

## 61st Worshipful Company of Farmers Advanced Course in Agricultural Business Management, Royal Agricultural College, Cirencester, Gloucestershire 2012.

### Report for Nuffield Australia, by David Gooden

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#### Overview

The course included 18 delegates from countries including Australia, New Zealand, Germany and the UK. Delegates were self-employed, working for large corporate, or working for smaller estates. They represented a range of industries including arable, chicken meat, eggs, vegetable, dairy, mixed farming with livestock, farm contracting, farm consultancy and banking. The course was an intense three weeks in a college environment - perfect for learning and interacting.

The course was extremely stimulating and I found it an excellent place to gain knowledge from a diverse range of industries, people and management skills. The knowledge I gained was a great top-up following all that I learned during my Nuffield travels. It helped me evaluate my business and my strengths as an individual, and it helped me prepare a business plan to take my business to another level.

The value of a Worshipful Company of Farmers Course comes from: learning from other participants; developing lifelong friendships and contacts; understanding yourself and your own capabilities; and learning to step back and manage various aspects of business management.

The quality of speakers was second to none and that alone, should encourage any future candidate to attend. I was very privileged to meet Princess Anne who chaired a morning session on the future of Agriculture in the UK. She had a great passion and knowledge of agriculture. To highlight just a few, other very impressive speakers included: Christine Tacon (former General Manager for Farmcare and Cooperative Farms); Charles Wilson (CEO, Booker); Professor David Hughes (Imperial College); Allan Wilkinson (HSBC); Mike Young (Environment Institute, Adelaide University); John Alvis (Alvis Farms and Nuffield Scholar, 1983); and Tony Pexton (Nuffield Scholar 1975).

The take home message from the course was to work together to develop:

- scale and efficiency (David Hughes, Imperial College; Malcom Crabtree, John Lewis Group).
- a robust business with power and a clear vision, with common goals, and direction (Charles Wilson, Booker; Christine Tacon; John Alvis).
- added value to a commodity by creating value in the supply chain (highlighted by John Alvis and Adrian Ivory).

*“Businesses need to maximise the use of our natural resources with effective people management, with care and respect for our environment to create a profit for owners and community”.*

## **Course Content**

The course was structured in a way so that delegates could develop a full understanding of business management whilst having sufficient time to interact and learn from each other in a place which is well suited to delegate's needs. The staff were very helpful and the students pleasant to be around.

We started by doing a psychometric test of 200 questions which gave me a great understanding of myself and my capabilities.

## **Case Studies**

A main focus over 3 weeks was on individual real life case studies. This enabled us to deal with real issues and gain experience from each other on various aspects of business management. The first was on our own business where we analysed our own businesses and presented a brief business plan with SWOT analysis, aims and objectives.

The second case study was with Waitrose which has 272 supermarkets and was established in 1929. The company was held in trust for the employees, founded on the principle of sharing knowledge, profit and power, and built on quality, trust, service and value. It has a strong link with engaging growers and the case study was focusing on how to build relationships and engage growers to participate in the supply chain.

The third case study was on developing a business plan for a family business – deciding on a direction for improving an existing dairy. Our plans included the direction for improving the existing dairy infrastructure, managing capital investment, utilising existing labour, knowledge and skills, and importantly, showing the return on investment gained from different approaches.

## **Management Skills**

The guest speakers spoke on various aspects of business management – here are some highlights.

Charles Wilson, Chief Executive, Booker, a top 200 FTSE Company was an exceptional speaker with a sense of pride and aura, who spoke on how to reinvigorate a business. His main point was that a recovery plan for a failing business should focus on – cash, stock, simplicity and reorganisation. It should be driven to give choice, keep price down, offer better service, and not show the bad side of the business. Business should broaden its network and be the preferred supplier. It needs to have a great team, tell all stakeholders the same story, manage (cash, cost, concept, customer, culture and crisis), over deliver and have a fast turnaround.

Professor David Hughes from Imperial College spoke on marketing, which focussed on changing demographics and cultural issues globally and how these will affect food demand. He spoke on the changing nature of supply chains as food security begins to increase in prominence. He further highlighted the power of supermarkets and how they are driving the agenda on more sustainable food production which is being pushed back onto large food manufacturers and eventually onto farmers. He suggested that branded supply chain partnerships will be closer and longer lasting than commodity supply chains.

Mike Young from The Environment Institute at Adelaide University spoke about the scarcity of resources and how governments should approach policy to have a market driven, free and tradeable product. He described the water reform in Australia during the early 1990s highlighting that change is inevitable and the need to have both an objective and a tool which is linked to drive production for

maximum efficiency. The role of governments is to provide the framework for dynamic efficiency for this to occur.

John Alvis who is the managing director of his family owned farming company (Lye Cross Farm in North Somerset supplying dairy products) and Nuffield Scholar (1983), spoke passionately about how he developed a totally integrated business which is market lead rather than production driven. The key driver is his corporate objective which is 'profit with integrity'. He developed clear lines of capability and responsibility for his team followed by quality product with full traceability and transparency. Ownership of management units ensures accountability and responsibility and provides a sense of achievement. Management must support grass roots decision making which manages from bottom up and top down.

### *Common Agricultural Policy and the Environment*

There was significant talk about the Common Agricultural Policy (CAP) throughout the course which is currently up for renewal in 2013/14. These talks included Jeremy Moody, Dr James Jones and Sean Rickard. The CAP plays an important role in society and while payments will decline in real terms over time its focus will change from production based to the greening aspect or tier 2 payments. It will involve more paper work with more compliance. Discussion from Professor Allan Buckwell (Chief Economist and Head of Land Use, Country Land and Business Association) highlighted the uncertainty surrounding the debate and outcome. The suggestion that a redistribution of payments will leave some countries better off will be a debate to watch.

The importance of the environment and sustainable production was highlighted in many talks especially Caroline Drummond from Linking Environment and Farming (LEAF). Also Dr. Alastair Leake, Director of Policy Research – The Game and Wildlife Conservation Trust spoke on how land available for agricultural production in England has dropped from .8ha/person to .2ha /person. His message was to have 'biodiversity by design' and manage **both** crops and biodiversity intensively together.

### *Farm Visits*

Farm visits included a visit to Kemble Farm (700 cow dairy, 1000acres arable cropping and an anaerobic bio digester) demonstrated a low margin high cost business model focusing on increasing the milking capacity of the dairy by milking 2.8 times a day so the parlour works 23 hours a day. They plan to be milking 1100 cows in 2 years time. They have a good understanding of the cows needs by managing light, air and temperature. The production of methane to produce electricity did not make sense as there was a lot of heat produced in the process and lost to the atmosphere as it had no nearby use. Also it was not profitable without the government subsidy.

A farm visit with Chris Musgrove who manages several large estates on the Marlborough Downs gave a fascinating presentation on the diversification opportunities available to UK agriculture. In his case he had commercial office space, a large horse centre, equestrian and gallop facilities, shooting, arable and livestock and a number of EU environmental schemes. This occurred to the extent that only 26% of his income came from primary production, with the environment (39%) and contracting (35%) accounting for the remainder. Chris has also diversified into timber production which produces wood chips for biomass boilers and delivers cost saving when compared to oil powered burners and is locally sourced and renewable.

### **Other Topics**

Other topics included: dealing with the media – Peter Morris; discussions on international farm management – Professor John Wibberley; succession planning – Robert Lawton; supply chains – Robert Cooper; capital investment appraisal techniques – Steve Thomas; time management-John Alliston; holistic planning – Julian Sayers; alternative energy- John Reynolds and Louise Manning.

### **Summary**

Overall, the value for me was being able to learn from the best business managers, as well as the learning and friendships developed with the other delegates. The course is better for having other countries represented and the Nuffield network provides the perfect grounding and introduction to a highly regarded and respected course.

I highly recommend any young business manager to do the course. It broadens your mind and allows you to think about other possibilities whilst meeting a fantastic group of like minded individuals who manage some remarkable businesses. It only makes me wonder about the possibilities out there.

### **Acknowledgements**

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Also a big thankyou to John, Rita and Rhonda and all the staff at the Royal Agricultural College who put the framework around a very successful course and to the Worshipful Company of Farmers for giving me the opportunity and providing the drive and enthusiasm to promote and educate young agricultural leaders.

*David Gooden 2010 Nuffield Scholar  
Lockhart NSW*



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