

Collaborative Industry Organisation - Tasmania - Support to VIDP

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Collaborative Industry Organisation – Tasmania – Support to VIDP Final Report

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Purpose of Report:

The purpose of this report is to detail the CIO - Performance and Outcomes in relation to the Vegetable Industry Development Plan with respect to Tasmania.

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Media Summary

Following termination of the Vegetable Industry Development Officer (IDO) program in 2008, the Vegetable Industry Development Plan (VIDP), administered by HAL was established in 2009 with the aim of helping growers better prepare their farming business for an expected increase in markets and trade uncertainty together with increased domestic and import competition.

With a clear shift in focus to the communication to business management decision-making data to growers, the Collaborative Industry Organisations (CIO) state based network - including the Tasmanian Farmers & Graziers Association in Tasmania (TFGA), was set-up to deliver under six key themes: Economics, People Development, Consumer Insights, Knowledge Management and Integrated Pest Management, and, Technical Innovation.

While clearly areas in which some growers need help, it was recognised that this program (with a two year sunset) was a significant departure from the communication of technical (production-based) research which had been the previous domain of the IDO program and remains the main focus of vegetable grower levies funded research.

In spite of a lack of clarity surrounding an accurate, consolidated grower (communication) data base – capturing both AUSVEG and TFGA members, it is considered that the broader CIO focus on providing information under the above-mentioned headings – was not seen by growers as a useful adjunct to the business development and management task.

Secondly, where there may have been an interest in such (broader) business management data, such financially oriented subjects were not what vegetable growers felt comfortable discussing with an unknown external facilitator – as opposed to their accountant with whom there may be a much closer and confidential relationship.

Although such an attitude is partly attributable to industry culture, it became evident through the project that growers who may want help to address financial issues (often having their origins in failure to resolve succession planning), had alternative avenues including the federally funded Rural Financial Counselling Service which can provide growers with business structure and accounting support through Tasmanian regional offices that are much closer to the farming coalface.

There is no doubt that the extension, interpretation and communication function is essential to encouraging adoption of industry funded research & development (R&D). However, it remains questionable whether a return to an IDO technical research focus will attract sufficient interest from the broader base of less well informed growers that really need it. A greater focus by HAL on electronic and hard copy communication of research findings to an all-embracing AUSVEG and state representative – more computer literate -grower database may work equally well.

1. Method and Activities

The key to achieving worthwhile outcomes from the CIO project is the extent to which engagement with industry stakeholders in the provision of more management oriented and skills building information. On balance, it is considered that vegetable grower buy-in to the project and feedback from them – the essence of measuring effectiveness - has been modest.

Industry communication was undertaken via the following means:

- A series of grower meetings was coordinated across the state to discuss the Innoveg program in the course of strategic planning events. This has included an explanation to vegetable growers about the existence of the program – initially based one-on-one discussions with industry leaders and TFGA Vegetable Council membership;
- A newsletter detailing key elements of the program including outlining market information, training opportunities, industry leaders and bio-security management was distributed using Ausveg mailing list and placed on the TFGA website (www.tfga.com.au);
- A detailed outline of current HAL R&D vegetable projects has been included in mail-outs;
- Insight statistics and information has been included in the TFGA monthly VOICE magazine; and also from time to time in the weekly TFGA e-newsletter (Fastnews);
- Five regional grower meetings were also held at which the VIDP was explained as part of a broader strategic planning process;
- Information on the program was presented at the main Tasmanian state field day (AgFest); and
- Updates on the program have also been provided to:
 - Department of Primary Industry, Parks, Water & Environment (DPIPWE) personnel.
 - Tasmanian industry consultants (RMCG and Davey Maynard).
 - Key personnel in the Tasmanian Institute of Agriculture (TIA).
 - Vegetable processing companies (Simplot and McCain).
 - Principal vegetable wholesalers such as Harvest Moon, Houston's and Premium Fresh.

2. Results and Discussion

2.1 Awareness & Support for VIDP

Growers have generally indicated awareness of program and are impressed with the breadth of content. However, when invited to comment on material presented, the level and quality of response indicates that the case study information developed under the program is far from what may be termed 'essential reading'. Although many growers have privately indicated that they would prefer face to face (extension) communication, they have not seen the shift in information focus to management and skills building as important to them as the communication of technical research provided under the previous Industry Development Officer (IDO) program.

As such the change in focus of the VIDP program to more management (decision-making) information has not created the level of grower interest that might have been expected.

In part, this is due to the added demands of communication via electronic means and shift in emphasis away from production based information that was provided under the IDO extension format.

It is also fair to suggest that Tasmanian growers see the information provided under the project as relatively generic ; Tasmanian vegetable growers are generally well-served locally by the agricultural staff of industry processors and wholesalers to whom they supply product as well as business management support – when requested. Further, growers in Tasmania reflect low ethnicity, greater production diversification and a level of management skill that may have been underestimated in the development of the project. By way of example, the small farm problem, a broad feature of the Australian vegetable industry is well understood such that generic management information is not perceived as relevant to their business as hard technical information that can be used to increase production productivity.

Unexpected weather events severely impacted grower production and returns in 2010-2011 year. Nonetheless, production returns (much of which is contracted at known prices) have been relatively buoyant and in spite of uncertainty surrounding the viability of the vegetable processing sector at the currently high \$A, most growers realise that industry continuity will ultimately be governed by their productivity and capacity to accept lower prices. Although there are exceptions, this has meant there is little urgency to engage in a program with a greater emphasis on business development.

2.2 Advice on New Innovative Methods

Growers have been encouraged to take a more strategic view of the tools needed to better secure their future at an industry level.

These initiatives include a greater commitment to:

- Recognising the importance of building supply chain relationships;
- Spending time investigating and investing in the marketing of their products;
- Working harder with the supply chain to reduce key input costs (fertiliser, fuel and other energy related costs);
- Pursuing cost saving environment sustainability initiatives such controlled traffic farming (CTF) and variable rate nutrient application through irrigation equipment; and
- Capacity building via such tools as benchmarking cost and returns and options for working more collaboratively; on this issue it became clear early on in the project that there was major cultural resistance to such collective effort (in spite of the fact that when it comes to collectively bargaining prices with processors, there is plenty of collaboration).

These new directions are being pursued in conjunction with industry leaders who have been keen to motivate growers to build increased industry resilience into their businesses. Activities have been supported by a substantially larger database of regularly updated market and crop gross margin data for the full range of cropping alternatives. This data has been supplied from DPIPW and as also readily accessed from the TFGA website.

The nature of farming enterprises in Tasmania is very different to mainland farms. Tasmanian vegetable growers are often vegetable growers in name only. That is, they produce vegetables as part of a significantly larger farming rotation that includes poppies, pyrethrum, and livestock production activities such as prime lamb, wool and cattle fattening.

Growers are also being encouraged to think of their farming operation as part of the supply chains with which they need to work to secure market opportunities and compete for the consumer dollar.

2.3 Presentations to Growers on VIDP Products and Services

Face-to-face communication of VIDP products and services has taken place with some 50 growers at five grower meetings across the state.

The Innoveg newsletter has been emailed to growers via the Ausveg mailing list.

All growers on the TFGA database have been made aware of Innoveg services and HAL R&D projects. However, there have been few unsolicited responses to the information provided and little apparent willingness to participate in people development programs such as the Industry Leaders Program. This may in part be due to the very difficult weather conditions in Tasmania during the past year. It could also be, at least in part, attributed to the diverse nature of the enterprises. By positioning material in the name of 'vegetable growers' this may limit uptake by those who identify as such. Many Tasmanian farmers who grow vegetables do not identify themselves as vegetable growers and hence it is difficult to gain their attention or encourage their engagement.

Thus, the program has not attracted the interest or requests for information that might have been expected. Further, regular meetings of VIDP state officers have similarly found that there is little response to the information provided in electronic form. There is continual pressure from growers to revert back to production focused extension – as in the past.

3. Evaluation

3.1 Gathering Industry Feedback on R&D

This has not been a focus for most growers.

Production conditions in last financial year have been very difficult due to heavy rains and a late spring season. The main priority for many growers has therefore been to make the most of much reduced vegetable, potato and poppy production of significantly lower quality. It is probably not surprising, then, that industry feedback on the R&D program has been modest and disappointing.

As previously indicated, the full suite of vegetable research in the current and previous years together with contact researchers for each project were forwarded by mail to the TFGA vegetable member list and not one formal written response was received.

In one-on-one conversations with growers at meetings, they generally believe they are well-served with production based R&D. However, there had been an expectation that some synthesis of R&D findings would occur under the CIO program as it did under IDO program. Except for specific requests for further information (such as with control of more severe fungal outbreaks-such as Downey Mildew), this has not occurred – at least according to the traditional R&D extension model with which needy growers are comfortable.

On the other hand, Tasmanian vegetable growers are well-served with both management consultancies and farm based agronomy covering pest management, chemicals use and

fertiliser management. Organisations active in the field include RMCG, Serve-Ag, Impact Fertilisers, Elders, Roberts, and TP Jones.

In addition the contracting companies such as Tasmanian Alkaloids, TPI Enterprises and GlaxoKline (poppies), Botanical Resources Australia (pyrethrum), Simplot (potatoes and vegetables) and McCain (potatoes) provide excellent technical knowledge and agronomy services as part of product supply/contracting arrangements. It is considered that such extension services are provided at a level considerably above that provided in other Australian states – in part due to the higher concentration of growers and the relatively shorter distances that need to be travelled to service them.

In addition to providing the R&D program lists for the vegetable industry, the full compendium of current research papers for projects undertaken by the Tasmanian Institute of Agriculture (TIA) was mailed to the TFGA membership list. Growers were encouraged to seek further information and make comment, but no response was received.

The lack of formal response to VIDP content led to consideration of more financially based information on the basis that some growers (particularly those in the north west of the state) appeared to be more concerned currently with making ends meet than in previous years.

Group benchmarking of costs and options to achieve efficiency gains in resource use – including co-operative purchase of inputs, land leasing and contracting arrangements – was explored to support increased engagement. While discussed in significant detail with growers, the enthusiasm for group participation in such projects has been lukewarm at best.

In the course of engaging with growers, initiatives that might enhance their broader knowledge of the financial environment were discussed in a number of presentation opportunities including shed meetings. Once again, there was very little interest from growers in following this up in any formal way.

Close contact has also been maintained with the Tasmanian Rural Counselling Service which seeks to monitor and assist growers that are under financial pressure to lift farm business equities and/or restructure operations. While timing of entrance into production can be a critical performance factor in difficult years, it is evident that a significant proportion of growers are operating from a position of relatively high equity. This is associated with a high level of production diversification, which is proven to be one of the best ways to protect against (single) commodity downturns.

It follows that there are pockets of weak agricultural performance associated with small farms and lack of diversification – again largely in the north western area of the state.

3.2 Monitoring Sign-up for VIDP

This has proven to be relatively difficult without formal grower feedback.

Local delivery of extension – no matter what form that takes – is clearly the first preference of growers. It is important for information to be tailored to local conditions, using local and recognisable examples.

Past experience has shown that growers relate best to having one recognisable and credible point of contact – and they prefer to have an actual person to talk to. State based IDOs were generally well accepted; and their efforts were appreciated by growers.

Whilst the current delivery model is different, there are lessons that can be learnt from that experience.

Growers have shown that they are unlikely to voluntarily sign up for programs such as this. In any case, those that do are probably the 'leader' group (estimated at about 30pc of growers – producing more than 60pc of the output). This leaves a similar percentage of serious (as opposed to non-commercial growers) without a direct formal link to delivery mechanisms.

This is seemingly further aggravated by the reality that many growers are not used to distilling the written word on a regular basis and have far greater empathy with practical production-based information.

Growers also have little tolerance for any perceived inefficiency or apparent shortcomings in delivery mechanisms. This is exacerbated by issues surrounding privacy, which are an indirect and costly barrier to measuring sign-up to the VIDP.

There is no one list of growers. As a result, contact with growers is patchy and often duplicative.

Thus, the major hurdles in monitoring engagement and sign-up for this program was:

- From the grower perspective - perceived irrelevance of much of the information; and lack of an identifiable (and formally willing) 'face' to engage with.
- From the delivery perspective - lack of a coordinated database of grower details.

A good outcome for this project would be delivered if agreement could be reached for future R&D projects being able to utilise the vegetable grower levy details (state/national). This would enable:

- Direct access to a wider grower base;
- Removal of duplication; and
- More coordination at a state level.

3.3 Feedback to HAL Coordinator

Telephone hook-ups have taken place on a regular basis through the year – including periodic offers from the Innoveg team for indications of interest in their work and any opportunities to present information more directly. While a necessary part of the program facilitation process, as far as Tasmania is concerned, it has been a struggle to identify a better approach or more definitive information that would better shape input and outcome responses.

Regular monthly or bi-monthly telephone hook-ups of state based CIO representatives have taken place with the HAL coordinator to identify ways of improving the program. On balance, it is fair to say that the communication and feedback problems identified have been ongoing and similar in all states. From a Tasmanian perspective, the state facilitation process and cut-through of Innoveg information is uncertain - although the lack of feedback does not necessarily suggest it is poor.

Rather, there is reason to suggest that information spoon-feeding without a clearly established (absolute) need and limited face-to-face contact (in contrast to past extension programs), does not create the necessary commitment to the information and/or skills building approaches except to those who are really looking for them.

It is also fair to say that vegetable growers are well served with very similar hard-copy information through Potatoes Australia and Vegetables Australia magazines, as well as state publications – such as TFGAs VOICE magazine. These publications could possibly be made available electronically to expand readership in conjunction with Innoveg information.

4. Recommendations

In the absence of better database coordination and a focus on production information (with which growers feel far more comfortable), program delivery will concentrate on increased newsletter dissemination of the written Innoveg word in the hope that acceptance of non-farm based information (market data, skills development opportunities and financials sharing) will eventually be seen as important to successful farming operations as production based information.

However, in relation to the latter, a combination of conservatism and analytical shortcomings will tend to work against formal face-to-face interest in and/or delivery of financially oriented components of the Innoveg program.

On the other hand, this will not be an issue for the better farmers who will pay for and /or indirectly secure via consulting or contracting arrangements - face to face delivery of specialised advice and service.

If other CIO's have greater insights into what might work for their program delivery in the coming year, then this may be an opportune time to have a meeting of minds to (further) discuss.