

WYE COLLEGE 2006

I would like to thank you and Nuffield Australia for selecting myself to participate in the 56th WCF advanced agriculture business management course this year. While the three weeks were pretty intense it was a fantastic opportunity to get a perspective on agriculture in a place foreign to ours. The constraints in UK agriculture are similar to those facing us. With the consumer demanding a higher quality product at a reduced price. This topped with rising costs of production has the same effect of diminishing returns for the farmers.

The take home message provided by most of the speakers was to have producers working together and forming co-ops. This has two effects. Firstly by working together we have the effect of increased bargaining power as we are able to market a larger amount of produce rather than lots of small amounts. This means that we are working together to market our produce rather than against each other. Secondly it enables each individual to use their skills to help the group perform to its maximum potential (i.e. some people may have marketing skills, others technical skills). This also enables the group to deal closer to the retailers, hence cutting out the middle man which will help boost returns.

The course gave me a great opportunity to see first hand the positive and negative sides of subsidies. Without the subsidies it appears that producers would be struggling. With the UK currency being at such a high level, high costs of production and labour, some protection is required in the short term to help against cheap imports coming in from Eastern Europe and South America. These pose a big threat as these products are much cheaper, cheap labour is easy to find and at this stage the majority of consumers don't mind where the produce comes from as long as it is reasonably priced. On the other side of the coin the subsidies (up until the introduction of the single farm payment SFP) have produced in-efficiencies in the industry. A fair percentage of farmers are about break even until the subsidy kicks in. Hence they budget to this. With SFP the level of subsidy will come down as it works on total area, soil type and proximity to markets and population. This level of protection will be reduced over the next 7 years where it will be once again looked at by the government. The majority of UK students saw this as a positive they believe it will make industry more efficient as everyone will have to work smarter. They also believe it will make producers work with each other to help promote local produce better than it has been promoted previously helping to provide a more stable price for local produce.

Possibly the most I got out of the course was the friendships formed between myself and the other course participants. We will all stay in touch and share information on how each others businesses are going and positive and negative outcomes of ventures which were trialed. We also hope to catch up once a year spending at least a week together where possible.

Finally I would like to thank Nuffield for the funding for my flights and the WCF board for sponsoring a third of the cost of the course. Funding for the course is something I wish to discuss. While I believe the cost of the course may put some scholars of attending I feel that if it was fully funded people may attend to simply have a trip overseas. Having to bear some of the cost of the course made me think about the possible outcomes and what I may find out to help my business go forward into the future before I attended.

If you need any further information please don't hesitate to contact me. Hope to catch up with you soon.

Regards,
Robert Kelly