



Latvian Presidency
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MINISTRY OF AGRICULTURE
REPUBLIC OF LATVIA



MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF LATVIA



EASTERN PARTNERSHIP

Rural and Agricultural Advisory Systems: Best Practices and Experience in the Eastern Partnership



Riga, 15 – 16 April 2015



Ltd "Latvian Rural Advisory and Training Centre"



Latvian Rural Network

Riga 15 April 2015

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THE SUSTAINABILITY OF AGRICULTURAL ADVISORY SERVICES

▪ EXPERIENCE, INSTRUMENTS AND APPROACH

CONTENTS

- Part 1: Danish agriculture
- Part 2: The Danish Agricultural Advisory Service
 - SEGES (previously Knowledge Centre of Agriculture)
 - The local FBO advisory centres
- Part 3: The historical development
- Part 4: Financing and regulatory tools
- Part 5: Summary



A FEW FACTS ABOUT DANISH AGRICULTURE

- 62% (2,700,000 ha) of total area is cultivated
 - 7% of this area is cultivated organically
 - 38,600 farms (vs. 140,000 in 1970)
 - 1,360 horticulture producers
 - Average farm size 67.7 ha. (vs. 21 ha. in 1970)
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- 18.6 mill. slaughter pigs per year
 - 10 million live pigs exported
 - 582,000 dairy cows (9,138 kg milk per cow)
 - 80% of the grain/plant production is utilised as feedstuff
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- Value of agricultural export DKK 156 billion
 - Denmark's food production can feed 15 million people

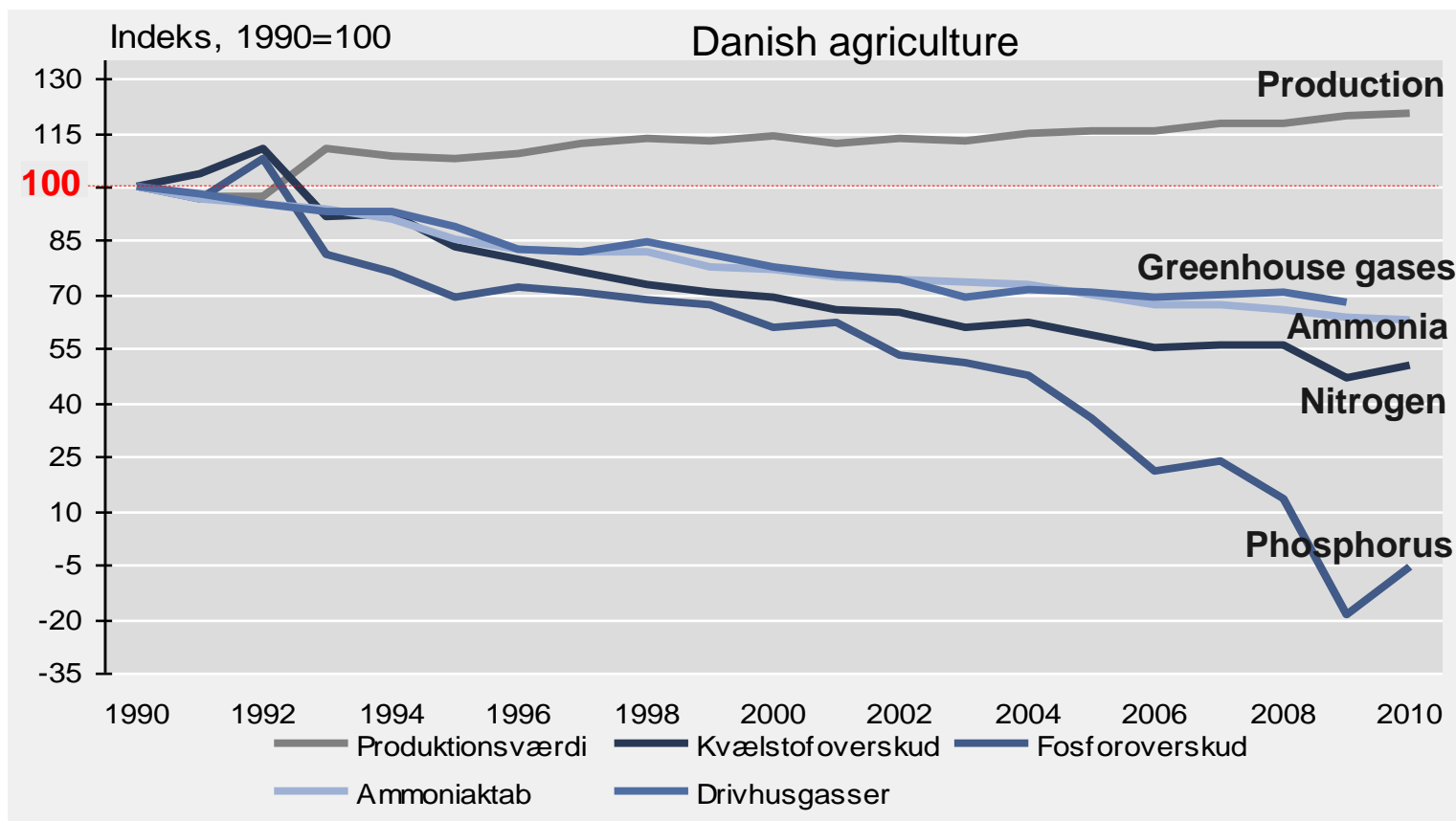


CHARACTERISTICS OF DANISH AGRICULTURE

- Is covered by a large number of regulations including the EU CAP
- Tendency: More large scale- and more part-time farms
 - Only one third of Danish farmers are full-time farmers
- The farmer:
 - Owns and operates his own farm
 - Is well educated and participates regularly in educational activities
 - Is member of a farmer organisation
 - Sells and buys most of his product through farmer owned cooperatives
 - Employs only few experts - uses instead advisory services

THE CHALLENGE OF TODAY

To produce more with less impact on the environment and in consideration of animal welfare and climate change processes – and still to be profitable



DANISH AGRICULTURAL ADVISORY SERVICE – A FARMER BASED ORGANISATION PARTNERSHIP



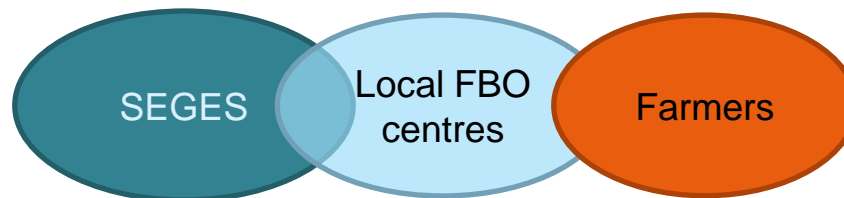
- History goes back to 1875
- Today: 30 local FBO centres and SEGES
- Total 3,250 employees
- Advice, service and innovation for:
 - 38,600 farms
 - 1,360 horticulture producers
 - 7,000 small private enterprises
- Turnover approx. EUR 400 million



THE DANISH AGRICULTURAL ADVISORY SERVICE (DAAS)

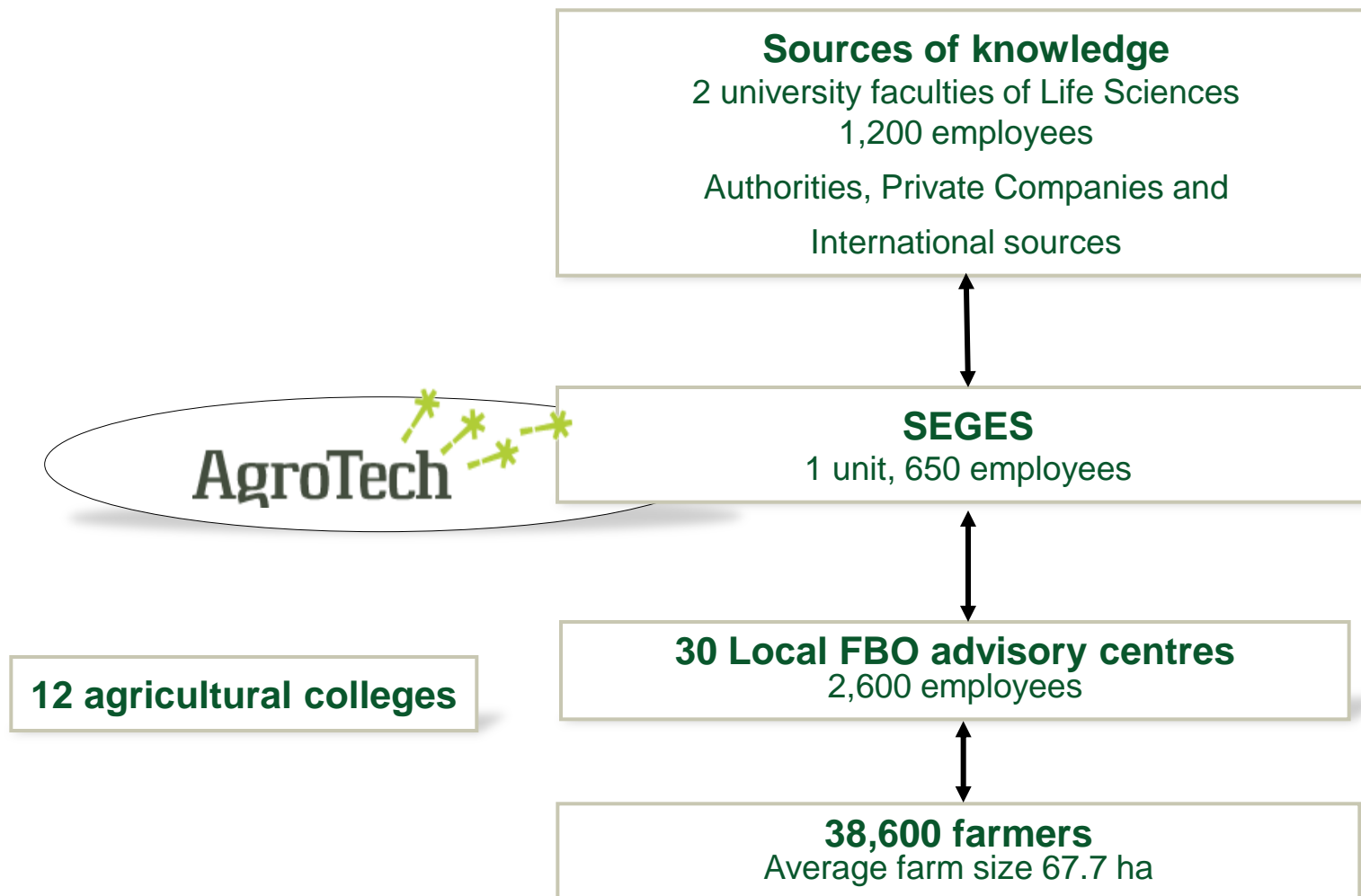
Main principles:

- Managed and organised by the farmer-based organisations (FBO)
- Farmers paying fees
- Unbiased
- No inspection tasks on behalf of Government
- Services to all production branches (excluding forestry, fishery and veterinary services)
- Has a holistic approach comprising technical, economic, and legal aspects



KNOWLEDGE TRANSFER THE DANISH WAY

Theory ↔ Practice





- A limited partnership company owned by Danish Agriculture & Food Council
- Partner in DLBR - Danish Agricultural Advisory Service (DAAS)
- Part of “Agro Food Park”
- Service and innovation centre for the local centres positioned to take the lead in the development
- Non-profit organisation (turnover EUR 130 million)
- Approximately 650 employees (2/3 academic staff)

“Our job is to make sure our customers (advisers) can deliver world class service to the farmers and the agricultural industry in order to increase their competitiveness”

FARMERS ARE IN CONTROL

SEGES Board of Directors:

- 2 Appointed by the Danish Agriculture and Food Council
- 3 Representatives from the Sector Boards
- 3 External members
- 1 Director from the Danish Agricultural Advisory Service
- 2 Representatives of employees



Chairman

SEGES EXPERTS WORK IN SUBJECT MATTER-BASED TEAMS ON A.O.T.:

- Cultivation of the soil
- Animal welfare, health and breeding
- Business finance, taxation and law
- Food quality and -safety
- IT in farming
- Bioenergy
- Environment and nature
- Organic farming
- Building and work environment
- Rural development



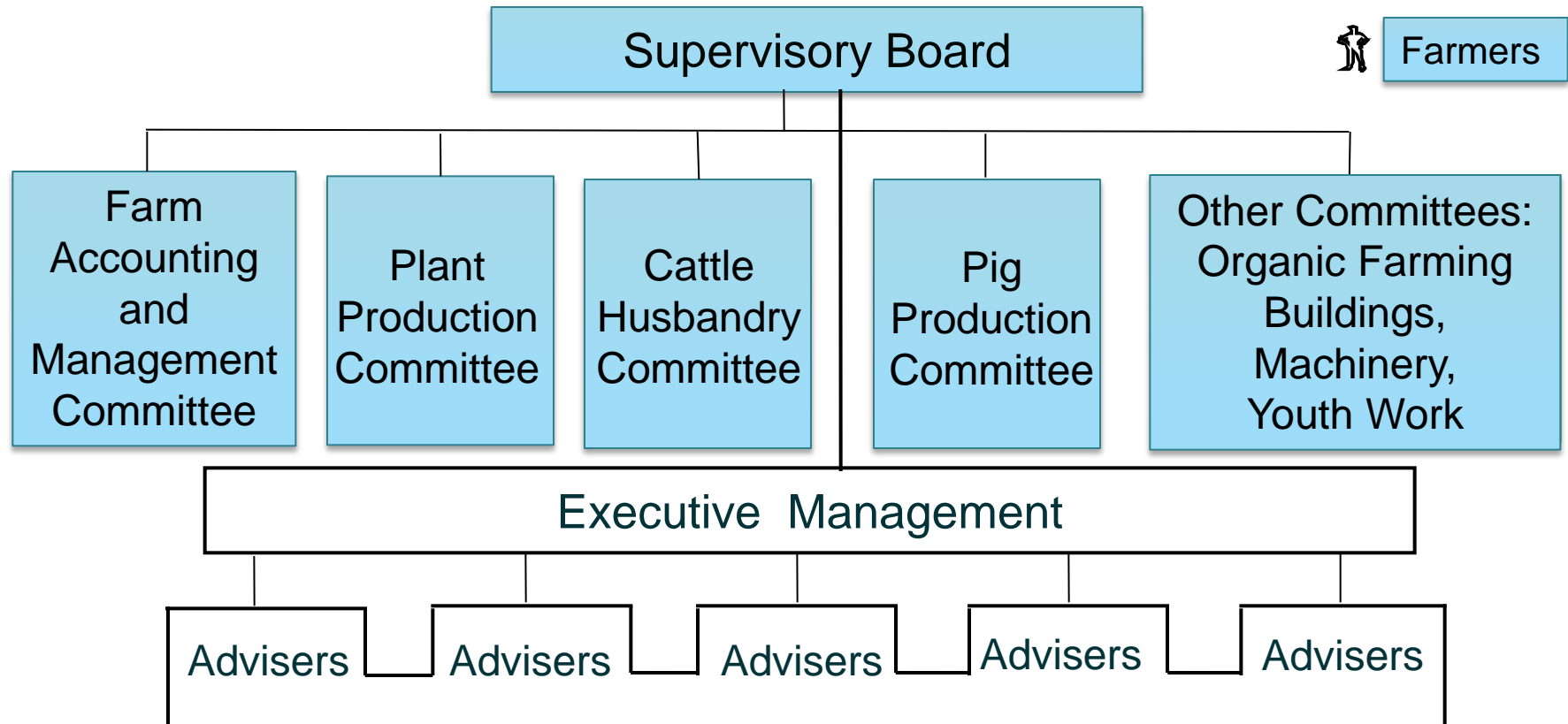
WE ALSO WORK INTERNATIONALLY

We cooperate with knowledge institutions and companies worldwide on research and development

- EU - Pilot Integrated Agriculture and Food Development Project
Kyrgyzstan 1996-98
- EBDR, TAM Programme:
Dairy Spring II
(Milk Sourcing Project)
Kyrgyzstan 2011-13



MANAGERIAL STRUCTURE OF A LOCAL FBO ADVISORY SERVICE



The local FBO centres are all independent organisations and partners in DLBR (DAAS)

THE DANISH AGRICULTURAL ADVISORY SERVICE – CORE ACTIVITIES

- Provide farmers with the best knowledge available
- Provide practical solutions to farmers' needs
- Record and process technical-economic data
- Record and process farm accounts for taxation and farm management purposes
- Organise and carry out on-farm trials, analyses and tests
- Design and organise training tailored to farmers' needs
- Ensuring feedback on practical needs to science and authorities

*“We transfer knowledge and technology into practice by linking research results with operational, economic and environmental viable solutions
- and we ensure quickly and efficiently availability for the users ”*

ADVISING MUST CREATE VALUE FOR THE FARMER

Therefore advisers need good understanding of:

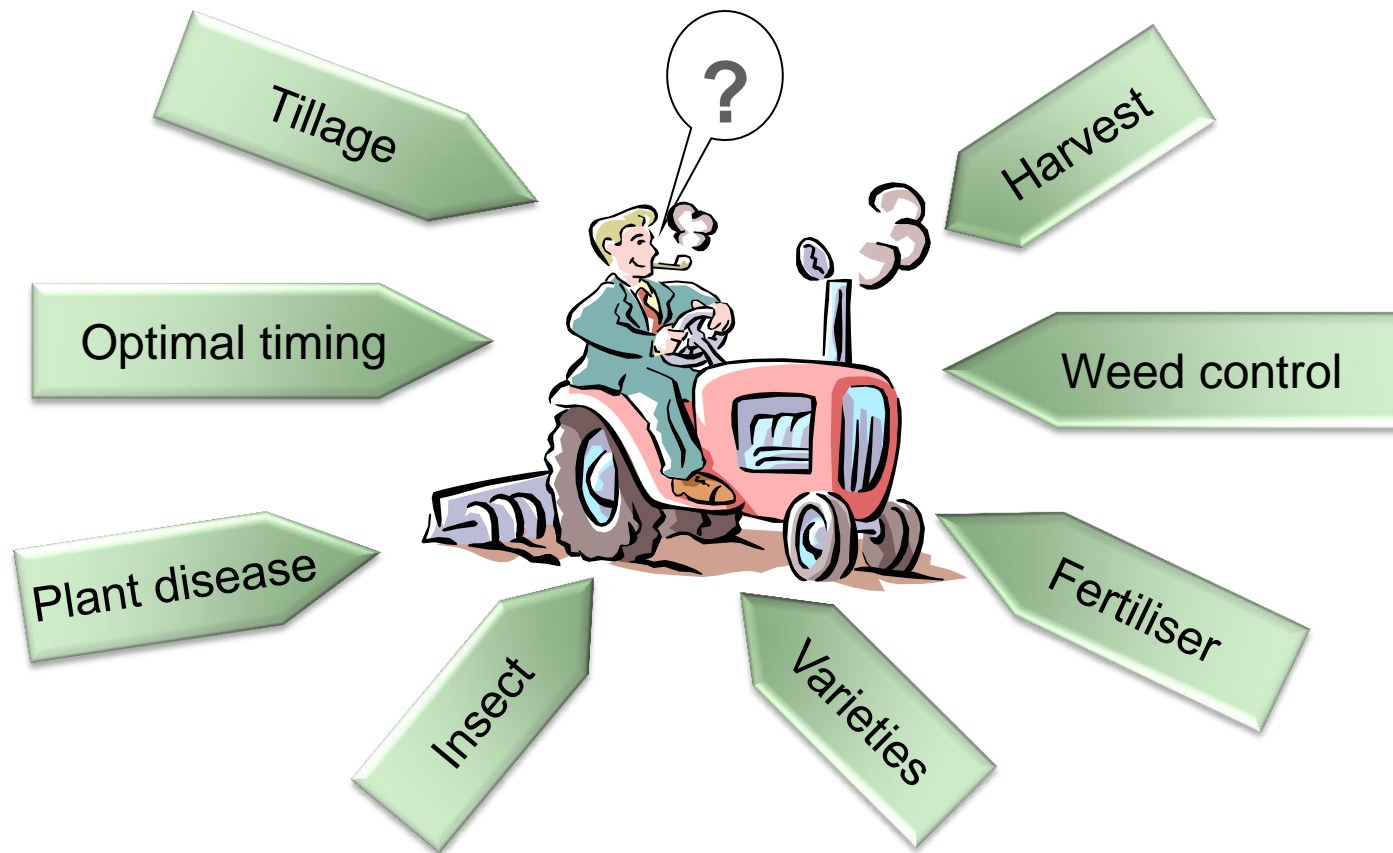
- Technical knowledge
- Efficient management practices
- Use of ICT tools
- Communication
- Social processes



The "Trump Card Concept" – a  SEGES adviser tool:

http://akademiet.vfl.dk/Konsulentytelser/Raadgiverens_roller_og_vaerktojskasse/English_trump_cards.aspx

OWN KNOWLEDGE BASED SYSTEMS ARE IMPORTANT ADVISORY TOOLS



The Danish Field Trial System developed since 1992
Nordic Field Trial System introduced in 2006
DK - Landsforsøgene® – 1,000 field trials for farmers

THE 19TH CENTURY MARKED A NEW DEPARTURE FOR DANISH AGRICULTURE

- The world's first educational act in 1814 provided right to education for all from 7 to 14 years of age
- The first local farmer organisations were established in 1840s – on national level in 1895
- The democratic constitution in 1849 gave the right to vote to all men over 30 years of age
- The Folk High Schools were established in 1850s
- The transition from grain production to livestock production took place in 1870s and 1880s
- The agricultural advisory service goes back to the 1875
- The cooperative movement started in 1880s

HJEDDING ANDELSMEJERI (CO-OPERATIVE DAIRY, 1882)



New technologies and new markets offered farmers new opportunities but required access to information and knowledge

STRUCTURAL DEVELOPMENT - FARMS AND COOPERATIVES

	1903	1939	1964	1992	2009	2015
Total farms	260,000	210,000	175,000	75,000	47,384	31,622
Co-operative dairies	1,046	1,399	904	23	11	12
Total members	148,000	189,900	135,600	17,789	4,126	3,424
Co-operative slaughterhouses	27	61	62	5	2	1
Total members	65,824	194,065	133,088	36,020	11,100	3,259

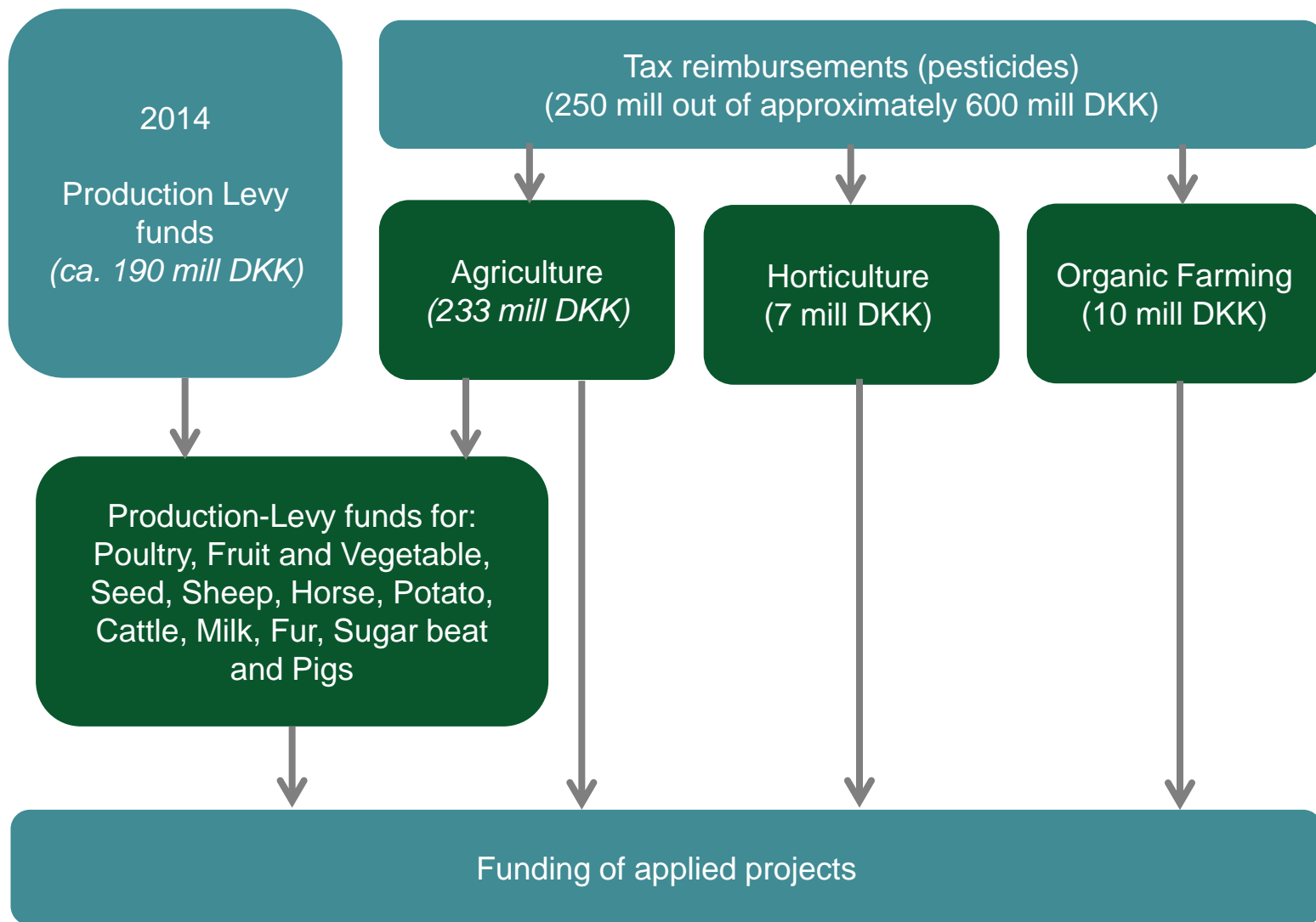
In the period 1870 to 1960 agriculture was the most important sector in Denmark

SUPPORTING SELF-ORGANISATION BY FARMERS

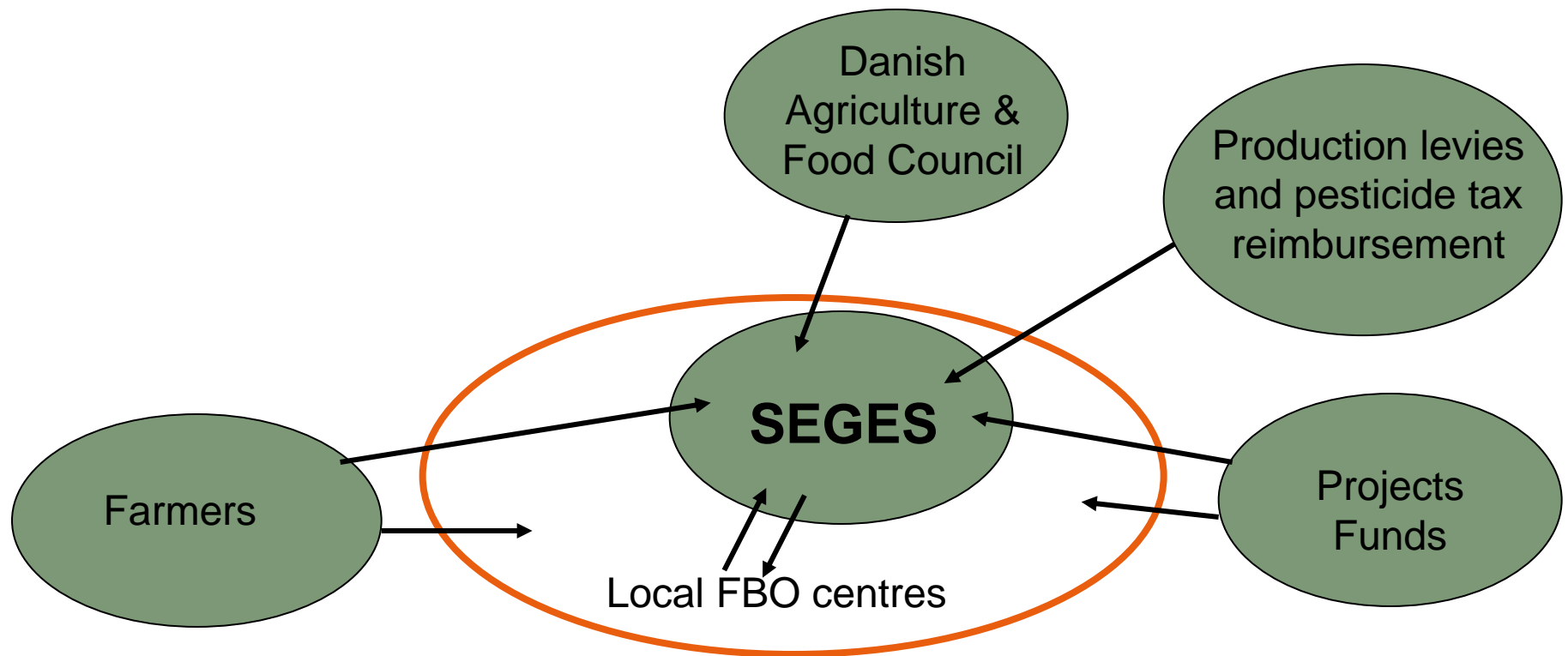
- Government recognised the importance of and the public interest in developing the agricultural sector
- Advisory service through farmers own organisations
- Advisers placed in the local community
- Farmers had to contribute with own funds
- Service founded on commercial interests
- Secure trust in the advisers and effectiveness and accountability of the services
- Empower the farming community

FINANCING AND REGULATORY TOOLS

- Public support from 1887 to 2004
- Support only to advisers with academic education
- Condition: Advisers had to be independent of commercial interests
- In 1974/75 the public support to the agricultural advisory service constituted 55% of the total cost
- From 1988 gradual reduction of the support
- Production levies and tax reimbursement for development tasks



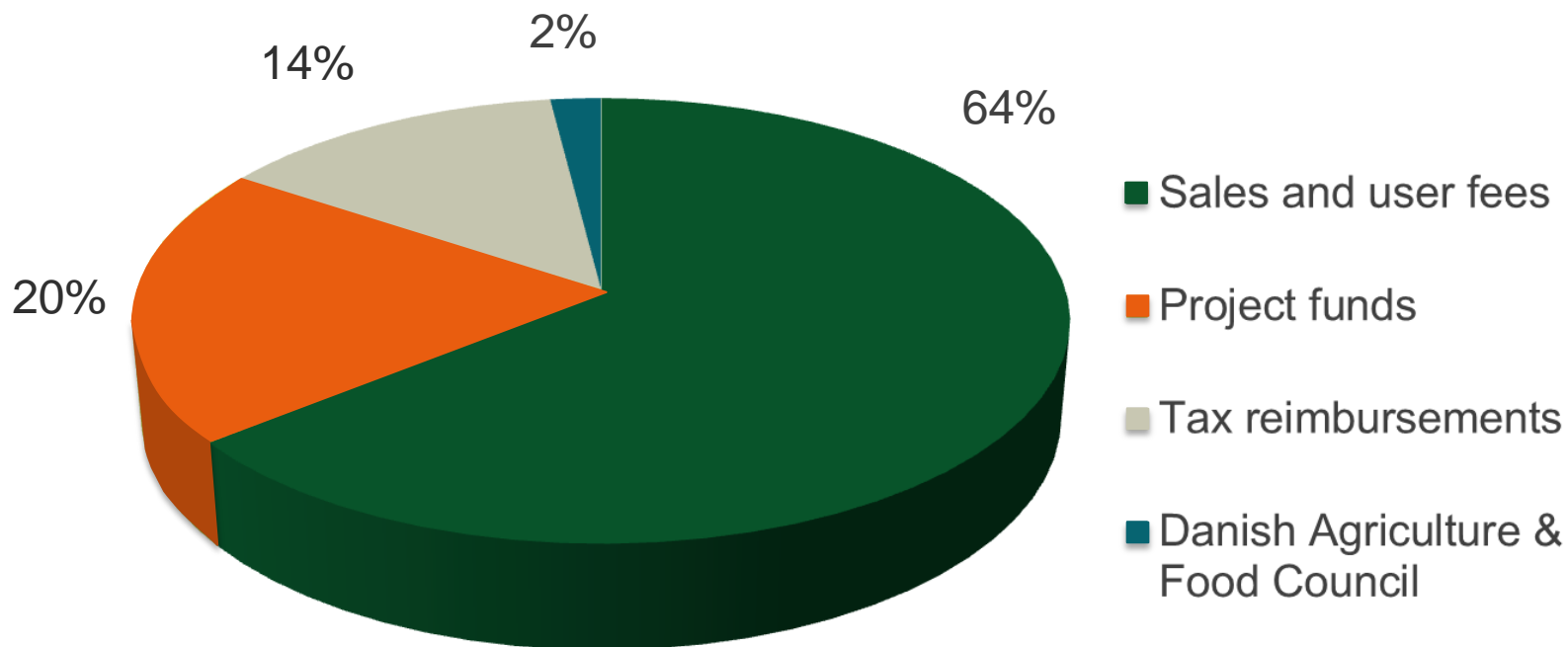
THE MONEY FLOW IN THE DANISH AGRICULTURAL ADVISORY SERVICE



No Government subsidy (terminated 2004)

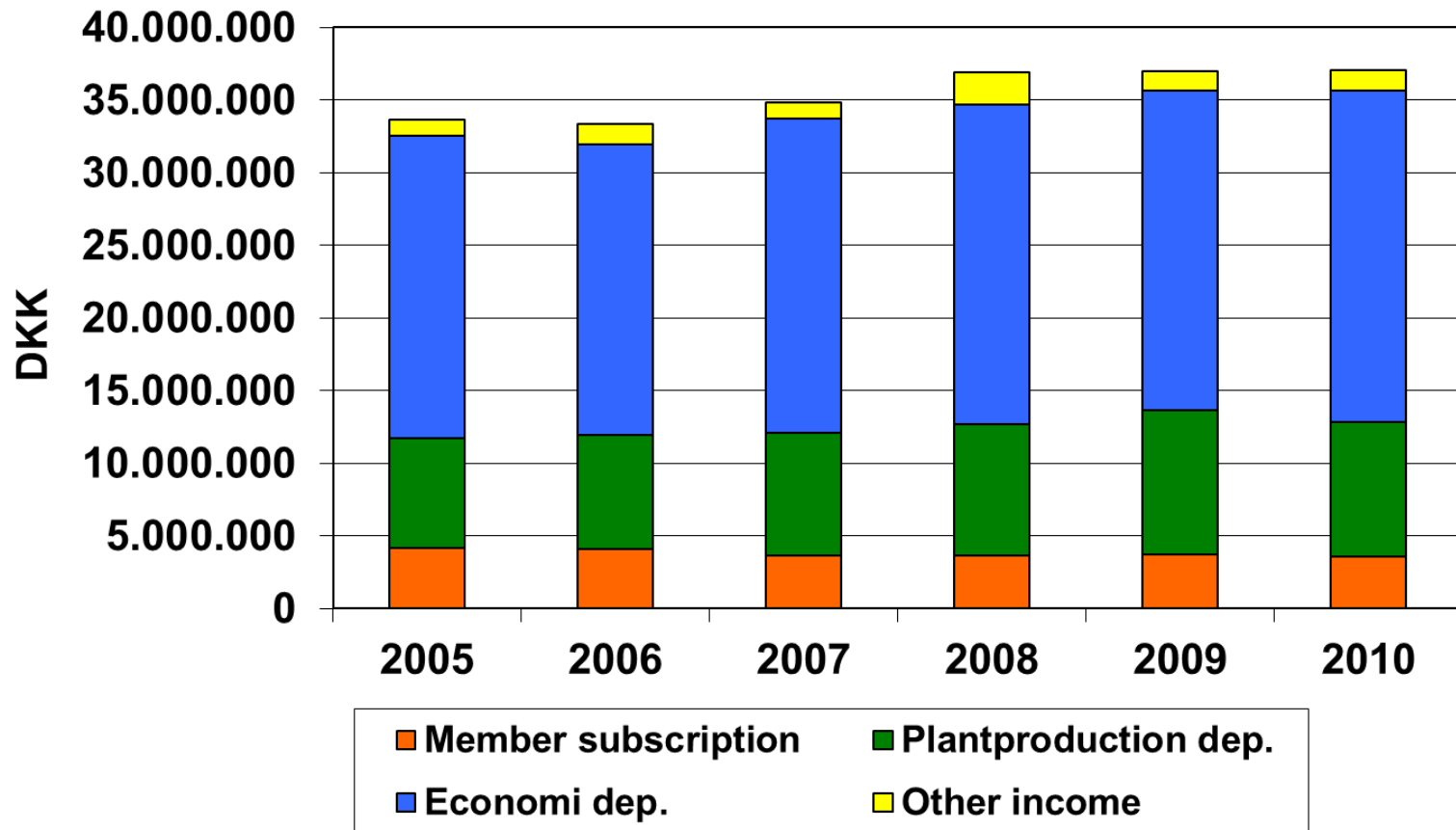
INCOME DISTRIBUTION 2014 – SEGES

(BEFORE THE MERGER IN 2015 WITH THE DANISH PIG RESEARCH CENTRE)



Turnover 2014
626 million DKK /
84.4 million EUR

INCOME FOR A MEDIUM SIZED FBO ADVISORY CENTRE - 2005 – 2010 (DANISH KRONER)



SUSTAINABILITY - THE DANISH WAY



- Advisory service based on self-organisation of farmers
- High educational level among farmers and advisers
- High organisational level among farmers
- Public funds have been invested in the development of FBO agricultural advisory services
- Gradual readjustment of the advisory service from public subsidised to self-financing FBOs
- Strong market orientation based on cooperatives
- Close collaboration between authorities, research and advisory service
- Levies and tax reimbursement co-finance research and innovation
- Accounting/economic advice and own knowledge based systems are the backbone in the advisory service

*SOCIETIES, CULTURES AND HISTORICAL
CIRCUMSTANCES DIFFER – HENCE ADVISORY
SERVICES MUST BE BUILT UP BASED ON THE
LOCAL DEMANDS, SOCIAL STRUCTURES AND
OWN MODELS TO FINANCE SUCH SERVICES*

*– HOWEVER, WE CAN MUTUALLY LEARN AND GET
INSPIRED FROM EACH OTHER*



THANK YOU!

for your attention

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