

FARMER CO-OPERATION AND SUPPLY CHAIN COLLABORATION KEY TO FUTURE FARM ADVICE, KNOWLEDGE EXCHANGE AND INNOVATION

In Scotland, agriculture and land management involve approximately 67,000 individuals who contribute £2.9 billion in annual product output. They play a crucial role in implementing changes daily, while also working towards meeting new policies that focus on efficient production, improved ecology, and carbon mitigation and sequestration.

Simultaneously, many of them must navigate the fiercely competitive

marketplace to sustain their businesses. This delicate balance of efficiency and survival has yet to be fully achieved due to the absence of market drivers for anything beyond efficient production. In Scotland, farmers and crofters receive only a small proportion of the value they are part of creating within a supply chain.

Having garnered generational know-how, practical experience, formal education, and personal development, these 67,000 individuals possess a deep knowledge and skillset. They learn from one another, employ specialists when necessary, engage in both formal and informal co-operation, and interact with academia when it offers practical value.

To establish an Agricultural Knowledge and Innovation System (AKIS), it is essential to determine the most effective means of interacting with, and providing significant value to, these 67,000 individuals, their businesses, and Scottish agriculture. It is also vital to assess how all this can deliver government's policies where there is market failure. The primary aim of AKIS must be reaching these c.67,000 people.

The reality is that most individuals active in agriculture are deeply immersed in their daily work, contending with unpredictable weather, managing profitable businesses, and navigating regulatory requirements, all of which leaves little time for general training or education. Despite this, there is an undeniable thirst for knowledge and advice on the best courses of action, building upon existing knowledge and experience. Skills development is impaired by several barriers, however. These include a lack of trust in the credibility of service providers (e.g. What is their agenda? Are they well-qualified?) and the perceived relevance of what is offered (e.g. How does it fit my farm?) plus ease of access to support services (e.g. availability and affordability of local advisory staff, time required to attend events). There is little time to engage with 'nice to do' general training and education. There is, undoubtedly, a desire for knowledge and advice on 'What is best to do next?', to develop their knowledge and experience as well as securing business resilience.

Amongst available delivery options, farmer-controlled Producer Organisations (e.g. co-ops) offer some specific advantages for skills development. In particular, because the needs of Producer Organisations and their membership are (by definition) aligned, issues of trust, creditability and relevance, are less problematic. Moreover, Producer Organisations are well experienced in organising and delivering service support themselves (e.g. recruiting and retaining their own advisers) and/or commissioning suitably vetted third-party providers.

Scotland's agricultural co-ops, boasting 25,000 farm members, serve as excellent examples of effective knowledge and innovation flows. These co-ops exhibit exceptional governance, management expertise, and know-how, successfully aligning innovation, market demands, regulations, and policies. Additionally, the Scottish Government's support policy for Producer Organisations has played a crucial role in ensuring the success of the vegetable and soft fruit industry in Scotland.

Agricultural Knowledge and Innovation Systems Stimulating creativity and learning



- **Angus Growers, East of Scotland Growers, and Scottish Borders Produce**

have been remarkably successful and resilient, despite significant post-Brexit and Covid-19 labour challenges. Part of this success can be attributed to the targeted and value-for-money support the Fruit and Vegetables Aid Scheme has provided.



- **First Milk** has successfully developed an approach to tackle carbon emissions across its business and members' farms. Following member engagement, it is now implementing a regenerative agriculture programme that helps farmers work towards net zero.



- **Scottish Agronomy** is the leading agronomy advice service, dedicated to finding evidence-based solutions for its grower members, providing knowledge and a state-of-the-art field trials system. Industry relationships with an expert team are at the forefront of crop research and development, providing practical, cost-effective solutions that support farm business.



- **ScotEID** (which was developed using co-op principles) has a unique interaction with every livestock keeper, market, and abattoir in Scotland. It provides a link between livestock data management and 'what is best to do next'. It utilises smart telephone (over 30,000 calls annually) and data systems. This approach supported the Scottish cattle industry to meet the policy aim of eradicating BVD, a highly complex disease, with minimum cost and no regulatory inspection.



The challenges facing Scottish agriculture are immense. Global pressures for increased food production, alongside nature recovery and climate mitigation, all must be achieved against a backdrop of climate adaptation. Meeting these challenges for private (e.g. business viability) and public (e.g. emissions reduction) objectives will require farmers to acquire and deploy new skills - something that they have done throughout history, but now must do at an increasingly fast pace.

The current Scottish AKIS has recognised weaknesses. Revisions are required to improve the relationships between, and incentive structures for, academia, advisers and practitioners. Our co-ops and other farmer owned businesses can play a key role in this process by acting as trusted and capable intermediaries, serving the best interests of their members in pursuit of public policy objectives. Realising this potential will, however, require their more explicit involvement in AKIS development and implementation, implying a need for greater openness for change from current funders and service delivery bodies.

It is our belief that a refreshed and successful AKIS will be based around the key principles that there is farmer co-operation, supply chain collaboration, and alignment with business governance in addition to the need to meet commercial drivers. Collectively, we believe that these principles will broaden the reach of AKIS and its impact on the farming sector.

We have talked with several of our members to help inform our response. A formal AKIS consultation will be launched later this year, and we welcome any input and additional thoughts from you - our membership.

