

TEPAP report

John Gladigau, 2007 Nuffield Scholar

Set in the rolling hills of Austin, Texas, “The Executive Program for Agricultural Producers”, or TEPAP, was like attending a major Nuffield conference, with the addition of the mandatory piles of iced donuts, percolated coffee and root beer laid on in true American style. The locals were out to impress from the start with their talk of the conference centre and resort being “41” and “43”s favourite place to hit a golf ball, and “Lance’s” training track. It didn’t take too long to work out that Austin was in fact the home town of the outgoing USA President (43) and his father (41), but I was quick to inform them that the reason we didn’t see their cycling hero Lance (as in Armstrong) daily through the dining room windows as they normally would was because he was in my home state of SA sweating his way through the Tour Down Under!

TEPAP is a seven day intensive strategic management course which I was invited to attend with the generous support of ABB Ltd, Fairport Technologies and Nuffield Australia. Now in its 18th year, TEPAP has allowed over 1000 top American farmers to develop their leadership skills and be taught advanced agribusiness topics while creating valuable networking and business development opportunities. I was one of eighty farmers attending unit one, with another sixty attending unit two in their second year of the program creating a fantastic networking opportunity with a large group of forward thinking and entrepreneurial individuals. Though I was the lone Aussie farmer in the mix, there were also a number of farmers from Canada and one American farmer who had moved part of his operations to Brazil.

Each day was divided in to a morning and afternoon session, each with a highly motivating speaker on a variety of subjects including:

- Family Business Management
- Process Improvement
- Personality Profiling
- Leadership and Managing Change
- Financial Management
- Strategy
- Alternative Business Models
- Human Resource Management
- Megatrends in World Agriculture
- Media and Public Relations

While that was usually enough to make the grey matter ache by the end of the day, both of the days speakers were invited back to a “round table” discussion in the evening where participants were invited to quiz them on anything related to the subject (or anything else for that matter!). This sometimes went for 2 – 3 hours, allowing us to squeeze every last drop of information out of them, which to me was one of the most valuable parts of the week.

In many ways it was a unique time in agricultural history to be at TEPAP. On the back of the volatility in the grains industry buoyed by the seemingly booming bio fuels revolution, and with the credit crisis hovering like a dark cloud over an unknown horizon it was a unique experience to be networking with a group of agricultural business people with many similarities but also operating under a different environment than we do here in Australia. Like Australia, much of the growth in the agricultural sector has been driven in recent years by increasing equity in land values. This is probably heightened even more in the USA because of the underwriting of farm incomes through the farm program, which has not been diminished in any way by the passing of the recent farm bill. Interesting though I believe is the fact that wherever you travel in the world farmers seem to have a similar standard of living. The differences in farm programs and levels of subsidies ultimately seem to be capitalised in land values, which in the new credit conscious era may cause some concerns as farmers try to access some of that equity to develop their businesses further.

Amongst the farmers I met at TEPAP there certainly seemed a lot of concern and anger at the way the credit crisis eventuated and has been subsequently handled in the USA, especially in regard to some of the bail outs to industry with newly created money. I certainly detected some concern about how newly elected President Obama would react in terms of tinkering with the farm bill and also his pre election promises of further developing the bio fuels industry. I was surprised how many people I heard saying that they were worried that their bank may want to revalue their house or investment property, and what they would learn if they did. No one really seemed to want to know the answer -certainly a bit of head in the sand mentality.

While killing a few hours on the day I flew home I visited a shopping mall to buy the mandatory Texas T shirt for the kids (and perfume for Bronny!). Having spent a couple hours in a shopping centre in Melbourne only days before flying to Austin I was astounded by the difference. While here in Australia we talk about how bad things are and the impending gloomy recession it was not really evident in the post Christmas sales I fought through. Maybe Mr Rudd's child and pensioner incentives had a bigger boost than we thought? In Austin the difference was stark. About every fifth shop seemed to be closed down, many others had closing down sales and the feel was that of gloom and doom. Interestingly, the only stores to be busy were the CD, games and technology shops frequented by the Generation X's – those who hadn't experienced recessionary conditions and still with a job, not relying on investment income and with no huge mortgage hanging round their necks.

Day one of TEPAP will always be etched in my mind when I think of where we sit on the world stage in relation to other agricultural nations. At one point we spent a considerable amount of time going around the room stating what the biggest threats to our businesses were. As there were eighty people, the answers were many and varied including volatility in the grains industry, availability of credit, labour sourcing, animal welfare, family succession and mostly issues in relation to politics and government policy, especially in relation to farm support payments. The staggering thing to me was that by the time every person had a chance to speak, and with many naming many threats, there was not one mention of weather, climate change or climate change policy. At the end of this discussion I made the observation that if it had been a group of eighty Aussie farmers that climate and climate change implications, whether people believed in it or not, would have been at the forefront of the threats to the way we farm in the future. The response from the facilitator was that they had heard how bad things were in Australia, and climate change may certainly be an issue down under, but it wasn't something they needed to consider in the USA. In his words he said "It doesn't affect us" and there was a general murmur of agreement around the room.

I guess it rang a few alarm bells for me, because if this is the view of the leading farmers in America and those who have the ability to influence govt policy, then where does it place us on the “level playing field” of agriculture if we have climate change policies imposed on us and the rest of the world does not? , It certainly prompted an enormous amount of discussion with people who spoke to me during the week, all wanting to know more about Australian farmers views on climate change, global warming and policies which may be imposed on us.

Since completing my Nuffield Scholarship I have been preaching the message of “It’s a great time to be in agriculture”, and that message certainly looked a bit shakier with the global dramas of the past few months. I have come home from TEPAP more negative about the global economy than before I left, but probably with an even stronger belief in the ability of the agricultural sector to lead the way to recovery. The mood at TEPAP was very positive about the future of agriculture. Despite the apathy about climate change itself, there was much enthusiasm about the ability of agriculture to lead the way and benefit through the storing and trading of carbon credits. Despite the crash in the commodities markets, it was felt that the increasing population of the world will continue to demand staple foods and fibre, with our neighbouring Asian markets at the forefront. And despite the credit crisis, agriculture in the developed nations will have greater capacity to access finance than some of our less developed competitors, who may not be in the position to create the infrastructure needed to be the threats to our businesses we had thought in the not too distant past.

My Nuffield Study topic in 2007 was in relation to developing collaborative business models which can work in an Australian environment. The opportunity to attend TEPAP post scholarship was of great benefit to me personally as I strive to put some of the ideas and principles learned on my Nuffield experience in place. With the advantage of having eighteen months at home since my scholarship ended to sift through the information and formulate my own opinions, TEPAP came at a perfect time to refine my thinking further and help paint a clearer path forward.

Once again I would like to thank ABB Ltd, Fairport Technology and Nuffield Australia for the opportunity, and encourage future (and past) Nuffield scholars to tap into the TEPAP network if you have the opportunity. All of those whom I met in Texas and on my Nuffield travels were certainly very generous with their time, their hospitality, their wisdom and views.

I was told when I applied for Nuffield that it was a beginning of a journey that never ends. Truer words were never spoken, and the opportunity to be part of TEPAP was a valuable extension to my Nuffield experience.