



Royal Agricultural Society of England

People in Farming

**Notes from the Joint Conference
10th November 2005. Stoneleigh Park, CV8 2LZ**

This was the second conference run jointly by the Royal Agricultural Society of England, the Fellows of the Royal Agricultural Societies and the Royal Smithfield Club. Last year the conference discussed the management of change in agriculture and produced an agenda for the three organisations. This year's conference reported on progress with that agenda and discussed the ways farming manages its people, including on small farms with no hired labour. The conclusions of the day will be used by the three organisations to decide how they can help to promote the changes.

Welcome and summary of action from last year's conference

Malcolm Stansfield welcomed the delegates and described four main outcomes from last year's conference:

1. Mike Calvert made initial contact with Defra before he retired and they were happy to have a regular meeting to discuss concerns of the three organisations. There have been changes in Defra personnel since then and with Mike's retirement it had not been possible to set up the first meeting. However the new RASE Chief Executive, Professor John Moverley has strong contacts with Defra and we hope these meetings will go on his agenda for the next few months. We also are aware that we need to engage with other government departments.
2. Delivery initiatives – there was a very successful meeting at Stoneleigh last May of Rural Hubs and other 'bottom-up' delivery initiatives with all regions represented ranging from the South West and the West Midlands where initiatives were well advanced to others like East Midlands and the North East where they were just getting a start. The exchange of views and experiences at the meeting was most useful to all concerned and a second meeting of the group was held earlier in November in Harrogate. At the Harrogate meeting, all present reaffirmed the importance of grassroots delivery and agreed that it was vital to share best practice in delivery and learn from initiatives elsewhere. There are a great many industry strategies but these can only make a difference if thought and resource is devoted to their bottom-up delivery. A third meeting has been scheduled in six month's time. More information about these meetings is available from Joanna Righton at RASE (joannar@rase.org.uk)
3. There have been discussions with Lantra about how the three organisations could work with them to help with training initiatives and an article about these has been in the RASE members' magazine 'Rural Matters'.
4. Gordon Gatward as Director of the Arthur Rank Centre convened a meeting of the Farming Help organisations, rural researchers, and other organisations who

worked with farmers with the purpose of making the most of the information which was available to each organisation to describe social and other impacts of farming change. Since the meeting a steering group has been set up to produce a programme of action. A paper summarising the meeting is available from Alan Spedding. (alan.spedding@btopenworld.com)

Introduction by the Chairman

Mark Hudson, Immediate past President, CLA

We should bear in mind that people need:

- Employment
- Community
- Training
- Social life
- Education
- Motivation.

Summary of Workshop Conclusions

Sir Ben Gill

Sir Ben summarised the conclusions of the workshop about people in farming which had been convened by RASE, FRAGS and the RSC in May 2005. He said that 'working together' is the main issue. And asked: 'What are the main factors which make farm businesses successful?' They are:

- Profitability – which provides the facility for social and environmental responsibility.
- SWOT analysis – every business needs to check its strengths, weaknesses, opportunities and threats considering current skills available and new/alternative revenue streams. Westbury Dairies have meetings of groups of about 10 farmers on farms to discuss the management of change and evaluating current skills and looking for new revenue streams. Other groups including Rural Hubs and the Red Meat Industry Forum are doing similar work.
- Separation of ownership and management
- Increasing scale especially by co-operation and collaboration.
- Skills training – we need to develop a culture of continuous in service training - those who do not will be more likely to fail.
- It is important to develop CPD
- Also benchmarking to raise the bottom quartile to the middle.

- The role for agricultural colleges is important – training for the food chain, of future industry leaders, of non-executive directors and IT skills. There should be compulsory integration of college-based training and farm experience.
- Research Funding bodies seem to be over-directed to old concerns. Rather they should be looking at issues like reducing the carbon footprint of agriculture.

How do you make farmers demand more information, advice and training? By:

- Ensuring that all advice is to a high standard and clearly disseminated
- Ensuring that farmers know what it is that they do not know
- Publicise best practice and how to achieve this

Discussion

Hayley Gilmour, Lantra. CPD progress – Lantra are trialling a model scheme on equine groups and livestock farmers.

Social Aspects

Revd Dr Gordon Gatward, Arthur Rank Centre

Management is *‘the art of making good decisions based on inadequate information from dubious sources’*

There are four key management areas. Farmers tend to be good at the first two and bad at the last two.

1. Enterprise
2. Business
3. People
4. Personal lifestyle

The Social Impacts group mentioned earlier by Malcolm Stansfield will produce better information which will allow the Farming Help organisations to be better prepared with appropriate resources, in particular better training, to face the challenges. Also it will help them to work together better. The information produced will also be passed on to government agencies.

The group will review published research and draw action messages from it eg the recent HSE report and the Exeter University work on the Social Impacts of restructuring.

The recent report from the accountants Deloitte on falling farm incomes on lowland farms shows that the average profit generated from all activities in the 2004/05 year was £66/ac. This is a 19% decline on the previous year’s £81/ac. Looking forward, the firm predicts that net farm income from all activities will decline further to £62/ac in 2005/06.

Latest figures from the Farm Crisis Network (FCN) are in the table below. They illustrate the high levels of uncertainty and anxiety among farmers.

| | December 2004 | June 2005 |
|---------------|----------------------|------------------|
| New cases | 32 | 48 |
| Ongoing cases | 174 | 204 |

Good management can go a long way towards helping these situations but ‘one man bands’ (ONBs) feel that people management does not apply to them. It should. They are dealing with lots of others in their businesses eg Vets and Veterinary Investigation Units, and people providing drugs and medicines, crop protection chemicals, crop walking, feeds, minerals, seasonal grass lets, winter sheep grazing, straw and sawdust, breeding animals – rams, heifers and bulls, other livestock equipment, tags, fertilisers, sludge etc. (Source Journal of Farm Management April '05)

Continuous Professional Development (CPD) schemes could give farmers a framework around which to raise their game and their status and that of their staff to improve their career prospects.

The Report from ‘People in Farming’ workshop we held in May 2005 said that ‘a culture of continuous learning and training needs to be developed.’

Farmers need to communicate better and so relate better and research shows lots of communication problems within farming families.

Farmers often have a haziness about objectives – no clear goals no business plan.

A good example of an objective from Tony Giles ‘To run a farm that is successful enough to pay top class staff top class wages.’

Personal lifestyle management is a key problem – letting go, leaving the farm.

Research on ‘Suicide and Stress in Farmers’ by Hawton et al in 1998 showed that 70% of farmers worked over 10 hours a day, including 20% who worked over 15 hours. Working over 10 hours was most common for dairy farmers (87%), followed by beef farmers (74%) and sheep farmers (73%). Those running single operations did not work such long hours as mixed farmers, 74% of whom worked over ten hours a day compared with 61% of those with only one farm type.’

And the HSE 2005 Report, Farmers, Farm Workers and Work-Related Stress says that many farmers suffer from exhaustion, and lack of sleep, back problems and headaches, losing temper and in extreme circumstances, depression. Even younger farmers can suffer from overwork – they think they are inexhaustible – exhaustion is a major problem with impacts on lives, families and businesses. HSE also reports that agriculture has one of the worst fatal accident and occupational ill health records of any major employment sector – accidents often happen to tired people.

Better lifestyle produces better balanced people and better management – a virtuous circle. Again, the HSE report says ‘A broad distinction emerged between people who responded to problems more reactively by dedicating themselves to their work, hoping to work their way through stressful times, and those who planned ahead, prioritised and took a longer-term approach to problem solving. The latter were generally more successful in dealing with agricultural stress.’

The manager’s prayer:

“Dear Lord, help me to become the kind of leader my management would like me to be. Give me that love for my fellow men which passeth all understanding so that I may lead the recalcitrant, obstinate, no-good worker into the path of righteousness by my own example and by soft persuading remonstrance instead of busting him on the nose.....

Make me a better leader of men by helping develop larger and greater qualities of understanding, tolerance, sympathy, wisdom, perspective, mind reading and second sight. Amen”

Discussion

Mark Hudson – there is a thread – training, CPD and how do you get one man bands involved.

Jo Righton, RASE – it has been interesting that when farmers start to work together to improve as they have in the Warwickshire Hub they asked for training in business planning, IT and marketing. Technical skills were ranked much lower in their needs.

Tony Worth – training outgoers for new opportunities is an issue that needs more attention. Farmers have many skills at a good basic level which just need polishing and ‘certifying’ to open up, often lucrative, new opportunities as builders, plumbers and carpenters.

James Townshend, Velcourt - the future is going to be increasingly challenging and we don’t have a lot of the skills we need

Partnership Lessons from Industry

Ross Holden, John Lewis Partnership/Waitrose

John Lewis is a co-owned business – its partners share in its success and failure. It has 27 department stores, 170 Waitrose branches and runs the Leckford Estate in Hampshire and a number of manufacturing units.

“The fundamental basis of the Partnership is the happiness of its members through their worthwhile and satisfactory employment in a successful business”. This goes with a vision to share the responsibilities of ownership as well as the rewards.

This is achieved by a clear corporate business plan (“a rock solid foundation for flexibility”) aligning divisional business plans to the corporate strategy and by

developing local business plans to contribute to the overall strategy. Also by a clear mission statement eg for Waitrose: “To be the best quality food and wine retailer for our customers”

Competencies are based on partnership values:

- Being honest
- Giving respect
- Recognising others
- Showing enterprise
- Working together
- Achieving more

Democratic bodies help to ensure that Partners are engaged, can have their say and can question and challenge senior managers in the day to day and long term Partnership strategy. They are:

- The Partnership Council
- Divisional Councils
- Leckford Council

“We recruit the attitude” and have a “promote from within” policy which aims to identify talent from an early stage. “Pay is not the be all and end all – but it goes a long way”

There is a range of pay for each job and a system of reward and recognition based on short and long-term performance and regular formal appraisals.

Benefits include

- Bonus
- Discount
- Subsidised dining rooms
- Season ticket loans
- Final salary pension scheme
- Life assurance
- Reward and recognition scheme
- Branch social clubs
- Golf, Fishing
- Additional holidays with service, a six month sabbatical after 25 years.
- Holiday centres
- Carers leave
- Family leave
- Flexible working
- Long leave
- Parental leave
- Public service time off
- Study leave
- Religious observation

Also hold exit interviews and have a formal grievance and disciplinary procedure.

Does it all work? Generally, yes – measured by, for example business growth and staff turnover.

Discussion

Mark Hudson – are all staff partners?

RH – except casuals

Guy Trehane – can you compete with the draconian policies of other supermarkets?

RH – yes but we are not competing for sheer size – we are a niche market.

Mike Turner – are targets set weekly?

RH – they can be daily.

Current best practice – some experiences

Nick Helme, Managing Director, Bioganix, Herefordshire

Farming has seen a change from 2004 when:

- UK food production was strategically important and encouraged by government
- The way to maximise farm business profit was to cut costs, get bigger and sell direct
- Subsidy payments were linked to production of crops and livestock
- Farm businesses were insulated from global competition by IACS and headage subsidy payments
- Average performing producers make small profits

Now, in 2005 only the most efficient producers will make any profit at all from farming and:

- Protecting and enhancing the environment is at least as important as producing food
- Maximising profitability may well result from giving up food production altogether
- De-coupled whole farm payments not linked to production
- Beef, sheep and arable products are now fully exposed to global competition
- Only the most efficient producers make any profit from farming.

Industry structure - now made up of three sectors

1. Large specialist producers
2. Family farms
3. Lifestyle, including niche products

Family farms need to see their options as moving to either sectors 1 or 3. For many though the world is moving faster than they can scale up.

Personality matters – Nick sees himself as a generator of change and when 7Y needed a period of consolidation he moved ‘down’ to their subsidiary Bioganix.

7Y

- Started 14 years ago as a machinery sharing service for farming businesses in Herefordshire and Worcestershire
- Owned by 450 rural organisations
- In 2004 took over the Cotswold Machinery Ring
- Now provide machinery, commodity supply, training, relief labour, IT, and office support services
- Recently added a waste management business (Bioganix) and are looking for other opportunities
- For first 10 years customer base almost exclusively agriculture – now changing fast

7Y has been:

- Raising awareness – eg 6 day business development courses
- Specific training – including advanced management, IT, and exit strategies.
- Advice – preparing case studies for Defra, advice and awareness
- Opportunities
- Collective diversification

ONBs – replacement worker offered on the day of the course or to catch up later.

“Myopia is an industry problem”

“All the best options are not outside farming – our industry needs highly skilled and highly motivated people and it can attract high pay”.

Bioganix has developed a process for biotransformation of waste materials into a composted product for use as an agricultural fertiliser. Revenue is derived from a “gate fee” for disposal of the waste products and also from sale of the manufactured compost. It brings innovation to market but needs skills, resources and money. Individual businesses often lack one or more of these and the effort needed to change to this degree is too much for most small businesses but a sizeable business can be built up collectively. Bioganix is owned by local businesses, produces direct and indirect benefits for 7Y shareholders, creates and sustains employment and makes money.

Composting is in huge metal vessels with a lot of technology for odour control.

This kind of business produces opportunities for relatively highly paid jobs. For example Bioganix is advertising for:

- Ten teams of 5 throughout UK to work outdoors operating and supervising equipment. Self managing and motivating individuals. All training provided strong prospects for rapid promotion. Starts at £30k
- Couple required managing 10 acre gardens and supervising housekeeping. £25k plus car plus house.
- Manager to run a Bioganix plant near Ipswich. Would suit someone with experience of managing and operating a farm. £30k plus.

Also there are investment opportunities in this rapidly growing company.

Discussion led by Mark Hudson – what needs to be done, what can RASE, FRAGS, and RSC do?

Professor Wynne Jones has been briefed by the Minister of Higher Education that colleges need to re-engage with the industry and the professions and work out a new relationship with them.

70% of jobs are meant to be at graduate level. So we need more graduates.

We need to get a coherent education, training, retraining and knowledge transfer mix.

Groups of farmers become self-motivating. They challenge each other to change and develop demand for knowledge transfer and training – they need a facilitator.

Also we need to train people to train and empower staff.

Above all we need to create a demand for professionalism.

Brian Jarvis, NPTC – there are now 21,000 NRoSO members and this will double when amenity agriculture comes into the scheme.

NPTC are building a database which will automatically record CPD activity. Within 18 months to 2 years everyone will have a card with a code which shows their personal record. – it could be the engine room for a farmers' scheme.

Vic Croxon It is not the case that agricultural colleges have moved away from their farming raison d'être.

He is working on a sector learning partnership with Lantra and providers of agricultural education and training – much is already going on.

Colleges are businesses and respond to demand – but they need to anticipate what education and skills the industry will need in 5-10 years time and market that.

Professor John Alliston. CARAS could be the body to co-ordinate the standards of any farmers CPD scheme in consultation with other stake holders.

If Chartered status is the aim we will need a minimum of 4,000 signed up for CPD to truly represent the industry. Ultimately we might be looking at some Master Farmer status like they have in Germany.

Guy Trehane. The big issue is who is going to pay for CPD. Defra would only provide seed funding. The industry is running on empty and no money is available.

Mark Hudson. Do we have the right skill set?

James Townshend. The future requirement is for higher calibre people and the skills base needs to be changed.

Money must come from the industry.

Nick Helme. We need management and leadership training and also training in basic skills.

The industry is changing so fast that people need to train as they go.

John Lampitt. Warwickshire College has found large demand for craft courses which would suit many outgoing farmers but there are difficulties finding teachers because they can earn more money doing it themselves.

We need also to look at other industries which are facing similar challenges and see how they are coping.

The key is employer engagement and marketing the relevance of training.

Gordon Gatward – Arthur Rank Centre Training – 250 teenage lads, many from poor backgrounds very successful craft/trade training but it is difficult to find placements in the business for them.

The status of apprentices is not high enough – the culture needs to change.

Ted Sclater. We need to bite the bullet and be more accepting of workers from Eastern Europe. Many are highly skilled with a good work ethic.

Joanna Righton Can we do more for sons and daughters returning to the farm after University so that they are not just viewed as another worker but are given opportunities to put their ideas into practice? EU reform is encouraging more diversification, more entrepreneurship and all the staff resources which the farm has available will need to be maximised.

Bob Phillips. The Agricultural Wages Board is working to pay according to skills.

Minimum rates of pay are poor but not typical and we need to publicise this better. Good sprayer operators are worth £30k per annum.

Vincent Hedley Lewis in summary – we need:

1. Formal staff appraisals annually
2. They should include an assessment of training needs.
3. More honesty and openness. When someone gets too good for the job they are doing they should be helped to move on to something better. This way a career ladder can be developed.
4. Management, teamwork, leadership etc is best learned outside the industry and there are plenty of courses available.
5. All needs to be part of a business plan and a personal plan that covers targets and aspirations.

Tony Worth Family farms are the problem – they need to get bigger or be absorbed by bigger businesses. Also they can aim for stability and just work to preserve their assets.

40% of overseas workers want to stay in the area permanently.

Management Development Services working for the processor/packer side of the industry run a scheme which brings twenty businesses together co-operate to place new graduates to member firms for six month periods. They go to four companies in two years including some in primary production.

Wynne Jones A Pembrokeshire farmers groups has achieved Investors in People Status.

WiRE – women are often the innovators

Ross Holden The art of any scheme is to be absolutely clear about what the job is and what standard is needed at each level. There needs to be a clear career path in the mind - particularly the next stage and how to get there.

Vincent Hedley Lewis A lot of farmers are underpaid for the value they can give other farmers. Often they are thrilled to help. There is more scope for mentoring schemes.

Rosie Read Could farm workers not be classified as essential key workers to improve their status?

Malcolm Stansfield Most farmers are lacking in personnel and people skills.

Jim Kent A problem with benchmarking groups may be that farmers for the first time see themselves in competition with each other.

Could farmers let worker's cottages on the open market and use the proceeds to help workers to buy a house?

Guy Trehane Training is one among a lot of other investments we cannot afford.

At low margins farmers may be tempted to cut corners especially on farm assurance, animal welfare, legislative, social and safety standards. There is a feeling that the old ethics don't matter. How do we keep these ethics on track?

Gordon Gatward

1. Ethics is more – not less on the agenda. LEAF Speak Out – latest DVD on ethics.
2. Overworking is another problem which causes farmers to cut corners.
3. Exit strategies – Farm Crisis Network helps farmers get out. One problem is that they have low self confidence and confidence in their skills so more help is needed to help them refresh and enhance their skills.

Mark Hudson The government is not interested in food security or in the state of farming. The industry has to solve its own problems. But we need to get them to understand the impact in five year's time of current change.

Ben Gill Training is needed for farmers to cope with regulation effectively – reduce the burden without cutting corners.

Personal Summary of the day

Lord Selborne

There have been big downturns in the fortunes of farming before in the 1880s and 1890s and in the 1930s. Farming has had a good run since the last of these and a lot of solid businesses were built on cheap land bought in the 1930s.

There is a wide range of individual circumstances and some businesses are making good money. Nevertheless it is traumatic for many now – a way of life is coming to an end.

There are too many agencies, too many consultancy reports and agencies are risk averse. The government has failed to deliver on delivery.

We need some sort of structure to link different agencies.

Self help groups are the most hopeful way of operating – pooling resources and skills into business delivery.

Some large businesses have invested heavily when things were better and may be at risk and some family farms will survive – they always have. They get external income and can gear up to minimise risk.

Quality of advice is a big issue – there needs to be better empathy for the farm business and more caution in applying Business School conventional wisdom.

Farming families are also facing pressures of isolation, transport difficulty, lack of recreation because society assumes that everything should be urban based.

Business managers must have advanced social skills to cope with all these problems. Farmers have the advantage of knowing their people well.

A lot of skills – non executive directors, management, and finance are not agricultural skills. Farming needs to be more a part of the wider business community and share experiences with it.

We are not necessarily doomed to be a low wage industry.

A lot of businesses cannot afford to pay the wages they want to and feel they are exploiting people but this happens when there is change.

Farmers are astonishingly entrepreneurial – we are faster on the uptake than many industries. The opposite may be true for a proportion of our sector but that's like other businesses.

Alan Spedding, 16 November 2005