

NICO MOUTON AND JAMES ALLEN

THE CHANGING NATURE OF FARM CONSULTANCY IN NEW ZEALAND

Farm consultancy is facing a challenging future with an increasing skillset requirement needed by the farming client, the corporate client and the regulators. This article looks at the history of the farm management consultancy profession, issues facing provision of farm management advice, and some thoughts on the future of the profession.

Increasing demand for advice

There will be an increasing demand for qualified and consistent advice from the farming community to sift through the many options and issues facing a farming business. This will place increased demand on the variety of skillsets offered by farm management consultants, ranging beyond the normal agricultural production systems to more complex areas of environmental management, managing diverse landscapes, more detailed farm financial planning, and a range of governance issues. This will likely be managed through greater collaboration between rural professional organisations, and the larger consultancy firms using a range of personnel to meet these diverse demands.

The pipeline of tertiary trained agricultural students coming from the two main New Zealand universities offering agricultural education are steady in number, and there is an improvement in the number of students interested in agriculture through the recently developed agribusiness curriculum that is now being delivered in secondary schools. The challenge is improving the pipeline into the consultancy profession itself, as the number of new consultants being trained has historically been low.

History of farm advisory services

The New Zealand Department of Agriculture was formed in 1892, out of which formal agricultural extension services were developed. The Advisory Services Division



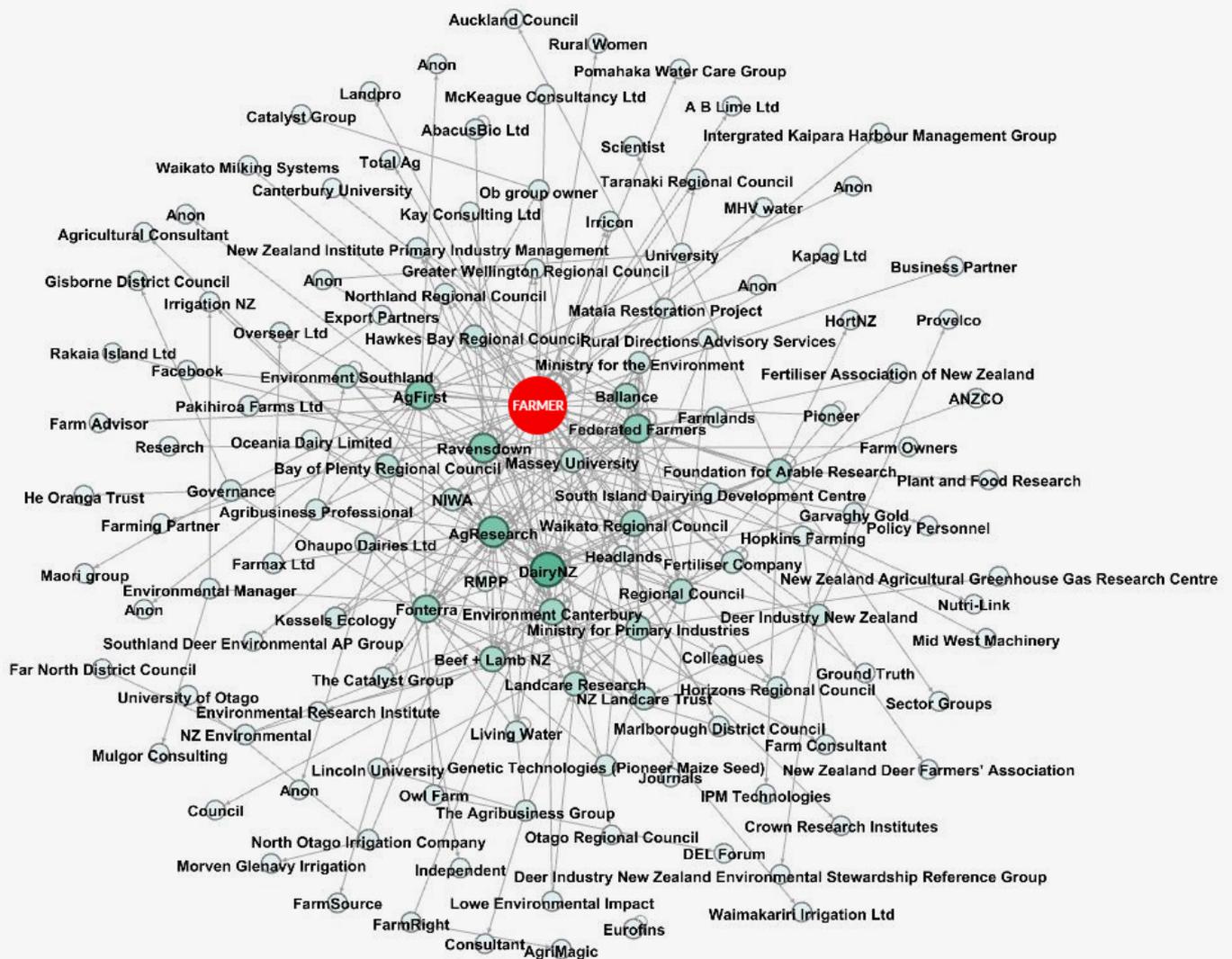


Figure 1: Parties (organisations or groups) talking about environmental farm practices. The larger and darker the circle, the greater the number and diversity of the conversations. The labels used in this map were verbatim from participants so vary in their specificity (e.g. some participants are 'council' vs a specific regional council)

was formed in 1972. At its peak the division consisted of some 670 staff, half of whom were graduates in agricultural and horticultural science.

In 1984, the Advisory Services were commercialised and finally privatised in February 1995. In 1973, there were approximately 600 full-time agricultural or horticultural extension personnel. By 1996, this number had reduced to approximately 425. However, a number of extension staff moved from the government extension services to setting up their own private consultancy businesses.

In parallel to the formal extension services, farm improvement clubs were formed in the early (1880s) development of New Zealand pastoral farming, whereby farmers employed a farm consultant under a membership system. These farm improvement clubs have now in the main ceased to exist, having been replaced by industry good extension staff or private consultants.

Producer boards maintained extension services, which have now evolved into the likes of DairyNZ and Beef + Lamb New Zealand, performing the roles of extension, research and development, and advocacy.

In 1969, the Farm Management Society was formed to establish a separate recognition of the skillset and profession of the farm management consultant. A membership criteria was established and a registration system put in place to recognise suitably qualified consultants as registered consultants.

In 1999, the Farm Management Society was renamed as the New Zealand Institute of Primary Industry Management (NZIPIM) to further enhance the profession of farm management, which now extends to a membership of 1,100 members. Within this membership there are approximately 350 farm consultants.

Figure 1, first published in the June 2019 edition of *The Journal* (authors H. Percy and P. Payne), shows sources of information for farmers when discussing environmental practices on-farm. The farm consultancy profession plays an important role and is highly regarded as a trusted advisor, but naturally is only one of many sources of information. This was also found to be the case in the Red Meat Profit Partnership (RMPP) research, which highlighted the importance of farmers learning from farmers, with

A pipeline of qualified agricultural students is required to service the extension industry. The recently developed agribusiness curriculum that is being taught in secondary schools is one of the first stages in this pipeline.

the consultant having a role in being the facilitator of knowledge transfer or a subject matter expert.

The increasing scale of New Zealand agricultural units has also given the opportunity for individual farm consultants to be working on a one-to-one basis (one large client only) with larger corporate style agricultural units, e.g. managing multiple farms under one ownership structure.

The pipeline of consultants

A pipeline of qualified agricultural students is required to service the extension industry. The recently developed agribusiness curriculum that is being taught in secondary schools is one of the first stages in this pipeline. Initially developed by St Paul's Collegiate, there are now over 1,000 secondary school students studying agribusiness throughout New Zealand. At the tertiary level there are approximately 300–400 students graduating with an agricultural or horticultural qualification each year.

Given there are approximately 350 consultants in the industry, in theory the pipeline should be sufficient. However, this does not account for the significant number of graduates who move directly into farming careers, other rural professional occupations, or even other careers. In addition, there is a significant increase in capacity required in order to manage the environmental workloads such as Farm Environment Plans.

After tertiary training has been completed, it takes on average three to five years to train a farm consultant to be 'industry ready' at either their own cost or that of the consultancy firm they work for. It is at this stage that there appears to be a blockage in the pipeline, with only a small number of graduates entering into the consultancy profession each year. This demand for new consultants is partially fulfilled by experienced rural professionals entering consultancy from a related field of work.

The Ministry for Primary Industries (MPI) has a work stream called the Primary Industry Advisory (PIA) Services, which is partnering with producers, primary industry advisors (PIAs), industry and relevant organisations to support and strengthen the advisory services system so it is better placed to respond to current and future challenges. The critical outcomes of this programme are strengthening the PIA system through increasing the capability, capacity and demographic diversity of advisors in New Zealand. This work will be rolled out in 2020.

The future farm consultant

The primary industry continues to evolve both nationally and internationally. Consistent themes that keep emerging

regarding future trends include increasing farm scale, more use of technology, increased environmental and animal welfare scrutiny and compliance, and more diverse land use and landscapes. All of which leads to more complex farming systems and increasing demands on farmers and farm consultants alike.

The average dairy farm today is around 130 ha in size, and the average sheep and beef farm is 400 ha. The average size farm continues to increase each year, partly as a consequence of the consistent cost price squeeze which arises when producing commodity products. What these statistics in farm size don't tell us is the average size of the farm business, i.e. there are many farming businesses that own multiple properties, whether this is a family farming business that has grown, a corporate operation or a Māori agribusiness with scale.

This rapid change in scale of farm organisations in the last 20 years has seen the emergence of operations managers and general managers at the farm level. These roles traditionally would have been filled through the external use of consultancy support, but logically with scale comes the need to internalise this resource. While the operations manager and general manager roles are not the image of the traditional farm consultant, it needs to be recognised that the skillset and workloads are often similar, and they are a significant part of the profession today and for the future.

A farm with a large-scale diversified landscape, containing mixed-use enterprises with significant environmental compliance requirements and using a range of technology to run their business, requires a diverse set of skills by a farm consultant if they are to add value.

The base skillset will need to include technical competence and a high degree of familiarity with a range of Information and Communication Technology (ICT) tools to help run the business. This will need to be underpinned by the most important skillset of all, which is the ability to relate to the client and all stakeholders in the business, and an ability to listen, to encourage, to support and to facilitate on-farm change.

The role of social media in farming knowledge and extension cannot be ignored. Currently Facebook and Twitter are a ready and valuable source of information and the sharing of ideas for farmers. Some of this technical knowledge would have traditionally been gathered via word of mouth from other farmers or consultants – social media allows this process to be sped up. An awareness of the role of social media in consultancy needs to be part of the toolbox for a good consultant.

When looking at the increasingly diverse set of skills that a high-performing consultant may require in the not-so-distant future, there are associated challenges for the consultant and the consulting firm in their ability to deliver such a wide range of complex services. Increasingly, we believe there will be a trend towards specialisation. Whilst a good consultant *must* have a fundamental grasp of holistic farm management systems, specialisation may occur in the areas of environmental management, human resources, and nutrition or financial management, amongst others.

A good consultant therefore needs to decide which areas they might specialise in, whether their consulting firm can cover all of these areas, or whether external collaboration is required. Regardless of the size of any firm, increasingly collaboration between various rural professionals, (e.g. consultant, accountant, bank manager, vet) is seen as a crucial part of running a high-performing farm business.

The increased diversity of skills that are required raises the challenge of certification for a farm consultant. Current possible areas of certification include dairy farm systems, nutrient management, greenhouse gases, body condition score, effluent management, irrigation and human resources, with farm environment planning on the way. Clearly it is unrealistic for any one person to obtain and maintain certification and competence in all of these areas, hence the need to consider collaboration and specialisation. Once again, it has to be kept in mind that the scale and complexity of farms has changed and will continue to do so.

Knowledge management

The days when a consultant earned a living by transferring knowledge using a top-down approach are gone. Rapidly increasing data collection at the farm level, the evolving use of data analytics, and the interconnectedness of software make it quite conceivable that many of the operational decisions made by a farm manager or a

farm consultant will become semi or fully automated. For example, within the very near future we could be able to link remote monitoring of pasture growth and pasture covers with animal feeding levels and production, along with remote shifting of livestock. This will allow animals to be automatically allocated a new break once certain grazing residuals and production levels have been achieved. This is only touching on what is imminently available, let alone what could become available within the next 10–15 years.

To be able to realise the potential of these advances in technology there is still a vital role for a consultant in the analysing and interpretation of the data available at the farm level, and assisting the farm team in making timely decisions.

The tertiary institutions will need to be challenged to continually adapt their courses to allow for students to be 'industry ready' in a fast-changing agricultural environment. Whilst the need for strong interpersonal skills will always remain, ensuring graduates can tackle both production and environmental challenges, whilst utilising the latest technology to add value, will require regular revision of any training programme offering.

Summary

Any environment abhors a vacuum. As the complexity and scale and diversity of farming changes in the next decade, the role of a farm consultant will also need to rapidly evolve and change. Those who choose not to change will eventually fade into insignificance because they are not adding value to the farm business. For those willing to embrace change, challenge their own ways of doing business and embrace technology there will continue to be plenty of opportunities.

Nico Mouton and James Allen are Directors of AgFirst Waikato. Corresponding author: nico.mouton@agfirst.co.nz. 

