

Strengthening agricultural sk

## POLICY INSIGHTS

Skills required by the EU agricultural workforce span an extensive and evolving range of disciplines and knowledge. These require commitment to continuous learning and training to strengthen the position of farmers in the food value chain. This Policy Insights article reflects - and expands - on the background work prepared for our <u>Thematic Group (TG) on Nurturing Skills for a</u> <u>Thriving and Sustainable Agricultural Sector</u> by exploring needs and opportunities related to the development of agricultural skills.

Some 17 million people work in the EU's agri-food sector, where agricultural production requires a combination of technical, entrepreneurial and problem-solving skills to complete a range of physical and business tasks. Such skills are important to the sustainable development of EU agri-food systems, as underlined by the Organisation for Economic Cooperation and Development (OECD) report considering 'Policies for the Future of Farming and Food in the EU'. This OECD report promotes the potential of the Common Agricultural Policy (CAP) to help fund upskilling programmes and advisory services for agricultural workers, including digital, environmental management and entrepreneurial skills.

Farmers and others employed in agriculture need to keep updating their knowledge to reflect changing technologies and best practices in agri-food production. So-called Smart Agriculture, or <u>Agriculture 4.0</u>, promises further rapid technological change, driving the need to regularly refresh skill sets in areas such as equipment automation and digital information.

Demand for different farm skills can vary across the year, meaning that labour needs to be flexible. Agricultural enterprises such as those producing fruit and vegetables tend to rely on seasonal hired labour more than enterprises rearing livestock. In addition, a farm business is not necessarily restricted to only agricultural production and may diversify into other enterprises. Farm income streams from timber production, renewable energy or tourism all require their own specific technical skills as well as organisational and strategic competences.

POLICY INSIGHTS

NOVEMBER 2023

Success for today's farm businesses is also dependent on other organisational and strategic or entrepreneurial skills - for example, planning the long-term allocation of land, labour and capital for food production. Staff may need to be recruited and trained; marketing and sales need to be planned; the regulatory and policy requirements must be understood; financial planning is critical to manage cashflows; and risks need to be identified and managed.

## Fostering collaborative approaches

Skills are also increasingly useful to support farmers become successful entrepreneurs by pooling their financial and managerial resources to cooperate. Competitive advantages can be gained through collective actions as these offer new opportunities to leverage more knowledge and expertise, resulting in greater ability to tackle challenges and achieve business success. Building the capacity of agri-food businesses to collaborate effectively (including through producer organisations or cooperatives) in the development of skills can enhance productivity while reducing risks. Pooling managerial skills and knowledge may also enable specialisation of tasks based on individual strengths, which can lead to better use of resources overall in a collective approach.

Strategic skills in collaborative action and resource pooling include negotiation competences needed to agree on a joint vision for partners in cooperation initiatives. Other priorities for agri-food cooperation relate to understanding legal frameworks used to govern business groupings, as well as networking and communication to ensure smooth, transparent decision-making. Training can be provided to boost the ability of farmers to foster leadership skills and entrepreneurial talents, which can support business growth, including securing better prices for their produce.



EU countries have a history of encouraging such cooperation through producer organisations (notably in the fruit and vegetable sectors), in line with the CAP's **market-oriented support mechanism**, which helps farmers strengthen their position in food value chains. Useful skill requirements for using the CAP's market-oriented support mechanism include knowledge of collaborative approaches to sustainable farming practices and marketing expertise tailored to business intelligence about particular target audiences.



## **Understanding skills gaps**

Published <u>OECD assessments of agricultural skills</u>, including for the EU, suggest shortages of labour to fill vacancies as well as identifying gaps in the skills of existing and new recruits to undertake specific tasks. The gaps identified by the OECD relate to some technical skills, notably digital automated technologies, and the practicalities of <u>natural capital</u> management. Younger farm managers are almost six times more likely to have formal training than older managers and younger staff are more commonly found on medium or large size farms.

Factors fuelling skills gaps can commonly relate to constraints on farmers and others employed in agriculture, which prevent them

from considering formal skills development. For example, a lack of spare time due to the relentless number of daily farm tasks, financial constraints due to low profitability and lack of knowledge about sources of support for skills can inhibit farmers and agricultural workers from seeking new lifelong learning commitments. Equally, geographical remoteness or poor digital connectivity (plus older managers sometimes being less open to change) can further restrict access to knowledge. Perceptions of low pay and harsh working conditions in farming may also deter people with the right aptitude for skills development from taking agricultural jobs. Such barriers can contribute to a low-skill, low-pay equilibrium and the agricultural skills gaps reported across the EU.

Access to training that helps address such skills gaps and issues can be encouraged through the provision of professional advice and lifelong learning from advisory services. <u>CAP Strategic Plans</u> include a host of opportunities to improve skills. It is important for public-funded training schemes to be available to all - avoiding anyone in the target areas from feeling left behind. '<u>Hard to reach</u>' groups can sometimes be systematically neglected - for example, smaller and/or more remote farms with less capacity to engage, as well as new entrants, young people, women and farmers coping with poor mental health.

Projects like <u>ModernAKIS</u> or <u>EU Farmbook</u> provide learning and exchange activities, while the <u>European Forum for Agricultural</u> <u>and Rural Advisory Services</u> is involved with enhancing skill sets for advisory services.

Challenges and opportunities identified for skills development in agriculture are generally well recognised, including in the current EU **Pact for Skills** and the **Farm advisory system**. Our **TG on Nurturing Skills for a Thriving and Sustainable Agricultural Sector**, launched during the **European Year of Skills**, is further exploring needs and opportunities related to developing and updating agricultural skills, with a focus on the agricultural workforce and on the (new) skills needed to strengthen farmers in the food supply chain.



