Agriculture in Yorkshire is showing a strong recovery compared with other regions according to the latest research by insolvency trade body R3.

Figures for May 2014 show that Yorkshire has one of the best performing sectors across England and Wales with just 13% of agricultural businesses in the region having a higher than normal risk of insolvency.

Levels of agricultural distress have dropped steadily in Yorkshire over the last six months, falling by almost three per cent since the previous month with 203 agricultural businesses identified as being at high risk in May out of 1,472 active companies. This recovery was reflected in a positive trend across the UK which was most marked in the North of England with agriculture in the North East and the North West also showing resilience.

R3 uses research compiled from Bureau van Dijk’s ‘Fame’ database of company information to track the number of businesses in key regional sectors that have a heightened risk of entering insolvency in the next year.
William Ballmann, chair of insolvency trade body R3 in Yorkshire and partner at national law firm Gateley LLP, said: “It is encouraging to see signs that in Yorkshire where many livelihoods still depend on the land, farming enterprises are starting to recover. With growing concern from consumers about food provenance, including an increased focus on organic farming, this resurgence may be an indication that farmers are starting to benefit from growing demand for quality, local produce.

“The sector has a number of challenges to overcome in the next couple of years, not least the increasingly competitive supermarket price wars, so it’s good to see the region’s agricultural businesses are starting from a position of strength.”

Other sectors which continued to show a strong recovery in Yorkshire were manufacturing and hotels which put in the strongest performance last month with only 20% of businesses in these sectors having a higher than normal risk of insolvency. The worst performing sectors in the region in May were pubs, restaurants and technology and IT at 35%.

Mr Ballmann added: “Generally, we are seeing an upward trend as many businesses begin to feel the benefits of a sustained recovery, however some sectors are continuing to face challenges and it is vital that businesses seek professional help at the first signs of financial difficulties.”

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Photo shows: William Ballmann, chair of insolvency trade body R3 in Yorkshire and partner at national law firm Gateley LLP

Notes to editors (R3):

• R3 compiled the data using BVD’s Fame Database of company information. Companies in the Fame database are awarded a score based on their likelihood of insolvency in the next year. This score is based on factors such as turnover, pre-tax profit, working capital, cash and bank deposits and other factors. A high score indicates a low risk of insolvency in the next year, and vice versa.
• The research took the top ten sectors (by employees) in each UK region and measured the number of businesses in each sector whose score had risen from last year (i.e. become more financially secure) and the number of businesses whose score had fallen (i.e. become less financially secure).
• R3 is the trade body for Insolvency Professionals, and represents 97% of the UK’s Insolvency Practitioners.
• R3 comments on a wide variety of personal and corporate insolvency issues. Contact the press office, or see www.r3.org.uk for further information.
• R3 promotes best practice for professionals working with financially troubled individuals and businesses; all R3 members are regulated by one of nine recognised professional bodies.
• R3 stands for ‘Rescue, Recovery, and Renewal’ and is also known as the Association of Business Recovery Professionals.