

# Boosting productivity for competitiveness

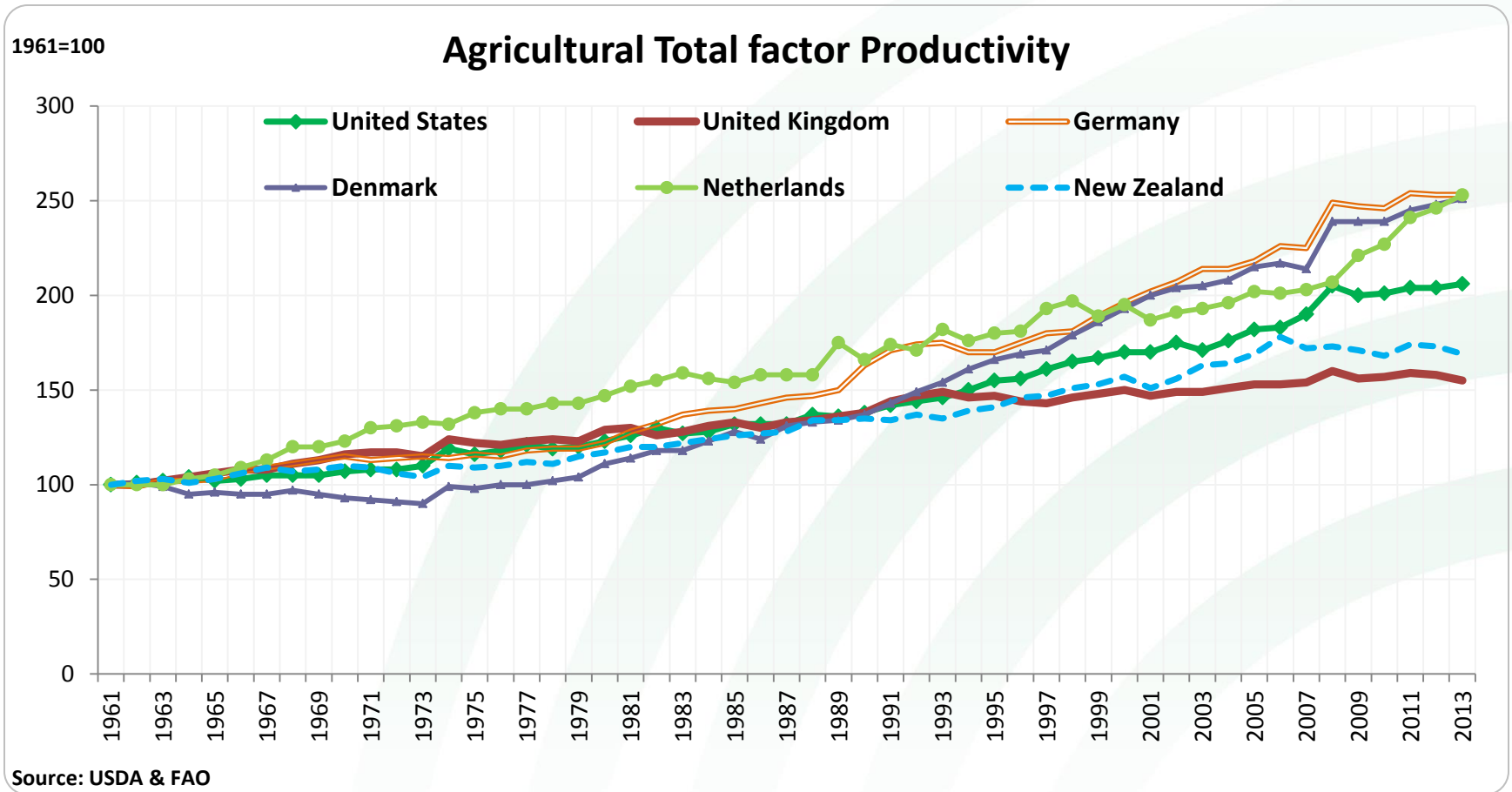
Defra - AES Conference – 6<sup>th</sup> February 2016

Anand Dossa

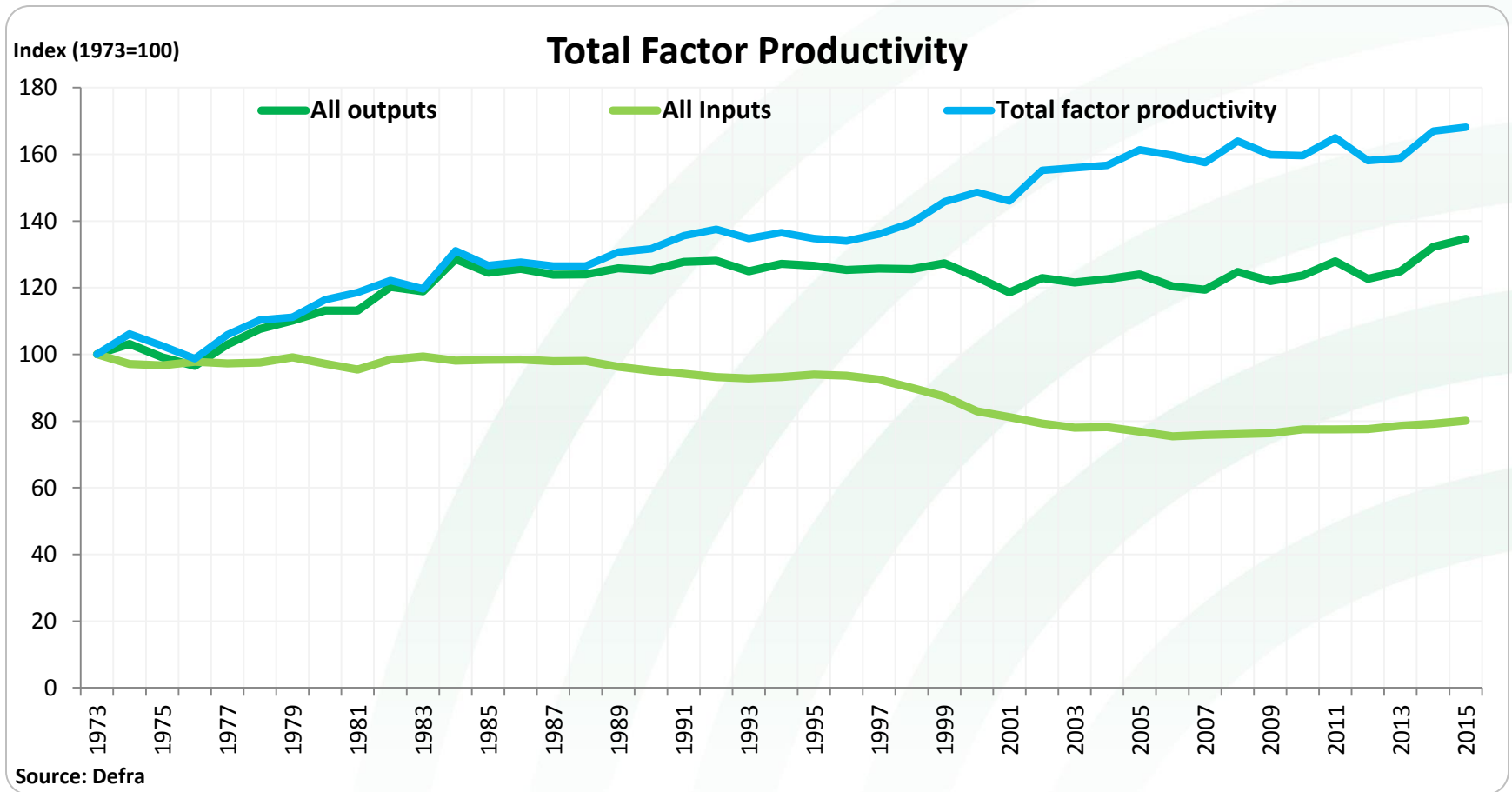
 @NFUEconomics



# Agricultural productivity: Mind the gap



# UK productivity at the aggregate level has been driven by reduced inputs



# Diverging trends in sector performance



UK pig sector has the highest cost of production across the EU but commands a premium price



Arable crops have a lower cost to most EU countries; output prices tend to be lower in the UK

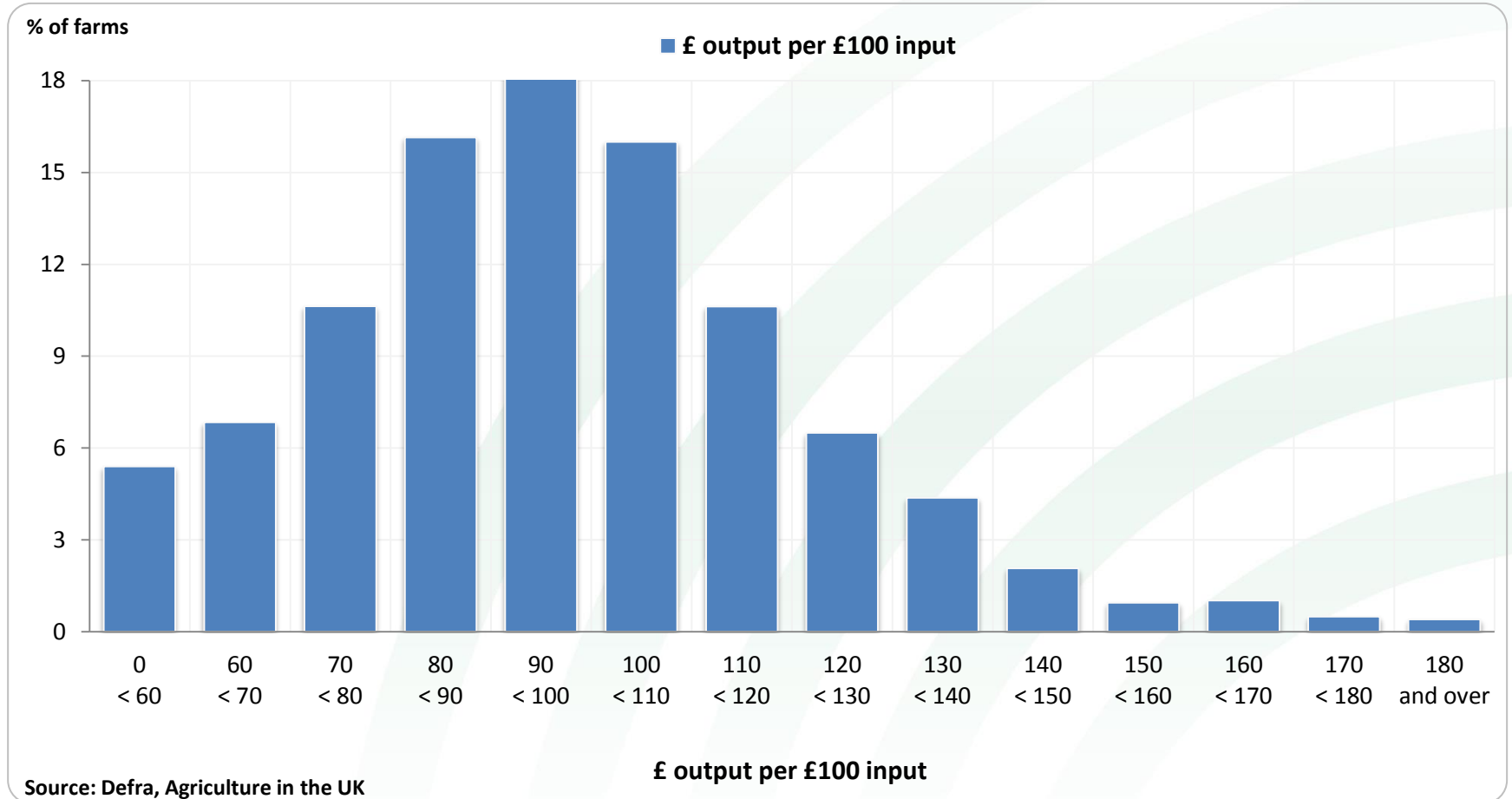


Costs of production in the dairy sector is good but room for improvement when compared with the key global producers

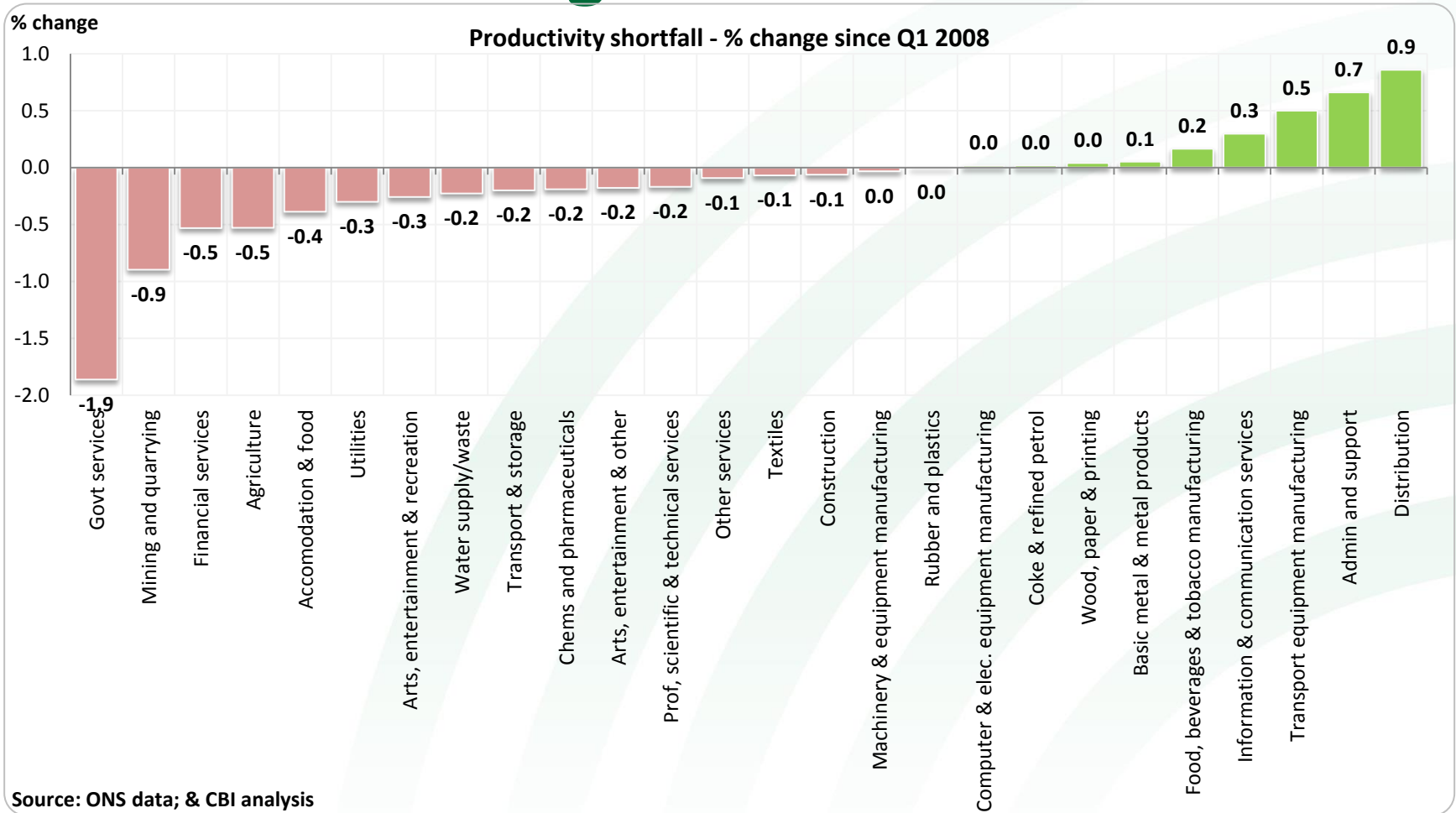


Beef and sheep enterprises struggle to break-even, requiring subsidy to provide profit

# Distribution of performance across farms 2014/15



# UK's productivity puzzle – unique to agriculture?



# How can we become more competitive?

- Research and development
  - Reverse the decline in R & D investment
  - Targeted public & private research
  - Emphasis on science and evidence base
- Knowledge exchange and transfer
  - Resource availability and dissemination
  - Benchmarking, budgeting, CoP and indicators
  - Advice offering and uptake
- Leadership, management skills & education
  - Lack of core business skills (objectives and plans)
  - Poor financial management
- Barriers to entry and exit
  - Role of support payments
  - Succession planning
  - Any many more....

# Raising the bar: Solving the productivity puzzle

  
HM Government

Industrial Strategy: government and industry in partnership



A UK Strategy for Agricultural Technologies

July 2013

  
HM Government



Building our  
Industrial Strategy

Green Paper  
January 2017

FEEDING THE FUTURE,  
FOUR YEARS ON:

A review of innovation needs for British farming.





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# Developing the Building Blocks for a Domestic Agriculture Policy

*Building Competitive, Profitable and Progressive Farm Businesses*



## SHAPING A NEW AND DYNAMIC FUTURE FOR AGRICULTURE AND HORTICULTURE

Post-Brexit options for a productive, competitive and resilient British farming and food sector

OPTIONS PAPER

Source: NFU

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# Thank you

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