



# The Changing Skill and Competence Needs of Agricultural Managers

September 2022

# IAgrM

- Welcome to our “Educating the Next Generation Conference”
- IAgrM: The Professional Body for those engaged in agricultural, rural and environmental management
- Charity established in the 1960s; 1200 members with an active branch network, on-going opportunities for networking and training and independent verification of CPD
- National Farm Management Conference – 1 November
- Join at [www.iagrm.org.uk](http://www.iagrm.org.uk)



# What do we mean by skills and competences?

- **Skills** are the specific learned abilities that you need to perform a given job well. Examples, depending on the specific role, range from handling accounts and coding to welding or writing tenders.
  - A hard skill is a technical / quantifiable skill that a professional may demonstrate through their specific qualifications / professional experiences
  - A soft skill is a non-technical skill that is less rooted in specific vocations.
- **Competencies**, on the other hand, are the person's knowledge and behaviours that lead them to be successful in a job. Examples of competencies, then, include the improvement of business processes, strategic planning and data-based decisions. Competencies effectively explain how an individual's behaviours bring about the desired results in their role.
  - Importance of on-going professional development

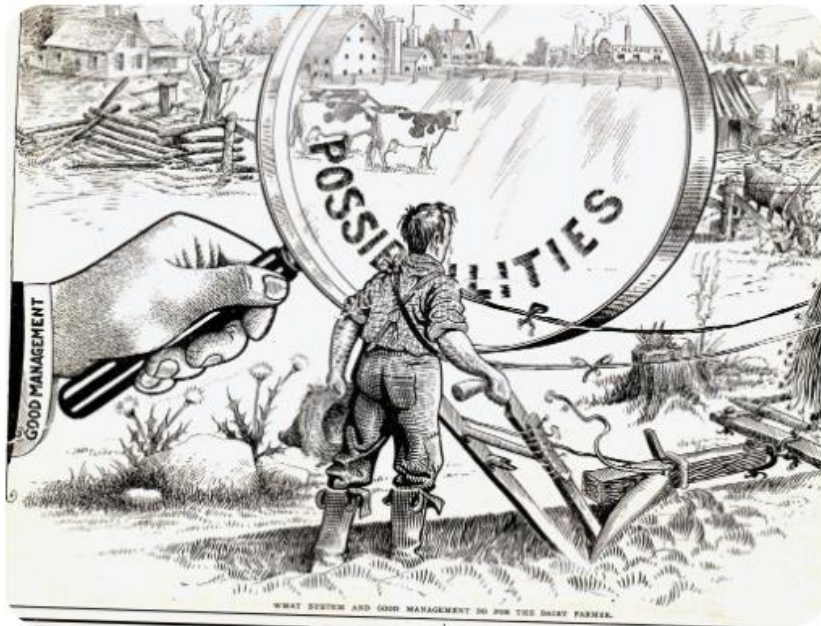
# What is Management?

***Management is a set of principles relating to the functions of planning, organizing, directing and controlling, and the application of these principles in harnessing physical, financial, human, and informational resources efficiently and effectively to achieve organizational goals.***

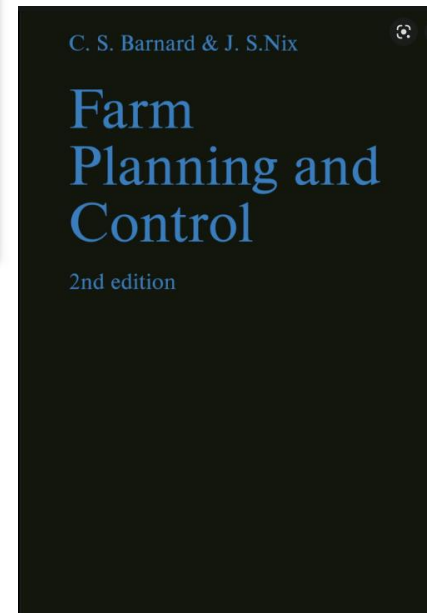
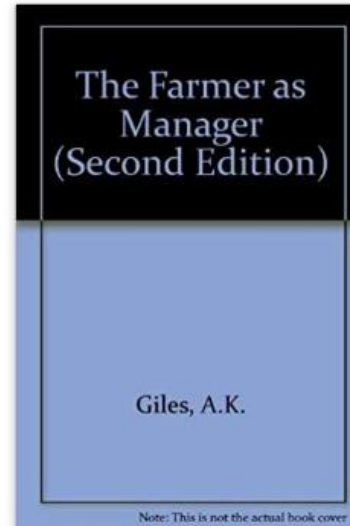
Source: <https://www.managementstudyhq.com/>



# What is Farm Management?



*Farm accounting vs production economics*



# What is Farm Management?

*“Farm Management: Farmers are resource managers who endeavour to manipulate their land, capital and other resources to achieve certain ends. These ends or goals vary with each farmer’s responsibilities and sometimes also with his ambitions for them and their family”*

*“Farm business management concerns the decisions to be made by the proprietor, owner or manager, which affect the ability of the farm to make profits. It involves the determination of goals or objectives, planning towards their achievement, execution of the plans and the supervision, control and evaluation of results”*

*“To manage a farm, the farmer must set goals, plan how to achieve these goals, implement the plans, organise the resources - staff, money, time, land - and keep control over the whole process. The most important aspect of farm management is **decision-making**. Decisions can range from which crop to plant, when to irrigate, where to buy livestock, when to sell, which market to supply, which technology is the best to use and how to allocate available labour between farming operation” - <https://southafrica.co.za/what-is-farm-management.html>*

*“Because farm management has to do with the economics of farming, **it is, of course, almost identical to the discipline of agricultural economics**. Perhaps the difference is that agricultural economics deals mainly with policy issues, while farm management deals chiefly with the economics of farming” - J Brian Hardaker, Emeritus Professor School of Business, Economics and Public Policy University of New England*

# Economics and Enterprise: Introduction

Agricultural economics teaching historically focussed around ‘production technical efficiency’ - and this does remain fundamental... **BUT**

The most successful UK farm businesses increasingly derive a big part of their profit from a range of ‘non-production’ activities – farms and farmers are increasingly ‘rural businesses’ which manage land and produce food and a produce a range of other goods

Monetising the environment / sustainability will be a key theme over the coming decades – emerging market based solutions will likely be worth many times funds transferred by government e.g. ELM in the medium term

Deriving new income streams from alternative land and asset use will be critical

The relationship between food and land will continue to decouple – e.g. vertical farming, alternative proteins from novel and non-traditional sources etc.

Recapturing more value post the farm gate will remain critical in many sectors and value chains

# The International Dimension

UK farm structures and enterprise choice heavily driven by 20<sup>th</sup> century farm policy – distorting enterprise choice; overcapitalising land and its occupancy costs and restricting turnover in land ownership, occupation and operation

International competitiveness will become more important – global supply chains are increasingly complex and more interdependent – trade flows will change due to markets and policy (e.g. Brexit) and due to changing supply and demand dynamics (population shift, climate change etc).

UK has natural competitive advantage in many higher value arable and horticultural enterprises – but struggles in many livestock enterprises

There is a significant premium associated with ‘Brand Britain’ in higher value international markets which is not being fully exploited



# Supply Chain Dynamics

Significant consolidation upstream and downstream at a much faster rate than at primary production level

Upstream needs will change: less focus on 'solutions' which are manufactured due to regulatory and environmental pressures and more on 'integrated' approaches e.g. the rise of regenerative agriculture

Downstream is becoming more competitive due to greater information transparency (e.g. ABCDs) and increasingly intensive retail competition

Increasing segmentation of 'specialist' markets: organic to regional/local to provenance to ethical/sustainable/regenerative

The negative externalities of food will become more political – e.g. pressure on the NHS as a result of rising levels of obesity/diabetes etc

# Skill Gaps

The production mindset of the 20<sup>th</sup> century still persists in many sectors – whilst great strides have been made in the last twenty years reconnecting supply chains and improving marketing these remain areas of weakness for many

CAP has been a drag on industry innovation and entrepreneurship – and in fact in many cases has actively worked against it

The science and economics of the environment are poorly understood by many farmers and non-specialist land managers

Sustainability metrication poorly developed and understood – the economics even more so

Whilst technology and automation will be important especially in intensive sectors, recruitment, selection and retention of the highest calibre staff will be critical – parts of the industry suffer from poor HR processes and incentivisation/motivation schemes – operational execution critical



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