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Challenge of Rural Leadership

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*A report on the Challenge of Rural
Leadership Course*

*The Worshipful Company of Farmers and
Seale-Hayne Faculty of Agriculture, Food and
Land Use
University of Plymouth*


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The Challenge of Rural Leadership

The Challenge of Rural Leadership (CRL) is an advanced course to address the need for leadership within the rural community. The course was developed by the Worshipful Company of Farmers and the Seale Hayne Faculty.

The course takes place at the Seale Hayne Faculty, University of Plymouth, Newton Abbot under the direction of Richard Soffe (Course Director) and Steve Fisher (Professional Development Unit Manager). Our accommodation was provided at the Passage House Hotel, a short distance away.



COURSE OVERVIEW

The demands on farmers have significantly changed in the last two decades within the U.K. These changes have been consistent with many other developed economies with Australia following similarly behind. Much can be learnt by change in consumer demands, other pressure groups, policy and marketing which has only come to the fore in Australia in the last 5 to 10 years. The common reaction has been to turn inwards, as a defence against increasing public criticism, pressure on incomes, and the growing dominance of non agricultural interests in rural affairs. In many areas, the farming community has lost the influence which, in the past, it could take for granted.

The structure of the course, allows the participants to be well informed about the key issues in business management, European and UK rural policy, and international perspectives relevant to agriculture. To understand the various pressures on rural economy, society and, when challenged, be able to formulate an informed and confident response. To develop leadership abilities within the context of our own businesses, and be able to take a new, strategic look at those businesses in years ahead.

The first week develops the theme of managing change faced by the agricultural industry and the individuals within the rural community, using a mixture of visits, discussion, case studies and formal lectures. The week explores the changing agricultural scene and addresses business, technical, legal and policy changes which affect profitability and strategic planning. New technologies, gene technology, branding, European policy and Common Agricultural Policy (CAP) regimes are put into context of planning for future market development.

The second week considers the pressure on agriculture of changing attitudes within the rural sector and deals with leadership and motivation of both individual businesses and the communities within which they operate. Management of the media and communications skills (particularly television) are developed to enhance the ability to respond to changing pressures. There are individual assessments of personal strengths and weaknesses which contribute to individual and team performance and the ability to build effective teams.

COURSE PARTICIPANTS

Along with a solid course structure considerable thought is given to selection of candidates. It is intended primarily for individuals directly involved in agricultural management or agribusiness management, carefully creating a team of diverse views, who would benefit from and contribute positively to the course. Participants need to be nominated and interviewed as part of the tight selection criteria. Sixteen of us attended the 2004 CRL course, ten were involved in agricultural management ranging from owner/operator, managers, contract farmers and tenant farmers while six were involved in agribusiness management from Accounting, National Farmers Union, Environment Agency, Agricultural consultants and coordinators.



COURSE STRUCTURE

The main topics covered in the course are as follows:

- Introduction and Welcome
- Strategic case study, Bill Clarke
- Rural Business Structure
- Agribusiness Management
- The EU seminar
- GM Technology
- Marketing Sessions
- Market led business – visit to Lloyd Maunder
- Marketplace business simulation
- Music as a Metaphor
- Drama Therapy
- Staying Alive
- Leadership Skills
- Using media
- As well as various other guest speakers.

TOPIC EVALUATION

INTRODUCTION AND WELCOME

The Worshipful Company of Farmers gave us a very warm welcome and each of the course participants was invited to briefly introduce themselves.

The first guest speaker was 1994 Nuffield Scholar Guy Smith who has just been named NFU Farming Ambassador of the Year. He believes farmers must do more to promote their industries and the way it impacts on the countryside. Producing booklets “Get Your Facts Right” and “Speak Out” shows how farmers can best communicate to market themselves and their livelihoods.

STRATEGIC CASE STUDY

Travelling to Trewithen Dairy to meet a previous course participant, Bill Clarke, to give an overview of his business, taking into consideration future family needs with a son returning, security, to give an objective outlook for future directions. The Clarke family business was an interesting one, being small and quite successful. Having its beginnings in the dairy industry, Bill developed a processing enterprise for producing and marketing dairy products into the local area. He released the family business of the dairy and the bulk of his extensive farming operation in order to focus on the processing enterprise.

The Clarke family have an option to purchase a lake where they wish to develop a tourism business with mechanical ski cable and associated hotel/café. The family preference is to focus on the new venture and to one day sell the existing business, however this is quite risky.

To continue the processing enterprise significant capital would be required to upgrade and make the factory more efficient.

The participants were split into three teams to evaluate the case study and give a presentation to Bill and his wife on a strategic plan in which they believe the Clarke family business should progress. Considerations included family wishes, risk, capital injections, cashflow, management expertise and security. Generally a full SWOT analysis was conducted with financial and management implications.

GUEST SPEAKER, DAVID WILLIAMS

David Williams, manager of Highgrove, a Duchy farm for Prince Charles, gave a presentation on organic philosophy. Being considered a leader in organic and alternative production, David gave an overview of the full process of organic farming. Production is one thing, however becoming more niche market orientated requires more attention. The Duchy farm brand is very marketable within the UK, which maintains their profitability.

RURAL BUSINESS STRUCTURE

Matt Lobley, a lecturer at the University of Exeter, presented 'Patterns of Agricultural Restructuring in England'. **In my view this was a pointless lecture.** It showed us the basic reasons why we need to restructure, for example farm finances and economies, family objectives, animal disease, consumer and CAP reforms. It also placed managers into three distinct types: embracers (31%), reactors/adaptors (51%) and resisters (18%). Fortunately, it's more black and white in Australia; restructure or get out! **However, this past tense thesis will provide light reading to those pushed out of agriculture as they will, then have time to read it.**

AGRIBUSINESS MANAGEMENT

Hoping the bar was going to lift, the next speaker, Bill Allen from Thames Valley Farms, was one of the best. A pork producer (not the reason) running nearly 5000 sows and controlling Thames Valley Cambac, a marketing group comprising 480 000 sows representing 10% of the UK production.

Bill, an accountant by profession, made it explicitly clear he adopted different, but simple, techniques to build his business. A business idea starts in the gut, goes through the head, and is made in the heart. A very successful family business with a brother, cousin and three wives, which all get along due to the structure, i.e. separation with own identities, however they come together at the top. Bill will produce a business plan on a couple of bits of paper to show the bank, with a hands on approach and simple philosophy 'if it won't work in ten years don't do it'. The pork industry in the UK hasn't been subsidized, having contracted over 50%. Bill believes expansion and investing in his business has set him above the pack but sites concerns such as South America (loss of market share), labour, disease, cost of production and infrastructure, which are all key issues to his industry's survival. Bill, along with his father in law, Michael Dart (WCF) **were** very happy to help with my scholarship

GM TECHNOLOGY

Genetic modification – a case for their consideration, Professor Mick Fuller

Genetic modification currently appears to be a dirty word as far as the consumer is concerned, particularly in the EU. It is difficult to determine what the balanced view is. Mick Fuller gave us what GMO's have to offer, such as environmentally friendly, humanitarian needs, economical farming with more targeted use of pesticides and reduced use of fossil fuels. GM can co-exist with organic and conventional farming and it should be one of the tools in the farmers toolbox. Infertile land could become productive with the development of stress resistant crop varieties e.g. salt, drought and frost resistance (Australia). GM crop varieties are proving to be dependable and safe, however consumers should be given the choice as to whether or not they want to buy GM products, which means clear and accurate labelling is required.

GRAIN MARKETING

Graham Lacey, the presenter for this session, is from a large grain trader within the UK. He gave a general discussion on where grain is and the future for grain production, correlated principally from historical graphs.

The world doesn't carry much wheat stock, as production is always happening somewhere. Australia is closely watched by world traders as the yearly surplus tends to be the Australian production. This combined with the timing of our harvest gives us few opportunities on the world stage. Increasingly my views are to maintain the AWB single desk as they seem to manage it well, while having clout on the world market. Graham concurred these views, stating the UK could use a similar policy. I don't share the same view with ABB. Graham's main points were CAP will re-write the rules, combined with market volatility, farmers need to adapt and change quicker. Sea freight has doubled in price while the growing season starts at the decision of which commodity to produce.

THE EU POLICY

Brian Gardner, Food Policy International

Brian gave an appreciation of the EU, the factors affecting agricultural policy development, the commissions aims, with many of the hurdles stagnating CAP reform. Issues such as June 2003 CAP reform agreement, EU governments interpretation, the Doha Development Agenda, EU enlargement and financing the new policy are all factors affecting agricultural policy.

The European Commissions CAP reform objective is more ‘sustainable’ agriculture while seeking to reduce pressure of agriculture on the environment, improve acceptability to general public, reduce cost and improve compatibility with EU’s international obligations.

Possibly three to six countries, including the UK, will operate full decoupling. That will be the introduction of the Single Farm Payment (SFP) with all current direct payments consolidated into one income payment. Payments will be calculated on the basis of subsidy receipts in 2000 – 2002 period including all arable area and all forage area payments.

The Doha Development Agenda is to reduce

- direct subsidies
- price support
- import barriers
- export subsidies

The Eastwood enlargement that has taken place already has strain on CAP financing with much restructuring. Bulgaria and Romania are probable members from 2007, Turkey may come in and where to after that with costs of enlargement higher than expected, coupled with an inability to reduce market support expenditure are the main pressures on the agricultural budget.

Financing the CAP ahead from 2006-13 will be tied to the commission’s perspectives, attitudes of the member states by taking the strain and cutting back subsidies. Some say it’s the beginning of the end – phasing out aid to agriculture. There will be continued reform. **Brian was an arrogant speaker who took offence that SFP in many ways is still an amber box subsidy, acknowledging himself, it could be perceived that way.**

MARKETING SESSIONS

Professor Tim Lang was supposed to talk to us on factors which affect marketing strategies, particularly supermarket dominance. To the disgust of the whole group, including management, he just waffled on promoting his new book in his pompous professor attitude. I was particularly disappointed as it was one lecture I anticipated much. “He gave us nothing” the group agreed.

Consumer Behaviour

This day was focused on consumer behaviour, marketing and then onto Lloyd Maunder, a family run abattoir / processing business. A day I enjoyed immensely. We started with a small case study purchasing different kinds of sausages, thus understanding the market potential and direction while analyzing the product. Lloyd Maunder is a fourth generation business that has continually faced change to maintain viability within their market. Lloyd Maunder is a major supplier to national supermarkets. A relationship which they acknowledge provides opportunities but also has problems.

Supermarkets want less, but larger, suppliers, therefore Lloyd Maunder must do something that no-one is. A particular emphasis has been placed on branded products. They have focused their attention on lamb and chicken, creating West Country Lamb, Just Cook brand and Devonshire brand (chicken). Bar codes from the packet can be used on the web site, tracing the source of the production, where animal friendly photographs, along with information about the farmer, gives the consumer a clean, green feeling (selling the full story). They meet with the producers every eight weeks to discuss market direction. One key point Lloyd Maunder makes, is it needs to be consumer facing rather than production facing. It is encouraging with our business, combined with TOP PORK, we are heading in a similar direction, albeit a long way to go.

LEADERSHIP SKILLS

Contemporary Leadership in Defence

Colonel Bryan Watters gave a brilliant and thrilling presentation on defence leadership from a professional soldier of 32 years. Colonel Watters, when not in the field spends his time at Whitehall on military leadership. A brilliant man who leads from the front, has served in Northern Ireland and mainly the Balkans but has just received a new posting to Baghdad to restructure the Iraq Police Force. Colonel Watters gave examples of leadership in military, particularly with himself having to make life threatening decisions without justifying to his subordinates. A chilling quote from Colonel Watters which I will remember and can appreciate “Leadership can be very lonely”.

What is Leadership? Oxford Professor Keith Grint

Keith Grint didn't answer the question but instead gave many forms of leadership, analysis and analogies from early to modern history. He also made us aware of many important traits required for leadership. **Keith was their dearest lecturer, although he excited and provoked much thought, other options would have been preferred.**

BUSINESS SIMULATION

Saturday and Sunday focused on the business simulation. The simulation is highly complex and involves consideration of global marketing, production, advertising, staffing and raising finance in a competitive situation. Strategic decisions need to be made and the consequences evaluated. The overall performance of the teams, measured by use of capital, market performance and share, investment in research and development, production efficiency and management of staffing is evaluated for each quarter. The simulation, which runs over seven quarters, requires the team to undergo much strategic thinking with an analysis presented to the class on Monday. All teams did very well.

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BUSINESS PLANS

One speaker was otherwise tied up, presenting an opportunity for the group to select three real, potential business plans from within the group. The three then presented to the group their business venture using the group as consultants to bounce information off. My venture was selected as one of the three. The night proved very successful while establishing the unique bond between the group.

MEDIA, COMMUNICATION AND LEADERSHIP SKILLS

The balance of the week followed two lines: media and effective communication skills and understanding leadership and motivational skills.

Firstly we prepared a long statement to be presented in a TV studio later in the week. Monday continues the strategic theme directly relating to agriculture with discussion about the role of the NFU, the value of and best way to use consultants and the placing of agriculture within the broad context of strategic thinking. Establishing direction and identifying options are vitally important to the success of a business, together with the skills of successful implementation and evaluation and control systems.

Leadership and motivational skills are increasingly important in the management of ones own business and also in personal development which were discussed and debated from both a theoretical and practical viewpoint. Individual strengths and weaknesses were identified as well as techniques to develop effective business teams.

Communication both within ones own business and within the industry discussed both orally and written, with particular emphasis on the communication with special interest groups. Developing listening and empathy skills leads to clarity and objectivity, both valuable in influencing opinions.

As learnt with Nuffield in Canberra, the UK is similar, the media 80% of the time cries out for a story to sell. Various people from the media discussed the importance of good relationships with the media and techniques to achieve effective press coverage and performance in front of television cameras. A visit to a live television studio which included giving the previously prepared statement to the cameras using an 'autocue', as well as being interviewed both formally and informally on camera. All performances in front of the cameras are recorded on video tapes and subsequently debriefed.

Some important factors in effective communication:

- 55% body language / appearance
- 38% tone and speed
- 7% what you say
- Say what they want / play their game
- Three or four key words
- Farmers tend to carry on, time is critical so get what you have to say over.

CONCLUSION

The Worshipful Company of Farmers, Challenge of Rural Leadership is a professional, well managed course. It gives participants the opportunity to challenge not only each other but prominent people who are influential in policy and business. The opportunity given to so few, I will appreciate now and beyond. The people I've had the pleasure of meeting will remain friends for life while providing a source of information this year and many more to come. One bold, recurring point that was continually provoked to our group was "GET ONTO THE BALCONY". In other words take yourself out of the business to give yourself time to look at it from above, then use that approach in anything you do (consistent with Nuffield's philosophy).

CRL is enthusiastic to continue the relationship with Australian Nuffield, anticipating a representative from Australia or New Zealand each year. This also has positive effects on the group, providing a different viewpoint, while sharing information and alternatives for similar issues, but principally letting UK Agriculturalists know that it's also difficult farming elsewhere. The advanced nature of the course reduces suitable applicants, where a balance between theory and practical is vital. Careful selection is critical, this course isn't for everyone. Obviously the content is quite focused towards UK issues and the EU, all very interesting and important for future agricultural views, however meeting a person recently, heavily involved in "an Australian equivalent of the CRL course," may have just as effective an outcome. I also realize there is a push to increase the bursary for future scholars, possibly there's scope to subsidize a potential candidate for these courses. My thoughts are, these opportunities to network and expand horizons are priceless.

One of my proudest moments was at the presentation dinner on the last evening, which was the applause and gratitude given to me from my colleagues when receiving my certificate and WCF tie. Two from our group had to make a speech. From my suggestion, I thought I should make one from an Australian perspective, while congratulating and thanking WCF, CRL and my team on behalf of myself and Australian Nuffield.

I was fortunate to have a fantastic team and a brilliant experience. I would like to thank Australian Nuffield for having faith in me, and giving me this tremendous opportunity.

Thankyou

ANDREW JOHNSON