



Swedish University of Agricultural Sciences  
Faculty of Natural Resources and Agricultural Sciences  
Department of Economics

# **Swedish farmers- Are they entrepreneurs?**

**- And is there a support function for LRF to fulfil?**

*Johanna Svensson*

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# Abstract

The EU market is being deregulated, which sees Swedish farmers that have traditionally been governed by different support systems being forced to adapt to a free market system and having to deal with the concept of supply and demand. The farming sector has during the past several years experienced harder conditions and the deregulation of the market has directly affected farmers. The need for entrepreneurs and that way of thinking has been identified (McElwee, 2006). Swedish farmers are neither familiar with a free market or being required to think in an entrepreneurial manner, does this therefore implicate that Swedish farmers are not entrepreneurs?

LRF is a national farmers' organization in Sweden and functions as a support for Swedish farmers. LRF works in several diverse areas such as agricultural policies, tourism, animal welfare, food and cuisine, international co-operation, ownership rights, research, business development, school contact and work safety, to influence the conditions of their members (LRF, 2010f). Every year LRF performs an evaluation to find out what their members think of their work. In the evaluation (NMR), LRF members indicated that improvements could be achieved in the following areas: Information, Politics and Society, Support and Advice and Public opinion. Today LRF works with so-called "business coaches", although that project will terminate in 2010. LRF currently want to know what their members think LRF as a support function, should focus on in the future.

The aim in this thesis is to investigate entrepreneurship in Swedish farmers and highlight how they believe LRF as a support organisation should work. A case study based on eight interviews was performed and then subsequently analysed based on a literature review. Both discussions and possible conclusions are presented.

The key results of the study are that Swedish farmers have developed entrepreneurial skills, but this has occurred in varying degrees; some are more successful than others are. The most successful are those who are entirely self-reliant and believe themselves capable to manage the things happening around them. The farmers want LRF to offer a broad variety of support, primarily lobbying, profit for Swedish farmers, conventional farming and regional support.

# Sammanfattning

Marknaden i Europa avregleras och svenska lantbrukare som traditionellt blivit styrda av olika bidragssystem är inte vana vid en fri marknad där efterfrågan och utbud styr. Jordbrukssektorn har under de senaste åren upplevt en hårdare miljö och avregleringen har påverkat lantbrukarna. Behovet av entreprenörer och deras sätt att tänka har identifierats (McElwee, 2006). Svenska lantbrukare har inte behövt vara entreprenörer i samma utsträckning tidigare, men kan de agera som entreprenörer?

LRF är svenska lantbrukares företagarorganisation och fungerar som ett stöd för svenska lantbrukare. LRF arbetar inom flera områden såsom politik, turism, djurvälfärd, mat, internationella samarbeten, äganderätt, forskning, utbildning, arbetssäkerhet, företagsutveckling etc (LRF, 2010f). Varje år utför LRF en nöjdmedlemsundersökning (NMR) för att få reda på vad deras medlemmar tycker om organisationens arbete. I den senaste undersökningen (2010) fick LRF reda på att medlemmarna tycker att förbättringar bör ske inom områdena Information, Politik och samhälle, Support och Rådgivning och Folkopinion. LRF har fram till slutet av 2010 företagscoacher som arbetar med stöd till lantbrukare. När arbetet med coacherna nu tar slut vill LRF ta reda på vilket stöd lantbrukarna efterfrågar.

Syftet med examensarbetet är att undersöka entreprenörskapet hos svenska lantbrukare och veta hur LRF som stödjande organisation ska arbeta enligt deras medlemmar. 8 intervjuer har utförts i en fallstudie och de har sedan analyserats ur en litteraturstudie. En diskussion har gjorts och möjliga slutsatser är dragna.

Huvudresultaten av studien är att svenska lantbrukare har entreprenöriska egenskaper men till olika grad beroende på individen. Vissa lantbrukare är mer framgångsrika än andra och de mest framgångsrika är så kallade ”self responsible”-entreprenörer som tror på sin egen förmåga att påverka saker som händer runtomkring dem. Lantbrukarna vill att LRF erbjuder ett brett utbud av stöd och att de främst ska arbeta med lobbying, ökad lönsamhet för svenska lantbrukare, arbeta mer för konventionella lantbruk och anordna regionalt support.

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# 1 Introduction

Since 1995, Sweden has been a member of the EU. Before the membership was final, the Swedish government began to deregulate certain aspects of farming by abolishing economic programs that had previously supported farmers. This was done to achieve a free market economy. When entering the EU, the deregulation stopped as Sweden joined CAP (Common Agricultural Policy) which had a goal to stabilize and stimulate the production of agricultural products (Europa- EU:s webbportal, 2010). CAP has since then been remodelled a few times. In 2003 a “*Midterm-review*” was done and after that, the EU-subsidiaries connected to production have been abolished one by one, and in the future the subsidiaries shall not be connected to what is produced, only until that item is produced.

Swedish farmers have traditionally been governed by different support systems and are therefore not used to a free market system and dealing with supply and demand. The farming sector has during the past several years experienced harder conditions and the deregulation of the market has affected the farmers. The need for entrepreneurs and that way of thinking has been identified (McElwee, 2006). Through entrepreneurial behaviour, farmers can find ways of becoming more competitive. Farming today has to adapt to a free market with competitors all over the world. According to (McElwee, 2006), Gray (2002) says, in his article in Journal of Small Business and Enterprise development, that an entrepreneur can be defined as: a person that can manage a business, intend to expand it and that have the leadership and capabilities of managing the business so that the goals are reached.

Swedish farmers get support from different sources and one of them is LRF (Lantbrukarnas Riksförbund), a farmers organisations where the majority of the members are Swedish farmers. LRF (Swedish farmers’ organization) is a non-political, special interest organization that provides support for companies and people in the green industry (LRF, 2010a). LRF work continuously to provide their members with support to develop their businesses. The support is delivered to the farmers in the form of courses, monitoring of the market, discussion groups etc. (Folin, personal message, 2010).

## 1.1 Problem background

The market is changing and the farmers might have to reassess how they run their businesses. Are Swedish farmers entrepreneurial enough and do they focus on the market demand when developing their businesses? LRF wants to find out what the next step is and what the members demand from their organization. LRF have recently done a restructuring and presented their yearly members evaluation (NMR) which has the purpose of finding out what the members think of LRF, what they are pleased with and what they are not pleased with. The NMR showed that improvement could be made in the following fields:

- Information
- Politics and Society
- Support and Advice
- Public opinion

Today LRF offers Business coaches that support the members with the development of their businesses, but these coaches are a project that will be ending in the autumn of 2010. LRF wants to know what the members will need to substitute this support in the future.

## 1.2 Problem statement, Aim and Limitations

The problem is divided in two parts; firstly, in addressing business development and entrepreneurship and secondly in focusing on LRF as a support function to Swedish farmers.

The problem statement is as followed:

- In what ways are Swedish farmers entrepreneurial in the development of their businesses?
- What role is LRF playing in the support of farmers' business development?

The aim with this thesis is to find out if Swedish farmers are entrepreneurial as they approach the future market. Eight farmers have been interviewed about their view on business development, entrepreneurship and LRF as a support function.

This study is focused on Swedish farmers and is carried out thorough a case study of LRFs members. The results of the interviews are then analysed with relevant literature and possible conclusions are subsequently drawn. The base for the interviews are retrieved from LRF's register of members. The selected participants are farmers that have used LRF previously as a support system, that span a broad geographic spectrum, varying in age, gender and type of business, etc. The literature used is limited by relevance to the matter and has a strong focus on entrepreneurship.

## 1.3 Outline

A background and a literature review are presented first, followed by a description of the method used in the study. Furthermore, there is a background to the empirical study and then the results are presented. In the Analysis, comparative analysis and discussion the results are analysed and syntheses are made in the conclusion. (see figure 1).

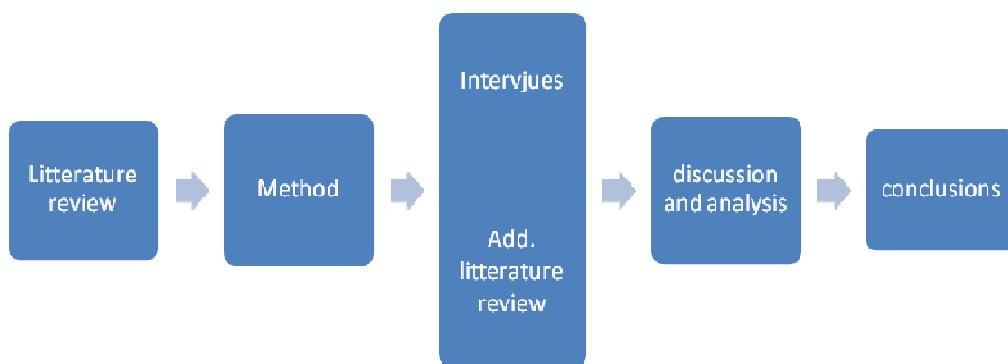


Figure 1. Illustration of the outline of the study.

## 2 Background

### 2.1 The farmers organisation, LRF

90 000 companies and 169 000 people are members of the farmers organization. LRF has seven subsidiaries and have the mission statement to “promote development of the green industry and its farmers of the agricultural and forest land, growers and entrepreneurs” (LRF, 2010b). The organisation is built up by the head office in Stockholm with 19 regional offices located around Sweden (LRF, 2010c). LRF also have an office in Brussels that represent LRF, and the Swedish farmers, in Europe. The decision making body in the organisation is the annual National Assembly. Every year 150 representatives are elected for this, 75 by the regional associations and 75 elected by the co-operatives. The national Assembly then chooses the National Board of Directors, which works on the behalf of the Assembly and the two legal entities of LRF. LEAB is a subsidiary of LRF that implements the decisions and is the parent company to the following subsidiaries; LRF Konsult, Svensk Markservice, Sigill Kvalitetssystem, LRF Samköp, LRF Media, LRF Försäkring och Sånga-Säby Kurs och Konferens (LRF, 2010d).

LRF’s vision is “*Making the countryside grow. The green industry has a key role with respect to growth, profitability and attraction in the sustainable society.*” (LRF, 2010e). LRF primarily wants to build the best base for companies in the rural areas that are sustainable and competitive, and to make favourable conditions for social life (LRF, 2010b). LRF works in several areas such as agricultural policies, tourism, animal welfare, food and cuisine, international co-operation, ownership rights, research, school contact and work safety, to influence the conditions of their members (LRF, 2010f). The organisations primary missions are to work with political conditions, to create positive public opinion about the green industry, to promote young people to choose green industry related studies, to give their members support on how to develop their businesses and to promote rural development and support target groups among their members (LRF, 2010g).

LRF works intensively with farmers and farming development in an effort to provide their members with tools required to improve their business. These tools are developed at the head office and at the regional offices, and are then practically used at the regional offices in their meetings with the members. LRF wants to cooperate with other organizations and companies providing farmers with necessary business tools (Folin, personal message, 2010). Newsletters, networking, business analysis, checklists, business plans, courses, calculations, business coaches, pricing, business intelligence, member offers, projects, how to develop and how to hire tips are all examples of support tools aimed at farmers. According to LRF’s internal offers directory (2010) their offers are divided in different categories like Running a business, Working environment, Climate, Organic, Construction, Renewable energy, Pig, Green care, Horse, Lamb, Milk, Beef, Small scale food business, Small scale wood business, Forest, Garden, Tourism and Crop production (LRF, 2010h).

### 2.2 The deregulation of the market

Historically Swedish farming have been regulated, but in 1990, the first deregulation started. (SLI, 2005). Farmers were paid a subsidy to redirect their production onto arable land, e.g. through planting trees. The aim was to limit the production of farm products under price

regulation so that farmers had to compete on the same terms as entrepreneurs in other industries. Farmers were only going to be compensated by the market for products in demand and not for over production. Support like agreements on domestic prices were abolished, but import limits and export subsidies retained until further agreements were made about trade between countries. In 1991, Sweden applied for membership in EU and in 1995 Sweden became a member. The membership had major consequences on the deregulation and the agricultural production policy was in many ways brought back to its earlier state.

CAP, which is EU's Common Agricultural Policy, is functional in Sweden and originally had the goal to stabilize the market and increase production within EU (Europa- EU:s webbportal, 2010). CAP was founded in 1960 to stimulate production farmers through subsidies, guaranteed prizes and investment subsidies by the government (European Commission, 2010). Different kinds of regulation resulted in an over production of certain food in 1980 and world trade was negatively affected (Europa- EU:s webbportal, 2010). To deal with the over production new subsidies were introduced to store or export certain goods (European Commission, 2010). In addition, quotas were introduced on milk to decrease over production.

In 1992 the first review was performed on CAP (Europa- EU:s webbportal, 2010) and it was called *the MacSharry-reform*. Price subsidies were reduced and partly exchanged to income subsidies, like animal premium (European Commission, 2010). The environment was more acknowledged and an environment program was introduced in Sweden that included subsidies on pastures, reduced nitrogen leakage and organic production. In 1999, a reform called *Agenda 2000* was pushed through and the decisions from the *MacSharry-reform* were developed. The directed subsidies were increased, while the subsidies linked to prices were decreased. Subsidies to rural development were introduced. In the *Mid-Term Review* (MTR) in 2003, it was decided to decouple the subsidies and to no longer use direct subsidies. EU-subsidies are now paid to the producer and no demands are given to produce a certain amount. The MTR gives the farmers in EU the opportunity to produce according to demand from the market and in Sweden the subsidies are distributed to the "farm aid" and on regional level. Sweden introduced "farm aid" in 2005, which replaced subsidies like animal premium, slaughter subsidy, milk subsidy; which were linked to how much production each farm had. The review would give a better balance in the industry (in the countries and between the countries) (Europa- EU:s webbportal, 2010). The "farm aid" is supposed to give the farmer a more stable income. To achieve this, a couple of cross conditions had to be achieved and they combine demands on agricultural land maintenance and rules according crop health, animal health and welfare, environment and public health.

Today discussions are ongoing on how CAP is going to be developed in the next period (2013) and how the "farm aid" should be developed. The future of agriculture is uncertain, but a further deregulation of the market is inevitable. The most recent review of the CAP is the "health check" and according to the European Commission's website, the health check is going to update the CAP and make it simpler and eradicate the existing restrictions on farmers (European Commission, 2009). This will make it easier for farmers to respond better to the markets signals. The CAP is going to go through a number of changes in the future.

## 2.3 Sweden today

During the last decades in Sweden, farms have gradually increased in size but decreased in total. According to SCB (Sveriges Statistiska Centralbyrå) the total number of dairy cows have decreased with 46 percent from 1980 until 2008 (SCB, 2010). The total number of herds

has decrease with 85 percent in the same period. During the same time, the number of beef cattle has increased 200 percent. The reason for the rise in beef cattle and the fall in milk cows is partially explained by an active system to encourage milk producers to transfer to beef cattle production, and a few transitions in the industry in the 1990's. The average number of animals at a farm has increased since the 1980's. In a beef herd, there are now 16 cows per herd instead of 6 cows per herd, as in the 1990's. The number of pigs has decreased with 40 percent since 1980, and the numbers of pig businesses have decreased so that only 1/10 of the businesses are left (SCB, 2010).

The total amount of farms have become fewer but larger in area, and there are a smaller number of farms with less than 10 hectares of land, but more farms with more than 100 hectares of land. The biggest farms are located in the south of Sweden and the smallest in the north. In the 1990 there was 96 945 companies and 2008 there were 72 609, the decline is significant. The number of companies with animal productions has the biggest decrease while companies with crop production have continually increased since 1990 (SCB, 2010).

In the country a smaller amount of arable land is cultivated today than before (2.65 million hectares 2007 and 2.84 million hectares 1990). The arable land is divided between cereal crops (41 percent), forage (like silage or hay) (44 percent) and the rest is other crops like legumes, oilseeds and some of it are lay-land. The total yield from each crop varies but it has gone up with processing. Most Swedish farmers have forest included in their property and the early logging has increased almost every year since the 1950's (SCB, 2010).

Export and import to and from Sweden goes predominantly to countries within the EU and agricultural goods represent 8 percent of the total import and 4 percent of the total export (SCB & Jordbruksverket, 2009). Sweden is only to 56 percent self-sufficient in beef meat and 82 percent in pig meat (2009) (ATL, 2009). In 2005 according to SCB, the only thing Sweden was self sufficient in was milk and butter (SCB & Jordbruksverket, 2009). Agricultural products stand for 0.4 percent of the BNP in Sweden and that has decreased over the years, in 1990, it was 1.2 percent. The price of inputs has since the year 2000 gone up with 13 percent while the prices of the outputs remained at a constant. In addition, the price on agricultural land has risen, mostly since achieving membership in the EU in 1995, and the review that was implemented in 2005. In 2007, the price on land was 3 times as high as in 1995.

The agricultural industry employs 178 000 peoples in Sweden, that corresponds to 65 000 full time jobs (SCB, 2010). A full time job is defined as 1800 work hours per year according to EU but many farmers say that they work considerably more than that. There are 72 600 farming companies recorded and that gives an average of 2.5 people working per company. The median age of farmers in Sweden are 55-59 years, 22 percent of all farmers are over 65 and only 5 percent is under 35. Of all farmers, 61 percent are male and 39 percent are female.

The changes on the European market with less subsidiaries makes it more deregulated. This gives a more competitive market, which has shown in Sweden where self-sufficiency has decreased dramatically. Farms are increasing in size and decreasing in number and the inputs have increased in price while the outputs have remained at a constant. The deregulation gives an opportunity for farmers to develop their entrepreneurial skills and challenges them to think innovatively. The deregulation also declines the import surplus and makes the market more dependent on supply and demand. This is constructive for a farmer who can direct his business towards the most favourable segment.

# **3 Theory**

## **3.1 Definition of entrepreneurship**

Entrepreneurship is everything that helps a farmer in adjusting to a free market economy (Duczkowska-Malysz, 1993). Many scientists want to make a clear distinction between managing a company and being an entrepreneur. Managing a company is keeping it alive, though managing it in an entrepreneurial way requires certain talents. To be a successful entrepreneur, you have to possess personal skills such as innovative thought, a willingness to take risks, a talent in dealing with the unexpected, the ability to acknowledge changes, seek and see opportunities (Pyysiäinen *et al.*, 2006). You also need to be good at communicating and taking leadership from others. According to Baron (2004) the majority of people choosing entrepreneurship are perceived as risk seeking but, in fact, may be more driven by being afraid of the losses that could occur if they do not take risks.

In addition to all the aforementioned skills, you have to be talented in analyzing, synthesising, evaluating, planning, organising, and executing plans. Kallio & Kola (1999) claims that the definition of being “an entrepreneur” is that he or she has a profitable business and does regularly follow-up of production. An entrepreneur keeps on developing his or her business by believing in what they are doing, being goal-oriented and making use of relevant information. It is important to discuss an existing business plan with professionals, but research shows that entrepreneurial farmers rather discuss their business with family or colleagues and not advisers, which significantly limits their development (Lowe & Talbot, 2000). They also have problems with not using social networks more extensively.

Why does one choose to become an entrepreneur and why do certain people see opportunities to achieve profit from something where others do not? Baron (2004) says that entrepreneurs are optimists and social. People with entrepreneurship skills have the ability to think out scenarios, develop strategies, process information and critically analyze situations.

## **3.2 Reason for starting up a new venture**

Ferguson & Olofsson (2011) refers to Amit & Mueller (1994) in their article in: The handbook of Research on Entrepreneurship in Agriculture and Rural Development, that the motivation of starting up a business is a fact of “push or pull”. Push and pull theory implies that the entrepreneur (in this case the farmer) has either been pushed into starting up or pulled in. When pushed, the farmers is then often not satisfied with the development of his/her current business. If the farmer has been pulled into starting up, he/she wants to pursue an idea. This theory could be interpreted as that when you are pushed into starting up it is a diversifying activity, and therefore a reactive strategy hence the entrepreneur reacts to decreasing profit (McElwee, 2006). When you are pulled in to starting up, it is a proactive strategy and the entrepreneur wants to develop the company without being forced.

## **3.3 Which different types of entrepreneurs are there?**

Farming entrepreneurs are, according to Carter (1998) divided in to firm structure with monoactive entrepreneurs, portfolio owners and structural diversifiers. The monoactive farmer is focusing on the core venture of farming, is older and has knowledge and experience restricted to farming. The monoactive farmers’ farm is often smaller, and has fewer

employees. The portfolio owner has several businesses, is bigger and broader in the sense that his business portfolio is not limited to farming. The structural diversifier is categorized as existing in between the two others. The core business is farming but he also has new ventures although often connected to farming.

Alsos *et al* (2003) divided entrepreneurial farmers by their motivation, and also has 3 different classes with pluriactive, resource exploiting and portfolio farmers. The pluriactive farmer has started a new business because he wants to sustain his core business (farming). The type of business depends on varying factors, like the possibility to get a job outside the farm and the household structure (e.g. if all members or some work on the farm). The pluriactivity does not always depend on economic reasons; it could also depend on a wish to keep on living in a rural area, emotional reasons (not wanting to move from the family farm) etc. The resource exploiting farmer recognizes the resource connected to the farm and wants to develop them. It is this opportunity that triggers the start up of new activities. To develop skills in exploring new business opportunities the relevant information, the right environment and a good ability to explore businesses is necessary. The portfolio farmer has an idea and wants to develop it, has good experience of entrepreneurship and has built up a network that could be of good use when starting up other businesses.. The motives to each type of entrepreneurship differ by the source of the idea, the competition and the business strategy, and are affected by lifestyle and the availability of resources (Pleura *et al*, 2002). Entrepreneurship at a farm level is heterogenic but all three types of entrepreneurship bring value to the farm sector.

Ferguson & Olofsson (2011) divides farming businesses into two categories that can be interpreted in this thesis as, “normal” and “new businesses”; where the “normal” farmers have a conventional core activity and the “new farm businesses” have more of an open approach and a non-conventional core activity. The existing resources are to the “normal” entrepreneur often strongly connected to the core business, like machinery, but the new farm businesses the resources are not that strongly connected to the core business, like capital, unused buildings etc. The “normal” entrepreneur is more aware of building up a new business without disturbing the core activity and intends to lower risks.

### **3.4 How to deal with risks**

Ferguson & Olofsson (2011) says that risk aversion is shown in farming companies when they wait to employ until a new venture shows profit. Additionally, Swedish regulation makes it difficult for entrepreneurs to hire before they are sure that the need exists, as it is difficult to dismiss employees in Sweden. It is exceptionally difficult to achieve profit in a company when you have to work a great number of hours and are afraid to hire. Carter (1998) thinks that usage of existing resources is a method to lower risks, since an additional cost is not incurred.

The strategies for agricultural survival could be either diversification or specialization (Hansson & Ferguson, 2010). Diversification could be e.g. tourism, organic production, farm shops, cafés etc. (Ylva Folin, personal message, 2010). Specialization is intensifying conventional farming and increasing the volume of the farm. Diversification is often practised because of the chance to improve the economy of the farm, and to decrease dependence on conventional farming. Also diversification could be a way for small farms to reduce their risks through not being dependent on one product (Pyysiäinen *et al*, 2006). It also satisfies a demand, uses existing resources and takes advantage of synergies, forms products, markets

etc. Diversifying a business is often done when the market, economy or topography prevent specialization (Rantamäki-Lahtinen, 2002). In Finland, diversification is more common with younger farmers. Mc Elwee (2004) states that diversification is more common among women, although there is little research in the area, the research available states that women often start farm shops or rentable accommodation.

### **3.5 Farmer or entrepreneur?**

According to Alsos *et al* (2003) over the last decade, farmers have practised more entrepreneurship than before, to enhance the economic value of their farm. Researchers, farmers, agricultural businesses and governments alike have recognized a need for it. The conventional farmer does not identify with being an entrepreneur in the same way as non-agricultural entrepreneurs does. McElwee (2006) says that farming is an extremely heterogeneous industry that is highly regulated, constrained and complex; which makes it difficult for farmers to practise entrepreneurship.

According to Peura *et al* (2002) farmers do not think they have the typical characteristics of an entrepreneur such as innovativeness, growth orientation, risk-taking and sense of personal control. In the same study, it was shown that farmers, who attend to business activities other than purely conventional farming, identify a lot more with entrepreneurial skills, though not quite as strongly as non-agricultural entrepreneurs. Being an entrepreneur could be an innate capacity or a capacity that could be taught (Pyysiäinen *et al*, 2006). The skills appointed an entrepreneur are often described as originated from childhood, but in the recent years, literature has also focused on teaching these qualities.

### **3.6 Success factor in entrepreneurship**

According to Shiebel (2002) entrepreneurs differ in their qualities in three aspects: their problem-solving ability, social initiative and their faith in their ability to manage events. The social initiative is defined as the persons' dominance, energy, confidence etc. The ability to manage events is separated into three categories: the person thinks that they themselves control events, they think that other people influence events or they think that events are governed entirely by chance. There are five different personalities with different combinations of problem-solving, social initiative and ability to manage events; the self-responsible, the powerless, the helpless, the socially active and the indifferent.

The self-responsible entrepreneur thinks he/she could manage any event; they take risks and are not susceptible to stress. The powerless entrepreneur does not have an own opinion, comply with other people, is susceptible to stress, is avert to risks and cannot convince others. The helpless entrepreneur does not think he can affect events happening to him – it is all just luck. He or she has a weak will, is passive and have a hard time trying to adjust to others. The socially active, is as the name implies social, takes responsibility but adjusts to the majority. The indifferent entrepreneur represents the average person and is not extreme in any direction. The most successful entrepreneurs believe that they could affect the events taking place around them. A study done on Austrian farmers showed that only 10 percent of the respondents had the personality that was suitable for being an entrepreneur (Shiebel, 2002).

Another study from Finland showed that successful entrepreneurs were market-oriented (Rieponnen, 1995). They acted on demand and recognized favourable markets and niches.

The unsuccessful were income-oriented and afraid of unemployment or wanted to acquire extra income.

### **3.7 Summary frame of references**

Entrepreneurship could be defined, according to Duczkowska-Malysz (1993), as different ways to help a farmer adjust to a free market. There are several words describing the qualities of an entrepreneur and Ferguson & Olofsson (2011) explains a theory that a farmer could either be pushed or pulled into starting up a new venture. Being pulled implies a conscious decision and want to expand, whereas being pulled you do not have any other alternative. Entrepreneurs could be divided in to categories according to business structure and motivation for starting a new venture. The business structure could be monoactive, portfolio owner or structural diversifier. The motivation could be classified as either pluriactive, resource explorer or portfolio owner. Farming businesses could also be “normal” or “new” as interpreted in this thesis by Ferguson & Olofsson (2011) paper.

Ferguson & Olofsson (2011) also mention in their paper, that farmers could be risk-averse as they sometimes wait to employ until profit is shown. Another way of risk-reducing is going for specialization of diversification (Hansson & Ferguson, 2010). Alsos *et al* (2003) believes that farmers are becoming more entrepreneurial but do not identify themselves as being entrepreneurs. Shiebel (2002) states that farmers and entrepreneurs differ in three different ways; their problem-solving ability, their social initiative and faith in their own ability to manage events. They could be the self-responsible, powerless, helpless, socially active or indifferent. It is also reported that entrepreneurs are either market- or goal-oriented (Reipponen, 1995).

## **4 Method**

This study is based on the case study of the business development experiences of eight farmers, all of whom have participated in LRF business development support activities. The primary data has been collected through semi-structured interviews with the farmers, with supporting data from LRF, statistical sources, and the industry media. This data is primarily of a qualitative nature, collected with the goal of understanding the farmers' attitudes and experiences.

Qualitative data exists of words and pictures, in contrast to quantitative data, which is primarily numbers (Christensen *et al.*, 2001). Qualitative data needs to be interpreted and analyzed, and are often used when only limited knowledge exists about the subject of the study. Thus, qualitative data support explorative, descriptive or explanatory studies. The aim in this study is primarily of an explorative nature: Information exists about the study subject, but the author wants to dig deeper to understand its meaning and to make sense of it.

### **4.1 Case studies**

There are different kinds of methods to use when gathering and analysing empirical data. Yin (2009) distinguishes between experiments, surveys, archival analysis, history and case study methods, stating that there are three questions that should be answered before any decisions are made on which method to use: 1) The form of the research question; 2) If the execution requires control of behavioural events; and 3) If the focus is on contemporary events. Different methods are suggested by different answers. Yin states that a case study is suitable when the research question is formed as a "how" or "why" question and when the focus is on contemporary events.

A case study methodology is also well suited to questions that are played out over time, direct observations of the event being studied and when interviews are being performed. The strength of a case study is that one can include documents, interviews, observations and other artefacts. Through case studies, one can penetrate the problem and get an understanding of the situation and the meaning of the case (Christensen *et al.*, 2001).

Case study methodology is qualitative in character, based on a limited number of studied cases but a lot of information on each case. A disadvantage of case studies is their possible lack of rigor compared to other methods. Additionally, criticisms have been made that case studies are not systematic in their procedure, and that biased views can easily influence the findings and conclusions (Yin, 2009). Case studies are also said to be time consuming, but that has perhaps changed today, when it is possible to perform a study without leaving the office. The approach demands a lot from the researcher, and if the right qualifications are not there the risk is that the result is flat and incomplete (Christensen *et al.*, 2001).

Some argue that case study methodology does not give a proper basis for scientific generalisation, since results are based on just one single case. According to Yin (2009), however, case studies can be applied to scientific generalisation, not to population but to theoretical propositions.

A case study is most suitable for this study because a survey is too restricted and the focus is on limiting the number of variables to be analysed and not making the survey to long and

extensive for the respondent to answer (Yin, 2009). In this study, it needs to be taken into account that there will be different types of evidence collected and in a case study you can rely on multiple sources. The research questions are of a “how” and “why” structure (Yin, 2009). Documents and observations are going to be included as well as informative interviews. All observations are done on the interview objects and then interpreted and analysed.

The first step in making a case study is to create a research design deals with four problems. The problems are: Which questions to study, the questions propositions, the unit of analysis (what data are relevant, what data to collect) and how to analyse the data and results (Yin, 2009). The most important goal with a research design is to be sure that the evidence addresses the research question initially made. Which questions to study are given when literature and other case studies within the same area have been studied. The questions propositions show what should be examined and could be formulated as the purpose. A purpose is convenient when addressing an exploratory question. When determining the unit of analysis there should be spatial and temporal boundaries as well as a description of the question to answer. In determining what data is relevant, you have to link the data to the propositions and there are several options – pattern matching, explanation building, time-series analysis, logic models and cross-case synthesis. How to analyse and interpret the data collected is important and mostly to foresee and list all rival explanations.

In this case study, the questions to be studied were decided after a literature review had been done and then the question proposition built the purpose of the study. The research questions are divided into two parts. Spatial and temporal boundaries were made and the questions were described. Before collecting the data thoughts were given to how it would be analysed. Case studies have been criticised for its’ not so rigorous outline, but in this case study a well-developed interview outline has been used and the goal is not to make generalisations, but to contribute to understanding within the subject.

## 4.2 The Selection

In case studies, there is a choice between single- and multiple case studies. A multiple case study is appropriate in this case, as the selection of farmers for the study is based on usage of the farmers’ organisations support. Farmers that have previously used LRF as a support function when developing their business have been selected and focus has been on, as it is supposed to in case studies, informative cases that could bring understanding to the subject under investigation (Christensen *et al.*, 2001). A presentation of the respondents can be found in chapter 5 and 6. In the case study, interviews were performed by telephone and the advantages with telephone interviews are several. By telephone, the interview is rapidly performed, there is a high response rate and the interviewer could easily follow up questions if there was need for it (Langlet & Wärneryd, 1980). The drawbacks to be aware of when performing an interview by telephone is that the questions have to be simple in their construction, there is no possibility to show pictures or figures and it can difficult to ask delicate questions. To assure that the answers are correct, contact has been made through e-mail and questions asked about certain answers that were difficult to interpret following the initial telephone interview.

## 4.3 The Qualitative Interview

The aim with an interview is to explain and understand how the respondent experiences certain events and in what way he or she responds (Kvale, 1997). With an interview, the respondents have a chance to give their version, in their own words, and from their own perspective. An interview is traditionally based on a regular conversation, but could be seen as a professional conversation. The advantages with interviews are that they are open and can be adapted to the respondent and the specific study performed. The interview for this study has an explanatory aim, and because of that open and simple in its structure. “The interviewer presents a topic, follows up the respondents answers and seek new information and new angles to process the topic” (Kvale, 1997, p.94).

When performing an interview there are seven stages to go through: theme, planning, interview, transcript, analysis, verification and reporting. When constructing a theme, the aim for the investigation and the topic should be described, in addition to that, knowledge about interview technique should be collected. When all that is clearly established, a plan for the investigation should be made clarifying what knowledge is appropriate in the different stages. The interview phase is then performed according to an interview guide, reflections are made regarding the information and notes are written down (see appendix 1 for the interview guide). Before the analysis, the material from the interview has to be transcribed and prepared. The analysis is done with the focus on the aim of the investigation. The analysis is verified, and a report is then produced.

When constructing questions for an interview, there are several things to consider. The questions should be possible to answer, which means that it should be possible to understand the subject and the way the question is constructed (Langlet & Wärneryd, 1980). Time and space should be defined. Do not ask questions like “Do you exercise?” instead ask, “Do you exercise once, twice or three times a week”. The questions should be precise, and raise one subject at a time (e.g. Do you work out once or twice a week? and by exercise, I mean running...). Yes and no questions should preferably be avoided, as well as leading questions. As an exception, leading questions could be useful if the question is delicate and a false answer has to be avoided (e.g. It is commonly known that parents and teenagers argue, can you tell us about what things you and your parents have been arguing about?). Questions should not indicate what is socially acceptable, since people tend to answer in a way that they think is most acceptable and do not want to be embarrassed if they give a non-acceptable answer. When delicate questions are a part of the interview, it is common and appropriate to ask them in the end of the interview and that long, open questions give a better understanding of delicate behaviours. Long questions generally give more developed answers and stimulate the respondent to think through the question, but should be alternated with shorter questions so that the respondent does not lose interest in the interview. An interview has the advantage that spoken language is more easily understood than written language.

The interview has to be validated and that could be done through a test of the interview questions (Langlet & Wärneryd, 1980). The validation was done on two different farmers who both have used the farmers’ organisation at one point. The interviews were recorded, and subsequently evaluated with the aim was to examine how the respondents interpreted the questions. After each question, some follow-up questions were asked, such as: How did you interpret the question? How did you come up with an answer? Additional investigatory questions could be asked on certain interview questions to investigate further, how the question was perceived.

The interviews in the study were semi-structured, in which a guide was used with certain themes, and suggestions on questions were presented. To some questions, a scale from one to five was used and the respondent then had the opportunity to estimate his or her answer. During the interviews, changes were made and additional questions asked. Interviews were booked with the respondents in advance and the reason for being selected was then presented to them, as well as the aim with the interview. At the interview occasion, the aim was explained once more. All interviews were executed during the two following weeks, according to the respondents' preference.

## **4.4 Confidentiality**

At interviews, the results can get better if the respondents are guaranteed confidentiality, which means that the respondents' answers are not revealed to anyone else but the interviewer (Christensen *et al.*, 2001). The respondent might feel more comfortable with the interview if their answers are not published with their name. The respondents are referred to as Farmer A,B, C...etc as a code to provide confidentiality (Pickard, 2007). Any documents with the respondents' identity on them are destroyed following the study.

## **4.5 Source criticism**

The secondary data has been critically evaluated during the process and the original sources have been investigated, if possible, to confirm their reliability (Christensen *et al.*, 2001). In the primary data, there could be sources of error, such as errors in the problem statement, errors in the selection, errors in the collection of data and errors in the interpretation of the data. In the problem statement there could be errors in what questions that are asked, and that the limitations are wrongfully made. In which case, a case study is a perfect choice to reduce these errors since you could adapt the questions every now and then in the interview and between interviews. Additionally, in the selection of respondents, there could be errors if the base of respondents to choose from were selected by LRF themselves. The fact that LRF did the selection could result in that many of the respondents have a positive attitude to LRF. The respondents were also selected because they have participated in business developing activities, and that is a source of error, given that they are set on developing their business, something that is not correct for every farmer.

In the collection of data, both the interviewer and the respondent can act as sources of error (Christensen *et al.*, 2001). The interviewer may read the questions wrong, have the wrong intonation, or not let the respondent answer in his or her own time. The respondent may not want to reveal that he or she does not understand the question; they might not feel that they have enough time for the interview or they feel obliged to give a certain response. To reduce this, test interviews have been performed to guarantee that the questions are easily understood and that the interviewer is delivering the questions in the best way possible. The respondents are told that they have as much time as they like to answer, a time is booked for the interview that is appropriate for the farmer, and the interviewer is neutral and has tried not to affect the respondent to answer in a certain way. The farmers are also told that they should ask if anything is uncertain.

## 5 Case presentations/ Results

The results are presented with a short presentation of each farmer and the circumstances at her or his farm (see table 1)

Table 1. Presentation of respondents

Code name	Gender	Education	Age	Type of farming	Conventional or organic	Time as entrepreneur (years)	No of employees	Type of activity at LRF
A	Man	2 years at agricultural university	45	Pigs	Conventional	20, together with his wife	2	Pig prod. of the future
B	Man	2 years at agricultural university	44	Pigs and crops	Conventional	10	3	Crop prod.
C	Woman	Kinder garden teacher	57	Beef	Organic	25 together with her husband	0	Body condition scoring
D	Man	Master in agriculture, major in crop prod.	46	Crops	Conventional	20	1	Crop prod.
E	Woman	Nurse and health specialist	51	Broiler	Organic	20together with her husband	0	Beef cattle and climate
F	Man	High school, specialty in farming	55	Pigs and crop	Conventional	27 years with his brother but last 4 years with his son	0	Economy and pigs
G	Man	High school, specialty in farming	35	Beef	Conventional	15	½	Profitable beef prod.
H	Woman	Master in agriculture	35	Milk	Conventional	2	2	Future talk

### 5.1 Farmer A “The eternal optimist”

Farmer A is a man, 45 years old and has a pig farm with 330 sows and 2500 fattening pigs. He is a conventional farmer with a 2 year university degree in Agriculture. Farmer A runs his business together with his wife and they have had the farm for 20 years. Besides the owners, there are 2 employees at the farm. The farmer has participated in a course “framtidens grisföretagare” (The pig producer of the future).

## **The business development**

Farmer A stated in the interview that he has had a business plan written down since they developed their business in 1993. He wanted a business plan so that he could show his employees in what direction the business should be heading. He does follow up his business plan and moderates it as time pass by. Regarding new ideas, the farmer states that he constantly receives new ideas from a variety of different sources, but mostly from magazines, the internet, other industries and discussions with other farmers, his wife and friends. To develop his idea, the respondent discusses any ideas with other farmers, his wife or friends, when he gets an idea. He has not seen any change in this over time.

The farmer has an investment plan for his farm and has a high belief in the future: "I am an eternal optimist" (5 out of 5). He states that the demand for his products has decreased since the price is low, but that he still gets to sell his products. The fluctuations in demand are bigger now than previously, and he handles that by closely studying the market. He invests all his time in pig production and does not have any alternative business ventures on his farm. He considers his largest challenge in the future to be increasing income and profit. The greatest advantage, the farmer states, is that whereas he is experienced in pig production, he can get even better. The respondent says that he is not satisfied with his profit (2 out of 5). According to the respondent, he is going to hire more people so that he and his wife are able to work more in the office and monitor the market. They are going to expand the business and if there is demand on farm visits, they are open to try that. Farmer A wants to create openness for the consumer.

A successful farmer is, according to the respondent, a person that monitors the market, reduces costs and is flexible and adjustable a fluctuating market demand.

## **LRF as a support function**

Farmer A has participated in a course about the future pig producer, and states that he participated to both develop his skills and his business further. According to farmer A it was "Interesting subjects and a good way to meet colleagues to discuss business issues with" He states that he had a lot of use from the activity, and that through the activity he has managed to develop his business, increase his profit and improve his production. Farmer A cannot remember anything that was missing in the activity (having participated in the activity some time ago). In the future, farmer A would like to have the opportunity to get individual coaching and monitoring of rules and regulations and states that "LRF should work with monitoring the rules, since it is difficult to keep up with the changes. We do not need to meet up to discuss with colleagues since we have a broad network and does that any way..." The economy of the business is an area that farmer A does not want help with.

Farmer A learns about LRF's activities through the internet, mail and meetings within his LRF regional group. He thinks that it works well and does not want it to change.

## **5.2 Farmer B "The unbothered farmer"**

Farmer B is a man; he is 44 years old and runs a farm with both pigs and crop production. There are 6000 fattening pigs at the farm and 350 hectare of land. The farm is run conventionally, and the owner has a two-year university education and a degree in Agriculture. The farmer's wife does not participate in the daily work at the farm, though the farmer has three additional employees. The farm has been in the farmer's possession for 10

years, when he took over the ownership from his father. The activity the farmer participated in was “växtodlingsdag” (a course in crop production).

## The business development

Farmer B says that he has a business plan but does not have it written down. His reasoning for that is that the main goals of the business remain the same, but the others, the short-term goals, change over time. The main goal of the business deals with the profit margin, and he does not want those written down since he does not want to communicate them to anyone. He is going to write down the production goals in the future, since he is going to be less involved in the production and take on more of a managing role. The business has always had the goal that something should happen every seventh year. The goals are followed up once a year at the balancing of the books, but when he takes on the manager role, he is going to be following up the results more often.

New prospects arise all the time and farmer B is influenced by everything and everyone: “You get influenced by everything like neighbours, colleagues etc. We are not the most modern farm, but ideas pop up and are slowly established and developed in my head”. To develop his ideas the respondent talk to friends, employees, colleagues, advisory companies and the bank. He has not seen any signs that this will change and thinks that he is going to stick to his network. The farmers has rated his belief in the future as medium (3 out of 5) and he states that: “It could have been better if we had gotten the same perquisites as other countries and that the market would have worked, but the market goes up and down and I hope it gets better in the future.” Farmer B does not have any investment plans for the future, since the prices are low and the current circumstances makes it impossible.

There is always a demand on pig meat and cereal crops, but the prices go up and down, the respondent states. The price on cereals varies a lot, and to compensate for that farmer B switched over to pigs a few years ago, in an attempt to get closer to the consumer. That choice has been tough, economically, since the price on pig meat has decreased the last couple of years.” The price on meat is difficult to affect, I have that as a goal: not to bother about things I cannot affect”. Farmer B has two alternative businesses on the farm, horses and selling of Christmas trees: “The alternative businesses are just small-scale, and I get annoyed when thinking about that LRF encourage people to start up alternative businesses. It is not easy to get profit from them and they create much more work.” He chose to start his new businesses because the possibility arose. The respondent states that the challenges in the future come down to him improving within in his field. When it comes to possibilities, there is nothing special on the horizon, according to farmer B.

The respondent is not that satisfied with his profit (3 out of 5) and says that:”the buildings and property are worth a lot, but if comparison should be made, on salary and vacations, to other jobs it is bad. There is more stress, work and overtime.” To meet the future market, he is going to start even more price hedging, and he is going to develop his pig production, which will increase the size of the farm. He is worried about the high prices on land and he does not plan to start with a farm shop since it is very expensive and it is difficult to get the consumer to travel to his farm.

According to farmer B, a successful entrepreneur is a person that does not work too much at home and has some unplanned work time to attend courses for continuing professional development. The farmer has to be participating with the work at the farm, but has to get

influenced by other things outside the farm. “He is successful if he runs his business perfectly”.

### **LRF as a support function**

Farmer B chose to participate in the crop production course because he wanted to develop his skills in the area and develop a current business: “I wanted to get better knowledge about price hedging and how the market works. I always want to learn new things to increase profit in the business”. He also states that he wanted to broaden his network. The respondent got a lot of use out of the activity (4 out of 5) and says that he acquired knowledge in how other people in the industry think, he got to broaden his network of people to discuss future ventures with, and he liked the personal meetings with the counterpart of the industry. The respondent considers that the activity covered everything he needed to know.

In the future, the respondent wants a variety of short courses so that all farmers have the time to participate, and thinks that LRF should work with lobbying, and support conventional farmers even more, “LRF have too many fields to work with and don’t want to step on any toes”. The respondent says that he does not miss any support, because he is in contact with other organizations that provide the things LRF cannot. Farmer B gets knowledge about activities by LRF through e-mail and mail and considers it to be a good system

### **5.3 Farmer C “The organic farmer”**

Farmer C is a woman who is 57 years old and has a beef farm with 75 cows and additional young stock. It is an organic farm and the owner has an education in teaching. The farmer’s husband participates in the work on the farm and he is in charge of the crop production while she is in charge of the animals. The farm has been in the farmers’ possession for 25 years and they have no employees. Farmer C took part in “Tjäna pengar på hullbedömning” (Make money on good body condition scoring).

#### **The business development**

Farmer C states in the interview that she keeps her business goals in her head but does not write them down. Farmer C considers that it would take too much time, and that neither she nor her husband considers their company large, even though that might be the case: “We are just two people; we do not have to have a plan written down since we communicate every day.” The respondent also states that they constantly follow up their results, since they keep a breeding herd they have access to results from the slaughterhouse and breeding-values. In the crop production, they get feedback as soon as the crops are harvested.

According to farmer C she gets her new ideas from media, colleagues, study visits, counseling and courses. Farmer C discusses her ideas with her husband, colleagues, advisers and the veterinarian. She plans to continue discussing her ideas with the same people in the future, but says that has changed with the size of the farm. Now that they run a larger business, they use a lot more guidance than before. The farmer describes her belief in the future as medium (3 out of 5) due to the low profit and high costs that have occurred the last couple of years. They have no existing investment plan, rather a “wish list” with investments they plan to make, should the market change and the prices go up. She thinks that the demand fluctuations are bigger now than before and especially that the prices are the same as before but the input

costs has risen. To handle these fluctuations better, she is participating in a beef-project where they are working with marketing Swedish beef and lowering the costs on farms. On the farm, there is an alternative business with horses but it is not with the aim to make a profit: "The horses are on our amusement account, and our main focus is on the business with beef cattle.".

The challenges for the business are according to farmer C that they aiming on getting a higher price for their beef meat and sliming their organization.

The possibilities for developing their business, are that, in the north of Sweden (where the business is located) has potential, since the land it is relatively free from pesticides, which appeals to the consumer: "We are organic and there is demand on organic products these days.". In addition to that, farmer C states that it has been a difficult couple of years, and that something has to change otherwise Swedish farmers have to give up.

The profit is not satisfactory (1 out of 5) since the income is the same, but the costs have increased drastically. To meet the change in demand on the market, they are participating in the aforementioned project. She also states that she and her husband are not that flexible in changes according to the market, since they only have a few years left until retirement.

Although she thinks, it is going to be important to create a relationship to the consumers in the future or change the production according to what is demanded and that pays the best. To be a successful farmer and entrepreneur farmer C says that the focus has to be kept, on profit and efficiency.

### **LRF as a support function**

Farmer C chose to attend the body condition scoring-course because she wanted to develop her knowledge in that particular area. She states that she and her husband have attended several of the activities offered by LRF, since they think that attended activities are good for their development. She thought that the activity was of great use for her (4 out of 5) and the main profit was that she acquired new knowledge and was encouraged to think in a different way: "I can adjust my business to get a better result." She cannot remember that she missed any part of the activity.

In the future, farmer C thinks she needs support in different kind of ways; both individual coaching, economy courses, seminars, short courses and discussion groups. In addition, marketing is important to get through to the consumer. The respondent says that there are no areas she considers less important to receive help in; "help is important and development too..." LRF should work more with regional projects, not only on national level, according to farmer C. LRF should also work on getting better profit for Swedish farmers. The respondent says that it is good that LRF offers a wide variety of courses, though should cooperate with other businesses in the industry so they do not supply the same things.

Farmer C is informed about LRF activities through mail and e-mail and considers this to be a good system.

### **5.4 Farmer D "The risk reducer"**

Farmer D is a man, 46 years old who owns a crop production farm with 220 hectares of land (of which he owns 96 and leases the rest) and 70 hectares of forest. It is a conventional farm

and the owner has a Master in Agriculture with a major in crop production. The farmer has run the farm for 20 years, the farmers' wife does not participate in the work on the farm and he has one employee. Farmer D participated in "Växtodlingsdag" (a course in crop production).

## **The business development**

Farmer D says in the interview that he does not have any goals written down but he keeps them in his head. His goals are comprehensive, they include, among other things, to receive a good salary and to keep the farm in a suitable condition for the next generation. The respondent does not follow up his goals; he states that he is too lazy. To get new ideas the respondent sources inspiration from his own opportunities: "People came up to the farm and asked for parking lots and after I while I came up with the idea to build a proper one and charge them to park here". Otherwise, he obtains new ideas through regular discussions with colleagues and through reading newspapers and relevant magazines. To develop these ideas he engages in discussion with colleagues or his brother, but often he will consider the idea himself. He has always dealt with the development of new ideas in this manner.

Farmer D has a relatively high belief in the future (4 out of 5) and says that it could have been even better, if the cereal price was not this low, although he remains confident about the future. He has an investment plan, which involves obtaining planning permission to build a parking lot and to renovate some dilapidated properties. The respondent feels that the demand for his products has fluctuated, but there are more cereal buyers today than 15 years ago. To handle this he is price hedging with the buyers. There are alternative businesses at the farm, such as a parking lot. He chose to start these alternative businesses given that there was a demand and he wanted to reduce the risks that can occur from relying on one source of income.

The respondent believes that he will face challenges in keeping his farm and his land. There is interest from both a surrounding airport and the municipality to purchase the land. He also would like to develop the parking facilities further. Farmer D thinks his profit is good (4 out of 5) but the cereal price could be better. To meet the future market he intends to be attentive to price fluctuations and price hedge. He would like to extend his company if the opportunity should arise, but he says that, "you cannot get too big, because then you lose contact with the farm and you will lose the rhythm". A successful farmer is according to farmer D responsive, has a big network and is up-to-date.

## **LRF as a farmers' organization**

Farmer D participated in an activity about crop production due to an existing interest in developing his skills in that area. He wanted to get some new ideas and meet new people (expand his network). The respondent says that he got a medium amount of use from the activity (3 out of 5). He felt that the lecturers were not as educated as he would have expected, but he was challenged to calculate on his own production costs and that was good. He had however hoped that the course would have been more thorough and is keen to learn even more about price hedging, due to its importance these days. In the future farmer D would like individual help, but also attend courses in, among other subjects, farm economy. He think he does not need any additional help in crop production, since he is now educated in that field and has a large network of contacts that he acquired through an advisory service.

To get to know about LRF activities farmer D reads magazines and goes to study groups; a method that he considers to work well. Farmer D thinks that LRF should work more with conventional farming and shift their focus from new industries.

## **5.5 Farmer E “The jack of all trades”**

Farmer E is a woman, 51 years old and has a broiler production. There are 170 hectares of land and forest to the farm. The farm is organic and the owner has an education as a health specialist, chiropodist and nurse. The farmer runs the business with her husband, who is a chairperson in one of LRF's local offices. The farmer and her husband have run the farm for 20 years. There is a farm shop and beef production at the farm. The farmer also runs a business as a chiropodist. She participated in the course “Lönsam kötpproduktion med klimathänsyn” (profitable beef production with regard to climate).

### **The business development**

Farmer E says, when being interviewed, that she does not have her business plan or goals written down and has never had a written business plan. She follows up her goals closely, as they personally collect their product (beef) from the slaughterhouse, then butcher and prepare the meat for selling at their farm shop. She and her husband talk about their goals but they do not write them down. She states that she gets obtains new ideas from talking with her husband and friends. To develop them, she enters into discussion with her husband and their adviser. The respondent has a high belief in the future (4 out of 5) but does not have an investment plan: “We are satisfied with the way it is right now. We are 51 and 56 years old and none of our children want to run the business after us..”.

When asked if farmer E has seen any changes in the market demands, she commented that the demand for buying meat at the farm has risen. To handle the rise in demand she has done some advertising in the local newspaper and developed an informative webpage. Since they recently started with their farm shop, she is unable comment if the fluctuations are increased or decreased, though she does state that there are larger fluctuations in the meat demand from stores. In the broiler production at the farm, the demand has been the same and no fluctuations have been noticed. There are several businesses at the farm and the respondent says that they started the broiler production in 1990 and the beef production in 2006. They have beef production as the alternative business and according to the farmer; they started with beef production to make use of the abundant grazing land in their possession. The farmer also runs a business as a pedicurist, as a way for her to spread the risks.

The challenges for the business, according to the respondent, are to develop the best, climate smart beef meat and the opportunities to achieve this are that the business is modern and that there is a demand. To meet future demands, she thinks that they have to start delivering their meat to the supermarkets in their local town. “To visit farm shops could be a transient trend and it is not climate smart to drive several miles to farm shops” farmer E says. She is fairly satisfied with her profit (4 out of 5) and says that she is able to charge a higher price, in view of the fact that they sell their products at the farm and that the customers can pick out their own meat. Also, the EU-subsidies are directed to this kind of business according to the respondent.

A successful farmer operates his business with their heart and soul. “A successful farmer thinks it is fun to have a farm and the buyers notice that” she says. Planning, predicting the

future, getting away from the farm now and then and not taking yourself too seriously are all important attributes to a farmer, according to the respondent.

### **LRF as a farmers' organization**

Farmer E participated in the activity with focus on profitable beef production (with regard to climate). She participated in the course because she says she wanted to be able to answer the customers' questions about beef production. She thought she had a relatively low use out of the activity, but believes that meeting with colleagues was useful. The lecturers were lacking in knowledge and should have been better prepared.

The respondent states that she would like a variety of support for her business in a variety of ways. "Everything is equally good and a business needs support in all kinds of ways". Farmer E gets her news from LRF, through one of LRF's local groups, and through her husband who is a chairperson at LRF, and she thinks that this works well. She thinks that LRF should work more locally and focus more on the conventional farmer.

## **5.6 Farmer F "The reborn farmer"**

Farmer F is a man, 55 years old and has a crop production á 150 hectares and 800 fattening pigs. The owner runs a conventional farm and has a high school education, specialising in farming. The farmer has been running the farm since 1973 (37 years) and started the business with his brother. Four years ago, his son has taken his brothers place in the company but does not work at the farm; he is only a co-owner. The farmer took part in the course "Ekonomiförmiddag grisföretagare" (economy morning for pig producers).

### **The business development**

Farmer F states that he has a business plan but he has not written it down. He discusses a lot with his son since he became a business partner four years ago. He thinks they might produce a business plan when they start to expand in the future. He does not follow up his goals since he does not have them written down. To get new ideas farmer F is influenced by magazines, discussions with his son and advisers. To develop these ideas he talks to his son. He thinks that in the future when his son will work on the farm he will get more time to develop his ideas and expand the business. The respondent has a high belief in the future (4 out of 5) and says that:"it cannot get worse and it is more fun now when my son is a part of the business". An investment plan exists and according to farmer F, you have to invest time into a business, otherwise you cannot keep up with competition.

The respondent thinks that the demand for his products has changed and that the fluctuations are bigger than they used to be. Growing potatoes is more profitable and there is a higher demand for it than pig meat, he says. "I do not handle the decrease in payment actively; I just wait for it to change". Farmer F has both pigs and crop production, and wants it that way to reduce his risks. As an alternative business he harvests and sows on farms in the neighborhood. "If I have several businesses at least one of them has to have profit..." He does not see any particular possibilities, and the challenge for the business is to produce more potatoes with good quality.

To meet the demands in the future he thinks the only possibility for his farm is to grow larger and develop the business further in that way. The respondent does not think that small-scale businesses are for everyone, for a number of reasons. Farm shops are hard to make money from and that he does not want people to visit his farm because he is shy. He is moderately satisfied with his profit (3 out of 5) and says that; "These last years have been rough, but it depends on a lot of things that I cannot affect". A successful farmer is a person that is satisfied with their situation, according to farmer F.

### **LRF as a farmers' organization**

The respondent participated in a economy course for pig producers, because he wanted to develop his skills and the place where the course was held was close to his farm. This was convenient for him, as he believes that it is difficult as a farmer to get away from the farm. He thought the course was satisfying (4 out of 5) and it was good to refresh his knowledge of the subject. Farmer F cannot think of anything he missed in the course. To develop his company he wants all kinds of support, like seminars, discussion groups and study visits at other farms; "study visits makes you think differently and get new ideas..." The certain areas that are most important for the respondent to get support in is pig production and potato production; "There is not that much counseling in how to develop a good potato production, I would like that." According to farmer F, he cannot pinpoint a certain area that he could do without support.

Farmer F hears about LRF's activities through magazines and via e-mail. He thinks, that this works very well. According to the respondent, LRF should work with conventional farming. "Give us support and focus on us instead of everything else. There are too few ordinary farmers and too many other people in the organization!"

## **5.6 Farmer G "The young farmer"**

Farmer G is a man who is 35 years old and has a beef production with 200 beef cattle. He cultivates 200 hectares of land but owns 90 hectares of it. There are also areas of forest and pasture to the farm. The farm is conventional and the farmer has an education from high school, specialising in farming. The farmer runs the business by himself, but has a part time employee. The farm has been in the farmers' possession in 15 years. He participated in the course "Lönsam köttproduktion" (profitable beef production).

### **The business development**

Farmer G has always had a business plan, since starting the business in 1995. Although he admits that it was only a couple of years ago that he actually wrote it down, because he participated in an activity called "a talk about the future" (Framtidssamtal) with LRF. He wants primarily to keep developing his business and find new businesses. He admits to not following up his goals, but since attending the "future talk", he has done more monitoring of the business. To get new ideas in the business he engages in discussion with colleagues, participates in study visits and learns by his own, and others, mistakes. To then develop his ideas, he talks mainly to his colleagues. Farmer G has high belief in the future, (4 out of 5) though has struggled the first years and considers this to be a factor of his age.

The respondent has an investment plan and intends to change the heating system used by the farm in the future. Renewable energy is interesting, according to the farmer. He thinks that the

demand for his products has changed and that the fluctuations are larger today than before: "It is all about timing to get the right price. You have to be alert!" To handle these fluctuations, he has started cooperation with other farmers to buy feed. He has also learnt about price hedging, in regard to selling cereal crops. To further secure his income, he harvests with his own machines at other farms and that has become a very lucrative side business. Renting out some properties is another source of income.

As to challenges, he thinks getting a better price and making the farm successful are important; "I like the job but it has been hard the last years". The opportunity at the farm is the business of harvesting at other farms. The respondent is not that satisfied with his profit (2 out of 5). To meet the future he might want to expand but also improve his farming abilities, become more alert on noticing the changes in the market, plan for the future and become more efficient. Farmer F thinks that a successful farmer is characterised by being alert, knowing what the demand is, and being disciplined.

### **LRF as a farmers' organization**

Farmer G participated in a course about profitable beef production, states that he wanted to participate to obtain better knowledge in the area, and that it sounded interesting. He got a medium use out of the activity (3 out of 5) and the most important use was to exchange experience and ideas with other farmers. They also did some study visits and he expanded his network. In his own production, farmer G wants support with courses that are specialized on his kind of production and especially in economy. The respondent says that it is good to have different types of support to choose from and he cannot specify any special area where he does not need support.

Magazines and newsletters via mail or e-mail makes farmer G aware of LRF's activities and he gets some updates and information from other farmers. He thinks the system works well but also gives a suggestion for LRF to start spreading information via text messages. He wants LRF to work with monitoring the market and increased lobbying in Brussels.

## **5.6 Farmer H “The new farmer”**

Farmer H is a woman and she is 32 years old. She has a milk production with 70 milk cows and the farm is conventional. The farmer has an education in farming at university level (a master in agriculture) and has been running the farm for 2 years now. Before she started, her parents both owned and ran the farm. The farmers' husband works at the farm as well. In addition to that, they have one full time and one seasonal worker employed. The farmer participated in a "Framtidssamtal" (future talk).

### **The business development**

Farmer H says that she has a business plan, it is comprehensive and she does regular follow-ups. The farmer gets her new ideas when meeting other farmers, when she travels to visit other farms and through the internet and newspapers. She discusses and develops these ideas with her husband and with an animal production-adviser. Her belief in the future is relatively high (4 out of 5) and she has extensive investments planned in the future (new stable and robots for milking). The demand for the farmers' products has changed the last couple of years (the farmer compares to when her parents owned the farm). To get a better price on the milk she has decided to deliver to Milko, a dairy company that sells "county-milk" and she is

also considering organic production since it is more economical and the consumer demand for organic products is rising. Since she started two years ago, the demand for her products has been the same but there are more fluctuations today than 10 to 20 years ago, when her parents owned the company.

There are no alternative businesses today at the farm, but the farmer has plans to start a café where people can sit and look at the cows when they are having their tea or coffee. “It could be nice to meet people at work” The farmer states that the farm can’t get that much bigger since it is situated in the woods and there is not enough land for expansion. Nevertheless, she sees a café as a way to lower the risk in the company and achieve a higher profit. The challenges and opportunities with the farm are to, “have a company that fits our needs, where we have time off for other things, get a good profit and work that we enjoy. Our opportunities are that the farm is ideal for milk production and that both I (the farmer) and my husband are educated in farming, interested and love it.”

The farmer is not satisfied with her profit (2 out of 5) but says that is why she wants to invest in the farm. To meet the future the farmer reflects that you have to be efficient without it affecting the animals in a bad way. “Farmers should open up their businesses to the consumer and show how nice farms in Sweden can be”. According to the farmer, a successful entrepreneur/farmer is a precise person, that dares to try new things and that keeps on developing.

### **LRF as a farmers' organization**

Farmer H participated in a “Talk for the future”-activity and said that she was tempted to do it since she was going to buy the farm from her dad, and wanted someone from the “outside” to help her think through the different ways of developing her farming. She got a great use out of the activity (4 out of 5) and states that the best thing was to discuss with someone else, and present own ideas and to see things in a new perspective. She thought that the future talk was very good and did not miss any part of the course. Courses in different areas are very important to the participant and so are discussions with other farmers and advisers. A mentors program is according to the respondent, something that she misses and she says that individual counselling could be good in specific cases. All kind of support is important to farmers but farmer H especially mentions crop production. “It is important to discuss your business with people that are separate from the business, as they could give valuable insight.

To be updated on LRF’s activities farmer H gets mail, e-mail and reads relevant magazines. She thinks that works well, but says that if you really want to get in touch with people that text messages are the best way. Farmer H thinks that LRF work with the right things, but says that it is difficult for her to comment, as she only worked as a farmer for the past 2 years. Farmer H is a woman and she is 32 years. She has an milk production with 70 milk cows and the farm is conventional. The farmer has an education in farming at university level (a master in agriculture) and has been running the farm for 2 years now. Before she started, her parents both owned and ran the farm. The farmers’ husband works at the farm as well. In addition to that, they have one full time and one seasonal worker employed

# **6 Analysis**

This chapter presents an analysis divided by farmer.

## **6.1 Farmer A “The eternal optimist”**

### **The business development**

Farmer A is an entrepreneur in the sense that he fits in to the description made by several scientists. Amongst those things Pyysiäinen *et al* (2006) mentioned being typical for an entrepreneur, farmer A is innovative, risk-taking, acknowledge changes, and interacts well with employees and takes a leadership role. The respondent says that he gets new ideas all the time and is not afraid of discussing with different people to develop them. He also takes a risk not having more than one venture and just focusing on the pig production. He deals with a more fluctuating market by monitoring it, and he takes leadership and interacts by writing down a business plan and making sure that his employees understand his business idea. Both Pyysiäinen *et al* (2006) and Kallio & Kola (1999) agree that an entrepreneur should keep a business plan, monitor the business and follow up the plan. The respondent does regular follow-ups to keep track that his business is heading in the right direction. Development of the business, self-belief and goal orientation are important, as well as keeping track of all information surrounding the business (Kallio & Kola, 1999). The farmer wants to develop the farm, employ more people and he keeps himself updated with information about the market. He believes in himself and says that he is experienced in pig production. A typical characteristic for an entrepreneur is, according to Baron (2004), being an optimist and this is exactly what farmer A says that he is, an “eternal optimist”. Farmer A has both a high belief in the future and an investment plan. Entrepreneurs develop strategies (Pyysiäinen *et al*, 2006) and farmer A has a clear plan for how he intends to develop his company in the future.

Alsos *et al* (2003) states that farmers do not identify themselves as being entrepreneurs, whereas McElwee (2006) states that the farming industry is too heterogeneous and constrained for a farmer to develop entrepreneurial skills. Farmer A has not been asked if he considers himself an entrepreneur, but when comparing his answers about his own business and the answer on what he believes a successful entrepreneur is, it is compatible. The respondent says monitoring of the market, reducing the costs and adjusting to the market demand are important qualities of an entrepreneur and these answers are comparable to the literature. He monitors the market and wants to develop his company to adjust in the future. Farmers do not use advisers enough when compared to successful entrepreneurs, and they are not using their network adequately (Lone & Talbot, 2000). On the contrary, farmer A uses his network a lot, but as the research indicates, he is not as good at using professional advisers.

Farmer A admits that he is not satisfied with his profit, but has not started an alternative venture. The push and pull-theory, Amit & Mueller (1994) cannot be used in this case. His firm structure classifies him as monoactive (Carter, 1998). A monoactive farmer has the qualities of focusing on the core venture (farming). A monoactive farmer is often older, has less education, has a smaller business and has fewer employees. Contrary to this, Farmer A runs a large business, is of average age and has two employees. He also has a two-year education in farming. Farmer A could not be classified either in Alsos *et al* (2003) classification system for entrepreneurs with new businesses or in Fergusons and Olofssons (2011). Ferguson & Olofsson says that Swedish farmers are risk averts, not wanting to hire

until the profit is showing and Carter (1998) thinks that farmers use existing resource to lower costs. Farmer A is not afraid of risks and even though he states that the price on pig meat is low, he is still focusing on developing his business and has an investment plan. Specialisation is a farm strategy to survive and that is farmer A's goal

The biggest success factors in being an entrepreneur are being able to solve problems, being social and believing that you can manage events (Shiebel, 2002). Farmer A deals with his problem with a decreasing demand, he keeps a good network and he tries to change his profit by actively managing his business. He is a self-responsible entrepreneur; he takes risks and does not suffer from stress. Riepponen (1995) thinks that successful entrepreneurs are market-oriented and farmer A monitors the market well.

### **LRF as a farmers' organization**

LRF's goal is to meet their members demand and provide with business improvement tools (Folin, personal message, 2010). It is important to provide the tools at the right time and in the right way. Farmer A thinks that LRF provide him with the right kind of information at the right time and states that the activity he participated in gave him the tools he required to develop his business. The respondent has not missed anything in the activity. LRF works in a broad variety of fields like political conditions, to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). Farmer A emphasises that monitoring of the market (political conditions) is of great importance and that support with discussion groups is of value. LRF provides courses in different subjects, aimed at farmers with different ventures (Folin, personal message, 2010). Farmer A demands more courses on farming economy. LRF uses different marketing channels like the internet, mail and meetings, etc, and Farmer A thinks this works well.

## **6.2 Farmer B “The unbothered farmer”**

### **The business development**

The most important attributes of an entrepreneur are innovation, risk-taking and the ability to seek and see opportunities (Pyysiäinen *et al*, 2006). Also being communicative, taking leadership, planning ones business, follow-up the goals and believe in what they are doing is things of importance (Kallio & Kola, 1999). Farmer B states that he gets new ideas all the time, he says that he is not that quick with development but rather does it in his own time. He is a risk-taking person who is going to develop his business, although he feels that the price on pig meat has decreased and that the market demand fluctuations are greater today than before. A couple of years ago the farmer increased his pig production to get closer to the consumer and handle the market fluctuations that way, but feels it was unsuccessful. Farmer B has three employees and practices leadership a lot.

Farmer B has a new venture, but thinks that it is hard to earn money on new ventures and that they create a lot of work. He has a business plan, but not written down, since he does not want to communicate his goal about profit to anyone. The respondent is going to write a new business plan, because he is going to expand the business and give more responsibility to his employees. He currently reviews his production once a year, when he declares his taxes, though intends to do this more frequently in the future. It is important to discuss your business with different people and especially advisers (Lone & Talbot, 2000). Farmer B has a

relatively large network and discusses with advisers. Entrepreneurs should believe in what they are doing and farmer B does not. Baron (2004) says that successful entrepreneurs are optimists and have a confidence in what they are doing. The respondent has a medium belief in the future, sees no opportunities in his business, and has no investment plan for the future. He states that the problem is that Sweden does not have the same perquisites as other countries, and that the price on pig meat could not be affected. However, the literature also mentions that entrepreneur should be critically analysing situations and farmer B is critical.

An entrepreneur could either be pushed or pulled in to starting a new venture (Amit & Mueller, 1994). Farmer B has been pulled, since he states that he saw an opportunity to start selling Christmas trees and that it was not dependent on income. There are three different firm structures (monoactive, portfolio owner and structural diversifier) (Carter, 1998). The respondent is classified as a structural diversifier, although small scale. He runs the farm with his core business (pigs) but also has crop production, christmas trees and horses on the farm. All of the ventures are somehow connected to the core venture. When divided in categories based on motivations like pluriactive, resource exploiting or portfolio farmers (Alsos *et al*, 2003) the farmer is a typical resource exploiter. He states that he started his new venture as the possibility arose, but he is also a monoactive farmer in a way, as the new ventures is small compared to his large company producing pigs and crops. He has used existing resources to develop his alternative businesses, so the business is still classified as normal. A business could be classified as “normal” if it has farming as a core activity and does not start ventures too far from farming (Ferguson & Olofsson, 2011).

Ferguson & Olofsson (2011) says that farming businesses show that they are risk avert when they wait to employ until they see profit. Farmer B continues to develop his company, although he is not satisfied with his profit and is afraid of risks. He has diversified (Pyysäinen *et al*, 2006) and wants to price hedge to reduce the risks. Diversification is a way to improve the economy of the farm and decreasing dependence on conventional farming (Pyysäinen *et al*, 2006)). Farmer B wants to generate several incomes from the farm. Farmer B also specializes in pigs, crops and developing the farm. Diversification is often more common with younger farmers. The respondent being 44, this could be either true or false. Alsos *et al* (2003) states that farmers do not identify themselves with being entrepreneurs, and Peura *et al* (2002) says that farmers does not have the typical characteristics for an entrepreneur. Farmer B lacks some of the important traits, like being an optimist and says that a successful farmer is a person who runs a business perfectly, but does not offer his definition of perfection. He also tries to minimize the risks and a lot of research says that entrepreneurs are risk seeking. But, the respondent also has a lot of traits typical for a farmer like being innovative and developing the business. He also says that an entrepreneur should keep on developing his skills and get influences outside the farm. This corresponds to a description of an entrepreneur

Successful farmers have three key characteristics; problem solvers, social and management of events (Shiebel, 2002). Farmer B solves his current problem of low profits by investing, but has a large network that indicates that he is social. The management of events could be divided in different categories and farmer B is a helpless entrepreneur since he does not think he could affect the decreasing price on pig meat. He has given up. Some farmers are more income-oriented, which according to Pyysäinen *et al* (2006) makes them worse entrepreneurs than those focusing on the market. The respondent seems to be more income related and wants to lower his risks both with alternative ventures but also with price hedging.

## **LRF as a farmers' organization**

LRF want to provide their members business improvement tools and make sure that the members are provided with the support they demand (Folin, personal message, 2010). It is important to provide the tools at the right time and in the right way. Farmer B thinks that LRF succeed with getting him the right tools and that he gets it in the right way and at the right time. Farmer B got use of the activity in the way that he wanted: developing his skills, meeting and discussing with people in the industry, learn new things that could increase his profit etc. There are several different fields that LRF works with like lobbying, business support, promote rural development etc.(LRF, 2010g). LRF should work primarily with lobbying, promote conventional farmers and having courses for farmers to develop their skills.

## **6.3 Farmer C “The organic farmer”**

### **The business development**

Farmer C has some characteristics typical for an entrepreneur. Pyysiäinen *et al* (2006) states that an entrepreneur should be innovative, initiative, risk-taking, able to deal with the unexpected, see changes, being responsible and acknowledge opportunities. Farmer C focuses her new ideas around making the farm more efficient and gets the ideas from several sources, which she subsequently discusses with a broad network (including advisers since the farm has increased in size). Talking to advisers and having a social network is important (Lone & Talbot, 2000).

The respondent has seen that the market fluctuations have increased in the last few years and she is attempting to deal with it by attending a project that is working on getting the prices up on beef meat. She sees an opportunity, as her land has not been treated with pesticides and that her products are organic. An entrepreneur also has to be communicative, taking leadership, planning, follow up the plan, believe in themselves, being goal oriented and process information (Pyysiäinen *et al*, 2006 & Kallio & Kola, 1999). Farmer C does not have any employees but runs the farm with her husband. They have a business plan but not written down, she says that since they are only two people they can communicate the plan instead of writing it down. Writing down the business plan would take too much time and farmer C has not realised how big her company has gotten, she says. The follow-ups are done regularly through different production measurements like results from the slaughterhouse. The belief in the business and the future is medium-low and there is no investment plan, only a wish list. Farmer C is resigned; she thinks the profit is to low and the costs to high. The fluctuations are greater, the price has remained the same, but the costs are higher. Being an entrepreneur is being an optimist (Baron, 2004). Farmer C is not very optimistic about the future and says that something has to happen; otherwise, Swedish farmers will have to give up.

Famer C does not have any income from new venture, she focuses on the core venture and does not want to invest, since she plans to retire in 8 years, so the “push and pull” theory could not be applied here. According to Carter (1998) farmer C is a monoactive farmer. A monoactive farmer is older, has experience and education limited to farming, small in size and fewer employees. The respondent is 57 years old, she is not educated in farming, but she is a nursery school teacher so the limitation is not correct, although it is not other business project. The farm is quite large, even if the respondent has not realized it, but there are not any employees. Since farmer C does not have any new ventures, she cannot be categorised

according to motivation reason or “normal or new” business. When being risk avert, a person is afraid of investing and employing until profit is shown (Ferguson & Olofsson, 2011). Farmer C does not have an investment plan because of the economy, but states that it is also partly because of her being too old and not wanting to invest with her retirement approaching. The respondent has decided to go for specialisation as her strategy. Reipponen (1995) says that successful entrepreneurs are goal oriented and unsuccessful income oriented. Farmer C focuses more on income than the market demand.

Alsos *et al* (2003) and McElwee (2006) suggest that farmers do not identify themselves with being entrepreneurs. When comparing the relevant literature in the subject like Alsos *et al* (2006) and Shiebel (2002) the respondent’s opinion of a successful entrepreneur, it is not that comparable. Farmer C focuses on profit and efficiency, while the literature mentions qualities like problem solving, developing the business and being optimistic. The respondent is a socially active entrepreneur, according to Shiebel (2002) and this means that she is driven by being social, she takes responsibility but she adjusts to the majority. The farmer has tried to adapt to the market fluctuations by entering a project like the other beef producers and wants to work together with others, like a collective, to reach profit again.

### **LRF as a farmers’ organization**

LRF works with providing farmers with tools to develop their businesses, at the right time and in the right way (Folin, personal message, 2010). Farmer C feels that she gets to know about the activities she wants to attend. She got the right use out of the activity; she developed her skills and see things in a new perspective. LRF works in a broad variety of fields like political conditions, to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). Farmer C thinks that LRF should offer individual courses, economy courses, seminars, short courses and discussion groups. The respondent wants to attend everything that is possible for her and meeting other farmers is on top of the list. LRF should work more with regional projects and work on securing better profit to Swedish farmers. She thinks that it is good to be offered courses, because sometimes you do not know that you need them. The farmer thinks it is good that LRF offers many tools, but should cooperate with other businesses in the industry, so they do not supply the same things.

## **6.4 Farmer D “The risk reducer”**

### **The business development**

Innovative, initative, risk-taking, dealing with the unexpected, seeing changes, seeing opportunities, communicative, a leader, being a planner and following up the plans, being goal oriented and believe in themselves are all qualities appointed an entrepreneur according to literature (Pyysiäinen *et al*, 2006; Kallio & Kola, 1999). Farmer D is partially innovative, getting idea sometimes, but not communicating them to others to the extent that a true entrepreneur does. Farmers could be bad at using their social network and hiring advisers, which could damage their development (Lone & Talbot, 2000). Farmer D has that problem; he depends a lot on himself. He has acknowledged that the market fluctuations are getting greater and he tries to deal with the unexpected with price hedging and diversification. The respondent does not have a business plan written down, though the one he has in his head is comprehensive (focusing on income and management of the farm) and does not deal with details. He does not follow up his production (he is too idle) and this is not good for the

business or very entrepreneurial. Having just one part-time employee, farmer D cannot practice leadership a lot. According to Baron (2004) entrepreneurs are perceived as optimists, are social people, believe in themselves and are risk seeking. The respondent has a belief in himself and his business; he thinks he is good in his field. Farmer D has a high belief in the future (optimist), is not that social and tries to lower his risk by price hedging and diversification.

The farmer has an alternative venture with parking lots to an airport. According to the “push or pulled” theory, farmer D has been pulled into starting up (Amit & Mueller, 1994). It is a proactive strategy and the farmer has seen an opportunity. Farmer D’s firm structure could be classified as a portfolio owner since his new venture is not strongly connected to farming. According to Alsos *et al* (2003) he is a resource explorer and he has seen opportunities to make money on providing parking lots. The farm is also a “normal business” since the core activity is farming and the resources as machinery are from the farm. Risk aversion is shown when farmers do not want to invest until there is profit in the company (Ferguson & Olofsson, 2011). Farmer D thinks he has a good profit and wants to invest in the parking lots.

There are literature implying that farmers do not identify themselves with being entrepreneurs (Alsos *et al*, 2003) and that it is harder for farmers to be entrepreneurs because of an extremely regulated market (McElwee, 2006). Farmer D identifies himself with being an entrepreneur, as his own qualities corresponds to his description of an entrepreneur. This corresponds well with the literatures description. According to Shiebel (2002) farmer D is an indifferent entrepreneur, not extreme in any direction. He is handling the fluctuations on the market but is not extremely risk-taking or afraid of risks. Farmer D says that a successful entrepreneur is responsive, has a big network and is up-to-date. That corresponds fairly to the literatures description of a farmer and, in that respect, the farmer is identifying himself with an entrepreneur. Successful entrepreneurs are market-oriented (Riepponen, 1995). They acted on demand and recognized favourable markets and niches. The unsuccessful are income-oriented and afraid of unemployment or wanted to get extra income. Farmer D is market-oriented and wants to keep track on what is happening around him.

## **LRF as a farmers’ organization**

LRF wants to provide their members with business developing tools (Folin, personal message, 2010). The focus is on the right time and the right place. Farmer D thinks that he gets the right information and is satisfied with reading magazines and attending study groups. The farmer wanted to participate to get more knowledge, new ideas and meet people. He got an average amount of use from the activity and the lecturers’ knowledge should have been higher. LRF works in a broad variety of fields like political conditions, to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). LRF provides courses in different subjects aimed at farmers with different ventures (Folin, personal message, 2010). In the future, farmer D wants individual help but also courses in, among other subjects, farm economy. He think he does not need any help in crop production since he is educated in that field and has a large network of contacts, since he has worked with an advisory service. Farmer D thinks that LRF should work more with conventional farming and not focus so much on new industries.

Farmer D thinks that LRFs activities are good, that he got new ideas and was able to broaden his network. LRF wants to provide their members with courses, seminars, coaching, etc, to develop their businesses (Folin, personal message, 2010) and the respondent thinks that the best way is to get individual help; and more courses, especially in farm economy. He points

out that having educated employees at LRF is important. LRF tries to get in contact with their members in several different ways and the farmer does not think that it is a problem to get news about LRF. LRF works in several fields and the respondent thinks it is most important for them to focus on conventional farming.

## 6.5 Farmer E “The jack of all trades”

### The business development

Farmer E has many of the characteristics appointed an entrepreneur like innovative, risk-taking, up to date, seeing opportunities, communicative (Pyysiäinen *et al*, 2006). She also does follow-up the results, wants to develop her business and is goal oriented (Kallio & Kola, 1999). Her innovativeness is apparent when she explains that she gets inspired when talking to friends and her husband, but also when she talks about her business plan and that she recently developed a farm shop. Lone & Talbot (2000) write that farmers should use their social network and professional advisers to develop their businesses. The respondent is not using her network sufficiently, but she regularly receives help from advisers. She keeps herself up-to-date, mostly through her husband that is active in one of LRF regional offices and she is good in seeing opportunities; starting with the beef cattle in 2006 since her land was perfect for that purpose. The farmer has a business plan, but not written down, although she and her husband do discuss their plan frequently and they regularly follow-up, since they get back the results from the slaughterhouse. Risk-taking is also a quality Baron (2004) appoints an entrepreneur; in addition to that, they should be an optimist, social, believe in themselves and produces strategies. Farmer E takes risks starting new ventures that are not that common, like starting a farm shop for selling the meat produced on the farm. She admits that has felt the increase in market fluctuations, but says that the demand for her products is still great. The respondent has a high belief in the future but does not have an investment plan, in view of the fact that they recently invested in the business and are going to retire soon. She is social and strategic, having two ventures on the farm (beef, broiler and farm shop) as well as having a separate company with chiropodist enterprise. The respondent has a high belief in herself and says that there is great demand on their products. The beef cattle production and the farm shop are the two latest ventures and the farmer has been pulled into starting up as the “push and pull”-theory implies, and it was a proactive strategy (Ferguson & Olofsson, 2011). She and her husband saw the opportunity to start up and that the land was fit for beef cattle. Although she does admits that it is nice to have several income sources and reducing risks, the farmer is satisfied with her profit and that is often a prerequisite to investment.

Farmer E’s firm structure is one of a portfolio owner (Carter, 1998) who is broader and has several businesses (not everyone strongly connected to farming). The motivation of the farmer is a mix between a resource exploiter and a portfolio owner (Alsos *et al*, 2003). The respondent sees resources and wants to use them but also has ideas that she wants to develop and uses the network built up in the prior businesses. The business could be called “normal” having farming, as the core activity (Ferguson & Olofsson, 2011) but also falls into the category of “new business” since the chiropodist practice is not connected to farming; even if the investment capital in the business was generated from farming. The farmer deals with risks by diversifying (Pyysiäinen *et al*, 2006) but the market is not preventing specialisation, nor are the farmers younger, like Rantamäki-Lahtinen (2002) indicates. McElwee (2004) argues that diversification is more common among women and that they often start a farm

shop or accommodation. Farmer E is a woman with a diversified company but besides having a farm shop, she has a beef cattle and broiler production as well as chiropodist company.

Farmers do not identify themselves with being entrepreneurs (Alsos *et al*, 2003) and it is harder for farmers to be entrepreneurs because of the much more regulated market (McElwee, 2006). A successful farmer is according to farmer E, a person that loves farming, someone who plans their production, monitors the market, gets away from the farm to see other things and does not takes themselves too seriously. These attributes corresponds to literature and how farmer E is as a person, although loving the farm life has not been mentioned before. The attributes also correspond to farmer E. According to Shiebel (2002) farmer E should be classified as a self-responsible farmer as she thinks she can manage events, she does not get stressed and she enjoys taking risks. A study from Finland showed that successful entrepreneurs were market-oriented (iepponen, 1995). They acted on demand and recognised favourable markets and niches. The unsuccessful were income-oriented and afraid of unemployment or wanted to get extra income. Farmer E is very market oriented e.g. starting a farm shop to satisfy demand.

### **LRF as a farmers' organization**

Providing the right business developing tools at the right time and in the right place is of much importance to LRF (Folin, personal message, 2010). Farmer E did not think she had much use of the activity she attended, but enjoyed meeting colleagues to discuss with and thought some of the facts presented were informative. The respondent is married to a LRF chairperson and because of that, she gets all the relevant information at the right time. LRF works in a broad variety of fields like political conditions, to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). LRF provides courses in different subjects aimed at farmers with different ventures (Folin, personal message, 2010). Wants all kind of support and says that LRF should work more regionally and focus on conventional farming.

## **6.6 Farmer F “The reborn farmer”**

### **The business development**

The aforementioned qualities important for an entrepreneur, such as innovativeness, risk-taking, talent to deal with unexpected things, seeing opportunities, communicating, leadership skills, planning, following up the plan, being goal-oriented etc (Pyysiäinen *et al*, 2006; Kallio & Kola, 1999). Farmer F is not that innovative but is influenced by several sources, to develop his ideas he only talks to his son and advisers and as Lone & Talbot (2000) argue, it is good to have a broad network when having a business. He sees opportunities since he has developed a business harvesting at other farms and that is an alternative venture. There are no employees at the company, so the farmer has not been able to practice his leadership skills. He has a business plan, but not written. Since his son became part of the business four years ago the farmer has gotten new spirit and is thinking of developing a business plan in the future. He does not follow up the plan today and states it is because he does not have them written down. Being an optimist, believing in yourself and being social is important for entrepreneurs (Baron, 2004). Farmer F has a medium belief in himself, but is getting more positive since his son became a part of the business. The belief in the future is high since his son joined the company, but he is shy and reluctant to meet too many unknown people. He has an investment plan and states that as a necessity, otherwise the company is lost, but he

still pertains that he does not see any particular possibilities in the business. The respondent started up the new venture since he wanted to get an extra income and was according to the “push and pull” –theory pushed (Amit & Mueller, 1994). It is a reactive strategy (McElwee, 2006) and the farmer is not satisfied with his profit.

The respondent's firm structure is structural diversifying according to Carter (1998) since he has more than one business but is not big and his new venture is connected to the farming. He is also a pluriactive farmer since he mainly started the new venture to keep on having the farm (the motivation), he needed an extra income. The farm is a “normal” farm having a strong core in farming (Ferguson & Olofsson, 2011). Farmer F is not a risk-seeker and he tries to reduce the risks by having both pigs and selling some crops. Not being afraid of risks and wanting to develop is characteristics for an entrepreneur (Ferguson & Olofsson, 2011; Kallio & Kola, 1999). He is what Shiebel (2002) calls a helpless entrepreneur, who does not think he could manage any event and thinks that everything is governed by luck. He is passive and just waits for the prices to change. To meet the future market a specialisation is the only way to go and often entrepreneurs that do succeed are market-oriented (Pyysiäinen *et al*, 2006), however farmer F is more of an income-oriented person. Some literature say that farmers do not identify themselves with being entrepreneurs (Alsos *et al*, 2003) and that it is harder for farmers to be entrepreneurs because of the extremely regulated market (McElwee, 2006). To be a successful entrepreneur there are many success factors to have as qualities and farmer F thinks that the most important thing is that the farmer is satisfied with their own situation. Farmer F does not seem satisfied with his situation and talks a lot about the “things he can not affect” and the low prices. The literature implies that satisfaction is a part of being a good entrepreneur, but there are many other things

### **LRF as a farmers' organization**

Having access to information to develop the company at the right time and place is important for farmers and LRF works in improving this (Folin, personal message, 2010). Farmer F participated to get new knowledge in the area and thinks that he got the information he required. LRF provides courses in different subjects aimed at farmers with different ventures (Folin, personal message, 2010). Farmer F says that LRF should be working with all kinds of support, like seminars, discussion groups and study visits at other farms. In addition, courses in pig production and potato production are demanded. LRF works in different fields like political conditions, to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). According to the respondent LRF should work with conventional farming.

## **6.7 Farmer G “The young farmer”**

### **The business development**

Farmer G is innovative like an entrepreneur should be (Pyysiäinen *et al*, 2006). He has a lot of ideas for the future and he state that he talks a lot with farm colleagues, participate in study visits at other farms and he learn by others and his own mistakes. According to literature entrepreneurs should be risk-taking, could deal with the unexpected, see changes, seeing opportunities, being communicative, taking leadership, plan the business and follow it up (Pyysiäinen *et al*, 2006; Kallio & Kola, 1999). They should also have a high belief in themselves and be goal oriented. The respondent is risk taking in the sense that he is not afraid of investing and developing the company but he is also takes measurements to reduce

risks like learning about price hedging, diversification, etc. He is not afraid of dealing with the unexpected and plans to learn more about monitoring the market to see changes. He has recognised the rise in market fluctuations and dealt with them by cooperating with other farmers in buying cereals. The farmer is good at noticing opportunities and has started with a contract business, e.g. harvesting at other farms, since he thought he could get better use of his machinery and knowing the surrounding farms would require that type of business. There is currently one part-time employee at the farm, but the farmer wants to develop his business, in that case, he could practice his leadership and communication skills. Farmer G has a business plan but has just had it written down the last couple of years (having been a farmer for 15 years). His goals are to keep developing the business and find new ventures. He did not follow up his goals in the past but has done it in the last couple of years. Lone & Talbot (2002) says that it is important that farmers use their network and get counseling from advisers, now and then. The respondent talks about his network and seems to use it, but never mentions advisers. Being an optimist, being social, believing in yourself and thinking in strategies are important traits as well (Baron, 2004). The respondent has a high belief in the future; he is young and sees many opportunities in the future. Farmer G has a high belief in the future and has an investment plan. He is social using his network and he has a strategy to meet the market demands.

According to a theory by Amit & Mueller (1994) farmer G has been both pushed and pulled into his new ventures. He talks a lot about seeing the opportunity, e.g. changing to renewable energy to heat up the farm, but he also started his contract business since there was a demand on other farms (pulled). Although he thinks that his new ventures are a good extra income and have started cooperation with other farmers to lower risk, he is renting out some houses and by that increasing income (pushed). The farmer uses both proactive and reactive strategies (McElwee, 2006). The firm structure, according to Carter (1998), is structurally diversified, as the farmers' new ventures are connected to farming, but he has several businesses. The motivation is a combination between pluriactive and resource explorer given that, as previously mentioned, he sees opportunities but also wants several income sources to depend on and keep his core business. As Ferguson & Olofsson (2011) imply, Farmer G has a typically "normal" farm with a core business in farming and the resources to develop new ventures are strongly connected to farming.

The farmer does a lot to lower risks and as Ferguson & Olofsson (2011) points out farmers waits to hire until profit is shown. Farmer G wants to expand his business in the future but has today only a part-time employee. This might decrease the development of the business since the owner has to work a lot on his own and does not have time to plan for the future.

Diversifications are a way to deal with risks and improve economy of a farm (Pyysiäinen *et al*, 2006)). This method is often used when specialisation is prevented (Rantamäki-Lahtinen, 2002) and when synergies can be taken advantage of (Pyysiäinen *et al*, 2006). Diversification is more common among younger farmers (Rantamäki-Lahtinen, 2002) and women, although they then often have farm shops and accommodations (McElwee, 2004). In this case, the farmer wants to diversify to generate several incomes. The respondent can increase his beef cattle production and might do so in the future, but today sees more opportunities in diversifying. He is a young farmer, not a woman, but does not focus on farm shops, etc. Alsos *et al* (2003) argues that farmers are more entrepreneurs today and McElwee (2006) says that it is difficult for farmers to be entrepreneurial as the industry is extremely regulated. Farmer G does not identify themselves with entrepreneurs and the skills that they have (Pleura *et al*, 2002). Farmer G says that a successful farmer is a person who monitors the market, plans for

the future and is disciplined. These attributes corresponds to him as well as to literature in the field. Farmer G sees himself as an entrepreneur.

According to Shiebel (2002) farmer G is a typical self-responsible farmer. He thinks he could manage any event, he is a risk taker and he is not susceptible to stress. Riepponen (1995) argue that successful farmers are market-oriented instead of being income-oriented and farmer G is much focused on the market and wanting to meet demand, even if he mentions profit and diversifying his company to generate several incomes.

### **LRF as a farmers' organization**

LRF wants to support Swedish farmers with tools to develop their companies (Folin, personal message, 2010). They also want to provide the tools at the right time and place. Farmer G participated in a course to get better knowledge in the area and because it sounded interesting. He thinks that he gets the information about new activities in the right way, but suggests also starting with text messages. He found the course that he attended partly useful, though the most important aspect was to enter into discussion with other farmers. LRF provides courses in different subjects aimed at farmers with different ventures (Folin, personal message, 2010). Farmer G wants support with courses that are specialized on his kind of production and especially in economy. The respondent says that it is good to have many different types of support to choose from and he cannot say a special area where he doesn't require support. LRF works with all kinds of different things like political conditions, to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). He wants LRF to work with monitoring the market and lobbying in Brussels.

## **6.8 Farmer H “The new farmer”**

### **The business development**

Farmer H is a young farmer who recently started with farming. Being both a farmer and an entrepreneur there are some qualities that are important like, innovativeness, risk-taking, talent to deal with the unexpected, the ability to acknowledge changes, the ability to seek and see opportunities (Pyysiäinen *et al*, 2006). You should also be good at interacting, communicating and taking leadership. Having the ability to plan the business, follow through the plan and monitor it is also important, as well as believing in yourself and being goal-oriented (Kallio & Kola, 1999). Farmer H has many plans for the future and seems very innovative. She has a good network she talks to and uses advisers regularly, mentioned as important by Lone & Talbot (2002). As she has just started, she has not invested anything but has a plan to build a new stable with two milking robots. She is risk-taking and says that she has to invest to make money on her business and she is thinking about organic production, as it is demanded these days and more economical. Having been part of the farm for several years, her parents' beings the previous owners, she has seen that the market fluctuations are bigger today then before. She is dealing with this quite unexpected economy crash by investing to get a more efficient business. She has seen the opportunities at the farm and wants to start up a farm café in the future, and has decided to deliver to Milko, which is a dairy focusing on county-milk; also a company that give a higher wage to the farmers. The farmer has 1.5 employees and practices in that way leadership. She has a business plan and does regular follow-ups. Being social, analysing, processing information, believing in yourself and your business as well as being an optimist are entrepreneurial qualities,

according to Baron (2004). The respondent believes in the business and herself, wanting to invest and says she has great opportunities to succeed, since she is educated and has the interest. Farmer H utilises a defined network and has travelled a lot to make contact with new people. She has a high belief in the future and has critically analysed her situation with an adviser to outline the plans for the company.

The farmer is not at this point pushed, as the “push and pull”-theory implies (Amit & Mueller, 1994), in to starting a farm café, since she plans to make enough profit from the milk production. The farm café is a “pull”-idea that she wants to develop, but she also states that it could be good to have an extra income to the farm. It is a proactive strategy (McElwee, 2006). The firm structure is monoactive (Carter, 1998) at the time but just because the farmer has not been able to invest and make the business her own yet. The farmer’s firm structure is because of this more of the structural diversifiers as the core business is farming and the new ventures are going to be strongly connected to farming. The motivation of the farmer is the one of a portfolio farmer (Alsos et al, 2003). Farmer H has developed an idea of opening a farm café and intends to develop this idea through the use of existing connections. The farm is categorized as a “normal” business since the new business is strongly connected to the core activity (Ferguson & Olofsson, 2010). Farms often wait to employ until the farm shows profit to lower risks and this theory cannot be applied to farmer H since she just started with farming. Farmer H is going for the strategy to diversify in the future, which could be done to reduce risks and improve economy of the farm (Pyysiäinen et al, 2006)). Farmer H says that this is the case, but it is also a way to meet people. Diversification is often done if something hinders the alternative to specialise or grow bigger (Rantamäki-Lahtinen, 2002). In this farmers’ case, it is the surrounding areas that prevents expansion, since there is not enough land to develop further. Diversification is, according to literature, more common among young farmers. It is also women who often diversify and starts farm shops or accommodation (McElwee, 2006). Farmer H fits in to this profile.

Alsos et al (2003) and McElwee (2004) argue that it is harder for farmers to be entrepreneurs and Peura et al (2002) thinks that farmers do not identify themselves as being entrepreneurs. Farmer H thinks that a successful farmer is a person who is precise, tries new things and keeps developing. These skills are all a part of literatures description of an entrepreneur. Farmer H can be categorised, for the most part, as a self-responsible entrepreneur (Shiebel, 2002). She takes risks and thinks she can manage any event. However, she is also partly a socially active entrepreneur since she wants to develop a café to meet people. Reipponen (1995) thinks that successful farmers are market-oriented and not income-oriented. Farmer H is more focused on market as she is going for organic production and county milk, which is demanded on the market today.

## **LRF as a farmers’ organization**

LRF works with business development for farmers and want to provide Swedish farmers with the necessary tools to achieve this (Folin, personal message, 2010). Farmer H wanted someone to go through her business with her and she thinks it worked well. She gets information about new activities and thinks that works well, though also recommends text messages. LRF provides courses in different subjects aimed at farmers with different ventures (Folin, personal message, 2010). The respondent mentions that courses in different areas are very important and so are discussions with other farmers and advisers. A mentors program is according to the respondent, something that she misses and she says that individual

counselling could be good in specific cases. All kind of support is important to farmers but farmer H especially mentions crop production. LRF works in a broad variety of fields like political conditions, to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). Farmer H is of the opinion that LRF works with the right things, but states that it is difficult for her to have an opinion since she has only been active as a farmer for two years.

# 7 Comparative analysis

This chapter represents a comparative analysis of the respondents' answers.

## 7.1 Definition of an entrepreneur

The most important attributes appointed to an entrepreneur are innovation, risk-taking, a talent to deal with the unexpected, to acknowledge changes, and to both see and seek opportunities (Pyysiäinen *et al.*, 2006). In addition to this, you also have to be communicative and take a leadership role when working with others. To plan, execute and follow it up is important as well. All the farmers in the study are innovative but farmer A, B, E, G and H seem slightly more innovative. A, B, C, G and H discuss their ideas with a broad network, while the others have a limited number of discussion partners, such as F who only talks to his son. Three of the farmers are neither risk seekers nor takers: C, D and F. They take measurements to lower risks like price hedging, cooperation and projects and do not want to invest until profit is shown or the market is better. Respondent B, E and H are risk-takers (B and G are both) and they invest, but take precautions like price hedging to lower the risks and secure their business income. All farmers have noticed the changes in the market with bigger fluctuations, even if farmer E is the only one who thinks the demand is better now than before. A majority of the respondents see opportunities in their businesses with the exception of A and B. Leadership skills can only be based on number of employees at the farm and according to that A, B and H are practising leadership daily, whereas the others are not. All of the respondents deal with the unexpected daily by not knowing how the market fluctuations are going to be, but farmers that monitor the market are better at dealing with it. Farmers A, D, E, G and H monitor the market.

Kallio & Kola (1999) consider that an entrepreneur has a profitable business and does regular follow-up of production. An entrepreneur keeps on developing his/her business, believes in what they are doing, are goal-oriented and make use of relevant information. All of the respondents state that they have a business plan but only farmers A, G and H have it written down. The farmers who have a business plan and do regular follow-ups are goal-oriented. The majority of the respondents do follow-ups; it is only D and F that do not. D states he is too lazy and F state that it is because he does not have the goals written down. How long it takes between the follow ups are different, some do it once a year (B) and some regularly (A, C, E). All farmers want to keep developing their business but not everyone believes in themselves and their business. Farmer B has a low belief in himself and his business, as he sees no opportunities. Farmer C and F have a medium belief in themselves; farmer C states that it has been some rough years for her as a farmer and farmer F is somewhat pessimistic, but says that he thinks it is going to get better now when his son has entered the company. Farmer A, D, E, G and H have a high belief in the future.

It is important to discuss business plans with professionals, but research shows that entrepreneurial farmers rather discuss their business with family or colleagues and not advisers, which limits their development (Lone & Talbot, 2000). They also have problems with not using social networks enough. The majority of the farmers are, as aforementioned, good at using their social network and the same applies on the usage of professional advisers. Farmer A, D and G declare that they do not use advisers regularly. Baron (2004) says that entrepreneurs are optimists and social. People with entrepreneurship skills have the ability to think in scenarios, develop strategies, process information and critically analyze situations.

All of the farmers have a strategy and it focuses on diversification or specialisation, where farmer A and C are the only ones that purely focus on specialising their business and expanding the core activity. Being an optimist is important as well as having an investment plan for the future. All the farmers but B, C and E have an investment plan. Farmers B and C does not have an investment plan because they think that the world economy is too risky at this point. Farmer E does not have currently have a plan, as she and her husband have previously invested a lot, are retiring soon, and none of their children want to continue with farming. The belief in the future varies but those that have an optimistic view of the future also have an investment plan, with the exception of farmer E who has a high belief in the future but does not want to invest, as previously mentioned. Farmer B, C and F have a medium belief in the future, all of them because of the economy but F states that he is getting more belief since his son entered the company. See table 2 for a summary and comparison of the farmers' qualities.

Table 2. Summary and comparison of each farmer's qualities.

farmer	sex	educ.	innovative	uses network	advisers	risktaking	seeing opp	recon change	leadership
a	man	2 agr uni	high	High	No	yes and no	no	yes	high
b	man	2 agr uni	high	Low	Yes	yes	no	yes	high
c	woman	teacher	medium	High	Yes	no	yes	yes	low
d	man	M Sc agri	medium	Low	No	no	yes	yes	low
e	woman	nurse	high	Low	Yes	yes	yes	yes	low
f	man	high sch	low	Low	Yes	no	yes	yes	low
g	man	high sch	high	High	No	yes and no	yes	yes	medium
h	woman	M Sc agri	high	High	Yes	yes	yes	yes	high
farmer	sex	business plan written down	follow up	Selfbelieve	goal-oriented	investment plan	belief in future (optimists)	market or goal oriented	
a	man	yes	yes	High	Yes	yes	high	market	
b	man	no	yes	low	Yes	no	medium	income	
c	woman	no	yes	Medium	Yes	no	medium	income	
d	man	no	no	High	No	yes	high	market	
e	woman	no	yes	High	Yes	no	high	market	
f	man	no	no	Medium	No	yes	medium	income	
g	man	yes	yes	High	Yes	yes	high	market	
h	woman	yes	yes	High	Yes	yes	high	market	

## 7.2 Reason for starting up a new venture

Amit & Mueller (1994) argue that entrepreneurs are either pushed or pulled in to starting a new venture. Being pushed, the entrepreneur would have to start a new business to stabilise the economy of the core activity and being pulled, the entrepreneur has an idea that they want to develop. McElwee (2004) thinks that being pushed into starting up is a reactive strategy and being pulled in is a proactive strategy. Farmer F and G have been pushed into starting up

since they wanted to create an extra income. Farmer A and C have not started a new venture, because of either pushed or pulled. Farmer B, D, E and H have seen an opportunity at their farm that they want to develop. These farmers also state that it is good to get an extra income, through did not start the new venture purely because of it.

### **7.3 Which different types of entrepreneurs are there?**

There are different types of entrepreneurs and they can be categorised according to firm structure and motivation. Carter (1998) argues that the firm structure could be divided into 3 categories: mono active, portfolio owner and structural diversifier. Farmers A and C are mono active farmers since they specialize in one farming activity. Mono active farmers are according to literature; older and have knowledge and experience quite restricted to farming. They own smaller farms and have fewer employees. Farmer A is on the contrary quite young, has a university degree in farming, has a big farm (compared to average) and has two employees. Farmer C is more compatible with the description of a mono active farmer as she is 57 years old, has no employees although the farm is quite large, and has an education as a teacher. The respondents D and E are categorised as portfolio owners, since they both have bigger farms, have several businesses and not all of their businesses are connected to farming. Farmer D has parking lots and farmer E has a chiropodist practice. Farmers B, F and G are structural diversifiers and place themselves somewhere in between mono active farmers and portfolio owners. They all have several businesses, but the new ventures are connected to farming. Farmer H is a mono active farmer today, as she recently took over the family farm but is going to start up a farm café, at which point she will be classified as a structural diversifier.

The motivation of the business is categorized into 3 categories as well; pluriactive, resource exploiting and portfolio farmers (Alsos *et al*, 2003). Farmer F is a pluriactive farmer by the motivation since he started the new venture to keep his core activity. Farmer G is a mix between pluri active and resource explorer since he sees the opportunities and wants to develop ideas, but also needs more income to the business. Farmer B and D are resource explorers; they see the resources available in their business and want to develop them. Farmer H is a portfolio farmer as she has an idea she wants to develop and is going to use her connections in farming, once she has gained more experience in entrepreneurship. Farmer E is a mix between resource explorer and portfolio farmer. She sees resources in her farm that she wants to develop but also has ideas and wants to develop them. Farmer A and C cannot be categorised. The business can also be divided into “normal”- or “new”-ventures according to Ferguson & Olofsson (2011). If “normal”, the business has a strong core activity in farming, the “new” business has an open approach, and the core business is unconventional. All of the farms who started new ventures are “normal” since they have farming as the main activity in the business. However, the new venture could be strongly connected to farming or not. Farmer E is the only farmer who has a venture not connected to farming (chiropodist practice) that makes her partially a “new” business.

### **7.4 How to deal with risks**

Ferguson & Olofsson (2011) argue that risk aversion is common in Swedish farmers, as they wait to employ until profit can be proven. Carter (1998) means that usage of existing resources to lower risks delays development. Baron (2004) also states that entrepreneurs should be risk taking. Farmer C, D and F are not risk-taking, as previously mentioned, but also those who are takes precautions to limit risks in their company. Farmer B, D and G

mention price hedging as a risk reducer and farmer C is attending a project trying to increase price on beef meat. Diversification could be a strategy in farming (Folin, personal message, 2010) and a possibility to lower risks (Pyysiäinen *et al*, 2006). All farmers except A and C diversify, and diversifying is sometimes done when economy or topography prevents specialisation (Rantamäki-Lahtinen, 2002). In this case study, it was only farmer H who stated that the land surrounding her farm prevented the business from growing larger. Diversification is, according to literature, more common among young farmers (Rantamäki-Lahtinen, 2002) and women (McElwee, 2004). The respondents specialising in one field are 45 and 57 while the respondents diversifying are between 35 and 55. Several of the respondents want to lower risks by getting better at monitoring the market.

## 7.5 Farmer or entrepreneur?

There is literature implying that farmers do not identify themselves with being entrepreneurs (Alsos *et al*, 2003) and that it is harder for farmers to be entrepreneurs because of the extremely regulated market (McElwee, 2006). When the respondents describe what qualities they think a good entrepreneur has, much of it corresponds to the literatures descriptions. Farmers A, D, E, G and H identify themselves with being entrepreneurs and their description of one corresponds to the literary description. Farmer B, C and F identify themselves with being entrepreneurs but their description does not correspond accurately with the literary description.

## 7.6 Success factor in entrepreneurship

Shiebel (2002) divides entrepreneurs according to their problem-solving ability, social initiative and their faith in their ability to manage events. Farmers A, E, G and H are self-responsible entrepreneurs. They think that they could manage any event; they take risks and are not susceptible to stress. Farmers B and F are so called helpless entrepreneurs, they think that they are unable to affect things happening around them; they are passive and have a hard time adjusting. Both of them think they are unable to affect the low prices and are passive enough just to wait for it to change. Farmer C is a socially active farmer, she is driven by being social, and she takes responsibility for her company by entering a project, but adjusts to others. Farmer D is an indifferent entrepreneur since he is not extreme in any direction. He thinks he can manage the events happening to his business but he is neither a risk taking nor a risk avert.

Successful entrepreneurs are market-oriented (Riepponen, 1995). They act on demand and recognise favourable markets and niches. The unsuccessful were income-oriented and afraid of unemployment or wanted to gain extra income. In being market oriented, an entrepreneur has to keep track on what is happening on the market. Farmers A, D, E, G and H are market-oriented and keep track on market demand. Farmers B, c and F are more of the income-oriented entrepreneurs and focuses on getting income to the business.

## 7.7 Comparative table of the respondents

Table 3. Comparative table of the respondents' answers

Farmer	Sex	Type of farming	Education	New venture	Push or pull	Firm structure	Motivation	Normal/ new	Diversification/ specialization	Problem solving and management of events
A	Man	Pigs	2 years agr. uni	_____	_____	Monactive	_____	_____	Spec	Self-responsible
B	Man	Pigs and crops	2 years agr. uni	Christ mas trees	Pulled	Structural diversifier	Resource explorer	Normal	Div	Helpless
C	Woman	Beef	Teache r	_____	_____	Monoactive	_____	_____	Spec	Socially active
D	Man	Crops	M. Sc Agr	Parkin g lots	Pulled	Portfolio	Resource explorer	Normal	Div	Indifferent
E	Woman	Broil er	Nurse	Beef cattle and farm shop	Pulled	Portfolio	Resource explorer / portfolio	Normal/ new	Div	Self-responsible
F	Man	Pig and crops	High school	Contra ct work	Push ed	Structural diversifier	Pluriactive	Normal	Div	Helpless
G	Man	Beef	High school	Contra ct work	Push ed and pulle d	Structural diversifier	Pluriactive/ resource explorer	Normal	Div	Self responsible
H	Woman	Milk	M. Sc. Agr	Café	Pulled	Monoactive/ structural diversifier	Portfolio owner	Normal	Div	Self responsible

## 7.8 LRF as a support function

LRF is keen on supplying farmers with the business developing tools they need at the right time and in the right place (Folin, personal message). All the respondents in the study stated that they attended an activity to develop their skills. Farmer C and E stated that they attended to get knowledge on how to develop their business. Farmer B attended, as he wanted to decrease risk and increase profit. Three farmers mentioned widening their network as a reason for participating (A, B and D). The majority of the farmers got a high use out of the activity and were able to expand their network. The respondents who did not get a high use out of the activity (D, E and G) stated that even if the activity was not that useful, it was extremely beneficial to meet with colleagues, discuss farming and receive some new ideas. Farmer A

and E thinks that they got tools to develop their businesses and farmer A and C says that they increased their profit following the activity. The respondents get information from LRF in different ways and it is only farmer G and H that suggests a new way; sending text messages. The majority of the respondents get their news through mail, e-mail and/or magazines.

LRF provides courses in different subjects aimed at farmers with different ventures (Folin, personal message, 2010). The kind of support the farmers demand vary a lot, but the majority state that it is important to get support in all fields and in different ways. All respondents mention courses as a good way to get support but also seminars, discussions groups and individual courses are of importance. The fields mentioned are monitoring of governmental regulations, lobbying, advanced courses, marketing, integrated counseling, economy courses, courses in new disciplines within farming, pig production and potato production. None of the respondents replied the same. The farmers think that it is important to get information about different subjects and it is only farmer A and E that mention a specific area where they feel they do not require support. Farmer B thinks that short courses are advantageous, due to farmers having limited time to attend activities. Farmer C states that, everything that stimulates discussion between farmers and activities that have new information are good. Some respondents think that it is good to be offered courses, as you can sometimes be unaware of the necessity of them and the information they could provide. The respondents of the study says that it is good that LRF provide a wide variety of services, but should alter their focus to cooperating more with other businesses in the industry, so that they do not supply the same things.

LRF works in a broad variety of fields, like political conditions to create positive public opinion about the green industry, to give their members support on how to develop their businesses and to promote rural development (LRF, 2010g). When asked what LRF should work with, there are four different areas that the respondents mention; lobbying, conventional farming, regional projects and profit for Swedish farmers. Lobbying is important as farmers believe that they cannot work with this themselves. Many of the respondents mention conventional farming (B, D and F) and say that LRF are too wide, providing information on new disciplines with farmer, and shifting their focus away from conventional farming. Farmer F says that it is important to persuade new members to join LRF, but that focus should remain with farming that is more traditional. Respondents D and E deem that LRF work is too concerned with having a global perspective and should have more focus on projects happening at a regional level.

# **8 Discussion**

This chapter presents a discussion of the previously presented material.

## **8.1 Definition of an entrepreneur**

Entrepreneurship is everything that helps the farmer adjusts to a free market economy (Duczkowska-Malysz, 1993). Many scientists want to make a clear distinction between managing a company and being an entrepreneur. For Swedish farmers today, it is becoming more necessary for them to possess entrepreneurial skills, given that the market is becoming more deregulated and the case study shows that Swedish farmers have many of those qualities that are appointed an entrepreneur. The basis for determining whether the respondents run their farms innovatively is formed through reviewing the responses given during the interview and the perception of the interviewer, which could create foregone conclusions.

All of the respondents have ideas, but during the interviews, it was apparent that some were more innovative than others were. The majority of the farmers used their networks well and hired advisers regularly. Both these factors are important in being innovative but also to the development of the company. If you limit yourself to only discussing your ideas with the people closest to you, you will fail to benefit from the additional insight and benefits of talking to professional advisers, who able to highlight different business opportunities and can contribute with inventive and original ideas from other parts of the country. In addition to that, the advisers are specialist in different fields and can contribute with their knowledge.

Many of the respondents have taken measurements to reduce risk, which can be perceived as positive, provided that the respondent does not focus purely on minimising risk; the respondent should also give attention to any potential investment options. Farmers B, E and H have taken risks through selecting to invest, but have also averted potential risks through price hedging. All of the farmers in the case study have sensed the increasing fluctuations in the market, but deal with it in different ways. Dealing with the unexpected, such as fluctuations in the market is a constant issue for the modern farmer, who cannot be certain of what price they will receive for their products.

All farmers see the opportunities in their businesses, apart from farmer A and B who have chosen to focus on the negative market economy. To be a leader one requires employees to lead, though this does not imply that all leaders are worthy leaders. If farms were treated on the same terms as other businesses, more courses in leadership courses would be available. The majority of the farmers do not have an existing business plan written down and state that it is due to their business objectives changing frequently or that they do not believe their company to be of an adequate scale to require a plan. Both having and monitoring a business plan is of great importance. In comparison to other business sectors, very few companies do not have an up-to-date business plan. It is difficult to know if you are succeeding in your business if you do not routinely monitor your results and remain unremittingly goal-oriented.

Managing your farm as a company with a well-maintained business plan could be a deciding factor in the farm succeeding. Belief in what you are doing facilitates the ability to talk on your own behalf and convinces others buy your products. A few of the farmers seem disheartened because of the decreasing profit and low prices on Swedish farming products today. Other farmers appear to be challenged by this and have decided to develop their

business further, finding new ways of achieving profit on their farm. An interaction between these two groups could be an interesting way to resolve these problems. The farmers who are challenged by the price decreasing could offer their way of managing in harsh conditions as a source of inspiration to others. In this study, it was clear that those who had an optimistic view of the future were those who had an investment plan. Belief in yourself and your business is important, but seeing opportunities in the future is equally as important. To succeed in the current market it is important be audacious, succeeding depends upon taking risks and paying special attention to potential ventures.

## **8.2 Reason for starting up a new venture**

Farmer A and C have not started a new business and can therefore not be mentioned in this section of the case study. Half of the remaining farmers had been pushed into starting up and it was a reactive strategy. Why farmers feel that they have to start up alternative businesses is understandable. The market today is changing and they have to adjust to supply and demand. It is increasingly difficult for farmers to survive with only one venture in today's market, when imported products compete with Swedish products and when Sweden has higher costs due of factors like welfare standards and a more expansive work force. Not all of the farmers responded as to why they are not specialising, though plausible causes could be that the land surrounding the farm, resources or the market prevents it. Expansion may not be the answer for all farms and they may instead find opportunities to diversify.

The remaining respondents have been pulled in to starting up; an action that seems positive although several of the "pulled-farmers" argue that it is good to have an extra income. Being pulled in to a venture is a actuality of seeing an opportunity and then developing it. It is a proactive strategy and seeing opportunities is one of the qualities appointed an entrepreneur. Although one could be successful in a new venture when having been pushed in to it, coming up with the idea without being forced may prompt the assertion of more energy into the venture, and ultimately a sense of satisfaction.

## **8.3 Which different types of entrepreneurs are there?**

When classified according to firm structure or motivation, it is difficult to conclude which kind of entrepreneur is the most successful. The description of a mono active farmer does not correspond with the two mono active farmers in this case study. A mono active farmer is described as older, with a purely practical experience in farming, manages a small-scale farm and is likely to have fewer employees. Conversely, both of the responding farmers manage relatively large-scale companies and have received a university education in agricultural science. Farmer A is middle aged, has two employees, whereas farmer C is a little bit older, and has no employees. It is therefore difficult to draw any conclusion from this study if a mono active farmer, that is farmers specializing in one venture, comprises of these qualities or not. The remaining farmers are classified as portfolio owners or structural diversifiers. Portfolio owners have bigger farms, several ventures and not all of their ventures are directly connected to farming. Being a portfolio owner, you obtain inspiration from other industries, which could be of significance, although focusing your attention on other non-farming ventures may lead to missing vital developments within agriculture. Structural diversifiers also have several ventures; however focus on having them exclusively connected to farming.

Entrepreneurial motivation is placed in three categories, pluriactive, resource exploiter and portfolio farmers. The pluriactive have started a new venture to be able to keep the farm, raise

profit, and keep living in the countryside or have started for emotional reasons, such as keeping the family farm. Two of the respondents were classified as pluriactive because they mainly started with a new venture to raise profit and maintain the farm business. They are the same farmers that have been pushed in, according to the “push and pull”-theory. The resource exploiters are the one that are pulled in to starting the business as they see available resources on the farm and want to develop them.

Portfolio farmers are also conscious of opportunities around them, which is important for entrepreneurs, but portfolio farmers also have existing ideas that they want to develop and can utilise their farming connections. All of the farms are “normal” farms, even though farmer E also embodies characteristics associated with a “new” farm. All of respondents intend to keep farming as their core activity. This could be a sign of insecurity, but could also be subject to the fact that the majority of Swedish farmers have lived on a farm their entire life and want to perpetuate the farming existence.

## **8.4 How to deal with risks**

Dealing with risks by price hedging or monitoring the market could be great ways of reducing risks and at the same time be able to take risks when investing. Diversifying or specialising is another way of dealing with risks; either starting new ventures or expanding an existing venture. As mentioned previously, diversification is often performed due to geographic restrictions, or because the market or capital prevents expansion, although some are simply not interested in expanding an existing venture. A reason often heard in opposition to expansion is that farming can become factory-like and that proper animal care becomes unimportant. One of the respondents in the case study stated that he did not want to expand his crop production for fear of mistiming the harvest; in his opinion, timing is everything. When managing a large business it can prove difficult to oversee a large harvest while assuring that the livestock receive the proper care, conversely, you have benefits of scale, lowered risks and have the option to hire more people to take care of the livestock. The theory that diversification is more common in a younger demographic is not confirmed by this study, in view of the fact that the respondents who have diversified are of varying ages. The theory that women diversify more often than men is not confirmed, while the women in this study that diversified both went for farm shops and cafés, even though one of them has beef cattle and a broiler production. The men in the study that diversified went for contract businesses (2), parking lots and selling Christmas trees. There is not enough literature surrounding the differences in women and men’s diversifying activity, but this study implies that there might be a pattern.

## **8.5 Farmer or entrepreneur?**

Farmers do not identify themselves as being entrepreneurs, which could imply that there are several different explanations for an entrepreneur. When the farmers were asked to explain the attributes that make up a successful entrepreneur, they usually mentioned things that corresponded well with their own description of how they govern their business. These descriptions also matched the literature, but of course, the respondents never mentioned all of the attributes brought up in the literature. Some of the respondents’ (A, D and E) descriptions did not match the literature, only one of these respondents (D) did not have that many qualities appointed to an entrepreneur. It could be that farmer A and E does not see them as successful, even if that may be the case.

## **8.6 Success factor in entrepreneurship**

A successful farmer thinks that he or she can solve problems and manage events taking place around them. Being a self-responsible farmer there should be a belief in one's own capacity; while being helpless or powerless one cannot affect anything. If an entrepreneur is indifferent or socially active they believe that they can manage most events, but sometimes not. The socially active are driven by being social; adjusting to others but also taking responsibility. The farmers who embodied most of the entrepreneurial qualities were self-responsible. Farmer A, E, G and H were not susceptible to stress and they think they can deal with events happening around them. They are also market and goal oriented. Those respondents are monitoring the market and want to supply what is on demand. The respondents with fewer qualities appointed an entrepreneur were helpless, indifferent and socially active, and did not meet the demand on the market. The majority of them were income oriented and worried about not achieving enough profit on the farm. Any connections between age, education, experience as a farmer, number of employees or gender and being entrepreneurial could not be seen. Specific types of farming, organic or conventional, did not seem to affect entrepreneurial skills. The most successful farmers were mono active, portfolio and structural diversifiers. They were all motivated by resources, portfolio business or becoming pluri active.

## **8.7 LRF as a support function**

The respondents in the case study all had the same motivation for participating in an LRF business developing activity, which was to develop their own skills and their business. The respondents have all been chosen due of the fact that they have participated in an LRF activity, and that makes the study slightly bias. In only interviewing people who want to attend business development and knows in which area they need to develop. Farmers who have not realised what they have to develop are not represented in this study and focus should be put on finding these farmers and identifying their specific needs. The respondents focus on the point that it is important for farmers to meet and discuss their businesses and the industry. This should be a point of focus for LRF, as many farmers do not have any employees and they might not have the opportunity to meet with other farmers, on a regular basis. It is important to converse with other farmers to get new ideas and input on how to manage a company. Meetings and social events for farmers could be a good platform to learn about business developing activities. All the farmer's mention different combinations of marketing channels, through which they hear about LRF's current activities. LRF should use as many marketing channels as possible to spread their news and to contact farmers. Two farmers mention text messages, and this is something for LRF to consider.

The farmers in the study argue that all areas of farming are of importance and that different methods of support should be present. Few of the respondents can find areas in which they can function independently. It is difficult to find specific subjects to focus on in business development and support, as the business and support needs are individual. If LRF aspire to supply all farmers with their support needs, they will have to offer an abundance of bespoke courses. The respondents asked for courses, seminars, discussions groups and individual support. Although the majority of respondents mentioned that meeting other farmers was of great importance. Meeting with farmers individually and talking to them about their support needs could be a way. Two of the respondents mentioned LRFs "future talk", where the farmer meets with an adviser and discusses their business and what plans the farmer has, such

as investment plans. When talking about your business with an independent adviser you can receive valuable insight and objectively discuss the best way to develop. It is conceivable that a farmer can then see the shortages in his business and become acquainted with the tools LRF provide to benefit his business. One farmer said that he would prefer short courses, as farmers have a hard time to get away from the farm, although this probably already provided. Another farmer said that it is helpful that LRF offer courses in a wide range of farming disciplines, as sometimes, an entrepreneur does not know what they need and by looking at the courses available, you could get an idea. In the interviews, it was also mentioned that LRF should work with other companies in the industry. Sometimes LRF offers the same support as other companies and competing with other companies could be a waste of money. The establishment of a cooperative agreement would be advantageous, where support to farmers is divided between companies and organisations, so that LRF and other organisations could work together supporting farmers.

When asked what LRF should work with there were four subjects that came up, whether it depended on the chosen respondents or if this is the common opinion among farmers in Sweden is difficult to determine (as for the study as a whole). Lobbying is the subject most farmers answered; they want LRF to affect change in the Swedish government and the EU in a way that will create better conditions for them. The farmers think that this is a point they cannot affect by themselves, and because of that they rely entirely on their farmer's organisation to take care of it. Several of the respondents complained that LRF does not focus enough on conventional farming. The farmers feel that LRF are trying to please all of their members and in doing so have stopped focusing on traditional farming methods. Maybe the farmers feel threatened. With the sinking profit in Swedish conventional farms, the pressure is increasing on LRF to help rise the profit and this is one of the four subjects that the respondents in this study mentioned - profit to Swedish farmers. Endeavouring to have an effect on prices and lowering the amount of imported products could be a way for LRF to handle this issue, though Swedish farmers themselves might have to resolve this. Several of the respondents have improved their situation although some are frustrated and rather perceive LRF doing this for them. Some farmers also requested that LRF should work more comprehensively with regional projects and not focus on larger issues. These two subjects are contradictory, which could be interpreted as the farmers wanting LRF to work with both larger issues and regional projects.

## 9 Conclusions

This chapter presents conclusions drawn on the analysis and discussion based on the theory.

The studied cases suggest that Swedish farmers are entrepreneurs, even though as individuals they may not have all qualities appointed by literature. To be better entrepreneurs they should appoint good advisers and utilise their social network. Risk takers are the best entrepreneurs but risk lowering activities, such as price hedging and monitoring of the market can give benefits, as when some risks are lower other risks can be higher i.e. when you invest.

Successful entrepreneurs see opportunities, they are optimists and they treat the decreasing profit as a challenge. This is a good method for dealing with this situation. More Swedish farmers should write down their business plan and do regular monitoring of it to increase their success. It does not matter if you been pushed or pulled in to starting a new venture you can succeed either way.

Specialisation and diversification are both suitable strategies for the future market, but the right conditions have to be there. When wanting to specialise, there should be enough land and capital and when wanting to diversify the right conditions for each diversification business have to be present. The diversifiers are not always young and women, but a difference in type of diversification and gender could be seen. Even mono active farmers could be successful and entrepreneurs. They do not have to be old, own a small-scale farm, have fewer employees or be less educated. Structural diversifiers and portfolio owners could be successful. Success is not dependent on firm structure. The most successful farmers in the study were all self-responsible entrepreneurs, who think they can manage anything and see opportunities everywhere. Age, gender, education, years of experience as a farmer, number of employees, conventional or organic does not affect being entrepreneurial or not. The individual qualities are the affecting factor. Swedish farmers identify themselves as being entrepreneurs and that is a step in the right direction, being less of a farmer and more of an entrepreneur or just being an entrepreneurial farmer.

LRF is a good support function for farmers and the respondents in the study considered it easy to encounter LRF. Nonetheless, the farmers in this study have identified both their need and want to develop; LRF should work on outreach projects to be exposed to the farmers that have not identified development possibilities. The respondents argue that meeting other farmers to discuss issues is of utmost importance; this is a support function for LRF to develop. Contact with farmers through any marketing method is beneficial, though text messages could be a way of more effectively getting through to the farmers. The farmers want help with everything, and in different kinds of ways, although courses seem to be most popular. To meet advisers to discuss business plans with them is demanded, furthermore those farmers who have not identified in which way they need support, do so. The support should be adjusted to farming life e.g. short courses, as farmers cannot be away from their farms for too long. In the case study, it was clear that the farmers want LRF to work with lobbying and be the farmer's voice against Swedish government and the EU. They want LRF to focus more on conventional farming and achieving higher profit. Moreover, they want LRF to work on regional projects supporting farmers in every region in Sweden. To summarise their wishes to LRF on what to work with - everything!

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## **Personal message**

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# Appendix 1: Interview guide

Hello!

My name is Johanna Svensson and I am a student at SLU and I am doing my master thesis in cooperation with LRF. I have called you since you participated in a business developing activity with LRF and I would really like to interview you about the activity and your business development. The interview takes approximately 30 minutes and I would like to make an appointment with you when it suits you to do it.

Your answers will be treated anonymously but I would like to have your e-mail address if there is anything I have to ask you afterwards.

## First some basic information:

Sex	
Age	
Farm size	
Type of farm (and if conv/organic)	
Education	
Years as farmer	
Other family members participating in the farm work	
Number of employees	

The interview is divided in two parts: One on LRF and one on business development. Ask if there is anything you do not understand.

LRF:

1) Why did you participate in the activity?

Ex:

- developing skills
- broaden network
- develop existing or new venture
- Increase profit
- get more knowledge about my own personal skills and what to develop
- other

2) Were you satisfied with the activity?

Not at all 1-2-3-4-5 Yes very much

3) What was the biggest use of the activity?

Ex:

- Develop my skills
- Broaden my network
- Develop current or new business

- Increase profit
- Other:

4) Did you missed something in the activity?

5) What kind of support do you want for your company?

Ex:

- seminars
- discussion groups
- courses
- study visits and field trips
- individual coaching

Other:

6) In which area do you think you need support in the future?

Ex:

- management
- production
- logistics
- business development
- leadership
- advanced courses
- courses in new subject
- marketing
- integrated counselling
- other

7) Is there any area you think you can manage on your own?

8) What do you think LRF should work with?

9) How do you get knowledge about LRFs activities today?

- internet
- magazines
- advisers
- business developing companies
- colleagues
- discussions groups
- other:

10) Does this work well or would you like it in another way?

- internet
- magazines
- advisers
- business developing companies
- colleagues

- discussions groups
- other:

## Business development

11) Do you have a business plan? Do you have it written down?

- Yes
- No: Why not?

12) Do you follow up your business plan?

- Yes
- No: Why not?

13) Which challenges and opportunities do you see for your company into the future?

Challenges:

Opportunities:

14) What gives you new ideas?

- Talking to colleges
- Participating in activities
- Talking to advisers
- tv
- internet
- magazines
- Other

15) Who do you discuss with to develop your ideas?

- colleges
- friends
- advisers
- family
- other

16) Have you felt that demand on your products have changed?

- Yes: Can you give an example? Do you always handle risks in the same way?
- No How do you handle risks?

17) Do you think that the market fluctuations are greater, the same or less than previously?

18) Do you have alternative ventures at your farm?

- Yes: Why did you start with the new venture?
- No: Why not?

19) How would you describe your belief in the future?

Low 1-2-3-4-5-High

20) Do you have an investment plan?

21) How do you think you have to handle your business to meet the future market?

Ex:

- process food at the farm and not selling to
- create relationship to consumer
- getting bigger/smaller
- market an own brand
- Other

22) Are you pleased with the profit in you company?

No 1-2-3-4-5 Very

23) What qualities do a successful entrepreneur have?

Thank you for participating!

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