



ADF National Dairy Farmers' Summit

Thursday 13 March 2014

Theme 1: Human Capacity

Introduction

- The development of people and capacity is increasingly important as dairy businesses become more complex and subject to volatility and to increasing community expectations.
- In a time of industry volatility, a strong base of knowledge, skills, and confidence can provide a solid base for people's faith in the industry and their own ability to work through challenges and make the most of opportunities.
- This theme will look at the priorities needed to improve the knowledge, skills and confidence of those working in dairy; to build the appetite for continuous learning and improvement; and to attract and retain the labour and skills required to drive a prosperous growing industry.

Where we have been

The ongoing consolidation of the industry that has been happening for some time now, resulting in larger, more commercially orientated farms. Many of these employ people other than family. For others, pressures on farm profitability and cash flow make it difficult to employ additional labour putting owners under greater pressure.

Workforce turnover is high (35%, compared with 18.5% Australian average), and many dairy businesses report that they have difficulty in attracting and retaining skilled people.

The image and general reputation of the industry is an issue in attraction of young or new entrants into the labour market. Considerations such as a clear and attractive career path, type of work, work-life balance, remoteness and wealth creation opportunities are not fully understood by people outside of the industry – and in fact most of the news associated with dairy is around hardship.

Income and climate volatility has led to a general decline in farmer confidence, particularly over the past 2 years. This is evidenced by an increasing number of producers who are undecided as to their future direction and involvement. This limits their interest in further development as dairy managers to manage the ongoing complexity of the farm business.

Issues of succession and entry to the industry have made generational change difficult; sharefarming opportunities are limited and not necessarily attractive for farm owners. The opportunities for wealth creation and sharing have not been as strong, or are not being articulated. Many farmers even urge their children to find off-farm careers.

The industry has been active in addressing some of these issues, evidenced by the successful People in Dairy program, providing resources to support farmers as employers. The National Centre for Dairy Education Australia has been developed as the industry's own providers of vocational education. This has been important as the number of agricultural graduates has been in decline generally.

However, in terms of the learning products and extension, the industry still relies on a "push" approach, developing and delivering tools based on what providers believe people need to know. The "pull" – people seeking specific learning and resources, including those most in need of support, remains a challenge.

Where we are going

In the foreseeable future, dairy farms will continue to be largely family owned and operated in Australia. However, given the trend toward increasing farm sizes, paid employment will also be a feature of farm businesses. The need for dairy farmers to be employers of choice will become more critical as the rural population continues to drift toward cities, and competition for skilled labour in dairying regions is likely to remain intense.

Dairy farming will only become more complex in the future, with ongoing market and climate volatility, increasing community concerns and expectations around sustainability. Farm managers will have to be more knowledgeable and skilful than ever – managing businesses with precision and a long term plan for wealth creation.

The management of succession will continue to be an issue for the industry. Without family succession, entry into dairying will continue to be a barrier to generational change. It is timely to consider the role of the industry (if any) in facilitating succession options.

With the likelihood that public funding of extension services and vocational education will continue to be withdrawn by governments under budget pressure, the provision of learning and development opportunities will increasingly fall to industry.

Questions for the workshop

1. What does success look like for human capacity?
2. What are the most important human capacity issues for the industry?
3. How can we build skills, capability and new participation in the industry in a way that works for farmers and their families?
4. How can we best get people interested in learning and asking for education and resources?
5. What are the top 3 things the industry can do to support human capability development in the future?