



## **Submission To The Food Harvest 2020 -2025 By IFMA**

(Irish Farm Managers Association)

Focusing particularly on Farm Management Education to deliver “World  
Class Professional Farm Operators/Managers”.

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## **Executive Summary**

The key aspect of profitable and sustainable dairy farming right across the world is the capability of people. For Ireland to realise the potential of quota removal we must have an education and training program which produces enough highly skilled and capable people. The best course to build this capability is the Professional Diploma in Dairy Farm Management (PDDFM).

There is widespread concern across the dairy industry at the skill level of young people entering the dairy industry. The IFMA have consulted widely with the dairy industry in preparing this document including, Dairygold, Glanbia, Kerry & Aurivo Coop.

We believe to truly upskill future dairy farmers and meet the requirement for capable people at farm level there must be 150 graduates per year from the PDDFM (there will only be 16 graduates this year). This will include people who plan to farm at home in the future and those who won't inherit a farm and will pursue a career in farm management or share farming.

More people need to be employed to run the PDDFM. There is currently only one person to both support the learning of students in the program and to promote the course to potential candidates. More of the 600 students entering Level 5 education in Teagasc every year must be recruited.

The PDDFM should include an option to pursue a Level 8 qualification so as to attract ambitious students seeking a degree level qualification. Extra government aid should be targeted at young people who complete the PDDFM as an extra incentive to do the course.



The current Green Cert does not equip people with enough skill to become successful farmers and needs to be changed. It is widely accepted that farming is a complex career.

The education of young people that enter this industry needs to reflect this fact.

Teagasc research has shown educated people run more profitable farms. The industry must increase the number of people studying to farm and improve the education they get. Resources applied here will add millions to the Irish economy.



## **Introduction**

### **IFMA Objectives and Goals**

Formed in the 1970's the Irish Farm Managers Association sets out to promote the highest level of farm management competency and to support its members in achieving their goals. Its membership is made up from graduates from the old farm apprenticeship board and graduates in recent years who have a minimum level 7 qualification in agriculture.

### **Why are the IFMA preparing a submission for the Food Harvest 2020 – 2025?**

The IFMA believe there is a huge requirement for well-trained people of both Managerial and Technician level entering the farming market. Current numbers graduating will not be sufficient to achieve the target set out in Food Harvest 2020-2025. At present, there are 32 students (16 students in year one and 16 students in year 2) studying for a Professional Diploma in Dairy Farm Management. At a minimum a target of 150 students per year graduating is required. This is a minimum target and the reality is a lot more qualified managers are required to drive the industry forward at farm level.

The IFMA have consulted widely across the industry to get a consensus on the need for increasing the numbers of qualified farm managers. We will present the thoughts of our members and those key industry stakeholders. We would hope that the members of the Food Harvest 2020 – 2025 Strategy Group would take these views into serious consideration.



In the following pages, there will be detailed information regarding what currently is in place, the challenges facing farmers in this ever newly changing environment and the solutions to these challenges.

## **Relationship between Formal Agricultural Education & Economic Returns on Farms**

A recent study by Teagasc entitled “The Economic Returns to Formal Agricultural Education” identified some direct relationships between the proposed performance of a farm and the level of education of the farmer.

- Dairy yields and intensity are positively affected by attending agricultural college
- Farmers with education make better managers, know where to find information and are more likely to adopt new technologies
- Income decreased for those with no formal education but increased for by 14% for agricultural college, 19% with a certificate and 17% with university education
- Farmers with formal agricultural training had larger farms and higher farm income per hectare
- As education increases, risk aversion, the probability of adoption and innovation is increased
- Those with formal agricultural training had a family farm income consistently 2 and 3 times higher than those with no formal training.

John Roche, Principal Dairy Scientist at Dairy NZ, New Zealand and a native of Kerry recently made a contribution of his thoughts in regard to education to the IFMA. He highlighted the fact there is a difference in profitability of between €500 to €750 per cow from the top tier dairy farmers and the average dairy farmer. Assuming Ireland will



be milking 1.5 million cows in a few years' time, poor training of young farmers could cost the agricultural industry many million per year. John emphasized the importance of mentoring the young generation of people entering farming by established successful farmers. This must involve the young people working on those farms for specific periods of time.

## **Current Training Programs in Place**

The Farm Apprenticeship Scheme was founded by Macra Na Feirme in 1964. It successfully trained a large number of farm managers (c.70 per year) that entered the Agricultural Industry in Ireland. The idea was first championed by Rev. Dr. Daniel Duffy who represented Monaghan on the National Council of Macra Na Feirme. He was Rector of St. Patrick's Agricultural College, Monaghan.

He identified that a year in agricultural college was not enough to prepare for a farming career. This was in the late 1950's. He was joined by two eminent agriculturalists – Brendan Quigley, CAO of Monaghan Committee of Agriculture and Dr. Bob O'Connor, CEO of the Monaghan VEC. Dr. O'Connor later became one of Ireland's most renowned agricultural economists. They produced a document on a "Scheme of Farm Apprenticeship Training and Land Settlement". This was adopted by Macra Na Feirme in March 1957.

Briefly the key developments that arose from the setting up of the scheme were as follows:

- Macra formed a joint committee with the NFA (now IFA) – ICA and others later became members
- Scheme presented to Government in 1960 – many high level meetings (DeValera, Lemass)



- Support for the Training but Land Settlement a problem (political will not there)
- Eventually scheme set up with a “grant” of £500 for each honours graduate
- Farm Apprenticeship Board (FAB) first meeting in April 1964. Macra National Secretary Brendan Sheedy took over.
- Macra and NFA provided seed funding of £800 and Macra provided secretarial and office support. Macra National Secretary took over the running of the scheme.
- 1967 Government agreed to fund the FAB scheme by way of an annual grant
- First FAB graduates in 1968

In terms of personnel within the Farm Apprenticeship Board, there was a team of six field officers managing the students and host farmers nationally. Four secretaries and one CEO supported the team on the ground. These were based in the Irish Farm Centre in Dublin and the Farm Centre in Cork.

The Professional Diploma in Dairy Farm Management has effectively replaced the Farm Apprenticeship Scheme. Currently, this is operated by one person Marion Beecher. This was a recent appointment and in terms of personnel is very limited in comparison to the staff numbers in the old Farm Apprenticeship board. Marion is based at Teagasc Moorepark, Fermoy.





## **Why change is required?**

To be a successful and professional farmer is a challenging career. The farming business has so many facets to it. It's no longer just about hard physical work; successful farmers have got to be businessmen/women, agronomists, veterinarians, mechanics, financial controllers as well as an expert in animal husbandry, crop performance and health & safety. Farming skills and knowledge on their own without complementary business skills will no longer guarantee success.

A significant amount of capability is required, these skills which have been absolutely critical to farmers were largely informal and instinctive in nature; handed down from father to son, and increasingly to daughters, for generations. Thankfully, agri-education and readiness for a farming career has taken a more structured approach since The Green Cert was introduced in the 1980s. Unfortunately, in many cases it can often be more about how a student can achieve The Green Cert with the minimum of effort or hours training rather than acquiring new skills — “a get me out of here quickly approach!”



## Challenges facing Farmers

### 1. The Expansion Challenge

Throughout the country, dairy farmers are investing tens of millions of euro – much of it borrowed – in production expansion to take advantage of the abolition of the milk quota regime. The critical question now is do our farmers have the skillset and expertise to run larger and more complex farm businesses. Based on surveys carried out by Dairygold in recent times, some fifty per cent of milk suppliers were not familiar with their exact cost of production. Are our dairy farmers equipped with the business skills to deal with the issues expansion will bring?

The skill set required to manage the finances of an expanding farm business is very different from a static one. This was a lesson many farmers learned to their cost in the late 1970s and early '80s. Jim Woulfe of Dairygold is adamant that they do not want to see farmers repeat those mistakes of that era. Prudent cost-benefit investment is needed with farmers confident about their repayment capacity.

Glanbia conducted a survey recently of supplier base and identified some very interesting facts including;

- 4300 suppliers were surveyed
- 30% of the suppliers have no identified successor
- 70% (c.3100) of suppliers have growth ambitions
- Up 17% of suppliers (750) have growth ambitions of >10% per annum and 375 of these suppliers intend employing additional labour



John Fitzgerald of Glanbia confirmed that they have a very significant cohort of dairy farmers who are dependent on new, additional hired operatives in order to realise their growth ambitions post quota. Having a readily available pool of well-educated and highly skilled farm operatives, with appropriate practical experience gained during the training regime, is a critical component of sustainable expansion.

Additionally, given the numbers of dairy farmers with no successor, and indeed the numbers of non-dairy land owners that may be interested in getting into a collaborative farming relationship with suitably qualified young farmers, it is very much in the interests of GII that a significant pool of highly qualified farm managers is available at all times to help our most ambitious dairy farmers reach their goals.

Anthony Walsh of Aurivo Coop stated that in the last two years 10% of their suppliers would have either been children taking over from their parents or new suppliers entering dairying for the first time. Aurivo feels it is vital as much training and education as possible is available to these new Entrants to ensure they have a sustainable future in the industry.

Any initiatives at industry level would be welcome and would complement Aurivo's Farm Profitability Program.



## **2. The Volatility Challenge**

The removal of quotas which is making milk production expansion possible is also creating a new and less regulated EU dairy market where the old price support mechanisms will no longer provide the safety net to the industry. Allowing movements in supply and demand to manage the marketplace will inevitably create more price volatility. Are our dairy farmers equipped to manage more volatile movements in dairy market returns?

## **3. The Sustainability Challenge**

Another major issue is that today's farmer is no longer simply the primary producer of a raw material. He or she is now visibly in the food manufacturing business, holding a pivotal role in the supply chain. Full traceability is now the norm in the food industry. Consumers not only want to know where their food came from but also how the animal that produced it was treated, what it was fed, where it was kept and how and when it was treated by veterinarians. Farmers are also custodians of the environment.



#### **4. Accountability Challenge**

Accountability is now an everyday experience in the reality of modern farming with traceability and quality control systems dominating relationships between producer, processor and consumer. This requires a lot of control systems, recording/paper work, Information Technology (IT) by the farmer to underpin a sustainable farming enterprise.

Taking account of the above challenges there are a number of requirements in the area of farmer education and qualifications that the likes of The IFMA, Dairygold, Irish Farmers Journal would endorse.

Irish food production has no choice but to export up to 90% into the Global Market. This requires that World Class products be delivered to our World Class manufacturers and Marketers. High class primary food production is a fundamental and vital link in the food chain. The old adage was that we must “EXPORT OR DIE”, the new adage must be “EXPORT WORLD CLASS QUALITY FOOD PRODUCTS OR DIE”, so we must up our game to meet the challenge.



## **Changing Marketplace and New Skills Required**

### **1. The Requirement for Farm Business Skills**

Farming has always been a complex business and successful farmers have always been very good business people. But we are now experiencing dramatic changes in the industry which will affect how we do our business. Farmers now have to adapt their farm businesses in order to meet the challenges of expansion, price volatility and sustainability.

Milk producers as well as other enterprises need to have a clear indication of their own business goals, KPIs such as costs and profit margin per hectare. Investment in expansion adds a new dimension to this skill and we must address that from an education point of view. The importance of and the widest range of business skills will most definitely be most acutely felt in the dairy sector in the coming years and will make the difference between the lifestyle farmer and the farmer that can achieve greater growth and prosperity.

### **2. The Requirement for Qualified Farm Managers**

At farm level there is ample evidence of deficiencies in both financial & physical performance. Therefore as farming enterprises grow these deficiencies will be compounded unless we have suitably trained people entering industry who have been exposed to best practice farming techniques. Ireland does not currently have the



supply of qualified farm managers that we believe will inevitably be required on expanding dairy farms. Dairy farming is a business; and in the same way as the milk processing sector needs competent and capable managers to manage dairy processing sites, farms will need professional and qualified farm managers. Would the milk processing industry allow unqualified inexperienced staff to run complex processing centres?

The simple answer is no. Added to that, what skills are today's young farmers being taught about managing people? People with responsibility for running farms need to have the necessary skill sets to manage labour.

We have seen an increasing professionalism of the farming sector in recent years with some farmers now educated to degree level in subjects such as agricultural and dairy science. However we lack a specific Farm Management Program/Course to a Level 8 standard. This is the standard that we expect most future business managers to attain and farm management should be no different. In nearly all professions or trades today an element of on the job training or job experience is a basic requirement in order to achieve the status of a trained professional.

In Dairygold graduates are placed on a three year graduate diploma in order to achieve the proficiency required prior to managing elements of the Dairygold business. There must be some element of post graduate practical training provided to farm managers in order for them to achieve a similar professional status.



## **How can the Industry move Forward?**

There are currently 600 students entering Level 5 education in the Agricultural Colleges. After year one typically 330 students finish their studies at home in their second year with external supervision from their course lecturers. These students achieve level 6 qualifications.

A further 270 go onto further education for either a Level 7 or Level 8 qualification. This group of 600 students are the primary target in terms of candidates for the Diploma in Dairy Farm Management.

A sizeable % of these 600 students are there only to get the cert to qualify them for tax benefits or other incentives and will not ever become full time farmers and so should be streamed into a curriculum with more of an emphasis on issues such as collaborative farming systems and possibly engage in slightly different placement situations, while those with the genuine interest in full time farming be placed in the appropriate placements for them.

### **1. Finding candidates to enter the Professional Diploma in Dairy Farm Management**

The IFMA believe the Irish Dairy Industry needs a minimum of 150 students a year graduating with a diploma in Dairy Farm Management. Currently 16 students a year graduate from the program. Having consulted with Dairygold and Kerry Group, they





each believed that they need approximately 75 highly skilled young people entering the dairy industry in their respective catchment areas. This is not taking into consideration the requirements of all other dairy producing areas of the country.

How can we increase the numbers qualifying from the current 16?

- A marketing plan needs to be put in place to attract people into the course.
- This marketing plan needs to be created by someone who has a full time role in attracting potential candidates to participate in the diploma. Within the marketing plan a number of key steps need to be addressed when targeting students including;
  - Target parents to encourage their children to consider the diploma in Dairy Farm Management as a minimum qualification to have so as to ensure a successful career in dairy farming. This should be the case whether there is a family farm to return to or where they want to create career for themselves in the commercial dairy farming industry.
  - The course is not just focusing on students who will work as farm managers. Research proves the huge benefits to the industry for properly trained young farmers, be they working in paid employment as farm managers or where they go home to manage the family farm.
  - Making students aware that the course is fully paid for and candidates can earn an annual income of €17,500. Very few courses offer payment terms like this.



- Target career guidance teachers who have influential positions when advising students of career choices. Professionally prepared brochures marketing the course should be made available to both teachers and students.

## **2. The Requirement for State Support**

The State does much to support agriculture and in a time of strained public finances it is difficult to look for more. However, the IFMA believe that there should be targeted tax incentives for people who achieve Level 7 qualification in agriculture. Measures like extending stock relief from its current 4 years would help attract people to complete further training in courses like the diploma in Dairy Farm Management.

It's important to note that interns will be paid by their employers as they work & study. Taxes will be paid by students as they earn so they will be contributing to the state coffers. The costs associated with the Professional Diploma in Dairy Management are in stark contrast to other third level courses.

The program is an employment generating course with students paid the minimum wage.



### **3. The Role of Co-ops in encouraging students to study the Professional Diploma in Farm Management.**

Co-ops have recently embarked on massive expansions plans for the development of their own plants to cater for the anticipated growth in milk output. It is in the interest of Co-ops nationally that they have well trained farmers who are in a position to supply top quality milk. Justin McCarthy of the Farmers Journal in his submission to the IFMA strongly believes that Co-ops needs to organise events where prospective students can attend and be made aware of the need for high levels of education. Our dairy industry going forward will have to live with volatility in terms of prices. Well trained farmers will be in a better position to deal with this and in turn provide consistent levels of product to their Co-ops.



## **Summary of Actions Required**

1. We need to target 150 students per year graduating with a Professional Diploma in Dairy Farm Management.
2. Proper resources need to be put in place for the management of the Diploma in Dairy Farm Management. Historically the Farm Apprenticeship Board was well resourced. This needs to be replicated for the current system, starting with a full time position been created for a Marketing personnel.
3. Targeted taxation incentives directed at candidates who complete the diploma in Professional Diploma in Farm Management so as to clearly make it aware to students of the benefits of completing such a course.
4. Serious consideration should be given to changing the route to Level 6. We purpose to drop the current 3 month work placement from the Level 5 first year to concentrate on all the academic aspects of farming. Introduce a 2nd year made up of on farm supervised placement for 2 periods of 6 months each for that year. Currently to complete a Level 6 Special Purpose Certificate in Farming Administration (Green Cert), students have the option of completing this course on their home farm with minimal supervision. This is of little benefit to the student or the industry.

We are convinced that changes outlined above will prove highly beneficial for those students. Encouraging students to experience new farming practices away from home will reap maximum benefit.



## **Conclusion**

Dairy farming is changing. It is clear that the combination of expanding dairy enterprises, price volatility and the need for full consumer traceability are going to put dairy farmers under more pressure to be more business oriented in how they manage their dairy enterprises. There is going to be a need for a cohort of exceptionally qualified people to manage the expanding dairy farming sector so as to ensure that we realise the potential of the nation in the context of milk production.

It is critical that as an industry and a country that we act now to create the right foundations that will support the transition of our dairy industry and take full advantage of the growth opportunity to achieve greater prosperity for all dairy farmers.

Opportunities are about to present themselves that have not been experienced since 1973 when Ireland entered the EU and the dairy industry grew annually by 5 to 7% up to 1984 when milk quotas were introduced. In order to achieve similar growth levels the Irish Dairy Industry needs suitably qualified young people entering the dairy industry.