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2019 Scholar

Summary of my Nuffield experience.

Which crops do we grow and why do we grow them?

In 2006 we stopped our dairy operation at my farm and made the switch to arable farming.

At that time I was 14 years old, I was very sure that one day I would take over my parents farm. There was only one problem, my passion was not with dairy cows, my passion was growing crops. The decision to change was made with my parents and we made the switch. From the age of 18 I have been completely involved in our farm. I started to grow potatoes and onions which were new crops for our farm at the time.

From that moment I was always looking for new crops to spread the risk in our farm but mostly because I like to try new things and step away from what is normal. I started to grow soybeans and field beans for human consumption. Three years ago I began trialling peanuts as a crop in the Netherlands. This trial led to my research topic for my Nuffield experience in the beginning "can we grow peanuts in The Netherlands?" During my travels this question evolved through the realisation that often it takes more than just one crop change to make the difference in the sustainability of your farming system. Eventually my question changed to "which crops do we grow and why do we grow them?"

During my Nuffield travels I visited a lot of different farms in many different countries. On my GFP (Global Focus Program) we visited Singapore, Japan, Indonesia, France, Canada, Washington DC and West Virginia. For my personal travel I visited Texas, Israel and Chili.

All different places with different crops and different farmers, all share the same thing. Doing what everybody else is doing in his area because of the infrastructure. Except for some of them, they created their own market by selling directly to the consumers close to their farms or some of them who started to make a new product from their crops. And then there were other farmers who created a complete new market with new products. So, we can say we have two groups, one who created a market for themselves and one who is depending on the infrastructure, cooperation's and the world market. Let's say the farmers who created their own market are "safe", they made the choice to look at different ways to make money.

The problem is, not every farmer in the world can do that. Some are too far away (in distance) from society too even create a niche market, some are too big, some don't have

the ambition or skills, some don't have soil to grow any other crop to make a different, and other farmers just don't want to go in a niche market they just want to be a farmer and growing crops without worrying about marketing them.

What I have heard from the most farmers I visited, is that they don't know what else to do than just keep going and growing crops for big companies or cooperatives. The problem is, they made big investments in machinery, storage barns all just for one or a couple of crops. Take for example a potato farmer, one of the biggest costs for them is the storage facility. As long as there is market for potatoes and you have no problems during growing season, then there is no problem. The problem starts when your crop fails or when there is no market as was for example the case for potatoes in the Netherlands in the Covid pandemic. You have a storing facility where you can only store potatoes. A building that costs a lot of money no matter if the price of your product is high or low. We can say that's the risk of entrepreneurship, but nowadays, markets are changing that fast that there is no time to look for other ways. The price for most arable products is dependant on the world markets and the demand for export. It's hard for a farmer to respond to this type of market because in many cases the crop has been harvested and all costs have been paid before it is sold. Many farmers reduce their risk by contracting before planting but there is also risk involved including ensuring that there is a crop to fill that contract. Contract conditions vary throughout the world but as an example contracts for a Belgium potato grower are not always good. When your crop has failed due bad weather conditions in that year, you are obligated to deliver potatoes to the factory as are the terms of the contract. To comply farmers have to supply potatoes and must buy on the open market to do so. The companies with these type of supply contracts are passing on all of the risk to the farmer. That's probably the hardest part in farming that there are some risks you can't cover. You can contract out of market risk but in doing so are exposed to supply risk.

How the deal with a market that is changing that fast?

The best way of dealing with that market is spreading that risk with different kind off crops, if and when you are able to in your farm operation. The hard part is, most farmers are afraid to make that change because, there is a family history in many farms. It's easy to do just the same thing as your parents or grandparents did.

One of the biggest problems I have seen during my travels is the mind set of farmers. The most of us are too afraid to take the risk of changing something within our farm. First, you must ask yourself if you want to be that farmer who keeps doing what they always did for generations long or do you want to be that entrepreneur who takes that risk and looks for a way to develop and innovate your farm business.

Many farmers who are happy doing what they have always done complain about prices and market conditions. They are not prepared to change even though as a business they should understand that the decisions they make effect their prosperity and success.

The farmers that want to take risks and try new things are entrepreneur's and happy to

develop their business in line with the markets.

Flexibility is key!

Flexibility, it's hard to say which market is good in 5, 10 or maybe 20 years. A big problem in farming is the big investments we have to make, especially buildings. Farm buildings normally can serve only one market, a potato storage for example or a dairy operation. Take a look at other companies, office buildings for example. This week it can host a lawyer company and a week later an accountancy company. It doesn't matter what type of company is in that building, the building is not losing value. In terms of farm buildings, they only serve that one product, and the investment on average in a farm building is something you make for the next 30 years. Not knowing if there is a market for it or not.



For example, take a look at this barn. For me this was one of my biggest eye openers during my travels. 2 old tractors and small barn just big enough to store every piece of machine he had. This farmer grows 3 crops on 1300 hectares, wheat, soybeans and peanuts. So not exactly a small farm. But for me this is the perfect example of how to be flexible as a farmer, you can imagine how low the costs must be for this farmer.

It's of course not only about the farm buildings there are more factors in your farm where you have to be flexible, but in the end it's all about your costs. Your buildings are often one the highest costs you make but this could also be something else in your farm. Make sure it's very clear where your costs are and what is your return on your investment. So in order to be flexible take a good look on how you can keep your costs as low as you can. Because being flexible actually means, how much money you have to invest in your farm. In the end we are all running a business, not just a farm and we all want to make money out of that business.

It's of course not only about being flexible but when you can say that your flexible it means you do have space to change something in your business. For some of us that could mean indeed changing your buildings, for others that could mean changing from cropping to something with animals. What that change could be is different all over the world, it depends on where you live, what's the climate in your area, are there people or colleague farmers in your area were you can maybe collaborate with to find new business models.

What I've seen especially in The Netherlands is, we spend a lot of money on work pleasure in our buildings.

Why do we do that?, one of the biggest reasons is, how other people view our farms. I believe there is too much glamour on most of the farms.

So do you want to be flexible and successful in the future, don't worry how other people look at your farm, keep your costs as low as you can because only then you are flexible enough to serve every market that will cross your path. It's important you're able to participate in a new market when this will cross your path and that you're not financially stuck in your current business.

What to do in your own farm?

Here is a short summary of questions I asked people I visited but which I also asked myself many times. This is especially important for my young colleague farmers who are also at the beginning of their farm career.

It's not always easy to find the right answer to your question, but during my travels I discovered it's not that hard actually. Forget about the what question but always ask why. It is easy to see "what" a farmer does on his farm but asking "why" he does it gives you the best answers you get. This is the same when you ask yourself this question.

- The first and most important question you have to ask yourself is; Why are you a farmer? What makes you happy and why are you doing what you are doing at this moment.
- What type of market you want to serve and why?
- Do you want to work in your farm or on your farm (business)?
What I have seen is there's a lot of farmers who just want to work in their farm as let's say an "employee" would do, and some of them really did work on their business what an entrepreneur should do.
- Do you farm for the lifestyle or is making money more important?

My recommendations:

For farmer organisations and governments :

Make sure (young) farmers can set their own course, not someone else's. It's really important farmers do have the freedom to do what they can do best, this can be something different for every farmer. Give them space to follow their own ambition because then you create the best entrepreneurs you can imagine. Don't let them do all the same thing, then you'll never discover new things. As I said before don't worry about how other people look at you, it's your farm, it's your business and you're the one who's running it.

For accountants and banks:

Don't only look at the current investment some farmer would make, but also take a look at how flexible he can be in the future. I know it's very normal in farming to make huge investments in one go based on numbers that only count for the average of the last 5 years. But times have changed and the markets aren't the same as the past 20 years. Make sure farmers do have room to invest in the future. Keep them flexible so they can jump on every new market or other opportunity that arises.

What's next for me?

Since five years I'm developing my own new farm. All our old farm buildings are not useful for arable because they were built for our dairy operation. So now I'm looking at what I can build to serve our arable farm. First I would have built an typical Dutch farm. Making huge investments in storage facilities for onions and potatoes. But now after my travels I realised that could mean the end of our farming business because of that fast changing markets. 2021 is the last year we can grow onions in our areabecause we are in a ground water protection area. There are a lot of herbicides we cannot use anymore in our area which is making growing onions impossible. This could have frustrated me, but for me this was again a big eye opener and confirmation that is very important to be flexible.

So my journey of looking for new crops will never end. The only big question is, what type of buildings do you need when you're not knowing what crops you will grow. The answer to this question is what I'm now are searching for together with an architect in how farm buildings can keep flexible. The first step we made is to look for a new location to build a new farm and what do you need on that new location. We made a list of various locations with all their pros and cons. It's now waiting on the regional government which one it's going to be and what we can or can't do on the various location. When that has happened we can start making sketches of how we think a flexible farm should look like.

So how flexible farm look and what are we going to grow in the future?
unfortunately I don't have the answers at this point but it will be continued for sure!

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