Success and Succession in the Family Farm Business

A report for

By Jamie Snell

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Foreword

Agriculture has always faced challenges. Climatic, economic and seasonal changes are among those we are familiar with. New challenges include global warming, climate change and carbon footprints. Consumer expectations are also changing. Challenges such as change in government policy towards food and fuel security, new levels of compliance, recording and regulation impacting animal welfare, food production, and waste disposal are also impacting on the way we farm.
Are we seeing a new paradigm in agriculture, or is it step change?

With the increased global demand for renewable energy and bio fuels, and vocalisation of environmental concerns world wide, how and what we produce, how we transport and market our goods and services, is being scrutinised in an unprecedented manner.

Demand for food is still growing. Asia has experienced improved living standards, along with more disposable income. Demand for "luxury" food, like animal proteins and dairy have substantially increased. This phenomenon is balanced by the knowledge that at least 40% of the world's population lives on less than the equivalent of U.S.$2 a day.

Agriculture faces continual challenges. How do we morally justify the use of food crops in energy production? How do we justify the use of grain in livestock production systems to value add, rather than entering the food chain with lower levels of processing? The use of genetically modified crops in food and fibre production, are amongst some of the new challenges agriculture faces.

I believe the opportunities and rewards in agriculture have never been as great in my generation's lifetime. To help recognise, understand and respond to these challenges, we do need to be a knowledge-based industry. We need to be globally competitive with our production costs, quality and service, and we need to embrace technology, and continually improve our productivity and efficiency gains.

So how then do we engage the next generation? What makes agriculture an attractive career choice? Do we need to offer succession to make that generational change?

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Industry Contacts.

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Large herds Conference. Ontario, and the many farmers that warmly welcomed me to share industry discussions.

The Kolb families of the Bolton district, Ontario, Canada

Loewith family farms, Ontario, Canada

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Finally, I need to give recognition to my wife Anne, and children Michael, Katherine, Xavier, and Matthew. With out their support and encouragement, none of the Nuffield experience would have been possible, so thank you sincerely.

Abbreviations

SWOT ANALYSIS: Strengths, Weakness, Opportunities, Options, Threats.

USDA: United States Department of Agriculture

FSA: Farm Service Agency

DOS: Dangers Options Strengths

BSE: Bovine Spongiform Encephalopathy

Dept of Ag: Department of Agriculture.

c/l : Cents per litre.

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Executive Summary

Succession planning may not be at the forefront of most family farm business's agendas, yet, it is still an important tool in the strategic management of the farm operation. A well developed, communicated, and implemented succession plan can have a big impact on the long-term viability and efficiency of the family business.

A succession plan is about, planning, communicating, and implementing a project that will see a seamless change in structure, leadership or ownership. However, it is not always that simple. Issues such as the emotional needs of individuals, engagement of all concerned parties, timing of transition and the viability of the enterprise, are amongst some of the issues to be considered.

Taxation and capital gains taxes need to be addressed, along with other issues of the law, compliance and regulation. The use of specialists to provide advice and create the business structure best suited to deliver the needs of all parties is also advisable.

Succession planning is not about being equal to all involved, but more about being fair. Succession planning can also map out the exit strategies for the sale of a family farm business.

Communication of the succession plan to, and affirmation by those immediately impacted by the succession plan, gives a good grounding to having a positive outcome to the process.

Each succession plan is unique, and will not happen overnight, but will evolve over a period of time, so it is essential to invest the required resources and time to create a dynamic, sustainable plan to met the needs of all involved.

Farming does not need to be a complex system, but rather, simply, effective and efficient.

The measure of success in a business will vary. For some businesses it will be physical measures, others, financial. Clichéd as it may sound, "if you can't measure it, you can't manage it," probable best sums up success. Not every one has the same approach to business. Some will find it important to be able to identify net margin over unit cost. For others the approach will be more based on net worth. Being able to capture, and interpret the data needed by a business is the key to the success of most businesses.

Common trends and themes repeatedly appeared in farm business's decision-making process. They were knowledge based, relying on market intelligence, not pub talk or gossip. They sought to have a good understanding of the business environment they operated in, and managed their margins accordingly. As farm business, we are not limited by what we know, rather, by what we don't know.

With new entrants to farming, I felt that the biggest barrier many faced was in their own mind. Innovation, change, challenges are just words. Imagination, a willingness to engage in farming seem

to be the key to getting young people involved in agriculture, along with just rewards for the risks, for those starting out.

Introduction

As a parent of four children, each with a strong connection to agriculture, one of the challenges we face is how do we assist each individual to achieve their life's ambition? How do we achieve our goals and dreams as individuals? We spend a large part of our life working toward our ambitions. While coming from a farming background myself, and Anne, my wife, being the oldest of eight children, also with a long family farm history, we find ourselves as "first" generation owner operators of a farm business in Victoria's Goulburn valley.

We have always had the approach to our children that they did not have a birthright to return home to work on the farm business when they had finished school. Rather, our wish is that they do a trade, a tertiary course, and take some time away from the home environment to grow as individuals, develop independent life skills, and take the opportunity to travel. When they have done that, and are still interested in joining the family business, we have said that we would negotiate with them to work out an opportunity for them within the business.

To be able to do this the individual would need to be able to add value to the business, either through skills or capital inputs, allowing the business to grow, or change the management structure, so that I have less of a hands on role in the business.

Objectives

To be able to learn from others globally in how they are approaching succession planning in the family farm business.

To gain a perspective of issues that are impacting on agriculture globally and what are the responses to these issues.

To investigate how we attract young people to agriculture as a career.

Examine what is occurring with policy and politics in irrigation globally.

See how businesses approach managing productivity and efficiency gains.

A Closer Look at Succession

With succession at the family farm level, it is often more complex than the simple equation of planning, communicating, and implementing.

To start planning for succession, you need at least one party that is interested, or committed to developing a succession plan.

In these circumstances, it may be as simple as intergenerational change with a lineal party as successor. Quite often, the oldest son inherits all, with other siblings receiving little or nothing from the family estate. In its true sense, it is hard to accept this as succession, but rather, straight out inheritance. Again, this is often an issue, where one generation will see the solution to succession as too difficult to tackle, and use inheritance as succession by default.

Taking the liberty of poetic license, I see family farm succession as a lot like a family road trip.

By this, you need to work out a lot of issues. Issues like where are you going? Who is going? When will you get there? What are you driving? Who is driving? And so on. Often, as we answer one question, a new one is raised.

So with the planning component of family farm succession, there are many issues that need to be addressed. With the input of independent, non-agricultural based professionals, these independent professionals can have a profound impact on the end result. Independent advice is essential in many cases to be able to provide information and facts on areas regarding legal outcomes, taxation concerns, and planning permission from relevant authorities.

Another role that the independent professional plays is to act as a circuit breaker in the process. Having no vested interest in the outcome, and the ability to see issues as a third party, helps to keep the process on track. Succession is not something that happens overnight, but is a process that evolves over a period of time. A succession plan needs to be dynamic enough to withstand changes in circumstances, and be able to embrace new opportunities as they arise. It also needs to be timely in its application, as well as have a time frame for completion.

As with any form of change, there is also the emotional element attached to the way and how decisions are made. This in itself can be a minefield to negotiate, and again, independent professional advice can help lead to satisfactory outcomes.

A family unit that consists of two elder sisters, with no other family recently looked to sell the property that had been held in the family for 150 years. While they had no direct descendants, they still had a keen interest in which the new purchaser of the family property would be. To help them have an input into the transition of ownership, the property was sold through a process that involved an expression of interest from potential purchases, and the sisters were able to vet the field for people

that they thought would have similar values and respect of the property. A comment from one of the owners was that "we are only custodians of this land."

As stated before, to undertake a succession plan, you need at least one willing party to begin the process, and generally, other parties willing to engage throughout the process. So how do you engage, or what is the catalyst to begin the discussion on family farm succession?

In my Nuffield travel, one such process began over lunch, while I was visiting a family in Cornwell, in the UK. The parents had just returned from an extensive overseas trip, and one partner had broken a collarbone, ending up in hospital to be treated, while in New Zealand.

While the business was a family business that had been passed down from a previous generation, Paul and Carol's son, Charles, was in his early 20's, and working on the farm. I believe that this was probably the first time he had actually had his future challenged, and the response was quite amazing. While Charles was quite happy to have gone to Agricultural College, and work in the family business, which incidentally included a Dairy herd, beef and heifer replacements, vegetables, potatoes, and a green waste facility, his response to his outlook on his future was quite amazing.

Charles saw farming as "rubbish." He felt that his mates working for the local council were better off than he was where they could start work on Monday morning at 7.30am, and finish their job at 2.30pm on a Friday and not have to be on call over the weekend for any problems or issues that may arise over the weekend. Charles felt that while farming provided him with a job, it was not a career that he currently cared for. He saw farming as a tie that limited his recreational opportunities and gave him too much responsibility for a person of his age. It also gave him a lower income than some of his contemporaries, and not the prestige that other jobs available had.

As to how this would eventually be resolved, who knows, but an important first step had been initiated. Paul and Carol had engaged with son Charles, and expanded on how they saw future opportunities, and that their hope was that the family business would be continued by the next generation.

Another family that I visited in the United Kingdom, had issues where they could not get a succession plan started. The Family consisted of 3 generations, with "the cheque book still being held by the 82 year old."

With the second generation of this family in their mid 50's, with sons of their own in their 20's, all keen to be able to farm, and not knowing what was going to happen with the business was creating a lot of frustration, unhappiness, as well as short-sighted business decisions, based on assumptions from current circumstances. It seemed the more they tried to engage in discussions around the future of the family farm business, the more determined the senior family member was to ignore the requests of the family, and appeared to deliberately invest funds from the family farm business into non-core assets,

like new cars, a new house, and other items that he had little need for, and which had large levels of depreciation.

So how do you create a good succession plan? What needs to be considered?

With a succession plan, I believe you need firstly to understand the needs of the individuals.

In many cases, the family farm has been the sole source of income for many of the individuals concerned, and the source for their retirement income and accommodation needs.

As well, it has often been the main source of interest, with many farmers having devoted their life to farming, and developing few, if any other recreational interests, so to cut them off completely from something they have known for most of their life, can be a very emotional experience. On the other hand, for a spouse, succession of the family farm may be the opportunity they have long waited for, to allow them to move "into town", be it closer to other family members, friends, or nearer to other facilities like health providers, retail outlets, and other recreational pursuits or providers. While each party has different needs in succession, there needs to be that "sense of purpose," and that no individual is left without a real sense of worth, and that all parties are able to retain a sense of dignity in the process and outcome of a succession plan.

By giving that individual that sense of worth, it may be allowing them to either retain a financial interest in the business and giving them an income stream, as well as lessening the financial burden on the new farmer. It could simply be "giving them a job" in the new business structure, such as being the spare pair of hand's at harvest, and allowing the "retiring or exiting" family member a continued interest, and a sense of worth and value, as they adjust to their new circumstances.

The plan needs to be able to provide a level of income to meet the individual's requirements. It also needs to be able to provide accommodation for the parties, either on farm, in a nearby town, or in a major urban centre, or maybe a retirement home. As part of the planning process, it may be worthwhile including a "SWOT" analysis. The SWOT analysis can be used to look at the Strengths of the proposal, the Weakness, the Opportunities or Options, and what might be seen as Threats. A SWOT analysis can be a simple tool that can identify issues that need specific answers, or need more research to satisfy all parties concerns.

Another process that could be undertaken by individuals with in the process is a "D.O.S."

What are the Dangers in this process? Issues such as lack of capital, lack of good people and how am I able to get my money back.

What are the Opportunities in the process? The ability to adapt new technologies. Recruit good young people, have a change of lifestyle, introduce new business partners.

What are the Strengths of the process? Again, this is probably covered in the SWOT analysis, but could include issues like Experience, Skills, Natural Resources, adoption of technology, and balance

sheet opportunities. (I would sooner have a small piece of something that is very good, than a lot of something that is not.)

Very few farm operations are without debt, and again, this is another factor that needs to be considered in succession planning. Does the entity have an income stream that is strong enough to service the debt, as well as provide an income to all interested parties, along with being able to continue to invest in the growth of the business and its working assets? What assets can be divested if the need arises, and is it a good time to alter the structure of the business to reflect the current needs of all parties involved?

With succession from one generation to the next, there can also be the ability to hold some of the existing debt with a generation that is retiring, like a silent bank, allowing greater flexibility with available capital for the incoming generation.

In Ireland, farm succession was supported through a pension scheme, with an additional $11,000 euro being paid to the original owner of the business to encourage succession. Amazingly, this scheme was being criticised for not being indexed! The intent behind this scheme was to encourage older farmers to retire, allowing a younger generation to farm. In Ireland, only 5% of land was being farmed by full time farmers. A large amount of farms either had one partner working off farm, or both partners working off farm, making the farm a part time enterprise, or just a hobby. I believe that this was a reflection of a lot of farming throughout the world, where emotional attachment to the land, impacts upon the ability to make sound business decisions, removed from the love of farming.

Another issue that arises in relation to the financial viability of family farm succession includes the tax implications, and how these are best structured to meet the needs of the individuals, as well as the business. For some people involved in succession, it may mean that a restructure of the business into family companies, or family trusts, to minimise taxation liabilities, and allow transition to future generations to occur more smoothly. For others, it may be the timing of when income, or expenses are due in the farming cycle, such as crop planting, harvest, or final payments from pools are due allowing for a seamless transition. This again is an area where independent professional advice is well worth seeking, and the investment made to gain an understanding of tax implications is justified.

Also in the planning phase, the timeliness of transition is important, with consideration needed to be given to the skill levels of the new generation, and the time needed for the individuals to develop a level of entrepreneurial skills that is needed to manage a successful business, or the ability to quarantine other parties from potential losses of income in the business.

This was highlighted by a visit in the Netherlands, where my host Bram Prins insisted that the younger generation of the business needed to develop their entrepreneurial skills early in their career.

Family members were encouraged to make decisions that affected the daily profitability of the farm enterprise, while still being mentored by senior family members within the business. This helped

develop the business skill levels of the individuals, while allowing for intervention if the decision was a bad call.

One of my farm visits in Ireland, with Brian and father James Reidy, gave a great example of family farm succession. There had been a phase of planning. There was communication undertaken, not only between the immediate parties with the farm involved, but all family members. The implementation stage is next.

It was during the communication stage, that I was most impressed by the families plan. James has a family of four children, and of the four, son Brian was the one that wanted to farm. James made the comment that in the planning phase, he felt that he had a responsibility to Brian to make sure that the business was of a viable size, to allow Brian to support a family of his own. Other siblings were also considered in the planning phase with each having an allotment made available to them to be able to build a home on site of the family farm. I feel what followed next is perhaps a step that tends to be neglected somewhat in succession. James made the statement that he then needed to "hear it back". In other words, he was seeking a response from all members of the family, so that not only did they have an understanding of their own outcomes in the family plan, but that they also had an "understanding of their understanding", or an affirmation of how every one was being treated, and the responsibilities to each other in the succession plan. The recognition by Brian that he was also taking on a project that had emotional ties for other family members as well. In taking over the family farm, Brian recognised that there was a need to give his siblings the assurance that even though he was now managing the farm business, the farm was a place that they all had the opportunity to return to visit, as part of their heritage and emotional connection with the family home.

The role of a mentor in the business was also another highlight of this partnership. Advice was available when sort, but not being forced upon Brian, and Brian was encouraged to take up independent advice as he saw fit. James also commented that Brian had to make some mistakes to learn.

As a younger person keen to manage the family farm business, Brian Reidy has found that the process has been made easier for him to achieve with clear communication among family members. Brian has leased the family farm, purchased a herd of cows, and has developed a sound reputation in his local area from other land holders, that willingly lease land to the farm enterprise. Having his father as a past committee man on the local dairy co-operative helped to over come some of the traditional barriers with generational change.

In the communication phase of the family farm succession plan, it is important that family members have an opportunity to gain an understanding of what is happening; why, and how, along with the time frame. It is also at times necessary, to include other parties in the communication phase of succession. This can be as simple as including your accountant and financier, to how you include and communicate changes to staff, and what impacts or opportunities may affect them under the changed business structure.

Implementation of the succession plan also has it pitfalls, particularly where it has not been well planned, or well communicated. Some examples of what one party saw as succession, others may see as merely inheritance. It was commonplace to find scenarios where one party's interpretation of succession could be as naive as "well when I die they will have to sort it out between themselves" or, "they will never be able to afford to buy it off me so they will just have to inherit it."

By not engaging with the next generation, and not sharing the vision that an individual has for the next generation, is a sure recipe for disaster. If an individual decides that after years of education and developing a career path, they are happier not having an involvement with the farm, and at the same time you can have a generation hanging onto a dream of succession that no one else has ownership of, or a desire to be part of. Such cases can have major breakdown in family dynamics, through no

individual's fault, but rather a lack of communication, and the ability to have ownership of the plan for succession.

Implementation of succession in many situations often included leasing as a first step, where one party had the ability to start to develop an income stream, and build asset, without large debt to service.

Past UK Nuffield scholar, Ed Dale, farms in partnership with his parents.

Ed's parents, Barry and Valerie Dale, own the home property. Barry and Val own the business, in partnership with Ed and his wife Lucy. Barry sees the farm as his and Val's retirement fund, and that by supporting Ed and Lucy, this will enable them to develop an asset base to either buy them out, or farm elsewhere in their own right.

Both Barry, and Ed have travelled overseas, to New Zealand among other places, but only Ed has visited the dairy regions of Australia. Barry's view is that Ed has a duty to communicate what he has learnt to the business, so that all parties can grow from his findings.

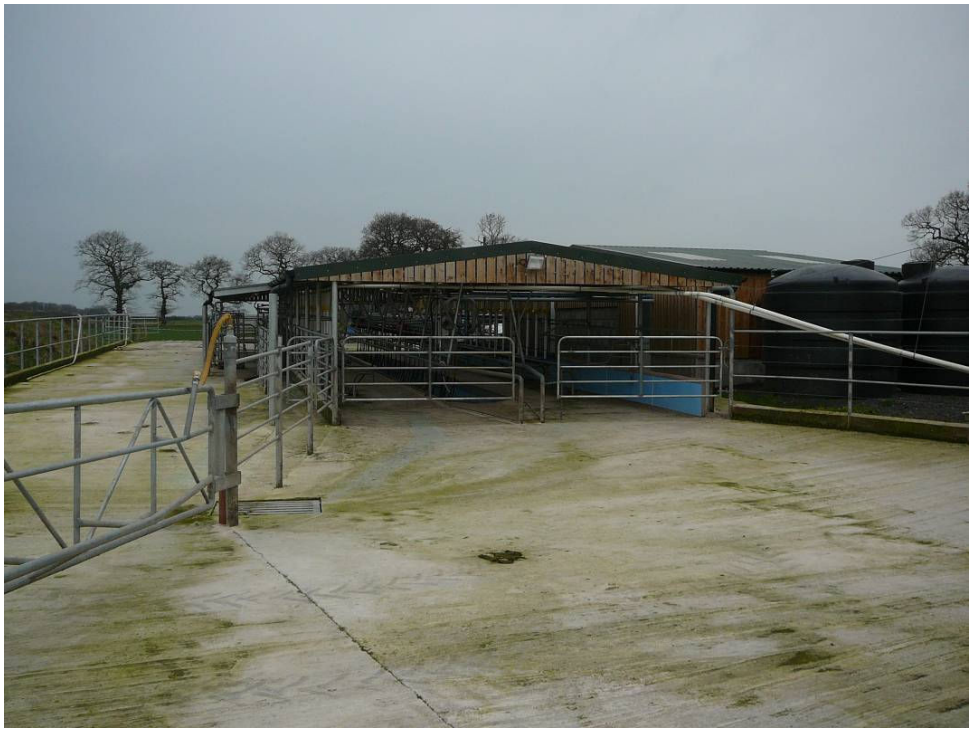
Barry and Val have other children, and see that they have supported them through tertiary education, and other financial means. They will also receive some form of inheritance at a later stage.

They have recently added a third property to the family business, through a "Farm Business Agreement." The Dales have been able to secure the property for 15 years.

They have an adjacent property already being managed under a Farm Business agreement. A Farm business agreement allows them access to additional land without the high cost of land purchase, and the 15-year tenure, gives them a secure time frame to implement the business plan. In the UK, there has been a change in the tenanted land system, from lifetime tenure, to a system of Farm Business Agreements, based on 5, 10, and 15-year models.

Not only are the Dales growing their business, and developing a succession plan for family members, they are also giving recognition to the role their employees play in the success of the business, and have offered equity agreements to staff in the new business structure.

Even though the Dale family had a plan, they also had a dynamic approach to the plan, allowing for the review of sections of the plan to take advantage of changed circumstances. Again, it was clear that in the process of farm succession, a planning phase embracing external advice, a communicated phase, involving family members and staff, and an implementation phase had all been undertaken, and that the model was dynamic enough to take advantage of new opportunities as they arose.



A low cost milk parlour on a farm operated under a Farm Business Agreement by the Dale Family.

Supply Management

Supply Management, in short, is a form of market regulation. In Canada, supply management exists in the poultry and dairy industry. Within the dairy industry, you need to have ownership of supply management or quota to be able to supply milk for sale.

Supply management is regulated by the Canadian Government, and administered by the Canadian Dairy board, with management at a state level by individual state dairy boards. All proceeds from the sale of milk are then pooled, before being distributed to contributing quota owners and cost deducted for the administration of the scheme by the dairy boards. Through supply management, there is a guaranteed minimum income to the participants.

Supporters of supply management also state that through the process, it allows for better control on industry standards, with better animal welfare standards, and greater security in farm food safety.

With supply management, there is minimal exportation or importation of dairy products taking place in Canada, though there has been a degree of "leakage" of dairy product across the border from America, with sugar being added to milk, to call it confectionary, and flavouring added to make it a beverage. Canadian government has been quick to try to close these loop holes, to maintain the premium available to Canadian dairy farmers. While I am not familiar with the Canadian legislation, "Article 28" tended to be referred to as the law that provided for protected borders in relation to import threats.

With supply management, the market for dairy product is very mature, with little movement in the demand for milk, on a daily or monthly basis, so production is very stable, with a very level line of output. This has obvious advantages, as well as disadvantages. From a processor's viewpoint, there is little under utilised capacity in the production plant. On farm, most farms batch calve, so there is a constant herd size in milk. With climatic conditions ranging from 30 deg C below, to 30 deg C, with high humidity, cattle are housed in barns all year, with fodder harvested, conserved and carted to feed stock. It is relatively easy then to meet the herd's nutritional requirements.

However, opportunities for growth are restricted by the ability to afford to purchase additional quota. A farm that had for example, 200 cows in production, would probably need around a quota of 220 kilogram of daily quota.

Supply Management is a tradable commodity, with an organised monthly exchange, overseen by the state dairy board. During the March of 2007, Dairy quota was trading at approximately $30,000 Canadian a kilogram. So with a quota of 220 kilograms, at a value of $30,000/kilogram, around $6,600,000 is the value of quota at the then market price, before any other infrastructure, livestock, or machinery is factored into consideration.

Dairy farmers in Canada appeared to be as affluent as any group of farmers that I met in my travels. The price they received for their milk at the time of my visit was around 68c/l Canadian, which, with the exchange rates at the time, equated to about $0.84c Australian.

During my visit to the Large Herd Symposium in London, Ontario, Canada, farm operators were presenting papers that suggested their operating costs were in the range of 25 to 30 c/l, so a significant margin existed to pay capital cost, or debt reduction. So while it was a very attractive margin, other issues were created, especially for new entrants or for succession opportunities, where one young person was interested in taking over the farming operation, but had several partners that wanted to exit the industry, how could they afford or finance the buy out of exiting members.

With supply management, at the time of sale of quota, the dairy board would retain 15% of the parcel to be sold, which was then distributed to new entrants on application to the dairy board, or redistributed to existing quota holders, when a trigger point was reached with “held” quota.

While this was an obvious help to younger people or new entrants to the dairy industry, it still had an ability to distort parts of the market. With redistribution in the April 2007, of the equivalent of 1% of quota, cattle prices rose by 250%, from around $1500 a head, to in excess of $4000 ahead, again increasing cost for any new entrant. With closed borders to USA due to BSE concerns, cattle numbers had adjusted to the sustainable replacement level that was required by the Canadian dairy industry.

So with new levels of quota to fill, large operators in particular, needed additional productive stock to take advantage of the new quota arrangements, again, at the expense of new entrants to the dairy industry, where established operators had the ability to pay a premium that newer entrants could not, to purchase the additional livestock.

In Ontario Canada, I was able to visit the Kolb family farm, situated at Bolton. On the day I visited, the temperature was minus 23c, with a wind chill factor lowering the temperature to minus 35c. In the summer months, temperatures could be as high as 30c, so a vast range in climatic conditions, lead to unique challenges in managing a dairy enterprise. Cattle needed to be housed year round, with no grazing taking place. All feed had to be conserved and carried to stock.

The family had two generations working in the business. Husband (Paul) and wife (Marilyn) were still actively involved in the daily business. Two of their sons, a daughter and son in law wanted to be involved in the business. With the value of milk quota, it was agreed by the family to expand the farm operation on the existing site, rather than have the cost of setting up each individual on smaller operations. The Kolb family had used a consultant to help develop a business model, and through a number of formal meetings had developed an agreement that each family member had ownership of, and a clear understanding of the roles and responsibilities. As an outcome to this process, the Kolb family had leased additional nearby land to expand their fodder production area, increased cow numbers, and young stock, built new barns to house the stock, and a new parlour to milk in. From this

each member had a key area of responsibility in the management of the business. One member was responsible for the milking herd barn, overseeing the feeding, cleaning and bedding in the barn. Another of the family had responsibility for the young stock, which had been housed in the barns that had previously housed the milking herd. One of the sons was also responsible for the fodder conservation program, having to organise the planting of forage crops, and the harvesting and ensiling. While each had their own areas to manage, they also supported other family members when the workload required additional labour inputs. With supply management, milk production was generally constant, with little daily variation in output. With the seasonality of some of the farm work, it meant that families or family members were able to have time off to pursue other industry interests, or have holidays.

This visit, to me, showed a succession plan in progress that had gone through a planning phase, had communicated and affirmed the plan, had implemented the plan, and yet it was still a work in progress, with the family reviewing what they were trying to achieve, and revisiting the business plan on a regular basis. This example highlights that succession is not always finished, that there is a need to create a degree of flexibility in a plan, and also to be able to review and grow the plan to suit the changed circumstances as needed. With the growth phase, new debt had been created. With the infrastructure that existed on the farm, with existing buildings, and plant and equipment, the pay back on the debt was estimated to be between 3 and 5 years, allowing for all parties to have normal drawings from the business, and all the fixed costs of the business to be paid as usual.

A new free stall barn and dairy are part of the investment by the Kolb family to allow for the children in the family to become part of the family operation. 170 are milked, with 5 people making up the labour force to operate this facility.

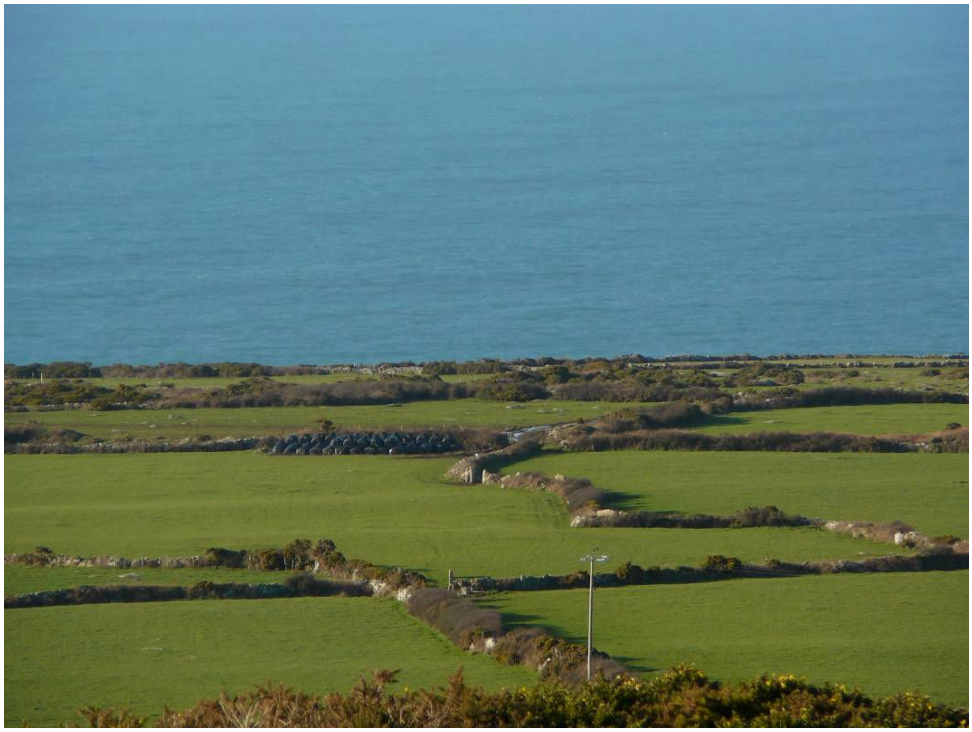
Succession is one way a new entrant can realise their dream of farming. As I travelled throughout Canada, America, and the United Kingdom, I found that all countries recognised the need to attract new entrants to Agriculture. In each country it was recognised that barriers existed, and that a form of support was needed to encourage younger farmers. One barrier that was common to all situations was the cost of land. Driven by issues like alternative energy, and changes in support payments, land prices have risen at a far greater rate in the last two years, than the previous ten years. The valuer general's office in the UK had measured land values to have increased by an average of 18% in the last 6 months of 2006. Anecdotally, most farmers in the UK suggest that land prices have doubled in the last two years since mid 2006.

In the UK, a program known as fresh start was available. Under the "fresh start" program, a Three thousand pound grant was available, to be used to develop a business plan. The grant money was linked to a number of Agricultural colleges that had been able to deliver the business training to develop the skill set to create a business plan. Once the plan had been created, I was a little unclear

then on how this helped a new entrant to access land. The concept was that once an applicant had been trained to develop, and submit a business plan they would then be able to move out and lease a small starter farm, where they could develop their skills, improve their equity through building stock numbers, and acquire the necessary plant and equipment, and then move on to bigger and more profitable operations. It seemed that some one forgot to tell the rest of the agricultural sector about this scheme. In Cornwall, where a number of county council smallholdings exist, established farmers tendered a higher price, and were able to respond to land becoming vacant far quicker than an applicant under the fresh start scheme.

While the concept of developing a business plan had merit, Farm consultant John Forster, of the Cornwall county council acknowledged that the scheme was ineffective in giving younger entrants any real opportunity, or advantage over existing and established farmers. John felt that the business plan needed to be developed well before land became vacant, and that the skills could be imparted to applicants at an earlier stage, so they could quickly develop a plan to submit when land became available.

Another issue John felt was important was the need to change the image of farming. This was reflected in most countries around the world, and I believe it is an issue we face in Australia as well.



Typical view of the south west of England, with heritage listed hedgerows, small fields, and a million dollar view. Being "early" country, any new lease holdings are quickly taken up by existing farm operations, for horticultural production, leaving the aspiring younger farmer to look for different pathways into farming.

Entry to farming does not have to be limited to owning land to be involved in agriculture. Opportunities exist world wide in a vast array of career choices. Most roles in agricultural careers preferred applicants to have a level of tertiary training. Here in Australia competition for university courses is very strong, but agriculture still is under subscribed, with many courses having more vacancies than participants. This trend was reflected in the UK at Harper-Adams College, and again in Canada at Olds College, in Alberta. How do we change this trend?

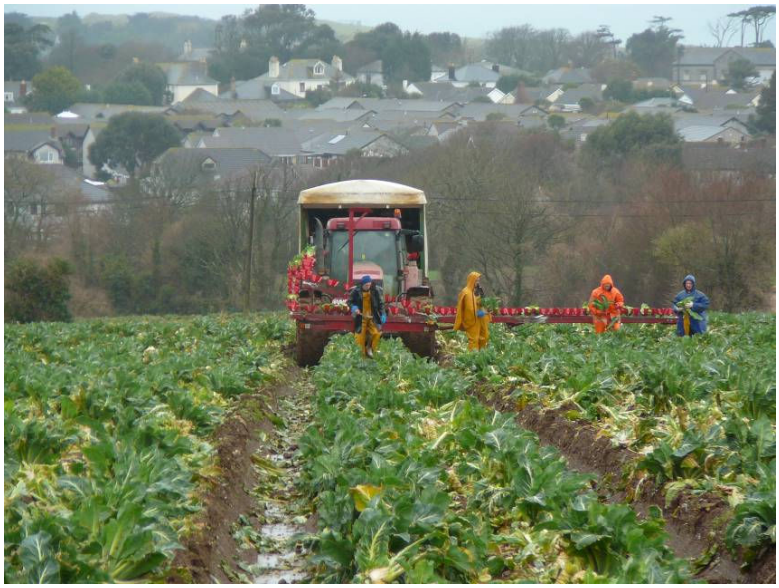
Agriculture is a major employer of labour. While not being an ownership position, farm management can financially be as rewarding, and without some of the limitations of farm ownership. There is a worldwide trend bemoaning the shortage of labour, with all sorts of schemes to alleviate the problem.

In China, the exodus from rural areas to provide labour in the industrial sector was causing big issues in farming. It is believed that the average age for a Chinese farmer is about 79 years, according to Mr Frank Li. When I asked what the population of China was, the response was that the official estimate was 1.2 billion people, but it may be as high as 1.5 billion, as there has never been a proper census carried out.

China was a country of extremes, with seemingly affluent middle class highly visible in major urban areas, through to the peasant like surrounds of many of the villages in rural China.

The United Kingdom had workers from Poland harvesting vegetables, and most road signs in Cornwall had two languages printed on them, English and Polish. In Alberta, Canada, for the contemporary scholar's conference in 2007, labour was a challenge as well. With the oil industry

paying high wages, other industries were looking overseas to find labour to fill the shortage created by the migration of labour.



Labour supply was a global issue. Here a team from Poland are harvesting cauliflower near Hayle, in the U.K.

Farming then has many opportunities to create employment. Roles in management, service sector, and contracting are all ways to begin a career in agriculture. The son of a family I stayed with in the UK started out on wages on the family farm after completing his secondary schooling. With family support he bought a tractor, and started subcontracting labour and the tractor to a nearby agricultural contractor. James was then able to purchase a hay baler of his own. During the hay season he provided a contract baling service around his local district, as well as harvesting with his family. During February 2007 while I was visiting the family, the contractor decided he wanted to sell his business, due to personal issues. While the cash flow figures seemed very favourable, with a sound profit margin attached, and no local competition for the service provided, James had no luck in gaining support from his family's bank to finance the purchase of the contracting business, even with a cash flow, budget, and business plan. He then approached one of his grandfathers, who financed the business.

New Zealand has a strongly promoted share dairy farmer systems, with a defined career path, often beginning as a milker or farm hand, moving to management roles, then lower order share milkers, up to higher order share farmers, before many then move into farm ownership.

This model was being looked at in Missouri, in the USA where a number of farm conversions had been undertaken, and three thousand cow operations created.

Opportunities seemed endless to be involved in agriculture. While not all jobs may be attractive, or pay well, there are many ways to progress in the industry. Some will require relocation, others

retraining or on going training. Wages and salaries need to reflect the responsibilities and outcomes that are achieved. Appreciation of labour, recognising the contribution to the business is also important. Another challenge that was thrown at me was, how do you reward someone working for a salary in the agriculture industry, when they have achieved greater technical outcomes than hoped for. Who then owns the intellectual property rights?

At a seminar organised by Dairy UK, the sentiment of a questionnaire that was completed by the participants, was that change was needed to the dairy industry, and the best way to facilitate that change was the removal of support payments and subsidies, and to let the market place dictate the outcome. As a flow on from this, other regulation and compliance issues needed to be removed or changed. The E.U. Commissioner for the Dairy sector, Thorkild Rasmussen, defended the EU position, with quotas to remain in place until 2015. He argued that quotas prevent the oversupply of milk. With the EU undertaking a "health check" of the CAP in 2008, and the increased availability of quota as a mechanism to create a "soft landing", farmers were better off remaining under quotas until the end of 2015.

Maybe it was the cynic in me, but I could not help wondering if the time frame perhaps fitted better with the retirement plans of the Commissioner, than any other time frame, particularly given the current world market for dairy product, where prices on the international market were higher than any support mechanisms, and that if there was a removal overnight of quotas, I believe it would take Europe some three or four years to be able increase production to a level that would outstrip current forecast levels.

While quotas may have prevented oversupply of milk, quotas have also inhibited market growth, as well as production growth. I believe that there is not the capacity to increase a lot of production in Europe at this stage with environmental and physical constraints on any major increases.

In Ireland, as well as the United Kingdom, most factories do not have capacity at their peak to process more products, so to produce more milk; it needs to shift to the shoulders of the "bell curve". This is less attractive to the producer because of higher production costs and less profit. In the operations that I visited in the Netherlands, where cattle were "stabled", little capacity existed to hold more cattle, so either young stock needed to be removed to allow more mature cattle to be kept, or additional housing needed to be developed to hold more stock, again, creating additional expense, with little short term gain. Along with the additional expense of more buildings, there are also compliance issues with the type of buildings that were allowed to be built. Issues included size, location, style of building, other issues included material, effluent disposal, and number of cattle housed all which needed approval from a range of officials.

A new "stable" complex being finished on the property of Bram Prins. European standards needed to be met in the style of construction, along with compliance to fire standards, cattle welfare issues, and slurry disposal. 170 cows are being milked through this operation, which has three robotic stations. Methane is produced from waste product, and used to drive generators, feeding power back into the grid. Recent modifications to this facility have seen two more robotic stations added, and cow numbers increased to 300 cows.

Subsidies have changed in recent years throughout Europe. They have become "second pillar" payments, decoupled from production outcomes, and in the UK linked to environmental outcomes, through the single farm payment scheme. "REPS" is another scheme in Ireland, based around environmental outcomes, but really another form of income support.

In America, the U.S.D.A. has the F.S.A. (Farm Service Agency), which has a charter to provide finance to the farm sector in America. Along with providing a credit guarantee to the "low performer", it also ran a direct loan program to assist the Beginning Farmer. The direct loan program provided funding of $50-$60 thousand, to allow the beginning farmer the ability to purchase stock, through to five hundred thousand dollars for real estate purchase and establishment costs. With the continued rise in real estate values in the USA, the FSA recognised that they needed to change their loan criteria, to allow more flexibility in their products. One scheme that they had accepted for low cost entry to farming was a joint rancher scheme. The FSA recognised that with higher land values, and a diminishing labour force, that a lot of farm enterprises needed family labour to be able to survive. Through recognising that young people were working in partnership with parents, a facility

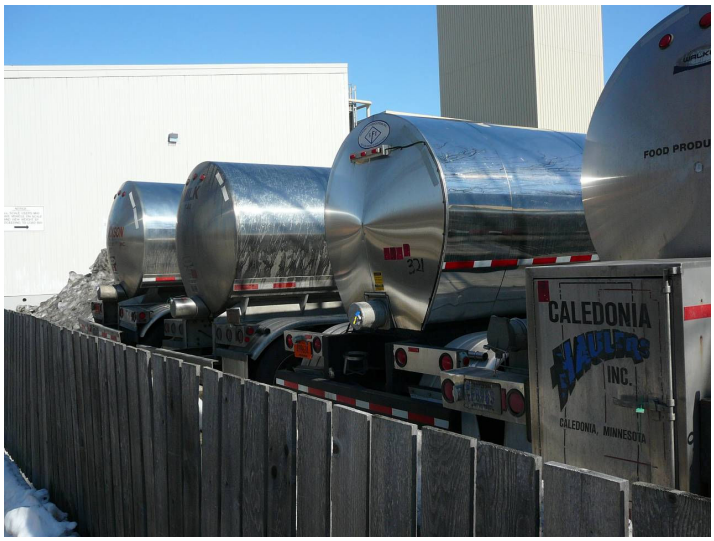
had been made available to allow younger people access to finance to purchase stock, or equipment, and run them in conjunction with the existing family business. As these young farmers developed their equity, and wanted to either take over the existing business, or move into their own operation the FSA was able to support them into a new venture, with a shared facility with a commercial bank. Even though the FSA had exposure to the lower performing loan portfolio, they felt that they had a very good record, with less than 1% default rate on borrowings. Ray Ellenberger of the FSA in Madison, Wisconsin, stated that it was important to stay ahead of the community expectations, and provide products that reflected what was needed, thus having the respect of borrowers, and the level of performance with their loan portfolio.

Opportunities for other low cost entries were more available in the USA, with rental land being more freely available in the market place, though increased interest in bio fuels had increased competition for particular land types.

Externals
Bio Security

As I travelled through Europe, Canada and America, the challenge of bio security was something that could not be ignored. Simple issues such as clean protective footwear as you entered and exited various dairy enterprises, through to the full blown example of how the ripple effect of an outbreak of foot and mouth disease in the United Kingdom can impact on the operation of a dairy processing facility in Ireland. Interestingly, bio security has no standard definition. Bio security is also strongly linked to bio terrorism, again something that lacks a standard definition.

With the outbreak of Foot and Mouth disease in the United Kingdom in August 2007, milk processors in Ireland quickly moved to implement their bio security plan. Any milk from across the border needed to have a declaration stating its place of origin. With the first outbreak of foot and mouth being declared on the evening of a long weekend, Connacht Gold co-op ceased receiving milk from cross border markets on the Saturday morning. This was to ensure that any milk from the Northern Ireland region had not been mixed with milk from the United Kingdom. Once management returned to work on the Tuesday morning, and milk crossing over borders could be verified that it had not come from the United Kingdom, then Connacht gold co-op received it again.



In Madison, Wisconsin USA, Milk tankers have "zip ties" on all outlets as a precaution against tampering with the contents of the tanker.

In parts of the USA milk was being hauled across several states from producer to processor, up to distances of 600 miles in some instances.

Energy

With America mandating the production of ethanol from its corn crop, the energy issue is something that is at the forefront of most policy issues throughout the world. The renewable energy sector in agriculture is expanding at a rapid rate. The production of electricity through wind turbines was probably the most visual of all renewable energy schemes and throughout the western world countries was very prevalent. On farm, production of methane gas, to power motors driving generators to put

power into the electricity grid was also happening. Within parts of Europe, alternative energy sources included bio fuels from oilseeds. “Set aside” land is able to produce crops like canola for bio fuels, and still receive subsidy payments for non-production of food crops. Research and development in the alternative fuels and energy sector is a major investment area. As the renewable energy sector grows, pressure will grow on available resources, yet it will also create opportunity within for the use of co products or by products.

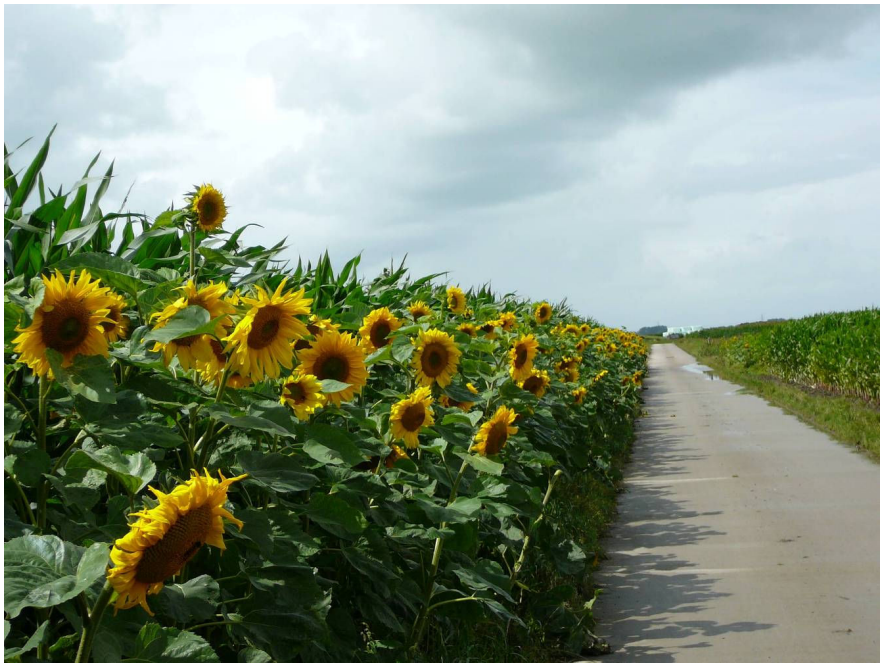
Cooperation

With increasing cost pressures on farming and environmental regulations requiring more accountability at the farm gate level, a concept that has been lost a little in parts of agriculture, was the ability to work co-operatively to get a good outcome. With a lot of the European Union having auditing issues with phosphorus and nitrogen inputs, along with the increasing costs of the inputs, one farm family I visited was working in conjunction with their neighbouring farms. The Prims property ran a dairy herd, grew maize, and had a methane gas digester. The farm is situated on the outskirts of a village Ten Boer, in the north of the Netherlands. Nearby farmland grows cereal and maize crops, so the dairy farm is exporting excess extruded effluent waste to the neighbouring farms. With a limit to the number of stock that can be housed on a property in correlation to the number of acres of land the family farmed, this level of cooperation, and accounting, allowed for more stock to be farmed on a smaller acreage, and allowed cropping farmers to access lower cost fertiliser inputs.

The cooperation did not end at that level. The maize was also then bought into the enterprise as inputs into the anaerobic digester, for the production of methane gas. Cereal was also purchased back for input into the dairy herd ration also. The maize from nearby farms was carted back to the Prim’s farm for ensiling.

During the harvest period, it meant that harvest equipment was travelling through the village every few minutes. With the cooperation of the local village people, the play ground situated across the road from the village was closed to provide safer access through the village for the harvest machinery, and exposing the village children to less risk of being involved in an accident. With the production of the methane gas, the heat by-product was being piped into parts of the village for heating. The generation of power was through three converted diesel motors, each coupled to a generator. The power was then fed into the power grid that supplied Western Europe. An interesting aside to the production of the renewable energy was the corporate image that the power company wished to display. The outside three rows of a field of maize were planted with sunflowers. The energy company then came and took photos of the sunflowers in full bloom, to promote the clean, green image to its customers and potential clients. Throughout the year, the Prim’s family hosted barbeques on farm as a way of

recognising and thanking the local village population for their support and cooperation with the disruption that the farms activities imposed on to the village.



Corporate image is as important in the Netherlands as it is anywhere in the world. With the maize crop destined for a biodigestor for methane production, the opportunity to create a clean green image from renewable energy sources is important to the company purchasing the energy, hence the rows of sunflowers around the edge of the maize crop.

During my visit to the Prim's farm, a new dairy facility was being finished. The farm operated a milking herd of 170 head of Holsteins. At the time of my visit, a staff of five was required to operate the existing facility. In the new operation, three robotic milkers had been installed, along with auto scrapers to clean the passageways in the stable, and an automated feed system. The outcome was that only two staff would be needed to manage the new enterprise.

The new automated milking system at the farm of Bram Prins. 170 cows will be milked on an average of 2.7 times a day through this facility. Production per cow is around 9000-litres per lactation.

This was an example, of in the planning phase of the new enterprise, where the concept of triple P was included. (Price, Profit, People) as well as a concept of triple L.

Labour. Is this Fun?

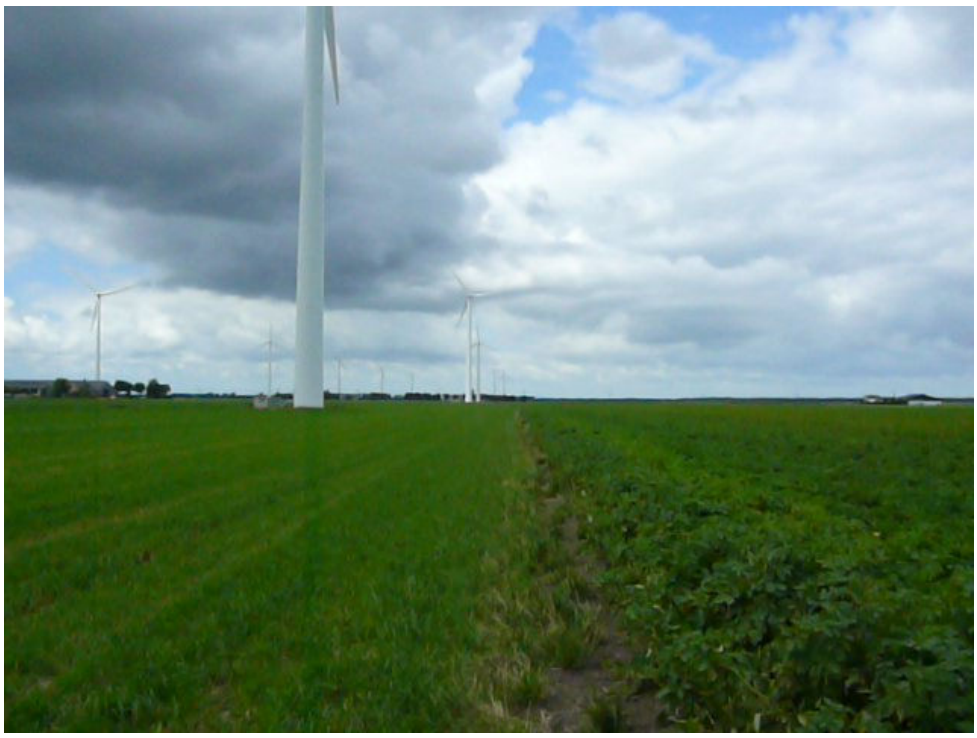
Labour. What is the cost?

Labour. Is it efficient?

The cost to build the new farm facility was stated as being one million Euro dollars. When I enquired what the expected return was, the response was it was 1% higher than interest rates, when the total enterprise was included. This included the bio gas generation, which was cash flowing at 26% of establishment cost, which in turn had been subsidised to install. So did I get a straight answer? No, and perhaps with looking at on farm efficiencies, it was difficult to win the confidence of those I visited to share the more sensitive financial data of their operations.

In a visit to another farm in the Netherlands, renewable energy was also part of the cash flow in the business. Jan Blitterswick farmed in the Lelystat area of the Netherlands. The farmland was five metres below sea level. A grid of wind turbines every 500 metres existed as far as the naked eye could see. Each turbine was worth thirteen hundred euro in rental per annum. With continuing demographic change and population pressure on rural land, Jan had sold 40 hectares of his original farm for residential development. He was then able to purchase another 170 hectares 30 kilometres away, and equip it with modern farming machinery.

The home farm had been reduced to 70 hectares, and 25 hectares was used for the production of grass silage, which was harvested five times for the season. Twelve hectares of corn were also produced for maize silage, with the balance of the farm being used for production of vegetables, and disposal of effluent. Jan had a grown family, with two sons, and two daughters. The eldest son lived on the new farm 30 km away, and managed the production of the cropping operation. The younger son worked for a local agricultural contractor. Again the issue of how to arrange a succession process was raised. Jan felt that none of his children wanted to take on the dairy operation, but they all wanted to be involved in farming.



In the lelystat area in the Netherlands, wind turbine generators stretch as far as the eye can see.

Irrigation in the USA

San Joaquin Valley.

As an irrigation dairy farmer, I was keen to see what issues also impacted upon irrigation practices throughout the world. I was able to make contact with the Farm water user's coalition, based in Sacramento, California. While I was looking more at policy, and environmental issues, I was also able to get on farm as well.

Irrigation practices in the San Joaquin valley are similar to most irrigation forms in Australia. As you travelled throughout the valley, you could see drip and trickle irrigation set up in orchards, spray, linear move, centre pivot, and flood or border check irrigation, on crop or pasture production. On a horticultural property of the Stamoulis family, near Modesto, I was introduced to sub-surface drip

irrigation. The property consisted of around 1500 acres, which had progressively been converted to sub-surface irrigation. The process was to use a Global Positioning Satellite (GPS) to form 84-inch beds, around 200 metres long.

Two sub-surface irrigation tapes were then buried in the formed beds to a depth of 250 mm below surface level, at equal spacing. Once the beds and tapes were in place, the GPS technology was not needed, as all of the farm equipment had the wheel spacing set to be able to follow the formed beds. The oldest formed beds had been in place for eight years, with minimal maintenance needs. Some flushing of the sub-surface tape took place to remove crop root penetration. With the climatic conditions in the San Joaquin valley, half of the farm was "doubling cropped" each season. The big advantage from the sub-surface drip irrigation had been the decrease in water used to grow a crop, or the increased water use efficiency. Prior to the sub-surface drip irrigation, the average crop used between 2.5 to 3 acre-feet an acre, (equivalent to 7Ml/ha) for production of a seasonal crop. With the sub-surface drip irrigation, water usage had decreased by 40% per crop, with an improvement in recovery rate of grown crop, suffering less losses due to water logging and other management issues associated with poor flood irrigation practices.

Sand filters play an important role in the filtering of irrigation water. Sub surface pipe had been in place for 8 years at this property.

California is a very diverse state, with the thirteenth strongest economy in the world. With a current population of 38 million people, and projected population of 46 million by the year 2030, it has a lot of pressure on its distribution of its water resources. The current system is based upon the time that California had a population of 20 million people.

Suzanne Butterfield probably summed up the situation as well as any one. Her comment was “that we had become happy, fat and dumb.”

Suzanne Butterfield is the Chief Executive officer of the Solano Irrigation District. Along with harvesting and distributing irrigation water, the Solano Irrigation District provided “drinking” water. I believe that Suzanne’s comment reflected that while the board and directors had a well-managed and profitable business run in a responsible manner, they had lost touch with public perception and had not recognised or understood that the community now had a different expectation to how water resources are managed.

With a world that has undergone significant change in the way we communicate in recent years, and California being a “media saturated” state, the ability to put a message to the population is easier than ever. Dairy farmers in Canada also faced similar issues; with a Dairy Processing Company stating that it would not collect milk from farms that operated tie stall barns, because consumer perception was that housing cattle in tie stalls is a cruel practice.

In the states of Colorado and Nebraska in the USA, we also found that irrigation systems were stressed. With over allocation of water, less than full water right, and under ground aquifers being drawn down to greater levels below ground level, and not fully recharging in the winter months reflected an irrigation system that while not in crisis, had some serious issues to address. Both state universities were undertaking trial work on crops, where maize, soy bean and lucerne were being grown under a regime of water stress at various stages of development. The research was to test the plants physiological response to water stress, and what impacts the moisture stress had on plant yields, and the economic or opportunity cost of changed yields, under different applications and timings of irrigation applications. What surprised me with this research was that it was being duplicated in neighbouring states, and that neither trial work had a control plot where a crop was grown under “best management practice” with the yield, response, and economic outcomes being measured against the other trial work.

Trial work is undertaken to measure the different responses to variable applications of water to maize and lucerne crops. Similar work was being undertaken by a number of research farms through out USA. While the trial work was similar, what surprised me was that a control of best industry irrigation practice was not undertaken, so no direct year on year comparison could be made from the data.

Challenges Ahead

With an increasing acceptance that the world is experiencing climate change, and that our water resources are under increasing demand, research is essential to continue to explore what our best use of our water resource is, and with the USA mandating the production of ethanol, extra pressure is being felt in the world with the availability, price and distribution of food.

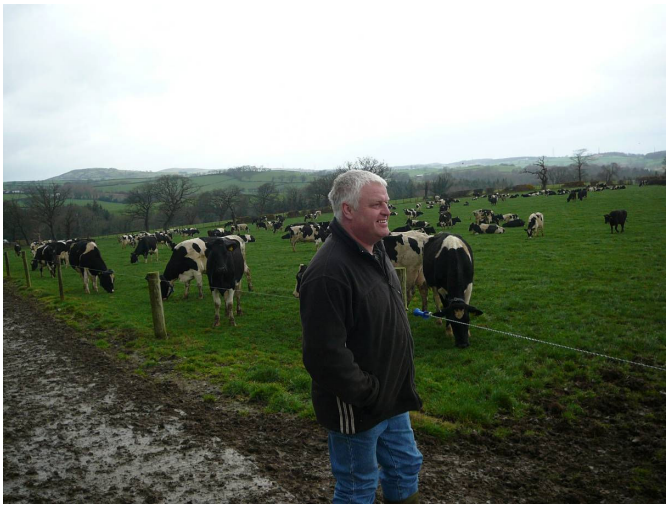
One question I believe we need to keep asking ourselves, is how sound is the science?

With the emotionally charged debate of global warming, climate change, carbon emissions, world food shortage and drought being reported on a daily basis in the media, and many "expert" opinions and government policy being developed around this information, we need to scrutinise the science and information to make sure it really is the best data available to us, at this point in time.

The key indicators of success are different in each business. For some, how they perform in a benchmarking exercise will be sufficient, others, an annual increase in net worth.

For some operations it will be a more physical measure, such as how much yield they have achieved for the season, while other business will be able to tell you how they have performed in all areas of the expenses, and income, and be able to give you an operating margin over their costs, and a daily profit measure.

While some measures may seem crude or basic, I believe the exercise of knowing how your business is performing is as important as how your business is measured. Not only identifying what business you are in, but also understanding the economic environment that you are operating in is important. As farmers, we all bemoan the fact we don't receive enough income for our product, yet there are always people willing and able to produce food. The more successful farm business had a strong "corporate" approach to their business. All were aware of what their income was, but more importantly, knew what the cost structure of their business was, along with an understanding of their competitors costs, but most importantly, knew their margins over their cost structures If you have some level of performance that you can monitor, at least you can manage it, and by managing your business, you identify what business you are in. Another key driver to the success of many of the businesses they are in is knowing the environment they are operating in, and what are their strengths. As I look back at the farm business's I visited in my travels, it is interesting to compare where they placed the emphasis. Alan Owen, past Welsh scholar, ran what he described as a "Victorian" system. Alan's approach was not something from the eighteenth century, but skills he had returned with from his Nuffield travels, with a strong emphasis on a low cost input operation, focussing on extracting high net profit from a simple yet effective grazing system.



A simple, effective, efficient system based on a "Victorian " pasture based operation, with grazed pasture being the key driver for the profitability of Alun Owens dairy operation in Denbigh, Wales.

The Richardson family had elected to diversify the family operation, with a range of enterprises being managed. The emphasis was around improving their "net worth" each year, recognising that some areas of the business did not always return a profit in certain years, due to various market forces.

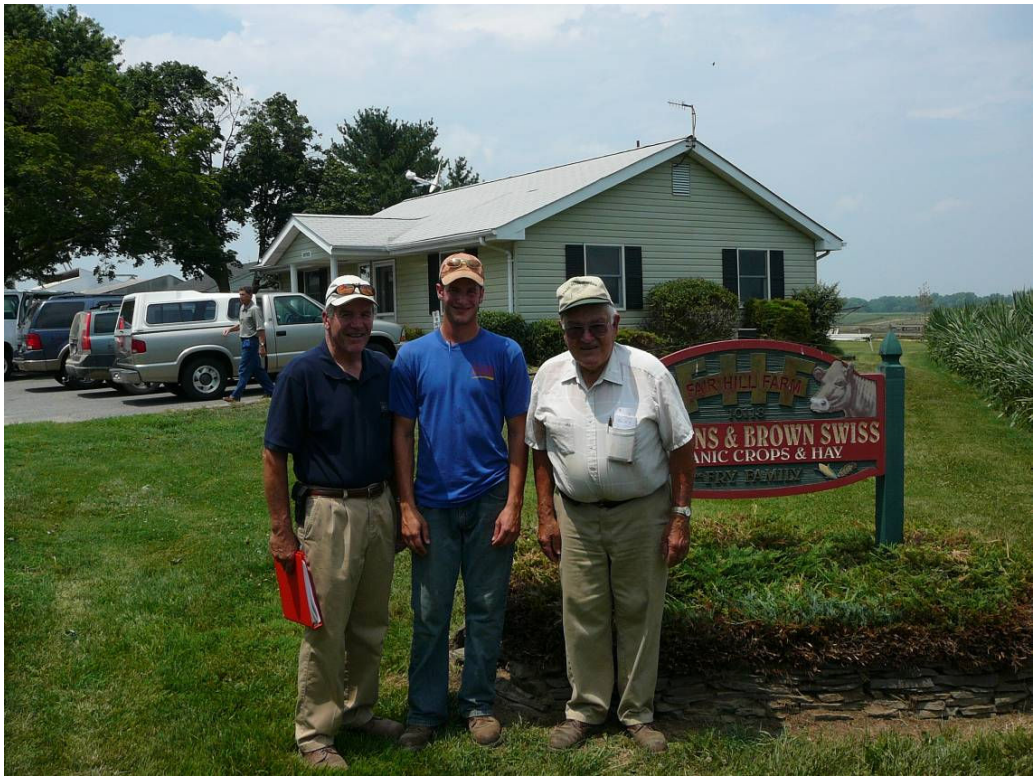
Family farms in the state of Ontario, Canada, had placed increasing importance on adapting to technology, and looking to develop niche markets for parts of their business. The business of the

Loewith Partnership looked to contain their costs, diversify the business, and create multiple income streams.

While this is just a snap shot of certain farm businesses, some common trends and themes repeatedly appeared. They were knowledge based, relying on good market intelligence, not hearsay or rumours. They had a good understanding of the environment they were operating in, and managed their margins.

All felt that they needed to be globally focused, recognising that we are impacted by the global market, regardless of what support mechanisms exist, and that there is a critical need to have industry research, market and product development, to be innovative in the way they approach their business, and to adopt change practice. Farming does not need to a complex system, but rather, simply, effective, and efficient.

Succession sounds easy, plan, communicate, implement. However, it is far more complex than that. In the planning phase there are many issues to consider. Even to get the succession process to initial discussions can take the skill of a diplomat. Succession in farming has the appearance of a trip to the South Pole, we all know about it is, but few of us want to go there. With the communication phase of succession, I believe we need to receive the affirmation of all parties included. Take the time to explain the plan, and then hear it back. Having all parties being able to say, "my understanding of their understanding is…" Implementation can also be an ongoing process, with the ability to have a dynamic plan that allows for changes, and can embrace new opportunities. A succession plan can be a very powerful management tool if properly developed, and is worth spending the time and money to get right. Use outside expertise, give dignity and a sense of worth to all those involved, be prepared to review and update the plan, and communicate and affirm with all parties what the expectations are.



Three generations of the Fry family, Maryland's, USA.

Having a plan that has been clearly communicated to all parties is important to all involved in succession planning.

Conclusions

Family farm succession is not an obligatory process, rather, an outcome that is achieved over an extended period of time. Families find that working through the process to achieve the desired outcome for that family is a unique process. There is no one recipe for a good outcome, but many signposts that point the way to closure on the way a succession plan is developed. It seemed that Australia has embraced succession planning more eagerly than other countries. Overseas countries look to Australia to provide them with information and extension on a lot of rural issues, including succession.

Tradition seemed to be a major hurdle to progress, particularly in the UK and Europe. Where people saw farming as a business, they ran it as a business. While there was no one measure for success, the measures that were used, were relevant to the position of the particular business. Knowing what was being achieved, and the environment that the business was being managed in was as important as profit or gross margin over costs, or the net worth of the business. The fact that businesses identified measures that are important, and articulate those measures in a manner that is meaningful to the

business, is far more important than a “one size fits all” template. If there is a failing, it is in the ability to understand and differentiate between production, and productivity. A constant catch-cry was, we need more money for our product. A percentage of producers continually appeared in the press bemoaning the high cost of (traditional method) production, yet many of their contemporaries farming in the same environment, that had made change in their business practices through productivity gains found that they still could operate a profitable operation.

Attracting young people to agriculture has all ways been a challenge, and I suspect that it always will be. The image we present, the climatic conditions that we have to overcome, the margins after costs, and the high cost of establishing oneself will continue to remain as barriers to starting younger farmers in business. We need to promote agriculture as a career of first choice, not last resort. Mentoring younger farmers is a way we can give positive image and results to the industry.

I believe though, that the biggest barrier new entrants face is in their own mind. Innovation, change, challenges are just words. Imagination, willingness to engage in farming seem to be the key to getting young people involved, with just rewards for the risks involved for those starting out in agriculture.

I have been asked what an “Australian Nuffield farming scholarship” has done for me, and what advice would I give to some one considering applying for one. For me, the Nuffield experience is hard to quantify. Many doors opened through out the world. The chance to meet with industry leaders from many aspects of agriculture, as well as farmers, industry professionals, politicians is priceless. You gain a perspective of how globalised we are, and a respect for the circumstances our contemporaries conduct their business’s in. Above all, it will be the friendships that you make with other scholars, that will stay with you a lifetime. So, if you want to have a better understanding of international agriculture, global policy, be taken outside your comfort zone, develop leadership qualities, and have a international network of contacts, along with a broad cross section of strong friendships, a Nuffield farming scholarship may just be the way to go.

Recommendations

We need investment in research. At the same time the science needs to be scrutinised. I believe we waste a lot of potential funding for research by unnecessarily duplicating research. Why can’t we build on the existing knowledge blocks? Is the variance that great between states and nations that we have to trial work other scientist have done elsewhere?

We need to continually promote the value of agriculture. With such a large percentage of the population removed from a direct connection to agriculture, we need to be able remind the public the importance of a strong agricultural sector. As we travelled through out the world on our Nuffield scholarship, locally grown and promoted goods were advertised widely in the public domain.

Above all we need good policy from our Government. A comment made during a visit in Canada was that “too many of our politicians are weather vanes, too damn few are compasses.”

We need policy that will enable us to compete equitably in the global economy. I am not advocating any support schemes or quotas, or subsidies. Rather, I believe such market interference only distorts the world demand for certain goods and services, creating inefficiencies in the production and supply of certain commodities.

The sooner we can negotiate a level trading environment, with the removal of non tariff and other trade barriers, the more chance we have of seeing a changed paradigm. While we have all the restrictions to a free and fair global economy, we will only experience step change.

At the end of the day, we are not limited by what we know, rather, by what we don’t know.

The Australian war memorial at Villiers Brettonoux. This helped keep in context what we experienced as scholars. A very emotional experience to visit the sites.