

SRA Grower Group Innovation Project Final Report



Sugar Research
Australia

Research Funding Unit

SRA project number:	ACF002
SRA project title:	A pilot for business planning for young farmers and partner in the sugarcane industry
Group name:	Australian Cane Farmers' Association (ACFA) – Next Gen Program
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Executive Summary:

- The Issue

Through ACFA's Next Gen program, it was identified that given the aging demographic of cane farmers it is important that young farmers, the future decision makers of the industry, are provided with the tools and skills needed for them to succeed in their farming businesses. This need was echoed through the Next Gen regional representatives and a desire was expressed to 'up-skill' to ensure that they have the tools required to run a profitable cane farm business.

The Business Planning & Cash Flow Management courses were run in six locations from Mossman in Far North Queensland to Ballina in Northern New South Wales and were open to all young cane farmers looking to create or work on their existing business plan. Other topics included in the workshops were fixed & variable expenses, break-even analysis, insurance requirements, business structures, SWOT analysis as well as income & cash flow projections.

The courses were delivered by Ray Dukamp of Basic Training Solutions, who has 15 years' experience in training in Business Management and had previously successfully run similar programs in the grazing industry.

- R&D Methodology

The courses delivered were open to all young cane farmers and their business partners, with ACFA working with industry bodies such as CANEGROWERS, Herbert Cane Productivity Services, CANEGROWERS Burdekin and New South Wales Cane Grower's Association to promote the workshops. Local community organisations were also involved for venue and catering purposes.

- Key results.

Key results produced from this project include farmers being given the opportunity to learn how a farm business works and what skills and knowledge are required in order to run a successful, profitable business. The project has also reiterated the eagerness in the young cane farming community to continue learn and work on their professional development.

- The impact of the project findings on the group, the sugar industry and the community.

This project has and will continue to make impacts at various levels. At a grower level, participants were able to learn the skills required to create or work on a business plan within an intimate classroom setting. After the conclusion of the course, participants are eligible and are encouraged to keep in contact with the trainer to ensure a detailed business plan is achieved.

With ever rising input costs, and the recent productivity decline seen in some areas, it is more important than ever that young cane farmers understand how a successful business model works in order to ensure profitability. Profitable farming entities positively affect all areas of

the sugar industry including mills, research bodies and productivity services, as well as contributing to local, state and federal economies.

Background:

Cane farming businesses in Australia have been and continue to be hit with ever increasing costs of production which makes ensuring profitability more difficult than in years past.

For this reason, young farmers taking over their family's farm, or young people wanting to start out in the sugar industry, need to ensure they choose the right business model, understand how it works and be acutely aware of their business cash flow.

ACFA's Next Gen program was established to encourage and support young people in the sugar industry and understands the importance of allowing the next generation of cane farmers opportunities to learn how to run a profitable business, therefore the ACF002 project was developed.

Objectives:

Project Objectives:

Given the aging demographic of sugar cane farmers it is important that young farmers, the future decision makers of the industry, are provided with the tools and skills needed for them to succeed in their farming businesses.

This project will provide young farmers and their partners with the knowledge about how to better understand and manage their business to help them make informed decisions about their farming future. Benefits derived from this initiative will be on-going and assist in the sustainability of the sugar industry. Business Planning is about the future, and these farmers represent the industry's future.

Statement of the extent to which the project has achieved them

The project has succeeded in providing young farmers with a series of workshops in key sugar locations that has helped to provide the tools and skills needed for them to succeed in their farming businesses. The results of the participant survey show that the majority of respondents felt the course was beneficial to them and would recommend to a friend.

The courses saw farmers and their partners (i.e. spouse, family member) participate which helps to ensure that entire farming entities understand what is required (in terms of business planning & cash flow management) to run a profitable farming business.

The skills learnt will be ones that farmers can continue to use and develop over their farming careers.

Methodology:

In order to reach as many farmers as possible, the courses were conducted in six locations in key cane growing regions across Queensland and New South Wales which included Mulgrave, Ingham, Ayr, Mackay, Bundaberg and Ballina.

Initially, a call was put out through various communication mediums for an expression of interest. Once times, dates and locations were confirmed, another round of promotion was sent out, individually to the farmers who had already registered their interest as well as to the wider cane farming community.

The pilot workshop was held in Ingham in early February at the Herbert Cane Productively Services (HPCSL) office. We worked with both Lawrence Di Bella (HPCSL) and Terri Buono (Project Officer) from the Department of Agriculture, Fisheries and Forestry (DAFF). The Ingham workshop also featured a talk from DAFF economist Alison Collier on their Farm Economic Analysis Tool (FEAT).

The second workshop to be carried out was at the Mulgrave Rambler at the Mulgrave Sugar Mill where we saw farmers travelling from as far north as Mossman and as far south as Tully to attend the course.

The third workshop took place on 4th March 2014 in Mackay at the Wests Tigers League Club in Walkerston, near Mackay, the fourth on 12th March at the Alloway Country Club near Bundaberg, with the fifth workshop being held at New South Wales Cane Grower's office in Richmond at the end of March.

The final workshop was held the Ayrline Motel in Ayr on 2nd April which again included a talk on FEAT, this time by DAFF economist Matthew Thompson.

The timings of the workshops were decided upon as to not interfere with planting or harvesting; allowing maximum participation.

After each of the workshops, participants were sent a link to a simple survey asking the following questions:

- What age bracket do you fall into?
- Overall, how would you rate the course?
- How effective was the facilitator in explain concepts?
- Did the course meet your expectations?
- Would you recommend the course to friend?

The results of these surveys have been collated which is reported on in the Results and Outputs section of this report.

Results and Outputs:

After the completion of each workshop, participants were sent an email with a link asking them to take part in a short survey. Please see **Appendix A** for a full summary of the results.

As seen in Appendix A, the majority of respondents took part in the Cairns workshop, are aged between 30 and 39 years old and are cane farmers.

Over 80% of the respondents rated the overall course as 'Good' or better, with over 90% stating that the facilitator was 'Good' or better at explaining concepts.

The responses from question five showed that over 70% of respondents to the survey stated that the course met their expectations, with two participants stating the following reasons for why the course did not meet their expectations:

"I felt that more time could have been spent on the Cash Flow portion of the course. Perhaps going through practical modules rather than just discussion, however I do realize [sic] that people are welcome to submit their completed cashflow [sic] to facilitator - but some people just don't know/feel comfortable of where to start"

"Not quite. Was expecting a little more"

Question seven asked participants if they would recommend the course to a friend, over 90% of respondents said 'Yes'. Optional additional comments to this question included:

"Yes, but only if they already had some knowledge of the business modules. Not to someone who had no previous knowledge"

"Yes, the coarse [sic] would be good grounding to start, or help run your business"

"For a basic overview. Ideal for a very young farmer."

The final question on the survey asked if participants would like to leave any additional comments. These included:

"Learn't [sic] a lot with the detailed structure."

"It was a very beneficial course and great participation from those who attended. My only negative comment is that there were not more farmers take advantage of this wonderful and educational initiative."

"Interesting...revision of what has been done over the past few courses I have done. Thank you to all involved."

On reviewing the summary in Appendix A, there does not seem to be a clear link between the age of the participants and their comments, however three of the respondents who felt that the course was not what they had expected and that described the course as 'basic', were all from the Bundaberg region.

Intellectual Property and Confidentiality:

PowerPoint slides provided are those of Ray Dukamp of Basic Training Solutions and should not be replicated or used for any purpose other than assessing this project.

Capacity Building:

This project was not linked to R&D or to implementation of better farming systems as it was focused on human capacity building. The project was aimed at developing the business skills of young farmers to aid in running a profitable farm business.

Environmental and Social Impacts:

As part of the course content, participants learnt and examined financial and environmental consequences of proposed action. Through this farmers can readily plan for themselves the viability of an action before becoming committed.

With multiple members of farming entities attending, the Business Planning and Cash Flow Management courses promoted a real sense of partnership and a feeling of joint ownership and responsibility within the family business.

The workshops conducted also acted as a networking event for young farmers. The interaction and discussion amongst the participants was beneficial in broadening their knowledge of different business models.

Outcomes:

A benefit achieved by this project include young cane farmers learning new skills in order to run a profitable farm business. As expected, each participant had access to support from the trainer via telephone and email to work on their individual business plan.

The initial project proposal stated that the course was to take place over two days, however as previously reported, after the initial workshop was held, the course was reduced to one day. We feel that this decision was appropriate as by reducing the time that participants had to spend away from their farm's, the number of participants increased and in fold more people benefited from the course.

Since the conclusion of the course, the trainer has been working with participants on their business plans. Unfortunately there has been a lower than expected uptake on this extended support, with only one participant from each of the Ballina, Mackay, Bundaberg and Ayr course submitting their business plans to the trainer and two from each of the Ingham and Cairns courses. Although this is a disappointing result, participants do have the ability to complete a business plan on their own, in their own time as they each have the pro-forma documents and computer programs from the workshops with which to complete these plans whenever time and necessity dictates.

Communication and Adoption of Outputs:

During this project, both printed and electronic communication mediums have been used to promote the project to ensure all young farmers from all regions were aware of the workshops.

Next Gen e-Newsletter, Australian Cane Farmer newsletter, ACFA e-news, CANEGROWERS Burdekin newsletter, nextgenfarmer.com, Next Gen Farmer magazine (a part of the Australian Sugar Cane magazine).

For the results received, it is clear that there is a desire amongst 'next gen' cane farmers to 'up-skill' and learn about how to successfully run a farm business. Also evident is the varying degree as to the knowledge base that young farmers possess.

Recommendations:

A recommendation as a result of this project is that more of this kind of educational courses, which allow young people in the sugar industry to 'up-skill', should be available. It has been clearly shown through this project, and the Next Gen program, that the incoming generation of not only farmers, but millers, researchers and harvesters, are keen to learn the skills and tools needed to ensure not only their individual farm business remain profitable, but also the entire sugar industry. Farmers understand that with rising costs and the volatile sugar market, they have to be acutely aware of best practice both, on farm and in the office.

It could be said that the level of varied knowledge was not expected. Some participants had taken part in courses in the past and may have felt that the material covered had been a repeat of something they had already done, whereas others felt that they could have done with a little more. A recommendation for future courses offered to young farmers would be to ensure subject matter is clearly and concisely outlined, as well as prerequisites defined.

If the workshops were to run again, it would be advisable to spend more time at the course itself working on business plans. This would ensure that each participant is set up to continue their work in their own time and encourage ongoing communication with the trainer.

Another recommendation would include ensuring participants complete the satisfaction survey on site immediately after the conclusion of each workshop.

Publications:

All of the below appendices for copies of publications.

Appendix B- November 2013 Next Gen e-Newsletter advert

Appendix C- 20th December 2013- CANEGROWERS Burdekin Cane News

Appendix D- 6th January 2014- Email campaign

Appendix E- Next Gen Farmer magazine- December/ January 2014 issue

Appendix F- Next Gen website – nextgenfarmer.com

Appendix G- Basic Training Solutions PowerPoint- Business Planning PowerPoint

Appendix H- Basic Training Solutions PowerPoint- Cash Flow PowerPoint

Appendix I- Next Gen Facebook

Acknowledgements:

- Ray Dukamp- Basic Training Solutions
- Lawrence Di Bella- Herbert Cane Productivity Services
- Terri Buono- Department of Agriculture, Fisheries & Forestry
- Alison Collier- Department of Agriculture, Fisheries & Forestry
- Matthew Thompson- Department of Agriculture, Fisheries & Forestry
- CANEGROWERS Burdekin
- New South Wales Cane Grower's Association- Richmond Office

Photos:

The following photos are included in the file sent:

APPENDIX J- Mulgrave Course