How the phasing out of milk quotas influenced extension?

Gregor Albisser Vögeli
Competent Farmer Meeting, Tänikon
4th October 2017
Phasing out of milk quotas induced in Switzerland for advisory services

• Farmers were very sensitive, what will change and how they can act and react
  – Advisors organised several information events
  – Accumulation of farmers demanding advisory services

• Regional differences and path-dependences
  – Plains vs. mountains
  – Milk production for cheese or dairy industry

• Financial questions changed to strategic questions
Farmer hierarchy of needs

Hurni, 2017
8 ways to change my farm

1. Expansion of farm land
2. Enhancement of livestock
3. Increasing services and vertical integration
4. Production specialization
5. Cooperation and collaboration
6. External income with agricultural activity
7. External income with nonagricultural activity and decreasing capacity
8. Cessation of farming

Lehmann et al., 2002
Farmers output portfolio

1) Crop production with few or without animals
2) Livestock farming and forage production
3) Production specialization or services and vertical integration

Albisser et al., 2007
An what farmers should focus their activities

- **Professional resources**: know-how, values
- **Personal resources**: motivation, vision
- **External needs**: demands, access to market

- **boring**
- **illusion**
- **needless**
Self-test for dairy farmer: where are my competences?
Farm management means planing

• Strategic planing
  – Where we want to go, what is important for us?
  – Strengths, Weaknesses, Opportunities and Threats (SWOT)

• Marketing
  – What we sell and whom?
  – Planing the mix (product, price, place, promotion)

• Production planing
  – How we produce? Take account the synergys and trade-offs
  – Resource efficiency: Output / Input

• Financial planing
  – Do we earn enough? Can we invest?

• Project management
  – New ideas: How to plan, implement and control
The competences a farmer needs to succeed

- Production knowledge
- Management skills
- Leadership competencies
- Soft skills (social competences)
  - on business
  - private
- Personal competence
High capability and loyalty results in trust

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<tr>
<th>Capability:</th>
<th>Low</th>
<th>High</th>
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<td>The value I consider my partner is capable and qualified</td>
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<th>Loyalty:</th>
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<td>The value I believe my partner likes me and he will support me in future</td>
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<td>Sympathy</td>
<td>Mistrust</td>
<td>Respect</td>
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<td>Trust</td>
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Scholtes, 1998
Effects on the marginal cost of cooperation

Albisser et al., 2007

Level of Cooperation

Marginal Cost of Production

Marginal Cost of Cooperation

Trust

New Optimal Level

Albisser et al., 2007
Project-oriented advisory services

Demand: what are the needs

Contract

To perform the services

To execute the services as contracted

debriefing
Conclusions

• Most farms are a symbiosis: family / company

• Production and financial planing are not enough to succeed in farming

• Advisors should respect in their work
  – Farmers personal and familial aspects into the planing and desicion making
  – Change is a process and not only a case
  – „Early-“warning systems and how to deal with risks

• News methods and tools for advisors
  – Process-oriented services, coaching, to take account partnership and family, risk management
Thank you for attention

For further information visit our homepage www.agridea.ch or send us an e-mail at info@agridea.ch

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