all people in general.

The willingness to develop skills is something personal, according to the farmers. The attitude towards feedback and the ability to be self-critical are important personality factors that are not easy to change. Also motivation to do something good is quite personal: Some farmers go for 100%, while others are already confident with 80%. A farmer: "Some farmers think too easily about the things they have to be able to. They should be more critical about themselves and work on skill development."

Also, in another way, motivation is important: Because of the more difficult circumstances, motivation is necessary to be a successful farmer. An automatic choice to take over the farm without being really motivated will result in a failure. A farmer: "Do you really want to work hard on the farm, be at home most of the time? The personality becomes more important, are you self-convinced, do you really believe in what you are doing?"

Personality is also largely determines social skills. The ability to deal with employees and customers is something difficult to change. A farmer: "If your wife is quite surly, you should not let her work in a farm shop. Customers won't return when the atmosphere is not good." Honesty and transparency is also a personality characteristic that affects the development of social skills, like networking and utilising contacts: "If you want to get information and learn from other people, you should be open and transparent with them." Courage and risk perception are also largely determined through personal characteristics and therefore also not easy to change. These elements affect the skills of recognising and realising opportunities.

#### *Interpretation*

There is a clear relationship between skill development and personality, according to the respondents. The willingness to learn, the openness for feedback and a self-critical attitude largely determine the differences in skill development. Networking skills are very dependent on the social attitude and the personality. Courage and risk perception have influence on opportunity skills.

## How to stimulate the skill development of farmers

### *Results*

This question elicits various comments from the respondents. A very common response is the statement that entrepreneurs are responsible for their own skill development. One farmer states that nobody should stimulate skill development when farmers don't want it: "Alert farmers to the need for such courses, but you can't press them to participate. If they don't want to, they can find a way to survive without these skills, or they will have to end their business sooner or later. That's a natural process." This means that stimulating measures should focus on farmers that want to develop their skills. Besides this, farmers should be challenged to do so, according to one farmer.

Courses could stimulate the skill development of many farmers, if they wanted to. The current offering of courses is sufficient, according to the farmers. Some farmers say that courses are quite expensive, at least for small farmers. One farmer states that courses for employees are subsidised, but if he wants to take a course, he will not get any subsidies. This could be improved.

Farmers' networks and study groups are useful to stimulate learning from other farmers. These things are already available in most sectors. One farmer states that the initiative for such activities should come from farmers, to ensure that it will meet a real need. Another farmer suggests that coaching a farmer by a colleague is something that is very good: "Farmers can understand each other better than advisors and if they are open and give feedback and advice, it can be very stimulating."

Some farmers say that agricultural education should be improved, because it is too focused on professional skills. Attention to management and entrepreneurship should be added, combined with a stronger connection with practice. The practical period should also be more focused on entrepreneurship and management aspects. However, two farmers mention that the personality and attitude of the student will determine the learning results: "Two students will ask the same question about the farm strategy. One will just write it down, while the other asks why. That's the difference you can't change." Another farmer states that the quality of agricultural education is getting worse, because of the decreasing number of students. He therefore suggests that sectors should organise courses for employees and young farmers, which is already happening in the ornamental tree branch. This could be cheaper and more effective, because there is a close relationship with practice.

### *Interpretation*

The response shows that stimulation measures should be focused on farmers that are willing to improve their skills. In some cases, farmers could be challenged more about this, but generally, it's wasted energy to focus on farmers who don't want to develop their skills. Courses, farmers' networks and study groups are good instruments to stimulate skill development for most of the farmers. Agricultural education is also important, although some farmers have comments about the quality of it. The low student numbers also cause difficulties with investing in the quality of agricultural education. One farmer suggests that sectors should take initiative to organise courses for employees and young farmers.

## 7.3.3 Non-food diversification

### Differences in skill development between farmers

#### *Results*

All farmers confirm that there are differences between farmers with respect to skill development. These differences are visible in various ways, such as the differences in farm development. Some farmers, who are less skilled, don't develop their business, while other farmers have developed the farm quite far. One farmer adds a comment to this: "Some farmers don't think enough before starting with something new." She explains that doing new things is not the issue, but doing the right things is more difficult. One farmer mentions that circumstances can have a great effect on farm development, such as policy measures or the farm location. Another respondent mentions that the financial success in the short term is not a good indicator: Some conservative farmers can earn a higher income than farmers that are continuously working on the farm development.

The outside of the farm, including the crops and the farmyard, is for some respondents also an indication of the qualities of the farmer: "The farm is the mirror of the entrepreneur." The suggestion is that a good farmer has a well-organised farm, while a less skilled farmer has older buildings etc. The networking activity of a farmer is also

an indicator of his (networking) skills: “You will always meet the same farmers at meetings and excursions.” One farmer states that the social skills of farmers in general are less developed compared to other sectors, due to the social solemnity of many farmers. Younger farmers are also more skilled than older farmers, according to one respondent.

The explanations for these differences are various. One farmer just states that everybody is unique and has his or her own way of doing things. Some farmers mention the social attitudes and qualities of farmers: Are they open to other people, are they introverted or extroverted? One farmer stresses the importance of ambition: If somebody wants to be good at something, he will develop the necessary skills. For young farmers, education plays an important role: Nowadays, schools pay more attention to discussions and communication skills.

#### *Interpretation*

According to those farmers, there are differences between farmers with respect to skill development. The main indicator for this phenomenon is farm development. Other indicators are the networking activities of farmers and age. The social attitude and social qualities are important, as well as the ambition to be good at something specific. Education can also play a role, according to one farmer who suggests that agricultural education nowadays is different from earlier days. Young farmers are therefore more skilled.

### **Comments on one's own skill development**

#### *Results*

All farmers say that they have developed their skills. Learning by doing is the main principle for all respondents. Education is mentioned by two farmers, who say that higher agricultural education forms the basis for skill development or that it developed some general skills, like analytical thinking. One farmer states that education didn't play a role in his skill development; he stresses the fact that he himself developed his skills. This farmer mentions various courses he took, like one other farmer did. Two farmers mentioned that they learned a lot from other farmers, e.g. through participation in a study group or via excursions and meetings. Asked why they developed their skills, some farmers mention the need for these skills. One farmer mentions that these skills are necessary for the realisation of the long term objectives of the farm. Another farmer states that skill development is necessary to be ahead of the competition with other farmers. Personal development is mentioned once.

#### *Interpretation*

Again, learning by doing is the main principle for skill development. Two farmers mention the value of (higher agricultural) education for their personal skill development. The other farmers mention courses they took. Learning from other farmers is important for one farmer. All farmers agree about the need for skill development in respect to the business.

### **Relation to traits**

#### *Results*

All respondents agree about the relationship between skill development and personality. In general terms, the farmers say that the personality of the farmer determines his entrepreneurial behaviour and ultimately entrepreneurial success as well. They also explain that personality (traits and attitudes) has a big influence on the learning possibilities. As one farmer says: “It is something in mankind. You can polish up a bit, but you can't learn it. You can learn a lot, but you can't transform yourself.” Another farmer: “You can't be good in everything. If you don't like something, you won't learn it easily.” One of the farmers gives an example: “If you are a bit introverted, you can still learn how to chat and so on, but you'll never be good at it.”

Networking skills are very dependent on the social aspects of the personality, if the farmer is introverted or extroverted. Opportunity skills are related by respondents to the personal attitude: If a farmer has an optimistic, positive attitude, he will be able to perceive more opportunities, while a farmer with a negative attitude will perceive threats. One farmer mentions the distinction between people who are focused on doing, while others are focused on thinking and analysing. These people will behave differently, e.g. in decision making about opportunities.

*Interpretation*

Again, these respondents relate personality to skill development. The personal traits and attitudes determine the possibilities for skill development, entrepreneurial behaviour and, ultimately, business success as well. In general, the respondents state that people are able to develop skills that are already somehow in one's personality. An example is that more extroverted people easily make contacts and will be able to develop networking skills. In other cases, people will be able to learn how to deal with specific things, but never will be good at it. Again, networking and making contacts will stay difficult for introverted people, although they are able to deal with it.

**How to stimulate the skill development of farmers***Results*

The response of the farmers can be divided into suggestions for the farmers and suggestions for their environment. The first group of suggestions is based on the personal responsibility of the farmer for his or her own skill development, while the second group also demands a certain responsibility of schools and the government, for example. Some comments stress again the importance of the personality in this respect: When a farmer has a negative attitude or is lacking some personal qualities, he will not develop certain skills.

According to the respondents, farmers should invest time (and money) in their personal development. One farmer states that this is more or less a mentality question: "Some farmers only work on their farm and don't participate on boards or committees, don't come to meetings and excursions. If you ask them, they are always busy. But look at me: I have a family, a part time job etcetera, but I do participate in various boards and committees, just for my personal development. This is a mentality question." Another respondent also stresses the importance of time investment for personal development: "Go outside, participate in things that are not exclusively related to agriculture. Maybe you won't see benefits directly, but sooner or later you will be happy that you have such a network." He also suggests making use of feedback from buyers: "Just go to your buyer and look at your products. You'll see that your products are not that much better than others, although you've always thought so. Ask your buyer about the quality of your products, you can learn a lot from it." Another farmer suggests that farmers should do tests to get more insight in their own skills. He gives an example of a group of farmers that started with a co-operation, who did a psychological test: "You can learn a lot from it, but farmers never do such things."

Education is for some respondents an important instrument for skill development. Two respondents mention that higher agricultural education should be the standard for young farmers. Being a farmer is more complicated than it was 20 years ago and higher education gives farmers a better basis for dealing with management and policy items. One farmer states that a lot of attention is paid to analytical thinking, but suggests that more attention should be paid to the synthesis: "You should also be able to combine things into something that works, instead of only being able to break down problems into various causes and reasons." This farmer also states that agricultural education sticks too much to traditional agriculture: "When we get some students for a practical period, they already have quite fixed ideas about organic and diversified agriculture. But when they leave after some months, their ideas have changed radically. A school should not focus only on traditional agriculture, but should broaden the horizons of students."

Two farmers say that skill development of farmers could also be stimulated through a stimulating entrepreneurial environment. This environment exists of various things, such as room for experiments: "Nowadays, the government is looking thoroughly at what we are doing. If we make a mistake, we are punished. But being an entrepreneur also means that you should be able to make mistakes and learn from it." One farmer is worried about the behaviour of the European consumers, who only buy products with the lowest price. This price competition doesn't stimulate the production of quality products and is limiting for farm development. Another farmer states how she more or less created a stimulating entrepreneurial environment through contacts with colleagues and the direct contact with consumers that buy their products. She gets the appreciation of the consumers, which stimulates her to go on. At the same time, she states that farmers' networks need input from government and research: She participates in a network of diversified farmers, which is paid by the government and is organised by researchers. A co-operative attitude in the business environment is also part of a stimulating entrepreneurial environment: When suppliers, officers and researchers are co-operative with farmers, both sides can learn a lot from each other. One farmer suggests that the media could do something in showing examples of other farmers. He states that articles in farmers' journals in which a farm and the entrepreneur is presented are very instructive for him. He would like to have a weekly television programme with one or two entrepreneurial portraits.

### *Interpretation*

For these respondents, skill development is also mainly the responsibility of the farmers. They should pay attention to their own skill development, invest time in it. Participation in networks is one of the main suggestions for farmers to develop their skills. On the other hand, education also plays an important role in the skill development of farmers. The entrepreneurial climate may be even more important for the stimulation of skill development: If farmers are facilitated and stimulated in their entrepreneurial behaviour, skill development is also stimulated. This is partly a matter of policy that is now more or less hindering, according to a farmer. Another important factor is the consumers' behaviour, although this is not easily changeable. The attitude of suppliers, government and research should also be more co-operative, because this also enhances mutual learning. Farmers' networks are very useful for learning from other farmers, but these activities have to be supported by the government and research.

#### **7.3.4 Overall comparison**

##### **Differences in skill development between farmers**

There are no relevant differences in the comments of the three groups of respondents. All of them agree that there are differences in skill development between farmers. These differences become mainly visible in business development. An ongoing farm development is an indication of a higher level of skill development, according to many respondents. This has to do with strategic skills, but also with opportunity skills. At the same time, farm development is not only determined by the skills of the farmer, but also by the circumstances, such as the farm location, the financial and policy climate, financial reserves etc. Nevertheless, farms who don't show any development will not continue over the long term, according to the respondents, although the financial results in the short term might be better. Therefore, financial success or farm continuity over the long term is also an indicator of entrepreneurial skills.

Another indicator of the differences in skill development is the participation in networks. Farmers with well-developed networking skills are more active with contacts and participate in various networks. Many respondents say: "It is always the same people you'll see on excursions and at meetings." The qualities and skills also become visible in the personal contacts with other farmers, as some respondents say: "It's just a feeling during a contact."

Asked for the factors behind these differences, many respondents point to personality aspects: A positive or negative attitude determines the perception of opportunities (or threats), a high or a low ambition and risk attitude influences decision making and strategy for business development and an introverted or an extroverted personality affects networking skills.

About age, the ideas are different. Some farmers say that age is not a relevant aspect for entrepreneurial skills, stating that skilled and unskilled farmers are found in all age groups. On the other hand, some farmers suggest a relationship with age, depending on generational differences. The succession of generations on a family farm can affect skill development positively or negatively, when the parents hinder or stimulate the skill development of the children. One farmer also suggests that the younger generation is more skilled because of the better (higher) education level on average.

Education is also a difficult aspect in relation to skill development. On the one hand, farmers mention examples of very skilled farmers without any good education, while others say that farmers with higher education are on average more skilled. Another farmer states that the agricultural education of former times is not sufficient anymore for being a farmer.

##### **Comments on one's own skill development**

There are no clear differences between the three groups of respondents. All farmers confirm that they have developed their skills in one way or another. Generally, learning by doing is the common principle of all respondents. Some farmers make very effective and targeted use of it, through the creation of mini-experiments with a kind of evaluation afterwards. Other farmers conclude afterwards that they learned something after doing it several times, without an explicit learning process.

About 50 percent of the respondents say that courses play an important role in skill development. These courses are about various management and entrepreneurial topics, e.g. financial management, HRM, social skills, presen-



tation skills or entrepreneurship and strategic planning. The group of conventional farmers mentions several courses about production and technical issues, which fits quite well with their optimisation purposes. Some farmers say that they did not follow courses for specific reasons, for instance a farmer with a dyslexic handicap or a farmer who states that he doesn't like courses.

Education is mentioned several times by the respondents. In general, agricultural education is not sufficient for skill development, because it is mainly focused on theory. The practical application, e.g. during a practical period or after leaving school is regarded as more important, although the theoretical knowledge is a basis for further skill development. Some farmers say that their school period was useful for them, for instance because they did a practical period on another farm and they learned to discuss and to present their thoughts and ideas.

Learning from other farmers is regarded as an important way to develop skills. Some respondents say that this way is more effective for them than courses. Meetings, excursions, networks, committees and study groups are used to make use of the experience and networks of other farmers, to discuss issues, to reflect on the business and to become inspired for ideas and practical solutions for their own farm. Some farmers explicitly mention the element of learning from the mistakes of other farmers, although farmers might not be so open about their mistakes towards colleagues.

Asked for the reasons for skill development, farmers mention the need for skill development in various ways. In general, being a farmer is more complicated nowadays, compared to some decades ago. The farms become bigger, the demands from the market and the government are stricter and the financial situation is more difficult. To continue a successful business, the farmer has to develop skills. Some respondents explain that professional skills are not sufficient anymore to be successful. Management skills and entrepreneurial skills are becoming more and more important, like HRM, financial management, strategic skills, networking skills and opportunity skills. For conventional farmers, professional skills are still a very important focus to be competitive on a bulk market. Some farmers perceive a certain lack of a specific skill which they want to improve, like presentation skills. Others don't mention such a particular need in their own skills, but focus more on the relevance of a specific topic for their own business.

Personal development is also mentioned several times. Some farmers have a personal wish to work on their personal development, sometimes with a further career in or outside the farm in perspective. A personal interest in a specific topic is also mentioned by respondents. They explain that they are interested in something, so they want to know more about it, which could be a reason to follow a specific course or to work with it on the farm.

### **Relation to personality**

All respondents confirm the relationship between skill development and personality. Asked for an explanation, farmers mainly mention a relationship between personality and entrepreneurial behaviour. Some farmers mention a specific relation between the development of skills and personality. Many examples are given to explain the statement.

A common issue is the relationship between networking skills and an introverted or extroverted personality. Another issue that is frequently mentioned is a positive or negative attitude in relation to opportunity recognition. A positive attitude also contributes to networking and contacts, because it is perceived as a pleasant personal characteristic. The attitude towards new things (conservative or open) and the risk attitude affect strategic and opportunity skills, according to many respondents.

About the relationship with skill development, some farmers explain that personal qualities consist of skills that can be developed to a small degree, but that the main part is established in one's personal disposition. The statement that you can only develop what you already have to a certain extent is often used by respondents. An introverted person can learn how to make contacts, but will never be really good at it, for example. A second link between personality and skill development is the willingness to learn. If a farmer is willing to improve his own skills, he will be open to reflection and will look for possibilities to develop skills.

### **How to stimulate the skill development of farmers**

All respondents say that a part of the farmers' population is not willing to develop skills. According to the respondents, these farmers cannot be stimulated in any way to develop skills. Some respondents believe these farmers will not be able to continue the farm for the long term, but that's their own problem. Especially the respondents from the conventional and value added groups stress the personal responsibility of farmers for their

skill development. Therefore, stimulating measures for skill development should focus on those farmers that are willing to improve their skills.

Courses and trainings are important, although some respondents believe that the course offering is already sufficient. There are some comments about the high costs of courses, although some respondents also say that most of the courses are worth paying for. One farmer states that courses and education for entrepreneurs are not subsidised, in contrast to courses and education for employees. This could be changed to encourage farmers to take courses.

Many respondents have some suggestions for (agricultural) education, which are mainly about the link with practice. Many respondents are more or less missing the principle of learning by doing. Students who leave school have a lot of theoretical knowledge, but are not skilled to run a farm. The main suggestion is that students should be able to apply and test theoretical knowledge in practice, to develop skills. The practical period during the school period should therefore become more important. Some farmers also suggest a combination of school and working part time. Post-educational courses are also suggested to improve the learning process of (young) farmers that are already learning in practice. One important comment about agricultural education is that the number of students is already very low and is still decreasing. This is an important problem for agriculture, but also to maintain or even improve the quality of agricultural education.

To improve the learning of other farmers, which is an important instrument for the skill development of some farmers, networks and study groups are important. Respondents explain that these networks and groups are the responsibility of farmers, but that in practice the input (and subsidy) of government and research or advisory services are necessary. Several examples are mentioned of research-driven farmers' networks that are very useful for the participating farmers. Also farmers' journals can stimulate learning from other farmers, e.g. through articles with portraits of farmers and their business. Farmers' associations can facilitate this by organising meetings and excursions etc. for farmers.

A last group of suggestions concerns the entrepreneurial climate. A positive entrepreneurial climate will stimulate skill development, because it enhances entrepreneurial behaviour. Such a climate consists of a set of conditions from the government that give space to farmers to develop their business and to initiate and experiment with new things. A second element of a positive entrepreneurial climate is that a real price is paid for products, although this condition is difficult to realise. A third element is a co-operative attitude of suppliers, governmental organisations, advisors and researchers, focused on co-operative learning, instead of a directive and hierarchical attitude.

## **7.4 Results of the national expert workshop**

The expert workshop to discuss the Dutch results of the pilot and the main study of the project was organised on the 19th of July 2007. The workshop was attended by five persons, all experts on the topic of agricultural entrepreneurship, working at an agricultural research institute and experienced in working with groups of farmers.

The aim of the workshop was to present the national results of the project so far to the experts and to get a reflection on these results from an experts' view. The research team presented the interview results. First the experts were introduced to the research topics of the ESoF Project. After that the selected entrepreneurial skills were presented to subsequently discuss if these skills are the most important skills for agricultural entrepreneurs. After that, the question was discussed of whether Dutch agricultural entrepreneurs have these skills and how they develop these skills. This was finally compared with the results of the interviews with Dutch farmers. After presenting these results another discussion was initiated about stimulation of entrepreneurial skills for further development.

### **7.4.1 Results of the workshop**

Before the first discussion could start, experts wanted to know which descriptions of definitions the European research team used in the ESoF project. They wondered if interviewees of the pilot study and the main study got definitions of skills before they were interviewed. To answer the question 'are the chosen skills in the pilot study the most important skills for agricultural entrepreneurs?', workshop participants wanted to know the meaning of the selected skills so they could better answer if some skills were missing or not. Experts asked, for example,

whether communication skills were part of networking skills. It is striking that, in contrast to the experts, hardly any of the interviewees asked about definitions.

Workshop participants reacted most of the time primarily from a theoretical point of view. Experts wondered with regard to an entrepreneurial theory that classifies skills in attitude, personal traits and knowledge, if the attitude and personal traits of entrepreneurs also are typified as skills and if they are also included in the research. Workshop participants mentioned that most of the skills contain aspects of attitude, personal traits and knowledge. Therefore it was not surprising to the experts that interviewees answered a wide range of skills that referred to these three aspects. Experts advised we match the results of the ESoF project with existing literature about (agricultural) entrepreneurship.

### **Comments on selected entrepreneurial skills**

The workshop experts agreed that the selected skills of the pilot study are necessary to succeed in a farm business. Beside the selected skills of the pilot study experts mentioned that conceptual skills and a certain (positive) attitude are important for agricultural entrepreneurship. Conceptual skills are important for agricultural entrepreneurs. Farmers should have a helicopter view to formulate ideas in order to view the organisation as a whole and to determine if trends and developments are important for the future of the company. Attitude is important for farmers and has to do with drive and commitment. The drive of the entrepreneur determines if a farmer can devise creative ways to reach company goals. In this case communication is relevant: farmers can not only have great ideas, but they should be able to convince, for example, financiers of their plans. Experts mentioned that the three selected entrepreneurial skills in fact contain a cluster of skills. Some of these skills might be interrelated. Conceptual thinking was for instance related to strategic and opportunity skills. They advised we pay attention to the relationships between skills per cluster in the analysing of results and reporting.

### **Entrepreneurial skills of Dutch farmers**

The experts stressed that the extent to which farmers have entrepreneurial skills (creating and evaluating a business strategy, networking and utilising contacts and recognising and realising opportunities) depends on the drive and strategy of the farmer, the business context, consciousness of having certain skills and the age of farmers. Every farmer has a strategy that more or less fits his personality or farm business. The extent to which the farm strategy is formal and written down depends on the sense of urgency of communicating the strategy to outsiders. Because farmers have to operate more and more in a market-oriented environment there is more direct contact with buyers and therefore more necessity to communicate the farm strategy. Also a strategy that is more unique evokes questions from others so entrepreneurs have to explain and make explicit what the reason is for choosing this farm strategy. Experts know from practice that it is for most farmers not a habit to evaluate their business strategy. This doesn't mean that it is not important to structurally evaluate the farm strategy, quite the contrary. Evaluation results in that a farmer makes once again founded choices. An entrepreneur with an internal locus of control evaluates and adapts the farm strategy because of internal reasons (personal drive, etc). On the other hand, an entrepreneur with an external locus of control evaluates and adapts the farm strategy because of external reasons (differences in policy and legislation, etc.).

According to the experts, it is getting more and more important for farmers to make an analysis of the external environment, to conclude which opportunities and threats arise. The attitude of farmers towards taking risks is important in realising opportunities. Experts have the feeling that farmers with higher educations have more problems with taking risks, because they are more analytically oriented and never have enough information to take a founded decision. Nowadays, it is socially more accepted than ten years ago to make divergent choices in a farm business. This also explains the origination of diversified farms.

What the capability of a farmer should be depends on the drive of the farmer, the purpose of the business (strategy) and the context in which the farmer operates. The entrepreneurial skills a farmer needs differ per context. It is important how the farmer manages these skills. Is the farmer aware of having certain skills or not? Can he organise the skills on his farm that he doesn't have himself? Farmers who are less creative sometimes make use of the ideas of others about farm strategies and copy these inventions on their own farm. The type of network a farmer makes use of differs per sector and the distance in which the farmer is operating towards the market. A dairy farmer who doesn't have to organise his own sales,= has in general a less wide network than an organic farmer who has to organise his own sales. Experts warn not to generalise the results of 25 interviews: The results of 3 dairy farmers are not representative of the whole dairy sector.

### **Development of skills**

The experts don't share the same opinion about the influence of age on development of entrepreneurship. Some think that younger farmers have developed more entrepreneurial skills because they learned more about entrepreneurship in their education and they are networking and utilising contacts more so they recognise more opportunities. Because younger farmers are more used to operating in a less protected business environment than older farmers, their entrepreneurship is better developed. Older farmers see more threats instead of opportunities in differences in government policy than younger farmers do, according to them. Other experts think that older farmers are better entrepreneurs because they take more founded decisions through many years of business experience.

A sense of urgency drives a farmer to make use of and develop certain skills. One expert mentions that he knows a farmer who doesn't like networking but had to seek out contact with the local government to reach a business goal and learned by experience that it is useful to have good contacts with the local government.

Some farmers are aware that they are learning because they want to develop a certain skill, while others learn unconsciously by doing. Farmers learn in different ways. Some farmers prefer to learn from others (e.g. colleagues or a personal coach), while others first want to solve the problem themselves (e.g. by trial and error or gathering information before they start doing something new). Farmers can discover that there is a sense of urgency about developing a skill or changing a farm business by making use of feedback from their network. If the farmer also gets convinced that there is a need to change, he'll start to organise a solution either by changing himself, making use of others or changing the situation.

### **Stimulation of skill development by EU**

The crucial factor in entrepreneurial skill development lies in the farmer himself. The farmer should feel a sense of urgency about developing entrepreneurial skills. The EU can facilitate this in legislation and policy to stimulate triggering the entrepreneur to change in attitude, knowledge and personality. For example by creating a less protected business environment, so farmers have to be more market oriented and develop skills to realise opportunities that appear in the external environment. It is interesting to research which specific entrepreneurial skills farmers need, to shift from a product-oriented market to market-oriented entrepreneurship.

Needing certain entrepreneurial skills depends on the farmer himself, the farm and the external environment. The farmer should determine if he needs to develop certain entrepreneurial skills for the strategy he wants to follow with his farm.

For the development of skills of farmers it is important that the EU has a consistent policy. The EU should focus on stimulating durable farming, so the continuity of farm business will be more guaranteed.

## **7.5 Conclusions and discussion**

### **7.5.1 Self-presentation of entrepreneurial skills**

When looking at the self-presentation of the respondents, all farmers present themselves as having these skills. Almost all farmers directly comment that they have these skills, only a few farmers hesitate about their own skills. All farmers are able to argue that they have developed these skills to some extent. All farmers explain and justify their business strategy, mention examples of networks they participate in and contacts they utilise and mention examples of opportunities they recognised and/or realised. Almost all farmers also explain why these skills are important for farmers. The primary conclusion could be that all 25 farmers have developed the three entrepreneurial skills to some extent. The second conclusion is that the skills are presented in different ways, related to the strategic orientations of the farmers.

### **Skills in detail**

In general, strategic skills are presented through the description and explanation of the farm strategy and how it is evaluated. All farmers have a business strategy and evaluate it. Only a few farmers have a formal business strategy which is written down, while other farmers have it only in mind. The strategies of the farmers are quite various, but for all farmers the strategy seems to be quite successful. There is one exception: One farmer states that his strategy is not working anymore, due to policy and market developments in the last few years. This farmer is orienting toward an alternative strategy. Evaluation of the strategy is done by all farmers, although some farmers

have a very structured way, while others work in a quite implicit and unstructured way. In general, it looks as if farmers that co-operate in a partnership have a more structured way of evaluation. They have to communicate about the strategy and justify the results to their partners, which makes it so that formal evaluation moments are built in. Farmers who work on their own most of the time have a more unstructured way of evaluation. Some of them say that they are evaluating every day whether their strategy is still working.

The networking skills are presented through a number of examples and some explanations about the purposes and benefits of these contacts and networks. In the responses, a large variety of examples are given. Some farmers explicitly mention the contacts with suppliers and professional services. These contacts are normal for all farmers in the Netherlands. This suggests that other farmers don't mention these contacts, although they have them. Contacts with other farmers are mentioned by almost all respondents. Study groups, farmers' networks, excursions, meetings, committees and boards of farmers' associations are examples of networks and contacts with other farmers. Many respondents mention contacts with buyers, traders and marketing organisations. Only a few farmers mention direct contacts with consumers on their farm. Some farmers mention contacts outside agriculture, with other entrepreneurs, politicians, board members, citizens, governments etc. Through these contacts, farmers are able to get ideas and solutions to improve the production process and to develop the business, to get support realising opportunities, to stay in contact with the outer world, to check and discuss ideas and opinions, to sell and promote products, to realise permissions from the government and to learn from other people. Some respondents say that the benefits of networking and utilising contacts should be in balance with the time investment. Comments like "I'm not very good at it, but it brings me what I want to have" and "I don't have the time to go to all meetings and excursions" show that some respondents are very keen on the benefits of networking and contact activities. On the other hand, some farmers also say that the benefits of networks and contacts should be viewed over long term: "At some time you will be happy that you have such a network."

Farmers present their opportunity skills mainly through examples. Many examples are about opportunities that are recognised and realised, but some examples are also given about opportunities that are recognised but not realised. Some respondents make a strong distinction between recognising and realising opportunities. They doubt which of these two is more difficult for them. Some farmers say that recognition is easy for them, but that they have difficulties realising things. Others say that they won't have a problem realising anything when they have recognised it. Many respondents start a discussion about the characteristics of an opportunity. They conclude that some things could be an opportunity for other farmers, but not for them, because it doesn't fit into the business strategy. In many interviews, respondents say that the business strategy forms a framework for analysing opportunities regarding whether or not they really are opportunities. Decision making is an important element for farmers when they talk about realisation of opportunities: "Am I able to realise it, do I want it, does it feel good?" When looking at the examples, the variety is quite big. Some farmers only mention technical innovations and solutions that are an opportunity to optimise the production process. Others mention market opportunities, e.g. a possibility of getting a higher price or selling a larger quantity. Some farmers also mention opportunities in policy and society, like the demand for food safety or the growing distance between consumers and agriculture. To realise these opportunities, some farmers only have to do an investment and buy a certain machine, while others have to develop a business strategy, find a location to realise it and create support from the government. To recognise opportunities, the network of the farmer is very important, according to many respondents. Their network and their contacts supply them with information about trends and developments, with ideas and suggestions how to realise opportunities and with support during the realisation.

In summary, in all the interviews there is a more or less clear interrelation between the skills. Opportunity recognition is enabled by networking skills, while the strategy forms a framework for opportunity recognition and realisation. The networks and contacts are also largely determined through farm strategy, although some farmers also have a personal drive for social contacts and network participation.

### **Differences between groups of respondents**

There are clear differences between self-presentations. Some presentations are very brief and shallow, while others are extensive and deep. Some farmers describe and justify their strategy in quite a lot of detail, while others only mention and explain it briefly. A possible reason could be the uniqueness of a strategy, which makes it so that the farmer has developed this strategy himself and often has to explain and justify it to other people. However, the interview setting and the personality of the farmer can also play a role in the level of detail of the self-presentations. In some cases, the farmer did not have much time for the interview or seemed to be a relatively introverted and quiet person, while other farmers took almost half a day for the interview.

The division into three groups shows quite interesting differences between self-presentations. The strategic orientation of the business seems to determine the entrepreneurial behaviour and the development of these skills quite much.

The conventional farmers, who are oriented to the bulk market, have a strong focus on the optimisation of the production process and the selling of the products. Some of these focus on primary production, because the marketing and selling of their products is delegated to large dairy co-operatives. These are mainly dairy farmers. The other conventional farmers are more personally responsible for marketing and selling, e.g. through negotiation with traders. These farmers have also developed a strategy for the selling of their products, besides the optimisation of production. The networking skills of these conventional farmers are very much related to their strategic orientation. Networks and contacts are mainly utilised for information gathering to optimise production and/or to sell products. These farmers also participate in networks with other farmers, e.g. study groups, which are mainly focused on technical issues. Their examples of opportunities also show a focus on opportunities to improve production and/or sell the products.

When looking at the group of respondents that are focused on adding value for the market, this orientation also has an impact on their skills. In this group, two subgroups can be distinguished. One group of farmers is somehow comparable with the farmers that produce for the bulk market, although in their case the market is already scattered and divided into several product niches. An example is ornamental tree growers, who are highly specialised in one or a few cultivars, so the internal competition on the market is more or less blocked. The skill presentations of this group also exhibit a great similarity with the group of conventional farmers, because of the focus on primary production and selling. The main difference is that scale increase is a quite common strategy for a bulk market, but is not working for niche markets. The group of added value is more oriented to product quality and cost reduction through automation instead of a scale increase. The choice for a specific niche is also part of the strategy. The second subgroup adds value to set themselves apart from a bulk market, e.g. through direct selling activities or through the production of specialties. These farmers show a strong focus on the value-adding activities, which form the central part of the business strategy. The networking and contact skills are mainly utilised for the development of the value-adding activities, while opportunities are also associated with it. Some of these farmers present themselves as very skilled people.

The group of farmers with a non-food diversification strategy is quite small, although a clear division is visible in farmers who perceive diversification as a (time-bound) extra income source and two other farmers for whom diversification is the central element of their strategy. The first group therefore present themselves as conventional farmers with a diversification activity that is more or less apart from the farm. In the presentation of the strategy, the development of the primary business is the central issue to which the diversification activity contributes. Networks and contacts are used for development of the diversification activities and opportunities are also related to it. Also in this group, some farmers present themselves as very skilled.

## 7.5.2 Skill development

### Personal skill development

All farmers explain that they have developed their skills in some way. The main principle is learning by doing. It could be concluded that the skills of farmers are mainly developed through practical experience. Some farmers have a very structured and targeted way of learning by doing, using mini-experiments (“I will do something I am not very good at”) and formal evaluation moments afterwards, sometimes with the use of feedback from other people. This seems to increase the effectiveness of the learning process, compared with a more implicit way of learning doing without any reflection.

Almost all farmers say they have done some courses to develop skills. These courses range from ‘professional’ courses like computer and crop protection courses, to courses about HRM, strategy development and entrepreneurship. It looks if farmers with a conventional strategy are more focused on professional skills, which is understandable because of their focus on the optimisation of the production process. Some farmers explicitly say that they have taken no courses to develop their skills. The reasons are different: One farmer has a dyslexic handicap, which prevents him from taking courses. Some other farmers say that courses are not so useful for them, because they learn more in other settings, like networks and meetings.

Education also plays a role for many farmers, although the appreciation differs in respect to skill development. Some farmers say that they developed some skills during the school period, like presentation skills, discussion

techniques and analytical skills. Many other farmers say that education gives a ‘theoretical’ base for later skill development in practice. This knowledge is useful for them, but the real skill development takes place in practice on the farm. It could be concluded that (agricultural) education is insufficient for the development of entrepreneurial skills, although it is valuable in practice. Some farmers differentiate between education nowadays and some decades ago. They explain that agricultural education nowadays pays more attention to management and entrepreneurial skills, while in the past professional skills were the only topic at school. However, other farmers say that nowadays, especially lower agricultural education is still too much focused on professional skills as well, which also has to do with the interest and life stage of the students. These students are teenagers, who are mainly interested in big machines and animals, and less in financial and market aspects of farming.

Learning from other people is also a main route for skill development for some farmers. Some respondents, mainly conventional farmers, explain that for the development of professional skills the experience of other farmers is very useful. Other respondents say that they learn from other people about strategy development, networking and making contacts or about opportunity recognition and realisation. Other people can function as a mirror or discussion partner, especially for discussions and ideas about strategy development, as a role model, especially for networking and contact skills, or as a source for inspiration, especially for opportunity skills. Farmers’ networks, study groups, committees, participation in boards, meetings and excursions are very useful for farmers for learning from other people.

For all farmers, personal skill development is a necessary thing in relation to the business. Being a farmer is becoming more and more complicated and demands a higher level of skills. Mentioned are developments on the farm, such as a scale increase, new activities and an increasing number of employees, developments in technique, like automation and crop protection techniques, developments in the market, like the demand for certification and transparency, and developments in policy, like regulation for crop protection, building permissions, employees and subsidies. Some farmers also mention personal motives for developing skills, like an interest in specific topics, a wish for personal development or an idea about a later career in or outside the farm business.

#### **Differences in skill development between farmers**

When asked for differences in skill development between farmers, all respondents confirm that there are differences in skill development between farmers: Everybody is different and has different qualities and skills. These differences are also visible, according to the respondents. The main indicator for skill development is farm development: If there is no development, a farmer is less skilled, compared to farmers who make investments and do new things on their farm. However, some farmers mention that farm development is also dependent on the possibilities and circumstances of the farm(er). For example, market developments can affect the farm development because of the effect on financial results and the future perspectives of the business. Some farmers also mention the epidemical animal diseases, which can even force some farmers to end their business operations. Also legislation and policy can affect farm development, e.g. if a farm doesn’t get permission from the regional government to expand the buildings.

Financial success is not a very useful indicator, according to respondents: Farm development causes investments, so the income can be lower in comparison with farmers who don’t develop their business. However, over the long term, the financial results are expected to be higher when farmers are more skilled. This is also related to farm development, which is necessary to continue the business over the long term, according to many respondents.

Another indicator for differences in skill development, especially differences in networking skills, is the participation in networks and the contact frequency. Respondents believe that farmers who are actively participating in networks and who have many contacts are more skilled than other farmers. In contrast, farmers who don’t participate in any networks and who barely have any contacts are expected to be less skilled. Some farmers say that they get an impression of the social skills of a farmer during a chat, which is based on their feeling.

Asked for the reasons of these differences, almost all respondents point to the personality issues. Attitudes are important for skill development, like a positive attitude and personal motivation will contribute to strategy development and opportunity recognition, while a negative attitude will hinder this and also hinder farmers in contacts with other people. The risk attitude of farmers will affect the development of opportunity skills, according to respondents. Many respondents say that an introverted farmer will have difficulties with networking and utilising contacts.

Age and education have no clear influence on skill development of farmers: On the one hand some farmers suggest that older farmers are more skilled due to experience, although other farmers say that young farmers are more skilled due to a higher education level. Some farmers say that no general statements can be made about age and education: There are very skilled farmers without education and the other way around. The same can be said about age.

### **Relationship to personality**

As already mentioned, farmers explain that personality issues are the main reasons for differences in skill development between farmers. When asked explicitly, all farmers confirm that personality has a big influence, both on entrepreneurial behaviour and on the development of skills. A common issue is the relationship between the networking skills and an introverted or extroverted personality. Another issue that is frequently mentioned is a positive or negative attitude in relation to the opportunity recognition. A positive attitude also contributes to networking and contacts, because it is perceived as a pleasant personal characteristic. The attitude about new things (conservative or open) and the risk attitude affect strategic and opportunity skills, according to many respondents.

About the relationship to skill development, some farmers explain that there are personal qualities that can be developed, but that the main part is established in the personal disposition. The statement that you can only develop what you already have to some extent is often used by respondents. An introverted person can learn how to make contacts, but will never be really good at it, for example. A second link between personality and skill development is the willingness to learn. If a farmer is willing to improve his own skills, he will be open to reflection and will look for possibilities for developing skills. It could be concluded from the responses that personality determines entrepreneurial behaviour and the development of skills to a large degree.

### **7.5.3 Stimulation of skill development**

About the question of how the skill development of farmers can be stimulated, all respondents stress the personal responsibility of entrepreneurs. If farmers for some reason or another don't want to develop their skills, stimulating measures are useless. Therefore, a main conclusion is that stimulating measures should focus on the farmers who are willing to develop skills. These farmers should be helped with activities that enable them to develop the skills they want to develop. These activities are partially course-based, but activities that enable interaction between farmers are regarded as very useful as well. One could think of farmers' networks, study groups etc. Again, offering these activities to all farmers doesn't make sense, because a part of the population is not interested in skill development.

Many respondents suggest that agricultural education could be improved to stimulate skill development. Farmers say that theoretical knowledge should be combined more often with the practical application of it, because skills are mostly developed by experience. The practical period could be used for this purpose, while other farmers suggest a combination of part time education and part time working on a farm. However, the number of students in agricultural education is quite low and is still decreasing, which is regarded as the biggest problem in agricultural education. It means that the availability of potential entrepreneurs and employees is low, but also that the investments in agricultural education will possibly not increase. However, investments might be necessary to improve the quality of agricultural education. The suggestion that the agricultural sector should invest in the education of farmers and employees could maybe partially solve this problem.

## **7.6 References**

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## 8 Entrepreneurial skills of Polish farmers as new members of the EU

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### 8.1 Introduction: Polish agriculture – a special case within the EU

After World War II, Poland was the only socialist country with privately owned agricultural land (about 75% of agricultural area was in private hands), while in other socialist countries land belonged mostly to state farms and co-operatives. In addition, small areas of up to 0.5 hectares were allowed for private use only. For many years Polish farmers had to defend their property in order to avoid having it re-privatised.

This situation continues to have a negative impact on farmers' mentality and makes any changes, especially those relating to land ownership, more difficult than in any other European country. Poland has a very specific farming culture in terms of both the percentage of people involved in farming and the large number of farms. A good example of this are FAO statistics which show the changes in the number of people involved in farming in selected European countries over the past fifty years. For instance, in the year 1950 almost 13 million people were involved in farming in France, 14 million in Spain, 15.7 million in Germany and 13 million in Poland. By the year 2000 less than 2 million people worked on farms in France, less than 3 million in Spain, about 2 million in Germany, but still as many as 7 million in Poland.

It is anticipated that by the year 2010, 25% of farmers within the EU as a whole will be located in just one country – Poland. This implies that the restructuring of Polish agriculture is currently proceeding very slowly compared with other countries.

During the period of socialism, shortages of almost all commodities were common on the market. Now it is very difficult to imagine, for example, a grocery store with just vinegar in it. At that time, even low output farming guaranteed sufficient income and the possibility of making a living from farming. This is why Poland has the largest number of very small farms with low productivity. As many as 15 million Poles (38% of the total population) live on farms. This is due to both a high unemployment rate and the special importance people attach to agricultural land, which is of great value but exists in no realistic relation to its productivity.

A major problem that arose in the recent past is that some small farms were divided even further by their owners; parents wanted to provide their children with smaller farms to live on. Such cases were especially common in the south of Poland, where the economic situation of farmers was much more difficult compared with other regions of the country. This situation no longer exists because, since 2006, many people without jobs have been leaving Poland to work in the old EU countries. At the present time, there is a shortage of labour on Polish farms, and average wages - even of unskilled workers - have increased over the past two years by more than 70%. At the same time, the prices for many bulk products, e.g. pork meat, rye, fruit and vegetables, among others, have remained at the same level as two years ago. This means that the overall profitability of agriculture is decreasing. Farmers have to be more entrepreneurial these days to exist meaningfully on the market.

#### 8.1.1 Structure of the interviewee panels

The constitution of the Polish panel consists of farmers from two agricultural regions: Lodz and Lublin voivodeships. Lodz voivodeship is typical, consisting of a flat area of average size farms. It is located in the central part of Poland. In contrast, Lublin voivodeship is larger and has some hills and better soils for farming. This territory is located in the east of Poland and ends at the eastern Polish border. The area of Lublin voivodeship can be described as one having much better soils; however, due to the lack of infrastructure it is considered to be the poorest region in the entire EU. In both regions, there are very few large farms, and this makes them representative of Polish agriculture.

The interviewees were selected with the assistance of the voivodeships' agriculture extension service and the counties' municipal agriculture advisers. The most important aim was to select farmers randomly from among the medium sized farms and to exclude the smallest as well as the biggest ones. These exclusion criteria were

formulated due to the very different mentality of farmers from very small farms, whose main aim is to survive, and that of entrepreneurial businessmen who have privatised large state farms.

The interviews were completed at the farms by staff from RIPP. All were digitally recorded and then transcribed. The average duration of the interviews was one hour and twelve minutes.

**Table 8. 1 Share of Lublin and Lodz voivodeships in terms of the size of agricultural land and the number of farms.**

| Item               | Agricultural land in hectares | Proportion Poland=100% | Number of farms | Proportion Poland=100% |
|--------------------|-------------------------------|------------------------|-----------------|------------------------|
| Poland             | 18,341,743                    | 100                    | 2,733,364       | 100                    |
| Lublin Voivodeship | 1,739,064                     | 9.5                    | 286,629         | 10.5                   |
| Lodz Voivodeship   | 1,243,525                     | 6.7                    | 197,945         | 7.2                    |

Table 8.2 gives basic information about the interviewees, showing their age, gender, core farm business as well as the farm size. It also lists the farm typology: there is a fair representation (at least 6) of each of the following 3 types of farms:

- Farms without non-agricultural business, concentrating on primary production (Conventional farms = C)
- Farms without non-agricultural business, engaging in value adding activities (e.g. processing, niche marketing, etc.) (Value added = VA)
- Farms with non-agricultural business (any **non-food diversification** business) (Non-food diversification = NFD)

**Table 8.2. Structure of the interviews**

| Case | Type | Gender | Age | Core farm business                   | Farm size in hectares |
|------|------|--------|-----|--------------------------------------|-----------------------|
| 1    | NFD  | Male   | 32  | Various crops & livestock            | 33                    |
| 2    | NFD  | Male   | 56  | Various crops & livestock            | 9.19                  |
| 3    | NFD  | Male   | 40  | Cattle dairying, rearing & fattening | 33.5                  |
| 4    | VA   | Female | 51  | Nursery fruit trees and ornamentals  | 20                    |
| 5    | NFD  | Male   | 55  | Horticulture                         | 8                     |
| 6    | C    | Female | 51  | Dairy cattle                         | 12.2                  |
| 7    | C    | Female | 48  | Cattle rearing & fattening           | 9.5                   |
| 8    | VA   | Male   | 56  | Field crops & grazing livestock      | 14.5                  |
| 9    | NFD  | Female | 39  | Mixed cropping                       | 11                    |
| 10   | VA   | Male   | 27  | Mixed livestock, mainly granivores   | 42                    |
| 11   | VA   | Male   | 26  | Various vegetables                   | 15                    |
| 12   | VA   | Male   | 33  | Dairy cattle                         | 12.8                  |
| 13   | NFD  | Female | 45  | Mixed livestock, mainly grazing      | 11.4                  |
| 14   | C    | Male   | 31  | Cereals                              | 12.4                  |
| 15   | C    | Female | 38  | Dairy cattle                         | 14.5                  |
| 16   | NFD  | Female | 41  | Cereals                              | 10.4                  |
| 17   | NFD  | Male   | 32  | Various vegetables                   | 8.5                   |
| 18   | C    | Female | 43  | Fruit                                | 12.5                  |
| 19   | NFD  | Male   | 45  | Various crops & livestock            | 6.36                  |
| 20   | VA   | Male   | 47  | Dairy cattle                         | 18                    |
| 21   | VA   | Male   | 38  | Horticulture                         | 22                    |
| 22   | VA   | Male   | 37  | Horticulture                         | 203                   |
| 23   | VA   | Male   | 48  | Ornamentals nursery                  | 7.5                   |
| 24   | NFD  | Female | 39  | Horticulture                         | 22                    |
| 25   | C    | Female | 35  | Cereals                              | 13                    |
| 26   | C    | Male   | 51  | Cereals                              | 14                    |

## 8.2 Self-presentation regarding entrepreneurial skills

### 8.2.1 Conventional farm cases

#### Case No. 6

A 50-year-old woman farmer with secondary education and her husband, 7 years older than herself, manage a 12.2 hectare farm. They produce mainly milk and beef. Her husband additionally holds the position of village administrator.

#### *The skill of creating and evaluating a business strategy*

*Self-presentation:* There is no planning because farmers are not used to planning anything because it has not been necessary for them. This is because during socialism everything was planned by the government and we couldn't make any changes. Besides, we couldn't complain as the prices for milk were good, even for that of poor quality. These days it is so difficult even to sell just the top quality milk and even then the price for it is very low. I know that I should do something to develop my production to have a higher income, but I don't know how to do it. And who will finance my investments? Now, using myself as an example, I can say that:

*“Farmers at my age cannot function in new circumstances and it is hard for them to get used to a new situation.”*

In her mind, “young farmers are educated in a different way.” The interviewee has a business strategy that covers the next 2-3 years. In her opinion, “it is important to have such a strategy to make development easier.”

#### *The skill of networking and utilising contacts*

*Self-presentation:* She does not mention her skills of networking and utilising contacts. However, the interviewee claims these skills are essential among farmers. (She regards them as having advantages as well as disadvantages). She claims that in milk production these contacts are not important. In her case, co-working within a larger group of farmers would not work because they have no influence on the prices of milk paid to them by the dairy plant. The conditions they sell milk under are not profitable enough, but they still have to respect them. (Or else, they would have to stop their production).

#### *The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that the skill of recognising and realising opportunities is among the important ones, but it is not the most important one. She is convinced that there are differences in the level of presenting these skills. In her opinion, it is because of different personalities and character traits. The woman farmer has improved her skills through experience in order to manage her farm more effectively. The emphasis should be put on education to develop these skills among farmers.

#### Case No. 7

Have been running a 9.5 hectare farm since 1984. Both of them have always lived on a farm.

They produce mostly milk.

#### *The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee claims not to have any business strategy. She rears cows and says that it is no use planning because it is hard for milk producers.

*“Especially now when the prices for my product are very low and the production costs are high. The investments I should make could never bring any return. The prices of agricultural land have increased tremendously lately so I can't afford to buy any field in my vicinity.”*

On the other hand, she is aware of the importance of such planning because “it gives security”. As a farmer she seems to be confused with the situation she faces.

#### *The skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that she cannot network new contacts. In the village where the interviewee lives there is no co-operation between producers to make the production costs lower. The producers do not sell their products together to negotiate better prices.

She does not seem to be convinced about the importance of networking and utilising contacts, although she said that they were important. As a justification of her stand, she says:

*"Contacts always help a lot, when one has friends or something."*

and they can help in selling products on the outlet market. Although the interviewee gave examples of the advantages of networking and utilising contacts, she did not seem to be convinced.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee says that she is not able to recognise and realise new opportunities. However, she thinks that one should recognise and realise new opportunities because it is easier to manage a farm. The interviewee says that some farmers have these skills more than others. In her opinion, some farmers are more active and open to change. These differences arise because of the differences in the age of the farmers and the level of their education. The interviewee has improved her skills through education and experience gained while working on her parents' farm. She started her education connected with farming because her parents had planned that for her.

The interviewee agrees with the statement that these skills are heavily dependent on the farmer's attitude and personality. Being open-minded and creative helps a lot while managing a farm. She has no idea what could be done to improve these skills among farmers.

**Case No. 14**

Grows mainly grain crops on 12.4 hectares. The farm is not very profitable. It is difficult to manage because his wife also works as a dressmaker.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee answers that he does not have a business strategy because in his opinion it is impossible in the present economic system. There are no fixed minimum prices for products and planning in such a situation does not make any sense. However, the interviewee says that in general such a strategy is important in farm management. It helps to have an idea of what one wants to do in the next couple of years and to stick to that.

*Interpretation:* He does not have a business strategy for the development of his farm due to the hard economic situation in Poland (connected with the lack of minimum prices for farm produce). However, he does not deny that it is important to plan and follow a strategy.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that he can easily create new contacts and he can easily use them. In his opinion, this ability is important for a farmer to manage his farm successfully. He has consistent contacts with people with higher education in agriculture. He utilises them by having his farm led by professionals working on his documents and complying with the formalities connected with farm management. In his mind, the ability to create and utilise new contacts is an important characteristic of a farmer. He says that when farmers have contact with each other, it is easier for them because one person can do much less than a group.

*Interpretation:* The interviewee describes himself as skilled in networking and utilising contacts. In his opinion, these skills make farm management easier. He uses his contacts to solve problems he cannot deal with alone (running the farm from a formal point of view). The farmer thinks that the skills of networking and utilising contacts are important and a farmer should have them.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee's opinion is that when one recognises new opportunities, he should take advantage of them. From the interviewee's point of view, recognising and realising opportunities is very important. He agrees that some farmers have these skills to a greater extent than others. The reason for these differences lies in the contacts the farmer has. The interviewee has developed his skills at school (agricultural college) and by participating in the modernisation of his father's farm. He has developed his skills to keep up with the modernisation of farming that takes place all the time. The interviewee is not completely sure about the statement that the development of these skills depends heavily on the attitude and personality of the farmer. Among the things that

could be done to develop these skills, the interviewee mentions networking contacts with farmers, and using new sources of information concerning farming, e.g. the Internet.

#### **Case No. 15**

A 37-year-old woman farmer with secondary education. Together with her husband, 1 year older than herself, they have been managing a 14.5 hectare farm since 2003. Both of them have always lived on a farm, but she used to work as an economist. Due to high unemployment they decided to take over the farm. They produce mostly milk.

##### *The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee has some plans concerning further development of her farm. She wants to build a new cowshed, and this investment has been planned for some time. She thinks having a business strategy is important to achieve something and work according to clear ideas. In her opinion, farmers can be divided into two groups: the first one is a group of dreamers who are satisfied with their dreams, and the other is a group of farmers who are also dreamers, but who at the same time want to fulfil their dreams.

##### *The skill of networking and utilising contacts*

*Self-presentation:* The interviewee does not present a direct opinion concerning her skills of networking and utilising contacts. She gives an example of her contacts with other cow breeders. The woman farmer tries to keep up with the new trends of building barns. She travels to nearby villages to observe new investments. She thinks that this skill is useful and important for a farmer. The interviewee says that farmers are divided into two groups. The first one claims that these skills are not important; however, the other one says that they are. In her opinion, one should consider these answers because farmers are often not sure of their answers and one has to be able to find out when they are not frank.

##### *The skill of recognising and realising opportunities*

*Self-presentation:* In the interviewee's opinion, it is important to be interested in current situations concerning farming. These skills are very important and she even says that a farmer is forced to use them in order to be able to introduce modern solutions into farming. These skills are useful; the interviewee gives an example of her neighbour who recognised opportunities for his farm and got a 60 per cent repayment from EU funds. The interviewee agrees that some farmers are more skilled than others. The interviewee has developed her own skills by reading scientific books and press. She admits to thinking that there is little one can do to develop these skills among farmers. She even doubts that anything can be done.

#### **Case No. 18**

A 42-year-old woman farmer with secondary education and a background in horticulture together with her husband, 6 years her senior, have been managing a 12.5 hectare farm since 1985. Both of them have always lived on a farm. They produce mostly fruit, with apples being the most important.

##### *The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee says that they think a lot about such a strategy. However, there is little effectiveness of such strategies. The interviewee says that it is so because nowadays it is hard to predict what could happen. The woman farmer emphasises that it is important to plan and have a strategy for development because it is still easier than without a plan. One knows at least the purpose of collecting funds.

##### *The skill of networking and utilising contacts*

*Self-presentation:* The interviewee says that it is easy for her and her husband to network and utilise their contacts. They have developed some important contacts with different people and institutions. She has a constant contact with local Agricultural Advisory Centre. "One lady is helping with crops, another one with fruit growing". The interviewee claims that this skill is important and helpful while managing the farm. "It means that it is easier when one knows somebody, or arranges something, because in our region, for example, it is then done very quickly, but when someone who does not have contacts wants to settle a matter, it is hard for him to do so". "Even such a simple thing like filling in EU applications; when I have such contacts, it is easy".

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that she is cautious about taking advantage of loans because she is not sure of unexpected consequences. In her opinion recognising and realising new possibilities is for people more adventurous than she is.

As far as differences in these skills among farmers are concerned, she thinks they are the result of improper education. In the past, people living in the country were much less educated than those in towns and cities. This is changing now. Some older farmers still have problems with adjusting themselves to new conditions. The interviewee has developed her skills to be able to farm more effectively. She has been taking advantage of materials in the press and scientific literature, and in general she is interested in farming.

The interviewee agrees that some farmers have these skills more than others. In her opinion, it is the result of the farmers' character and personality. To develop these skills, she mentions such solutions as encouraging the command of regulations, participation in training courses, being open-minded, and puts the emphasis on education.

**Case No. 25**

A 34-year-old woman farmer who used to work at a local shop. She has just basic education. For the last 12 years (together with her husband who is 40) they have been producing grains on 12 hectares. The production is not profitable enough to rely on it. However, so far they have not had any idea what to do about it.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee does not have a long-term strategy. The lack of planning is a result of the difficulties in the economic situation. However, she regards such plans as important in farming. In her opinion, it helps in co-operating with others.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that she and her husband are networking and utilising skills. "Yes, we utilise them". In their minds, these skills are used by participating in various courses. In response to the question concerning the importance of these skills she says she is not sure whether these skills are the most important ones.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee cannot always recognise and realise new opportunities. She thinks it is important to have such skills. A farm should be developed as well as possible because it brings income. She agrees that some farmers have these skills more than others and that it can be a result of a lack of experience. She has developed her skills through experience, reading the press connected with agriculture, participating in meetings with other farmers. The reason why she has developed her skills was to be able to manage her farm as well as possible. The development of these skills is heavily dependent on the farmer's attitude and personality. To develop these skills among farmers, there should be meetings organised to exchange ideas with other farmers.

**Case No. 26**

A 50-year-old farmer has been responsible for running a 13.96 hectare farm since 1982. His wife, who is now 45, joined him in farming in 1984. For many years they have been growing grain crops, potatoes and sugar beets. Now they have switched to raspberries.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee does not have a long-term strategy for his farm development as such. However, he does think ahead what can be done on his farm and how he could develop it. In his opinion, there are such changes now (in the economic situation) that it is hard to make a decision. The interviewee says that one thinks according to the present situation that may not stay the same next month because some branches of farming are very unstable. It is very risky to specialise in one product because of the likelihood of losing money.

*The skill of networking and utilising contacts*

*Self-presentation:* In the interviewee's opinion, he can network and utilise contacts. In his opinion, "it makes it a lot easier for me; it is easier together, it is a little easier to develop it". The interviewee says that networking and utilising contacts is important. "Well, I think yes, but, well, it is also about the fact that one has to know a little to network with the right person, and that one manages it in the right direction".

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims to have the skills of recognising and realising new opportunities. In his opinion, after joining the EU, new circumstances forced farmers to realise new plans and develop their farms. They have had to adjust their farms to be able to exist on the market. From his point of view, these skills are very important. In his opinion, there are visible differences in having these skills.

The interviewee has improved his skills through additional work. Co-working with others is also an important source of information. He has improved his skills in order to be able to maintain his family. The interviewee does not know whether having these skills is dependent on the farmer's personality and attitude. In the interviewee's opinion, the key to improving these skills among farmers is reading scientific books and press, participating in training courses and keeping up with the latest news concerning farm management.

*Interpretation:* The interviewee presents himself as being skilled in recognising and realising new opportunities. He is aware of the importance of these skills.

**Summary of Conventional farms cases**

In all the tables presented below one and the same case can present two values.

**Table 8.3 The skill of creating and evaluating a business strategy**

| Answers to the first question | Yes, I do have a strategy | No, I do not have any strategy / not a long-term one | I think it is important to have a strategy | I do not think it is important | I am not sure whether it is important |
|-------------------------------|---------------------------|--|--|--------------------------------|---------------------------------------|
| Case numbers                  | 6, 15                     | 7, 14, 25  | 6, 7, 14, 15, 18, 25                       |                                |                                       |

The interviewees in cases number 18 and 26 indirectly state that they have these skills.  
The interviewee in case number 26 does not mention whether it is important to have a strategy.

**Table 8.4 The skill of networking and utilising contacts**

| Answers to the second question | Yes, I have the skills of networking and utilising | No, I do not have the skills of networking and utilising | I think these skills are important/useful | I do not think these skills are important | I am not sure whether these skills are important |
|--------------------------------|--|--|---|---|--|
| Case numbers                   | 14, 18, 25, 26                                     | 7  | 6, 14, 15, 18, 25, 26                     |   | 7  |

The interviewee in case number 6 does not state whether or not she has these skills.  
The interviewee in case number 15 indirectly states that she has these skills.

**Table 8.5 The skill of recognising and realising opportunities**

| Answers to the third question | Yes, I have the skills of recognising and realising opportunities | No, I do not have the skills of recognising and realising opportunities | I think these skills are important/useful | I do not think these skills are important | I am not sure whether these skills are important |
|-------------------------------|---|---|---|---|--|
| Case numbers                  | 26  | 7, 18   | 6, 14, 15, 25                             |   | 7  |

The interviewees in cases number 6, 14, 18 and 25 do not state if they have these skills.  
The interviewee in case number 15 indirectly states that she has these skills.

## Value added cases

### Case No. 4

She runs a nursery of fruit trees and ornamentals. Both of them are over 50 years of age with MSc degrees. They also grow fruit, mainly apples. They increase the size of their farm almost every year and now they have about 20 hectares.

#### *The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee says that there is a development strategy for her farm, namely enlarging the nursery and the cold store. In her opinion, planning is essential and their plans are usually focused on at least the next 2-3 years. I can't change the profile of the production from one year to the next. I should rather plan how to develop it better and how to keep my present business going. For instance, it is necessary to plan how many of these trees I could possibly sell next year and how many within the two years after that. And also how many I should keep for the following years. In some cases I have to plan to grow bigger trees, which takes longer. So I have to assess the market for them in the future. My present moves will have an impact on the future of my nursery. It is also necessary to predict the market situation in the future in more general terms. I mean quality requirements, price formations, etc. They are continuously implementing their strategy.

#### *The skill of networking and utilising contacts*

*Self-presentation:* Commenting on her own skills she says that she can easily network with new contacts and tries not to be dependent on them. The interviewee claims that she does not like using such contacts. She thinks that such a way of perceiving this matter is not always good; however, she prefers to solve her problems on her own. The interviewee's husband has these skills and "utilises them much better than I do, he always finds out something new". She regards these skills as important ones, and in her opinion, farmers should create them more easily.

#### *The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that it is difficult to realise new opportunities because they are heavily dependent on the profile of production. In the case of a nursery, it is difficult to switch to another type of production. To take such a risk of switching into another branch of production one has to constantly follow the market and its needs. In her opinion, these are important skills. However, in the type of production that she has it is difficult to immediately follow new trends because plants have their 2 to 3-year-long growth cycles.

The ability to utilise these skills and differences in them among farmers are dependent on the farmer's creativity and his skill of networking contacts. The interviewee finished the Agricultural University in Warsaw, reads scientific literature and the press, watching orchards in the USA (in order to follow some solutions used there). In order to develop these skills among farmers one should read scientific literature, collaborate with scientific institutes and participate in courses. The interviewee agrees that these skills are heavily dependent on the farmer's attitude and personality.

### Case No. 8

A 55-year-old farmer with primary school education together with his wife, 5 years his junior, have been working on a 14.5 hectares farm since 1975. Both of them grew up on a farm. They produce mostly grains and horticultural produce like apples and tomatoes under plastic covers; on a low scale and non-intensive.

#### *The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee has a strategy concerning his farm; however, it takes into consideration only the next six months. The interviewee does not see any sense in having a long-term strategy because in the present economic situation (lack of minimum prices) it is useless. In his opinion there are no perspectives connected with planning. He rather plans on a current basis.

#### *The skill of networking and utilising contacts*

*Self-presentation:* The interviewees claim that they have the skill of networking and utilising contacts. Mainly, they utilise their contacts with close relatives and neighbours. They present the perspective of farm development in their region and village by saying that "there are no young people here, only old ones, and our generation.



There will be no one to take care of our farms in the future”. Despite their view of the future, they regard these skills as important ones these days and as an example give the ability to maintain contacts with advisors.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewees try to recognise and realise new opportunities. They introduce new products. They are not sure whether these skills are important or not. They claim that there are differences among farmers concerning these skills. In their opinion the level of creativity and proper education are the reasons for these differences. The interviewee has developed his skills through the gradual gaining of experience while farming; having contacts with other farmers, i.e. his father, who taught him farming. He has developed his skills to be able to manage his farm better and to leave it for his son in good condition. The farmer agrees that the skills mentioned are dependent on the farmer’s attitude and personality. To justify his opinion he says that it is obvious that a person who has some inborn predispositions towards farming will manage his farm in a better way than a person who is not interested in it. To develop these skills among other farmers, the interviewee mentions increasing the level of education, meetings with other farmers and training courses.

**Case No. 10**

Very young, just 26 years old, farmer who produces mostly pork. His wife (28 years old) has good economics background with an MSc degree in economics. Because of that they are utilising the EU funds for the New Member States extremely well. This farm is quite big, 42 hectares, and very well managed.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee says that he has a strategy for the development of his farm. He believes that to be successful in farm management one has constantly improve his farm and think ahead. It is important to plan because it helps in further development.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that he can easily network and utilise new contacts. He tries to use the experience of other farmers and introduce new solutions and innovations to his farm and check whether they work or not. He regards the skills as a useful exchange of information and advice. To him “all skills are essential on a modern farm nowadays”. In his opinion such skills are even more important than education; “one has to be co-operative even when one does not have higher education”. The interviewee’s wife claims that it is rather hard for her husband to communicate with people from outside of the farm very often because “he works on the farm all day long and does not have much free time for it.”

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that he can recognise and realise new opportunities connected with his farm. He says that it is especially useful while arranging EU funds. The interviewee agrees that the skill of recognising and realising is one of the most important one for a farmer to have.

*The interviewee stresses that one has to be smart to notice new possibilities for his farming.*

He says these skills are dependent on the farmer’s attitude and character and agrees that there are differences among farmers concerning the skills. In his opinion, they are also dependent on age and experience in farming. The farmer has improved his skills through education and mainly by gaining experience on his father’s farm. The reason for developing his skills is to increase the health of his animals and learning how to take advantages of finance loans. To improve farmers’ skills he thinks that such things as training courses to increase the profitability of production (minimum prices) should be propagated.

**Case No. 11**

A 25-year-old (single) farmer with MSc degree in agriculture. He has been responsible for managing a 15 hectare farm since 2000. The majority of the production consists of various vegetables grown on a low scale for the local market only.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee has a strategy aiming at switching his production of vegetables and enlarging his farm. He claims that the standard of production has to be constantly increased. In his opinion, “lack of progress means regress”.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee does not give any direct self-assessment in terms of networking and utilising skills. He claims that nowadays contacts are important. He enumerates advantages of utilising these skills, for instance signing contracts that are more profitable. The possibility to buy pesticides at lower prices than on the retail market, negotiating prices, results in lowering the costs of production. The interviewee states about the importance of such contacts “by producing good quality vegetables I have contacts with my buyers and I know that he draws other customer’s attention and I have constant contact with new people”. He regards these skills as “one of those important ones” while managing a farm. He also says: “contacts are essential nowadays”.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee says that he can recognise opportunities connected with buying seeds. In his mind, realising such opportunities is connected with risk because one never knows what in fact the result would be. The farmer agrees that these skills belong to the group of the most important ones for a farmer. Thanks to these skills, one can buy the necessary things (seeds) at lower prices. In his opinion, farmers unfortunately differ from one other with regard to these skills. These differences are caused by different financial situations, being afraid of risk, and mainly the lack of proper education.

Decreasing these differences could be done through organising meetings in AACs. The interviewee has improved his skills in many ways: learning about fertilisers and the methods of studying soil types. He did it in order to make his farm more profitable. The interviewee agrees that these skills are heavily dependent on the farmer’s attitude and personality. He enumerates things that should be done in order to improve these skills among farmers: meetings with other farmers, collaborating within POs and networking with new contacts.

**Case No. 12**

A 32-year-old farmer with secondary education together with his wife, 2 years his junior, have been responsible for running a 12.75 hectare farm for 14 years. Both of them grew up on a farm. They produce mainly milk and grain. Most of the milk goes for local processing. In the future they are planning to provide the neighbours in the village the service of wrapping the feed for animals in plastic.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewees have a long-term plan focused on milk production. In their opinion, a person who plans can deal with problems. They have a five-year strategy and are not going to give it up. Such plans are important so that the aims are clear and the work more concentrated on the final outcome.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewees present themselves as not having problems with networking and utilising new contacts. They regard these skills to be vital not only for farmers “these skills are useful for farmers just like for everyone else”. When one has the skills, it is not a problem for him to go and ask for help or advice, there would be no problems that cannot be solved. “Good communication skills are essential for everyone”.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewees claim to have and utilise these skills. They take advantage of new solutions and, as a result, they offer services to others. They were the first in their area who used new technology of preparing food for animals. In their opinion, these are important skills. They agree that some farmers have these skills more than others. People who worked in PGRs have problems with farming on their own land and in most cases end up selling it. The interviewees have improved their skills by taking advantage of training courses, exhibitions and their parents’ experiences. They do not have any idea how to improve these skills among farmers.

**Case No. 20**

A 46-year-old farmer has been managing his property since 1991. During that time he got married. He has always lived on the farm. His wife (45) still works as a teacher. Their farm used to be very profitable. Now they realise that the productivity is too low. The main production is milk followed by tomatoes for processing.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The farmer says that he probably has a strategy for further development; however, he claims that in the present conditions it is difficult to plan anything. The stock market is not stable and no one can guarantee that the production will be profitable or at least will not bring heavy losses. The interviewee says that his plan is concentrated on reaching retirement age because he does not have a successor to continue developing the farm.

The interviewee presents himself as a person unsure of his skills of having a business strategy. He is sure that due to the instability of the market it is difficult to follow a strategy. He is rather passive and his aim is to finish farming as soon as he reaches retirement age.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee says that he can network with contacts. He works with a member of Agricultural Advisory Centre. The advisor takes care of his farm and helps him make decisions. He is convinced that such a way of contact utilisation is essential for a farmer, “one has to keep up with the latest information and changes in agriculture, such AACs are really very good”.

The interviewee is sure that networking and utilising contacts is one of the most important skills that a farmer should have. “One has to continuously work with somebody who is simply there all the time to keep up with the latest news, as those people in AAC are; they have fresh news all the time and they relay them and they are really good, these AACs”.

*Interpretation:* The interviewee presents himself as having the skills of networking and utilising contacts. He gives examples of his own utilisation of contacts with the Agriculture Advisory Centre and with an agricultural advisor, who takes care of his farm and helps him make decisions. The farmer regards himself as being aware of the importance of these skills. However, there is no information about the reasons or purpose of contact utilisation.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims to be able to recognise and realise opportunities. In his opinion, realising new ideas depends on money. He describes his financial situation as being good enough to maintain his family. The farmer regards these skills as one of the most important ones. They are also dependent on the farmer’s character and personality. Being young helps in getting proper, more up-to-date education. He says that his way of increasing his knowledge about farming was mainly done by reading news connected with agriculture and farming. Another example of the way of expanding experience is participation in courses led by the Agriculture Centre. The success in farming is very much dependent on one’s attitude towards farming.

He agrees that there are some differences in the level of the skills presented. In his opinion, young farmers are more skilled and know the modern technology better. His knowledge is based on experience and reading publications and the press for farmers, participating in courses organised by AC. The interviewee has developed his skills in order to be up to date in matters concerning modern farming. He emphasises the importance of networking skills as a part of the farmer’s personality.

**Case No. 21**

A 37-year-old farmer who has a PhD in horticulture economics and has been working on the farm as its owner since 1996. His wife, 3 years his junior, also graduated in horticulture. The main output of the farm are apples. He grows them fairly intensively on 22 hectares.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee claims to have a business strategy. It is being modified systematically according to the changing circumstances. This strategy mainly aims at enlarging the farm and modernising the packaging for fruits and their storage. In the interviewee’s opinion such a strategy helps to define the level of farm development and it is easier to compare it with farms in other countries of the EU.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee says that he rather easily networks new contacts and tries to use them in the best way he can. In his opinion, the first contacts regarded as the most important ones are made during the

school years. Later contacts mean some kind of meetings, training courses in fruit growing, etc. On the other hand, the farmer emphasises that not only contacts decide about the business. However, he regards them as essential ones, and networking them in his opinion is even more difficult than running the farm as such.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that it is easier for him to recognise than to realise such opportunities because of funds. The interviewee notices the difference among farmers concerning these skills. These skills result from inborn predispositions, character and the level of education. The interviewee has gained his knowledge through experience, while working on his father's farm, and through education: studies, courses. The farmer has improved his skills because he likes farming and because he was forced by circumstances (to solve a problem). In the interviewee's mind, to develop these skills among farmers, they should be shown examples of farms where these skills helped to create a well-developed farm.

**Case No. 22**

He is 36 years old and has a farm of 203 hectares, the result of a state farm's privatisation. He grows a lot of grain crops. In terms of productivity, however, his nursery of fruit trees is much more important.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* In the interviewee's opinion, it is essential to have a long-term business strategy. Equally important is to monitor its progress. There is a big influence of the present situation on the market, which has a big influence on the realisation of this plan. Such planning is also important while taking advantage of EU funds.

*The skill of networking and utilising contacts*

*Self-presentation:* In the interview, the farmer says that he tries to have some contacts. He values these skills and claims that in his branch of production direct contact with customers is very important. He provides no information about the reason for contacts utilisation. He says that the importance of these skills depends on the profile of the production; he thinks that this is not the most important one. However, he mentions contacts with clients as an essential factor in e.g. fruit production.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee says that he tries to recognise and realise new opportunities. He says that it is good to have such a skill. He claims that there are farmers that have these skills more than others do. In his opinion, these differences can be seen in the level of education and success in farm management. The interviewee has improved his skills thanks to the experience gained while managing the farm. In his opinion, it is useful to be skilled in such a way. The farmer claims that encouraging farmers to search for useful information, training courses and taking advantage of professional advice are the ways to develop these skills among farmers.

**Case No. 23**

A 47-year-old farmer graduated from the Naval Academy. He used to work as a sailor. Together with his 46-year-old wife (MSc in horticulture) they run an ornamental plants nursery. They have just 7.5 hectares, but the production is highly intensive.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee says that he has a strategy and he consequently aims at fulfilling his plans. They have had such plans for many years. In his mind it is impossible to farm without having some clear perspectives. On his farm, it would not be possible to work without any plan.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee says that it is easy for him to network and utilise new contacts. He always tries to utilise those contacts. However, he does not make those contacts more friendly and social. There are just business relationships. The interviewee gives as an example his contacts with producers from abroad that he made a couple of years ago. He still tries to be in close contact with those people. The interviewee says hesitantly that in his opinion it is not the most important skill. The interviewee thinks that this skill should be among the management skills and knowledge concerning marketing. The interviewee gives an example of "twinger" heathers that he has sold with a great result this year thanks to his marketing skill.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee says that he tries to recognise some new possibilities and introduce something new every year that his customers could be interested in. In his opinion, it is one of the most important skills a farmer should have. He agrees that some farmers have these skills more than others do. He thinks that this is a result of different attitudes and personalities of the farmers. To improve these skills, he thinks that development of marketing skills is essential, as well as being more determined, and making new contacts. The interviewee has developed his skills through participating in courses and networking, because he regards these skills as important ones.

*Summary of Value added cases***Table 8.6 The skill of creating and evaluating a business strategy**

| Answers to the first question | Yes, I do have a strategy | No, I do not have any strategy / not a long-term one | I think it is important to have a strategy | I do not think it is important | I am not sure whether it is important |
|-------------------------------|---------------------------|--|--|--------------------------------|---------------------------------------|
| Case numbers                  | 12, 11, 22, 4, 23, 21, 10 | 8, 20  | 10, 12, 11, 22, 4, 23, 21                  | 8                              | 20                                    |

**Table 8.7 The skill of networking and utilising contacts**

| Answers to the second question | Yes, I have the skills of networking and utilising | No, I do not have the skills of networking and utilising | I think these skills are important/useful | I do not think these skills are important | I am not sure whether these skills are important |
|--------------------------------|--|--|---|---|--|
| Case numbers                   | 20, 21, 10, 23, 4, 8, 12                           |  | 20, 21, 10, 4, 22, 8, 11, 12              |   | 23   |

The interviewees in cases number 11 and 22 indirectly stated to have these skills.

**Table 8.8 The skill of recognising and realising opportunities**

| Answers to the third question | Yes, I have the skills of recognising and realising opportunities | No, I do not have the skills of recognising and realising opportunities | I think these skills are important/useful | I do not think these skills are important | I am not sure whether these skills are important |
|-------------------------------|---|---|---|---|--|
| Case numbers                  | 20, 10, 22, 12  |   | 20, 10, 23, 4, 22, 11, 12, 21             |   | 8  |

The interviewees in cases number 21, 23, 4, and 8 do not state as having these skills, however, they say that they try to recognise and realise new opportunities.

The interviewee in case number 21 indirectly states the importance of these skills.

**Non-food diversification****Case No. 1**

A 31-year-old (still single) farmer with an MSc in agriculture has been responsible for a 33 hectare farm since 2002. He also works at the Research Institute of Pomology & Floriculture. His production is pretty diversified: grains, animals, potatoes, etc

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee has a long-term development strategy for his farm; it covers the next 2-3 years depending on the profile of the production. Whether producing crops or breeding animals, the strategy is adjusted according to the productive cycle time. The strategy for further development is important, especially in Poland, because there are no minimum prices that could guarantee proper living conditions or income. The

biggest problem concerning development strategy in Poland is the lack of minimum prices, which makes planning much more difficult.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that it is hard for him to assess himself; however, he thinks that he has the skills of networking and utilising contacts. "At least in those fields that they are needed I utilise them". He regards these skills to be the vital ones these days. He gives reasons why utilisation of these skills is basic, "one can negotiate higher prices, have contacts with many companies, one can acquire new buyers". The interviewee does not mention the people or institutions he has contacts with.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee answers that he can recognise and realise opportunities when his funds allow him to. The interviewee agrees that these skills are some of the most important skills a farmer should have. He says that a farm that is not being developed has no future.

The interviewee agrees with the statement that some farmers have more of these skills than others do. These differences are influenced by the level of education, participation in training courses, meetings, and the level of awareness as well as being within the realms of the financial potential of a farm.

The interviewee has broadened his knowledge and skills through participating in courses, meetings with specialists from different branches of farming; he also exchanges his ideas with other farmers. He has developed his skills to modernise his farm. The interviewee agrees that the farmer's attitude and personality influence the expansion of these skills.

In his opinion, it is hard to improve these skills among farmers who are 40, 50, or 60 years old because they have a natural tendency to do things the way they regard as the proper one.

**Case No. 2**

A 55-year-old farmer with high school education together with his wife, 3 years his junior, are managing a 9.19 hectare farm. They produce animals, mainly for milk production, and grains. In addition, he has a position of village administrator. The majority of crops are grown to feed cows. They want to switch their production to an apple orchard to produce fruit for processing.

*The skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee claims to have a business strategy. He is planning to switch his production from milk to an orchard after his daughter finishes her studies. In general, he regards the economic situation as hard (lack of minimum prices). In addition, in his opinion, prices have a fundamental influence on long-term planning. Despite the fact that it is hard to plan in difficult circumstances, he says that planning is essential when one wants to achieve an aim.

*The skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that he can network contacts. The interviewee says that he does not utilise his contacts nowadays. In the past, the interviewee used to utilise those contacts. "Nowadays, I am in such a situation that I do not try to utilise them". At the same time, he says that may be he should utilise those contacts. As an example of the most important skill for a farmer, the interviewee mentions knowledge. "However, the skill of networking and utilising contacts is the same, to be able to achieve many things one has to have knowledge".

*Interpretation:* The interviewee claims that he has the skill of networking and utilising contacts. At the same time, he says that nowadays he does not use those contacts. He refers to socialism when people could solve their problems only by having contacts and using them. The interviewee claims to utilise his contacts; however, he does not mention what kind of networking or contact utilisation he used in the past. The farmer also does not talk about any reasons or purposes for networking and utilising contacts. He provides no information about the way it should be done. The interviewee says that the most important feature for a farmer is knowledge. The interviewee identifies knowledge with the skill of networking and utilising contacts and as a result, he thinks that these skills are important.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that the skill of recognising and realising opportunities is also an important one. In his opinion, it is necessary to monitor what is happening on the market. The main reason for the differences among farmers in terms of these skills is the lack of proper education. Education is also the basic thing to change among farmers. In his opinion, to improve these skills there should be courses organised. The interviewee has developed his skills because farming is his hobby. As an example he says that:

“There is a lot of milk and beef on the Polish market; therefore, the prices for those commodities are pretty low. But on the other hand, there is a demand for processing apples (juicing varieties) and not everybody can produce them. It is necessary to know the technology of the production and the knowledge of the market is required as well. You also need to know how to calculate whether this or that investment could be profitable. Not everybody knows about this or other niches, and not everybody knows that the investments in this particular case are not too big. But when you read enough, then you can have a broad understanding of the market. But of course this depends on your skills in finding opportunities.”

**Case no 3.**

39 year-old farmer with a grammar school education, together with his 5 years younger wife, has been working for 17 years on a 33.5 hectares farm. Both of them grew up on farms. They produce mainly milk and beef. The majority of the milk goes to local processing. In the future they are planning to produce pork as well.

*Skill of creating and evaluating a business strategy*

*Self-presentation:* Presently the interviewee does not have a strategy and he organises matters in an ad hoc way. He regards such planning as important. The interviewee mentions that he is thinking of taking advantage of an EU fund to modernise their farm. He regards such planning as important and he regards it as possible only now that their children have grown older.

*Skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that he has the skill of networking contacts and can easily utilise new contacts. The interviewee says that the easiest way of utilising contacts is to work with people in the neighbourhood. As an example, he gives sharing and borrowing machines that are used in the fields. Utilising contacts also means helping each other in everyday problems as well as during harvests. In the interviewee's opinion, the ability to network and utilise new contacts is important. The interviewee says that working on a farm without any help is hard. In a group, it is easier to find solutions for a variety of problems that farmers can have. “One can do more in a group than alone”.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee can recognise new opportunities; however, he does not have funds to realise them. The interviewee claims that there are visible differences among farmers concerning these skills. In his opinion in most cases, it is a matter of level of education. To minimise these differences he suggests courses, putting emphasis on education, and encouraging contacts and networking.

**Case no 5.**

54 year-old farmer with MSc in agro-engineering, worked as a researcher at RIPF until 1989. Since then he has been growing blackcurrants on 8 hectares. For the past 6 years he has managed his own warehouse with packaging materials for agriculture

*Skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee does not have a long-term strategy for the development of his farm. He justifies his position with the claim that it is dependent on the future, namely the demand for blackcurrants. “One never knows what will happen tomorrow, next year, if there is demand for blackcurrants next year I will plan a strategy”. However, he says that if there is no demand for his product he will probably resign from managing the farm and liquidate it. On the other hand, the farmer says that there is a need to have these skills in order to be able to make good decisions and invest the money wisely.

*Skill of networking and utilising contacts*

*Self-presentation:* The answer for the question concerning ability of networking and utilising contacts is that the interviewee has the contacts and utilises them: "I have contacts and I utilise them". The interviewee does not say with whom he has contacts. These skills are regarded as vital ones in association with other factors: "... a farmer has to have knowledge, to produce one has to have knowledge and skills of production, not only contacts".

*The skill of recognising and realising opportunities*

*Self-presentation:* In the interviewee's opinion, the skill of recognising and realising opportunities is an important one. The interviewee agrees with the statement that some farmers are more skilled than others. He says that it is caused by features of character and some personal features. The interviewee is constantly developing his skills; he finished studies connected with agriculture, and he is developing his farm and his skills. He also worked in The Research Institute of Pomology and Floriculture, where he gained experience, and his present work is connected with marketing and trade.

**Case no 9.**

38 year-old farmer. She has a high school education and background in horticulture; since 1988 she and her 8 years older husband have been managing an 11 hectare farm. Both have always lived on a farm. They produce mostly crops, such as grains. However, every year apple production is becoming more important on this farm.

*Skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee claims that they have a long-term business strategy. She thinks that it is important to have such a plan because it is impossible to make important decisions in an ad hoc way.

*Skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims to have networking skills and to utilise contacts. She says that she tries to maintain her contacts. However, she does not furnish her claims with examples of such contacts. She regards contacts as a source of basic information concerning her "environment". In her opinion, "this is the main element". As a way of making use of her contacts, she describes conversations among farmers, meetings, giving advice to each other. "It is obvious that one gains experience with the years, and a hint from a person with more experience can be useful".

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that she can recognise and realise new opportunities. In her opinion, it is one of the most important skills a farmer should have.

She claims that the differences concerning these skills among farmers are visible. The interviewee developed her skills through reading scientific books and press. She did it in order to improve the quality of her production. The interviewee thinks that the ability to recognise and realise new opportunities is dependent on the farmer's attitude and personality. In her opinion, to develop these skills among farmers it is necessary to create POs.

**Case no 13.**

Before farming she worked as an analytical technician. She has been farming for 23 years on 11 hectares. The main production on the farm is pork. Her husband (besides helping her) has a construction company.

*Skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee claims not to have any long-term strategy for farm management. She says that although she breeds pigs, she is not as involved as her husband. That is why they limited their farm production to pigs, because cattle are more demanding in breeding. resulting the course of conversation, it turned out that she has a plan for future development of the farm and a strategy for how to do it. She says:

*"It is obvious that one cannot plan in an ad hoc way."*

The interviewee's opinion about the importance of this skill is that it is a rather important one. Justifying her opinion, she says that these are difficult times now and one does not know what can be profitable. Finally, she claims, "one should have some ideas"; to be able to modernise the farm one ought to think in advance.



*Skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that she easily creates new contacts and that they are mostly connected with institutions that may be helpful while managing a farm. “Generally these contacts are limited; it means I take advantage of the local council, the bank, and such institutions, the Agrarian Agency, and so on.” She agrees that creating new contacts and utilising them is an important feature that a farmer should have.

The interviewee mentions neither the reason for networking and utilising contacts nor the way it should be done. However, she claims that these skills are important for a farmer.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that she does not know whether she is skilled in recognising and realising opportunities. However, she agrees that these skills are important and helpful for farm management.

The interviewee is not sure whether there are differences among farmers regarding these skills. On the other hand, she seems convinced that it is so. She says that younger farmers are more skilled in planning business strategies and are more optimistic. Their knowledge is also broader than is in the case for older farmers. The interviewee claims that her way of developing skills in terms of farming was based mainly on scientific literature, press and TV programs. She agrees that the development of these skills is dependent on the farmer’s attitudes and personality. Participating in various courses and utilising contacts with other farmers is, in the interviewee’s opinion, essential to developing these skills among farmers.

**Case no 16.**

40 year-old farmer with a secondary education. She and her 3 years older husband have been managing a 10.42 hectare farm since 1992. Both of them always lived on a farm. Before farming she worked as a bookkeeper, and now she also works for the local community while her husband works as a mechanic.

*Skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee has a long-term business strategy for the development of her farm. She has signed a program that should be realised over 5 years. The interviewee monitors the progress in plan realisation from day to day. In her opinion, such strategies are important in farming because one can plan development and it is easier to stick to it than thinking in an ad hoc manner.

*Skill of networking and utilising contacts*

*Self-presentation:* The interviewee claims that she has no problems with networking and making contacts. “I think that so far we have not had any problems, either me or my husband, in terms of the work on the farm; we have gathered all the information we need and have networked without any problems, there has been no problem”. In interviewee’s opinion’ the skill of networking and utilising contacts is not the most important one, although it is still important. “It is one of the important skills, because it is important to be able to get to know what is profitable or not profitable, to be able to gain knowledge, because one is not able to do everything, to read everything. This is also important, but not the most important. There are things that are more important. This is one of the important points”.

*Interpretation:* The interviewee thinks that she has no problems with networking and utilising contacts. The interviewee does not talk about contact networking and utilisation that she has been doing. The interviewee does not give any examples or reasons for making use of these skills. In the interviewee’s opinion’ the skill of networking and utilising contacts is quite important, but not the most important one.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee unequivocally states that she can recognise and realise new opportunities connected with farming. Farming is an additional source of income for the interviewee. She thinks that it is quite profitable and does not demand a lot of work and effort to put in. However, this is only in the case of farming as an additional occupation and not a basic source of revenue. The farmer regards these skills as the most important ones. “I think it is important. There is no way of achieving a target without consideration, there is no other way”. The interviewee gained her knowledge mainly thanks to collecting useful information and reading books and newspapers connected with farming. Her knowledge is also augmented by experience gathered through her work on the farm.

The interviewee agrees that these skills are dependent on a farmer's personal attitude and character. What could be done to develop these skills among farmers is organising various courses, as well as putting a special emphasis on education.

**Case no 17.**

31 year-old farmer, together with his 3 years younger wife, took over a 8.5 hectare farm just one year ago. The majority of production consists in different vegetables grown for the local market and for processing.

*Skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee claims that everyone has some plans. He has a plan. He is aiming to enlarge his farm and to switch from breeding cows. The interviewee claims that it is important to have such a strategy because when a person has a plan he aims to complete it. It is motivating.

*Skill of networking and utilising contacts*

*Self-presentation:* The interviewee presents himself as a person with the ability to network and utilise new contacts. "I think, yes, I am a rather communicative person and it is easy for me". He gives an example from his farm. He has contacts with buyers of cabbage and is grateful to them; he can sell all his products. That is why he regards these skills as important ones; he can see the potential in them. "It is important for one to be able to advertise oneself somehow". In his case, the contacts play the major role. They are not regarded as being most important, but still he does not underestimate them.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee claims that it is a problem to realise new opportunities. In his opinion, it is about money - credits need money and, in his opinion, it is too problematic. He can recognise new opportunities; however realising them is too hard. From the interviewee's point of view, these skills are very important. He agrees that some farmers have these skills more than others do. The differences are caused by different levels of creativity and taking risks. The interviewee grew up in the countryside. He was interested in farming and his education was connected with farming. The interviewee gained experience through working on different farms. He developed his skills in order to realise his aims. The degree of having these skills is dependent on attitude and personality. In his mind, one should not be too enthusiastic and do what one can. To develop these skills, it is important to exchange ideas with older farmers and work more with AAC, to go on courses, to work in POs, as well as to get help from professionals.

**Case no 19.**

44 year-old farmer, grammar school education, has owned the farm since 1982. His 41 year-old wife helps him after work. She is a bookkeeper. They produce mostly grains and beef. He wants to use EU funds to organise sludge transport from local farms

*Skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee has a five-year plan of development and is keeping to it. This plan mainly involves farm modernisation. In his opinion, such a plan is important. He thinks that it brings profits.

*Skill of networking and utilising contacts*

*Self-presentation:* The interviewee does not give a direct answer to the question about networking skills and utilising contacts. However, he says. "You know, what I need is for them not to throw me out of their offices when I go there". He says that he can manage regulations, and these skills are useful in life and in farming. The most useful skill, in his opinion, is being able to obey different regulations.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee can recognise and realise new opportunities. In his opinion, it is one of the most important skills. From his point of view, farmers in general have more or less the same skills. Some of them are more skilled than others. Nevertheless, the majority has a roughly equal level of skills. They are not willing to take risks. The interviewee improves his skills by reading the press and scientific literature. He developed his skills in order to manage his farm more effectively. The interviewee agrees with the statement that these skills are

dependent on the farmer's personality and attitude. He advises development of AACs in order to improve these skills among farmers.

**Case no 24.**

She is 36 years old and has been farming with her 40 year-old husband since 1989. At the beginning, they used to produce pork. Then they switched to raspberries. In addition, they trade fruits in the vicinity as well as organise the peeling of apples and hand selecting and peeling onions. They also sell fertilisers and diesel oil.

*Skill of creating and evaluating a business strategy*

*Self-presentation:* The interviewee does not have a long-term strategy because the situation on the market is constantly changing. However, she has a plan, which is an important one in her opinion. She says that it motivates her to work and search for new sources of income. She says that nowadays it is difficult to plan due to lack of minimal prices that could guarantee at least minimal profit.

*Skill of networking and utilising contacts*

*Self-presentation:* In response to the question concerning networking and utilising contacts, the interviewee says she can network and utilise new contacts. She claims that these contacts helped her while making important decisions. From her point of view and experience, it turned out that these skills are the most important ones for a farmer when managing a farm. To justify her stand she says that to be able to make use of EU funds one has to have specific abilities, because the procedures are very demanding and one has to deal with them. In her opinion, a person has to be communicative and get to know all the details to be able to complete an undertaking.

*The skill of recognising and realising opportunities*

*Self-presentation:* The interviewee regards herself as skilled in recognising and realising new opportunities. She says that they adjust their production to actual needs on the market. She says that they adjust themselves to the opportunities in their region. That means peeling onions and apples during winter and other work during summer. In her opinion, these skills are important for farming. She thinks that the uneven distribution of these skills among farmers (she agrees that they exist) are a result of lack of courage. She says that every farmer has some skills but they are afraid to use them or they are too lazy. The interviewee improved her skills according to her needs. In her opinion, a farmer's attitude and personality plays a basic role in successful farming.

To improve other farmers' skills, courses should be organised and farmers should be willing to educate themselves and make new contacts instead of being jealous over each others' success.

**Summary of non-food diversification**

**Table 8.9 Skill of creating and evaluating a business strategy**

| Answers to the first question | Yes I do have a strategy | No I do not have any strategy/not a long-term one | I think it is important to have a strategy | I do not think it is important | I am not sure whether it is important |
|-------------------------------|--------------------------|---|--|--------------------------------|---------------------------------------|
| Numbers of cases              | 1, 2, 9, 13, 16, 17, 19  | 3, 5, 24  | 1, 2, 3, 9, 16, 17, 19, 24                 |                                |                                       |

The interviewee in case number 5, does not mention whether it is important to have a strategy.

The interviewee in case number 13, indirectly mentions that it is important to have a strategy.

**Table 8.10 Skill of networking and utilising contacts**

| Answers to the second question | Yes I have the skills of networking and utilising contacts | No I do not have the skills of networking and utilising contacts | I think these skills are important/useful | I do not think these skills are important | I am not sure whether these skills are important |
|--------------------------------|--|--|---|---|--|
| Numbers of cases               | 1, 2, 3,5, 9,13, 16, 17, 24                                |  | 1, 2, 3, 5, 9, 13, 16, 17, 24             |   |  |

The interviewees in cases number 6, 19 do not state to have/not to have these skills.

The interviewee in case number 19 does not mention whether these skills are important.

**Table 8.11 The skill of recognising and realising opportunities**

| Answers to the third question | Yes I have the skills of recognising and realising opportunities | No I do not have the skills of recognising and realising opportunities | I think these skills are important/useful | I do not think these skills are important | I am not sure whether these skills are important |
|-------------------------------|--|--|---|---|--|
| Numbers of cases              | 1, 3, 9, 19, 24  | 17   | 1, 2, 5, 9, 13, 16, 17, 19                |   |  |

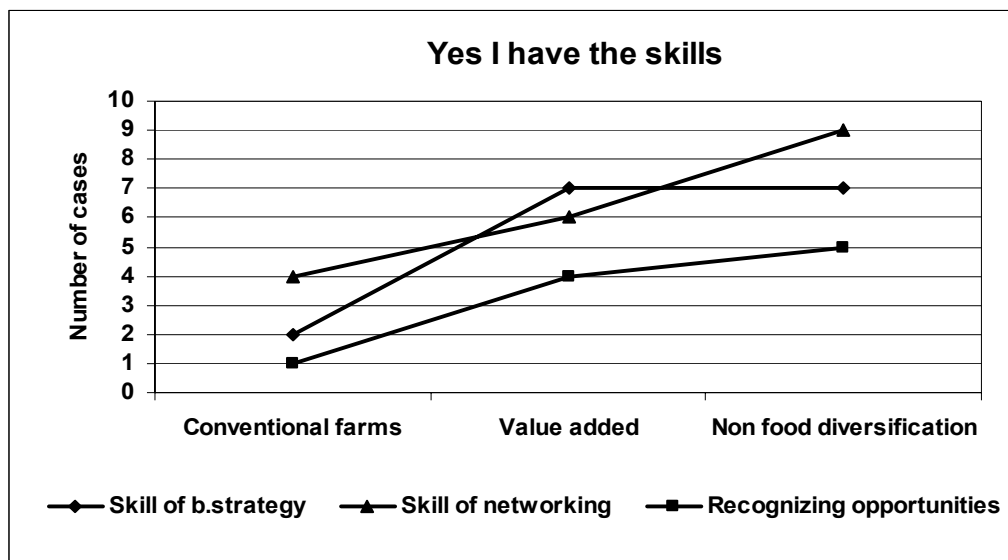
The interviewees in cases number 2, 3, 5, 13 do not state having these skills.

The interviewee in case number 16 indirectly claims to have these skills.

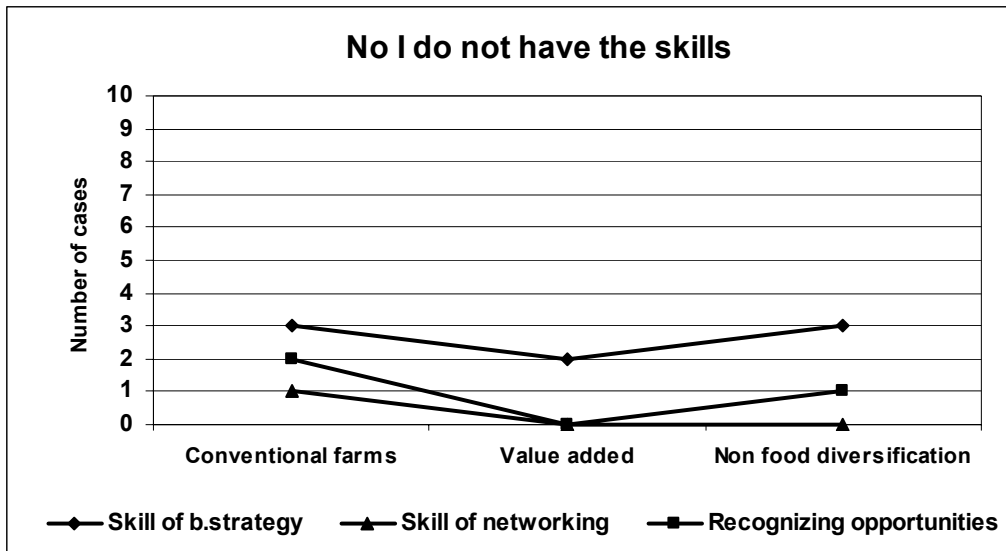
The interviewee in case number 24 does not state whether these skills are important.

### Summary of the tables.

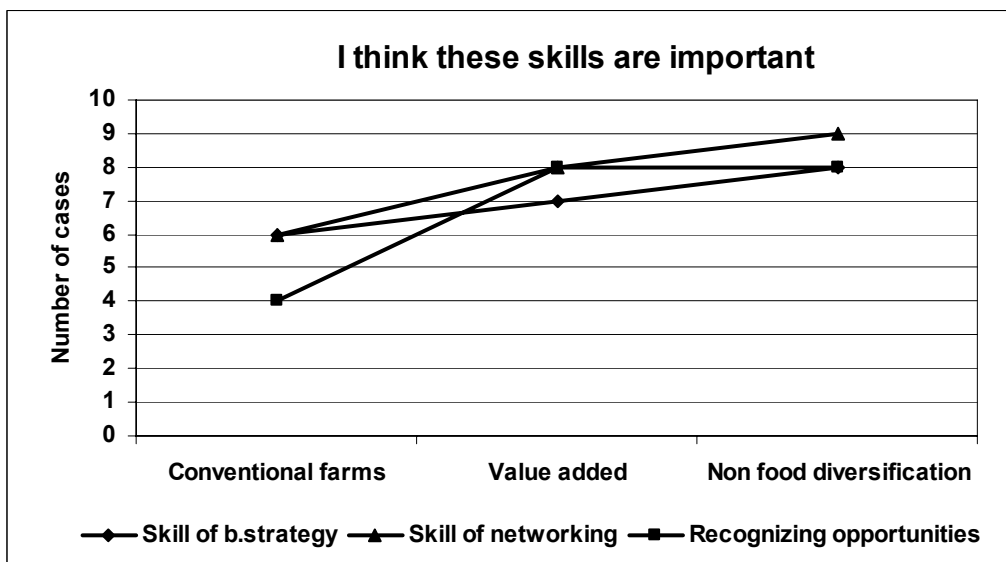
In Tables 8.3-8.11 the self-presentations of the interviewees are summarised graphically. In the case of the statement “Yes I have the skills” (of business strategy, networking and utilising new contacts and recognising opportunities) farmers from group C less frequently claimed to have these skills than farmers from the remaining groups.



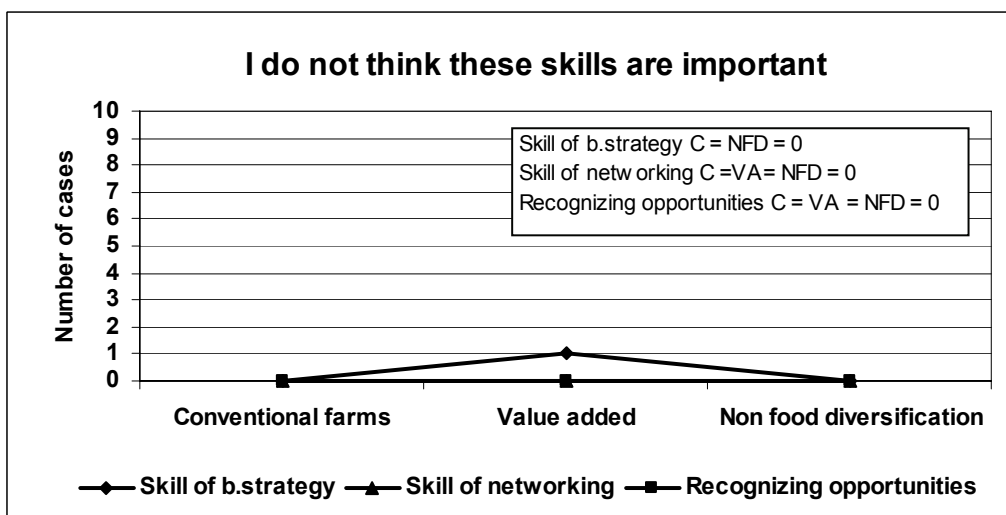
In case of the statement “No I do not have the skills” the value added group were interpreted to have the lowest number of such cases. Responses from farmers from both other groups C and NFD were very similar.



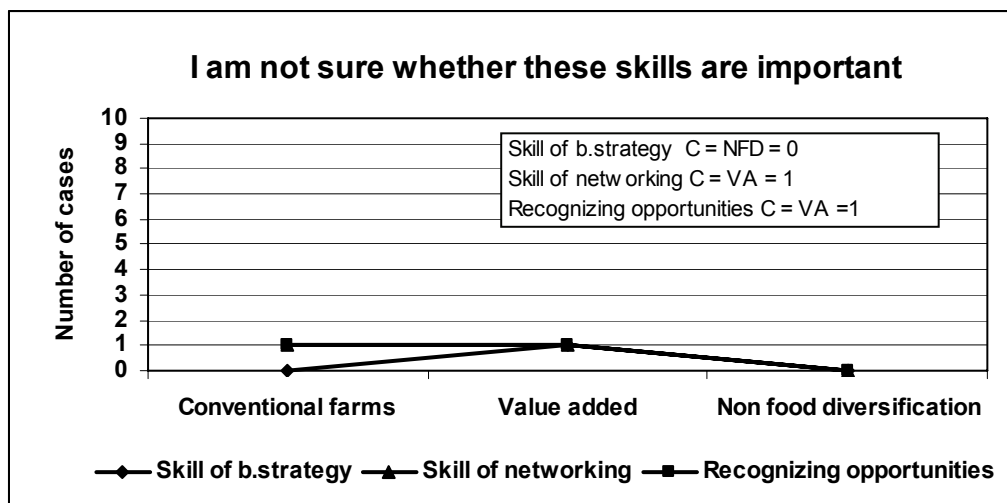
The frequency of the response “I think these skills are important” was higher in the NFD group than in the VA group and for C farms.



Almost everybody agreed with the statement “I think these skills are important” Only in one case from the value added group did a farmer not agree.



Very low acceptance for the statement “I am not sure whether these skills are important” was noted in two group C farms and group VA farms, but no such response was recorded for the NFD group.



### 8.3 Analysis of the comments on skill development

The case numbers included in this group of interviewees are: 6, 7, 14, 15, 18, 25, 26

In this first section, we analyse data from seven cases, consisting of farmers who were interviewed as representatives of conventional farm production.

#### 8.3.1 Comments on skill development in conventional farms group

##### Sheet 5 in conventional farms cases

All the interviewees gave a positive answer concerning whether some farmers have these skills more than others. They said that there are differences among farmers concerning entrepreneurial skills. A variety of responses were given to the second question from this sheet, at least one in each interview. In two cases, the interviewees did not answer this question.

The causes of dissimilarities mentioned were personality in general and character features. One of the interviewees says: “Some farmers can switch quickly to something else, like from PRL to Solidarność. Some farmers have these skills more than others because of some character features, like determination. You have a target and you try to achieve it.”

Level of education was brought up in three cases. The differences in activeness and being open to novelties are a matter of age and level of education (case no 7). Another farmer shares the idea of the previous one connected with the level of education and says: “In the past people who stayed in the country were much less educated than those in cities. It’s changing now, but older farmers cannot switch to new conditions” (case no 18).

Another farmer mentions contacts among farmers as a determinant of the differences concerning the level of entrepreneurial skills (case no 14). Age is mentioned among other factors that influence the level of entrepreneurial skills.

Several matters influencing the differences were brought up at random: “Maybe they are more courageous, maybe more educated or maybe just younger.” She gives the example of her immediate surroundings: “Here farms are tiny and people do not make much money.”

In one interviewee’s opinion, the differences in the level of these skills are heavily dependent on the number of contacts the farmer has (case no 14).

One of the interviewees responds that, “for sure”, some farmers have entrepreneurial skills more than others. In response to the question concerning causes of the dissimilarities, she says: “You know, there is a tendency to have 3 cows on a small farm and work outside as well. It is easier this way. When you are at work, your parents will milk the cows and you just go to work. You have free Sundays. In addition, if there is a pension they do not invest at all. Hardly anybody develops his farm because it’s easier.” (Case no 15)

It is heavily dependent on the level of education. “The younger generation should be educated because a silly person should not stay in the country. General knowledge and education is always useful.” The differences are caused by not reading press or scientific books, and a lack of proper education. (Case no 18)

One of the interviewees also mentions age as the factor influencing the dissimilarities among farmers; however, she does so from a different perspective. “Young farmers do not have such experience. For example, younger neighbours come to us and ask for advice. My husband often participates in trainings and courses and they are too lazy to go and later they come to ask for details of these courses.” (Case no 25)

Another external attribution was made by an interviewee concerning the level from which the farmer starts his work. It depends on the financial situation. At the very beginning someone has an easy start because their parents were successful, and when managing the farm, further development is much more easy than starting from almost nothing. He also mentions his situation: “When I started to manage the farm in the 1980s, it was not in poor condition, but it did require a lot of work to develop it.” The interviewee also mentions here character features that definitely help in such situations, like being actively involved in farm development.

#### **Sheet 6 in conventional farms cases**

The question “How did you develop your own skills?” seemed to elicit the answer “yes, I have developed them” because the question assumes that they actually developed them. All the interviewees mentioned their way of acquiring skills. However, in some cases the interviewees seem to respond in a way that indicates they are not sure whether the things they have been doing constitute skill development. Apart from one, all the interviewees gave answers to the second question.

The interviewees commented very briefly on both questions on this sheet. This may be the result of a general tendency not to boast, especially if it is connected with some personal achievement. Perhaps if the question had been: “Have you developed your skills, and if so, how?” far fewer interviewees would have answered.

One interviewee claims it to be a tricky question. She gained her knowledge through years of experience and she managed without agrarian education. Answering the question concerning the reasons of skill development she also gives an example of a Polish saying equivalent to “necessity is the mother of invention”.

One of the interviewees gives a unique external reason for skill development: “It was trendy back then to go to agrarian school, my parents planned for me to go there, so I did. Sometimes it happens that parents plan something and the child must do that. And that’s the way it worked in my case.”

Reading newspapers, networking with new contacts, collaborating with specialists like vets were the means of skill development mentioned by one of the interviewees. The same farmer describes how she started farming. “It was the last thing I wanted to do in my life. My husband had to resign from work. We got cows from an uncle and were forced to start farming. We got through many difficulties before we learnt how to manage a farm and finally it turned out that we started to like it.” The reasons for skill development provided by the interviewee are: “Both of us were unemployed so we developed our skills simply to have money to exist somehow, and now money is essential for the further development of the farm, to make production better.” (Case no 15)

One of the interviewees emphasises that farming is his hobby and he develops his skills partly for pleasure and partly because he believes that it makes farming easier (case no 18). Alternatively, as another said: “If you do not advance you just drop the idea of farming...you cannot keep up with the rest.” (Case no 14)

One of the interviewees says: “I developed my skills because I work here and I have to know certain things.” (Case no 25). The most common explanation for skill development offered by the interviewees was learning through practice: “Mostly, these skills developed through the years”. Learning from other farmers was also mentioned several times: “I learnt a lot from my husband.”

“We subscribe to publications for farmers, we participate in various meetings, and we exchange our experiences with other farmers.” (Case no 25) These are the materials and ways of exchanging ideas and creating an independent perspective on farming in Poland.

Another example of dealing with skill development is connected with additional work that enables the farmer to have a broader perspective. It also has additional advantages – a financial source for farm development. “I tried not to make a living based only on farming. I have another job. It gives me an extra profit and new ways of development.” (Case no 26)

Among the reasons for skill development mentioned by an interviewee is to provide his kids with good living conditions and a proper education: “My son is studying and it costs a lot”. (Case no 26)

### **Sheet 7 in conventional farms cases**

The interviewee did not treat the first question in this sheet as a question but as a fact. Most respondents answered the question following the pattern “if the experts say so, it must be the truth”. One interviewee is not sure whether the development of these skills is heavily dependent on the attitudes and personality of the farmer; another does not express his opinion about the matter.

Despite the fact that the interviewees follow the pattern mentioned above, they answer the second question and give their own substantiation as to why these skills are heavily dependent on the attitudes the farmer has and on his personality.

According to most of the answers, the interviewees regard being open-minded and ready for challenges as the essential features of a farmer’s personality. “If a farmer is smart and not afraid of risks, and is prepared to do some other kind of work apart from farming, he will manage to solve all his problems.” (Case no 7)

*“There are two groups of farmers: those who are afraid of risk and are satisfied as they are, and the second group who take out loans and develop their farms. Only one tenth of farmers belong to the second group. Nothing comes easily, it always comes at the expense of farmers’ health. At the beginning, for example, we had only 13 cows and, hoping that it would be better, we took out a loan and bought more cows...” (Case no 15)*

Some of the interviewees regard attitudes not as personal ones but as ones towards self-development: “A farmer should know the regulations, participate in training courses and generally have an open mind for new ideas and knowledge. There is nothing connected with a farmer’s personality that comes to my mind”. (Case no 18)

Another farmer says: “I think that one should observe others and take advantage of networking and contacts”. He also adds that ambitions are very important: “One should always follow the examples of those who are the best”. He also gives his own example of co-operating with an experienced farmer who helps him. He mentions motivation as one of the factors determining success in farming: “When there is success, one works with desire.” (Case no 26)

One of the interviewees say that this skill development it is possibly dependent on a farmer’s personality, but it is hard for him to say if it is so. (Case no 25)

One of the interviewees does not respond to the question: “My mind is a blank”, was the statement (Case no 6).

### **Sheet 8 in conventional farms cases**

In the case of this question, most interviewees mentioned at least two ways of developing the entrepreneurial skills of farmers in Poland. One of the interviewees says that she has no suggestions concerning the improvement of these skills among farmers. However, there is one interviewee who admits that there is little one can do to develop these skills. She doubts that there is anything that could be done in this case.

In most cases, the interviewees who answered this question concerning skill development mention education first as well as current skill development. One says:

*“Sometimes some behaviours influencing skill development are not taught at home, as in my case. I had to get to know everything essential while managing the farm.” (Case no. 6).*



One of the interviewees does not know what could help in developing these skills “I don’t know, I really don’t know” (case no 7).

One farmer’s idea of developing these skills involves networking with bigger producers and taking advantage of their advice. He mentions use of the Internet as a source of useful information.

*“One has to search constantly (for new opportunities) if not one is not up to date and it is not good”.*  
(Case no. 14)

Another interviewee underlines the importance of reading scientific literature and being up to date with news: “It is much easier this way”. He also mentions taking advantage of AC and the advice of other farmers. He regards trainings and courses as important sources of information (Case no 26).

Another point of view is presented in the quotation below:

*“Unfortunately, there are people who cannot be changed no matter how convincing the arguments are. They are too lazy. When I observe my neighbours, I can see that clearly. If there is a possibility to get a minimal pension and any type of work, they choose it. They prefer the worst kind of job in order to finish it and have free time.”*  
(Case no. 15)

One interviewee says that more people that are educated should stay in the country: “In our village it has started to change now and it is good because a silly person can be easily controlled and a smart person always find solutions and can do more.”(Case no 18)

“To improve these skills there should be meetings organised in most of the villages in our area. There are such meetings in Końskowola, Opole Lubelskie or Lublin and not many people have the time or opportunity to go there. Many people could benefit from them.”(Case no 25)

### **Summary of conventional farms cases group**

All the interviewees gave a positive answer concerning whether some farmers have these skills more than others. They stated that there are differences among farmers concerning entrepreneurial skills and justified their opinion with some examples.

The second question from sheet no 5 elicited many varied answers. The question “how did you develop your own skills?” caused a little confusion, the interviewees managed to answer questions from sheet 6. However, in some cases they seem to respond in a way that indicates they are not sure whether the things they have been doing are skill development.

Answers to the question on sheet 7 were the same, because the interviewees did not try to “fight against experts”. The last question from sheet 8 elicited several solutions to the matter of skill development among farmers. In general, the questions in sheets 5 to 8 were sometimes not answered at all or only partly.

### **Comments on skill development in value-added group**

The numbers of the cases included in this group of interviewees: 4, 8, 10, 11, 12, 20, 21, 22, 23

#### **Sheet 5 in the value-added group**

All the interviewees in this group noticed and agreed that there are dissimilarities among farmers concerning entrepreneurial skills. In response to the second question from this sheet regarding the causes of the differences, all the interviewees expressed their opinion. The interviewees found at least one, in most cases even a couple of reasons for such differences. The most commonly indicated reason for these differences is the level of education and experience.

Mostly, education is mentioned as a factor causing the dissimilarities among farmers, along with such features of character as creativity and being open-minded: “Creativity, contacts with others, education. Education is a very important factor it creates a territory one can safely move on. Contacts with other producers, formal and informal, are also extremely important. Giving advice to one another. Experience and co-operating as we do with RIFP. We are testing new things (fertilisers) and introducing them if effective. We read a lot of newspapers, publications, there are lots of small factors that build up the whole.” (Case no 4)

Another interviewee mentions being co-operative and taking part in courses as the main factor causing the differences among farmers. (Case no 8)

The differences are also caused by the age of farmers as well as their inborn predispositions. "Older farmers just want to reach retirement age and draw a pension". However, young farmers and their development are strictly connected with the way their parents managed the farm and taught their children. "Their attitude towards farming creates the way their children think". (Case no. 10)

One of the interviewees mentions difference in personalities and attitudes as the result of varied level of entrepreneurial skills. (Case no. 23)

Other reasons for dissimilarities are a lack of proper education, being afraid of risk and a bad financial situation (case no 11), as well as the level of self-reliance and education (case no 12). "Young farmers are more skilled and can take advantage from using modern technology" (case no 20). Young farmers seem to be more familiar with technological novelties and that makes them more self-confident with farming. Another interviewee says that the differences among farmers are caused by inborn predispositions connected with farming; however, education is also mentioned as an important factor (case no 21). The level of education and visible success in farm management are regarded as factors causing the dissimilarities among farmers concerning entrepreneurial skills (case no. 22).

### Sheet 6 in the value added group

All the interviewees answered the question "How did you develop your own skills?" in a similar way to the group from conventional farms production. They did not deny developing their skills. All the interviewees described the ways they improved and developed their skills. The majority mentioned more than one way of gaining knowledge and improving their abilities. The reason for skill development is mainly increasing the level and effectiveness of production.

One interviewee's description of her skill development:

*"From the very beginning I knew what I wanted to do. I finished high school and than Agrarian University in Warsaw. After that I am still developing my skills. I read a lot of press for farmers, scientific literature in order to keep up with the latest news and innovations."*

(Case no 4)

Another interviewee says that most of the things he knows he learnt by himself. His father gave him some useful tips. He developed his skills to manage his farm at a high level. (Case no 8)

The interviewees mostly mention schooling they completed and experience they gained through years of working on the farm. Only the causes seem to differ a little from each other.

*"In order to be able to decrease the number of ill animals, as well as increasing the quality of our products and to have money to pay the credits"* (Case no 10)

Another example of skill development is learning about fertilisers, studying types of soil in order to make the farm more profitable. (Case no 11)

Tradition is also mentioned as a source of knowledge and motivation to further development.

*"I learned a lot from my grandfather and my dad before I started working on my own".*

(Case no 12)

*"I developed my skills to make the farm more profitable".*

Most of skills are based on experience he gained through the time he has been working on his farm. His knowledge is supported by reading scientific press and publications. The development of these skills aimed at being up to date in matters concerning farming. (Case no 20).

One commonly mentioned way of skill development is that gained through working and getting experience.

*"I gained my knowledge working on a farm."* (Case no 22)

Lastly, one interviewee developed his skills while working first on his father's farm and later on his own. He has a PhD in horticulture and still participates in courses. The interviewee likes farming and that is why developed his skills. Another reason he mentions are the current situations that force him to develop certain skills. (Case no 21)

### Sheet 7 in the value-added group

All the interviewees answered the question on sheet 7. The majority agree that the development of entrepreneurial skills is very much dependent on a farmer's character and attitudes. Two farmers do not respond to this question.

The majority of interviewees agreed that the skills the farmer presents are heavily dependent on his attitudes and personality:

*"A shy person has problems with contact networking. It is not that he does not know certain things, because he does, but is afraid to come up with new ideas or solutions"*

However:

*"An outgoing person who can easily work with others makes things happen quicker. A farmer who is afraid of new things will definitely develop more slowly. Personality is an essential factor influencing the skills."*  
(Case no 4)

Another farmer's opinion

*"It is for sure dependent on being active an inborn predisposition. A person who is born to be a farmer will manager a farm better than a person who is forced to do it. It is also dependent on education connected with agriculture and whether one likes farming or not."* (Case no 8)

Another farmer adds that personality and character and being determined helps in farming (case no 10). One interviewee only agrees that development of entrepreneurial skills is heavily dependent on a farmer's attitude and personality. However, he does not mention any justification for his opinion. (Case no 11)

One interviewee gives examples of how attitude and personality can help in everyday life:

*"When one has a friendly attitude towards people it is easier to work with neighbours".* (Case no 12).

Another interviewee underlines the importance of having inborn networking skills. (Case no 20) A couple of interviewees did not share their opinion concerning questions from sheet 7. (Cases 21 and 22) Another one only agrees with the statement provided in the first question.

### Sheet 8 in the value-added group

The question on sheet 8 was "What could be done to develop these skills among farmers?"

In the data, there are several ideas about skill improvement. They can be divided into two main groups. The first one deals with "social skills" such as working with other farmers and networking and making new contacts. The other has to do with knowledge and specific skills. The second group could include such activities as: participating in courses connected with a particular profile of production or dealing with new market trends, as well as broadening knowledge through reading newspapers and professional literature.

The supply of education, organising courses and trainings seemed to the interviewees to be the most successful in spreading and increasing the level of skills among farmers.

Interviewees provide many ways of increasing the number of skilled farmers.

One of the interviewees proposed introducing a system in which all the farms could "participate"; it would be an organisation of larger, prospering farms aimed at helping those smaller ones in the same branches of production. Trainings and courses were also mentioned, as well as advisory centres.

*"To develop these skills there should be more meetings concerning various branches of production. The meetings should be organised by local authorities to make them more relevant to problems connected with the immediate neighbourhood."*(Case no. 8)

One of the interviewees said ironically:

*“It would be the best to ask farmers what they would like to take part in to increase their willingness to work.”*

In her opinion, people should be working harder instead of complaining how poor they are. (Case no 10)

Another proposition is also connected with meetings.

*“Meetings with other farmers, working in POs as well as networking with new contacts should be done.”*  
(Case no 11)

One interviewee speaks of his method of skill development:

*“I take advantage of AC. I get to know things I am not sure or I haven’t heard about before. I think people should take advantage of institutions we already have because it really makes farming easier.”* (Case no 12)

*“To increase the number of skilled farmers he proposes participating in courses organised by Agrarian Centre.”* (Case no 20)

*“To develop these skills among farmers there should be examples shown of prospering farms whose owners developed and use their entrepreneurial skills and that led them to success, to show people that thanks to these skills one can be successful”* (case no. 21). *Showing clear examples of well-prospering farmers motivates others.*

### **Summary of the value-added cases**

All the interviewees in this group noticed and agreed that there are dissimilarities among farmers concerning entrepreneurial skills. Concerning sheet 5, all the interviewees answered the question.

In questions connected with the skill development the interviewees have been doing, the situation was similar to one in the conventional farms cases, namely, the interviewees did not deny developing skills; however, it is highly possible that in response to the question “Did you develop your skills?” the answer in some cases could be “no”.

Most of the interviewees agreed with the statement that the development of entrepreneurial skills is heavily dependent on a farmer’s attitudes and personality.

The question on sheet 8 was “What could be done to develop these skills among farmers?” In the data, there are several main ideas about skill improvement. Most of them deal with courses and meetings that should be organised to train farmers and provide the latest information concerning farming. In most of the answers, the idea of improvement of level of education was mentioned.

### **Comments on skills in the non-food diversification group**

The numbers of the cases included in this group of interviewees: 1, 2, 3, 5, 9, 13, 16, 17, 19, 24

#### **Sheet 5 in the non-food diversification group**

In this group of interviewees, the opinions connected with the first question on this sheet are almost unanimously positive. Not all the interviewees agree that there are differences in entrepreneurial skills among farmers. One interviewee claims she is not sure whether there are dissimilarities concerning these skills among farmers. However, she claims that younger farmers have broader knowledge and they are more skilled in business strategies. In fact, she indirectly indicates these differences. One of the interviewees does not provide any answer to this question.

The differences in the level of skills is dependent on the level of education, general activeness, participating in courses, meetings and the level of awareness as well as being within the realms of financial possibility of a farm. (Case no 1)

One of the interviewees says that the visible dissimilarities among farmers connected with entrepreneurial skills are the matter of level of education. “The main reason for dissimilarities among farmers in terms of these skills is lack of proper education.”(Case no. 2)

One interviewee does not provide a clear answer to the second question from this sheet. However, she claims that the differences concerning these skills among farmers are visible. (Case no. 9) Another one says that features of character and some other personal features cause it. (Case no 5)

One of the interviewees seems not to be sure whether there are such differences. However, she provides an answer to the first question and gives a clear justification that younger farmers are more skilled in planning business strategies and generally more optimistic. The knowledge they present is also broader than it is in the case of older farmers. (Case no. 13)

One of the interviewees provides no information concerning the questions from sheet 5. (Case no. 16)

As the cause of dissimilarities, level of creativity and different abilities to take risks was mentioned by one interviewee. (Case no.17) Another point of view presented in the data by one interviewee is that the majority of farmers have an equal level of entrepreneurial skills "...but some of them are more willing to risk". (Case no. 19)

One of the farmers mentioned that lack of courage causes the differences among farmers concerning these skills. (Case no. 24)

#### **Sheet 6 in the non-food diversification group**

Most of the interviewees answered both questions on sheet 6. There were two cases in which the means of skill development was omitted and only the reasons were mentioned. Among the reasons for skill development, the most commonly mentioned were: in order to improve the quality of production, to manage the farm more effectively. There were also other answers given: "because farming is my hobby", "in order to be able to realise my aims". One interviewee did not respond to either of the questions on this sheet and another answered the second one only.

One of the interviewees broadened his knowledge and skills through participating in meetings, trainings led by specialists from different branches of farming. He also exchanges his ideas with other farmers. He developed his skills to modernise the farm. (Case no 1)

One of the interviewees did not respond to either of the two questions on sheet six. (Case no. 3)

The interviewee did not respond to the first question on sheet 6. In answer to the second one, he said that he improved these skills because farming is his hobby. (Case no. 2)

Another farmer is constantly developing his skills. "I try to develop my skills constantly." The interviewee gained an MSc in agro-engineering and until 1989 worked as researcher at The Research Institute of Pomology and Floriculture. (Case no 5)

Another common example of skill development is reading scientific books and other publications, in order to improve the quality of production. (Cases 9, 19). The same path of skill development was followed by another: "My way of skill development in terms of farming was mainly based on scientific literature, press and TV programs."(Case no 13)

Collecting useful information connected with farming from various sources is mentioned as the most important means of skills development. One interviewee's knowledge is also gained by experience acquired from his work on the farm. (Case no. 16)

Another person said that he finished school connected with farming. He gained experience by working on different farms. He developed his skills because he is interested in farming, and in order to realise his aims. (Case no 17)

Another reason for skill development is managing the farm more effectively (case no.19).

The interviewee improved her skills according to her needs. (Case no 24)

#### **Sheet 7 in the non-food diversification group**

Sheet no 7 has to do with the development of entrepreneurial skills being heavily dependent on the attitudes and personality of the farmer. Most of the interviewees agreed with this statement. In their opinion, a farmer's attitude and character influences the expansion of these skills. Among examples of negative attitudes influencing skill development were laziness, lack of enthusiasm towards work, lack of creativity, and one interesting one, namely, not being willing to take risks. Some of the interviewees did not mention the topic.

There is not much information provided by the interviewees in answer to this question. The vast majority agreed that a farmer's attitude and personality play an essential role in skill development: "A farmer's attitude and personality influence the expansion of entrepreneurial skills". (Case no. 1)

It is necessary to underline that none of the interviewees in this group wanted to develop the topic. Their answers were very brief and most of them seemed to be uttered without deeper consideration. In cases 13, 16, 17 and 24 the interviewees just said that they agree with the statement.

The interviewee agrees with the statement that the development of these skills is heavily dependent on a farmer's attitudes and personality. "It is really true" (case no 5)

The interviewee thinks that the ability of recognising and realising new opportunities is dependent on the farmer's attitude. (Case no. 9)

In cases 13, 16, 17, 19 and 24 the interviewees say that they agree that the development of these skills is dependent on the farmer's attitude and personality.

Another interviewee underlines the influence of these skills upon successful farming.

*"In my opinion the farmer's attitude and personality have a basic role in successful farming."* (Case no. 24)

A couple of interviewees (cases no 2 and 3) did not answer the question.

### **Sheet 8 in the non-food diversification group**

All the interviewees agree that there are several things to do in order to improve these skills among farmers. In many cases, increasing the level of education was mentioned. It could be done through self-educating, reading publications and scientific books, or with other farmers participating in courses and workshops. Working with other farmers and exchanging ideas was indicated as one of the most important factors of entrepreneurial skills development. Creating POs was also mentioned as a way of co-operating with other farmers.

With regard to increasing the number of skilled farmers, most of the interviewees have similar ideas. They are mainly connected with two types of actions: education in groups or at schools, during courses, trainings, and the second one dealing with contacts among farmers that are strictly connected with all kinds of meetings and increase the possibility of networking and exchanging news and ideas.

Several types of answers can be distinguished. Most of them suggest improving the level of education. A special emphasis ought to be put on education.

*"Education is also the basic thing to change among farmers; to improve it there should be courses organised."*

One interviewee noticed an interesting fact, that in his opinion it is essential to develop skills among older farmers.

*"It is harsh to improve these skills among farmers who are 40, 50 or 60 years old because they have their own way, their natural tendency to do things that they regard as proper."* (Case no 1)

Networking and making new contacts ("emphasis should be put on networking" (case no 3) and "utilising contacts with other farmers" (case no 13, 16)), participating in various courses and utilising contacts with other farmers are, in the interviewee's opinion, essential for developing these skills. Exchanging ideas with older farmers and working more closely with AAC, courses, working in POs, as well as taking advantage of professional help are also mentioned by several interviewees (cases no 17, 19, 24).

Another group of ways of skill development consists of trainings and various forms of organisations. "To develop these skills among farmers it is necessary to create POs" (case no. 9)

One of the interviewees mentioned an important matter: "Farmers should be more willing to educate themselves and network instead of being jealous about others' success." (Case no. 24) Only one of the interviewees did not respond to the questions.

### **Summary of the non-food diversification group cases**

In this group of interviewees, the opinions connected with the first question in this sheet are mostly positive. However, not all of the interviewees agree that there are differences in having entrepreneurial skills among farmers.

Among the reasons for skill development (sheet 6), the most commonly mentioned were improvement in the quality of production and increasing the effectiveness of production. Regarding sheet no 7, the development of

entrepreneurial skills being heavily dependent on the attitudes and personality of the farmer is seen by most of the interviewees as correct. In their opinion, the farmer's attitude and character influence the expansion of these skills.

There is a general agreement that there are several things to do to improve the level of entrepreneurial skills among farmers. In many cases mentioned, this means increasing the level of education through reading press and scientific books or through meetings with other farmers on various trainings and courses organised by local authorities.

## 8.4 Main study, Polish workshop

To obtain information from experts in order to increase understanding about the nature and relevance of entrepreneurial skills in Polish farm businesses, a workshop was organised at RIPF in Skierniewice. This meeting was attended by fourteen participants.

The structure of the workshop panel was:

12 participants + 2 moderators. Participants included

- - 3 voivodship extension service workers
- - 6 scientists (from two agriculture academies and one institute)
- - 2 growers' representatives
- - 1 local community agriculture policy maker

The participants were asked the same questions, but not in order to reply directly to them, as the farmers did in the interviewees; instead the idea was to consider the questions from the farmers' point of view.

Do you have a business strategy and do you evaluate it? Do you consider this important?

On the above questions eleven participants stated that it is very important and only one person wrote that it is neutral. Nobody responded that it is unimportant.

Some of the crucial responses in the group "It is very important" are summarised below:

- A strategy of development is very important because "it enables farmers to use all the resources of the farm as well as defining the main target; it is also motivating."
- Planning of further development is a basic thing, because it helps in stating the main aims of the farm. It is also an "excuse" to systematise the management.
- Without a plan there is no possibility to manage a farm successfully. The technological advancement and constant changes on the market force farmers to think of improving the farm into the future, with a need for verification of current results.
- "I do need to have a long-term plan for my farm because it is connected with production and selling of farm and horticulture products. After market research it is easier to find out the demand for my products. In addition, it informs me whether the quality of my production is good enough. According to the results of such research, I plan the things that should be done in the future."
- The lack of an improvement plan for future farming makes it impossible to make decisions concerning investments and production. One ought to be able to predict the possibilities of development in a given branch of production.
- Planning needs to be considered in terms of climatic conditions, equipment available, profitability of production and the skills of the farm owner.
- "I have a plan concerning my farm. I would like to focus on milk production. I positively evaluate its realisation. I managed to sign a contract with a milk processing plant."
- Planning should be an essential part of farming because of constant changes that are taking place on the market. It is mainly connected with the introduction of CAP. Farming today should be based on new technologies, and being open-minded and innovative is very welcome.
- Rational usage of capacity of the market and quick reactions to the changes.
- "Not having a plan makes one unable to predict the future of the farm, and that goes for the future of the farmer as well."

Neutral answer:

- "A long-term plan is more important in the case of a wood than in farming because it needs time to grow. For a farmer such a plan is not so important because one can make plans in an ad hoc way, according to changing conditions on the market, economic efficiency and trends."

On the next group of questions:

*Are you good at networking and utilising contacts? Is this one of the most important skills, from your own perspective?*

Eight of the group of participants stated that it is very important and three that it is neutral. In the group that said "It is very important" the following responses indicate the most relevant points of view.

- "Contacts increase opportunities in every sphere; these are predispositions to co-operating with others."
- "I create contacts easily and utilise the knowledge I gain through them on my farm".
- "It enables me to search for new possibilities for production, mainly those more profitable. In addition, it helps in looking for new markets".
- "I network quite easily and utilise contacts mainly for farm management".
- "Networking helps in taking a close look at one's farm from a different perspective and analysing its potential".
- Having contacts enables a farmer to gain information about ways of expanding production.
- Contacts enable farmers to gain essential information about farming. Easiness in networking helps to increase sales.
- People who have good relations with others are more likely to succeed in every branch of production, not only in farming but also in many other areas.
  
- Neutral answers:
- The ability to make new contacts is a very important feature of character. Unfortunately, farming is a tough line of work and the farmer usually doesn't look very nice. His face is damaged, his fingernails are not so nice and he is not well dressed. Those factors make his contacts with others more difficult.
- Networking and utilising contacts is not essential or influential in farming. This is because professionalism and too many contacts can make a barrier in forming contacts rather than facilitating them.
- "Farming is more about calculating the possibilities of the farm rather than contact networking (according to the free market economy)"

The same methodology as in previous questions was used with the next questions below. Experts were asked to write if it is one of the most important skills and described their statement.

*Are you able to recognise and realise opportunities? Is this one of the most important skills, from your own perspective?*

Eleven participants stated that it is very important and one didn't respond. The most crucial ones are described below.

- Not everybody can recognise and realise new opportunities for their farms.
- Recognising new opportunities enables a farmer to react in time to changing situations on the market and to increase the efficiency of the farm.
- The basic element of the analysis of new opportunity is extremely important in managing every day action.
- The ability to recognise changes and new requirements on the market is a key feature when establishing a new venture on the farm
- The skill of finding proper ways to produce cheaper and better products compared to others
- Ability to implement new technologies due to requirements on the market
- It is connected with the present and future situation on the market
- It is so difficult to find a niche on the agricultural market these days
- Significant when analysis is carried out



- Enables a farmer to make the optimal decision
- Extremely important, requires a lot of studies in the farm's environment.

### Factors stimulating and factors hindering entrepreneurial skills in farm business

In the next phase the experts from the workshop panel were asked to write down on a piece of paper 5 factors stimulating and 5 factors hindering entrepreneurial skills in farming. The most salient responses are grouped below in the table. Some of them, like education and general knowledge, not only this associated with agriculture, were stated by every expert.

| Stimulating Factors  | Hindering Factors   |
|--|---|
| - education and general knowledge                              | - lack of perspectives and general discouragement towards farming caused by changes after WW II |
| - intellectual background                                      | - limited access to education   |
| - family tradition (sharing experiences with older generation) | - lack of proper examples in farming  |
| - taking advantage from those who are more experienced         | - not being resolute in operating   |
| - individual features of character                             | - being unlikely to take risks  |
| - mass-media   | - being too concentrated on one's disadvantages and limitations                                 |
| - ability to observe and predict the market                    | - poor economic and social system   |
| - system of education  | - family status   |
| - extension service  | - lack of access to the Internet  |
| - access to the Internet                                       | - situation on the market, supply and demand  |
| - situation on the market supply and demand                    | - limited intellectual background   |
| - positive environmental and social conditions                 | - bad environmental and social conditions   |
| - good market situation for producing commodities at the farm  | - law (regulations, taxes, documentations)  |
| - proper infrastructure  | - poor economic conditions  |
| - enough financial resources on the farms                      | - financial resources of the farms  |
| - well-developed entrepreneurial skills                        | - bureaucracy   |
| - market research  | - being envious towards others' success   |
| - knowledge of regulations connected with farming              | - misfortunes caused by climatic conditions   |
| - motivation and well defined aims of farm management          | - too little access to information  |

## 8.5 Conclusions and discussion

### 8.5.1 Introduction to the situation in Polish agriculture during socialism

It is extremely important to underline that the biggest influence on the Polish farming situation and the way farmers think and consider any changes is the period of socialism. This was stated in many interviews, as well as during the workshop with the experts. For a deeper insight into the transfer from socialism to the free market economy (especially for readers not familiar with the regulations during those years), a few examples about economic changes over the past twenty years in Poland could be useful. Some of the trends, such as salaries and exchange rates, are described below, as is market demand for agricultural products.

#### Situation during socialism

Shortages of almost everything on the market created huge demand for agricultural products. Materials for production were very cheap, although they were not always available.

- No need for intensive production;
- No need for marketing;
- No need for high quality and packaging;
- No need for quantity;
- And finally no need for good logistics and storage capacities in the above conditions.

During socialism success in growing almost any crop was very profitable. In Polish glasshouses, about 600 sq. meters of cut flowers production used to yield an income equivalent to 7000 sq. meters of intensive production of cut flowers in the Netherlands.

- High prices of the final products

- Low cost of the materials necessary for production
- Decreasing of high inflation
  - Denomination of Polish currency złoty
  - 10000 old Polish złoty = 1 new Polish złoty
- As an example of the inflation of the market value of USD
  - 1985 – 1 USD = 100 złoty
  - 1988 – 1 USD = 1000 złoty
  - 1992 – 1 USD = 30000 złoty
  - 2007 – 1 USD = 28000 złoty\* 2,80 PLN

\*(Currently in 2007 it is 2,80 złoty because of the denomination and no longer the old currency)

**The influence of converting to a free market economy.**

The real transformation occurred during years 1989-1991. Increase of salaries in hard currencies (but decreasing purchase value of salaries).

As an example of the changes, the average Polish salary converted into USD:

- 1985 – 18 USD
- 1988 – 15 USD
- 1992 – 150 USD
- 2006 – 800 USD
- 2007 will be more than 1000 USD

**Situation during the period of transition to the market economy and now**

Reorientation of the market for agricultural products - oversupply:

- Problems with effective sale of almost any agricultural commodities
  - Due to
    - appearance of imported goods on the market
    - enhanced requirements of consumers

And needs for:

- Quality – for both: products & management
- Quantity
- Uniform
- Whole year round
- Reliability in delivery
- Fewer varieties

Switching from socialism to the free market economy changed the status of farmers tremendously. Low output farms from that time on no longer offer the opportunity to live on them. Prior to EU enlargement, this was the biggest reason for the low acceptance of Polish farmers regarding joining the community. It is necessary to underline that Polish farmers were the most eurosceptic among the 10 new member states.

However during the past eighteen months there are positive signs of Common Agriculture Policy acceptance by Polish farmers. Especially 1,8 billion Euros transferred during just one year 2006 made big influence on farmers way of thinking. Some of the farmers have now more expectations connected with new challenges thanks to CAP and try to be active and use EU funds to develop more their farms. It is commonly known that for the last two years more investments were registered on Polish farms than during past fifteen years before the accession.

## Self-presentation of entrepreneurial skills

When analysing the self-presentations of the interviewees, we observe that not all the farmers present themselves as having these skills. The interviewees can be categorised into several groups according to their feelings towards their own skills. The first includes farmers who directly stated their abilities. Farmers who indirectly claim to be skilled make up the second group. In the next group are farmers who did not express their opinion according to their skills. Finally, those who claim not to have entrepreneurial skills form the fourth group.

However, most of the interviewees stated that they had these skills. If they claimed to have them, it is done largely in a direct way. They demonstrate their involvement in farm management by presenting their own method of business planning, networking and skill utilisation as well as the way they recognise and realise new opportunities for their farms. They are motivated, although many of them mention difficulties that arise on the side of the authorities that regulate agriculture in an improper way.

Those interviewees who indirectly stated their skills did so mostly out of modesty and a conviction that there are still a lot of things to be done before one can say, "Yes, I am a skilled farmer".

In many cases, there is no answer to the question "Are you skilled in..." Some of the interviewees seemed not to be sure whether they are skilled or not, so they did not provide any answer.

The last group consists of just a few farmers who described themselves as not skilled. Various justifications were given for this claim. They mention personality as influencing the lack of these abilities. Some of them regard e.g. networking and especially utilising contacts as wrong (according to the previous political system in Poland).

Nevertheless, only few respondents hesitated when answering whether these skills are important and useful. Almost all farmers also explain why these skills are important for farmers. In addition, those who claim not to have them understand their importance.

There are many different approaches towards business planning. Some of the farmers have a plan and their work is based on it. Not all farmers have a business strategy and evaluate it. A few farmers have a formal business strategy in the form of a written document; other farmers have it only in their minds. There are various strategies. In the group containing farmers who create their own strategy, a few methods for doing so are indicated: interviewees who plan in an ad hoc way, those who have a plan that covers the next 2-3 months, as well as interviewees who have a plan for the next 2-3 years. There are also interviewees who have a formal business plan aiming mainly at farm modernisation based on EU funds. The agreement concerning these plans was signed for 5 years.

Another group of farmers claims not to have any plan. They blame the economic situation (mostly lack of minimal prices) that makes them unable to plan.

Only some farmers carry out an evaluation of their strategies. They introduce changes according to the changing situation on the market; the main aim remains the same, however.

Farmers mostly work on their own and have freedom in modifying their strategies. They prefer to evaluate their results on a day-to-day basis, rather than checking on progress after a longer period.

As far as networking and utilising contacts is concerned, almost all interviewees claim to use and have this skill. The interviewees mention many examples of contacts they have made and the way they utilised them. The vast majority of respondents claim directly or indirectly to have these skills. In addition, most of them are sure that they are important for farm management. Only a few interviewees did not agree that these skills are of huge importance. There are various examples of contacts mentioned: informal ones with neighbours and other farmers, as well as those that are more formal, such as participating in courses and contacts with professional advisors from ACs that have their sets in the whole country.

Many respondents mention contacts with buyers, traders and marketing organisations. Also a few farmers mention direct contacts with consumers on their farm.

Farmers mainly claim to have the ability to recognise new opportunities for their farms; however, they say that realising them is more problematic. This is mainly connected with and dependent on funds that are very welcome when investments are necessary, as when implementing a new development plan.

The interviewees are aware of their importance and of the benefits these skills can bring. Some of the interviewees described their means of realising new opportunities and its outcomes. However, most interviewees treated this issue more as a theoretical than a practical one. Some of them did not answer the question at all. Many peo-

ple would like to find a new option, a fresh idea that suits them, but they are afraid of risk (especially financial). In Poland, the great majority of farms are small ones with a small income that makes it impossible to risk investing money in a new idea that may not be a success. The farmers prefer to have little money rather than risk the possibility that they might lose it.

During discussions, the interviewees described a “good opportunity” and the features of a skilled farmer. The interviewees mentioned that the personality of the farmer is an essential element of farming. Certain character features help farmers to take risks; due to creativity, one is able to recognise and realise new opportunities and to overcome difficulties.

To sum up, the farmers are aware of the importance of entrepreneurial skills even though not all of them indicated it directly and some of them presented themselves as not skilful. According to the results farmers in Poland regard themselves as being skilled in networking and utilising contacts. Their business strategies seem to develop and more farmers are starting to think ahead. When it comes to recognising and realising opportunities, it seems that farmers need a little more time to put into practice their ideas and to increase their willingness to take risks, because “a farmer should be also a businessman, not only a farmer”.

It is interesting that a comparison of the three groups of interviewees from conventional farms, value added ones and non-food-diversification are very similar. The only differences are in the numbers of frequencies of the responses, and these are not significant.

#### **In the farmers’ opinion: What can be done to develop entrepreneurial skills among farmers?**

- Better access to education and to knowledge seems to be the most critical factor having influence on developing the entrepreneurial skills of farmers;
- Better access to modern technology through seeing right ways of production on modern farms with the latest technology;
- Possibility of comparing old ways of production with new ways in terms of time and money spent. It is difficult to develop these skills among older farmers, especially for those who are over 60 years old, due to the new technologies and new ways of the production of almost any commodity. One example is new ways of feeding animals. In the past everybody used their own feed for pigs, but now it is more efficient to buy it. However, older people do not believe that the pig will reach the proper weight faster when using feed produced commercially. They just think this is too expensive and they say “I am better off using my way of feeding because it is better”.
- Stabilisation of the economy and introducing minimum prices. Previously inflation and now decreasing prices of raw products makes proper planning difficult.

The results of this study apply to the farm business on some types of the farms only. Especially in the region where interviewees were selected. This is due to a very big differentiation of Polish farms in terms of overall productivity as well as due to different conditions in farming environments. It is also necessary to underline the various mentalities of farmers in different regions of Poland, which can have a tremendous impact on the development of entrepreneurial skills.

## 9 Strong differences in Swiss farming – between enlargement and customer orientation

*Jennifer Jäckel, Christine Rudmann, FiBL*

### 9.1 Description of the Swiss context and the case area

There are several specific features which influence agriculture in Switzerland. The landscape, for example, is characterised by a mixture of high mountains and deep valleys, steep meadows, and hilly areas. Two-thirds of the whole surface of Switzerland is covered by these. In the mountain area, cattle and other livestock is the main business.

In 2005, 57% of all farms were located in mountain regions, 23.7% in hilly regions and only 19.2% in valley areas (Sanders, 2008). The average size of farms was 16.7 ha. This is nearly the same as the EU average (15.8 ha), but much less than in the neighbouring countries Germany (41.2 ha) and France (45.3 ha). 68.8% of the Swiss farms have up to 20 ha, 28.8% between 20 and 50 ha and only 2.5% are larger than 50 ha.

In 2005 over 70% of the usable agricultural area (1,065,118 ha UAA) were used as permanent grassland and 27% as arable land. The most important arable crops are wheat (35% of UAA), barley (16%), grain maize (8%), sugar beet (8%), rape (7%), and potatoes (6%). In livestock husbandry, dairy cows are the most important farm animals with a share of 48% of total livestock units. Further important livestock are fattening and breeding cattle (14.7% and 10.1%), and pigs (16%). 26% of all Swiss farms are specialised in dairy and 32% are mixed farms. Further important farm types are specialised suckler cow farms, other cattle farms, and farms with horse, sheep or goat keeping.

The EU is the most important trading partner for agricultural imports and exports. On average, domestic production covers 50-60% of consumption (BLW, 2006).

In this context, the different percentage of domestic production of animal and crop products is noticeable. Whereas the proportion of domestic production is above 95% in animal products, it is less than 50% in crops.

The most important structural changes in Swiss farming concern the total number of farms, the age-distribution among farmers, the average farm size and the proportional shares in usable land and livestock (Sanders, 2008). Between 1996 and 2005, the total number of farms fell from 79,479 to 63,627 (annual decrease of 2.2%). This decrease was mainly due to retirement of farmers: 15% of all farmers are aged over 60.

The average farm size increased from 13.6 ha to 16.7 ha in the same period, while the arable land surface decreased (22,000 ha) and grassland increased (4,000 ha). Total livestock units decreased by 3.5%, caused mainly by a decline of dairy and beef cattle. In the same period, pigs and poultry increased by 27% and 17%.

Since the 1990s agricultural politics in Switzerland have been led by the aim of improving the competitiveness of Swiss farms. This shift is characterised through a progressive decoupling of Swiss farmers' income from market support on one hand, and introducing cross-compliance measures on the other.

In consequence, producer prices decreased by 25% and net farm income declined by 16%, while the total numbers of farm businesses decreased by 19%. Looking at the relation between agricultural holdings and sector income, it becomes clear that average incomes increased. However, liberalisation efforts were compensated by higher direct payments.

All in all the reforms are making an impact, but Swiss agriculture remains the industry with the highest level of governmental support among OECD countries.

#### **The canton of Berne**

All Swiss interviewees live in the canton of Berne. This canton was chosen because it is representative of Swiss agriculture: It contains valley, hill and mountain area farms (up to alpine); farms which are located close to big

cities, but also farms in remote areas. Some farms are located in tourist areas, others are not. Moreover, all different kinds of production types can be found in this canton. Berne is one of the largest Swiss cantons.

In 2007, 958,897 people lived in the canton of Berne, more than half of them in the five cities of Bern, Biel, Burgdorf, Interlaken and Thun (BEKB / BCBE 2008). The canton is located in North-West Switzerland and is bilingual (French and German). It is surrounded by the Jura Mountains in the West and the Alps in the South. The highest point is the Finsteraarhorn (4274 metres) and the lowest is Wynau (401,5 metres). The surface area is 5967 km<sup>2</sup>, 31% of this is forest, 43.3% farmland, 6.4% settlement and traffic area and 19.3% unproductive area. The average income per person is slightly below the average of whole Switzerland (Bern: 45644 CHF, Switzerland: 54031). In 2005 1297 farms operated in Berne and 38302 people were employed in agriculture. Every tenth job depends on tourism, in the mountain area of Berner Oberland even every third job. Seeland, the level area in this canton, is called the vegetable garden of Switzerland, and most Swiss organic farms are located in the canton of Berne.

## 9.2 Overview of case collection, data generation and analysis process

When starting to work on the interviews, we first had to find farmers who were willing to do the interviews with us. Our first attempt to assemble addresses failed; the second worked, but needed more time, so we began interviews with 4 farmers who we already knew. The other 21 farms were chosen randomly via an address list which was provided by the regional government of the canton of Berne. This list contained all addresses of farmers of one community in each province of the canton, as well as some information concerning UGB and surface area of the farms. The random selection was conducted so as to embrace a variety of farm sizes and production branches.

Further choice criteria for all partners of the ESoF project included:

- a maximum of 5 farmers older than 55
- a minimum of 5 female farmers (it was quite difficult to find these 5, therefore one was chosen through personal contacts)

Altogether, a lot of farmers we asked were not willing to do the interview. Therefore, we assume that most of the farmers who agreed are generally interested in the subject of entrepreneurship.

All interviews were conducted in the kitchen or the living room of the farms. Some interviews took place with married couples. The atmosphere during the interviews was most of the time relaxed, interested and open. Before the interview began, there was a short talk and the interviewer introduced herself and the project and explained again the intention of the interview. Farmers were encouraged to speak freely and spontaneously without thinking about “right” or “wrong” answers. Interviews took between 20 and 90 minutes, on average about 60 minutes. The interviews were recorded and transcribed in every detail. The interviewees spoke in Swiss German, while the transcription was made in High German, except for some specific Swiss German words which do not have a counterpart in High German.

The first four interviews were conducted by both authors of this chapter and discussed intensively afterwards. The rest of the interviews were conducted only by Jennifer Jäckel. Two of the interviews had to be replaced because the quality of the recording was very poor. One interview recording of a female farmer was lost and could not be replaced by another female farmer.

The analysis was accomplished with means of the atlas.ti software in a three-step circular approach. First, the data material was given a rough structure to get an overview of topics and text units. Then, the transcripts were analysed descriptively and encoded. In the third step the interpretative analysis was done. The second and the third step were repeated in a circular method to be able to check and finalise the analysis categories and their dimensions.

In order to ensure a shared approach in the analysis, the comments stimulated by sheet 3 were analysed first. After some discussions within the project consortium, a common way of how to proceed with the analysis was reached and the analyses of sheets 2 and 4 followed.

The required classification into the three strategies conventional (C), value adding (VA), and non-food diversification (NFD) gave rise to some debate. We classified the farms as follows:

- C: Cases 4, 5, 6, 14, 18, 19, 21, 22, 27.
- VA: Cases 1, 11, 15, 16, 17, 20, 24, 25.
- NFD: Cases 2, 3, 8, 9, 12, 13, 26.

For the classification we decided to look at the core businesses of the farms. Some farms classified as conventional, for example, were also involved in direct sales of alp cheese. When we decided to categorise these farms as conventional, we did so because the direct sale does not play a major role in the whole business. For example, in mountain areas nearly every farmer produces some alp cheese and also sells it at home. But these farmers do not define their farms as diversified or active in direct sales. The income produced in this way is also negligible.

In the following, we first present the interviewees and their farms as well as the analysis results of sheets 2 to 4. In chapter 9.4 the hindering and enhancing factors and determinants of skill development are summarised.

### 9.3 Self-presentations regarding entrepreneurial skills

In this part of the analysis, the farmers' comments on sheets two to four are summarised and interpreted. Moreover, the interviewees are grouped based on this analysis. In the first part all interviews belonging to the "conventional" group are presented, then all interviews with farmers who concentrate on "value adding", and last all interviews with farmers who follow an additional, non-food diversification. The subgroups are distinguished by the way the farmers present themselves – this also includes how convincing they are – e.g. if they are able to refer to own experiences. At the end of each chapter, the conclusions of the analyses and comparisons are summarised.

The differences and similarities in the skill related self-presentations between the individual cases and strategic case groups (conventional, value adding, and non-food diversification) are summarised in chapter 9.3.4. The most prominent ways in which the skills (or their absence) can be manifested in farm business and how this is combined with strategic differences are also pointed out.

The process of the analysis contains two steps which are important: First, the description of the interviews (summaries, on a descriptive level) and second, the interpretations. The second step includes the question of how convincing the interviewees presented themselves (Do they give examples? Do these examples concern their own experiences?), and which rhetorical logics can be reconstructed (Which legitimisation is given if the interviewee is lacking a skill? What are the main aspects of their presentations?). In the comparative chapter some general questions concerning entrepreneurial identifications are discussed by means of the results.

One aspect of the Swiss study needs to be noted: There is no direct translation of the English expression "business opportunities" in German. Therefore we decided to ask the interviewees if they "have the skill of recognising and realising (market) opportunities". The interviewees were presented sheets with the printed question and the interviewee read it as "opportunities or market opportunities". In the analysis, presented in the following chapters, we simply write market opportunities. But this aspect should be kept in mind.

#### **The self-presentations of the "conventional" cases (C) – Independent and superior entrepreneurs who try to enlarge and optimise their farms professionally to be economically successful**

Ten farmers or farm families with a conventional business strategy were interviewed in Switzerland: Cases 4, 5, 6, 14, 18, 19, 21, 22, 23, and 27. These cases can be divided into three main groups:

Group 1 contains three cases who present themselves as very skilful farmers in a convincing way (4, 18, and 5).

Group 2 includes the farmers who present themselves as more or less skilful, but who are not able to convince concerning all skills. Either they give themselves a much more positive direct self-assessment than they are able to underpin, or they do not state being skilful at all. This group can also be subdivided into two groups: One which can fully convince to have one skill and partly another one (14, 22, and 27) and a second group which is only convincing concerning one skill or partly convincing concerning two or three skills (19, 21, and 6).

Group 3: This group contains only one case (23) which is only slightly convincing concerning one skill, but gives a much better self-assessment.

## **The convincing ones – networking optimisers**

### **Case 4**

The female interviewee is aged 36 and on the educational level of a B.A. The main business of the farm is specialisation in dairy cattle and the farm is located in the valley region. The strategy is specialisation.

#### *Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer directly responds to the first question of sheet 2 by a positive self-assessment: “Yes, I think so”. Her vision is to get as much cows as possible calving in one period and to reach a fertility goal. She pursues a specialised dairy cattle strategy with seasonal calving, reduction of feed costs, improvement of fertility and maintenance of milk yield. She gives many examples for the development of her farm strategy in chronological order (planning, realising and evaluating). Moreover she states having contacts to researchers from the research institute where she once worked, to people via her husband’s advisory job and by her trips to foreign countries which she organised herself. She stays in contact with foreign experts by internet and the contacts are part of her strategy (getting independent information, also because the specialisation strategy is unconventional in Switzerland). She is also able to give concrete examples which belong to her experiences on her own farm for every element of her strategy evaluation.

She indirectly states that the skill of developing and evaluating a business strategy is one of the most important ones. She supports her view by explaining that it is important to set up a goal for oneself and to try to reach the goal, to have success, to get power by success to be able to go forward; in her specialisation it is necessary to improve very much and it is easier if you have a specific goal which you try to reach.

Interpretation: The farmer presents herself as a very skilful person and she is able to do that in a convincing way, because she connects every statement with long explanations of own experiences which she has made on the farm. She seems to be able to develop, realise and evaluate a strategy. Moreover, she is strongly involved in some specific agricultural networks which are important for her farm improvement. There she mainly searches for access to knowledge.

She is aware of the special needs of her farm and the importance of strategic management. She orients herself to international data, tries to become internationally competitive, and focuses on strategic management.

#### *Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee indirectly states that she has the skill (she refers to sheet 2 when describing the utilisation of contacts). She distinguishes the usability of contacts to feedstuff advisors and local advisory services on the one hand and contacts to researchers and foreign experts on the other hand. This distinction is also linked to her strategy: she presents herself as innovative and argues that innovative strategies need informative networks of independent researchers and foreign experts (networks seen as a precondition for innovative strategies and independence).

Interpretation: She presents herself as having the skill of utilising contacts and networks. Her self-perception is based on the rhetorical resources of being innovative (and therefore also feeling insecure and vulnerable) and her ability to weigh useful independent expertise (researchers and foreign farmers). Innovation causes insecurity, therefore independent knowledge is indispensable. Through this argumentation she sets herself apart from conventional farmers who are oriented to regional advisory services.

#### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer’s direct response to the first question of sheet 4 is to some degree a negative self-assessment: “This is maybe our weakest point”. She argues that she could have organised the farm totally differently and points out many examples for it; but she was not interested in changing it because she wanted to do milking. That is the reason why she maybe does not recognise market developments. She verified if her strategy offers a perspective, but “somebody who is really an entrepreneurial type would be in a different branch of production” (e.g. selling the milk quota, cropping conditions of land are good). On the other hand, strategic success also depends on personal willingness to do the job. These personal factors are not rational; it is a task of preference and “decisions led by gut feeling”.



She directly disagrees to the second question of sheet 4: “No, as for us (...) so for us surely not.” She argues it is not important for the way how they live, but for entrepreneurs, also outside agriculture, it is important to have a nose for opportunities. A definition of entrepreneur would include “somebody who has a very keen sense for opportunities”. She specifies that in agricultural branches one needs to like the job (as a hobby), because work is hard and earnings are small. She gives an example of a neighbouring farmer who started an agriculture related business. He is successful and earns well, but he hates it. She comments that it is good for him, but she would not like to do it the same way. It is easier to earn money in trading or services, but not in production. She states it is sufficient if they can live by it, she does not want to accumulate money.

Interpretation: The farmer does not present herself as having the skill and she is able to argue why she does not need it (dairy, personal interest in the job). She is satisfied if she can make a living from the farm. She prioritises pleasure in and personal preferences for work in contrast to an entrepreneurial search for opportunities.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents herself as a person who is well able to develop and realise a strategy for the farm business and to create and utilise contacts and networks. Both presentations convince because she gives numerous examples of her own experiences with both skills. Only concerning the skill of recognising market opportunities does she not present herself as competent. Her business decisions are based on the vision of doing a job which she really likes and having a good income, but not on accumulating money. Therefore she tries to make the best of the farm strategy which she has chosen. But she also shows that she is aware of what it means to recognise market opportunities (she gives examples what she could have changed on the farm under perspective of optimum exploitation of opportunities). Taken all together, she can be described as innovative, independent from regional knowledge transfer and acting on her own initiative, superior to other farmers who depend on regional advisory services, and also a little insecure. Moreover her vision is guided not only by economic success, but also by pleasure in work. The focus of her presentation is knowledge management and she sets herself apart from “real entrepreneurs”. But she also shows a risk-taking attitude, because she is active in the unconventional full grazing strategy.

### Case 18

The single male interviewee of this farm is nearly 40 years old and grows special plants for a wholesaler. He wants to concentrate and specialise on this branch (from 40% today to 60% next year) and works with a strongly elaborated business plan. One year ago the farm was nearly bankrupt, but he contacted some neighbours and successful farmers and asked for help. Now the farm is doing well. The farm is located in the valley area.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee directly responds: “So I have a strategy”. His vision is to be able to live well in future, also by the 12 hectare farm without direct payments and additional job. His strategy is optimisation in marketing with a minimum of costs in all parts of the business (employees, transports etc.; many examples given), alignment with other farmers to save money, and enlargement. Moreover he has always been working on strategic development.

He also gives examples for his experiences with evaluation: He had a 2<sup>nd</sup> farm business before and an agricultural school made an evaluation for this farm, but the evaluation was wrong and his strategy failed. The farmer explains which factors were important for the failure of the strategy. Nowadays he makes the closing of the books quarterly to be able to react quickly. Next year he will start monthly closing of the books. At the moment he is restructuring the business for his new strategy (see above). The way how to deal with strategic management is to stay flexible, to plan to pay back debts, to have knowledge about production techniques, finances, and marketing. He feels restricted by his dependency on one purchaser.

To the second question he also directly agrees: “Yes I think so, I think also in future, without a strategy no business can survive.” He supports his view by explaining that prices are decreasing, subsidies will be reduced, farms need to expand and small farms are closing. For the evaluation it is important to have the results on paper, also to get money from the banks.

Interpretation: The farmer presents himself as having the skill. He gives several examples of strategic failure and a new beginning. He is not absolutely convincing because the successful strategy he follows was developed by his partner. But on the other hand he is able to explain why the former strategy failed and what he has learned from

it. Moreover he knows who has the competencies which he lacks. By this way he is able to organise the competencies which he needs (and it can be said that he has the skills.). Moreover the farmer shows high flexibility and searches for an optimum of opportunities.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly comments his self-assessment (“I am able to do this, yes, I think so, tha-that, the skill I have, [...] I think so, that I have the ability, that I can do that.”). He is open minded to new things, does not need to search for reassurance and is able to integrate other people’s experiences. Moreover the skill is needed for the strategy of his farm. He gives examples for contacts/networks (a colleague for strategic and financial support, advisory, role model and professionally competent person; advisory office of agricultural school; long term contacts; other organic farmers of the same age for advice in techniques; other farmers; friends for private things). The internet is not very important for him (he thinks a network is the same as the internet), but human contacts are very helpful for his business. In contrast banks are not supportive. He differentiates between people who can help him in business affairs and friends who can give support in human problems. He explains that he has some life experiences (in business and private) and that he is able to take advices by others (what is also important).

Interpretation: The interviewee presents himself as a farmer who has the skill and who is able to use it for business aims. He emphasises his abilities to accept advice given by others, partly older or more experienced farmers. He also presents as caring for his private aims, but emphasises the business aspects of the skill. His presentation is convincing because he is able to give several examples for the creation and utilisation of contacts.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer’s first response to the question of sheet 4 is “I think so”. He goes on explaining that they recognised some market opportunities, but they did not always realise them. He explains that it is important to try to realise market opportunities and he tries to do it together with some colleagues. Producers’ associations are important for a representation in liberalisation negotiations, but for strategic decisions the colleagues are important. He also explains that his aim was always to be able to live well by the farm with two families. Once they had no success because the strategy of the second farm did not work.

His answer to the second question is “that is important”, and he says it is important to be able to survive in future times. Farms which are based on direct payments will not survive the next 6 years. Every farm needs to utilise the own opportunities and therefore one also needs courage, luck and finances. For him “entrepreneurial skills” are in the foreground. His aim is to be able make a living by the farm without any direct payments by the end of 2007.

Interpretation: The farmer presents himself as a person who is able to realise opportunities. He talks about his experience of failure and his second attempt now. But he also shows that he needs some colleagues for doing it well. His presentation is only partly convincing, because he states more about his first failure than about his success and his attempts to success depend on support given by colleagues.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents himself as a person who has the skills, but his presentation is not in every point convincing. He depends on support by experienced colleagues for strategic development and recognising market opportunities. But on the other hand he is able to organise this form of support because of his communicative skills. Strategically he wants to stay flexible and orients himself to optimisation and enlargement. All in all he orients himself to future agriculture as this means being independent from subsidies and he states that it is important to be open.

**Case 5**

This farm is located in the mountains and both partners who gave the interview (male and female) are aged 44. The core business of the farm is mixed livestock, mainly grazing. Moreover they sell a small part of their products directly to end customers – but not in a financially relevant amount. The husband also earns some money with social work and as advisor in the agricultural sector. Their strategy is a mixture of specialisation and enlargement, additional income and value adding activities, but the main focus is enlargement.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmers do not give a direct response to the first question of sheet 2, but indirectly they say that they have the skill by explaining their strategy. The strategy is to process the grass and in the best possible way, reduction of incidental expenses and external costs, cost reduction in general, improving the quality of animals in breeding and feed to get higher prices, and compensation of market risks (he gives examples for every aspect). The farmers state to depend on landscape conditions and claim that they are not able to do a second job outside the farm because of their all-year calving strategy.

To the second question the farmers also indirectly respond by yes. They account for their stand by explaining that it is important to think about consequences of strategic decisions for future developments (same examples as above; also changing IT, insemination, and cattle exhibitions).

Interpretation: They present themselves as persons who are able to develop a strategy. They are convincing because they give many examples for strategic decisions on their farm. But they do not present themselves as farmers who are able to evaluate the strategy, because they do not talk about this aspect at all. They agree that the skill is important and can account for their stand by many examples. They are oriented to economic success and do not take into account any other criteria for their strategic development than economics.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewees directly state that they have the skill: “Yes I think that actually yes”. They use networks and contacts to business partners to get a good price-performance ratio and with other farmers and neighbours to get help and tips and to be able to engage for better product prices. They also mention that they try to build up networks with colleagues and that he is engaged in agricultural associations. Further aims for utilising contacts and networks are advertisement / marketing and developing opportunities for cattle breeding. They set themselves apart from farmers which have fewer contacts and also describe the danger of loosing too much energy in different kinds of organisations because the farmer had a mental illness. They also give information about how to do it: talking with colleagues about problems, exchange of experiences, joining forces, having a vision, presenting products and being present, and sticking to things. The farmers also emphasise the importance of contacts, talking to people, getting tips, exchange of experiences and networks, joining forces (four times) and creating networks with sellers and other people. They also state that getting contacts via personal relationships is better than via advertisement.

Interpretation: The farmers present themselves as farmers who are very skilful. They present as visionary and initiative persons who know how to utilise contacts and networks for marketing and lobbying. Furthermore they present as involved in neighbourly networks (and thereby again as sociable) and as persons who learned to respect own limitations. They also set themselves apart from other farmers in general as persons who are more sociable and able to distinguish between more or less important contacts. Their presentation convinces because they are able to give many examples and because of his experience of a mental illness, caused by too much social activities.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The interviewees directly state a self-assessment concerning the skill of recognising and realising market opportunities: “Yes I think that in a sense yes”. They say that they recognised some market opportunities, others they did not, but market opportunities must be detected, they cannot be calculated. They give an example of a recognised and realised market opportunity and state that sometimes they could not realise or made a mistake. One has to feel if something happens on the market and must react in these moments. The farmers give examples for this thesis. They also talk about risk-taking (“we should have taken the risk two or three weeks earlier”). They took a risk when they started to breed poultry and they were successful. The farmers also state that they are guided more by customers’ preferences than by personal attitudes towards farming.

They also directly agree to the second question of sheet 4: “That’s the most important one, I think so.” But they correct: This skill is as important as the others (developing and realising a strategy; creating contacts and utilising networks). They give an example what it means to have a look at the market and say that it is only possible to react on market needs if the invested amount of money is not too high.

Interpretation: The farmers present themselves as persons who have the skill of recognising and realising market opportunities. They are able to give examples how they did it and therefore convince with their presentation.

Their strategy also includes investing not too much money in machines to be able to change the strategy. They also present as risk-taking, customer-oriented, and market-oriented persons.

*Overall interpretation of 3 skills as a whole for this case*

The farmers present themselves as persons who have all skills and their presentation is convincing because they are able to give examples of their own experiences during the utilisation of the skills. Only concerning the evaluation of strategic development they are not convincing, because they do not talk about it. Moreover they present as customer- and market-oriented, innovative, superior to other farmers, risk-taking and aware of own resources. The focus or aim for the organisation of the farm is economic success; meanwhile personal resources are criteria which restrict them.

*Comparison of farmers 4, 18, and 5*

All farmers of this group present themselves – compared to the other conventional farmers – in the most convincing way as skilful farmers. Despite farmer 4 who does not present himself as skilful concerning the recognition and realisation of market opportunities they present themselves as skilful concerning all skills. Farmers 18 and 5 are growth-oriented and all three farmers are oriented to optimisation and cost reduction. Farmers 4 and 5 moreover present as superior compared with other farmers. The strategy of all farms contains specialisation and two farmers (4, 18) present as able to evaluate their strategies. All farmers concentrate on contacts / networks in the agricultural sector and the aims of utilising them are to get access to knowledge and to become independent from local advisors (4), to get informational, financial and strategic support, to become independent from a wholesaler (18), to get support, to do some marketing, and to influence price politics (5). The way how to utilise contacts is simply exchange (4), openness, and long lasting contacts (18). Farmers 18 and 5 show that they realise market opportunities. The way how to do this is “having a nose for it (4) and “feeling it” (5). All farmers present themselves as innovative – farmers 18 and 5 by their market opportunities and farmer 4 by her full-grazing strategy which is really innovative in the valley area farms in Switzerland. Surprisingly only farmer 4 seems to be risk-taking. Farmer 18 explicitly says that he tries to reduce risks and stay flexible. All farmers present a positive attitude towards entrepreneurship, even if farmer 4 claims not to be an entrepreneur, because she orients herself to her work preferences instead of opportunities.

Some other differences which can be found between the farmers are: Whereas farmer 4 is oriented to international and scientific (not local) knowledge to improve the farm, farmer 18 orients himself to local colleagues whose experiences he uses. Valued by the aspect of marketing, the farmers could also be grouped differently (as farmers 5 are more marketing-oriented, whereas farmer 18 also orients himself to the market in general and farmer 4 emphasises that the main strategic decisions on the farm are made by personal attitudes.

**The less convincing cases – overestimating themselves**

**Case 14**

The male interviewee is aged 48 and has specialised on sow breeding. The strategy of this farm is mass production and enlargement and it is located in the valley area.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer does not give a direct response to the first question of sheet 2, but indirectly he gives a positive self-assessment by stating how he developed the farm strategy. His vision is to take pleasure in work, to have success, and to get a better hourly wage. His strategy is specialisation, enlargement, cost reduction, and professionalising in animal management (gives examples for every aspect). The way how to develop and realise a strategy is to be motivated and consequent. He started developing his strategy because he had pleasure in pig fattening and he was successful in it. He feels restricted by the label he utilises for the marketing of the meat (label for animal welfare) and by preconditions in Switzerland which hinder farmers to enlarge. His direct answer to the second question is “future farming must think about it”. He accounts for his stand by explanation of development of farmers and agriculture in Switzerland: farmers which lead the farms nowadays did not learn how to do it, Switzerland was very restricted some years ago, and one could not develop strategies. He evaluates his strategy by financial planning for the bank, price calculations and his knowledge about the gap between planning and reality.

Interpretation: The farmer presents himself as a skilful person. His presentation is credible because he connects it to his own experiences. He is highly oriented to economic success. The evaluation of the strategy consists of making financial planning and controlling it. It is not very convincing, because the interviewee does not state anything else than the plan he made for the bank. Moreover he is not having control over the success of his planning.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The farmer first assesses himself as not being good in utilising contacts and networks (“Rather no.”), but then specifies what kinds of contacts/networks he has and in which way he could not utilise contacts/networks: He sets himself apart from any kind of collective farming (because of his high aspirations towards himself and others), obligations towards each other and common bookkeeping with other farmers. Instead he is active in machine sharing, has contacts to suppliers and customers and long term contacts (in general, are helpful in difficult markets nowadays). He needs a certain confidence, the feeling of not being fleeced and it must be a fair contact. Further contacts are also business related (co-operatives, for the transport of the sugar beet, producers’ organisation and an farmers’ association of integrated producers; with other farmers who are friends of apprenticeship time; with farmers for exchange of land and milk quota). He states that he is loyal to good contacts and that his strategy and his personal abilities depend on each other. Besides these contacts / networks he is independent financially and otherwise (contacts must be on voluntary basis). He explains that entrepreneurial behaviour is not to share everything (as in social work), but it is characterised by a certain relentlessness to lead and support the business. Therefore he states the skill of utilising contacts and networks is important, but not the most important one. The most important skills are recognising opportunities, having finances and having some knowledge about financial mechanisms (e.g. where to invest best).

Interpretation: The farmer presents himself as a person who has the skill, but also states some conditions which are important for its utilisation. His presentation is not convincing because he argues that he does not need the skill on account of his superiority. This seems to be a discursive legitimation for his weakness. Moreover, and that is the focus of this passage, he presents himself as a person who is entrepreneurial (in contrast to social workers and Swiss farmers), because he shows a certain relentlessness to be able to lead the business. He orients himself to a vision of an entrepreneurial self which is superior, has very high aspirations towards himself and others, who is independent and able to decide which skills are important on his own and has some financial knowledge.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The interviewee’s direct response to the first question of sheet 4 is: “Probably not well enough”. But he argues that he does not have any alternatives on his farm: They have taken investments and for the next ten years they have to stay on their strategy. He only sees possibilities in producing conventional or for an animal welfare label and in fixing the date for purchase and sale. But all in all he is “not the type who has a nose for it.”

The farmer does not directly answer to the second question of sheet four. Instead he accounts for his self-assessment: He had the idea to specialise on sow breeding several years ago. Because investments had been made, it is important to stick to it now, also because of liberalised markets. An aspect which was important for the decision to invest was the interest of a child to take over the farm later.

Interpretation: The farmer directly presents himself as a person who is not very well in recognising and realising market opportunities. But he also argues why he does not need it (high investments taken, it is important to stick to it now) and tries to explain that it is not a personal lack, but a question of necessity. As in his response to sheet 3 he tries to justify his lack of competencies by outer conditions (here: the investments taken; concerning sheet 3: other people’s inferiority to him and other people fleecing persons).

*Overall interpretation of 3 skills as a whole for this case*

The farmer presents as a person who is very entrepreneurial, even if he does not utilise the skills which the interviewer presented to him. The interviewee presents himself as skilful concerning the first skill of developing and realising a strategy, but also in this part he was not totally convincing. The self which is presented by the interviewee is one of an entrepreneur who decides which skills are important and who is not able to talk about own weaknesses, but only about his own high aspirations towards himself and others. He emphasises financial knowledge and professionalism and his “business leading” skills. Moreover he presents himself as independent and

professional and his strategy is specialisation and enlargement. But on the other hand he presents himself as risk-taking by having taken high investments and he demonstrates some innovative potential because he specialised in sow breeding when it was unconventional.

#### **Case 22**

This male interviewee is somewhat older than 60. The core business of the farm is dairy cattle; moreover the farmer has mother pigs and produces processed vegetables and cereals. The farm is located in the valley area.

##### *Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee indirectly states a positive self-assessment: "I have a strategy". His vision is being physically and psychologically healthy when finishing working. His criteria for farming are his own preferences and his strategy is taking preconditions (weather, geography etc.) into account, maximisation of income-output (by dairy), rationalisation, reduction of workload, mechanisation, and financial effort. He evaluates every day and concerning the second question of sheet 2 he states that not the development, but the experience of the skill is important.

Interpretation: The farmer presents as a person who has a clear strategy. He presents himself as a very experienced farmer who is aware of all factors which influence the farm. His presentation is on the one hand convincing, because he states many factors which he takes into account, but on the other hand he talks more about preconditions which he cannot influence than about own changes which he has undertaken. Concerning the evaluation of strategies he is not convincing because he does not give any example for it. The whole presentation is based on his self as a well experienced farmer.

##### *Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly comments his self-assessment concerning creating networks: "I can develop networks". He concretises this ability as having a diplomatic tongue and explains that he needed it in public relations work (e.g.: engagement in the local government). He always tries to care for contacts and to create networks. The only domain where he is constrained is the agricultural sector because of concurrence between farmers. The aims of utilising the skill are landowning, machine sharing, labour sharing, and advice (personally and financially). The way how to use it is to do deals which are satisfying for both sides and without pressure, to think about who is the right contact in each situation (he does not contact non-agricultural people and pub contacts if he has financial or other business related problems), to search for contacts, to have good long lasting relationships to neighbours, to have pleasure about it on both sides and to be discrete. He has contacts to other farmers (personally, for machine sharing and from agricultural training). The skill is not by itself important for business, but it depends on personal attitudes. But on the other hand he states that he got opportunities to buy land because of his abilities. He also shows sensitivity for farmers' identities, which belong to the land they own (reason for concurrence).

Interpretation: The farmer presents himself as a very skilful person. This he also underlines by statements concerning his experiences in public relations work. He also shows professionalism by explaining that not every contact is of the same interest (as non-agricultural and pub contacts). He emphasises his skill of acting discrete and with perspective on future times. His presentation is convincing because he is able to give many examples for it's utilisation. But he also presents as not depending on it personally.

##### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer's answer to this question is a clear self-assessment: "Yes I am." He gives some examples for it and also states examples of market demands which he recognised during his years of activity for the vegetable co-operative: the "light" wave, the "horsesol" wave and the "organic" wave. He also states that he did not recognise the market opportunity of organic production, but explains that this would not have been successful because of the soil conditions of his land.

His response to the second question is ambivalent, but more negative: "If you restructure a business in a new way, it is very important, but if structures are set [...] it is a subordinate question." Again he is personally independent because of his long work experience. A well organised farm business is the basis and one could decide about which products to push or not, but there is no need for more. The farmer explains in great detail why organic production is a "religious" question after he has said that he missed jumping on the organic bandwagon.

Interpretation: He presents as a person who has the skill of recognising and realising market opportunities, but he is not able to give an example. All examples he counts are examples of different trends in food industry and agricultural sector which he did not try to utilise. In the case of organic production it was a mistake, but he justifies his failure by referring to the soil conditions of the land. He again presents as very experienced farmer who does not need the skills any more.

*Overall interpretation of 3 skills as a whole for this case*

The farmer's presentation is mainly based on his experiences in agricultural and political work: He is personally independent from the skills because of his experiences, but he also knows how to utilise them. Only concerning communicative skills he is convincing. He presents himself as professional and able to utilise contacts tactically, as a person with an exceptional diplomatic tongue and as superior to other farmers. He sets himself apart from non-agricultural persons and emphasises that he is very well experienced (also an argument why he does not depend on the skills). Besides economic success he also takes health and personal attitudes towards his job into account.

**Case 27**

This interviewee is a 31-year-old farmer and the farm is located in the mountain area. The core business of the farm is dairy cattle, supplemented by pig breeding and wood selling.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee does not give a direct, but an indirect self-assessment: "Well eh I have a strategy". His strategy is going forward by enlargement and development of new products, rationalisation (e.g. new stable, hay), and eventually starting an additional job. The strategic management means to stay on the long term and flexible, and to search spontaneously for new ways or opportunities. The farmer states to be restricted because enlargement seems not possible (there is no land available).

To the second question he responds "That's still important, yes." He argues that every break is like going back (gives some examples from his farm). Moreover he thinks about changing to organic farming as a value adding strategy and market opportunity. He does not talk about evaluation.

Interpretation: The farmer presents himself as a person who has the skill. But his presentation is not totally convincing, because most of the things he mentions belonging to strategic management are ideas, but nothing what he tried to do or did. Some small changes have been done on the farm, but these were not strategic decisions (e.g. new stable was necessary for animal welfare). Only in one sector his presentation convinces: concerning enlargement, because this has already started.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee indirectly says that he has the skill: "That's in fact nuts and bolts, relationships, that's like it is in everything". He has contacts and networks in the dairy and to consumers (wood sale) and contacts in the internet, to advisory offices, technical magazines, to other regional farmers ("brisk intercommunication") and by his work part-time (comes around, sees interesting things, questions people spontaneously, gets new ideas). He says how to use the skill: to be open minded, to ask around, and to reflect the own business, to look at things, not to be shy, and to do small steps (instead of big steps which are always risky). The aims are to get new ideas for the business, to recognise market opportunities (e.g. through the dairy or in wood sale), and to advance things. He also emphasises the importance of knowledge about consumers' wishes.

Interpretation: The farmer presents himself as a very skilful person who is open minded and interested in new business ideas. Furthermore his rhetorical resource is to be customer-oriented. He also states customer-orientation to be important. His presentation is convincing because he states many examples for his sociability and also states how he is creating and utilising contacts by his second job. Moreover he presents as innovative and risk-weighting (he does not seem to be risk-taking).

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer's response to this question is: "Yes, that's what I said before." He says this skill is the same as orientating on customers' wishes. If you orientate "on what they want, you will always have a customer". The farmer gives an example: He is member of a milk co-operative and it is important to

discuss different strategies within the co-operative, to decide which one is the best, to stay on the strategy for a certain time and to go through the difficult beginning times. It is important to be better than the concurrence.

To the second question he responds: “Yes, that’s exactly the point, if you stop it is a step back, one needs to stay flexible”. It is important to look for direct payments, but not only. He also gives some examples of failures (e.g. storm, decrease of wood prices; pig prices have gone down; reconstruction of the stable for better standard, became standard in all stables six months later).

Interpretation: The farmer presents himself again as a farmer who is looking forward and orients himself to customers. But his examples draw a different picture: He has made the experience of failure sometimes and he shows that he is restricted in flexible reaction on the market because of the milk co-operative. His presentation is convincing concerning recognising, but not realising market opportunities.

*Overall interpretation of 3 skills as a whole for this case*

The farmer presents himself as a person who has the skills, but not all of his presentations are convincing. His strategic management seems to be restricted to the cheesery and he does not seem to be able to realise market opportunities, whereas his presentation of recognising them is convincing. The focus of his presentation is openness and innovativeness. Moreover he presents as a customer-oriented farmer.

**Case 19**

This farm is located in the valley area and managed by a young couple. The wife is aged 32 and only spoke very rarely. The husband is a little older. The core business of the farm is mixed cropping. The interviewee had some difficulties understanding the questions.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee responds to the first question by indirect and unclear self-assessment: “Yes, so strategy is more in the head [...] so in the head surely”. His strategy is farm enlargement and land increase, increase of direct sale, intensification of potatoes, land exchange with other farmers, and staying strategically flexible. The farmer also compares EU and Switzerland and states that enlargement is restricted in Switzerland. Therefore he searches for opportunities. Developing and evaluating a strategy is an ongoing process.

The skill will become more and more important in future times because of investments and banks. But it is “already” one of the most important skills. The interviewee accounts for his stand by the statement that times change fast, banks ask for data, and that it is important to involve the family.

Interpretation: The farmer presents himself as a person who has a strategy in mind. He is not very convincing in his presentation because his explanations are relatively abstract. He does not tell about his own farm experiences very much, only in the context of land exchange (where he feels restricted.). His account for the statement of the importance of the skill is also not very detailed.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee indirectly comments himself having the skill: “Ehm sure, that’s sure, even if it’s a colleague or, where you really can also can I say by now to talk shop, particularly about a problem or ehm yes, sure is surely very important or, yes”. The farmer gives examples of contacts (to other farmers, private contacts related to his wife, advisors, an interests’ community and purchasers). Contacts are grown over decades or created by phone calls and they give security for business decisions (as intercommunication with the purchaser does). The interviewee emphasises especially the professionalism of his contacts (in contrast to local farmers).

Interpretation: The interviewee presents himself as having the skill and as a person who is able to decide which kind of contacts are professional. He sets himself apart from local farmers. His presentation is on the one hand convincing (he can give many examples of contacts he has), but on the other hand some of these contacts are “old family contacts” and mainly all are in direct agricultural environment. The only non-agricultural contacts belong to his wife.



*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer first says: “Yes well recognising is the one and realising the other.” He gives an example of recognising a market opportunity (sugar beets) and not being able to realise it (would need more land, not able to get it). The realisation is difficult, but on the other hand it comes out of having ideas.

To the second question the farmer responds: “Ehm yes, sure.” The skill of sheet 4 will become one of the most important ones in future, but it will not be easy. It will be important to exchange information (e.g. producers’ association should be informed about agriculture in the EU and should create business relationships). Swiss producers should open and think globally or internationally. He states an example: the association for milk marketing should have information about which milk quality is asked in other countries to be able to sell the products there. (He also gives examples for direct sale and the influences of the market on decisions in flower production).

Interpretation: The farmer presents himself as a person who is aware of future developments and able to recognise market opportunities. The realisation is more difficult because of financial and land restrictions, but not by himself. His presentation is not very convincing because he does only give one example for it.

Overall interpretation of 3 skills as a whole for this case: The farmer presents himself as a person who has the skills of creating and utilising contacts and networks and recognising and realising market opportunities, but his presentation is not very convincing. He does not state a vision for his farm, but he presents as superior to local farmers and as professional. He orients himself to aspects of production technique. Moreover he presents as very strongly wholesaler-oriented and tries to stay strategically flexible to be able to react on wholesaler’s demands. He also orients himself to local advisors.

**Case 21**

This interview took place with a male farmer of a farm in the valley area who is aged 38. The core business of the farm is vegetable production and crops.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer gives a direct ambivalent self-assessment to the first question of sheet two: “Yes, we have a strategy, but evaluating, how should we do it, that’s difficult, what do you mean?” His vision is to earn money and his strategy is not to be fixed on one customer, optimisation, improving quality (e.g.: planting times of salad) and orientation to customer preferences. Moreover he produces different products (mostly vegetables) and co-operates with one farmer to reduce work load and wage costs (work exchange, exchange of employees). He started developing a strategy because he needed to renovate the dairy stable. A way how to develop a strategy is talking with the wholesaler. The evaluation is done by calculations and book-keeping. A given precondition is natural influence on harvest and the farmer feels restricted by time pressure of wholesalers.

He also directly agrees to the second question of sheet two: “Yes, strategy, yes that you must have it”. He supports his view by explaining that in arable farming everything changes fast (e.g. weather) and it’s a risky business. Having a strategy is good, but that it works is not sure; it is good to learn from mistakes. The impression of his presentation is a bit diminished by this statement at the end.

Interpretation: The farmer states that he has the skill of developing, but not of evaluating a strategy. He is a bit convincing as he is able to tell how he works strategically, but he relativises it as he states that the weather is important and theory and practice are different things. His presentation is also fixed on the relation to his wholesalers. He is trying to do its best, but not very ambitious. Moreover he presents as co-operative, tries to search for improvement, and presents as able to change things.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly comments his own abilities (“Yes I think I, yes.”). He defines networks as something among professional colleagues. Moreover he co-operates with the seedling trader and other farmers for machine sharing. He has contacts to the phytosanitary advisor, neighbours in general and non-agricultural people (the latter are not helpful because they are not professional contacts). The aim of utilising the skill is to solve problems (phytosanitary advisor). The way how to do it is to invite people to have a look together at problems. It is important to look beyond one’s own nose. Another aspect is to carefully select

dialogue partners (e.g.: not to tell employees everything). It belongs to personal attitudes if the skill is important or not.

Interpretation: The interviewee presents himself as a person who professionally distinguishes contacts and who has some managerial skills by stating that he does not tell employees everything. Altogether he presents as not depending on the skill personally. His presentation is not totally convincing because he relativises the importance of the skill to personal attitudes and states that exclusively agricultural contacts are helpful.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer also gives a positive self-assessment concerning this skill: "Yes, I think that, I would say so that we are able to do so here". He explains that he is able to produce what is needed on the market but he is also able to refuse doing so, if he cannot achieve a certain quality of a product. The farmers decided to reduce the variety of their products and to keep on producing what they were able to do with a satisfying quality. He explains that this decision was on the one hand taken together with the supplier, but on the other hand by themselves. But on the other hand specialisation is risky if one of the products cannot be sold very well.

His response to the second question is indirect: One needs to have "the flair for it" and one needs to have a certain experience to know in which branch one is good (e.g.: He liked to have cows, but it did not work). It is important that one likes his job one hundred percent. The partnership with another farmer is also helpful because now he is able to go on holidays without spending money to employ another farmer for this time.

Interpretation: The farmer presents himself as a person who is able to utilise the skill, but he only gives one example of recognising and realising a market opportunity in which he got tips by his customer. Moreover this "market opportunity" was a strategic decision if he goes on producing a big variation of vegetables or just some high quality vegetables. For these two reasons his presentation is not very convincing.

*Overall interpretation of 3 skills as a whole for this case:*

The interviewee presents himself as a person who has the skills, but his presentation is not convincing. He presents as professional, personally independent from communicative skills and as a person who is fixed on his wholesalers and bulk purchasers. He tries to optimise and specialise and combines his personal attitudes towards his job with his high interest in economic success. He also presents as well experienced (even if not convincing) and emphasises his contacts to local advisors.

## **Case 6**

This farm is located in the hilly area and the interview took place with a female farmer who is aged 34. The main business of the farm is pork and cattle. In winter she and her husband earn additional money in winter tourism activities.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee directly states a negative self-assessment: "Ehm, so actually I have to answer by no." She says that her strategy is the starting of cattle breeding and quality improvement (to be able to sell to cattle genetics). The way how to do this is strategic consequence. To the second question of sheet 2 she responds with restricted agreement: "Yes, I think a little bit yes". She accounts for her stand by explaining that one needs to have a goal, especially if the weather is bad and the farm does not work well (motivation). The skill is also necessary for planning (how much animals can be bred in the buildings).

Interpretation: She presents herself as a person who is not able to develop and evaluate a strategy. The only thing she can tell about her strategy is that they are breeding and try to achieve high quality. The farmer agrees to the second question and is also not very convincing in her argumentation: Only for motivation and yearly planning it is important to have a strategy, but her understanding of strategy equals production planning.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly comments her self-assessment concerning how good she is: "I've got the feeling I do that well". She says where she gets contacts (exhibitions, associations, newspapers and technical magazines) and that she chooses with whom she wants to have contact (older male farmers). Contacts

are useful for the direct sale of cattle to farmers and they are important to get support (to get far together) and to take recreation in it.

Interpretation: The farmer presents herself as a farmer who has the skill of utilising contacts. The central rhetorical resource is the status of a very well known person, who is able to utilise contacts with (older male) farmers (from other regions) for information and sale. The farmer feels even impelled to minimise contacts by selection. Only connected to importance she mentions utility of contacts for recreation and support.

Her self-presentation is convincing because she gives examples for her activities in exhibitions and courses and states that she must reduce her contacts to a manageable amount. Moreover she orients herself to a male role model and sets herself apart from female farmers who take care for children.

#### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer first asks what the interviewer means by “market opportunities”. The interviewer explains (to recognise chances, to be able to sell the products one produces, to recognise trends, to back the right horse and being successful; e.g.: a farmer who starts selling turkeys). The farmer explains that she never has thought about this. The milk was always picked up; the pigs’ meat could also be sold. The purchaser is the same as the one of the uncle and she does reflect about the milk, “somebody will need it then”.

The answer to the second question of sheet 4 is: “One should maybe think a little more about it”. But it is not the most important skill. She argues that in Switzerland it is easier than in Germany, because agriculture is more protected. But for future times one needs to take it into account.

Interpretation: The farmer presents herself as a person who never tried to recognise and realise market opportunities. But she is becoming aware of changing conditions in future times during the interview.

#### *Overall interpretation of 3 skills as a whole for this case:*

She presents herself as a farmer who is not able to utilise the skills of strategic management and recognising and realising market opportunities. She is aware that the last skill will become more and more important in future times, but until now she did not need it. Concerning strategic management she does not really know what it means. Her description of her strategy only concerns production aspects in one sector of the farm. Only concerning communicative skills she gives a convincing presentation as a well known and sociable person who orients herself to ‘male’ professionalism and who is superior to other farmers.

### **Comparison of cases 14, 22, 27, 19, 21, and 6**

In their self-presentations, four of the interviewees show growth-orientation (14, 22, 27, and 19) and some of the farmers have difficulties in getting new land. Farmers 14 and 22 also talk about optimisation and cost reduction. Also farmer 21 talks about optimisation and farmer 27 about cost reduction. All interviewees have mainly contacts and networks in the agricultural sector, despite farmer 27 who is strongly customer-oriented and uses his second job to get new contacts and ideas, also for business opportunities. Farmers 14, 21, and 6 state that they select their contacts. Farmer 27 emphasises openness as important for creating and utilising contacts and farmer 22 emphasises his diplomatic and discrete style of utilising contacts for business aims. He also shows a kind of selection of contacts and presents himself as professional in this context. Professionalism is another aspect to be mentioned. Farmers 14, 22, 19, 21, and 6 present as professional and / or superior to other farmers. Two interviewees also present as leader types (14 and 21) and as well experienced (22 and 21). Moreover three interviewees claim to be independent (14, 22 and 21).

None of the farmers can convincingly present him-/herself as realising market opportunities. Only farmer 27 claims to actively searching for it, and farmer 19 explains that he is restricted because he cannot buy new land. Two farmers (14 and 21) say that one needs to have “a nose” or the “flair“ for it. Similar to the farmers’ presentations concerning the skill of recognising and realising market opportunities, they do not present as innovative. Only farmer 14 seems to be a bit innovative and farmer 27 tries to be it. Farmer 14 is also the only one who shows a risk-taking attitude whereas farmers 27 and 21 explicitly deny risk-taking.

Two farmers (14, 22) utilise contacts / networks to get land, two utilise it for getting ideas and knowledge (27, 6) and farmer 21 utilises them to solve problems and get support. All farmers, apart from farmer 22, say that the skill will become important in future times.

Interviewee 27 has an exceptional role in this group because he presents himself as customer-oriented, innovative, flexible and open. The only farmer who also claims to be open and flexible is case 19 and the only farmer who also presents as customer-oriented is case 21 (and case 5 in the first subgroup).

The only aspect by which these farmers can be distinguished from the first group of conventional cases is the persuasiveness of their presentations concerning having or not having the skills.

### **The one dimensional farmer – concentrating on production technique knowledge and colleagues**

#### **Case 23**

This farm is located in a pre-alpine mountain area. The interviewees were the farmer (who is aged 34) and his wife (aged 36). The core business of the farm is general field cropping.

#### *Skill of developing and evaluating a business strategy*

The farmers do not state a direct self-assessment, but they explain their strategy: “Yes, of course we have a strategy”. Their strategy consists of going forward in arable farming, modernisation of production, additional income by a job outside the farm, taking investments and correcting the strategy. They evaluate their strategy by market demands: If the income is not okay, something must be changed.

To the second question of sheet 2 they answer “It is important, surely”. They account for their stand by arguing that you need to know what you are going to do during the day and that the farm has not changed since he took it over from his father.

Interpretation: They present themselves as having the skill, but they are not very convincing. Their strategy consists of modernisation, but they do not give concrete examples what it means in relation to their farm. Moreover the evaluation is “done” by income, but it is not done systematically. And at the end the farmers state that they have not changed anything since the husband took over the farm.

#### *Skill of creating contacts and utilising networks*

Self-presentation/ description: The husband directly comments his self-assessment: “Yes, I am able to inherently.” He has contacts to farmers, farmers’ associations, organisations, clubs, and sales partners. For expertise, information on new products and special issues he uses internet. He states that he does not contact the Lobag (regional farmers’ union) because he disagrees with their service (is not as in free economy where you pay after you got what you want). His most important contacts concerning the farm are the “Landi” (agricultural association), other farmers, the machine seller and farmers who are also mechanics. They are helpful to get actual information (also by actual magazines), support and technical advice. He says that one has to be on top of the time and needs to be able to decide which requirements are important (e.g. potatoes’ production, new certification requirements).

Interpretation: The farmers present themselves as skilful. Their rhetorical resource contains business contacts and contacts (also the internet) that help them staying on top of the time. They also show independence by explaining that they do not contact the Lobag. Their presentation is convincing as far as sociability only means among agricultural contacts.

#### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmers respond to the first question of sheet 4 that the question is difficult and give an indirect negative self-assessment: “Ehm, that’s a difficult question (5) [...] it is very difficult to find a market niche and to create something in the market niche before thousand others do”. They state that it is difficult for single farm businesses, but they do recognise some niches. The problem is to react quickly. Mostly they need some time to get the finances to invest for a good idea, but then other farmers are also in the race.

The interviewees’ response to the second question is ambivalent: “It is important to feel the market, but direct marketing in a broader sense I think is not the most important”. The interviewees think recognising market opportunities is connected to direct marketing and state that the strategy to sell the products to a bigger company (e.g. Landi) is better. The farmer ends with the statement that “this with the market is not so, yes, not so important”.

Interpretation: The farmers do not present themselves as persons who have the skill, but they also argue why they do not need it. They work together with a wholesaler and get cheap prices for purchase. This argumentation is a kind of legitimating the lack of competencies. Moreover they do not seem to know what “market opportunities” are; they only think of direct marketing.

*Overall interpretation of 3 skills as a whole for this case:*

The farmers present themselves as skilful concerning sheet 2 and 3, and concerning sheet 4 they legitimise why they do not need to be skilful. But their presentation is not convincing, because their strategy description remains abstract. Their contacts seem to be restricted to established agricultural contacts. Moreover they indirectly present as passive farmers who farm as long as it works, but they do not present as initiative persons who try to find ways to be able to farm. They are neither growth-oriented, nor innovative, risk-taking or searching for market opportunities.

*Summary of the presentations of conventional cases*

As shown above, some differences and similarities can be found between the three subgroups of conventional cases. In this comparison some tendencies are described. Therefore it is possible that not all cases show the characteristics or attitudes which are counted as similarities in all groups. Case 23 is left out in this summary, because it has an exceptional position in the whole group (see above).

The similarities between the strongest and the middle subgroup exist in growth-orientation, utilisation of contacts and networks for business aims like getting information or access to land and support. In both groups no tendency can be stated concerning risk-taking attitudes (one of each group shows this attitude) and if an interviewee says how market opportunities should be recognised and realised, it is mainly a kind of “having a nose for it”. With the exception of one interviewee all farmers concentrate on contacts / networks in the agricultural sector. Moreover the distinctive feature of their presentations is their superiority (to conventional, local, less professional farmers) and professionalism.

The differences are as follows: The farmers of the second group talk about the importance of the skill in the context of future (liberalisation, skills will become more important, should be taken into account in future times). Two of the three farmers of the first group do not talk about future, but show a positive relation to entrepreneurship. Moreover the more convincing farmers present themselves as able to realise market opportunities and as innovative. And, last but not least, two of them are able to evaluate their strategies, whereas none of the second group really seems to be able to do that. The farmers of the second subgroup also overestimate themselves if this means that their self-assessment is better than they are able to convincingly present themselves by showing rhetorical resources (This aspect is also relevant for case 23, the third subgroup.).

Another aspect which is typical for the conventional group is the concentration on economic aims, sometimes mixed with aspects of personal satisfaction (taking pleasure in work and staying healthy).

Moreover case 27 has an exceptional role: It is the only case who does not state to be superior, professional or production-oriented, but he claimed to be open and innovative (Which is only mentioned by one other farmer.). This farmer thinks about converting to organic farming and is a bit active in direct sale (Which is by now not important for his income, but he talks about it in the context of customer-orientation.).

Another aspect of interest is the utilisation of legitimating rhetoric by two of the interviewees (22, 21): In the context of the question of importance of skills, they claim that its importance depends on personal attitudes. These farmers could not convince in their presentation as skilful before and presented a gap between self-assessment and self-presentation.

### **9.3.2 The self-presentations of the “value adding” cases (VA) – Combining ethics and economics in customer-oriented and innovative farming**

In Switzerland eight farmers / farm families who have a value adding strategy were interviewed: Cases 1, 11, 15, 16, 17, 20, 24, 25. These cases can also be divided into three main groups:

– Group 1: These four cases present themselves in a convincing way as very skilful farmers (20, 17, 16, and 1).

- Group 2: These are the farmers who present themselves as skilful in at minimum one skill (15, 24, and 25). Their self-assessments correspond to the ranking which we made by means of their presentation (exception: case 24).
- Group 3: This group contains only one case which is not at all convincing, but gave a positive self-assessment.

### **The convincing ones – responsible farmers with ethical/religious visions**

#### **Case 20**

This interview took place on an Demeter certified farm with a male farmer in the mid-30s. The core business of the farm is mixed cropping and dairy. The farmers sell their (processed) products in a farm shop, deliver local stores and offer a food delivery service. In the own shop they also offer products from other farms and processed goods. They are also active in agro-tourism.

#### *Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer indirectly gives a positive self-assessment: “Yes, we of course have a strategy”. His vision is to be independent from bulk purchasers, but to have many private costumers, sustainability, and organic farming. He has a farm shop, produces value adding products (Demeter certified farming, producing specialities, processed food), delivers small shops, tries to be on top of the time concerning customer preferences and wants to enlarge. It is important to take pleasure in it and to develop a strategy on the long term (10 and more years). The evaluation is done by an exact book-keeping (gives information about customer preferences, e.g. apple juice) and as a consequence he sells new products in the shop (e.g.: convenience products). His response to the second question is agreement: “Yes, that’s nuts and bolts”. He says it is important to know what one wants personally.

Interpretation: He presents himself as a person who is very aware of the necessity of the skill and is also experienced in its utilisation. His presentation is therefore convincing, and he also presents himself as highly customer-oriented and states some personal values which are important for his business (organic farming, sustainability).

#### *Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly comments his self-assessment: “Yes I’ve got the feeling I were, were well able to do that [...]”. He defines networks as co-operation with people or businesses that have the same philosophies. Networks are useful for advertisement (e.g. urban people who ordered him for delivering “Aperós”<sup>18</sup>). He says it is important to band together and he claims that people desire for nature. Moreover he explains that he has always been good in socialising and that sociability is very important for entrepreneurs: “[...] if you are an entrepreneur, or want to become entrepreneur, [...] you simply have to be fond of humans and externalise [...]”. He explains that the ‘dependence of farmers’ is a wrong development of the 20<sup>th</sup> century. Farmers did not recognise this wrong development during the last 30 years, but now they have to go back to their roots (i.e. to manage your business on your own, to sell products in direct sale). Therefore contacts are necessary. He also has contacts to advisors, customers in general, a marketing association, researchers, to his certification association (Demeter), and to Bio Suisse<sup>19</sup>. He emphasises the importance of creating a farming business that can be identified by the customers with the personality of the farmer.

Interpretation: The farmer presents himself as a very skilful and entrepreneurial personality. His rhetorical resources are his personality and his knowledge about the utilisation of networks for the business. He has large networks to people who share his philosophies and he presents himself as being aware of historical developments in farming and business necessities. His presentation is convincing because he gives several examples for every aspect.

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<sup>18</sup> At an “Aperó” people come together in the early evening hours (after-work) or late morning (before lunch) and some drinks and snacks are given.

<sup>19</sup> Bio Suisse is the Swiss representation of organic farmers.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer does not give a direct self-assessment, but says that he “tries to as far as it is in his abilities”. He gives an example (marketing of products in organic sector, creating an identity of the products, presenting them individually). All products together create a corporate identity of the farm which is exceptional. Customers are seen as humans, not only as consumers.

The interviewee says that the skill is “one of the most important ones”. He says they try to find niches and he is positively motivated on the long term. His business now runs good (after more than 10 years of development) and he thinks it will be even better in ten years.

Interpretation: The farmer presents himself as a person who is able to recognise and realise market opportunities. He shows that he is able to explain what this means in connection to his farm (development of a farm identity which is exceptional to be able to reach customers). His presentation is convincing.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents as a person who is very skilful and highly oriented to customers. He combines economic and ethical values and defines himself as an entrepreneur. His presentation is convincing. Furthermore he is customer-oriented and emphasises the importance of advertisement (by creating an identity for his farm) and finding niches. He wants to enlarge and tries to be independent from purchasers. His strategy is to be active in direct sale and to deliver small shops. Furthermore he has contacts to researchers to get scientific knowledge and presents as innovative.

**Case 17**

This farm is located in a mountain tourist area and the core business of the farm is suckling cow breeding and organic production. Most of the products are directly sold (60-70%). The male interviewee, aged 38 and tenant of the farm, also has different additional jobs outside agriculture. He and his wife also do paid social work.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee directly states “Yes, we have a strategy”. His vision is to have time for cultivating contacts (also in additional jobs). The farm is not his main focus, but he wants to be able to make a living from it. He wants to get a solid financial basis for the next generation and he would like to buy and invest into the farm. His strategy is optimisation of the farm structures (e.g. mechanisation) and utilisation of contacts for direct sale (e.g.: job at the ski lift). The way how to do it is to be proactive and initiative. He feels restricted by the owners of the farm who do not want to sell it and his counter draft is Swiss farmers who do not sell land.

He also directly agrees to the second question of sheet two: “I think it is important”. He accounts for his stand by explaining that it is not helpful to do new things every year. One needs to set a goal, to go for it (but not for every price), and also to correct the strategy if market demands change (e.g.: changing from dairy to breeding, exchange of cattle race because of customers’ demands and direct payments). He evaluates his strategy by means of accountancy, together with his wife, and (more important) together with some other farmers. He wants to get impulses and critical perspectives by them and meets them regularly and discusses consciously about the evaluation of the farm strategy.

Interpretation: The farmer presents himself as a person who is able to develop and to evaluate a strategy. His presentation convinces because he can give examples for every detail of his strategy (and the history of strategy development) and he also explains how he evaluates his strategy. His farm is not his main focus, but the value of cultivating contacts with other people. He presents as initiative (pro active) and value concentrated farmer (Similar to case 1, he is religiously oriented.).

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly gives a self-assessment: “Yes we are able to do so, I think still well”. He accounts for his stand by explaining how he learned the skill (by his wife he got into it, by a youth centre and religious community, by tourism). The aims and potentials of creating and utilising contacts/networks are economic ones (to sell meat, to get job opportunities) and human ones (religious beliefs). The way how to do is to give, to have an open house, to cultivate contacts, to make people feel happier, to feel at ease

with each other, to promote, and to share common experiences; contacts should exist to people of all social classes and they should be a pleasure.

The farmer presents four examples where he used the skill: in social work (he was totally passive, the community activated him), in getting the winter job (he describes it as everything just happened to him, but indirectly he says that he were strongly initiative to get the job), in an excursion with friends (he is strongly initiative, here it is good because it belongs to friendships, not to commercial interests) and in the association (this is the only field where he is whether initiative nor passive, he just joins the association and it is mentioned as important for commercial interests nine times; he also uses this forum for the aim of political representation).

Interpretation: The farmer presents himself as very well doing concerning the skill and shows where he is active to underline this self-assessment. The central rhetorical resources are religious values and the four examples of utilising the skill. The farmer's self-presentation is dominated by his attempts to emphasise the human quality of contacts. When he needs to use the skill for business, he criticises it and says that he is not fine with it but also cannot change it. His presentation is convincing because he is able to state examples for his self-assessment, but he seems to be under moral pressure to legitimise his business approaches in utilising contacts. Moreover he presents himself as an open and innovative farmer.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The interviewee does not give a direct self-assessment concerning the skill of recognising and realising market opportunities, but says that this question is very self-critical and difficult to answer. Then he says that it was an evidence for his competencies that he was able to lead the business without starting capital in a successful way. He gives an example where they realised a market opportunity: They started direct sales (first because of their personal wish to cultivate contacts and secondly because of market opportunities).

To the second question of sheet 4 he responds that this skill is "certainly important" and "will become more important in future times". He accounts for his stand by talking about EU markets (the less the government supports, the more one needs to search for opportunities) and gives an example of a farmer in France who also needs subsidies. For having a perspective in agriculture it is important to develop the skills one partly has. The interviewer asks what the farmer would do if direct payments were reduced: The farmer first does not know what to say and then explains that he would try to get the maximum of direct payments. He ends with the statement that he would stop farming if it would not be profitable anymore. He and his wife were also able to work in jobs outside the agricultural sector.

Interpretation: The farmer first does not give any self-assessment, but indirectly presents himself as a skilful person. On the one hand his presentation is convincing because he is able to give an example for recognising and realising market opportunities, but on the other hand he emphasises that his first priority is his and his wife's interest in cultivating contacts. Moreover he talks about the necessity of the skill for future developments, but concerning his own farm business he is not able to create a future perspective without or with less direct payments.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents himself as a person who has the skills, but his presentation concerning recognising and realising market opportunities is not absolutely convincing. The main focuses of his presentation are religious values, which also sometimes contradict business aims. He solves this problem by legitimating business activities through religious motives or by a presentation in which he seems to be passive. Moreover he presents himself as customer-oriented and independent from subsidies, even if the latter aspect is not convincing. He tries to optimise his farm and presents himself as initiative and proactive, emphasises marketing aspects and wants to prepare the farm for the next generation.

**Case 16**

This interview took place with a 37-year-old female farmer and the core business of the farm is dairy cattle. Since 2006 the farmers produce fibre plants and some years ago they also began to grow a special vegetable and to process it themselves (they also directly sell it). The farm is located in the hilly area.



*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee gives an indirect positive self-assessment: “Yes sure we have a strategy”. Her vision is to earn enough money with farm work to be able to make a living from it, to take pleasure in work, to be satisfied by it, to do interesting things, to live healthy and without stress, and to have time for children. Her strategy is to work on a goal for the future, placing in niches (e.g.: fibre plant growing for industry; new utilisation of old pigs’ stable for other animals, processing the vegetable, direct sale), and to try to do new things (being innovative). They developed their strategy because of economic pressure and falling prices. The way how to develop and evaluate a strategy is to be proactive, initiative, and innovative. She evaluates it by looking if one is on the right way with earning and workload (e.g.: the vegetable is work intensive, i.e. the more employees are needed the less money results).

To the second question of sheet 2 she also agrees: “Yes I think so, sure”. She accounts for her stand by explaining that it is important to think about future times, it is not possible to live from day to day without taking care for the income and just waiting for direct payments. It is also important to invest into buildings for the next generation.

Interpretation: She presents as a person who has the skill and she is able to give examples for her strategy. She tries to be innovative and to find niches. The evaluation of the strategy means to her to look for the relation between income and workload. Her presentation is convincing concerning the development of strategies, but not concerning the evaluation, because she does not give any examples for the latter.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee indirectly comments her self-assessment: “Yes, or in common, to different people, so to the population, ehm, yes I think that’s still important [...]”. She makes some distinctions: The first distinction is between likeminded people (A, mostly farmers, rural population) and different (minded) people / population (B, non-agricultural population, working in industrial sector). The interviewee tries to have good contacts to group B. She has “private” contacts to them and says that it is helpful to explain agriculture and to do it as best as possible to inform and enlighten about agriculture. The second distinction is made within group B: one category (B.1) is uninformed and does not think out of the box. The other category (B.2) is informed, everywhere a bit engaged, and empathic for farmers. Group A is the group she belongs to and she also makes a distinction within this group: Group A.1 are people who are not open minded, do not think out of the box and who feel dominant because they do essential work (food production). The others (A.2) within the rural, agriculture related group recognise different working conditions of B. She presents herself belonging to this group and claims herself not being pathetic (for farmers’ situation), but being responsible. She gives several examples of contacts: mostly to other farmers, belonging to the agricultural school (apprentice; advisory office for bookkeeping) or to associations, young female seasonal workers (interesting because of high educational level, open up new perspectives), to producer organisations and to group B. These contacts must be cultivated.

The skill is important to inform people and to be able to sell products. Moreover it is her aim to be given credit by customers of group B and to change their minds. This is also necessary because of group A.1 and their self-centred behaviour. She also describes her marketing strategy as a snowball system (to go somewhere, to let people taste the product, to make some presents). And last but not least it is just nice to be interested and to be in someone’s interest.

Interpretation: The interviewee presents herself as a very skilful person. Her central rhetorical resources are the distinctions between informed, interested people who think out of the box and not informed, self-centred persons. She presents herself as a person who is interested and open minded, utilises contacts and networks and is very well in marketing (direct sale). Her presentation is convincing because she gives several examples for her statements. Moreover she presents as innovative and customer-oriented.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer agrees to the first question of sheet 4: “Yes, I’ve got the feeling yes”. She explains that this question belongs to a topic which was counted before: niche production. She accounts for her stand by explaining that they recognised and realised a market opportunity by the production and processing of the vegetable and maybe it will be the same with the fibre plant. They are not sure if they will go on with the vegetable because it is work intensive, but it is a market opportunity.

To the second question she reacts as follows: “Thus nowadays of course a little”. She does not claim to be totally convinced, she also says that it is important to have a look at the dairy (dairy is the basis of this farm) and on the flats they rent out. She also counts that they were not successful in other things (makes examples).

Interpretation: The farmer presents herself as a person who is able to recognise and realise market opportunities. She is able to give an example for her successful utilisation of this skill: the vegetable. But she does not fully agree to the importance of the skill. Instead she emphasises that the other parts of her income should also be taken into account.

*Overall interpretation of 3 skills as a whole for this case:*

She presents herself as a very skilful farmer and her presentation is convincing. She is customer-oriented and orients herself to openness, innovativeness (niche production) and being interested. Moreover she tries to organise the farm in such a way that personal, societal and economic wishes are considered. And she presents herself as proactive person who is a role model and also cares for the next generation. Furthermore she started developing her strategy because of economic pressure.

### **Case 1**

This interview took place with a married couple aged 42 and 36. They are organic farmers and their main business is dairy cattle. They also do direct sale and social work on their farm. The farm is located in the hilly area.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewees directly answer to the first question: “Yes, of course yes.” Their vision is to be able to make a living from agriculture as long as possible, sustainability, to share experiences with (their) children and to teach children (and ex-addicts) in operating machines, dealing with nature and dangers, and working; moreover they want to show ex-addicts human responsibility (to help and care for each other) and they want to have a high quality of life. Their criteria are the family and familiar environment, to be connected to nature, to be open, and to get a good relation between workload and income. Their strategy is to produce and sell as much as possible to be able to nurture the family, to try crazy things and to care for their customers by invitations and gratis offers.

They develop their strategy by thinking and discussing about values besides the agricultural products (e.g.: to accommodate people; to give people with Burn-Outs a possibility for healthy environment). The evaluation of their strategy is done by thinking about alternatives, but the main direction of the farm is a big importance for the family. Moreover they feel restricted to enlarge because of the workload and finances. Their visionary counter draft is children hanging around on the streets.

To the second question of sheet two they directly agree: “Yes.” and “Absolutely.” They do not evaluate in a written form, but by talking about it within the family and by search for new opportunities. Moreover they are open to customers’ ideas and try to get feedback from them.

Interpretation: The farmers present themselves as farmers who have the skill and they are convincing because they can give examples of ideas which they developed themselves or which they got by their customers. They focus on ethical values (family, sustainability, sharing experiences) and have a flexible strategy, but they are also strongly limited because of their ethical values. On the other hand they utilise their ethical values for the development of new business opportunities.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewees indirectly say that they have the skill, but it depends on the counterpart if they are able to use it: “So, in the village that hardly works ever, [B: Yes.] that’s not in demand. They don’t want that. [...] More with the organic farmers in a wider region.” They construct a strong polarised opposition between their village / their neighbours and organic farmers of the region. Later in this part the woman questions if it is really not possible to co-operate with neighbours (it works in small things like machine sharing, agricultural services and other things). They explain that they utilise this skill to reflect own strategies and for the exchange of labour. They also present as innovative (to be able to sell products) and role model for other farmers. The man explains the expression “network” would be overvalued, but the woman answers back and gives examples for networks (same as above). Moreover utilising contacts is useful to save money (machine

sharing, agricultural services) and to find market opportunities. It is helpful to be open minded, intercommunicative, to give and to take and not to be exploitive (on both sides).

Interpretation: The farmers present themselves as skilful persons. They set themselves apart from neighbouring farmers and are oriented to and identify with organic farmers of a wider region (they are open minded, co-operative and communicative). Another central rhetorical resource is the utilisation of contacts to get new ideas and to examine strategies to be able to improve the sale of their products (being innovative, trying unusual things). Their presentation is convincing because they are able to state many examples which belong to their own experiences made on the farm. But in one aspect they are not convincing: They set themselves apart from neighbouring farmers and argue that these farmers are the reason why they are not able to utilise these contacts. It is not absolutely convincing that the lack of co-operation is entirely one-sided.

#### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The interviewees directly respond: “Recognising yes, but to realise?” They explain which market opportunities they would be able to realise (milk processing, cheese production) and why they do not do it: To milk, process, store, care and to do marketing for the products would be different specialised jobs, but they do not feel able to do them because of the family and their quality of life. They recognised more than one opportunity and examined but did not realise them. For realisation two or three farm businesses were helpful: They should be close by the own farm, but the farmers feel restricted by other farmers around them who are not willing to co-operate (e.g. they wanted to realise a farmers’ market, but the female farmers did not want it; now a person in the neighbouring village organises a market in their own village (comment by J.J.: The interviewees only talk about female farmers because they would have been responsible for the work on the market.). They describe themselves having a hard stand between farmers because of organic production. Their customers are also the recent settlers, not the locals.

They also directly respond to the second question of sheet 4: “But yes, I think that’s important.” They account for their stand by explaining that you need to have a look at and examine such things. The situation nowadays works very well, but they present as aware of a change: “But in 10 years, I don’t know, maybe we have to do totally different things.” They talk about changing market conditions in the agricultural sector in Switzerland (more concurrence from EU countries, high direct payments now, market saturation, high Swiss production costs and governmental restrictions). But they see a chance in the social factor of their farm: Customers can see what they are doing; therefore they support farmers and recognise the high quality of agricultural products. Moreover tourism and quality of life are connected to the farm. Through this they get many new customers.

Interpretation: They present themselves as farmers who have the skill of recognising market opportunities. They are able to give some examples for it. But they do not claim having the skill of realising market opportunities. Their argumentation why they cannot realise them depends on one factor: They needed co-operation with other farmers because of the workload, but the other farmers do not want to realise the opportunities. Moreover the interviewees present as precursor or “prophets in the village”. But besides this argumentation they also present their customer contacts as market opportunities which are realised. They did not plan it, but were surprised by their success. Therefore the presentation convinces in some aspects, but not concerning themselves having control of their success.

#### *Overall interpretation of 3 skills as a whole for this case:*

The farmers present themselves as persons who have all skills, but concerning realising market opportunities they are not fully convincing. But their presentation in their answers to sheet 2 and 3 are convincing concerning the skill of recognising and realising market opportunities, because they state examples for it. The most important aspects of their presentation are their identification as innovative role model organic farmers, their orientation to ethical and family values, and their customer-orientation. Moreover they present as open and caring for the next generation by sustainable nature related farming.

#### **Comparison of cases 20, 17, 16, and 1**

All farmers of this subgroup present themselves as skilful farmers. They combine economic visions with ethical, philosophic or religious aspects and values. Farmers 20 and 1 are growth-oriented, farmer 17 would also like to buy the farm and invest in it, but cannot do it. Only farmer 17 talks about farm optimisation and cost reduction, whereas all farmers of this group are customer-oriented. Farmer 16 is not absolutely convincing concerning the

evaluation of the farm strategy, but all the others are. All farmers also state having contacts to people outside the agricultural sector, mainly customers, but also in tourism and – as farmer 20 – in the cultural scene of the city which is located nearby. To be open is important for farmers 17, 16, and 1 and all farmers talk about the way how to care for contacts (to band together and co-operate in a close way, farmer 20; to give, to cultivate contacts and to take pleasure in it, farmer 17; to be interested and engaged, to make presents and explain things, farmer 16; to make presents and invite customers, to get feedback, to give and to take, to co-operate and to be sociable, farmers 1;). All farmers recognise and realise market opportunities in direct sale, but also with niche production (farmers 20, 16) or in tourism (farmers 20, 17, 1). They all show innovative potential, but none of them presents as risk-taking farmer. The contacts and networks, mainly to customers, are used by all of them to get access to or mobilise business resources, mainly, as explained above, in direct sale. Farmer 20 is also active in some kinds of tourism (seminar room to rent, mobile sauna, holiday's flat to rent). Farmers 20, 17 and 1 state that the skills will become more important in future times, but farmers 20 and 17 also say that it is important nowadays, not only in future. Another aspect which is important for farmers 20 and 1 is sustainability (organic production) and for farmers 17 and 16 that farmers need to be initiative / proactive. Farmers 16 and 1 developed their farm strategies in response to economic pressure.

### **The less convincing ones – nevertheless customer-oriented**

#### **Case 15**

The interviewee is a 33-year-old woman who holds a PhD. The main business of the farm is vegetables production, processed food, direct sale and a gastro business. The farm is located in the valley area and the farmer works in co-operation with her parents. Her husband works outside the farm.

#### *Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee directly gives a self-assessment concerning sheet 2: “So strategy, yes, of course, and the weighing is still in build-up [... I am still learning]”. Her vision is to take over the farm from her parents in about 2-5 years and she thinks about different visions for the farm (see below). Her strategy is the production of special cultures, as much direct sale as possible, customer proximity, constant good quality, constant professional production, use of communicational things (internet and direct sale), and the production of fresh fruits to be able to match with foreign producers (which may have cheaper prices, but not the same freshness). It is necessary to get comfortable with the farm; meanwhile she is now in an orientation phase. She did not evaluate the strategy until now and gets information from her father, foreign experts and in seminars. Developing a strategy and staying flexible to be able to react or being proactive towards changing requirements is important (WTO). The interviewee agrees to the second question of sheet 2: “Yes, one needs to know where to go, yes”. The way how to evaluate strategies is to arrange it from time to time, to analyse the environment and to do it constantly (process). The main line of her farm is set, but her emphasis is not yet clear (e.g.: production, specialisation, high productivity, better marketing). The evaluation is a question of experience and lifeblood (what can you do best, where do you feel secure and strong; e.g.: father is a producer type).

Interpretation: The farmer presents herself as a person who has developed a strategy for the farm, but not yet evaluated it. She is able to explain her strategic ideas and decisions in the context of her farm. She is also able to explain why she did not evaluate it until now. But, even if she has not evaluated, she tries to explain what evaluation means for her. Her presentation is convincing concerning the strategy development and also for the evaluation (although she has no experience in it).

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly gives her self-assessment: She has the skill, but is not doing it very well (compared with parents and partner). She specifies her contacts (from the years of study, contacts to foreign vegetables producers, contacts which she made during a practical training; contacts to experts become stronger). She needs these contacts for specific information and advice and to get market opportunities (in sale). Her friends/colleagues are also helpful for the reflection of new business ideas. The interviewee agrees to the importance of this skill and explains that you first need a strategy (basically) and then can use communicative skills to reach goals (basic strategies are for this aspect slightly more important). She also states that market opportunities are the third important factor.

Interpretation: The interviewee presents herself as a person who is well in creating and utilising contacts and networks, although she says she is not doing it the very best. Her rhetorical resources are different kinds of contacts to experts. Moreover she shows that she is able to value the importance of the three skills questioned in the interview (and even to set them in an order of sense). She also presents as a person who is able to search for market opportunities and who is customer-oriented. Her presentation is convincing because she is able to give examples.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: This farmer's direct reaction is: "Yes, only restricted, but I now start becoming comfortable with it". She explains that she grew up on the parental farm, but it is a different situation if you have the responsibility for it. Many things must be learned and she describes herself as still a bit shy and less risk-taking, but these aspects change slowly. The farmer gives an example: She had the idea of selling vegetables at a kind of small shop on the street, but she was afraid of the work and the risk. Her father also thought it would be good for the farm business and he was the one who started it. After the starting she did the background work, like contacting people, etc. She explains that she needs to get more experience. The lacking experience she tries to compensate through her father's experience. Her education is helpful for analysis, structured approaches and to get an emotional distance to the family farm.

To the second question she responds that this skill is the most important one: "yes ehm of course the most important one". It is important for the improvement of the farm business (e.g. field of vegetables for self harvesting by the customers was a boom; gastronomy, direct sale, pr work).

Interpretation: The farmer presents herself as somebody who does not yet have the skill, but started developing it. The development of the skill is made through experience. She wants to become more risk-taking and gives examples where she and her father realised opportunities. She convincingly presents as a person who is able to recognise and also to realise opportunities.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents herself as a person who is aware of the necessity of the skills and able to develop them even if she does not have them yet. She is also able to connect their meanings with her own experiences and utilises her father's experiences if she is lacking it. Her presentation is convincing, also because of its inner logic. Moreover she presents as customer-oriented, well educated and reflective. But she is also still searching for orientation. She orients herself to her own competencies and market conditions and tries to be proactive. She also presents as professional and her strategy is specialisation combined with value adding and flexibility to pro active changing of the farm strategy. Her self-assessment seems to be worse than her experiences. This farmer could also belong to the first subgroup of value adding cases. The decision to put her into the second group was made because of her lack of own experiences and her insecurity. But, on the other hand this aspect could be a question of 'gendered talk' – she does not present as self-confident and competent as she could do. Moreover there is one big difference to the other farmers of subgroup one: She presents as risk-taking farmer and does not state any ethical or religious values to be important for her vision. She seems to be a combiner of C group and VA group in a very good way.

**Case 24**

This farm is located in the valley area. The male interviewee is aged 37 and the core business is a mixed farm with cattle and crops. The farmers sell the produced meat directly.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee gives an ambivalent self-assessment: “That’s now difficult, on the one hand yes, on the other hand no”. His vision is to take pleasure and have interest in his work, but not to do things he does not like just to get money. His strategy is not to do what the market wants, but what he likes to do; moreover he tries to get direct payments and to optimise. He states to be limited by the preconditions given by the decision for milking and by his status of a tenant (cannot stop dairy because he cannot rebuild the stable).

To the second question he gives an indirect statement. It is half-half, one should not work without a plan, but also not invest a lot of money.

Interpretation: The farmer does not present himself as a person who has the skill. He mostly orients himself to what he likes to do, but not on economic decisions and thoughts. He is not aware of changing market conditions and presents as pressed by the preconditions of his status. Moreover he does not talk about the evaluation at all.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee directly comments his own abilities: “(4) Yes, I think so, yes. (3)”. He says he and his wife have (intensive) contacts to many farmers of his age<sup>20</sup>, to a colleague whom he helped in handicraft tasks, farmers (opportunities for sheep grazing on their land), and colleagues in agriculture related businesses (visiting farms to get new ideas, e.g. for the new stable). He states how the skill should be used: to help each other, to have a look at other people’s projects, to be honest. The interviewee states that the skill is not the most important one, but it will become more important in future times (particular networks to be able to help each other if there is no father on the farm). The interviewee talks about workload and how to get free days: He could also ask his father for more help, but he is inhibited to do so because he feels accountable for his decision to farm. A colleague could be a help if he worked for a financially feasible amount.

Interpretation: The farmer presents himself as having the skill. His rhetorical resources are the good relationships to colleagues and the discussion about workload and networks, and family respectively. His presentation is convincing because he is able to give concrete examples.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer does not directly give a self-assessment: “If I say yes then it is boasting, or, I can maybe give an example [...]”. He explains that he bought some sheep for breeding because he thought it could be a good deal to invest now. The investments were very profitable and he made a good deal, but now he has to look forward to something new because other farmers also started sheep breeding. The farmer also explains that he is not very risk-taking; he always tries to do things which are not too risky for the whole farm (e.g. caring for other people’s young cattle). His criteria for realising market opportunities are workload restrictions (to stay healthy) and the financial security of the farm.

To the second question he agrees: “Yes, that’s definitely, I think, very important”. But on the other hand on many farms the possibilities to realise market opportunities are restricted by the structures. Moreover it is important to take personal interests into account for strategic decisions (e.g. suckling cows versus mast bulls).

Interpretation: The farmer presents himself as a person who has some experiences in recognising and realising market opportunities. He can give some examples for it. But he also presents as a farmer whose interest is not mainly or only finances. Other criteria are also important (workload, health, interests) and structures of the farm are external factors which must be considered.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents as a person who has some skills, but his presentation is not totally convincing. His main focus is taking pleasure in work and a kind of survival with the farm. He does not present as entrepreneurial. Moreover he seems to be dependent on external factors and not risk-taking. His strategy is optimisation.

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<sup>20</sup> He uses the expressions for male and female farmers in German; this is not useful in colloquial German, normally people only use the male grammatical gender and do not state if they also think of women. For this reason it can be assumed that he emphasises his contacts to farmers of male and female gender.

**Case 25**

This interview took place on a farm in the alpine region with a whole family (mother, father and son). The parents are around 50 years old and the son is aged about 20. The core business of the farm is dairy cattle and it is certified organic. They produce alp cheese and sell it directly. Moreover, the father also works part time outside the farm. The son will take over the farm within the next years.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmers directly give a negative self-assessment: “No.” Their strategy is the specialisation on breeding, enlargement, and mechanisation. They are dependent on the preconditions in mountain area (grass land, no cropping possible) and feel restricted by difficulties to get land in mountain area (only possible through relatives).

Interpretation: The farmers present as persons who do not have the skill. Moreover they seem to be restricted by the impossibility to get new land.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The father directly gives a positive self-assessment for the family: “Yes we have [...]”. The family has contacts to other farmers (to discuss with), to neighbours (to talk to), in tourism, in the pub, to the neighbours’ guests from other businesses (importance of recognising other people’s orientations) and to customers by direct sale (necessity of constant presence on the market, family were pioneer in direct sale, customers want to know where from the products come). They state the importance of the skill in general (the human is a gregarious animal; for opinion making), in tourism (working with people from all over the world, is also relaxing), in the context of work as craftsman (additional income) and in socialising with other farmers (They set an example from which they demarcate: a farmer who has good farming conditions but is very lonesome.).

Interpretation: They present themselves as farmers who are skilful and open minded. Their central rhetorical resources are contacts with farmers, neighbours and in tourism. They demarcate from lonesome farmers’ life and present themselves as very sociable and innovative. Their presentation is convincing because they give many examples.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmers do not directly give a self-assessment, but they explain that in mountain area it is difficult to realise market opportunities, because farmers depend on somebody who picks up the goods. One possibility is cow breeding and the sale of good quality cows.

To the second question the farmers answer that it is an important skill if market opportunities “were existent”. The farmers feel exposed: “We are exposed, they do with us, yes what they want”. They depend on the picking up of the milk and this is very important because they are located in a peripheral area. Their interest representation is the Lobag, which is a better representation than nothing. They hope that the Lobag “does something for them”, but they are not engaged for this goal: “We do not go to meetings, which are mostly in the valley”.

Interpretation: The farmers do not present themselves as persons who have the skill of recognising and realising market opportunities. Moreover, they justify this by explaining that there are no opportunities because of the location of the farm in peripheral mountain area. They present as passive and waiting for representational help. Their strategy, which they are not able to follow, is enlargement and they present as innovative and interested in international contacts (to tourists).

*Overall interpretation of 3 skills as a whole for this case:*

The farmers present themselves as persons who are lacking the first and the third skill, but who are very sociable. Their presentation is convincing in that way. They seem to be passive in their life situation in the mountain area and hope that their representatives will help them. But on the other hand they showed that they were able to realise the market opportunity of direct sale of cheese at the valley market.

### **Comparison of cases 15, 24, and 25**

This group is not consistent in itself. Farmer 15 presents as skilful concerning all skills, even if she does not give such a good direct self-assessment. She seems to be risk-taking, innovative, searching for optimisation, and customer-oriented. Moreover she talks about how to do the evaluation of her strategies has contacts to people from outside the agricultural sector and utilises contacts / networks to get access to knowledge and advice and to search for market opportunities. She also presents as initiative. Farmer 24 is only convincing concerning the skills of creating and utilising contacts and networks and recognising and realising market opportunities. On the other hand, this farmer clearly states that his personal pleasure in work is more important than market demands. He is not risk-taking, but also slightly innovative (wants to do things which are new, as for example the sheep breeding). He also utilises contacts / networks to get access, support, and ideas. He also says that the skill of utilising networks will become more important in future times. Farmers 25 are lacking the first and the third skill, even if they were once able to recognise and realise a market opportunity (direct sale at the local market). They want to optimise the farm by mechanisation and would also like to enlarge, but they are restricted because of a lack of land. Concerning the creation and utilisation of contacts and networks they present as very skilful and utilise them for different aims (pleasure, relaxing, discussing, support, knowledge on customer demands) and state some criteria (openness, being present, constancy). They feel constrained by their peripheral location and their dependency on milk purchasers. They are not risk-taking.

If the first group was presenting themselves in a very strong and convincing way, this group is different. They do not present as strong, but they also do not claim to be good concerning the skills which they are not able to present convincingly. Moreover the farmers of the second group do not emphasise ethical values as important for their business strategies.

### **One not convincing case – confused by the questions**

#### **Case 11**

This male interviewee is in his fifties and the core business of the farm is pig fattening. Additionally the farmer produces some cheese and sells it directly. The farmer and his wife work in part-time jobs besides the farm which is located in the hilly area.

#### *Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee is not able to answer the first question, but gives a positive self-assessment: “Hm, yes, I don’t know what I shall say, (3) yes surely yes.” He does not explain his strategy.

Interpretation: The farmer does not seem to have the skill or to know what it means.

#### *Skill of creating contacts and utilising networks*

Self-presentation/ description: The farmer directly gives a negative self-assessment (“Yes, rather less, so”), also for his wife (“Well, also less, so, also not”) concerning utilising contacts and networks. He does not present anything by himself but needs to be strongly supported by the interviewer. When questioned, he states that people contact him to buy his cheese. He also states that the skill is important, but he is not able to account for his stand. The interviewee is highly oriented to what the interviewer says, as is shown in his statement “how one should say”.

Interpretation: The farmer presents himself as a person who does not have the skill. The central rhetorical resource is that people ask him and that the skill is important as “one should say”. He presents as a passive farmer who waits for customers contacting him.

#### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer directly answers to the first question of sheet 4: “Yes, of course yes”. Asked to give an example for his own business he generally says if he sees something where it is possible to improve, he improves. The interviewer asks if the pigs were a market opportunity which he recognised and the farmer answers that he has less money now, but the organisation of work is better. The farmer also agrees to the second question of sheet 4: “Yes.” But he is not able to argue why he thinks it is important: “I don’t know at the moment.”



Interpretation: The farmer presents himself as a person who has the skill, but he is not able to connect it with any of his own experiences. He is also not able to account for his stand that the skill is one of the most important skills. He is absolutely not convincing.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer does not present himself as a skilful person, even if he gives positive self-assessments to skills one and three. He is not able to answer the questions which the interviewer asks.

### **Summary of the presentations of value adding cases**

In this group all farmers are involved in direct sales; some also produce organic certified or processed food. The self-assessments and the persuasiveness of their presentations correspond to each other with exception of case 11. Only three farmers (20, 1, and 25) are growth-oriented. Farmer 17 could also be stated to be growth-oriented because he would like to buy and invest into the farm. Only three farmers clearly try to optimise and reduce costs, another three farmers present a poor orientation for optimisation. Three farmers do not talk about this aspect. The farmers of the first subgroup and case 15 present as able to evaluate their strategies, even if farmer 16 is not very convincing. All farmers, with exception of case 24, also have contacts and networks outside of the agricultural sector. They talk much about the way how to care for or deal with these contacts / networks (to band together, to present as a personality, to co-operate, to cultivate, to be open minded, to give and to take, to take pleasure in it, to do it constantly, to make presents, to be interested, to engage and be initiative, to ask for feedback, to discuss, to help each other, to spend time together). They also seem to be good in realising market opportunities (all, exceptional case 11) and mostly utilise their contacts for that (20, 17, 16, 1, 15, and 25). The opportunities which are mentioned belong to direct sale, tourism sector, and niche production. Only one farmer of the VA group presents herself as risk-taking (15). Five farmers explicitly characterise themselves as initiative / proactive (20, 17, 16, 15, and 25) and one case indirectly (1). Four farmers state that the skills will become important in future (20, 17, 1, and 24), whereas it is important to recognise that two farmers (20 and 17) also state that it is important right now. Six farmers (20, 17, 16, 1, 15, and 25) also present as strongly customer-oriented. All farmers of the first subgroup orientate strongly on religious or ethical values in conceptualising their farm strategies (20, 17, 12, and 1). Only two farmers of the second subgroup present themselves as superior to other farmers (15 and 25), but also not as strong as the farmers of the conventional group.

### **9.3.3 The self-presentations of the “non-food diversification” cases (NFD) – strongly different farmers**

Seven interviewees belong to this group: Cases 2, 3, 8, 9, 12, 13, and 26. They have additional businesses in a non-food diversification sector.

These farmers can be classified into three subgroups:

- Group 1: Two farmers present themselves as having all skills and they are convincing in their presentations (26 and 8).
- Group 2: Three farmers are able to convince that they have at minimum one of the skills (skill of creating contacts and utilising networks; 12, 2, and 13).
- Group 3: Two farmers present as having all or two of three skills (3 and 9), but they are not convincing. Only concerning the communicative skills they are slightly convincing.

#### **The most convincing ones – Initiative farmers**

##### **Case 26**

This farm is located in the mountain area. The core business of the farm are various kinds of cattle. The husband and the wife are in their mid-thirties. They own an additional business for cattle trading.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewees give a positive self-assessment: “Yes, strategy, sure we have a strategy”. They do not present a vision, but the criteria for their strategic management are their ambition towards

agriculture as “wellness” and that they enjoy agricultural work. Their strategy is optimisation. They search for cost reduction and want to reduce the workload. The cattle trading business also brings opportunities for the farm optimisation. And last but not least they are co-operating with the farmers’ brother. They state that it is important to earn money and they developed their strategy by getting ideas from visits to foreign countries and by chance (taking over the cattle dealing business). Their counter draft<sup>21</sup> is milk price regulation and they want the market to be free as in meat market.

To the second question of sheet two they also agree: “Yes, I think it is important, yes.” They account for their stand by explaining why it was important for their own farm development (concrete examples given). They evaluate their strategy daily after work and state that it is not the same as in non-agricultural enterprises. It is important to evaluate every day to be proactive but not reactive. Moreover they evaluate the books at the end of the year. Both farmers have been working in different businesses before and they are aware of the importance of going forward. They see their farm business as an enterprise.

Interpretation: The farmers present themselves as persons who are entrepreneurs and have the skill. They are able to give examples for their strategic management and also use resources of their non-agricultural business. Their presentation is convincing. They identify with entrepreneurship and free markets. Moreover they present as economic planners with personal and ethical attitudes and they state to be proactive.

#### *Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewees indirectly comment that they have the skill: “Yes that’s now a little bit from the job, or, cattle dealing, there I seek like minded people and”. They state several times that the skill is very important and describe it as “to see and to be seen”, like in “High Society [...] if you are not present, you are immediately a has-been”. They differentiate between the skills’ necessity for the farm business (less important) and the cattle trading business (importance of regional contacts/networks to get deals). He says he has contacts/networks with neighbourly farmers (to help each other). One aim of these contacts is to support regional economy. She also talks about regional co-operation networks between farmers (farmers as wood worker, foreman, chauffeur, cattle dealer or in digger business). Moreover they set themselves apart from banks and assurances and describe themselves as “social” (The reason why farmers in their region offer solidarity could be that the farms are small, that it is mountain area or that it is a regional specificity.). The farmers also state the aims of building groups to compass things and to optimise agriculture to earn and save money. They refer back to a village where the skill is very common and say it is reasoned by the high number of apprentices. They learned their abilities in this village and try to practise it now in their region.

Interpretation: The farmers present themselves as very skilful persons. Their rhetorical resources are the importance of regional co-operative solidarity and social work, and their identification with young people who are initiative in utilising the skill. They present themselves as business players that know the rules and that are able to do good deals by utilising the skill. Their presentation is convincing because they talk about their own experiences in it.

#### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmers distinguish between recognising and realising market opportunities: “everybody is able to, but if he can realise it is the second question”. The farmers give an indirect self-assessment. They say that as entrepreneur or self-employed or farmer you must have the skill (e.g. acquaintances concentrate on milk and it becomes harder and harder to make a living from it compared to former times). He gives another example of himself (he bought a cow in calf, let her calf and sold the calf for a good price) and says that market opportunities can be small things or big restructurings of the farm. But for bigger changing one needs to have finances. Generally people in agriculture are innovative because of the economic situation of agriculture. The opportunity to buy the cattle trade business was also dependent on financial possibilities.

The farmers agree to the second question of sheet four: “Yes, that’s of course, yes, sure, that’s one of the most important.” They say that it is important to look forward and to be initiative instead of moaning. Nowadays it is important to be able to change things at all times. Therefore many farmers stop farming at the moment. It is easier for the younger generation.

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<sup>21</sup> The rhetoric counter draft is an idea or ideal from which people set themselves apart. In the analysis of qualitative interview materials, counter drafts can be used to reconstruct the orientation framework of the interviewees.

Interpretation: The farmers present themselves as persons who are well able to recognise and realise market opportunities. They give examples for it. They present as optimistic and entrepreneurial farmers which belong to a young generation which is able to deal with changing conditions in agriculture. Their presentation is convincing because they give examples for it.

*Overall interpretation of 3 skills as a whole for this case:*

The farmers present themselves as very skilful persons which are able to combine personal and social factors with economic success. Moreover they present as proactive, innovative and identify with entrepreneurship. They also state that agriculture has changed and becomes more and more entrepreneurial and they try to optimise their farm. They are on the one hand regional, on the other hand supra-regionally oriented and try to be flexible.

### **Case 8**

This farm is located in the alpine mountain area and managed by two brothers, whereas only the younger brother, who is aged 46, joined the interview. The main business of the farm is cattle and direct sale. They have an additional, non-agricultural business and the farmer is also active in community politics and in a farmers' association.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer gives an indirect self-assessment: "So a strategy we have, yes". His strategy is marketing (sale of Alp cheese) and cattle breeding (buying calves, selling them as young cows; decision if more dairy or meat production). The way how to do it is to discuss it on the farm, to think about on its own, and to do it on the long-term. He developed his strategy because of economic pressure some years ago. He searched for a strategy for milk marketing (e.g.: farmers' corporation).

He also gives a positive response to the second question of sheet 2: "That's surely important". He supports his view by the argument that in future times insecurity will grow and therefore farmers need to be entrepreneurs nowadays (change from planned economy to capitalist market).

Interpretation: He presents himself as a person who is able to develop a strategy. His presentation is convincing, because he can give examples of his own farm. The strategic focus lies on marketing. He also presents himself as a farmer who is aware of future market liberalisation, but he cannot give an example of how his farm business has changed since he began because of liberalisation.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The farmer indirectly comments his self-assessment: He is a very skilful person who needs to be sociable and able to create networks for political work and for business (for sale). He also needs the skill for agriculture related political work (in associations, for lobbying, to represent farmers). He uses the fact that he has been elected into the local community to underline that he is a skilful person. The farmer also emphasises the importance of creating networks for direct sale and sale of milk. He emphasises two times that the skill is 'up-to-date'. The farmer only talks about networks (which he has with other farmers, farming related people and customers) and being sociable (the original German expression contains the word contact, literally translated one would say "contact liking" / having pleasure from contacts).

Interpretation: The farmer presents himself as a very skilful person who is on top of the time. The central rhetoric resource is the usefulness of being sociable and creating networks for sale and political work. He does not set himself apart from other people or national governmental employees (with the latter he also tries to create a network to be able to help farmers). His presentation is convincing because he can give examples where he used his skill.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer does not give a direct self-assessment, but he states that he has to take care not to overestimate himself. He tries to recognise market opportunities (e.g.: tries to be more successful in breeding to be able to get higher prices). His response to the second question is agreement: "I think so nowadays sure". He states that as he said before market has changed into liberalised capitalist market and it is especially important for peripheral regions to do their own marketing of produce. It is important to orient oneself to customers' preferences. It's a chance for mountain areas and for alp production to utilise the image of these land-

scapes. The way how to do this is to co-operate and produce a specific product to be able to position it in the market. In mechanisation they could also save more money by co-operation and machine sharing. Moreover the interviewee explains that their strategy is cattle breeding and dairy because the family was involved in it. They could also have taken the chance of growing herbs into account, but they did not. The older generation (his generation) has difficulties to change, and the younger ones like the breeding. He is self-critical about this fact, but they try to get the best of it. He sees potential in the local dairy which sells the milk under a regional label. Tourism provides possibilities for marketing and they try to advertise a special “heart feeling” with the product.

Interpretation: The farmer is self-critical concerning the skill of recognising and realising market opportunities. He tries to do it and presents himself as a person who is aware about the restrictions, but also of potentials of peripheral mountain regions. But on the other hand he shows some weakness concerning strategic management in the context of market opportunities (example of herbs and cattle breeding). Taken all together his presentation is convincing that he is able to recognise and realise market opportunities (local milk label), but he also takes personal attitudes into account for such decisions.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents as a very initiative and innovative person who is able to engage for a good marketing. He presents as skilful, but also as self-critical. Moreover he is aware of potentials and restrictions of mountain area. He started changing his farm strategy because of economic pressure.

### **Comparison of cases 26 and 8**

Both farmers present themselves as skilful innovative and initiative farmers. Farmers 26 present a higher amount of rhetoric resources. They give much more information about their experiences in farming and they are well able to connect the topics of the interview to their own experiences. Moreover they also talk about evaluation and optimisation. Farmer 8 is customer-oriented and has diversified contacts (in political context, associations, customers, farmers, second business), whereas farmers 26 only have agriculture related contacts. Both cases recognise and realise market opportunities. Farmers 26 utilise their experiences made during visits to foreign countries and in another village, but they also co-operate with other farmers. Farmer 8 is regionally oriented and utilises opportunities given by tourism and co-operation. In contrast to case 25 of value adding group he tries to recognise the special opportunities of peripheral area (image of the landscape, marketing). Farmers 26 moreover present as a bit risk-taking (taking over the cattle trading business) and strongly identify with entrepreneurship. Both cases utilise contacts / networks as access to business opportunities and resources.

### **The less convincing ones – Farming “survivors”**

#### **Case 12**

This farm is located in the hilly area and managed by a couple (aged 50 and 45). The core business of the farm is dairy cattle, supplemented by self-employed social work and an odd job. The farmers think about new strategies for additional income (non-agricultural businesses).

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer’s self-assessment is distinguished into development and evaluation of strategies: “Ehm (3) yes strategy in the business (2) but don’t weighing it ourselves.” Their vision is to be able to care for the child and to survive on the farm without working outside the farm. Their strategy is part time farm business with additional work on the farm (social work) and as much value adding as possible. He developed the strategy because of a personal tragedy and the consequences out of it for himself. The social care was a market opportunity, but now it is not any more. The husband feels restricted by his age (50-year-old man has no chance to get employed).

To the second question they respond: “Ehm, yes I think so yes.” They account that nowadays one has to think about how to survive.

Interpretation: They present themselves as farmers who are able to develop, but not to weigh a strategy. They are able to give a few examples for their strategy, but they do not have any strategy for the improvement of the farm (they say it is value adding, but they do not give any example for it). Moreover they present themselves as persons who want to “survive” on the farm.

*Skill of creating contacts and utilising network*

Self-presentation/ description: The interviewees directly comment their self-assessment more than one time in the interview (“Yes (.) well your question, I think yes (.) I can do that surely”). They present themselves as sociable communicative persons who have enough time and strong nerves also for doing social work on the farm. They also state that contacts inside the business and the neighbourhood are a matter of course and that they have contacts in organisations. They explain the meaning of network (e.g. farmers who help each other, private networks in non-commercial associations). Another aspect is the decrease of contacts/networks in rural structures (caused by closings of shops). One needs to be initiative to get contacts and even one is a sociable person, one does not depend on contacts (“Exactly we can live here alone very well without any contacts”). They also distinguish between “society” in general and farm life: his clients in social work are outsiders in society, but can be integrated on the farm.

The farmers also discuss options for additional businesses (to take a job outside the farm, to invest in the farm, perspectives for small farm businesses in respect to Switzerland going into WTO<sup>22</sup>). An important aspect of decision taking is the farmers’ age. But he shows that he reflects current and long time economic developments. They refer to governmental decisions on agriculture as accountable for landscape conservation (they agree to this politic and mention an impossibility of cost reduction in production because of high living standards in Switzerland). The farmers also show that they have some entrepreneurial ideas for non-agricultural businesses. He points out restrictions by investment necessities and neighbours’ interests.

Interpretation: The farmers present themselves as persons who have the skill, but do not depend on it. The presentation is convincing because they can state many examples. Moreover they present themselves as persons who are able to develop business ideas and to consider future economic developments.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmers give an indirect self-assessment: They answer that they recognised a market opportunity by starting social work on the farm. They explain that they always try to find opportunities, but they are restricted by high investments which must be undertaken to realise opportunities (e.g. animal welfare law, rebuilding of the cow stable, they question if it is profitable to continue the dairy production). They saw different possibilities instead of milking (e.g. extensive farming, suckling cows, job outside agriculture). The farmer decided to go on with milking as main business and additionally did pig fattening and a half time job outside the farm. But then the personal tragedy changed the situation. He works a little outside and is active in social work. The farmers also state that they need to find something else if they want to survive with the farm business. They had many ideas but did not realise one of them so far (e.g. production of special crops, different kind of ideas for serving guests). They also say that it is important to be sociable and open minded and they feel restricted by their age. The wife explains more detailed what they planned to do, but also feels restricted in realisation by her husband because she cannot convince her husband to support these ideas. She has the qualification for such additional business and has enough contacts to realise this idea. She calls the husband the “chef”. The husband explains that he has different priorities than earning a lot of money since his personal tragedy. He lives consciously. The wife has a different opinion and argues that he needs to do something to be able to make a living from the farm. The farmer agrees and explains that nobody nowadays can tell him if something will work (e.g. farmers’ association; they do not know when they will be member of the European Union and how it will develop). Everybody says one needs to be open, but nobody says how (e.g. how long will they get direct payments). The wife gives another example of an idea they had, but it failed because of other farmers. She criticises farmers because they all want to stay on their own. She also tried once to fund a collective farming but the calculation showed that it would not be successful. The advisor had always said it would be good, but then he told that his brother also experienced a failure. She claims that the direct payments should only be given to farmers which are farming on a regular basis (“that must be regulated by politics”).

To the second question of sheet 4 they do not fully agree. The problem is not to recognise, but to realise market opportunities and to get the finances for it. Restrictions by law should be reduced. Farmers need to be able to use the whole potential of their farms.

Interpretation: The farmers present themselves as persons who are able to recognise market opportunities. They give many examples to underlay this presentation. But they claim that they are not able to realise the opportuni-

<sup>22</sup> Comment: In reality, Switzerland is already part of the WTO.

ties. They also give reasons for that. Even if there were no outer restrictions, there would remain the restriction by the husband's attitude. Their presentation is convincing.

*Overall interpretation of 3 skills as a whole for this case:*

The farmers present themselves as sociable persons who are able to develop and realise a strategy and to develop market opportunities. Their presentation is not in all aspects convincing: They are not able to convince by their strategic skills. Their worst problem is the realisation of market opportunities. Beside outer conditions also the husband blocks changes. He presents himself as someone who just wants to survive his years until retirement but cares for the family. Moreover they present themselves as open persons who live consciously. This is a similarity to the farmers of value adding group.

## **Case 2**

The interviewee is a 53-year-old male farmer on a farm in the mountain area. His wife did not join the interview. Their activities consist of value adding activities (organic certified, alp cheese production, direct sale) and non-agricultural business (handcrafts production and odd-jobs in the mountains).

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer gives an indirect but positive self-assessment: "Yes I do have a strategy." His vision is to be able to nurture the family from the farm business, also in future times. His strategy is to develop the farm, maintenance of buildings, to enlarge the production and sale of Alp cheese, and to do more direct sale.

To the second question he agrees: "Yes, surely yes." He accounts for his stand by the example of Alp cheese (has good reputation and sale is good) and meat (price is good at the moment). In future time market liberalisation will provoke worse prices because of European meat price, which is much smaller; therefore he concentrates on cheese.

Interpretation: The farmer presents as a farmer who has the skill, but he is not very convincing concerning his ability to develop a strategy. He is able to give examples for his strategy by the help of the interviewer. He does not give any example for the development or evaluation of the strategy, only for the strategy itself. But on the other hand he shows that he is aware of international market developments in agriculture and tries to be active before loosing money.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The interviewee's direct comment is ambivalent, but referring to local population he states "yes": "Yes! (2) maybe (.) rather no. That's given less to me. (2) But, using contacts with the rest of the people [local population, J.J.], surely yes". To account for this stand he quotes direct sale of cheese and contrasts it with resigning from an association. He states several times that "talking with people" is an important skill and gives examples of direct sale of cheese and handicraft and identifying market opportunities.

He also agrees to the second question: "Yes, so actually with customers, there it is important that you keep in touch". He also explains what it means for him to use contacts: to talk with people about trivial things and – maybe – to make a deal at the end.

Interpretation: The interviewee presents himself as having the skill. The central rhetorical resource is utilising the skill in contacts with local population and customers. It is important to socialise and to present to aim at selling products / getting deals / identifying market opportunities. He sets himself apart from networks, which do not seem to profit for him. His presentation is convincing and he also presents as customer-oriented.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer's direct response to the first question of sheet 4 is: "That's what I try at the moment (laughing)". He gives an explanation: The cheese is a market opportunity now, because one gets good prices for the Alp cheese (also because of high percentage of polyunsaturated fatty acids). He tries to take it into account.

He directly agrees to the second question of sheet 4: "Yes, it's surely important nowadays."

He attributes his standpoint to the importance of selling products: "What you produce you also have to sell."

Interpretation: He presents himself as a farmer who has some experiences with the skill. He gives an example of how he tries to do it and he presents as successful. His presentation is a bit convincing because he can explain one example, but the production of Alp cheese has always been a business of his farm. He does not state any example which is 'really' innovative, even if the cheese is a market opportunity.

*Overall interpretation of 3 skills as a whole for this case:*

The interviewee presents himself as a person who has the skills, but his presentation is only convincing concerning the skill of creating and utilising contacts and networks. As regards the other skills, he is slightly convincing. He reacts to economic pressure, but is not innovative or proactively searching for new market opportunities, even if he uses the opportunity of cheese production. He presents as customer-oriented, tries to enlarge and states to take the family into account. He is also a kind of survivor.

**Case 13**

This farm is located in the mountain area and the male interviewee is aged 37. The core business of the farm is cattle rearing and fattening, suckling cows and breeding. The farmers are also active in direct sale and in summer and winter times they have agro-tourist offers on the farm. They belong to non-food diversification group because they do not only process, but also dress and serve their own products.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The farmer answers to the first question of sheet 2 "Yes, I of course have a strategy". His vision is to be able to make a living from the farm and he develops his strategy by politics which tell you what to do to get subsidies. The way how to do it is to feel it and it comes automatically. Furthermore one needs to look around and gets new ideas automatically (other farmers and exhibitions, foreign breeders). He evaluates his strategy by obtaining other people's or experts' opinions, discussing with his wife and brother and searching for advice from the agricultural school.

To the second question he agrees: "Of course yes".

Interpretation: He presents himself as a farmer who has the skill, but he cannot tell what his strategy is. He does what politicians say. His representation is not at all convincing.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The farmer directly comments his self-assessment: It is easy for him to create networks and utilise contacts because he grew up on the farm. He also states that he has the skill directly at the beginning: "Yes well yes" / "That's clear." / "That's clear". The farmer talks about the importance of the skill in general (it is important to have many contacts) and concerning professional contacts. He also gives an example for networks (with other farmers who have also learned another profession, for example a tracer who planned the new stable for him). The aims of making contacts are sale and help.

Interpretation: The farmer presents himself as a farmer who has the skill and who is able to weigh which kind of contact/network is needful for the business (professional contacts, networks with farmers who have additional competencies). He underlines his skill by explaining that he grew up into the networks/contacts. His presentation is convincing because he can give concrete examples.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer directly gives a positive answer concerning sheet 4: "Yes of course".

He also states an example: He produces sausages, is active in advertisement and goes to festivals and exhibitions for marketing. If you recognise that something works, you should try to do it. The farmers only sell their meat to private customers, mainly of the village and a town close to their farm. In summer times they also sell the meat in

their restaurant, but the restaurant also existed before they took over the farm.

To the second question the farmer directly responds: “Yes, that’s very important.” He accounts for his stand by saying that some things are not endless profitable and one needs to try new things. Asked to give an example he states that he cannot, because he and his father were always involved in meat production and this always worked not badly. So there is a discrepancy between his statement and his experiences he is able to tell. If his farm will go badly in future he would think about changes in marketing, but the farmer is not able to concretise or to think about the possibility of a bigger change (e.g. stopping cattle breeding). Since he took over the farm he has only changed some things at the stable.

Interpretation: The farmer presents himself as a person who has the skill of recognising and realising market opportunities, but he is not able to convince, because he is lacking the ability to concretise or to give examples for his statements. Moreover there is a discrepancy between his statements concerning the importance of the skill and his own experiences on his farm.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents as skilful, but his presentations are not convincing. Only concerning the communicative skills he seems to be skilful. Moreover he orients himself to political decisions and stays passive in this general framework. He is also a kind of “survivor” who tries to professionalise, does some marketing and get ideas by foreigners, but is not active or in control of his economic success.

### **Comparison of cases 12, 2, and 13**

None of these farmers is convincing concerning all skills, but all are convincing concerning creating and utilising contacts / networks. Farmer 12 is slightly convincing concerning the strategic management, even if not evaluating it. Concerning the third skill they are well able to recognise, but not to realise opportunities. In this case the female farmer would start realising, but the husband restricts her attempts. Farmer two is also a little convincing concerning skills two and three, but he does not show innovative potential, because the market opportunity of cheese production and direct sales is not new, even if it is still an opportunity. Farmer 13 is also involved in direct sale and uses a market opportunity, but also an old one which is not innovative. Farmer 2 is the only one who is growth- and customer-oriented. Farmers 12 present some potential customer-orientation (if they would realise the opportunities, they would also be customer-oriented). Farmer 13 has only agriculture related contacts / networks and utilises them to get access to expertise. Farmers 12 utilise their networks to get support and recognise market opportunities and farmer 2 utilises it for the direct sales. Farmers 12 and 2 also talk about the way how to utilise contacts / networks (12: sociability, strong nerves, helping, initiative, being open minded; 2: talking, keeping in touch, making deals at the end). Farmers 12 broach the issue of future developments (opening of the market to the EU). Childcare and family are values taken into account by farmers 12 and 2 and they also present as initiative farmers. Moreover, farmer 13 presents as professional.

As one can see, this group is not very consistent in itself. Farmers 12 and 2 seem to be similar to the second subgroup of value adding cases, but not in realising market opportunities and innovations. Farmer 13 seems to be weak at all, but similar to the conventional group concerning his presentation as professional. Moreover this farmer shows a mentality of expecting protection and focussing on production aspects. All farmers of this group can be regarded as kind of ‘survivors’ who want to make a living from the farm, but who are not very ambitious in the business.

### **The less convincing ones – moaning about liberalisation**

#### **Case 3**

This interview took place with a married couple who is aged 55 and 45. The main business of this farm in the mountain area is dairy cattle. Additionally they produce Alp cheese which is sold in direct sales and the husband has a small business with a small machinery business with farm external labour.

*Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewees give an indirect cautiously positive self-assessment: “Yes ehm in a wider sense we ehm do have a strategy [...]”. Their vision is to farm with well realigned boundaries and their criteria is not to have too much workload. Their strategy is well directed enlargement (not bloated with too much



workload), but no big plans, because these would not help. They develop the strategy by thinking about and discussing it and in a materialist way (taking practical constraints into account). The evaluation is done by talking about future developments and they have to deal with the preconditions of practical constraints. Their counter draft is a dystopia: politics change conditions for future times (more work and less money) and more economic pressure. It is important to believe in the possibility that small farms can exist.

To the second question they agree: "Yes, sure". They account for this stand by the statement that one must think about the development of the farm in future times (e.g.: building of a new barn).

Interpretation: The farmers present themselves as persons who have the skill, but they are not at all convincing. They do not give any example for their "well directed enlargement", the development of their strategy or anything else. But they are moaning about agricultural politics (liberalisation).

#### *Skill of creating contacts and utilising networks*

Self-presentation/ description: The farmers do not directly comment their own abilities, but the husband says: "Yes, I have of course many contacts" (e.g.: other farmers, in direct sale, in an association). The farmer explains that he does not depend on these contacts and describes himself as autonomous and well informed. He also constructs oppositions between politics and farmers and between small mountain area farms and large farm businesses. The skill is not important for him, because a farmer first needs to have all skills concerning production.

Interpretation: The farmer presents himself as a farmer who has the skill, does not depend on it and is able to utilise it for direct sale and political impacts. The central rhetorical aspect of the presentation is autonomy. His self-perception is based on distance towards politicians, non-agricultural population, large farming businesses and less informed farmers. His presentation is not convincing, because his examples are all contacts which every farmer normally has.

#### *Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer directly gives a positive self-assessment: "So able yes, I am of course able to recognise market opportunities." He presents as a person who could do it, but he also states that he cannot do it because of restrictions given by landscape of mountain area (e.g. small villages, not many niches for many farmers; milk production not constantly, therefore they need one big wholesaler). He states that people always talk about realising market opportunities, but he has no possibility to do so. The only example given for the realisation is the direct sale of Alp cheese. But this is not very special, but common in that mountain area.

To the second question the farmer first responds "yes", but then he claims that the most important thing in agriculture is that the family is aware of the high working load and willing to do the work. Recognising and realising market opportunities should not be emphasised, because he would not like to recognise it every time. It is not nuts and bolts for a farm business.

Interpretation: The farmer presents himself as having the skill, but indirectly he shows that he has not utilised it yet. He also states that the skill should not be emphasised. He does not always want to recognise market opportunities. His presentation is absolutely not convincing.

#### *Overall interpretation of 3 skills as a whole for this case:*

The farmers present as persons who have the skills, but their presentation is not convincing. Their central rhetorical resources are moaning about liberalisation and market developments and the restrictions given by mountain area small size farms. They are not willing to change anything, but emphasise the production skills of farmers and family values.

### **Case 9**

This interview took place in the office of the motorcar business of the male interviewee. He is aged 64 and breeds sheep in alpine mountain area, but the motorcar business constitutes his main business. The farmer produces cheese and meat which he sells directly.

#### *Skill of developing and evaluating a business strategy*

Self-presentation/ description: The interviewee gives a positive self-assessment: "I would say so, yes." His vision is to care for the landscape to make it usable for tourists and to get subsidies by the cantons. Imports should be taxed higher and the prices for meat should also increase. Farming in mountain area is work intensive.

To the second question he responds “Should be”.

Interpretation: The farmer presents himself as having the skill, but his presentation is absolutely not convincing because he only says what politics should change and shows that he is not able to deal with market changes. For his agreement to the second question he does not account at all.

*Skill of creating contacts and utilising networks*

Self-presentation/ description: The farmer does not directly state a self-assessment. But indirectly he explains how he is using this skill (for direct sale of meat, to get better prices, for exchange of experiences in breeding). Moreover he explains that he needs and is able to select expertise. He also states that the skill becomes more and more important for direct sale because of sinking meat prices. He delivers and knows most of his customers for a long time. Customers contact him or he asks them if they need anything. He gets new customers by chance and he is not interested in tourists (the sheep meat is mainly sold in autumn and spring).

Interpretation: The farmer presents himself as a person who is able to contact people for business interests. The central rhetoric resource is that he shows his ability to select information and that he has grown customer contacts for direct sale. One further resource is his consciousness about growing importance of the skill (sinking prices, direct sale as counter strategy). His presentation is not really convincing because his customer contacts are not initialised by himself, but grown contacts to people of his home community.

*Skill of recognising and realising market opportunities*

Self-presentation/ description: The farmer answers that market opportunities are important because he has no chance for exporting or anything else. The farmer is asked why he has no more potential and he answers that it is not possible to export because sheep are imported and he would not get any support of the butcher. He concretises his answer and says that co-operatives import from France, Germany and the Netherlands. He could only make a cross-breeding with other sheep, but nothing more.

His response to the second question is negation: “That would be the only possibility, but that’s given less.” He does not see any possibility for enlargement or anything else. Wool prices are down and meat prices sink. Marketing, he states, would be more important than the other skills mentioned in the interview, but there is no possibility for it.

Interpretation: The farmer presents himself as a person who does not have the skill. He does not give any self-assessment, but says that there is no possibility for utilising the skill because of market conditions.

*Overall interpretation of 3 skills as a whole for this case:*

The farmer presents himself as having the first two skills, but he is not convincing. He remains passive in market situation and moans about politics. He does not at all present himself as active or entrepreneurial.

### **Comparison of cases 3 and 9**

Both farmers of the third subgroup are lacking the skills (exception: skill two for farmer 9). Both also moan about liberalisation and talk about future developments in a negative way. Farmers 3 ‘overestimate’ themselves by stating that they had all skills more or less. They are growth-oriented and try to evaluate their strategy by talking about it – but this presentation was also not convincing. Moreover they claim to be independent from contacts / networks, even if they are active in direct sales and state that they utilise their communicative skills for the aims of direct sales, influencing price politics and exchange of expertise. Farmer 9 utilises his contacts to the local population for the aim of direct sales, but these contacts are also grown contacts. Farmers 3 could be said realise a market opportunity with the direct sales of cheese, but it is not innovative. They also claim that it is more important to have production skills and a family who is willing to do the work on a mountain area farm than the skills the interviewer asked for. Farmer 9 also says that the first and second skill is not as important, but the third would be important if he had any opportunities. He calls for more subsidies and protection, as farmers 3 do. Moreover he has the value of landscape conservation in mind.

### **Summary of the presentations of non-food diversification cases**

In the whole group of non-food diversification farms we can find differing kinds of self-presentations. Which aspects the NFD group has in common? First, none of the aspects which were mentioned in the summaries of C

and VA groups as common attributes could be said are common in NFD group (e.g.: growth-orientation, customer-orientation, optimisation, restriction / non-restriction to agriculture related contacts / networks, innovation potential). Only if the two weakest cases (3 and 9) are left out, it can be stated that a kind of initiative / pro activity is common (Case 13 shows it a little when he says he goes to exhibitions and festivals, but he is not very strong in it.). Another conjunctive aspect is the utilisation of contacts / networks to gain access to or mobilise business resources, even if this attitude is not as strong as in the other groups (26: getting ideas for optimisation by visits to foreign countries and support / help by colleagues, saving money in co-operation; 8: improving direct sales, influence on politics and agriculture related representatives for better farming conditions and marketing; 12: getting ideas for market opportunities and support; 2: improvement of direct sales; getting access to expertise for the improvement of breeding and getting help from colleagues). Another point is the description of how to create and utilise contacts / networks. Whilst farmers 3 set themselves apart from this skill and emphasise their autonomy, and farmer 13 does not talk about the “how” to do it, the other farmers give more detailed answers.

Generally, only two farmers could present themselves convincingly as skilful and two farmers seem to be lacking two or all of the skills. Cases 9, 3, 13 and 2 overestimate themselves (case 2 only concerning the first skill).

What are the differences in this group? Only two farmers (2 and 3) are growth-oriented and one case presents as optimising / cost reducing (26). This case is also the only one who convincingly presents as evaluating his strategy. Two farmers (8 and 2) are customer-oriented and one farmer shows potential for customer-orientation (12). Active in direct sales are cases 8, 2, 13, 3, and 9. Cases 13, 3 and 9, the weakest cases of this group, are not customer-oriented even if doing direct sales.

Three farmers present themselves as recognising market opportunities (26, 8, and 12) and two of them also realise them (26 and 8). Yet two other farmers realise the market opportunity of direct sales of Alp cheese; this is not an innovative market opportunity, but a kind of traditional marketing in alpine mountain area (2 and 3). Farmers 26 utilise co-operation and experiences made in foreign countries and other regions for the recognition and realisation of market opportunities; farmer 8 orients himself to regional conditions (alpine mountain area) and searches for opportunities in tourism and local labels (“heart feeling” of the products), but also utilises co-operation; farmers 12 are sociable and open minded to get business ideas and farmer 2 talk with people to make deals at the end. Equivalent to these aspects only cases 26, 8 and 12 are innovative. None of the interviewees (and this aspect is maybe another common attitude of the NFD group) presents as risk-taking, only farmers 26 indirectly do so when they talk about the taking over of the cattle trading business. Two interviewees talk about the importance of the skills in the context of future developments (8, 12) and another two moan about these developments, but do not say that the skills were important because of these developments (3 and 9). Ethical or religious values are restricted to the recognition of the importance of the family and childcare (12 and 2) and care for the landscape (9).

And last but not least, case 13 presents himself as professional and tries to get as much direct payments as possible, case 3 present themselves as superior to other farmers and emphasise production technique knowledge and case 9 wants to get direct payments and protection for Swiss agriculture.

### 9.3.4 Overall comparison of C, VA and NFD

As shown above, some important differences between the strategic groups became apparent. First, there is a difference which concerns the visions for or aims of farming: Most of the farmers of C concentrate on economic success, but mention having satisfaction out of the work or having pleasure at work as criteria for the chosen farming strategy. The farmers of the first subgroup of VA, in contrast, focus on their ethical and personal values, sometimes combined with economic success. This distinction is – as all others – not absolute. There may be the one or the other case which does not fit into these categorisations, but the aim of this summary is pointing out the tendencies and characteristics of each group.

Another aspect is the gap between the self-assessments and the persuasiveness of the presentations. This gap can be found in seven of ten cases of the C group and also in four of seven cases of the NFD group, but only in a slight form in four of eight cases of VA group. The farmers of the value adding group seem to be the strongest concerning the self-assessment of their entrepreneurial skills. They are also more customer-oriented than the other farmers, whereas case 5 (one of the strongest ones of C), 27 and 21 of C and 8 (a strong one), 2 and potentially 12 of NFD are also customer-oriented.

Furthermore the average age of the weakest group (all farmers which are lacking the skill, independent to which group they belong) is 52 years, meanwhile the average age of the other groups which are more convincing is 42,5 years. Concerning education some aspects are interesting: The master farmers mainly belong to C group (exception no.26, NFD). But no influence can be recognised between the master and the classification of these farmers within C group. Another aspect is that in C group mainly single persons were interviewed (seven male farmers, two female farmers and one couple), but four couples were interviewed in the other groups. The question of “superiority towards other farmers” and “professionalism” is another aspect by which C group can be distinguished from the other groups: Seven farmers claim to be superior and / or professional. None of the farmers of VA does so and only cases 13 and 3 (ranking places six and seven in the group) also do so.

Additionally the C cases are much more often growth-oriented than the others (six farmers of C, 3 of VA, and two of NFD). The C farmers also present more often as optimising or cost reducing (seven cases; three of VA and two of VA a little; one of NFD). Another speciality of C group is their restriction to mainly contacts related to agriculture (only one farmer claims having contacts to consumers). In the NFD group three farmers are restricted to agriculture related contacts and in VA group none of the farmers (Seven of them are active in direct sales).

Three of the C group talk about the importance of being experienced, whereas only case 15 from the VA group mentions “being experienced” as relevant. Another aspect by which the groups can be distinguished is the skill of evaluating the own strategy. Four of the VA farmers are able to present as skilful and one of this group a bit. Only two of the C group are presenting as skilful and four more or less. And in NFD group only one interviewee is convincing concerning this ability. The C group is also weakest concerning recognising and realising market opportunities (one is convincing, five more or less; NFD: two convincing ones, one more or less, one farmers only convincing concerning recognising opportunities; VA: five convincing farmers, two more or less;). In the VA group the diversification of market opportunities is the highest. These interviewees also give more detailed answers about the “how” to do it and utilise their contacts / networks for the aim of creating and realising business opportunities. In C group four farmers say one needs to have “the nose” or “the flair” for recognising market opportunities and only farmer 27, the exceptional case in this group, says that one needs to actively search and be open for it. The three “best” farmers of NFD group also present as good in recognising and realising market opportunities and talk about the “how” to do it.

Analogously, the VA group is the strongest concerning innovations: Six of them present themselves as innovative and one more or less. Only two of NFD do so and two more or less; in C group the three strongest cases of the first subgroup present as innovative, and only the fourth case more or less. Concerning initiative, the VA group and the four strongest cases of NFD group are the most convincing cases. In C group cases 4, 5, 27 and indirectly more or less cases 18, 22, and 6 are convincing.

At last the groups can be distinguished by the way how they say the skill of creating and utilising contacts / networks should be used or is used by them: In C group two farmers talk about openness, one about exchange and one about diplomacy, discretion and pleasure; and four interviewees say that they “select” their contacts (sometimes combined with a presentation as professionals). In NFD group the first four farmers (26, 8, 12, and 2) talk about presence, support, sociability, co-operation, lobbying, connectivity, openness, help and keeping in touch. In VA group all farmers of the first and the second subgroup talk about this subject. They present themselves as personalities, sociable, evaluating wishes of other persons, cultivating contacts, actively searching for new contacts, making presents, developing systems (snowball system, case 16), getting ideas from customers, interested, giving and taking, having pleasure, explaining agriculture, inviting customers, asking for feedback, banding together, and regularly caring for contacts.

Four of the C farmers talk about the relevance of the skills in the context of future (liberalisation) developments, as do so one farmer of NFD group and one farmer of VA group. Another three farmers of VA group contextualise the skills within 20th century developments, importance for now and future, and in the context of the next ten years developments. The attitude of risk-taking is low within all groups: Only three farmers present as risk-taking and one a little, five explicitly state that they avoid taking risks and all other farmers do neither present as risk-taking nor as not risk-taking.

Some farmers of C group also separate from ‘conventional farmers’ (not as professional as themselves), non-agricultural contacts and local population, local farmers (also not as professional), moaning farmers, agricultural associations and from female farmers (case 6, women are less professional because they talk about childcare). In

VA group farmers separate from dependence on wholesalers, farmers who do not sell their land even if they do not need it any more, uninformed people, pathetic or moaning farmers, conventional and non-organic farmers, and being lonesome. Farmers of NFD group set themselves apart from price regulations, banks and assurances (not social), liberalisation, large farms, less informed farmers, economic pressure, and local population. Seven of the farmers are more or less oriented to production techniques, direct payments and protection (19, 17, 24, 12, 13, 3, and 9). Four of these farmers belong to NFD group.

The attitudes concerning entrepreneurship are mostly positive. In C and NFD group farmers tend towards an explicit presentation as entrepreneurs, whereas farmers of VA group do not talk about this as much. But they also show a positive attitude concerning the skills.

In table 9.1 the distribution of the cases within the groups combined with their age, gender, and educational level is shown: Case number, age, female/male (f or m), and educational level: university (u), master farmer (m), nearly master farmer (nm), apprenticeship (a), obligate school (o)).

**Table 9.1 Distribution of cases among strategic groups**

| Group           | Conventional        | Value Adding         | Non-Food Diversification |
|-----------------|---------------------|----------------------|--------------------------|
| Convincing      | 4 (37, f / u)       | 20 (36, m / a)       | 26 (37, f and m / nm)    |
|                 | 18 (39, m / a)      | 17 (38, m / a)       | 8 (46, m / a)            |
|                 | 5 (44, f and m / m) | 16 (37, f / a)       |                          |
|                 |                     | 1 (39, f and m / a)  |                          |
| Less Convincing | 14 (48, m / m)      | 15 (33, f / u)       | 12 (50, m / a)           |
|                 | 22 (62, m / m)      | 24 (38, m / a)       | 2 (53, m / a)            |
|                 | 27 (32, m / a)      | 25 (51, f and m / a) | 13 (37, m / a)           |
|                 | 21 (38, m / nm)     |                      |                          |
|                 | 19 (34, m / m)      |                      |                          |
|                 | 6 (34, f / a)       |                      |                          |
| Not Convincing  | 23 (36, m / m)      | 11 (58, m / o)       | 3 (50, f and m / o)      |
| Total           | 10                  | 8                    | 7                        |

As shown above, the distribution of the interviewees between conventional and value adding cases is sensible. For the reason that the NFD group is not consistent in itself – it is hard to define this group in separation from C and VA – we propose to distribute the NFD cases to the other groups. Cases 8, 2, and 13 could be integrated in VA group because they are active in direct sales as value adding strategy. Cases 26, 12, and 3 could also belong to C group. The small amount of direct sales of cheese in case 3 is no specific kind of value adding activity of the farmer, but a very common strategy in mountain areas in Switzerland. Case 9 could also be left out in the total study, because this farmer is mainly working in his garage and the sheep are more like a hobby activity than serious farming.

#### **9.4 Attributions of skill development (Factors enhancing or hindering the development of these skills)**

In this part of the report we present the results concerning the second part of the interviews:

- a. How do the interviewees comment differences among farmers in these skills? Which kinds of explanations for differences were presented by the interviewees?
- b. Which kinds of explanations do the interviewees present for the development of their own skills?
- c. Which kinds of stands do the interviewees take to the experts' opinion that differences between farmers are caused by personality and attitude of the farmers? Which kinds of justifications do they present for their stands?
- d. Which types of answers are presented to the question how the skills of farmers can be developed?

The interviews of each group (conventional, value adding, and non-food diversification) are treated each as one set of data (in other word: unlike in chapter 9.3, here we are not interested in comparing individual cases, but in finding out the overall qualitative variation among answers). We present all different types of answers that were

given to each sheet (sheets 5 to 8) by the interviewees. We proceed sheet by sheet and a short overall comparative summary can be found after the group descriptions.

#### **9.4.1 Conventional group**

##### ***a. How do the interviewees comment differences among farmers in the skills? Which kinds of explanations for differences are presented by the interviewees concerning sheet 5?***

The farmers of this group all say that there are differences among farmers concerning their skill levels. The explanations given by the interviewees are external and internal ones, as there are education as a supporting factor for skill development, traditions and fathers as hindering or supporting factors, and personality and talents.

Some talents and personality traits are inherited. On this basis education is important for the further development of the given talents. Education is a matter of agricultural schools, but also courses and advanced training. Most of the farmers also state that the older generation is oriented to traditions. This does not foster skill development. The older generation functions as role model and should try to give some liberty for farm development for the younger ones. Concerning this aspect success and motivation, but also freedom to make experiences in foreign countries are mentioned as supporting factors.

As we can see, the farmers utilise two argumentations: biological ones (inheritance) and constructivist ones (learning, social environment, role models). The latter is also supported by the arguments of making experiences, socialisation and the situation in which a person grows up, the supportiveness of the environment and agricultural associations as a place where farmers learn from each other.

Another argument is economic pressure and liberalisation policy which lead to the development of the skills. This is contrasted by the statement that farmers need a solid financial basis to be able to practise their skills.

Another influence is given by the topography of the farm. And women are also mentioned as influential factors on the farms: They can be entrepreneurial and support the farmer in the skill development. But on the other hand there is mentioned a very traditional gendered role model for farmers.

In detail the argumentations are (the numbers in brackets says how many interviewees talk about this subject):

##### **Education and training (8)**

Education is a supportive factor for skill development in general. It is also mentioned as important for the skill of recognising market opportunities. The education has become professionalised. Moreover one should pay attention to research and education which can just support the talents which are given by nature. It is also important to know things to be able to appreciate them. Education should be multifunctional and farmers should always care for advanced training. The internet is also mentioned as important in the context of education and training.

##### **Traditions and connectivity of two generations on farms (6)**

Traditions are a hindering factor for innovative developments and changes on farms. The older generation hinders the younger in changing things. Older farmers are more traditional whereas younger farmers are more open. Even if younger farmers have a good education which supports innovativeness, the traditions are stronger than their knowledge. Traditional farming means living from day to day. Older farmers should take care to give free space to their children if they take over the farms.

On the other hand an entrepreneurial farmer can also be a good role model for his son (the farmers only talk about sons). It is important that the older generation has success, because this motivates the younger ones. If farmers always moan, it is discouraging for the children. Older people should also take care that children have possibilities to go to farms in foreign countries to become open and make some experiences. The succession of children can also be a motivating factor for older farmers. Another argument says that there is no motivation for older farmers to be still innovative if they do not want to keep on farming more than 10 years.

**Personality (5)**

It is important if somebody has an entrepreneurial personality or not. It is good to be risk-taking and confident. These characteristics are also good to be able to change the father's farming strategy. Other farmers would go on as the father says. It also belongs to the personality which attitudes towards work somebody has and which experiences in co-operation one has made.

Moreover openness is needed for the skill of recognising market opportunities and to be able to accept advice. It is not useful if somebody is too ambitious and therefore not able to admit to having made a mistake. Another description of personality aspects concerns hindering personalities: People who are pessimists and think that everything new is bad. These people are often simply frightened and react with a false self-security.

**Talents (4)**

Differences between farmers result of different talents (biological argumentation implemented). If somebody has a talent he/she can be even better than a well educated farmer. The education is also just supporting the talents which a person has or does not have. One needs to have sensitivity for markets. Intelligence has also an influence.

Talents are given by inheritance. One skill mentioned as inherited is networking. This argumentation argues on the basis of biological determination.

**Socialisation (2)**

The family environment during growing up is an influencing factor. A farmer who grew up in an organic farming family "brought it (the skills) along".

**Environment (3)**

A supportive environment is such an environment where farms usually change their strategies from time to time. Moreover it is good for farmers to organise in associations because there they can learn from each other.

The region is an influencing factor because of the traditions of the regions: In some regions people are used to farm strategy changing, in other regions people are not. In the latter ones traditions may be stronger. Moreover one cannot do everything in every landscape.

**Women and family (2)**

If the farmer marries it is possible that the woman is "also a little bit the entrepreneur", and then she is supportive for the farm development. A family is necessary to be able to manage a farm on the long run. But if there are children, the family is again restricted because the wife has to do all the work in the household. There is also a statement about the "ideal" of farm life: The man as the manager of the farm and the wife as the one who stands by his side (she could also go for a second job, but not the man).

**Economic pressure (4)**

Economic pressure is a supportive factor for the skill development. The condition of the farm when taking it over is also important the development of skills of the next farmers (it is not explained why it is relevant). Politics support liberalisation which leads to more economic pressure.

On the other hand young farmers need to take over farms with a solid financial basis to be able to be innovative and change things.

**Experiences (2)**

One needs certain experiences. One should also leave the parental farm in young years for a while and go to foreign countries or somewhere else to make some experiences and become open.

***b. Which kinds of explanations do the interviewees present for the development of their own skills?***

In the comments of the interviewees three main fields of arguments can be identified: Experience (“learning by doing” inside and outside the agricultural sector, on the parental farm and on other farms), education (obligate school, agricultural school, higher agricultural education, advanced training during life time; not only agricultural education or training), and personality factors. The interviewees do not state whether the personality aspects are inherited or if they can be developed, they simply do not try to explain them; but inheritance is mentioned as an influencing factor. Moreover it seems to be important that one sets a goal and wants to go forward. Further aspects which are stated as influences are gendered role models (naturalisation of male agriculture), customer-orientation and having contacts.

**“Learning by doing” (5)**

The interviewees state that they have developed the skill by doing, but the precondition is a good education. It is important to get some know-how early after education time. Another aspect of “learning by doing” is “learning by failure”. It is also important for strategic management if one is satisfied through the work or not. If not, one must develop a new strategy. The other way around one starts doing things if one likes the work. The experience of other farmers’ failure can also lead to the development of strategic skills. Another aspect is that people who are living consciously always make experiences.

Moreover the attitude towards doing new things is important: Learning by doing functions if one always tries to realise things and tries to get help or information if one does not know how to do. Learning by doing is a constant process, also in small things.

**Work experience abroad and outside agriculture (3)**

It is also helpful to make some work experiences in foreign countries after the agricultural education. It is also supportive if one makes experiences with people from other businesses (e.g. chemistry, bank sector) and it can be helpful to communicate with bank advisors to earn some money and understand economies which do not directly belong to agriculture. Another example for the development of skills is working time in the army: one farmer states that he learned to command people in the army.

**Observation and guidance (1)**

It is helpful if one has some guidance to learn new things and to improve the observation talent. Observation should always be done because one learns from it, but observation needs time (one needs to take time for it). Guidance, or having an instructor, is always good for personal improvement. Instructors have special attitudes (courage to try to do things, risk-taking).

**Growing up on the farm and socialisation (2)**

Growing up on the farm and having a relationship to the farm leads automatically to the development of certain skills. Moreover one gets certain abilities within the family.

**Older generation as support or obstacle (3)**

It is supportive if the father supports the younger generation in the way how they organise the farm, especially if the parents are not able to manage the farm on their own for health reasons. The younger generation should be involved in the farm and responsible for parts of the farm before they take it over.

But on the other hand the older generation can also be an obstacle if they moan about the ideas of the younger farmers or if they do not change anything on the farm but remain in the daily routine of high work load.

**Education (4)**

Education is important for the skill development and education should be a constant process. The basics are primary school and obligate school (to be able to read and write).



**Higher education as hindering and supporting factor (3)**

Higher education can be a hindering factor because one has many possibilities to earn money in additional jobs besides the farm. This distracts farmers from farming. On the other hand one has more networks and is able to communicate with advisors on a higher level. Moreover one has some knowledge and is able to utilise it. Higher education is also good for the development of business leading skills and for the learning of further, not specific agricultural abilities which make work easier (e.g. touch typing; pyramid model of land as a basis, work which must be invested and capital which must be available to invest).

**Advanced training (5)**

Generally some skills can be learned by advanced training in the private and the business sector. Business sector means to engage actively in the market, to go to courses and discussion rounds with wholesalers, and to get information on customer studies. Private training means learning from experiences in private things, but to translate them into the farm business: It is a kind of personality training concerning leading skills (e.g. to stay calm and relaxed if problems emerge on the farm, not to shout at the employees, not to share the business with a private partner, but only with business partners and contracts; to stay in contact with the employees and to be “at the front” with them, to be able to give constructive feedback to the employees and to compliment them on good work, to divide private and business time).

Advanced training is also generally good to be able to look beyond one’s own nose. Moreover one can learn how to develop skills by informing oneself (e.g. journals, other people and farmers, excursions and internet). Another aspect is that apprentices bring new and actual knowledge to the farm if they participate in courses.

**Personality (6)**

One needs a certain personality to be able to learn by experience and by mistakes: courage to do new things and a certain willingness to take risks. Moreover it is supportive if one has a pioneer spirit, curiosity and pursues actively exceptional things. Ambition to go forward, interest and openness are also good for the skill development. Some skills or talents are also inherited or they are “natural”. Moreover one starts developing the skills automatically after taking the decision for a farming strategy. It is helpful to set up a goal on the long term and to be willing to go forward. Concerning personality also have a look at “advanced training”.

**Women as farmers – double proof of competence (1)**

It is also stated that being a woman leads to skill development and ambitions, because a woman first has to prove herself and second can say that she has learned her job at a school. The female farmer who talks about this also states that she invested a lot of time in collecting experiences on different farms, also in foreign countries such as Canada, because she had the feeling that she must have further experiences and knowledge to go into agriculture. She developed some skills before she started agricultural school. She was also motivated to prove herself for her own sake because of resistance against female farmers.

**Customer orientation (1)**

It is also helpful to have close contacts to customers and to engage in PR (e.g. open day) to be able to recognise customers’ wishes (market opportunities). Also in contact with wholesalers and processors it is helpful to invite them and to explain how the farmer treats the plants.

**Contacts (1)**

It is also good for the skill development to have contacts from whom one can learn.

***c. Which kinds of stands do the interviewees take to the experts' statement? Which kinds of justifications do they present for their stands?***

All interviewees of conventional group agree with the experts that the development of the skills depends on the attitudes and personalities of the farmers. Some interviewees refer back to what they said before as supportive argument for their stand. Their justifications concern two different topics:

First they talk about influences on attitudes and personality. These are social environment (during growing up and nowadays), the parents' house, education and agricultural apprenticeship (in all these contexts it is important if people think positive and present as pro active or if they are pessimist and moan; the older generation should be a role model and motivate the younger ones), but also if one has children and a willingness to get a high living standard (both is motivating for improvement and skill development). Moreover some parts are inherited (not mentioned which ones) and some influences hinder the skill development (direct payments, the uncontrollable weather, being lonely, a lack of time).

Second the interviewees explain which attitudes and personality are best for skill development, and which ones are worst respectively. Supporting are pro activity, risk-taking, willingness to learn new things, a balanced personality, positive attitudes, the setting of goals, the ability to take critic and to improve oneself, leading skills, diplomatic and co-operative style, informing and discussing activities, caring for recreation / free time and quality of life (finding a female partner), openness, flexibility, future orientation, honest, being careful with new projects, pursuing a straight course, learning from mistakes, not to backbite, and having an own opinion. Hindering are a negative or pessimist and moaning attitude / personality and fear, insecurity and envy.

Moreover one interviewee states that attitude / personality is more important than intelligence or education. For the single statements see description below.

1. Four interviewees distinguish between attitudes and personality:

- The attitude is influenced by the environment (negative influence if everybody around moans) and agricultural education (positive influence if teachers call things into question and give examples of foreign countries). A negative attitude is consumption expectation (if somebody expects things to happen without doing something for it, e.g. direct payments), which is also stronger than education and intelligence; a positive attitude is having control and pro activity. A pessimist personality is hindering. Also well educated and intelligent people can be pessimistic, whereas a badly educated green person can be very risk-taking and therefore also more entrepreneurial. (4)
- The attitudes are influenced by education and apprenticeship. Therefore attitudes are changeable in school. The personality is influenced by the environment in which one grows up and it is not changeable. (6)
- The right attitude for the development of the skills is a willingness to learn new things. The right personality is balanced. The counter draft of a balanced personality is alcoholics and personalities who want to spend a lot of time in hobbies. (22)
- One needs a positive attitude, but a pessimistic personality is counterproductive. (23)

2. Three of the interviewees do not distinguish between personality and attitudes:

- It is important that farmers have a positive attitude / personality. Only in this case one can fully develop one's own skills. Therefore it is also important to motivate young people by being a good role model which also shows how to go on after failures. It is important to set up goals for the younger ones and the role models should be well known persons to be able to convince people. (5)
- Another justification says that humans are different in general. The example given by the interviewees is farm co-operatives. These only function if people are able to take critics and to improve, if they can lead employees and if their character is diplomatic and co-operative. Moreover people should take care to inform the partners and to discuss with them about decisions. (18)
- Another farmer states that children and the willingness to get a high living standard are a good motivation for enlargement. Singles often remain in the daily routine. Moreover people must be risk-taking and direct payments hinder them to develop this attitude / personality aspect. Inheritance has also an influence on the skills. (27)

3. Another two interviewees only talk about attitudes:

- A positive attitude is the precondition for successful farming, but farmers should also take care for free time. Many farmers become psychologically ill because they have a lack of time and do not find female partners.

They do not care for quality of life. The weather also supports this development, because farmers cannot control or influence it. (14)

- A positive, open, flexible, future-oriented and motivated attitude is good for skill development. Fear, insecurity and envy hinder it. (19)
4. And one interviewee only talks about personality aspects:
- The best personality for skill development is honest, careful with new projects (means: do not invest too much money in an insecure new project without testing it before), to pursue a straight course, is able to learn from mistakes, does not talk with everybody about everything, is able to form an opinion on oneself and does not interfere into chatter. (21)
- d. Which types of answers were presented to the question on sheet 8?

Various types of answers were given by the interviewees as response to the question of how the skills could be developed among farmers. One farmer said that the question is difficult to answer (14) and one interviewee first did not understand whether the question is what the farmers can do themselves or what could be done to help them (23). Another farmer (21) spontaneously answered that it is good that not every farmer has the skills, because if everybody had them, everybody would do the same and that weren't good for the market.

The following aspects are mentioned in the farmers' answers:

#### **Farmers' attitudes and behaviour (7)**

Farmers should be and stay open, even in old age (5), they should assign responsibility to the younger generation and give them space to change things (5), they should assume responsibility to be able to recognise their own skills and work with them, (18) they should always try to find a way to go on after failures, because this is important for strategy development (18) and they should set goals and commit to their decisions (18). Moreover farmers should not be begrudging but co-operative (that's the worst problem in agriculture; farmers' search for prestige - having the newest and biggest machines - belongs to this) and instead of investing in new machines they should buy it second hand and go on holidays with the rest of the money to get some quality of life (18) or they should co-operate to save money in machines (19). Farmers should also specialise and stick to a main course; whereas they should be able to change or improve small things (advisors and associations should also teach this way) (18). Farmers should not moan as much as they do (21) and they should be able to differentiate between business and private sphere. Some things cannot be influenced too much (animals get ill and die, the weather is bad), but one should stay relaxed and distanced (22). Furthermore farmers must be willing to develop the skills (23) and should think more entrepreneurial, what is synonymous to customer-orientation (23).

Farmers should also always be on top of the time (27), self-critical and sceptical about new projects and trends in the meaning of making a very good calculation of new ideas (this would also include multifunctional buildings to be able to change strategies easily) (27), self-initiative (includes having ideas) (27).

#### **Education (6)**

Teachers at agricultural schools should improve and more specialists are needed (4). Production technologies and economies should be interdisciplinary combined at schools (4) and the agricultural apprenticeship should be more practical (5). Another idea is that education in agricultural schools and times of practice should rotate (14). Farmers should also be shown how business plans and leading a farm functions in practice (14). Moreover more farmers should do the master class (14) and set up priorities for education (their parents should motivate them that they are well able to do a higher education) (14). Young farmers should learn how to co-operate in the agricultural schools (18) and the agricultural schools should also teach how to develop and realise strategies for the leading of the businesses (18). Furthermore farmers should do courses, for example motivation training (19), and courses and education could be helpful in general (21).

#### **Economic pressure (5)**

If farmers suffer economically and the environment continues changing they will start developing the skills (4), but direct payments should only be paid to farms on a regular basis; Those who work on sideline basis should turn over their farms to the next generation or to other farmers who want to enlarge (6, 18, 19). Economic pres-

sure also leads to the development of the skill of developing and realising a strategy, but not every farmer has yet recognised that the skill is important (21).

### **Laws and regulations (3)**

Farmers should get more freedom from bureaucratic stuff and regulations. Animal welfare laws, other regulations and controls should be simplified and reduced, because they restrict farmers' time for further developments (6). Moreover farmers who do part time farming should not be allowed to lease land from the communities and thus prevent the enlargement of other farmers, develop their skills (19), and regulations should be changed in general (21).

### **Special kinds of contacts (3)**

Farmers can get inspiration through skilful colleagues (4) or exchange by joining groups of 10-12 farmers (5). It is good to create international networks (4), and advisors should try to intervene if a father is not willing to turn over the farm to the younger generation (5). Agricultural associations should orient themselves customers and be present for them (that would be more entrepreneurial) (23).

### **Motivation for farmers (2)**

The image of agriculture should be improved (more recognition) to motivate farmers (14) and young farmers should be motivated by their parents (19).

### **Experience (1)**

Farmers can develop the skills by experience (18).

### **Counterproductive influences (4)**

Hindering factors for additional education are bad finances (some farmers must work the whole day to get enough income) and less willingness (14), envy and a lack of land (19), but also if farmers begrudge and search for prestige (18), if they are not willing to improve (19), narrow minded (this is a specific Swiss and generational problem which will solve itself by time, because younger farmers are different) (23).

### **Summary**

One aspect which is mentioned by seven of ten farmers can be described as "farmers' attitudes and behaviour". The farmers explain which kinds of attitudes and behaviour are necessary to develop the skills. Another aspect which is mentioned by six farmers is education. Most of the statements concern improvement of agricultural schools, but some statements are also about motivating farmers (by parents and in courses). Moreover five interviewees state that economic pressure leads to skill development (therefore direct payments should be reduced or cancelled for farms on sideline basis) and three answer that farmers are restricted by laws and regulations, which should be simplified. Motivating farmers, which is also an aspect of education, is also mentioned as single statement by two farmers. Furthermore the different kinds of contacts are important (mentioned by three farmers); whereas agricultural associations are described as hindering and difficult to change in their politics. One aspect which was only mentioned by one farmer is experience.

Four farmers also directly talk about counterproductive influences. All of these statements concern farmers' attitudes / personalities and one also finances and time.

## Value adding group

### *a. How do the interviewees comment the differences among farmers in these skills? Which kinds of explanations for differences were presented by the interviewees?*

The explanations for differences between farmers' skill levels given by this group concern four main topics: the personality of the farmers and the environment, education and economic pressure.

The interviewees explain which kind of personality is supporting the development of the skills and which kind is hindering. The more entrepreneurial personality is connected to organic farming and to the younger farmers' generation. The opposite are older traditional and conventional farmers.

The environment includes socialisation (parents' house), friends, neighbours, farming environment (conventional and organic farmers; farmers' associations, colleagues etc.), and contacts to non-agricultural population (friends and customers, important for recognising market opportunities). Another aspect which concerns environmental aspects is whether the farmer has made some experiences besides the parental farm or not. Distance to the own farm is good for a reflection of the farm strategy and to get new ideas.

Education is something that happens the whole life and also in advanced trainings or outside the agricultural sector.

The fourth very important factor is agricultural politics, respectively economic pressure. As long as there are high subsidies in Switzerland farmers will not change their businesses and therefore they will not develop the skills. But if economic pressure increases, they will develop these skills. This argumentation also shows that the farmers think that the skills can be developed. The argumentation along economic pressure is not easily to understand, because the farmers state that high pressure leads to the development of the skills, but a financially bad situation of the farms hinders the farmers because they do not have the finances to realise opportunities or change their strategy. The best would be a farm on a solid financial basis, not living from the substance, and high economic pressure to go forward.

One aspect which was also mentioned three times is the farm type and the farmers' goals, but this aspect was not explained by the interviewees. Further influencing factors are: topography (e.g. touristy area) and having time (for the development networks).

### **Personality (4)**

A personality which is beneficial for the development of the skills has a pioneer spirit and is open to new things (e.g.: modern organic farmers, also some pioneers in conventional farming), is interested (mentioned once in the context of recognising and realising market opportunities, but also mentioned as generally important) and enquiring (mentioned in the context of recognising and realising market opportunities), has also strength of character and is entrepreneurial. The contrary is somebody who farms traditionally and moans (e.g.: parts of conventional farmers who are tired of constantly changing regulations), and who is jealous and self-centred (a kind of "survivor" who does not change anything as long as possible).

The older generation of farmers is described as less entrepreneurial, they are oriented to traditional farming, supported by direct payments and they moan. Besides the opposite pair of younger – older farmers also a distinction between organic and conventional farmers is mentioned, whereas some pioneers also exist in conventional farming.

"Traditions" are also mentioned as hindering factor for innovativeness and as contradiction to "News". Moreover innovativeness is lacking security, whereas routine (tradition) gives assurance. It is also mentioned that only the communicative skills belong to personality.

### **Socialisation (3)**

This aspect belongs to the environment in which one grew up: The family, parents, and their interaction with each other, the miscellaneous environment, and the family's attitude towards governmental financial support (e.g. if somebody tries to get a maximum of social benefits or if somebody tries to be independent from these),

and the role model of the older generation.

### **Miscellaneous environment (2)**

Another supportive aspect is having contacts with non-agricultural people. Friends and acquaintances are also relevant for having or not having the skills. Moreover it is important for the recognition of market opportunities to put oneself in the position of customers (=townsfolk) instead of setting oneself apart from them.

### **Agricultural environment (2)**

The agricultural environment includes neighbouring farmers and associations, colleagues and communities of interest. The neighbours and farmers' association (also the leaders in these associations) produce a high social pressure which hinders farmers to try unconventional changes. Moreover there is a social control and as the case may be also social exclusion. On the other hand these contacts can be supportive if a farmer wants to realise innovations, because the associations spread information to sceptical farmers and customers, and like minded people provide mental support (This supportive aspect concerns only the skill of realising market opportunities.).

### **Experiences outside the parental farm (1)**

Farmers should leave the farm for a while to make new experiences and get distance to the own farm (that would be supportive for skill development).

### **Education (3)**

Education in general is relevant for the development of the skills. One argumentation says that it is important for the skill of strategy development because one learns abstract thinking in higher education. Moreover lifelong learning is important to be able to think independently, to inform oneself and to get an independent opinion. Further training, which is important, could be computer courses, courses on animal breeding, and personal policy (also courses which are not specific for agriculture).

### **Economic pressure / agricultural politics (3)**

Another aspect is economic pressure: As long as farmers are able to live by direct payments without developing the skills they will do so. But if the economic pressure grows and they have to change something, they will develop the necessary skills. One argumentation also says that farmers would start working more co-operatively. Vice versa it is obvious that direct payments for farms who are not farming economically are a hindering factor for the development of the skills.

A solid financial basis of the farm at the point of generational shift is also a supporting condition for the development of the skills, because young farmers would be able to invest and change things on the farm. But in contrary, living from the substances of the farm and inheriting farms hinders the development of skills because there is no economic necessity to do so.

### **Farm type (3)**

The type of the farm and the goals of the farmers are also stated as influencing factors, but none of the interviewees explained this factor.

### **Topography (2)**

The topography of the farm is important because if the farm is located in a tourist area, one will have more possibilities to develop market opportunity skills than in non-tourist area.

### **Time (1)**

Farmers have a lack of time and therefore they are not able to work in networks as much as would be good.

**b. Which kinds of explanations do the interviewees present for the development of their own skills?**

The farmers of the value adding group mention different reasons why and different ways how they developed their skills: One catalyst is economic pressure, but not every farmer had to improve urgently. A couple of reasons or motivating factors are idealistic: Christian values, ideal of co-operation, self-determination in work. The family is also an influencing factor which can motivate or support the development of skills. Moreover interest in work Table 6.1.3.1

and pleasure are mentioned as influencing factors.

Another kind of explanation concerns the way how the farmers developed their skills: by inheritance, in socialisation by their parents, by interest and curiosity and openness, or by education and experiences. Experiences which are made outside of the farm and the parental village are important to become open. Furthermore one starts developing skills if one has to because there is no strategy given for the farm or because one wants to optimise.

Exaggerated expectations or lacking self-confidence concerning own skills can be hindering factors.

**Economic pressure (4)**

Economic pressure is a reason why a farmer developed his skills. The “viability” of the farm is a motivation for improvement. One farmer also states that economic pressure was the reason why he started recognising and realising market opportunities.

Another reason which is similar to economic pressure but not as urgent is price decrease. Some farmers started engaging in direct sales because of decreasing prices, but they did not urgently need to change their marketing.

**Ideals and values (3)**

The idealism that it is the right thing to co-operate and to support each other is a reason for networking. Christianity is also stated as a motive for the realisation of a market opportunity (caring for ex-drug addicts). A part of this motive is that you always get things back if you do something for idealistic reasons.

Through experiences in the Christian community one farmer learned how to create contacts and networks and how to utilise them. Christian values are also supportive for communicative skills because a Christian has a good life if he/she has contacts to other people and is able to give positive things to these people. Human contacts are necessary to become calm and satisfied. The life of singles in big cities is not equivalent to human nature. And to be free to realise things as one wants to is also a reason for skill development.

**Family and wife (3)**

The family is a motivating factor to improve the farm business and therefore to develop some skills. But on the other hand childcare is a hindering factor because one has to stay at home for it. One farmer also learned how to create and utilise contacts and networks from his wife.

**Personality (6)**

If one is self-confident and assertive one is good in skill development, but this is given by nature. If one is not self-confident and assertive, one needs to learn it. Interest and curiosity are also important for skill development.

For the development of strategies and for the skill of recognising and realising market opportunities it is important to be open, informed and interested. It is also important to be open for societal developments and to stay in contact with people to be able to realise what they need and want. Moreover it is important to be interested in what one is doing. If somebody is interested in it, one will improve automatically. Therefore motivation for the work is also important to develop certain skills to be able to improve the farm business.

Skills are also inherited. Different people have different skills which are inherited. Interest in different things is also inherited and people only improve skills in which they are interested.

### **Socialisation (2)**

Parents have much influence on the development of their children. It is important to explain to children that they have to be self-critical and need to be able to decide for themselves. Parents have also influence on the children's openness (no to think in black and white).

### **Education (1)**

During agricultural education one learns how to develop a strategy formally. But it is also important to learn things and develop skills through the whole life. Lifelong learning is a motivation itself.

### **Experiences (3)**

One also learns by having experiences. Concerning the communicative skills it is important to be initiative and to have some experiences, because one can recognise that it works quite well. With every new start it becomes easier to create and utilise contacts. Experiences in non-agricultural contexts can also be helpful (e.g. Christian community, see point two).

Having experiences on other farms leads automatically to personal improvement. It is important to get distance to the own farm because of the high identification with the own business. Moreover it is good to have experiences outside of the own village. One should take this chance to become self-critical.

### **Farming without parental help (1)**

If a farmer does not take over the parental farm he/she will develop a strategy because he/she needs to do so.

### **Contacts (2)**

One can also develop skills with the help of the contacts one has, for example with like minded people, friends, population, relatives, and colleagues. To grow up with children from non-agricultural families and to stay in contact with them is also a supporting factor for the skill development, because one becomes open and interested.

### **Optimisation (1)**

Optimisation is a reason why farmers develop their skills: They want to improve constantly.

### **Mental and social provisos (1)**

Aspects which are hindering the skill development contain provisos against utilising contacts (taking advantage of contacts in a negative sense) and against own weaknesses or strengths (not calling other persons for help because one thinks one must solve a problem on it's own; not recognising that one is well able to call other persons for help).

### ***c. Which kinds of stands do the interviewees take to the issue that was introduced on sheet 7? Which kinds of justifications do they present for their stands?***

As all interviewees of conventional group agree with the experts that the development of the skills depends on the attitudes and personalities of the farmers, the interviewees of the value adding group do so likewise. And again some interviewees refer back to what they said before as supportive argument for their stand. Different kinds of justifications are presented by the interviewees:

1. Some interviewees distinguish between attitudes and personality. These argumentations are as follows:
  - The personality for skill development must be sociable / communicative and risk-taking and the attitude is positive thinking and voluntariness concerning agriculture (not to work as a farmer because one must do so). (15)



- The personality is important for networking because this skill depends on a basic philosophy of life which is not specific in agricultural sector. Personality and attitudes also have influence on the development of strategies. The attitudes and expectations from life (which are again not specific for the agricultural sector) are important: One can expect that others will always help and support one, or a person feels up to investing time and to support weaker persons where one is strong, or everybody just looks for oneself. (17)
2. Some interviewees do not distinguish between attitudes and personality. These argumentations are as follows:
- One interviewee does not give any explanation or justification for his stand. (11)
  - One interviewee says that it is good not to have too high expectations; one should be open and lenient and in case of a failure one should continue. People should be watched as humans and one should take time for them. An influence on attitudes / personality is given by the way how one grows up. (20)
  - And one farmer says that it is important to be willing to. Even in the context of the topic "EU" the farmer is not convinced by the actual developments, but besides his own opinion he tries to understand consumers and wants to conform with EU developments. (25)
3. Two interviewees only talk about attitudes:
- A positive attitude and being open and pro active is good. Moreover it is supportive to develop an own mind (not to depend on the social environment), to be ambitious, to try new things and not to be disappointed if an idea fails. These attitudes and behaviours also have an influence on the next generation. (16)
  - If a person is interested and has pleasure / fun, things will work. One needs to be willing to go forward. The counter draft is a frustrated person. Nothing grows if one is frustrated and dishearted. (24)
4. And one interviewee only talks about personality:
- The personality is influenced by upbringing (How do parents behave with each other, how do they deal with nature?). The personality is more important than education (to successfully develop the skills). One should be open (instead of getting direct payments, being ruthless, caring for glory and prestige and appearance). The family and wives should be taken into account (instead of searching for a wife who fits into the farm, one should search for a wife who fits to oneself). (1)

### Summary

As in the conventional group all interviewees agree with the experts' statement. But in this group the interviewees do not talk as much about influences on attitudes and personality. Only the upbringing and parents as role models are mentioned (importance of the way how parents deal with each other and nature; more aspects see below). The attitudes/personalities which are positive for skill development are:

Being sociable / communicative and risk-taking, thinking positively, voluntariness in work, feeling to investing time and supporting weaker persons, not having too high expectations, openness, being lenient, taking time and dealing with other people as humans, willingness to work in agriculture, pro activity, having an independent mind, ambition, trying new things, having fun and pleasure in work, taking family (children and wife) into account.

The counter draft is a person who expects to get governmental help (direct payments) or just looks after oneself, who is frustrated, ruthless and only cares for glory, prestige and appearance.

Moreover in one case the interviewees state that the attitudes / personality is more important than intelligence or education.

### *d. Which types of answers were presented to the question on sheet 8?*

The aspects which are mentioned by the interviewees in response to sheet 8 are the same as of the conventional group, but contrary to the conventional group the interviewees of this group do not emphasise farmers' attitudes and behaviour as much and emphasise education as more important aspect. Experiences are also mentioned more often and the interviewees do not draw a talk about hindering or counterproductive aspects besides a positive statement.

### **Education (5)**

Farmers need to have a diversified knowledge (1). Education is a supporting factor in general (11, 25). One farmer also says that further education in machine repairing would be helpful. Farmers should be taught that they are accountable for their work, nature, other people and themselves, because then they would start developing strategies (17). Farmers should also learn different languages (French and English, also Spanish; 25).

### **Farmers' attitudes and behaviour (3)**

Farmers should inform themselves and not accept everything (1), they should be open for new developments and interested (16, 24) and have some contacts for experience exchange (16). Moreover they should be honest, try to do their best and develop an own opinion (16). If farmers are not interested, all courses will not help, but there are enough courses which one could use (16). Moreover farmers should read in the bible, because Jesus is the best example for creating contacts and networks (17). People should start to open and communicate, first in their families and secondly outside their families. If they need it they should also search for professional psychological help, because farmers are humans as everyone else (17).

### **Economic pressure (3)**

Farmers should get more economic pressure by less subsidies and market liberalisation, but the farmer himself is also afraid of this development. For the development of the skill of recognising and realising market opportunities it could also be helpful (1). Moreover the direct payments should be connected to economical success, also because it is not good if consumers recognise that direct payments function as social welfare (17). The market should also be liberalised in general to confront farmers with the market (20).

### **Experience (3)**

Farmers will learn the skill by trial and error (1) or experience (11, 24).

### **Laws and regulations (1)**

Regulations should be reduced and farmers should get more freedom and individuality to realise things (e.g. land use regulation hinder the realisation of a gastro business on the farm) and become creative, instead of direct payments for milk and a minimum of ecological standards (20).

### **Special kinds of contacts (2)**

Farmers need kinds of "farm helpers" who care for the farm without getting paid when the farmer goes on holidays. Holidays are important to get a "free head". This helper could be part of a whole big social network (1). The agricultural schools and advisors should tell people clearly when they need to develop certain skills because of economic pressure (17). Agricultural associations should teach farmers in recognising market opportunities in context to their own farms and they should broach the issue of engaging psychological help (17).

### **Motivation for farmers (1)**

Farmers should be motivated to go forward, but not be discouraged by stating them what they are doing wrongly (17).

## **NFD group**

### ***a. How do the interviewees comment the differences among farmers in these skills? Which kinds of explanations for differences were presented by the interviewees?***

The most important argument in this group is the personality of the farmers. The personality is something given by nature and includes personal attitudes and ambitions, mentality and intelligence. It is also important because of economic pressure (if the finances are not the best, one needs courage). A difference is also stated to existing

between younger and older farmers and farmers' experiences on other farms are stated to influence openness and innovativeness. The landscape / region is also an influencing factor because of traditions and possibilities.

Some other factors are mentioned by these interviewees, but none of them is mentioned by more than one interviewee (women, health and strength, education, activities, unemployment).

#### **Personality (4)**

The personal attitudes towards different kinds of agricultural work are different (e.g. direct sales). Moreover differences between farmers are caused by nature ("it's a question of nature"). Humans are different. Some farmers are more ambitious, others less.

Another aspect is that farmers should be risk-taking. But therefore one also needs to have finances. Banks can be hindering in this aspect. If someone does not have finances, he/she needs courage. A farmer also needs to engage and to be interested and to inform him- or herself. Farmers need to co-operate and to be proactive.

The counter draft is farmers who moan; they do not care for advanced training and wait passively for political decisions.

Ambitions are also important for economic success. This does not belong to age, but to personality. Moreover the mentality of every farmer is different and the intelligence of the farmers differs.

#### **Generation shift (2)**

The younger farmers are more conscious about market demands and the necessity of the skills. It is also difficult for male farmers who are old and alone to get motivation for improving the farm.

#### **Experiences and openness (2)**

Farmers should leave the farm for a while to make experiences in different areas and to become open and to get ideas how it could differently work.

#### **Landscape (2)**

Not every farmer has the same possibilities to develop, i.e. some cannot enlarge. Another aspect is the regional mentality. One interviewee explained that in Eastern Switzerland farmers are better in recognising market opportunities and there is a longer tradition in this.

#### **Economic pressure and policies (3)**

Some farmers did not yet recognise that changing is coming in agriculture and therefore they did not start developing the skills. If someone has good finances, he/she will be able to do what the market demands. If not, one needs courage (see above, personality factor). But policies sometimes hinder farmers because they dictate what has to be done.

#### **Women (1)**

Sometimes women are better in talking and therefore they are accountable for marketing.

#### **Health and strength (1)**

It is a matter of health and strength how much a farmer is able to work and invest.

#### **Education (1)**

Education is a supporting factor for the skill development.

### **Exhibitions and activities (2)**

If a farmer joins exhibitions and is otherwise very active, he/she will automatically have many contacts.

### **Unemployment (2)**

It is difficult to realise co-operative farming strategies because there are no job possibilities for farmers outside agriculture (What shall farmers do with their free time if they install a milking carousel?).

### ***b. Which kinds of explanations do the interviewees present for the development of their own skills?***

The interviewees of the non-food diversification group emphasise experiences, especially in foreign countries and non-agricultural businesses, as important for the skill development. Besides education and economic pressure are supportive. Furthermore success and interest in farming are good motivations to improve the skills and one argumentation also says that skills are inherited. Hindering factors are a lack of time for advanced training and old age (Older persons are not very motivated to change things any more.).

### **Growing up on the farm (2)**

To grow up on a farm means to learn things from the early beginning. But taking over a farm in younger days hinders education and skill development.

### **Experiences (5)**

Skills develop through experience.

To make experiences, also outside of the original village and outside of agriculture is supportive for the skill development, especially for the development of communicative skills. Furthermore experiences in foreign countries and “Third World Countries” are good because one can learn from people how to work with fewer resources. Also holidays in foreign countries are helpful and work experiences in non-agricultural businesses. For recognising and realising market opportunities international experience is also good, because one can get ideas what could be possible at home and one learns to see new markets. Moreover one learns to take decisions, because if a person goes to a foreign country for a while he/she has once taken a risky decision.

To experience things can also mean to learn from the father.

The basis for the development of the skills is that a person is able to look around, to think about things and to engage or realise things.

### **Education (2)**

The apprenticeship is important for the development of skills. Less education is hindering. Education in languages is also important to be able to create contacts and networks.

### **Economic pressure (3)**

One develops skills because life is a struggle for existence. Some farmers also state that it is a simple fact that one has to go forward to be able to earn money also in future times. For the (direct) sales of products it is also necessary to develop communicative skills.

### **Success (1)**

Success in farming is also a motivation for further skill development (concerning developing and realising a strategy).

**Interest (2)**

It is also supporting if one is interested in a thing, because if a person is interested he/she will develop the necessary skills to be able to work within this branch.

**Freedom (1)**

In farming one has a lot of freedom in work. Therefore the wish to be free is a good motivation for developing skills to do the job in a good way.

**Inheritance (2)**

Skills are given or not given. One interviewee stated that he inherited his political activity and the skills which he needed therefore from his father.

**Hindering factors (1)**

A hindering factor is the lack of time because of political activity and old age.

***c. Which kinds of stands do the interviewees take to the issue that was introduced on sheet 7? Which kinds of justifications do they present for their stands?***

As in conventional and value adding groups all interviewees agree with the experts' statement. In this group only one interviewee refers back to what he/she said before. Different kinds of justifications are presented by the interviewees:

1. Two interviewees distinguish between attitudes and personality. These argumentations are as follows:
  - The personality is a kind of disposition and no school or education is able to adjust it. The attitudes are also important and attitudes and personality interact. A bad attitude is if somebody always blocks developments and does not want anything to change. (3)
  - Another argumentation says that the attitude should be that a farmer has the willingness to work 50-60 hours per week and that farming is an concern of the heart. (8)
2. Three interviewees do not distinguish between attitudes and personality:
  - One interviewee simply says that farmers must take pleasure in animals and nature and need to be idealistic. (9)
  - Another justification is that people who stick to traditional farming (also young people) do not develop. If somebody develops or not does not belong to their intelligence. A positive attitude is if farmers are open to change traditions, get used to changing conditions and try new things. The personality is part of the attitudes. Both can be influenced by the parental generation: If the parents still live on the farms, they often block new developments, especially if they have left some money in the farm business. In these cases farmers need capability of conflict management to be able to go through the upraising conflict with their parents. (12)
  - One argumentation says that three types of farmers can be differentiated: the ones who are anxious (they do not change anything because they are afraid of loosing money, but they do not go forward), the ones who try new things and third the ones who always must do new things. The latter are the most successful farmers. The attitude of farmers should be positive and optimistic, because if a farmer tries new things there will always be some backstrokes. In these situations one needs to look at the bright side of life to get the courage to continue. (26)
3. And two interviewees only talk about attitudes:
  - Farmers need to have the willingness to change and improve things; the counter draft is sticking to traditions, envy and not retreating work. (1)
  - Farmers must have the willingness to. (13)

### **Summary**

In this group we find some farmers who argue that sticking to traditions is counterproductive. A supportive personality or attitude consists of willingness, pleasure in work and identification with farming. Moreover farmers should be open to changes and think positive. Parents are again (as in C and VA) mentioned as influencing factor, but in this case as blocking persons.

#### ***d. Which types of answers were presented to the question on sheet 8?***

In this group one farmer directly states that “this is very difficult”. He explains some farmers will always stay at home, because they are not interested in anything. He does not know what to do with them (2). For the ones who are interested courses are available. One farmer says marketing is overvalued, because some farmers only deliver wholesalers and do not need any skill of recognising market opportunities (3).

The most important aspect in this group is education. Some aspects of farmers’ attitudes and behaviour are also important, and economic pressure can lead to skill development. Moreover co-operation and learning from each other can be helpful, as experiences, simplified regulations and a motivation for farmers. All categories which can be found in this group are the same as in the conventional and value adding groups.

#### **Education (3)**

A “good” education which is oriented to practical things is helpful, especially for developing strategies (3). Generally the agricultural education in Switzerland is good (8). And some agricultural associations also offer good courses and information (8). One aspect in which farmers should be taught more intensively is recognising market opportunities in the tourist sector; farmers in other countries like Austria do that much better (8).

Generally the apprenticeship is good; but teenagers and young farmers should also get some education in a second job (26).

#### **Farmers’ attitudes and behaviour (2)**

Farmers should be interested (2) and skipjacks (12). Moreover farmers should stand up for their rights and not accept everything (12).

#### **Economic pressure (2)**

Problems in the farm business and restructurings can be helpful for activating the development of the skills (12). Stopping direct payments would be good. Some farmers would stop farming; the others would develop certain ideas (13).

#### **Special kinds of contacts (2)**

Farmers should co-operate more, because partnerships bring time and this time could be invested in advanced trainings (8). It would also be good if such farmers who have the skills go to other farms to show farmers who are lacking the skills which possibilities are given on the farm. By this way one farmer could learn from another (12).

The agricultural associations should also simplify and function more efficiently (12).

#### **Experience (1)**

It would be good for young people to have some experiences outside the farm (26). On the farm children should be involved in learning how an enterprise works.

#### **Laws and regulations (1)**

Controls should be simplified, because nowadays for every aspect of the farm (cows, pigs, grain...) a separate controller comes. (12).

**Motivation for farmers (1)**

Exceptional personalities can motivate farmers (e.g.: one very impressive person who spoke in front of 300 farmers in a very motivating way: “[...] and he spoke with such a persuasion, what skills you can have, if you simply want to, and I think he activated the thoughts of many people there [...]”). These personalities must be innovative and successful on their own farms (12).

**Retrospective interpretation of comments on sheet 2-4**

In all groups many farmers explained why they started developing a strategy, why they utilise contacts and why they search for market opportunities. In the analysis above we can see that some farmers do not strictly distinguish between reasons why they develop and ways how they develop their skills. In this short summary of the answers to sheets 2-4 concerning the contents of sheets 5-8 we did not mention the reasons why, but only direct statements concerning the question of how they develop their skills.

**Additional comments in sheets 2-4 made by conventional group**

Most of the interviewees of this group presented themselves as superior in comparison to neighbours or conventional farmers. By this way they claim that differences exist between farmers.

Concerning their own skill development seven farmers explain how they developed the skill of developing and realising a strategy (by experience, having a vision, education, in an ongoing process). One factor which is mentioned to be hindering is restriction through regulations.

The skill development of creating contacts and utilising networks is explained by one interviewee (growing up into it). A hindering factor is having high aspirations towards others.

Four interviewees talk about how they developed the skill of recognising and realising market opportunities (together with colleagues, exchange of experiences, with the help of a supplier, and by experience in general) and six interviewees announce hindering factors (agriculture is protected, no economic need, less finances, big investments fix farmers on one strategy, no enlargement possible, personal preferences towards special kinds of work). Concerning the political and social environment farmers as role models, as well as work in public relations and local government, and a job as a postman are mentioned as enhancing the skill development.

**Additional comments in sheets 2-4 made by value adding group**

In this group six interviewees talk about how farmers develop the skill of strategic management (first having a vision, being on top of the time; being proactive and initiative and innovative, with colleagues, by making experiences). Hindering factors are restrictions in possibilities to buy land and conditions in mountain area (someone must pick up the products).

Two interviewees talk about the same concerning creating and utilising contacts and networks (learned through his wife and in Christian community and through tourism). Differences exist between neighbouring farmers and organic farmers.

One interviewee said the development of recognising and realising market opportunities functions by utilising other people's experiences and education.

**Additional comments in sheets 2-4 made by non-food diversification group**

Three farmers explain how they developed the strategic skill (getting ideas in a foreign country, by chance, and by “feeling it”) and two say that restricted and regulated markets and mountain area conditions (no niches) are hindering factors.

Three farmers explain how they developed the communicative skill (learned in a region where it is common, growing up on the farm, through the wife's competencies) and also two farmers talk about hindering factors for the development of the skill of realising market opportunities (regulations and finances).

The statements of the interviewees in sheets 2-4 are not different to the comments given in the direct answers to sheets 5-8. On this account the statements no further comments are made to sheets 2-4 in chapter X.3.5.

## Summary of attributions and comparison of groups

### *a) Overall comparison of factors which are mentioned as enhancing or hindering for the development of the skills – description of the essential variety (internal and external)*

The interviewees talk about various kinds of enhancing or hindering factors. The enhancing factors can be distinguished into three groups: External factors which can be directly influenced and thus also controlled by the actors themselves, external factors which cannot be directly influenced and thus controlled by the actors, and internal factors.

#### **Enhancing factors**

*External factors which can be controlled:*

- Education: life long learning, advanced training, higher education, and doing the master class; setting up priorities for education, doing motivation trainings and courses and learning languages; staying on top of the time.
- Contacts: inspiration through skilful colleagues, joining groups, help from advisors in generation questions, searching for guidance to learn and improve, and having apprentices; contacts in general, to non-agricultural people, friends, and acquaintances.
- Finances: having solid finances.
- Family: having children as a motivation.
- Time: having time, also for recreation and getting distance to the farm.

*External which cannot or not totally be controlled:*

- Education: improvement of agricultural teachers, specialised teachers, practical apprenticeship, rotation of practice and theory in apprenticeship, learning how to develop business plans, and learning co-operation in schools.
- Contacts: agricultural associations should focus on and work for customers; social environment (neighbours, friends, family, farmers in the region; up bringing, growing up with children from non-agricultural parents' houses), listening to charismatic and motivating people.
- Older generation: functions as role model, should give freedom in business planning and life planning to their children and motivate them.
- Gender: Gender role models can enhance women to improve very much in their skills because femininity and farming are not taken as "natural".
- Women: Women have better communicative skills and can help men to develop their skills.
- Family: succession of children and family as motivation for the standard of living and farm improvement.
- Economies and politics: Economic pressure, fewer regulations, and liberalised markets; common image of agriculture should be better to motivate farmers.
- Farming types and location: organic farming, location in tourist areas; starting a new farm instead of continuing the parental farm business.

*Internal factors:*

- Personality / attitudes: risk-taking, confident, open, ability to deal with failure/mistakes, courage, goal-orientation, willingness, pioneer spirit, innovativeness, curiosity, ambitions, interest, balanced, able to take critic, leader type, diplomatic, co-operative, positive, future-oriented, flexible, feeling responsible, strength of character, self-confidence, assertiveness, pro active, skipjack, self-critical, having the right "philosophy of life", willingness to take high workload and identification with farming, being satisfied by work, taking pleasure in nature, being an idealist, caring for free time, customer orientation / identification, insecurity, Christianity (co-operative, supportive, caring for humans, having an open house, creating networks), activ-



ity, having inherited talents, being informed and being informative with partners; caring for discussions with partners.

- Experience: Being experienced / learning by doing, searching for experiences on other farms / in other countries / outside agriculture.
- Skills: Capability of conflict management.

### **Hindering factors**

The hindering factors are mainly such which cannot be controlled, except “higher education” and partly also “living as a single”. They can be divided into external factors which cannot be controlled, internal factors and “internal and external factors” (those who are not internal or external).

#### *External factors which can be controlled:*

- Family: older generation hinders changes and discourages (too traditional), children (one needs time for them), taking over a farm when still too young (hinders further education).
- Gender: gender role models can hinder women of becoming an entrepreneur.
- Economics and politics: direct payments, restricting laws, no land available because of distribution regulations (part time farmers can get land), bureaucratic stuff and regulations waste time (too complicated), no jobs outside agriculture available (hinders co-operation), banks (difficult to get money for investments).
- Traditions: traditional farming in general, conventional (non-organic) farming
- Agricultural associations: work slowly and complicated.
- Lack of time

#### *Internal factors:*

- Personality: pessimistic, narrow minded, fear, alcoholics / addicts, insecurity, envy, searching for prestige, begrudging, moaning, jealous, self-centred, thinking in black and white, consumption expectation, not being able to deal with own weaknesses and strengths, lack of talents and intelligence, traditional orientation.
- Old age

#### *Internal and external factors:*

- Traditions and traditional farming.

### ***b) Overall comparison of the factors in the different subgroup data (C, VA, NFD)***

In this chapter similarities and differences between the statements of all groups are summarised. The order for the summary corresponds to the order of the sheets 5-8.

### **Differences and similarities in the answers to sheet 5**

All groups talk about the factors of personality, traditions versus young farmers, making experiences outside the parental farm / in other countries etc., and topography (possibilities given by the location of the farm, concerning market opportunities).

Similarities between conventional and value adding group exist in the categories of socialisation / bringing up children and economic pressure.

The interviewees of conventional and non-food diversification group also talk about inheritance of personality factors.

All groups also mention education as influencing factor, but in C group the farmers talk about agricultural education and trainings whereas in VA group they also talk about life long learning and education / trainings outside the agricultural sector.

Another aspect which is special for C and NFD group is the mentioning of gender aspects (women as supportive persons with entrepreneurial skills, traditional role model as not hindering nor enhancing).

Moreover the environment is much more diversified in VA group than in the other groups. These interviewees mention various kinds of contacts which one has during the life, also non-agricultural contacts. And last but not least, organic farming is mentioned as connected to entrepreneurial personalities.

#### **Differences and similarities in the answers to sheet 6**

All groups talk about education and experiences and inheritance of skills, C and VA about personality and contacts and VA and NFD about economic pressure and interest.

Very specific for the VA group is the topic of idealism as enhancing factor, the motivation given by the family and the talk about hindering factors (exaggerated expectations or lacking self-confidence).

In C group gender is again stated as influencing factor and customer orientation is also mentioned only in this group.

Special for NFD group is the mentioning of lack of time for advanced training and old age as hindering factors.

#### **Differences and similarities in the answers to sheet 7**

In the answers to this sheet all interviewees agreed to the experts' statement and the categories mentioned were all the same, except the counter draft of VA group (expecting to get governmental help, searching for glory, prestige and appearance). The main difference in this part of the interviews consists in the emphasis of the various aspects.

The C group emphasises influences on attitudes and personality. VA group mentions influences (parents' house etc.) but does not emphasise as much and NFD group mentions parents as a blocking influence. All in all in the NFD group much less aspects are mentioned (but this group is also the smallest one).

#### **Differences and similarities in the answers to sheet 8**

In this part of the interviews the similarities between the groups are also very high, but the emphasis is different. C group emphasises different aspects in the following order: farmers' attitudes and behaviour, education, economic pressure, laws and regulations, motivating farmers, contacts, and experience. In VA group education experiences are stronger emphasised than farmers' attitudes and behaviour. This is the same in the NFD group. One special aspect of C group is their direct talk about counterproductive influences which concern attitudes / personality, finances and time. In the VA group the interviewees only talk about negative influences in the context of the positive counter draft. In NFD they do not talk about it at all.

#### ***c) Differences in the overall picture of the factors (including sheets 2-4 if necessary)***

In the overall picture the most important, or significant differences concern the question of whether skills are inherited or not (C and NFD group mention it more often than VA group.), the variation of educational aspects (C group concentrates on agricultural education / training, similar to their contacts which are analysed in chapter X.2.1; VA mentions also non-agricultural education and training, also similar to the analysis of their contacts, as described in X.2.2; moreover VA emphasises life long learning). The explanation of skills with gender is stronger emphasised by C group than by NFD than by VA. But all in all it is an aspect which is not mentioned as often as education, personality, and experiences. One special aspect of the VA group is their argumentation with ideals and family, also similar to what came out of the analysis in X.2.2. Another aspect which is special for C group, but surprising, is that they emphasise influences on personality and attitudes in sheet 7 answers. This is a contrast to their stronger emphasis of inheritance and personality factors in general. But on the other hand this complies with the announcement of the older generation as role model. Another aspect is the stronger emphasis of education and experiences by VA and NFD group.

## 9.5 Additional comments of the interviewees after the official part of the interview

### Additional comments in the conventional group

The interviewee is positively surprised by the interview. He states that “our” work is important and it is also important that farmers help doing this work. Moreover the results should be given to responsible politicians, but not only to farmers (18)

One farmer explains that he wanted to do interview, because he is older and it is important to talk to older farmers, because young farmers have ideas, are willing and euphoric, but farming needs condition, doggedness, coaching, overview, health. Better and worse times change and many farmers commit suicide. Suicidal thoughts exist in every person, but the question is if people are able to deal with them or not. (22)

### Additional comments in value adding group

Five of the interviewees of this group started talking about several aspects at the end of the interview when they were asked if they want to add something. These comments are shortly summarised in this additional chapter.

One farmer said that she doubts about the usefulness of the project, because she thinks that research mostly only repeats what farmers still know. (1)

One farmer talked about psychological diseases and suicides in a very detailed way. He said it is a big problem in agriculture that many farmers become depressed and commit suicide, but the inhibition threshold to ask for professional psychological help is very high. Some reasons are reservation against these kinds of illness and social control in rural environment. The topic of psychological diseases is a no-no, but should be brought up by and in agricultural associations and magazines. (17)

One farmer says that the development of entrepreneurship in agriculture is just starting, but on the long run farmers should become much more entrepreneurial. Therefore the agricultural sector should be liberalised. (20)

A Swiss problem is that many farms cannot enlarge because of a lack of land or finances (24).

One couple talks about different topics: Machines are too expensive in Switzerland; farmers should buy them in Germany. Direct payments are important for the cultivation of land in mountain area; a lot of work has to be done by hand. But mountain area has advantages and disadvantages. (25)

### Additional comments in non-food diversification group

One farmer says he had problems to understand and answer the questions because he is not well educated (2).

One farmer talks about economics: Farmers should not loose their courage, even if the economical situation is hard. Direct payments are no subsidies, but an adjustment for price rise (26).

## 9.6 Results of the national workshops with experts

This workshop took also place in the canton of Berne. Eight experts (different kinds of agricultural advisors and teachers, one representative of local agricultural administration), joined the workshop. The aim of this workshop was to ask the experts the same questions we asked the farmers and to be able to compare their statements with the farmers’ opinions and attitudes. Moreover the experts should comment the results of the interviews.

In the first part of the workshop the experts answered three main questions:

1. Do you think that these skills (showing the three skills on posters) are the most important skills farmers need today?
2. What do you think, which farmers develop these skills or which are able to develop them? Which are not able to?

3. What do you think, which factors enhance or hinder the development of these skills? Why do some farmers have the skills and others not?

4. After that, the results of the interviews were presented and differences and similarities between the farmers' and the experts' views were discussed.

5. In this chapter the results of this workshop are summarised. In chapter 9.7 the results of the interviews and the workshop are finally discussed.

### **9.6.1 Do you think that these skills are the most important ones today?**

Seven experts agreed that the first skill (developing and evaluating a strategy) is one of the most important; one expert was ambivalent. They said that preconditions for this skill are: to know the own weaknesses and strength, to have the possibilities to develop strategies from the aspect of farm structure / status, and the environment. The development of strategies is important because it is basic for every enterprise, to be able to realise ideas, to be able to react to developments and changes, to reflect the own work and to be sure that one will realise the strategy (in contrary to strategies developed by advisors). It is also important to evaluate the strategy and to be able to decide about investments. On the other hand the strategic management is a process that is not conscious and therefore not as important. Another diminishing aspect is that many farms are restricted by regulations and structural aspects.

Concerning the second skill (creating and utilising contacts and networks) all experts agreed that this is important. They argued that farmers should co-operate, that they need the skill for purchase and sales, for the transfer of knowledge and information, and to get support. Another argumentation concerns the business itself (co-operation between farmers, utilising synergies, and machine sharing). Moreover networks are generally helpful to reach goals and contacts are the basis for networks; contacts and networks are necessary for the realisation of strategies.

Related to the third skill four experts agreed to the question and four interviewees were ambivalent. Some experts said this skill is important for farmers who are active in direct sales and generally for marketing (to delegate and to have control). One argument said that farmers who act as entrepreneurs in the market need the skill in general and some farmers are guided by "opinion leaders"; but the ones who recognise market opportunities will be successful in the first place. The skill is also important because of the fast changing environment. Two arguments concern the way how to recognise and realise market opportunities: To inquire were it is possible to earn money and cost reduction in production. Market opportunities and the own strengths and weaknesses should be related to each other and market opportunities are a necessity for the utilisation of the other skills. One ambivalent expert also said that the own skills are more important than market opportunities. Moreover market opportunities are not necessarily innovative things or niche production.

### **What do you think, which farmers develop these skills or which are able to develop them? Which are not able to?**

The experts were asked to discuss in teams what they spontaneously thought about this question (brainstorming) and afterwards the arguments were discussed within the whole group. The output should have been a kind of positive and negative image of the entrepreneurial farmer. In fact, the experts told a lot about factors enhancing or hindering farmers to develop the skills. Concerning the first skill the enhancing factors were:

Having good role models to orient oneself to, having fun in the work and developing enthusiasm for further training / developments; breaking with traditions and become responsible for oneself; having basic skills which can be further developed; a good education and training (fundamental in education: learning how to develop strategies). Farmers also need to have some fundamental skills and production skills (to be able to do the basic work easily). One aspect was stated as enhancing or hindering: the location of the farms can be hindering, if there are no possibilities given for farm development (the valley area is better suited in tendency, the mountain area less). And one question remained unsolved: What kind of education would be useful (focusing economy, market, or what?)?

Concerning the second skill it is enhancing if farmers have some communicative skills and if they are good in business talks. Moreover they should have some social competencies and not be shy to present one self. The younger farmer generation is generally better in it and the environment (socialisation), the parents and role models also influence the development; parents and environment can therefore also be hindering factors. The same is stated for the older generation, which is generally hindering. Factors which can be hindering and enhancing are also education, generally to know the skill (to know that the skill is a skill) and believing in the importance of the skill.

In the context of the third skill only enhancing factors were announced: Education (How does the market function?), expertise literature (example: milk price monitoring), knowing who and how one can influence the market, having a lot of contacts, and the production type of the farm (in some products market opportunities are easier to recognise and realise), taking pleasure in the things one does.

### **What do you think, which factors enhance or hinder the development of these skills? Why do some farmers have the skills and others not?**

In this part of the workshop the experts wrote down enhancing and hindering factors for the skill development and made a ranking of their importance in a kind of dart board. Concerning the first skill, these were the factors in its ranking:

Enhancing: Education (What is the skill?); parents, environment, socialisation (Is somebody risk-taking or not?), coming around and seeing other farms, branches and countries; economic pressure, agricultural master courses, life long advanced trainings.

Hindering: lack of time; lack of education.

In relation to the second skill, the factors are the followings:

Enhancing: Parents; personality (open minded and communicative), socialisation, character; location / environment, activities in associations / clubs and advanced trainings, intelligence and education.

Hindering: Being introvert, isolation (no activity anywhere).

And in the context of the third skill, these were the factors mentioned:

Enhancing: Being open to new things, information, market environment; education, having contacts and networks; being strong in making deals, being able to put things through; to be discrete in talking, but realising things.

Hindering: Traditions and conservatism.

### **Differences between farmers and experts?**

During the discussions and after the presentation of the interview results some aspects emerged which are important or interesting to summarise.

First, the experts said that the opportunity skill is a prerequisite for the strategy skill. It is important to know which products can be sold and which strengths and weaknesses somebody has to be able to develop a strategy. The communicative skill is important to reach information about business opportunities and it is necessary to realise the strategy.

High investments, which must be undertaken if a strategy is chosen, tie farmers to the strategy for a longer time.

Another aspect is the discussion about owner-managers and entrepreneurs. The experts discussed that farmers are also owner-managers who have to plough the land and feed the animals. Therefore they are more headed for a variety of skills than for entrepreneurialism.

Moreover a result of the workshop is that many similarities in the answers of the experts and the farmers can be found. Of course, the farmers' answers are much more complex.

The experts said that one reason why some farmers do not convincingly present skills (explicitly strategic skills) could be that the words (strategy, creating and utilising contacts and networks, recognising and realising market opportunities) remain abstract. But this does not automatically mean that they do not develop strategies. The strategic development is a process which is not conscious and farmers who have been in the business for a long time surely have once developed strategies.

The reason why many farmers could not convincingly present as evaluating their strategies could be that it is difficult to be honest about the problematic aspects of the own business. Farmers put their life blood into their farm. Advisors should be honest if they think a strategy is not good. Farmers tend to repress problems and they are not able to be objective concerning their own farms. Moreover in daily routine one forgets the strategy. It is important to do an analysis of the books yearly, but if the product prices are fixed, there is no need to do it more often. Furthermore farmers should become conscious about the skills and their relevance and meanings.

Concerning the differences in the farmers' visions (VA: ethical / religious values; C: economic values) the experts said that first the economic side of the business needs to be okay. In advanced trainings the economic aspects are focussed, but in the evaluation of strategies quality of life must be taken into account. The interviewees of VA group have a certain mind and therefore search for human contacts (in direct sales) and quality of life. Many farmers also experienced that they live or lived in an economic difficult situation. Nowadays they focus on economics.

About the question where the most skilful farmers can be found, one expert asked what "skilful" means. Another one said the C farmers are less skilful. Another expert said that farmers need to stick to a strategy if they have once invested money and he asks what market opportunity means in that case.

Generally farmers need to learn that they cannot take credits for a time of twenty or more years anymore. They should be able to pay back the money within five years. They have to take into account that their investments could become a failure, which is the entrepreneurial risk. But in advisory services it is still the case that investments are planned for a very long time.

## 9.7 Final discussion

In this final discussion chapter we want to outline some aspects which were also mentioned in chapter 2 by Vesala. But first we come back to the question of the distinction into C, VA, and NFD group. As explained in 9.3.4, the distinction should be critically discussed concerning NFD group. The assumption of the methodological approach for the main study bases on the idea that skills are competencies which are experienced by the actor (Vesala, chapter 2.). In other words, an individual needs to experience the acting of a certain skill. Our question is if the farmers of NFD group experience entrepreneurial skills differently in their farm activities compared to their activities in non-food diversification businesses. As shown in 9.3.4, the differences within NFD group are more obvious than the differences of the whole group compared to C and VA. Moreover we suggested distributing cases 8, 2, and 13 to VA and 26, 12, and 3 to C group. This new distribution seems to be sensible in respect to their activities in direct sales or conventional production, customer-orientation and their contacts (mainly agricultural / also non-agricultural). But on the other hand some aspects do not fit into the characteristics of VA and C group (value-oriented visions or other; how to create and utilise contacts; initiative). The pro activity of these farmers could be the one aspect which they experience through their additional businesses. The question is why there are only a few differences compared to the other groups? One can assume that in Swiss cases the embedding in a rural context and rural entrepreneurship is more important than the sector of business (agricultural / non-agricultural). Another argument to take into account is the fact that many Swiss farmers traditionally have additional jobs outside the agricultural sector. This could be a reason why the differences between NFD on the one hand and VA / C on the other hand are smaller in Switzerland than in the other countries.

One theory mentioned by Vesala (chapter 2) concerns "overconfidence", which parallels to what we called "overestimation" observed among interviewees in the C group. This overestimation describes a gap in between the self-assessments and the rhetoric resources displayed by the interviewees. Vesala (ibid) assumes that:

*"[...] overconfidence can be seen as a positive psychological force, which motivates active striving, risk-taking, and pursuit of previously untried opportunities. Thus, positive self-assessments concerning the level of one's own entrepreneurial skills may, as such, tell about entrepreneurial belief or attitude."*

In the Swiss study, the “best” – means the strongest positive – self assessment can be found in the conventional farming group. But this group was not able to underlay their self-assessments with corresponding rhetoric resources. Interpreted as Vesala suggests, this can be seen as strength of the group. Besides the question if the overconfidence can be seen as a positive psychological force, it does not seem to be necessarily a motivation for risk-taking. As Swiss results show, only a few farmers presented themselves as risk-taking. But some of the overconfident farmers also explicitly stated to avoid risks. From our point of view, it must be distinguished between two different kinds of overconfidence: First, the farmers who present more or less skilful and positively identify with entrepreneurship. And second, the overconfidence of production type farmers; those who do not identify with entrepreneurship, but exclusively concentrate on production techniques and claim for subsidisation and protectionist politics (as higher taxes for imports etc.). The latter type’s overconfidence can also be seen as a rhetoric strategy to account for the protection claim: These farmers need to justify themselves. They try to present themselves as farmers who have the skills to underline that a lack of skills (and therefore also a disability to deal with liberalised markets) is not the reason why they claim for protection.

Another aspect in this discussion concerns the distinction of the skill of self-perception, self-assessment and self-presentation. The overconfidence of some farmers could also be interpreted as a lack of a kind of self-perception skill. But, and this distinction seems to be important, is the presented self-assessment the same as the self-perception? Or does it simply describe that the actors are not very skilful in the self-presentation skill? But what would follow from these considerations? Do (some) farmers need to learn a better self-assessment or do they need to learn a better self-perception to be able to understand “one’s own strengths and weaknesses”, an important aspect of entrepreneurial learning, as Cope (2005, cited in Vesala, 21) pointed out?

In chapter 0 (“On the hierarchical nature of skills”) Vesala also discusses “the role of goals and tasks in the definition of particular skills or category skills” (ibid, 14). He distinguishes between main goals, sub goals and tasks, which are important to understand for a full reconstruction of hierarchies between skills. As it were shown in 9.3.4, the main goals differ between the groups: Whereas the conventional farmers talk about visions (main goals) which include economies in the first place and aspects like taking pleasure in work and health in the second place, the value adding farmers emphasise non-economic values in their farm strategies. Economic aspects, as for example optimisation or efficient input-output-relations, are presented as sub goals of the main goals of – for example – living in a Christian way, sustainable production, or living and working on a farm. This distinction characterises different types of farming entrepreneurs and should be taken into account.

A hierarchical order of skills was also explained by the experts in the workshop. The opportunity skill was mentioned as prerequisite for the strategy skill and the communicative skill as important for gaining access to knowledge about business opportunities and for the realisation of the strategy.

In chapter 0 Vesala discusses the learning of entrepreneurial skills. Questions to be solved in the ESoF project are which skills and how they can be learned or developed. Swiss farmers mentioned different ways how to develop the skills; through education and experience (contact with other people, an enhancing environment, growing up etc.) are two of the main argumentations. This result, also supported by the experts in the workshop, underlines the result of the literature review. The combination of “education” and “experience” is also emphasised by Rae (2000; cited in Vesala, 21). Not surprisingly, the farmers presented the highest uncertainty or weakness in the context of the skill of recognising and realising business opportunities. But on the other hand, this skill was also the one which was weighed as less important, especially by conventional farmers. From this point of view, it could be helpful to ask whether it is the central entrepreneurial skill – Vesala writes that the reduction of entrepreneurial skills to “learning how to recognise and act on opportunities, how to organise and manage ventures, and so on” (Vesala, 21) seems to be a “simplification” (ibid). We can now go further and ask whether it is in every case a necessary skill in agricultural entrepreneurship, or if there are production types of farms – as for example specialised farms – which do not necessarily need this skill. Another perspective on the same aspect is not the question if the skill is unimportant at all, but if the hierarchy of the skills differs in different farm types and if the recognition and realisation of opportunities means different things in different farm contexts.

But the answers of the farmers to the question of how to develop entrepreneurial skills in farming contain some more information. The farmers talked about the “right” attitudes and personalities which are needed for skill development and biological as well as constructivist argumentations could be reconstructed. The farmers also talked about enhancing and hindering conditions in the environment (in the widest sense). These conditions concern finances, politics, family structures, time management and the location of the farm.

Moreover, in contrary to the general emphasis on risk-taking attitudes the farmers did not emphasise this aspect very much. Besides the question if overconfidence is a psychological force to motivate risk-taking activities, it needs to be asked if minimising risks to ensure the existence of a farm must be understood as non-entrepreneurial, or if it can also be seen as a good way of risk management. In farming context, to fail in business can also mean to loose home and land which was passed on from one generation to the next over decades. In the work of Casson and Errington (1993; cited in Vesala, 22) this aspect is pointed out. But the emphasis in our conclusion is different: If there is such an attitude of “pass[ing] a secure and sound business to the next generation” (ibid, 97; cited in Vesala, 22), does that automatically imply a less entrepreneurial attitude, or could it also be interpreted as a special kind of entrepreneurship? We think that the risk-taking attitude needs to be explored further in the context of agricultural entrepreneurship.

Finally it can be said that the results of the Swiss study are very helpful for a deeper understanding of entrepreneurial culture in the Swiss agricultural sector. New questions emerge, but the field of agricultural entrepreneurship becomes clearer.

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## 10 Overview of cross-country results and conclusions

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### 10.1 Introduction to the chapter

The general purpose of this study was to increase understanding about the nature and relevance of entrepreneurial skills in farm business with the help of a qualitative interview study. Interviews were conducted in the UK, Finland, Italy, the Netherlands, Poland and Switzerland, with 25 farms included from each country.

The interviews were done on case farms, which were selected from chosen localities or regions. In each country, the case farms were selected so that a minimum of five female interviewees were included. Additionally, not more than five interviewees over the age of 55 were included to ensure that the total data sample would have future relevance, in the sense that one could assume that most of the interviewees would still be active several years later. Further, the selection was constructed so that the case farms would involve variation typical of the area or region in question in terms of their line of production.

Most importantly, however, the selection in each country included representatives of three strategic orientations – conventional production, value-adding business and non-food business diversification (C, VA, NFD). Consequently, the case farms were divided in three subgroups for the analysis.

It was assumed that these subgroups represent the elementary strategic alternatives in farm business nowadays, and that this would contribute to the theoretical relevance of the whole study and the research questions it sets forth. Because of the qualitative nature of the study, including the case study design, it is obvious that the results concern immediately only these case farms, and generalisations of a statistical nature, for example, will not be attempted. However, it may be assumed that theoretical generalisations are feasible, based on the notion that the results inform us about the possible state of affairs among farmers<sup>23</sup>. Such theoretical conclusions, of course, call for consideration of specific features of the case farms and their selection.

The objectives for the study concerned first of all the assessment and development of entrepreneurial skills (see Chapter 1). To achieve these objectives, seven research questions were formulated. In addition to the assessment and development of the skills, these questions concerned comparison between the three strategic groups of farmers mentioned above, as well as comparison between the viewpoints of farmers' and external stakeholders or experts, and a cross-country comparison.

Before summing up and discussing the answers to these questions, however, we will describe the results of the theoretical and methodological elaboration that was carried out to achieve objective 1, which was to develop the basic conceptual tools for the qualitative empirical study. This work is reported in Chapter 2 of this report.

### 10.2 What was studied and how

#### **Approaching entrepreneurship on farms**

Behind this study is the notion that farmers are expected to become more entrepreneurial in their business. However, there are several alternative ways to understand the concept of entrepreneurship. Therefore, it is crucial to consider what is actually meant by the term entrepreneurial in this connection.

The term entrepreneurship has different meanings. For example, in some contexts it is used to refer to the centrality of economic goals in business, as distinct from business activity in which economic goals are seen as subordinate to some other goals. In this way entrepreneurship would be associated most of all with the aim of profit maximisation and optimising economic efficiency or competitiveness in business, whereas running a business with the sole aim of securing a satisfactory standard of living for the family would not fulfil the criteria of entre-

<sup>23</sup> On the nature of generalisation in qualitative research, see for example, Mason 1996, Peräkylä 1997.

preneurship. In some other contexts, running a firm as such would be considered entrepreneurship, regardless of the centrality of the economic aims.

According to the results of the pilot study (de Wolf & Schoorlemmer 2007), it is a widely shared view among experts that the changing environment of the farms at present necessitates that farmers must develop their farm businesses and business activities in economic terms, in order to survive and be successful. It is noteworthy that the division into three strategic orientations (conventional, value-adding and non-food diversification), which was suggested in the pilot study to describe the ongoing responsive changes on farms, implies that it is no longer enough to simply practice primary production on the farm to make a living for the family and contribute to the continuity of the work of preceding generations. Instead, some active measures need to be taken, and especially measures that are strategically relevant from the perspective of economic goals in business.

When the centrality of economic goals in business is seen as the crucial criteria for entrepreneurship, all of these strategic orientations and corresponding activities might be called entrepreneurial. However, entrepreneurship may be defined in other ways also. In the study of entrepreneurship it has been common to associate entrepreneurship especially with innovative and dynamic developments within the SME-sector, and consequently to view entrepreneurship as the creation of new business enterprises (see chapter 2). From such a perspective, it would be possible to state that in the farm context particularly value-adding and non-food diversification represent an entrepreneurial orientation, assuming that these imply a change away from conventional production, which represents “traditional” or an already existing form of business on farms.

What is considered a new or an old form of business is, of course, relative. The crucial issue here is that it would be possible, at least in principle, to interpret the recommendation for farmers to become more entrepreneurial to mean that they should, in general, be starting new business activities on their farm, instead of keeping on with the old ones, or even that they should orient themselves towards niche products and processing and direct sales of agricultural products, or towards other lines of business, instead of focusing on primary production.

However, it is quite feasible to argue, as well, that farm business can be developed within primary production in ways that fulfil the criteria of entrepreneurship. For example, if one considers risk-taking and growth-orientation in business as crucial criteria for entrepreneurship, which is not uncommon in the study of entrepreneurship, it would be quite understandable to call business developments ‘entrepreneurial’ also within conventional farming.

One of the basic assumptions in this study has been that the division into three strategic orientations reflects real world differences within the farm sector, especially within the nature of the whole business that is practiced on individual farms. At the same time, we have not been committed to the assumption that any one of these orientations would be considered more entrepreneurial than the others by definition, although we are aware that such an assumption could also be argued for.

Instead, it has been our aim to explore each of these three orientations from the perspective of entrepreneurial skills, and compare them with the help of an empirical, qualitative approach.

### **What is meant by entrepreneurial skills?**

In addition to the nature of the business activity regarding, for example, the role of economic goals, innovation, risk-taking, and so on, the definitions of entrepreneurship vary according to the theoretical emphasis regarding the distinction between the activity and the actor. As already stated, the term entrepreneurial may be used to characterise business activity, or certain of its categories or forms. At the same time, many scholars associate entrepreneurship with the individual actor who initiates, owns and runs the firm. Similarly, in cultural representations as well as in political and media discourses, the entrepreneur as an individual functions as an important starting point for understanding the very concept of entrepreneurship.

Thus, the term entrepreneurial may also be used to characterise an individual. In this sense, entrepreneurship has been associated with certain kinds of personality traits, values, attitudes, intentions, competencies and so on. Again, there are alternative ways to understand the relevance of these individual features to entrepreneurship. On one hand, for example, they may be viewed as trans-situational and trans-contextual features which are essentially separate from business activities, as if existing regardless of the business context. Personality traits are typically understood in this way. On the other hand, they may be viewed as descriptions of the relation between the individual and business activities, as if being relevant explicitly in the business context. For example, one’s

attitude towards business activity is obviously something that relates the individual especially to the business context.

In this study we approach entrepreneurship on farms by using the concept of entrepreneurial skill. According to our approach, entrepreneurial skill is a relational concept which refers to the individual as well as to the activity. It describes, on one hand, the individual who knows how to do something in business. On the other hand, it describes those tasks and activities that the individual needs to know how to do in the business context.

It must be emphasised that the concept of entrepreneurial skill does not exhaust all the possible aspects of entrepreneurship, or what could be judged as entrepreneurial. Entrepreneurial skills tell us something about the individual, but not everything. Similarly, it states us something about the business activity, but not all of it. The concept stands for one possible way to approach entrepreneurship, not for the whole construct of entrepreneurship.

### **The nature and relevance of entrepreneurial skills in the farm context**

According to the elaboration presented in Chapter 2, entrepreneurial skills are to be understood as higher level skills. They have to do with establishing, running and developing a business enterprise. In these business activities several types of lower level skills are needed, corresponding to the tasks of production, administration, marketing and so on. These may be referred to as technical, professional or managerial skills. However, entrepreneurial skills may be conceptually differentiated from all of these, and be defined as meta-level skills that concern the whole process of initiation, steering and developing a business.

The results of expert interviews in six countries, reported in the pilot study, indicated five categories of skills: Professional skills (plant or animal production skills, technical skills); Management skills (financial management and administration skills, human resource management skills, customer management skills, general planning skills); Opportunity skills (recognising business opportunities, market and customer orientation, awareness of threats, innovation skills, risk management skills); Strategic skills (skills to receive and make use of feedback, reflection skills, monitoring and evaluation skills, conceptual skills, strategic planning skills, strategic decision making skills, goal setting skills); Co-operation/networking skills (skills in co-operating with other farmers and companies, networking skills, team-working skills, leadership skills). (de Wolf & Schoorlemmer 2007.)

As a synthesis from their study, de Wolf & Schoorlemmer (2007) state that while professional skills and management skills are basic requirements for farmers, opportunity skills, strategic skills and co-operation/networking skills can be viewed as proper entrepreneurial skills. Thus, studying entrepreneurial skills does not imply that other skills are assumed to be irrelevant or not important.

The theoretical analysis based on the literature on entrepreneurship and small business research which was presented in Chapter 2 supported the conclusion made by de Wolf & Schoorlemmer (2007), concerning the naming of entrepreneurial skills. The pursuit of opportunities was suggested as a key entrepreneurial skill that covers the core tasks in entrepreneurship, and represents the “top of the pyramid” of the hierarchy of entrepreneurial skills. The pursuit of opportunities has two aspects: recognition and realisation of opportunities. Further, in order to realise opportunities, the entrepreneur must have access to resources that are needed in the pursuit. One crucial measure in this comprises social contacts, networks and ties. Through these various resources may be pursued; therefore the skill corresponding to this task may be associated very closely to the pursuit of opportunities. Several attributes could be used as criteria for the skilful pursuit of opportunities: innovation, risk-taking and growth orientation are among the most popular ones.

Other candidates to be included among entrepreneurial skills are numerous. In the pilot study report it was proposed that strategic skills would be taken account among the entrepreneurial skills in the empirical study of the main study. This was considered a worthy suggestion, especially because the three subgroups of interviewed farmers were formed according to strategic orientation, so that the strategy skill could be viewed also in relation to this distinction.

Thus, it was assumed that entrepreneurial skills among farmers may be approached as the skills of

\*recognising and realising opportunities

\*networking and utilising contacts and

\*creating and evaluating a business strategy.

In Chapter 2.3., additional empirical data was introduced to support this choice. The data was generated by a postal questionnaire survey in Finland. The results indicate that farmers' self-assessments regarding these skills form quite feasible and valid variables in terms of statistical analysis. The clear majority of the respondents also consider these skills important in their farm business.

The results of the survey also indicate that there are differences between conventional farmers and those involved in value-adding and other business diversification, and between farmers and other rural small business owners: conventional farmers assessed themselves as less skilled than the other two groups. However, these differences were relatively small, although statistically significant (Table 7 in Chapter 2.3.4.). Considering the limited information conveyed through the structured questionnaire responses, the more exact nature and meaning of these differences was left uncovered. Consequently, the need for a more detailed qualitative exploration was underlined.

A further lesson which the survey provided was that there are several distinct factors or variables contributing to the success of the business. Thus, entrepreneurial skills are not necessarily among the best explanations to the success of the firm, and surely not the only explanation. This gives one more reason to warn against simplifying things by overestimating and overdoing coverage of entrepreneurial skills. Indeed, there are also other issues involved in business, and in entrepreneurship.

### **The nature of the qualitative approach**

In methodological terms, the core idea in this study has been that entrepreneurial skills may be viewed as an issue of self-assessments and attributions related to skill development, which can in turn be approached by analysing and interpreting the self-presentations and explanations that are displayed in the interview talk. These methodological principles were discussed in Chapter 2.4.

The approach utilised in this study was based on qualitative interviews. With the help of a qualitative interview study that allows for the interviewees' own words and free comments, information was sought about how the interviewees construct their self-assessments. Thus, the aim was not to reach a quantified measurement of the assessment of the skill level, but rather to study how the assessments were made.

The concept of self-presentation was used as a crucial interpretive tool to study the assessment of skills. Self-assessments were analytically approached through interpreting the interview talk as self-presentations in regard to these entrepreneurial skills. The interpretation focused first on the gradation in how skilful the interviewees presented themselves as being, and on the credibility of the presentation, based on the rhetorical resources used. Second, the interpretation focused on the content of the presentation, on how the skills were manifested in them, i.e. what sort of activities and tasks are performed, and how they are performed when these skills are applied.

The key assumption concerning the study of factors that effect the development of entrepreneurial skills was that this can be done by analysing how farmers explain the phenomenon. Thus, these factors, and the processes of how they contribute to the development, were identified by analysing what kind of factors, actors or processes the farmers attributed the cause or responsibility of skill development to, and their outcomes. These factors were categorised as internal or external to the individual farmer, and viewed from the perspective of a positive-negative -dimension (hindering or enhancing the development of skills).

Informed by the theoretical and methodological elaborations mentioned above, the research questions were formulated as follows.

1. How do the farmers present themselves in regard to entrepreneurial skills?
2. How do these skills manifest in their self-presentations?
3. Are there differences between self-presentations according to the farmer's engagement in conventional production, value-adding activities or other diversified business activities?
4. How do the farmers explain the development of entrepreneurial skills among farmers?
5. In the farmers' opinion, what could be done to develop entrepreneurial skills among farmers?
6. Do the explanations presented by the farmers match the viewpoints of outside experts?
7. Country differences and similarities, concerning the results to questions 1-5.

Next, we will provide answers to these questions by summing up the studies in six countries that were reported in Chapters 4-9. It is evident that our answers will not be based on any straightforward compilation of results from the country studies, but more on a comparative interpretation of the essential patterns identifiable in the reports. We will also discuss some selected issues related to the answers and the conclusions based on the answers. Finally, we will present recommendations for how the outcomes of this study could be utilised in the further work of ESoF.

### 10.3 Assessing the entrepreneurial skills of farmers

In this section we sum up the overall results of the analysis of the self-presentations, related to questions 1-3. Concerning the first research question, about how the farmers presented themselves in regard to entrepreneurial skills, a quite consistent pattern in the self-presentations was observed in all countries: in all countries, the farmers made a self-presentation of being at least a moderately skilful farmer in most cases. The farmers were typically able to connect these skills to their own farming activities and experiences, in one way or another. Cases where the farmers were not able to connect these skills to their own activities remained the exception in all countries.

A related pattern was also detected in all countries: in each country, there existed variation in the degree of skilfulness that was presented in the comments. On one hand, there were farmers who showed no hesitation in assessing themselves as being good in using these skills, and on the other hand farmers who hesitated in whether they really would assess themselves as being good in these respects. Another, related characteristic was the observation that on a closer look the convincingness of the presentations did not always coincide with the farmers' own skill assessments; some assessed themselves as being good but did not provide too much convincing evidence to support their claims, whereas others assessed themselves as being only moderately skilful but were nevertheless able to present rich and diverse examples of the manifestations of these skills in their business activities. Considerable differences in the convincingness of the skill presentations were observed. Hence, only a more detailed examination of the rhetorical resources used in the making of the presentations allowed the researchers to detect the variation in the skill presentations appropriately. Nonetheless, variation in terms of the gradation of skilfulness was detected in the self-presentations. In general, this variation approximates the distribution of self-assessments that were measured with a survey questionnaire and presented in Chapter 2.3. Of course, since exact numeric measures were not used, this approximation is an interpretation based on the fact of the differences in terms of gradations, as such.

After examining the distribution of the variation in skilfulness across the three strategic orientations (C, VA, NFD), we can also address the third research question in part, by concluding that the variation in skilfulness does not coincide with the division into three subgroups of farmers, made according to the strategic orientation. In other words, in each subgroup one can find skilful as well as less skilful selves presented.

However, with regard to the second research question, about how these skills manifest in the self-presentations of the farmers, we could observe the three strategic orientations making a difference. To put this consistent finding simply: in all countries there were clear differences between the subgroups in how the skills manifest. The group-specific patterns in the manifestations of the three skills were also quite consistent in all countries. The manifestations typical to the groups can be summarised as follows:

In conventional production, the manifestations of the strategy skill included two basic alternatives, either a scale enlargement or cost-reduction strategy. In some cases these could be presented as existing in the activities in combination. The importance of long-term decisions was also typical to the manifestations of the strategy skill in this group. In the manifestations of networking and contact utilisation skills, contacts within the farmer community were emphasised; contacts and networks beyond other farmers and conventional actors of the agri-food sector were scarce. The manifestations of the opportunity recognition and realisation skills were typically connected to the production arena; market arena activities were typically only indirectly included in the manifestations, if at all.

In the subgroup of value-adding business, the manifestations of the strategy skill included the adding of value to products as a core idea. This typically implied that short-term adjustments in production, product structure and market and customer relationships were emphasised. Also product development was commonly included as an element in the manifestations of the strategy skill. In the manifestations of networking and contact utilisation skills, contacts and networks beyond the farmer community were typically included. Emphasis was on the poten-

tial opportunities which were generated through access to networks and the utilisation of contacts. The manifestations of the opportunity recognition and realisation skills were typically connected and integrated to the market arena as well as to production. Generally, the very idea of value-adding strategy seems to be to some extent grounded in the realisation of opportunities by means of market arena activities (marketing, realising a niche-product, sales promoting etc.).

In the subgroup of non-food diversification, the basic element in the manifestations of the strategy skill was the combining of primary production with some other non-food business activity, often in order to search for synergy between the activities. Also short-term adjustments in the steering of the business and product development efforts manifested often in the strategy skill presentations, but not necessarily. Customer segmentation, in turn, was an essential feature in the manifestations of this group; on one hand it manifested in the demonstrations of strategy and opportunity skills, e.g. as an incentive to start providing a certain service or product for a certain customer segment, and on the other hand it manifested in the demonstrations of networking and contact utilisation skills, as a factor that often drove the farmers to engage in networking and contact utilisation also beyond the farming community (e.g. other entrepreneurs, customers outside the farming community, counselling and service providers, experts and suppliers). The manifestations of the recognised and realised opportunities were typically connected or integrated with the market arena as well as with production; market arena activities were often involved – but not necessarily – and the recognised and realised opportunities were often associated with both primary production and non-food business activities (e.g. allocation of workforce between the activities, recognising multiple uses for farm resources and machinery).

### **Conclusions and discussions**

The country reports in all show that in each subgroup, presentations of a very skilful self as well as a less skilful self were identified, regarding the entrepreneurial skills of creating and evaluating a business strategy, networking and utilising contacts, and recognising and realising opportunities. Thus, the strategic orientation as such seems not to determine the level of these entrepreneurial skills. On the basis of these results, it is quite possible for a farmer to present herself as skilful in entrepreneurship even if her business was focused on conventional production. At the same time, one can find presentations of a less skilful self also among farmers who are engaged in value-adding business or in non-food business diversification.

These findings are congruent with the survey results that were introduced in Chapter 2.3. According to those results, there is considerable variation in self-assessments among conventional farmers as well as among diversified farmers. The qualitative analysis discussed here demonstrates that a corresponding variation can be detected within self-presentations of 25 cases in each of the six countries. The self-presentation uncovers, at least to some extent, the nature of the process of constructing such self-assessments.

On one hand, these results suggest that in each subgroup there are farmers who are not as skilful as one might be. Many of the farmers presented themselves as less skilful or only moderately skilful at least in regard to one of the skills in question. For example, many hesitated to claim that they are very skilful in realising opportunities, even in cases where the skill of recognising opportunities was demonstrated on the spot. Obviously, there is demand for the development of these skills in each subgroup.

On the other hand, the results suggest that the improvement of entrepreneurial skills is a realistic option in each subgroup: the presentations of a skilful farmer that were identified among the 25 cases in each country demonstrate that it is indeed possible to have and apply these skills in farm business.

It is noteworthy that, as a whole, the country reports also show that entrepreneurial skills manifest in different ways in different subgroups: skills are connected with different kinds of tasks and activities. The most striking difference is between the subgroup of conventional farmers, on one hand, and the subgroups of added-value and non-food business diversification, on the other hand. Whereas conventional farmers typically connect strategies and opportunities with production, especially with the enlargement of scale and cost reduction in production, and networks and contacts with relations within the farmer community, the representatives of the two other groups typically connect strategies and opportunities with product differentiation and development, customer segmentation, and in general with tasks and activities in the market arena, for example with sales promotion and customer relation management. They also connect network and contact skills with relations beyond the farmer community.

There are exceptions to this. For example, in some cases a farmer in conventional production connects networking or opportunity skills with managing marketing channels or relations with the buyer; in some cases a farmer engaged in non-food diversification does not make any explicit connections between the skills and market arena tasks. However, such observations are rare enough to be called exceptions; they do not invalidate the overall pattern.

Assuming that entrepreneurial skills are relatively abstract, higher-level skills, as was suggested in Chapter 2, it is not surprising that in the self-presentations of the farmers these skills are connected with various other skills and tasks in different ways. The distinction between market arena and production arena tasks and activities is a simplification, as such. Nevertheless, one can use this distinction to point out that in our data there were essential differences in how the entrepreneurial skills were integrated, for example, with technical, professional or management level skills.

Concerning the differences in how the skills were manifested, one implication is that for the conventional farmers the scope for applying and developing the entrepreneurial skills appears to be narrower than for the other two subgroups. The access to market arena activities and tasks is restricted, resulting from the farmer's position as a primary producer in a vertical chain, typically with one big company as the buyer. In a sense, conventional farmers are blocked away from many of the market arena activities. Dealing with this limitation, or overcoming it, is obviously one big challenge for conventional farmers regarding the skills of opportunity recognition and exploitation, as can be concluded, for example, on the basis of some of the self-presentations in which the skills were judged as difficult to apply and utilise.

At the same time, the tasks that are related with production and production management gain more importance for the conventional farmers as an area in which entrepreneurial skills may be utilised and strengthened. The centrality of scale enlargement and cost reduction in the manifestations of the entrepreneurial skills of conventional farmers imply that they are faced with the special challenges of integrating strategy, networking and opportunity skills with the tasks that are related, for example, with investments and risk-taking, and mobilising workforce and managing it.

It also appears to be common to all country reports that the interviewed farmers mostly presented these entrepreneurial skills as being relevant and important in their own business. This may be interpreted as an expression of a favourable attitude towards entrepreneurial skills. Such an interpretation may be further supported by the fact that most of the interviewed farmers did present themselves as possessing these skills, or at least they did attempt to do this, although in some cases the self-presentation was not performed as credible as in other cases. Some interviewees even regretted not being skilful enough, or not being able to utilise all of these skills. An aspiration to associate or identify oneself with this kind of skills is not self-evident as such, and might thus be deemed to indicate a positive evaluation of them.

One might argue that the attempt to make a self-presentation of a farmer who has entrepreneurial skills is simply a result of a more general tendency to comply with the expectations or demands of the interview situation. Obviously such a tendency was involved, because some farmers presented direct positive self-assessments even though they were not able to bring out any further justifications to account for the assessment. Anyhow, the crucial point is that the farmers mostly did not reject the idea of being personally associated with these skills, or being assessed in terms of them. On the contrary, the overall impression on the base of the self-presentations is clearly a favourable attitude towards viewing oneself and one's own farm business in terms of these entrepreneurial skills.

One might also reflect on the methodological limits of approaching the skill assessments through self-presentations. One possible issue concerns the coverage of the presentations. Could it be so that the real skills of the farmers are somewhat different than the impressions created by the self-presentations? It must be agreed that indeed this may be so. However, the problem is to decide how these assumedly real skills "beyond" the self-presentations could be approached. Since the criteria of skilful action may be inferred from the activity itself, methods of observing activities and behaviours in real world business situations could be used, although that would be laborious. But then again, also in real world situations the farmers would be making self-presentations, since self-presentations are, according to Goffman (1959), an inevitable aspect of human interaction. Still another alternative would be to use the outcomes of activities and achievements of the farmers as data to make inferences concerning the skills. The problem in this method would be that skills are not the only contributor to such outcomes.

Thus, even though the self-presentations would not exhaust the possible realities of entrepreneurial skills, it seems feasible to consider exploring them as one valid way of approaching the assessment of these skills. The analysis of self-presentations does uncover the rhetorical resources used to construct the presentations, and thus allows for critical evaluations concerning the grounds for making interpretations about the presence of skills.

The absence of direct positive self-assessments in some of the self-presentations is a related issue, which was discussed in a couple of the country reports in terms of skill in making self-presentations. For example, one might suppose that some of the interviewed farmers were shy, not talkative, not prepared, or were in some other sense not able to make a credible self-presentation in the interview situation, although they were still able to demonstrate the entrepreneurial skills in question in their business activities. Again, it would be bold to deny such a possibility. However, there is no reason to believe that if this really were so, the overall patterns identifiable in the results would be altered in any significant way. Namely, from the perspective of entrepreneurial skills, one might suppose as well that the skill of making self-presentations is an important requisite for an entrepreneur, needed in order to mobilise resources through social contacts, as was suggested in Chapter 2. Nonetheless, if a farmer had the entrepreneurial skills in the real world, this would mean that the skills would be somehow manifested in real activities, events and experiences. This in turn would mean that the farmer has, in principle at least, access to rhetorical resources for making a positive self-presentation in regard to these skills. Having such resources but not the skill to use them in a casual interview conversation would certainly appear as a serious flaw at least in the basic skills of argumentation, social communication and interaction.

## 10.4 Development of entrepreneurial skills and the factors hindering and enhancing development

The fourth research question in this main stage of the project was: How do the farmers explain the development of entrepreneurial skills among farmers. In this chapter we sum up the cross-country results concerning this question.

On a general level, the attributions of skill development resembled each other across countries in two respects: First, in all countries, a variety of attributions of skill development were made. The diversity of the attributions could be captured with the help of a categorisation, in which the attributions are divided into three general categories: internal, relational and external attributions of the development of the skills. Second, in all countries the suggested explanations involved contradictory evaluations, i.e. one and the same factor (e.g. market liberalisation) could be presented as an enhancing factor by one interviewee and as a hindering factor by another interviewee. In this sense, in addition to common categories of attributed factors, no simple and overarching explanation pattern could be observed in any of the countries. However, it was possible to identify a common denominator that characterises the variety of explanations in each country as well as the explanations across countries as a whole. This denominator concerns the nature of the process of skill development. We will come back to this after first presenting the variation of explanations with the help of a categorisation that captures their overall variety.

### Factors internal to the farmer-actor

The first category includes explanations where the cause of the development of entrepreneurial skills is attributed to factors that are internal to the farmer. This category includes a variety of internal attributions of cause, ranging from personal dispositions and fairly fixed attributes to acquired experiences and know-how. However, common to these explanations is that the suggested cause resides within the individual farmer, whose skill development the interviewees are commenting on. This general category of internal factors could be further divided into four thematic subcategories. The first subcategory deals with various *personal features of the farmer*, such as personality and attitudes. It was common for the interviewees to account for the development of the skills by appealing to individual differences in orientations, mentalities and attitudes of the farmers; open-mindedness and proactive orientation, for example, were typically seen as contributing to the development of the skills across countries, whereas reactive or narrow-minded orientations were viewed as hindering their development. The second subcategory deals with the *experience* of the farmers, understood in a broad sense as including experiential learning and know-how gained in the course of farming, as well as the diversity of the experiences gained e.g. through one's work history outside one's own farm and other jobs. The third subcategory includes attributions related to acquired *education and training*, entailing both explanations where the level of education was viewed as affecting



the development of these skills and explanations that emphasised the importance of professional education, such as professional training and courses. Finally, the fourth subcategory includes attributions to the *age and gender* of the farmers; age and generation issues were quite commonly perceived as having an effect on the potential to develop skills. Typically it was the younger generation that was perceived as more prone to engage in the development of their entrepreneurial skills, but on the other hand greater experience was also viewed as enhancing the development of skills. Gender was more rarely mentioned as contributing to the development of skills, but it was nevertheless also cited; gender was associated, e.g. with tendencies such as prosociality and proactivity, which, in turn, were seen as crucial antecedents for the development of these skills.

### **Relational factors**

The second category includes explanations where the cause of the development of entrepreneurial skills is attributed to *social relations* or issues related to social interaction and communication. Such factors could not be unambiguously seen as either internal or external, but could be better understood as including references to both internal and external factors while also transcending such a binary opposition. Explanations of this type included references to networks and contacts with various actors: the improving impact could be attributed, e.g. to benchmarking information and experience that is gained through contacts and socialising with other farmers, colleagues or entrepreneurs; also mere exposure to or engagement with activities taking place outside the farming community could be seen as contributing to the development of these skills.

### **Factors external to the farmer-actor**

The third category includes explanations where the cause of the development of entrepreneurial skills is attributed to factors that are external to the farmer. Focus is then switched from the individual farmer and from her social relations to the operational environment of the farmer. This general category of external factors could be further divided into four thematic subcategories, ranging from factors in the immediate vicinity of the farmer to more macro-environmental or societal phenomena and trends. The first subcategory deals with various *features of the farm*, such as economic resources of the farm, characteristics of the line of production, the possibility to use employed workforce on the farm, and issues related to the location of the farm. Economic or material resources could be perceived as enabling the farmer to explore business opportunities more freely, e.g. when making investments; on the other hand, too easy a start-up with the help of a generous farm fortune could be seen as preventing the farmer from engaging in the development of her entrepreneurial skills. Similarly, the type of line of production was taken up from the perspective of both facilitators and hindrances: it could be argued that some lines of production tend to tie the farmer too much to primary production activities and thereby keep her occupied in routine farming tasks, whereas other lines of production might encourage the farmer e.g. to explore production innovations or engage in contacts with a variety of different actors. Also the possibility to use employed workforce on the farm was associated in a similar vein with the available resources and time to distance oneself from basic farming tasks and engage also in other types of tasks. Finally this subcategory also included explanations where the location of the farm was viewed as contributing to the possibility to develop entrepreneurial skills. The interviewees commented that the characteristics of the local area or region, such as the size of its population, or the vicinity of markets, processing industry or logistic opportunities may enhance or hinder skill development. Also geographic and soil characteristics typical of the area were associated with the possibilities of developing skills.

The second subcategory included explanations and accounts where the development of skills was attributed to the *tradition or culture of the farmers*. In explanations of this type the operational culture specific to farms or farmers was viewed as either equipping some farmers with favourable orientations, values and a working ethos or attaching other farmers to rigid perceptions and farming practices that do not favour the development of entrepreneurial skills.

The third subcategory deals with the *supply aspect of various development activities*, such as education, training, development projects and extension services. As can be observed, the topic of education and training was commented on by the interviewees from two different perspectives: when applying an internal attribution, the role of education was viewed as the individual's acquired know-how or expertise, but in this connection education and training was commented on from the perspective of opportunities arranged for the farmers to develop their skills. From such an externally oriented perspective, the interviewees emphasised that the development of skills

requires that enough appropriate courses, training and advisory services be easily accessible to the farmers. In this respect, the prevailing state of affairs was regarded as satisfactory by some and as insufficient by others.

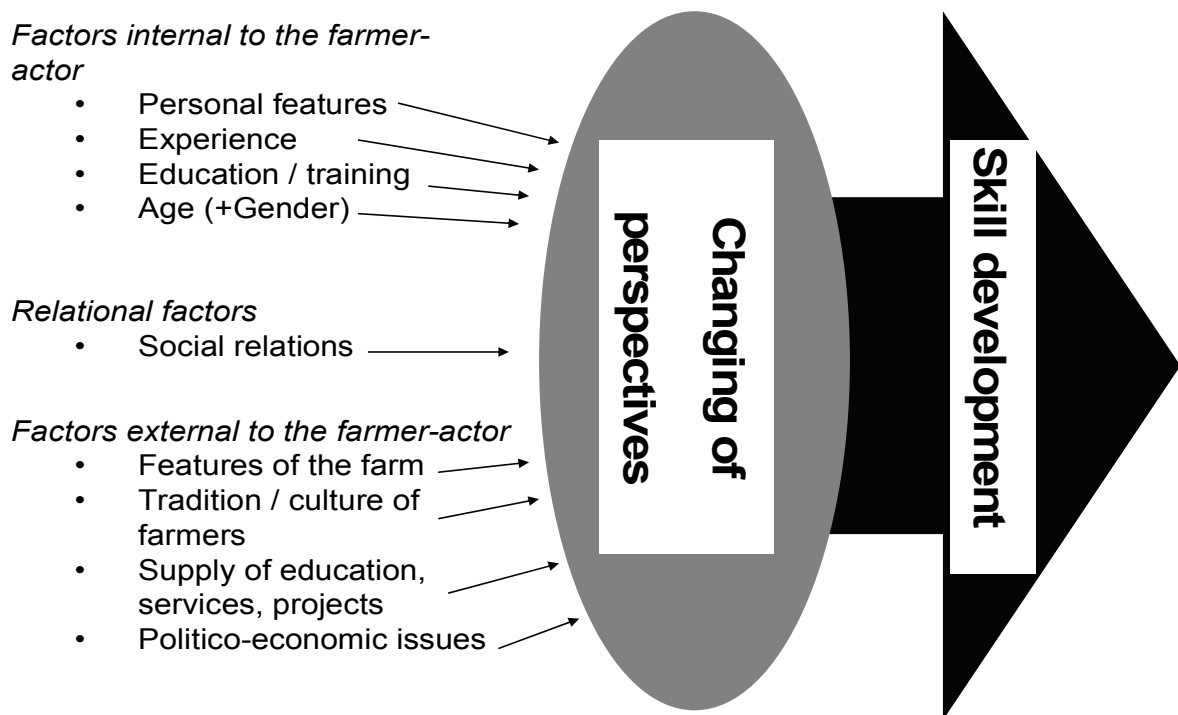
The fourth subcategory included explanations where the causes of skill development were attributed to macro-scale factors, simply describable as *politico-economic* factors. Factors such as subsidies, changes in the general operational environment of farms (e.g. market liberalisation, increasing competition) and legislation, were more distant to the everyday life of farmers and to some extent beyond their own control, but nevertheless quite frequently mentioned as factors that have an essential impact on the possibilities to develop entrepreneurial skills on farms. However, no consensus could be detected among the interviewees about the contributions of various politico-economic factors for the development of skills: e.g. market liberalisation could be presented both as a hindrance, if the emphasis was put on decreasing domestic producer prices and increasing import of foreign bulk products, and as an enhancing factor, if the emphasis was put on the increasing opportunities for various special and niche-products. Similar ambiguity could be observed also with respect to comments on subsidies and legislation.

### **The crucial role of learning**

A common feature to the factors in the above-mentioned internal, relational and external explanations was that they all can manifest as factors either enhancing or hindering the development of skills. Hindering, for example, could be conceived as the absence of some enhancing factor, and vice versa. As already mentioned, interviewees also presented alternative interpretations regarding the importance and effect of particular factors on the development of entrepreneurial skills.

After having summed up the variety of explanations with which the farmers account for the development of entrepreneurial skills, it is crucial to address an important question concerning the general nature of the skill development implicated in the explanations, namely: How is the development of these skills understood by the farmers? If the variety of internal, relational and external attributions is viewed from the perspective of the nature of the implicated skill development process, we recognise that the idea of learning is commonly rooted in the core of all types of accounts. When the interviewees presented justifications for their view that particular factors affect the development of these skills, they did it by constructing the process as a learning event, regardless of the type of cause that was presented as crucial for the process to take place. This is an important observation, since the idea of skill development as a learning process was not served for the interviewees by the interview questions; instead, the interviewees themselves consistently chose to view the development of skills as something that takes place through learning. Even though the interviewees also brought up factors and preconditions for the development of skills – such as personal dispositions or policy definitions – that had no direct connection to the learning of the farmers, other factors were also presented as preconditions that affect the opportunities of the farmers to engage in events where the skills are learned. Indeed, one consistent finding on the basis of the explanations of skill development is that the farmers interviewed considered entrepreneurial skills as something that can be learned.

The interpretation of skill development as a learning process leads us to the next logical question concerning the nature of the learning process implicated in the explanations. Is it possible to detect a key principle that would characterise the learning of these skills across the various explanations? Indeed, such a principle can be detected in the descriptions of the learning events. Across the various types of attributions (internal, relational, external), a learning event is constructed as a process where the farmer is exposed to new perspectives. The importance of new perspectives came across in a variety of forms: the idea was implicated in explanations that emphasised the importance of a proactive attitude; diverse work experiences; a work history outside farming; thorough farming know-how; education and training; diverse networks and contacts; a stimulating farm context, culture and surroundings; motivating market visions and policy incentives; virtually all explanations could in principle be associated with the idea of being exposed to fresh perspectives, changes in habits of thinking or alternative ways of doing things. However, in some explanations, this was not necessarily made explicit. For example, when personal features were emphasised, the role of such a learning process was left aside, more or less. Facilitating factors functioned to introduce the farmer to novel perspectives and distance her from the habitual ones, whereas the hindering factors tended to prevent the farmer from distancing herself from her activities and accessing novel perspectives. This concluding synthesis of the change of perspective as the common denominator and mediating mechanism in the learning of the entrepreneurial skills is depicted in Figure 1.



**Figure 1** Changing of perspectives as a common denominator in the development of skills

### Conclusions and discussions

Considering the distinct explanations analysed in Chapters 4-9, it is not always very clear whether the target of the explanation is the development of entrepreneurial skills or the development of skills in a more general sense, or the success of the farmer and the farm business. This slight obscurity is understandable, thinking about the relatively abstract level of these skills. However, mostly the target of explanation appeared to be unambiguous enough.

A widely shared and often explicitly stated assumption in the interviews is that entrepreneurial skills are acquired through learning. Thus, learning is one of the prerequisites for the successful development of these skills. Some reports mention explanations which suggest that these skills are inheritable, but often such explanation involve, at least implicitly, an assumption that genotype and other enduring dispositions contribute to the actual development of the skills. This does not exclude the notion of learning as such. Nonetheless, as a whole, the notion that entrepreneurial skills are learned was clearly a dominant aspect in the explanations.

The core idea concerning the principle of learning entrepreneurial skills is the notion of a changing perspective. In many of the categories of explanations it is assumed and suggested that in order to learn these skills, the farmer should be exposed to new ideas, thoughts and experiences, and that she should perceive and gain insight into new issues, and thus find and adapt new perspectives for viewing herself, her business and environment. This kind of viewpoint can be identified in all of the country reports, in one form or another. It is quite understandable if one thinks about, for example, the crucial notions of opportunity recognition and innovation in the study of entrepreneurship, discussed in Chapter 2.2.

The notion of a change of perspective as a key principle in the learning of entrepreneurial skills has important implications for those interested in promoting the development of these skills among farmers. First, in line with many current theories of learning and education, the farmers appear to presume that the individual is an active subject in learning. It follows from this view that it is not feasible to try to transfer or inject these skills into the individual from the outside, for example with the help of mechanical and unidirectional teaching or training

methods. Instead, it must be taken into account that the individual is a crucial and autonomic actor, and that learning depends on and requires her own activity, and that it is the individual herself who finds and gains the insights, and widens, transforms and renews her own perspectives. External actors may create and offer opportunities and stimuli for the process, but cannot directly generate or enforce learning.

In the explanations offered by the case farmers, reported in Chapters 4-9, the individual is visibly involved, not only as an active learner as such, but also as an actor and creature whose characteristics and mental processes influence the learning process and its outcomes in many ways. Personality, attitudes, intentions and so on are repeatedly mentioned in all of the reports. As a rule, the interviewed farmers explicitly agreed with the view that the development of these skills depends heavily on the individual herself. This is congruent with the widespread individualistic image of the entrepreneur, as well as with the active role of the individual in the process of learning these skills, emphasised in our interpretation. Noteworthy in the farmers' explanations is that not only the cause of skill development, but also responsibility for it was attributed to the individual farmer.

An important aspect in the internal attributions is that the individual was not only viewed as a factor contributing to the development of entrepreneurial skills, but as a factor preventing or hindering the learning of these skills. In other words, the blame for not having the skills was put on the individual herself in many of the interviews. Such attributions raise difficult issues. For example, should the potential consequences of the deficient development of these skills be left as the sole responsibility of the individual farmers? Would those farmers who attribute the cause and responsibility of deficient skill development to the individual, also give a positive answer to this question?

In a more general sense, attributing the cause of skill development to internal factors such as attitudes or intentions, for example, bears the implication that external actors could try to change the individual, and in this way influence skill development indirectly. This notion would allow for attempting to bring about attitude change through persuasive communication, education and so on.

In spite of the strong emphasis on internal attributions, external attributions are also multifaceted and prominent in each of the country reports. Considering the premise that the development of these skills is essentially about the individual's learning, it is understandable that the external factors in the farmers' explanations are typically not presented as having any direct or immediate impact on skill development, but rather as creating opportunities, circumstances or environmental forces and prerequisites that would enable, motivate and, in general, promote the learning of these skills.

Nevertheless, if one approaches the question of promoting the development of entrepreneurial skills, an essential conceptual distinction may be derived from the analysis of farmers' attributions: on one hand, there are measures that are targeted primary at farmers to assist and motivate the learning of skills, on the other hand there are measures that are targeted primary at the environmental factors which may potentially enable and enhance learning. Obviously, these different types of measures are not equally relevant to different types of external actors. For example, for political decision makers the latter type of measures is more natural, whereas the former type of measures might be considered more suitable for trainers and advisors. Of course, politicians may also aim at influencing farmers directly, for example to change their attitudes through public communication, but it seems feasible to assume, nonetheless, that the former type of measures are more relevant whenever there is some sort of immediate contact or interaction on a personal level taking place between the external actor and the farmer.

From this point of view, special attention may be paid to the relational attributions that associate the learning of entrepreneurial skills with social relations and interactions. Actors who are in contact and interaction with a farmer represent an important aspect of the immediate, potentially enabling environment for the learning of these skills. At the same time, they represent external actors who have the best possibilities to directly influence the farmer herself. This possibility is created by the very fact that they are close to the farmer and in personal communication and contact with her.

According to the country reports, at the core of the relational attributions is the role of relations with other farmers, although a variety of other relations are mentioned as well. Surprisingly little attention is given to the role of advisory service and coaching interaction, even though training and education are well visible in the explanations.

## 10.5 Final discussion

Connections between skill development, distinct entrepreneurial skills and the manifestations of the skills according to strategic orientation

A general conclusion on the basis of the results from this study is that while the interviewed farmers mostly agree that entrepreneurial skills are important and relevant for their own business activities, there are differences between individual farmers concerning how skilful they are in terms of these skills. These differences, together with the notion that entrepreneurial skills can be learned, imply that to develop and improve these skills among farmers is a feasible option and objective.

Further, being exposed to new perspectives is central in the process of learning entrepreneurial skills. This conclusion has didactic relevance and implications for planning and executing all education, training and advisory services for farmers that aim at enhancing the development of entrepreneurial skills. On the other hand, it is obvious that the principle of finding and digesting new perspectives is relevant particularly concerning the skills of recognising and realising opportunities. The skills of networking and utilising social contacts as well as the skills of creating and evaluating strategies may be conceived of more as means with the help of which the opportunities are realised. However, networks and social contacts can also be seen as important means for generating new perspectives or as channels through which new perspectives are mediated. Thus, it can be reasoned that networks and social contacts are not only one of the crucial fields of entrepreneurial skills, but also a very special and important factor contributing to the development of these skills, and especially to the development of opportunity skills. Social contacts and networks enable an exchange of experiences, information and knowledge; feedback and social comparison; acquainting oneself with models and examples of best-practice and so on; in other words, they facilitate exposure to a new perspective, and contribute to the pursuit of opportunities.

In acknowledging the special importance of networks and social contacts in the learning of entrepreneurial skills, new light is shed on the observed differences in how entrepreneurial skills manifest. Such differences were observed between strategic orientation subgroups. A prominent difference concerned the skills of networking and utilising social contacts, so that in the case of conventional farmers, concentrating on primary production, these skills were manifested in a narrower or more limited way than in the case of farmers engaged in value-adding or other diversified business activities. The contacts and networks of the former subgroup seem to be confined more within the farmer community and within the production arena, while the latter subgroups operate more widely also beyond the farmer community and in the market arena. This narrower focus in networks and social contacts apparently constitutes a constraint or a factor that may restrict or hinder the learning of entrepreneurial skills in the case of conventional farmers. Thus, as was already suggested in Chapter 10.2., on the basis of how entrepreneurial skills manifest, it is justified to say that the task of learning entrepreneurial skills is particularly demanding considering the situation conventional farmers are in.

Small but statistically significant differences that were detected in the quantitative study of skill assessment, reported in Chapter 2.3., are quite understandable in the light of these conclusions. However, it must be remembered that the results of the qualitative study, which has been the major concern of this report, clearly show that in spite of statistical differences in the means, it is possible to find skilful farmers as well as less skilful ones in each of the three subgroups. Thus, learning these skills is a realistic option also in conventional farming, although it may be especially challenging for them. Promoting exposure to new perspectives and digesting them with the help of networks and social contacts appears to be the most important means to facilitate meeting this challenge.

### Notes on the nature and limits of the study

It must be remembered that the results of this study originate from a qualitative interview study, although theoretical analysis as well as some survey data have also been presented (in Chapter 2) to lay ground for the qualitative approach. Interviewed farms are individual cases, and similarly the regional or local collections of 25 farms in each country as such comprise cases as well. It is self-evident that one should not try to generalise the results from these cases to national situations, for example. The logic used in this qualitative study is not a statistical one. Instead, the crucial idea has been to show the possible state of affairs, how things can be. Thus, the methodological emphasis is theoretical, with the aim of viewing matters generally speaking, at the level of comparison across cases. Our conclusions concern comprehensive patterns or *gestalts* recognisable in our overall collection of vary-

ing cases. The aim has been to increase understanding of the very essence and nature of the issue of entrepreneurial skills in the farm context.

This issue of the nature of generalisations was brought up also by some experts in the workshop.

We have tried to make it very explicit that our collection of cases is biased. For example, the farmers interviewed are younger than farmers on average. This bias was generated on purpose, to ensure that the subjects of the study will represent farmers who most likely will still be active in the field several years later. Instead of being a problem, this type of bias contributes to the validity of the data in terms of future relevancy. Most importantly, our sample is biased towards more active farmers who may be considered, in one way or another, as positive exemplars of entrepreneurial farmers. This bias is caused by the selection process in which potential interviewees were sought through networks of research institutions or the farmers union, for example. On one hand, this type of bias questions any simple generalisation across the farmer population, but on the other hand, it contributes to the validity of the data concerning interpretations of the nature and quality of entrepreneurial skills in the farm context. For example, it is doubtful that the clearly observable qualitative differences that were identified between cases could be attributed to such biases in the sample; quite the contrary, one might say that they were detected in spite of possible biases in the sample.

The nature of the study as a qualitative comparative case analysis implies that understandably there are differences and variation between country reports. As already stated, the conclusions presented in this chapter aim to catch patterns that are common to all reports and unite them. Thus, country- or case-specific features have not been the focus of comparison. This is not to say that such features may not exist or be relevant. In the country chapters the reader will find some discussions concerning them. However, some examples deserve comment here.

In the Dutch report (Chapter 7) one of the special features is that the analysis of the self-presentations is organised so that the three case groups according to strategic orientation have each been further divided into subgroups according to further strategy-based divisions. Thus, among conventional farmers the Dutch researchers also distinguish farmers who are actively engaged in marketing and customer relationship management. On one hand, this example shows that the dividing line between conventional farmers and value-adding farmers is not so clear-cut. On the other hand, it seems to demonstrate that the manifestations of the skills are not by necessity confined to the production arena even among the conventional farmers, although such a pattern is dominant at the level of cross-nation comparison. One could further add that this exception (which by no means questions the pattern itself) is understandable in the light of the Dutch national situation, in which entrepreneurship has been actively promoted on farms for a while, and horticulture, for example, has been a forerunner in this area.

In the Italian case (Chapter 6) a special feature is that most of the case farms are active in associations and other collective bodies, and the role of networking is emphasised in general. While this feature conforms to the general conclusion suggested in this chapter, it may also be interpreted to have an association with the special nature of the Tuscany region, where active rural development projects have been extensively undertaken during the last few decades.

In the Polish data (Chapter 8) the role of relatively modest self-presentations in terms of entrepreneurial skills is perhaps more prominent than in other reports. This may be related to the national historical situation in which the farmers have been exposed to a more open market system only recently. On the other hand, it is very difficult to judge on the basis of the report whether this impression is partly an outcome of the way in which the interviews and analysis have been conducted. Nevertheless, the Polish results as such do not deviate from the rest of the reports in any considerable way, nor give cause to reconsider the overall conclusions.

Experiences from the workshops with local experts, reported in the country reports, seem not to bring out any serious doubts concerning the validity of our general conclusions as such. Words such as training, education, advisory services, networking, exchange of ideas and so on are repeated in the recommendations provided by the workshops, underlining the crucial role of the learning process. Many of the experts point out the nature of the data, of this being a qualitative case study, and caution against simple generalisations. Some of them also point out that there are also other skills involved in the farm business, in addition to the entrepreneurial skills studied here. For example, various managerial skills are mentioned. Related to this, one of the comments by the advisory board members is worth mentioning. This comment was about the minor role of management issues that are connected with the growth of the business and managing a larger enterprise unit, e.g. with several paid workers. Indeed, skills of realising opportunities and utilising contacts could manifest in this area also in the farm context,

and be so increasingly in the future, but this aspect of entrepreneurial skills was not emphasised in the self-presentations and explanations provided by the farmers interviewed in this study. One could speculate on the reasons for this by referring to the nature of the sample, or even to the possibility that the interviewed farmers in general were not prone to view labour force, personnel and organisation management tasks in terms of entrepreneurial skills.

In all, the comments by experts support our general conclusions, or do not question them as such. Advisory board members and experts in the national workshops did present various comments which concerned many of the issues and aspects related with the conclusions, and helped us to elaborate on them. However, this will be elaborated in more detail, when we consider and formulate concrete recommendations together with the experts in the national workshops in the synthesis stage of ESoF.

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# 11 Recommendations for the synthesis of ESoF

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This chapter, as the last of the report, briefly summarises the conclusions from the main study, and identifies the implications for the project's synthesis.

The first section summarises the main conclusions from the main study. In Section 11.2, these conclusions are elaborated in detail and indicate the implications for the project's synthesis. Section 11.3 describes additional recommendations for the synthesis which are not directly correlated to one of the conclusions.

## 11.1 Overview of conclusions from the main study

### Overview over conclusions from the main study

#### Conclusions concerning the concept of entrepreneurship / entrepreneurial skills

- 1 In our work entrepreneurial skills are taken to be specific to an economic context, although not limited to the aim of profit maximisation.
- 2 Entrepreneurship may differ depending on the strategic orientation of the farm. The concept of entrepreneurial skills can help to achieve a better understanding of the subject.
- 3 Entrepreneurship cannot be explained by the concept of entrepreneurial skills alone. It is one possible approach.  
Entrepreneurial skills are higher-order skills. They are meta-level skills touching the whole process of initiating, steering and developing a business.
- 4 In this project, three entrepreneurial skills are analysed:  
The skill of developing and evaluating a business strategy for the farm  
The skill of networking and utilising contacts  
The skill of recognising and realising business opportunities
- 5 The following conclusions show how farmers understand the concept and the development of entrepreneurial skills.

#### Conclusions concerning skills

- 6 Farmers can make the connection between the skills and their own daily experience. The skills are familiar to farmers.
- 7 Some farmers are more convincing in presenting their skills. Others are less convincing. This means that differences exist between farmers.
- 8 Both convincing and less convincing presentations can be found among farms with the same strategic orientation. Differences between strategic orientations exist in the manifestation of the skills.

#### Conclusions concerning the development of skills

- 9 According to the farmers interviewed, the development of skills occurs mostly through learning. Being exposed to new perspectives may be viewed as a key principle in this learning process.
- 10 Because farmers play an active role in the development of entrepreneurial skills, the role of an individual farmer is very important.
- 11 Even though the individual is important, relational and external factors play a crucial role in the development of the entrepreneurial skills.

- 12 Networks and social contacts are especially important for skills development because they constitute important channels through which new perspectives are mediated, and thus contribute to the learning of the entrepreneurial skills

## 11.2 Conclusions concerning the concept of entrepreneurship and entrepreneurial skills

### 1 The economic context

The term entrepreneurship has different meanings. For example, in some contexts it is used to refer to the centrality of economic goals in business, as distinct from business activity in which economic goals are seen as subordinate to some other goals. In this way entrepreneurship would be associated most of all with the aim of profit maximisation and optimising economic efficiency or competitiveness in business, whereas running a business with the sole aim of securing a satisfactory standard of living for the family would not fulfil the criteria of entrepreneurship. Yet, in some other contexts, running a firm as such would be considered as entrepreneurship, regardless of the centrality of the economic aims.

According to the results of the pilot study, it is a widely shared view among experts that in order for farms to survive and be successful in their current (and foreseeable) environment farmers must develop their farm businesses in economic terms. This view also constitutes the basis for our work in the main study. Nevertheless, we do not limit the concept to profit maximisation but accept that other economic aspects, such as long-term strategic management, may have an influence on farm management.

*Recommendations for the synthesis stage:*

It seems important to communicate to the actors involved in the synthesis stage that profit maximisation is only one possible way to perceive the concept of entrepreneurship and that it is crucial that recommendations on policy implications define the initial assumptions; clearly recommendations are strongly dependent on the founding assumptions.

### 2 Connecting strategy and skills

At the beginning of our work in ESoF, we expected to find that farmers need different entrepreneurial skills depending on their farming strategy. Thus, one of the core outcomes of the pilot study was to define three strategic orientations of farms, which we thought were influencing entrepreneurial skills. Based on this finding, we selected interviewees in the main study from all of these three strategic orientations (conventional, value-added and non-food-diversified). The core difference between these strategic orientations rests on the existence (or absence) of the diversified activities on farm.

*Conventional* here means limiting activities to primary production such as crop production and animal breeding.

*Value-added* farms diversify core farming activities by producing in accordance with a special label, such as organic farming, widening their customer range through direct sales or processing their products into specialities like cheeses, sausages, etc.

*Non-food-diversified* farms choose to diversify in the direction of activities that are not correlated to food production. This can be agro-tourism, machine contracting, but also activities such as wood processing, construction business, etc.

In the study of entrepreneurship it has been common to associate entrepreneurship especially with innovative and dynamic developments within the SME-sector, and consequently to view entrepreneurship as the creation of new business enterprises. From such a perspective, it would be possible to state that in the farm context value-adding and non-food diversification strategies represent an entrepreneurial orientation, assuming that these imply a shift away from conventional production which represents a “traditional” or already existing form of business on farms. This means that recommendations for farmers to become more entrepreneurial could be interpreted as starting new business activities on their farm or orienting towards niche products, processing and direct sales of agricultural products. However, it is feasible to argue that farm businesses can be developed within

primary production in ways that fulfil the criteria of entrepreneurship; as risk-taking and growth-orientation which are also mentioned in entrepreneurship literature as crucial criteria for entrepreneurship.

One of the basic assumptions in this study had therefore been to explore all three orientations from a neutral point of view, not considering one or the other of these orientations as more entrepreneurial by definition. It has been our aim to study these orientations from the perspective of entrepreneurial skills, and compare them with the help of an empirical, qualitative approach

*Recommendations for the synthesis stage:*

The issue of strategies has been considered very important in the context of our research questions. An analysis of the EU policy (CAP) should be made to detect more thoroughly the relevance of the strategy division in connection with our findings.

### **3 Entrepreneurial skills are only part of the whole**

The concept of entrepreneurial skill is one way to approach entrepreneurship. According to our approach, entrepreneurial skill is a relational concept which refers *both* to the individual as well as to the activity. It describes, on the one hand, the individual who knows how to do something in business. On the other hand, it describes those tasks and activities that the individual needs to know how to do in the business context.

It must be emphasised that the concept of entrepreneurial skill does not exhaust all the possible aspects of entrepreneurship, or what could be judged as entrepreneurial. Entrepreneurial skills tell us something about the individual, but not everything. Similarly, it states us something about the business activity, but not all of it. The concept stands for one possible way to approach entrepreneurship, not for the whole construct of entrepreneurship. If entrepreneurship shall be developed, the concept of entrepreneurial skills offers what we believe are some important possibilities, but not solutions for everything.

*Recommendation for the synthesis stage:*

While it is only part of the whole story, the concept of entrepreneurial skill can still contribute to the knowledge about concepts like entrepreneurship as a whole, or innovation. Thus, the results of our study also contribute to other on-going EU-funded projects (like COFARMI, IN-SIGHT or ETUDE), which deal with these subjects. For the next step of the project it is suggested that these connections be made more apparent in order to enable cross-fertilisation between the different EU-funded projects.

### **4 Higher-order skills**

Entrepreneurial skills are to be understood as higher level skills. They have to do with establishing, running and developing a business enterprise. In such business activities several types of lower level skills are needed, corresponding to the tasks of production, administration, marketing, and so on. These may be referred to as technical, professional or managerial skills. Therefore, entrepreneurial skills may be conceptually differentiated from these kinds of skills as meta-level skills that touch the whole process of initiation, steering and developing a business.

- Such higher-order skills for farming businesses were identified in the pilot study:
- The skill of developing and evaluating a business strategy for the farm
- The skill of networking and utilising contacts
- The skill of recognising and realising business opportunities

*Recommendations for the synthesis stage:*

The complexity of these higher-order skills implies that their development is complex as well. This has to be considered, when elaborating recommendations to improve the development of entrepreneurial skills. Further, entrepreneurial skills should not be treated as if they were separate, clear-cut entities.

### **5 The farmers' point of view**

The entrepreneurial skills we have studied were deduced from the empirical work in the pilot study and confirmed by the literature work in the main study. Concerning the study of factors that effect the development of

entrepreneurial skills, the key assumption was that this can be done by analysing how farmers explain the phenomenon. Consequently, our efforts to identify the factors and processes that contribute to skill development involved analysing what kind of factors, actors or processes the farmers attributed the cause or responsibility of skill development (and their outcomes). The viewpoint of farmers was then presented to experts of the socio-technical network of farmers in workshops in order to identify essential discrepancies between these two actor groups.

*Recommendation for the synthesis stage*

Policy recommendations should be careful not to disregard the ways in which farmers conceive their own situations and the external environment. This is crucial, for example, in efforts to involve farmers in any programs of farm change.

## **11.3 Conclusions concerning entrepreneurial skills**

### **6 Farmers are familiar with the concept of entrepreneurial skills**

In all countries, and in most cases, the farmers' self-presentation was at least that of a moderately skilful farmer. The farmers were typically able to connect these skills to their own farming activities and experiences in one way or another. Thus, it can be concluded that these skills are in general familiar to farmers. Most of the farmers also judged these skills as being important in their own business. While some outsiders think that farmers are ignorant, they clearly are able to relate themselves to entrepreneurship.

This also demonstrates that our approach of involving farmers and using their expertise to elaborate solutions for the questions of the project is well justified.

*Recommendations for the synthesis stage:*

The synthesis stage will, as the pilot study did, focus again on experts in the socio-technical network of farmers and on policy makers. It is important to bear in mind the expertise farmers have and that their ideas about the development of entrepreneurial skills are included in the final recommendations.

### **7 Differences exist between farmers**

Within each country the degree of skilfulness varied considerably. On one hand, there were farmers who showed no hesitation in assessing themselves as being good in using these skills. But on the other hand some farmers hesitated in assessing themselves as being good in this respect. The same can be said about how convincing the self-presentations were.

*Recommendations for the synthesis stage:*

As stated above, the case farmers almost without exception were able to present themselves as having these skills. But obviously, different levels of skilfulness do exist. In developing the self-assessment tool, it is especially important to consider these different levels among farmers. The tool has to address more skilful farmers as well as less skilful farmers.

### **8 Skills manifestations according to the strategic orientation of the farms**

One of our core questions was whether the strategic orientations of the farms were crucial for skill development or vice versa. We can conclude that the variation in skilfulness does not coincide with the strategic orientation of the farm. In other words, in each subgroup one can find skilful as well as less skilful selves presented. Thus, our approach of exploring these different strategic orientations from the point of view of entrepreneurial skills demonstrated that conventional farming businesses can in principle be as entrepreneurial as value-added or non-food diversified businesses.

However, differences exist in the manifestation of these skills. In all countries clear differences existed between the subgroups in how the skills manifest. Also the group-specific patterns in the manifestations of the three skills were quite consistent in all countries. The most striking differences in manifestations are observed between conventional farms on the one hand and value-added and non-food-diversified farms on the other. The field of ac-

tion for applying these skills is typically narrower for conventional farmers, i.e. confined more to the production arena, both in terms of network relations and customer orientation. This difference in the manifestation of the skills may imply that the development of these skills is an especially demanding challenge in conventional farming.

*Recommendations for the synthesis stage:*

The temptation to assume that entrepreneurial skills rest only within farms with certain strategies should not be the basis for the formulation of policy recommendations. Manifestations of such skills may be different, but the attempts to generate entrepreneurial skills may be valid nevertheless.

## 11.4 Conclusions concerning the development of skills

### 9 Development of skills through learning

According to the farmers interviewed, the development of skills happens mostly through learning. Thus, learning is one of the prerequisites for the successful development of these skills. The core idea concerning the principle of learning entrepreneurial skills is the notion of a changing perspective. It is suggested that, in order to learn these skills, the farmer should be exposed to new ideas, thoughts and experiences, and that she should perceive and gain insight into new issues, and thus find and adapt new perspectives for viewing herself, her business and the environment.

The notion of a changing perspective as a key principle in the learning of entrepreneurial skills has important implications concerning the promotion of the development of these skills among farmers. First, in line with many current theories of learning and education, the farmers appear to presume that the individual is an active subject in learning. From this view it follows that it is not feasible to try to transfer or inject these skills into the individual from the outside, for example with the help of mechanical and unidirectional teaching or training methods. Instead, it must be taken into account that the individual is the crucial and autonomic actor, and that learning depends on and requires her activity, and that it is the individual herself who finds and gains the insights, and widens, transforms and renews her own perspectives. However, this is not to suggest that learning depends solely on the individual. Equally important is to consider the situations for learning, comprised of the relation and interaction between the individual and the environment.

*Recommendation for the synthesis stage:*

Policy recommendations should emphasise learning methodologies that promote exposure to new perspectives, involving the farmer as an active learner and the situations for learning as a crucial prerequisite.

### 10 Internal factors influencing the development of skills

According to the interviewees, farmers are involved not only as active learners as such, but also as actors whose characteristics and mental processes influence the learning process and its outcomes in many ways. Thus, internal farmer factors such as personality, attitudes and intentions on one hand and experience/education and age and gender on the other greatly affect learning. But not only is the cause of skill development but also responsibility for it attributed to the farmer. This implies that external actors may create and offer opportunities and stimuli for the process, but not directly generate or enforce learning. Accordingly, the question is raised whether the responsibility for developing these skills should be left to the farmers alone.

*Recommendations for the synthesis stage:*

In this sense, the learning of entrepreneurial skills can be facilitated by the environment of the farmers but it cannot be directly influenced. Recommendations therefore should point to possibilities for facilitating learning. On the other hand, the farmers' willingness to learn has to be taken into consideration as well. The question raised in this section about leaving the choice of developing entrepreneurial skills exclusively to the farmers will also have to be addressed in the next stage of the project.

### **11 External factors influencing the development of skills**

In spite of the strong emphasis on internal factors, also external factors, such as features of the farm, tradition and culture, the supply of education or politico-economic issues, influence the development of entrepreneurial skills. Considering the premise that the development of these skills is essentially about the individual's learning, it is understandable that these external factors are typically not presented as having any direct or immediate impact on skill development, but rather as creating opportunities, circumstances or environmental forces and prerequisites that would enable, motivate and, in general, promote the learning of these skills.

Approaching the question of promoting the development of entrepreneurial skills, two different types of possible measures might be distinguished: On one hand, there are measures that are targeted primarily at farmers to assist and motivate the learning of skills, on the other hand there are measures that are targeted primarily at environmental factors which may potentially enable and enhance learning. Obviously, these different types of measures are not equally relevant to different types of external actors.

From this point of view, special attention may be paid to the relational attributions that associate the learning of entrepreneurial skills with social relations and interactions. Actors who are in contact and interaction with a farmer represent an important aspect of the immediate, potentially enabling environment for the learning of these skills. At the same time, they represent external actors which have the best possibilities to directly influence the farmer herself. This possibility is created by the very fact that they are close to the farmer and in personal communication and contact with her.

A common feature of the factors in the above-mentioned internal, relational and external explanations was that they all can manifest as factors either enhancing or hindering the development of the skills.

*Recommendations for the synthesis stage:*

The variety of the described influencing factors is large and different actor groups might be involved in the development of entrepreneurial skills. These different actor groups have to be involved in the next step of the project to elaborate ideas of how they can contribute to the development of entrepreneurial skills in their different organisations.

### **12 Networks and social contacts as crucial means for gaining new perspectives**

As discussed above, the exposure of individuals to new perspectives is central to the type of learning that would enable the development of meta-level skills such as entrepreneurial skills. One, but not the only, means of getting exposure to new perspectives is through social contacts and networks. These networks may not necessarily be associated directly or indirectly with farming. One could imagine that exposure to business actors and stakeholders entirely outside agriculture may be better at catalysing a shift in perspective (or at least a critical reflection upon existing perspectives).

*Recommendations for the synthesis stage:*

Policy recommendations should emphasise the value of social and networking opportunities as mechanisms for perspective shifting, and thus learning. These ought not to be interpreted too narrowly, as non-farm networks may in some cases be just as (if not more) relevant.

The subject of networking should be elaborated further. What knowledge exists about developing networks among farmers? How can this knowledge be incorporated in ESoF?

## **11.5 Further recommendations for the synthesis stage**

### **Connecting ESoF results with national and EU policy**

One of the objectives of the project ESoF is to generate insight especially for EU policy makers and national governments as to what the EU (and national) policy can contribute to entrepreneurship in agriculture. In the next step of the project, aiming at synthesising all results, this objective should be followed actively. One important issue to be commented on will be the relationship between entrepreneurial skills and the concept of multi-functionality, which introduces non-economic concerns into the interpretation of farm business.

*Recommendations for the planned self-assessment tool*

It is obvious from the results and conclusions that a self-assessment tool about entrepreneurial skills should aim at transmitting the importance of learning new perspectives. A starting point could be to enhance the awareness of the farmers using the tool about how they apply existing entrepreneurial skills in their daily business. Thus, questions in the tool must be designed so that the users can connect entrepreneurial skills with their own experience and concrete behaviour. The richness of entrepreneurial self-presentations from the main study report could be used for “best-practice” descriptions as a frame of reference or point of comparison for the user, when assessing her own situation and skills. This way it would also be possible to convince the user that it is possible and useful to have these skills in the farming business.

An important question to solve is whether the tool should be designed for education, so that it could be used already in lessons for apprentices or master classes, for example, or if it aims at more or less experienced farmers as was originally planned in the project.





# Appendix 1: Interview instructions and questions

## Contents:

1. Introduction
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Appendix A: Interview questions on sheets

Appendix B: Example analysis based on the pilot interviews

## 1. Introduction

These instructions are based on the manual for pilot interviews and revised as agreed in Helsinki meeting in May 17.-19.

### *1.1. The aims and objectives of the main study*

The objectives were originally stated as follows:

- 1: To develop conceptual tools for assessing entrepreneurial skills and analysing comments and accounts concerning the adoption of these skills.
- 2: To assess farmers' entrepreneurial skills in case studies
- 3: To identify and analyse those factors hindering and/or stimulating the development of entrepreneurial skills in case studies
- 4: To describe the concept of entrepreneurship and entrepreneurial skills from the point of view of farmers and socio-technical network partners

Within the frame of our qualitative approach, these objectives translate into following research questions:

*How did the interviewees evaluate these skills?*

*What sort of distinctions did they make among farmers and farms in terms of these skills?*

*Were the interviewees able to connect these skills to their own activities and situation?*

*Which type of interviewees in particular, and which type of interviewees had problems in doing this?*

*What were the most relevant ways with which these skills were connected to farming?*

*How were these skills understood when they were judged to be relevant?*

*To what kind of things was the presence or absence of these skills attributed?*

*What was said about the possible ways to develop these skills?*

*What were the major differences and similarities in all of these things between the interviewees according to the type of the farm (or in any other respect?)*

### 1.2. Briefly about the nature of the qualitative part of the interview:

- One starting point in the design of this interview strategy is the output from the pilot study: we have formulated three kinds of stimuli to be used as stimuli in the interviews
- We will be hunting for comments and accounts, presented by the interviewees, and
- When analyzing the data, we will be studying the reality of those comments and accounts, and how they are related to some other issues concerning the situation/farming/context/background etc. of the interviewees. The perspective in the analysis will not be to assume that the comments and accounts provide us information about some objective reality behind them.

Essential part of the strategy is to generate data with the help of stimuli, which will be presented to the interviewees verbally and written on sheets.

The nature of the interviews can be characterized as semi-structured:

- It is semi-structured in the way that stimuli are fixed and standard, presented in standardised form in written text on sheets, but the reactions are open. I.e., interviewees decide their reactions, how they comment and what kind of accounts they present. The interviewer participates in the discussion to encourage the interviewee in commenting and accounting.
- However, the interview is not semi-structured in such a sense (sometimes used in textbooks) that there would be a lack of structure so that the topics would vary and jump about here and there. Instead, the idea is to encourage the interviewee to keep on talking about those very topics suggested by the stimuli written on the sheet.

### 1.3. About this manual

- These instructions are supplemented with the sheets that You will find attached in Appendix 1. You should make an exact, word-to-word -translation of the sheets to the native language used in the interviews, and have them printed in the same format as in the file.
- To understand these instructions, You need to see the sheets while You read the instructions (see Appendix 1).

## 2. Identifying the interviewees and introducing the study

### 2.1. Case selection criteria

The final data should conform to these criteria:

- About 25 interviews (=farms) per country, from selected case area(s) / region / locality. You may start, e.g., by selecting first a portion of farms to be interviewed and select the rest once you have completed with the first portion.
- Gender: At least 5 female
- Age: At most 5 over 55 years old interviewees
- A fair representation (at least 6?) of each of the following 3 types of farms:
  - A farm without non-agricultural business concentrating on primary production (bulk)
  - A farm without non-agricultural business engaging in value adding activities (e.g. processing, niche marketing)
  - A farm with non-agricultural business (whatever non-food business)
- Such variation in the lines of agricultural production and in the lines of other businesses, as well as in the farm size, which is typical of the case area, should be reflected in the sample.

### 2.2. Introducing the study

When contacting potential interviewees – and in the beginning of each interview session – You may introduce the study by referring to ESoF-project and to the general topic of it. You may tell that in the project one round of interviews among experts has already been done, and now we are making another round of interviews among farmers.

You may say that there is no need for any beforehand actions on behalf of the interviewee, and that the time that the interview will take probably no more than one and half hours.

### **3. General script for the interview session**

The whole interview consists of the following parts:

*\*Introduction:* introduce the project (see 2.2. for this); introduce the interview session at hand by telling the interviewee what to expect during the next hour: first the filling in of the questionnaire, then the other part in which the interviewee will be asked to comment questions presented on eight separate sheets of paper. Give a brief account on the use of the tape-recorder (it is for having accurate notes, it is confidential).

*\* Filling in the questionnaire provided by Gerard:* Two copies of the questionnaire should be available, one to show to the interviewee, another for the interviewer who can do the writing to fill in the questionnaire according to the answers given by the interviewee (or you may let the interviewee do the filling). Before filling in this questionnaire, please ask the farmer to briefly describe the farm (farm structure data, e.g. crops, hectares, number of animals etc.). Make notes of this question, it is not necessary to tape record this. The data could be used to make a 'portrait' of the farms in the public report. You may also ask, if you are allowed to take some pictures for this purpose (the pictures could give some information about the most characteristic elements of the farm).

#### *\*Qualitative (semi-structured) part*

Introduction to this part: inform the interviewee, that You will present him/her eight sheets of paper one by one, and that the purpose is to have a discussion on each of these. The time to spend with each sheet depends on what turns out to be natural or convenient, be it a couple of minutes or five/ten minutes. The interviewee will be free to comment according to his/her own views and experiences.

Presenting the sheets one by one and having a discussion stimulated by each of these (according to the instructions and principles described in detail in chapter 4).

*\*Ending of the interview:* You may ask the interviewee his/her general impressions about the whole interview. You may also ask about the possibility to take some photos for the report.

### **4. Guidelines and some detailed instructions for stimulating and steering the conversation during the interview session**

#### *4.1. General guidelines*

The basic principle is to encourage the interviewee to comment on the issues and questions presented on sheets and express his/her views. The interviewer should not change the topic, but try to continue the discussion concerning the topic at hand. Neither should the interviewer express her/his own opinions on these topics.

Otherwise, the interviewer may participate in the discussion as if it were any natural or "normal" conversation. This implies that you listen, show that You are interested, ask for clarification if You are not sure if You understood what the interview says, etc.

Key points for interviewing:

- Let the interviewee comment on the questions on the sheets

- Engage in conversation, do not change the subject
- Have faith in the interview strategy, stick to it patiently and persistently

Here are some hints that may be of assistance in steering the conversation:

When the interviewee comments on the interview questions presented on the printed sheets of paper, it is important to encourage him/her to express his/her knowledge, experiences and opinions, especially from the perspective of his/her own farm and business activities. In order to ensure this and to facilitate the discussion, it is necessary to use certain instrumental questions during the length of the whole interview. In the case of each question, following instrumental questions and comments are useful:

Asking for an example, a concretisation, a personal experience:

“Can you tell an example?”  
 “What might this mean in practise?”  
 “How have you personally faced or experienced the matter?”  
 “More particularly, what kind of situations / instances / occasions can you think of?”

Requests to continue or deepen the issue:

”Can you tell more about that?”  
 “Is there anything else concerning the matter?”  
 ”Are there further points to the issue?” etc.

Expressing that interviewee’s comments are interesting and followed and understood by the interviewer:

”Interesting point”  
 ”Do you mean that...?”  
 “Did I understand correctly that (repeating the answer with your own words)?”

Asking for reasons, arguments, justifications, accounts:

”What might be the reason for that?”  
 “Why do you consider that particularly significant?”

Presenting meta-questions or discussions commenting on the questions, topics or conversation itself. E.g., if interviewee thinks that the question is difficult, poor or irrelevant:

“In your opinion, how should the question be expressed?”  
 “What makes this question a difficult one?”  
 “But if you now look the matter from that kind of perspective, how do you see it then?”

These questions and comments function to focus the discussion on the substantial questions that are presented to the interviewees. It is important to be aware of and avoid questions that direct the discussion away from the selected, substantial questions.

*4.2. How to use the sheets:*

- Translate the sheets as accurately as possible
- Use the sheets exactly as they are now: Do not change anything; do not add or remove anything
- Let the interviewee comment each and every of the questions presented in the sheets (it does not matter if some question has been discussed already in the connection with previous sheets; present all the sheets in any case)

Sheet 1.

When presenting this first sheet, tell that this sheet introduces the subject matter. Then show a copy of it (put it on the table so that the interviewee can see it, or hand it over to the

interviewee), and read it through aloud yourself. Do not ask for comments on this sheet, but present immediately the second sheet, and ask the interviewee to start commenting with that one. Leave the sheet visible on the table, as a reminder of the list of the three skills.

#### Sheets 2-6.

In these sheets, two questions are presented. You may start by keeping the lower one covered with the help of another piece of paper and uncover it at a suitable moment.

#### Sheet 6.

If the interviewee has not developed the skills, You can continue by asking, why he/she has not developed these skills.

#### *4.3. Some information about the aims and background of the questions*

It is important to keep in mind that the questions as such function as stimuli for the interviewees. In other words, we (as researchers and interviewers) are not searching or hunting for any particular kind of answers or contents, but the aim is rather to let the interviewee decide how to react on the questions. The task of the interviewer is then to explore the nature of and reasons for this reaction by engaging into discussion with the interviewee and by deepening the issue. This implies that the interviewer should not be happy and end the conversation on a particular question once the interviewee has presented a certain stand and a certain justification, but should instead continue to examine whether the interviewee is willing to complete or sharpen the account provided by his/her first comments (e.g., by utilising the instrumental questions presented above in 4.1.). It is thus essential to ask for justifications in the case of each question or sheet. Below You will find some information about the background and aims of particular sheets:

| <u>Number of sheet</u> | <u>Aim / Response requested</u>  |
|------------------------|--|
| 1                      | To make the interviewee familiar with the list of most important skills.<br>No response requested.   |
| 2-4                    | To get arguments (stands, justifications) about: Are x, y, z the most important skills? Does the farmer consider x, y, z as the most important skills for himself?     |
| 5                      | To assess the prevalence of these skills among farmers. Accounts, explanations and attributions of cause for having or not-having the skills.                          |
| 6                      | To assess whether and how the interviewee has developed these skills. Accounts, explanations and attributions of cause for personally having or not-having the skills. |
| 7                      | To get arguments (stands / justifications) about: Does the development of these skills depend on individual characteristics?   |
| 8                      | To get accounts, explanations and attributions of possible ways to develop these skills.   |

## **5. Transcription**

In order to be able to do a proper analysis, the tape recorded interviews must be transcribed. The basic idea is to write down everything that is said in the tape, both by the interviewee(s) and the interviewer. For the needs of the analysis, we must be able to detect the comments and accounts as accurately as possible; in other words: we must be able to tell in a very detailed way, what the interviewees actually say. To be able to do this, we must have a detailed transcription. So, try to follow the instructions below. According to our experiences, once You get a little routine, these instructions will make the transcribing work faster and easier.

### Transcription Instructions for the main study Interviews

- In the transcription, line feeds are used (by pressing Enter) only when the speaker changes.
- Each turn-taking of speech is identified with the speaker-code of the given speaker placed in the beginning of the text-line (in the far left of the page).
- The conventional grammar rules or orthography are **not** applied in the transcription, but the following notation principles are used instead to indicate the organization of speech:

| <b>Notation</b> | <b>Explanation</b>   |
|-----------------|--|
| word.           | The dot is used to indicate a downward intonation in the end of an utterance   |
| word,           | The comma is used to indicate a constant intonation in the end of an utterance, i.e. brief breaks within or between speech sequences   |
| word?           | The question mark is used to indicate an upward intonation in the end of an utterance  |
| wo[rd           | Left-side brackets indicate where overlapping talk (between two or more speakers) begins   |
| wo]rd           | Right-side brackets indicate where overlapping talk (between two or more speakers) ends  |
| (word)          | Word(s) in parentheses are used to indicate transcriber's best estimate of what is being said in an obscure or vaguely heard section   |
| ( )             | Empty parentheses are used to indicate words that are too obscure to be even estimated for transcription   |
| ((laughter))    | Word(s) in double parentheses are not transcriptions, but are used to indicate transcriber's comments on what is happening in addition to talk (e.g., laughter)  |
| ((pause))       | Word "pause" in double parentheses is used to indicate long pauses within talk   |
| ...             | Three dots are used to indicate short pauses within talk   |
| [word]          | Bracketed words within text are used to indicate a brief overlapping talk within someone's turn-taking of speech   |
| <u>word</u>     | Underlining is used to indicate an emphasis or accentuation of the underlined word(s) or sound(s)  |
| wo-             | The hyphen is used to indicate an interruption of talk or word   |
| ((SHEET 1))     | The point where a particular sheet is presented to the interviewee can be indicated with the number of the sheet or question in parentheses. This facilitates the analysis, because different sections and topics are thus more easily identified from the transcription |

## 6. Instructions for doing the analysis and reporting it

### 6.1. *Doing and writing the analysis*

In all, the analysis will include two levels or stages:

- First stage
  - Identifying stands, justifications and explanations; organizing the data through classifying these.
  - This stage will be done on a literal level: we will be analysing the comments and accounts as such, i.e. we will be analysing what is said (which means that at this stage we will not try to make any inferences or interpretations concerning the thoughts, or personalities, or external facts behind the talk, but we will only try to describe and state what has been said in the interview).
- Second stage
  - Reflecting the data from the perspective of research questions and selected theoretical concepts.

More detailed instructions concerning the analysis and reporting it will be provided some time in autumn. However, you should start doing the analysis as soon as you have first transcriptions in front of you.

What you can do: 1. Start organising the data through identifying stands, justifications and explanations and categorising these. Make tentative categories and try giving titles/names to these; pick excerpts from the transcription to illustrate each category. 2. Once you begin to have considerable numbers of observations and categories, start reflecting the research questions upon the data (they are listed in 1.1. as you of course remember☺).

It will be useful to analyse comments on each of the questions separately. To compare the data across questions will be an interesting part of the analysis in itself, but each question should be analysed thoroughly before that.

- In the Appendix 2 You will find the slides through which the example analysis was presented in the Helsinki meeting (Categorisation of the stands and justifications concerning the third skill). This may help you to recall the discussions we had concerning this stage of analysis.

### 6.2. *What to include in the report*

We will come back to this issue at latest in January 2007.

## 7. What to do -list and dead-lines

Just to remind:

You need to

- \* translate the questionnaire provided by Gerard
- \* translate the sheets to be used in the qualitative part of the interview (in Appendix 1)
- \* start conducting the interviews, and have them finished by the end of October
- \* transcribe the tapes (the qualitative part of the interview)
- \* start analysing the transcribed text as soon as possible

We will discuss the nature and details of the analysis at the meeting in November 2006. Further instructions as to prepare for this meeting will be delivered in due course.

We will discuss the details of reporting in February 2007.

## Appendix A: Interview questions on sheets



A few months ago we interviewed experts in six EU-countries (20 interviews in each country), and asked them: *What are the most important skills that a farmer needs in order to succeed in the farm business?*

When we made a synthesis of all the entrepreneurial skills they listed, three kinds of skills emerged.

The aim of this interview is to discuss these skills:

Creating and evaluating a business strategy

Networking and utilising contacts

Recognising and realising opportunities

Do you have a business strategy and do you evaluate it?

Do you consider this important?

Are you good at networking and utilising contacts?

Is this one of the most important skills, from your own perspective?

Are you able to recognise and realise opportunities?

Is this one of the most important skills, from your own perspective?

In your experience, do some farmers have these skills more than others?

If so, what causes the difference?

How did you develop your own skills?

Why did you develop your own skills?

According to the experts whom we interviewed, the development of these skills depends heavily on the attitudes and personality of the farmer.

What do you think?

What could be done to  
develop these skills among  
farmers?



## Appendix B: Example analysis based on the pilot interviews

## EXCERPTS FROM THE PILOT INTERVIEWS CONCERNING THE RECOGNITION AND REALISATION OF BUSINESS OPPORTUNITIES

### CASE A

((SHEET 4))

Interviewer: And the third one is 'recognising and realising business opportunities'. So, how important is this skill from your perspective?

Farmer: Oh spot, you have to do it

Interviewer: Yeah, that's what you were saying with the first one really, wasn't it?

Farmer: You have to see it yourself. If someone's telling you it's out there, then basically somebody else could be on it. You've got to be there first. Or not even there first, there's people already doing it, but you have to be able to improve on what's already out there

Interviewer: Yeah, so how did you spot that particular opportunity then, did you?

Farmer: I...my ex-wife, was a chartered accountant and I moved some documents for her, [uhum] and then I've got a friend who's down in London, and his job spec, he's a facilities manager for a huge firm down there, and they have thousands and thousands of them [mmm] so I asked if I could go down there and I went to a market-leader on the back of him went in to a market leader to see what they were doing, saw it, thought 'what a fantastic idea', so simple...and, is there anywhere else are they doing this in the country and they're doing it absolutely everywhere in the country apart from here. [yeah] The nearest one to us is in, well what was Humberside, now Yorkshire. ... Basically, what we did, we sold our yard off...because it was in the (curtaillage) of the village and moved, we had about thirty five thousand square feet of shed space [yeah]. We downsized to twelve and a half thousand feet of shed space [uhum]. And because of how I've diversified the arm, but basically we grassed a bit over a third of our farm down to go into the countryside stewardship scheme. So that's down for ten years. So, basically we didn't need all the shed space that we'd got and because farming's gone the way it's gone we didn't need it so we built two buildings up there, and they were built to industrial spec [uhum] with in mind that we were going to store documents in one of them [yeah] which we're on to do, or which we're in the process of doing now.

### CASE B

#### Skills of recognizing and realizing opportunities.

*These abilities "can be quite important in relation to recognising negative ones, often it can be the case that the farmer is induced to take particular marketing or investment strategies that are wrong, what I was saying earlier is fundamental, there are many businesses that find themselves in difficulty because of investment mistakes made earlier and without foreseeing its consequences."*

These opportunities can be true opportunities in the short run but the difficulty is being able to capture them, understand if these opportunities merit such investment and whether in the long run they will bring some difficulties. This is one of the reasons for pursuing a **diversification strategy**. *"If a business limits its production and invests a lot of money on only one product, sooner or later this product will see a crisis and often the producer is unable to pay for the debts incurred for the investments such as machinery and such things."* The problem is that professional associations and other actors push for the use of funding and investment even larger than necessary, saying *"the money is there"* but then if the

product suffers a crisis the whole business goes into crisis. *“It would be important to have the skill to be able to understand the limits for one’s own investment.”*

This group of skills is important but relative to context, given that it would be important to take the opportunities but without overdoing it. It is important to understand where one’s limit stands; also because these opportunities are almost always linked to subsidies; sometimes they can be linked to commercial opportunities such as Internet, but in the majority of the cases for farmers opportunities consist of subsidies and investments therefore it is important for them to value the risk: *“I am not an entrepreneur but so far this has been fine for me.”*

## CASE C

### Sheet 4

The skills of recognising and realising business opportunities are important: “Yes, with them you could strengthen your business. (...) For my farm I have seen the opportunity of wind energy, I have taken this opportunity and have realised it, although it took many time and effort.” The interviewee thinks it is important to recognise and realise opportunities yourself, to be able to get the revenues for 100%. And he says: “When you don’t recognise opportunities, you can’t realise them. That means that you never will have a godsend.” He thinks “lots of farmers only think in threats, so they recognise only threats. You don’t have to realise all opportunities, but when you at least recognises them, then your approach is already different... At some time an opportunity will come to you, which you can realise.”

## CASE D

### Sheet 4

c. It is an important skill to recognise the possibilities and asses them. Recognition of any new trends for the future, what is going to be done, it has a big influence on getting success. When the possibilities are not recognised then the wrong decision can be made. When a farmer invests, in wrong way, it causes lot of problems and the costs of investing are very high. It is also very important to be able to replace the production with other one if there is a collapse on the market. “...in any moment can be a collapse that, that I mentioned about this replacement of spinach “.Except of having haricot bean I also grow spinach.

## CASE E

### Sheet no 4: market opportunity skills

Generally: Agreement but hesitant. He descends directly to the difficulties of these skills. But basically he agrees:

aber es wäre schon richtig ja

–

but it would be correct yes

He elucidates his stand by telling an example where he tried to use a market opportunity which he had foreseen. However, this did not work (alignment of the farm for piglet production). The reason, why it did not work, he sees in the fact that announced changes in the regulation of the organic label within he produces were at last not implemented. So, the expected market opportunity did not arise at the end. As a second example he mentioned his idea to diversify into cheese production on farm. There he is very unsure if he should risk this step. On one hand he expresses his conviction, that the idea for itself is good, on the other hand, he stresses the insecurity of this undertaking and the risk to invest a lot of money for an insecure idea.

When the interviewee asked again why it is important to recognize market opportunities, he mentions the difficult times. Because the prices of bulk products (also in organic quality) are sinking, he says, it is important to find other possibilities to compensate this loss of income if one is not ready to accept this loss. After his opinion this is crucial for survival:

CR: also ist das quasi wichtig um das Überleben zu sichern.

PA: ja ich denke es? Ja das ist das ist eines vom Wichtigsten.

... *später in dieser Sequenz:*

du kannst nicht mehr auf dem Level auf dem du gelebt hast kannst du nicht mehr leben musst zurück schrauben oder mach- eben machsch etwas anderes damit du das behalten kannst.

-

CR: so, this is something then to ensure the survival.

PA: yes, I think so? Yes that is one of the most important things.

... *later in this sequence:*

You cannot live anymore on the same level (*living standard*) as you have lived, you must lower (*your demands*) or you do something so that you can hold it.

This stand is the only one mentioned in the whole sequence. He does not mention anything, what could make one assume, that he has different stands.

During the whole sequence he justifies his stand with own experiences. Everything he says has a direct connection with experiences on his own farm. The focus there lies on the two examples of market opportunities.

## CASE F

### Sheet 4

Int: Yes, and then the third. Pair of skills.

Fa: Yes, this is quite, in my opinion terrifically important. I have got a personal relation or view on this matter, in a way that, with this other business I have encountered this, which you have to realize that here it is now, and you must seize it. If you are going to do, do, there is a big problem with these businesses that are practiced besides agriculture that often it is done in the same than others do, you do the same as everybody else, somebody has a good idea and it gets multiplied, neighbour buys a similar machine for doing contracting business, and then they compete by lowering the prices. I think that you should aim to search such activities, or sectors, which are not practices by everybody. Sectors where there are not too many competitors. This is absolutely how it is.

Int: Well how about the agriculture, does the same apply?

Fa: It is much more difficult. In Finland the conditions for production determine a lot,

...

<-in what followed the interviewee described at length the problems in realizing opportunities, caused, for example, by long distances to consumer markets, as well as the difficulty to get into distribution chains; further, he discussed organic production as a promising – or most promising – alternative. >

## EXAMPLE ANALYSIS

### Observation category one

*Stand:* Agree

*Justifications:* -You have to see it Yourself, be there first, or improve what others do,  
-I did this in my diversified business (recognized the opportunity with the help of connections, and realized it) (document storage) (UL)

-You have to differentiate from what others do  
-I did this in my diversified business (computer services)  
-In conventional food production it is much more difficult to recognize and particularly to realize business opportunities, only organic production is a good option (UHEL)

-You can strengthen your business with this,  
-I did this in my diversified business (wind energy production)  
-If you don't recognize the opportunity, you can not realize it. Nothing comes godsend.  
-If you think only threats, you recognize only threats (NL)

### Observation category two

*Stand:* Agree

*Justifications:* -Recognizing trends may have big influence on success,  
if You don't recognize trends, wrong decisions can be made  
-If you invest in wrong way, problems are caused, because in farming you need big investments,  
-You must be able to replace production if one collapses; therefore I have two products (PO)

-can be quite important in relation to recognizing negative (opportunities), if You make a mistake in investing, You'll face difficulties, You have to foresee the consequences of investments in the long run,  
-diversification strategy is important, (=not to invest on only one product)  
-external actors push you to make investments, that creates a dander, if You are not able to understand the limits of your investments (ITA)

### Observation category three

*Stand:* Agree (hesitantly?)

*Justifications:* -because prices of bulk products are sinking, times are difficult

-I tried one opportunity (organic piglet production), but it did not work (because a certain regulation was not implemented)  
-I am considering another opportunity (cheese production), believe it is a good idea, but hesitate because insecure for the risk in investment (S)

## **Appendix 2: Instruction for interview analysis**

### **Instructions for the first analysis (sheet 3: internal report)**

#### **The approach in the analysis:**

In this analysis, we are interested in different ways how the interviewees talk about these skills, and how are they presenting themselves in relation to these skills.

We will NOT be trying to find out any 'true' skill hidden inside the interviewed persons. INSTEAD, we will be analysing what they say about these skills, and how they connect these skills to their own activities and situations. Therefore, we need to pay careful attention to what is actually talked about when an interviewee talks about these skills. For example, is the interviewee talking about networking or contacting in general, or is she/he talking about some particular type or form of networking or contact utilization, in some particular connection or situation? Is she/he talking about networking, or about contact utilization, or both? Is she/he suggesting that she/he is skilful in one connection or situation, but not so skilful in another connection or situation? And so on.

Try to keep these things articulated when summing up the comments. In other words, try to be as specific as possible in describing what kind of skills each interviewee was actually talking about when she/he was commenting her/his networking and contact utilization skills.

#### **Doing the analysis:**

The report should consist of summaries of the comments made on Sheet 3 (networking and utilising contacts) in the interviews, and a comparative overview to these.

Summarise each of the 25 interviews by paying attention to following points:

1. What does the interviewee say about his/her own skill in networking and utilizing contacts?
2. Does the interviewee talk about networking and/or contact utilization that he/she has been doing or is doing? If, what kind of networking/contact utilization?
3. Does the interviewee talk about the purposes or reasons for networking or utilizing contacts, or about how networking or utilizing contacts should be done?
4. What does the interviewee say about the importance of these skills?

Concerning the first point, include a word-for-word quotation; also mention if the interviewee does not provide an explicit answer to this question.

Concerning the other points, summarise the observations in your own words. You may illustrate important points by using direct quotations, when it seems useful.

Proceed in the analysis by identifying all these points in a single interview, which you summarise before moving to analyse the next one.

If one and the same interviewee talks about these skills in more than one way, or in several contexts, it is no problem. In such cases describe the various types of skills that are brought out and articulate their contexts. It is important to capture the essential characteristics and variation of the argumentation when preparing the summaries. Similarly, if the interviewee talks about having a skill, as well as lacking a skill, describe both of these accounts.

If you notice anything else that you find important or interesting in the data, please mention it in your summary.

#### **Comparative overview to the case summaries:**

When you have summarised the argumentation in all 25 interviews, proceed to compare the interviews. Try to figure out if there are repeated or recurrent patterns that would connect different interviews, and if there are any essential differences that would make distinctions between the interviews.

Describe these similarities and differences. Give a suggestion as to how one could categorize or group your 25 interviews on the basis of the most essential or prominent differences and similarities that you find in the comments on sheet 3.

When doing this, please remember that you should be analysing the differences and similarities in the interviewees' comments and accounts, and how they are presenting themselves in relation to these skills (and therefore, you should not be trying to analyse the interviewees as they "really" are).

Contents of the report:

- A. 25 summaries of the comments on the sheet 3
- B. Comparative overview of these

## **Analysis II: Attributions of skill development (Factors enhancing or hindering the development of these skills; sheets 5 to 8)**

### **Conventional group**

- Deal the interviews of BK-group as one set of data (in other word: unlike in the analysis of sheets 2 to 4, here we are not interested in comparing individual cases, but in finding out the overall qualitative variation among answers). Present all different types of answers that were given to each sheet by the interviewees. Present a detailed but dense description/categorisation of the answers. You may use short excerpts, but not too many. Proceed sheet by sheet:

- a. Interviewee's comments concerning the differences among farmers in these skills? Which kinds of explanations for differences were presented by the interviewees?
- b. Which kinds of explanations did the interviewees present for the development of their own skills?
- c. What kind of stand did the interviewees take to the issue that was introduced on sheet 7? What kind of justifications did they present for their stands?
- d. What types of answers were presented to the question on sheet 8?

> Do the same for the value adding and non-food diversification group!

### **Summary of attributions and comparison of groups**

Place here a summing up of the analysis:

- In all, which types of factors were mentioned in the interviews as enhancing or hindering the development of these skills? (Describe the essential variety in factors, both internal and external to the individual)
- Were there differences in the overall picture of these factors between different subgroup data (C, VA, NFD)?
- Were there differences in the overall picture of these factors depending on the sheet (5-8) under discussion?

## **Instructions for summing up, discussion and conclusions in country reports**

We hope to find the following things in this section (in addition, or in spite of, other things you want do include):

### **A. about self-presentation/skill-assessments**

-Your answer to the first research question: How do the farmers present themselves in regard to entrepreneurial skills?

(This implies that you concisely sum up: did the interviewees present themselves as skilful in regard to the three entrepreneurial skills, and were there differences in how skilful they did present themselves? And: were you able to identify differences in how convincing or credible the self-presentations were?)

-Your answer to the second research question: How do these skills manifest in their self-presentations?

(This implies that you concisely sum up: What are the business strategies that they talk about, and how do they evaluate them? What kind of networks and contacts do they utilise in their business, and how? What kind of opportunities they say that they know how to recognise and realise? How do they realize opportunities?)

-Your answer to the third research question: Are there differences between self-presentations according to the farmer's engagement in bulk-production, value-adding activities or other diversified business activities?

(This implies, that you comment on the previous answers from the perspective of comparing the three groups.)

-Discussions and consideration about following issues:

- In your data, can one identify innovativeness and innovations in the manifestations of opportunity skills? If so, how or in what form? (For example new businesses? New products? New markets? New production methods? Can one identify risk-taking? How? Can one identify growth orientation in the manifestations of the opportunity skills? How?)
- In your data, does the networking and utilising contacts include gaining access or mobilising resources for business? If so, what kinds of resources and how?
- Did the manifestations of strategy skills in the presentations coincide with the division of interviewees into three groups according to the assumed strategic orientation (bulk, added value, non-food diversification)? If, how neatly?
- Do you think that the formulation of three skills which was used in the study, proved to be valid and usable? Why, or why not? Could one re-formulate them, or add some other skills?

## **B: about attributions/explanations**

-Your answer to the fourth research question: How do the farmers explain the development of entrepreneurial skills among farmers?

(This implies that you sum up: which factors, actors or processes contribute to the development of these skills, according to the interviewees? Which enhance it, which hinder?)

-Your answer to the fourth research question: In the farmers' opinion, what could be done to develop entrepreneurial skills among farmers?

(This implies that you sum up their comments on this issue)

-Discussions and consideration about following issues:

- Can one identify in your data the view that the development of entrepreneurial skills is based on learning? Which appear as most essential forms or processes of learning these skills, on the base of your data?
- Can one identify in your data an "old" producer mentality, which emphasises subsidies and collective or governmental protection for farmers business? What seems to be the overall attitude of the interviewed farmers towards entrepreneurial skills and the development of them?



- What was the role of the larger political and societal environment and context in the farmers' explanations and accounts concerning the entrepreneurial skill development?

**C: about the study**

- Do you believe that your results and conclusions would apply for farm businesses more generally in your country?
- Limitations and strengths of the approach used in this study?

## Appendix 3: Background questionnaire



### FARMERS' QUESTIONNAIRE Developing the entrepreneurial skills of farmers



#### Farmer's Details

1. **Date of Birth**
2. **Gender** Male  1 Female  2
3. **What year did you first take responsibility for managing a farm?**
4. **What was your occupation prior to farming?**
5. **What is the highest qualification you hold? (please tick one)**
- Higher Degree  1 (please state what it is)
- Professional Qualification  2 (please state what it is)
- First Degree (e.g BA,BSc)  3
- NVQ Level 4 - 5  4
- NVQ Level 3  5
- NVQ Level 1 - 2  6
- A Levels  7
- O Levels / CSEs / GCSEs  8
- No Qualifications  9
6. **What is your primary position on the farm? (please tick one)**
- Owner  1
- Tenant  2
- Manager  3
- Other  4 (please state what it is)

**If your partner is involved with the farm, please complete the details on page 2, if not please go straight on to page 3.**



**FARMERS' QUESTIONNAIRE**  
Developing the entrepreneurial skills of farmers



**Partner's Details (if involved with the farm)**

7. Date of Birth
8. Gender Male  1 Female  2
9. What year did he / she first become involved with a farm?
10. What was his / her occupation prior to farming?
11. What is the highest qualification he / she holds? (please tick one)
- Higher Degree  1 (please state what it is)
- Professional Qualification  2 (please state what it is)
- First Degree (e.g BA,BSc)  3
- NVQ Level 4 - 5  4
- NVQ Level 3  5
- NVQ Level 1 - 2  5
- A Levels  7
- O Levels / CSEs / GCSEs  8
- No Qualifications  9
12. What is his / her primary position on the farm? (please tick one)
- Owner  1
- Tenant  2
- Manager  3
- Other  4 (please state what it is)



**FARMERS' QUESTIONNAIRE**  
Developing the entrepreneurial skills of farmers



**13. Core farming business (please tick one)**

- |                                      |                          |   |  |                          |    |
|--------------------------------------|--------------------------|---|--|--------------------------|----|
| Cereals                              | <input type="checkbox"/> | 1 | Sheep, goats & other grazing livestock | <input type="checkbox"/> | 10 |
| Cereals, oilseed & protein crops     | <input type="checkbox"/> | 2 | Specialist granivores                  | <input type="checkbox"/> | 11 |
| General field cropping               | <input type="checkbox"/> | 3 | Mixed livestock, mainly grazing        | <input type="checkbox"/> | 12 |
| Various permanent crops combined     | <input type="checkbox"/> | 4 | Mixed livestock, mainly granivores     | <input type="checkbox"/> | 13 |
| Mixed cropping                       | <input type="checkbox"/> | 5 | Field crops & grazing livestock        | <input type="checkbox"/> | 14 |
| Horticulture                         | <input type="checkbox"/> | 6 | Various crops & livestock              | <input type="checkbox"/> | 15 |
| Dairy cattle                         | <input type="checkbox"/> | 7 | Vineyards                              | <input type="checkbox"/> | 16 |
| Cattle rearing & fattening           | <input type="checkbox"/> | 8 | Fruit & citrus fruit                   | <input type="checkbox"/> | 17 |
| Cattle dairying, rearing & fattening | <input type="checkbox"/> | 9 | Olives                                 | <input type="checkbox"/> | 18 |
| Other (please state what it is)      | <input type="text"/>     |   |  |                          | 19 |

**14. Business organisation (please tick one)**

- |  |                          |   |   |
|--|--------------------------|---|---|
| Family business                                  | <input type="checkbox"/> | 1 |   |
| Sole trader/Independent contractor/Self-employed | <input type="checkbox"/> | 2 |   |
| Partnership                                      | <input type="checkbox"/> | 3 |   |
| Management team                                  | <input type="checkbox"/> | 4 |   |
| Other (please state what it is)                  | <input type="text"/>     |   | 5 |

**15. Size of farm / holding (please tick one)**

- |        |                          |   |
|--------|--------------------------|---|
| Small  | <input type="checkbox"/> | 1 |
| Medium | <input type="checkbox"/> | 2 |
| Large  | <input type="checkbox"/> | 3 |

**16. Area of farm / holding**  **Hectares**



**FARMERS' QUESTIONNAIRE**  
 Developing the entrepreneurial skills of farmers



17. Average number of full time employees
18. Average number of part time employees
19. Who are your main customers? (please state)
20. Do you use a business plan for your farm business? Yes  1 No  2
21. Is it a formal, written business plan? Yes  1 No  2
22. Do you use a marketing plan for your farm business? Yes  1 No  2
23. Is it a formal, written marketing plan? Yes  1 No  2
24. Have you considered diversifying into any other business activities in addition to your main farming business? (if not, please move on to question 31)
- | Activity (please state)                                  | considered, but rejected it | tried it, but not involved now | currently involved         | currently considering it    |
|--|-----------------------------|--------------------------------|----------------------------|-----------------------------|
| <input style="width: 250px; height: 20px;" type="text"/> | <input type="checkbox"/> 1  | <input type="checkbox"/> 4     | <input type="checkbox"/> 7 | <input type="checkbox"/> 10 |
| <input style="width: 250px; height: 20px;" type="text"/> | <input type="checkbox"/> 2  | <input type="checkbox"/> 5     | <input type="checkbox"/> 8 | <input type="checkbox"/> 11 |
| <input style="width: 250px; height: 20px;" type="text"/> | <input type="checkbox"/> 3  | <input type="checkbox"/> 6     | <input type="checkbox"/> 9 | <input type="checkbox"/> 12 |
25. Who is responsible for managing these other business activities?
26. How many hours a week are spent on these other business activities?
27. Do you use a business plan for your diversified activities? Yes  1 No  2
28. Is it a formal, written business plan? Yes  1 No  2
29. Do you use a marketing plan for your diversified activities? Yes  1 No  2
30. Is it a formal, written marketing plan? Yes  1 No  2



**FARMERS' QUESTIONNAIRE**  
Developing the entrepreneurial skills of farmers



In the following two sections, please indicate how strongly you agree/disagree with each statement.  
Circle the appropriate number 1 = strongly agree, 4 = neither agree or disagree, 7 = strongly disagree.

Regarding planning and marketing activities.... (circle one)

- 31. It is important to use a formal business plan for a farm 1 2 3 4 5 6 7
- 32. It is important to use a formal marketing plan for a farm 1 2 3 4 5 6 7
- 33. It is important to use a formal business plan for diversified activities 1 2 3 4 5 6 7
- 34. It is important to use a formal marketing plan for diversified activities 1 2 3 4 5 6 7

Regarding your own experience of support, advice or information.... (circle one)

- 35. Farmers' networks are useful to me 1 2 3 4 5 6 7
- 36. Professional associations are useful to me 1 2 3 4 5 6 7
- 37. Professional services (e.g. bank) are useful to me 1 2 3 4 5 6 7
- 38. Support groups (e.g. trade union) are useful to me 1 2 3 4 5 6 7
- 39. Family and friends are useful to me for advice and support 1 2 3 4 5 6 7
- 40. Customers are useful to me for advice and support 1 2 3 4 5 6 7
- 41. Suppliers are useful to me for advice and support 1 2 3 4 5 6 7
- 42. The internet is useful to me for business purposes 1 2 3 4 5 6 7

Thank you for completing this questionnaire.

Would you like an executive summary of the findings? Yes  No

Contact Details

## Appendix 4: Workshop concept

### Concept for the regional discussion group: reflection on results of the main study

#### Aim of the workshop:

- Discussion about interview **questions** from “outsiders” view
- reflection on interview **results** from experts’ view

#### Content / process

- introduction: short presentation of the project; especially on the results of the pilot study => which skills have been chosen to work on; (~15')
- the participants are asked to give comments to the following questions:
  - o are the mentioned skills the most important skills for farmers nowadays? (~30')
  - o Which farmers have these skills / develop these skills / which farmers don't? Which farmers are the most skilful ones? Where can you find these farmers? (in relation to farming strategy, education, age, etc.) (~30')
  - o Which factors influence the learning of the skills? Why do some farmers have such skills and others don't? (~30')
- Presentation of the results of the national interviews of the main study (~15')
- Discussion about these results and reflection on differences and similarities between statements of interviewees and workshop participants (~30')

#### **=> Duration: max. 3 hours**

=> There are two levels of perception of the results of this workshop: on one level, the participants represent experts who give their knowledge to improve the results of our work. On the second level, they are expressing their view of farmers.

#### Participants

About 10 **regional** experts, i.e. experts from the interview region in each country.

- extension workers
- agricultural university profs / teachers
- governmental officers
- representatives of regional farmers' associations
- representatives of tourist associations, if tourism is important in the interview region
- other people who are important for the interview region and are expected to be able to contribute to the discussion

#### **=>> The workshop should be organised in the interview region**

#### Analysis and summary of the discussions

One person from the project team should take notes. These minutes are summarised in a separate chapter of the national report.

Optional: use of tape recording or video to support the summary of the results.

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Strategic orientations on farms are becoming more diverse: in addition to those who focus on cost-effectiveness in conventional primary production, many farmers add value to their agricultural products through processing, direct sales and niche-products, or diversify their activities into non-agricultural businesses. This development indicates that farmers are taking the initiative and pursuing ways to develop their businesses. Obviously, this development implies the need for entrepreneurial skills.

In this study entrepreneurial skills are understood as the skills of recognizing and realizing business opportunities, networking and utilizing contacts, as well as creating and evaluating a business strategy. Are these skills relevant in the farm context? Do farmers consider these skills important? How do they assess themselves regarding these skills? How do farmers explain the development of these skills? What could be done to enhance the development of these skills?

This book's aim is to answer these questions with the help of a detailed analysis of qualitative interviews with farmers in six European countries. The book reports the results from the main study of the EU-funded research project 'Developing Entrepreneurial Skills of Farmers' (ESoF).