



13th Annual Ag Excellence Forum

Assessing the Value of Grower Groups

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Peter Cooke

Agknowledge® – CONNECTING AGRICULTURE

Project Objectives

A review and analysis of Grower Groups in WA to determine the value (monetary and social capital) provided to members, funders and partners.

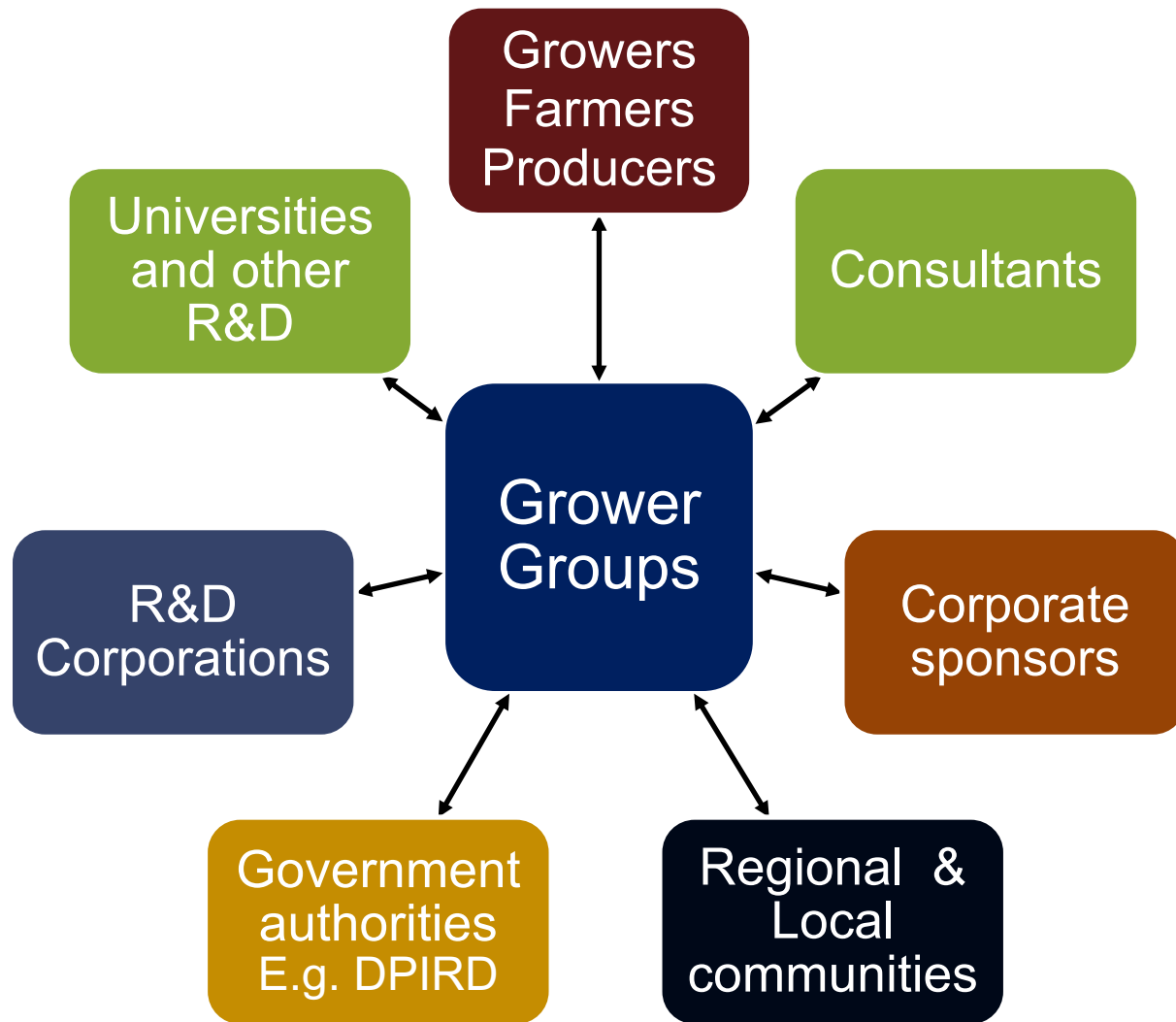


- where grower groups fit in a **grower's decision making** process.
- the **economic benefit** (in terms of productivity, information, access to events and training) to growers and farm businesses and what aspects of activities drive economic value.
- the **value provided to the agricultural RD&E industry**, as a cost effective provider and partner in delivery function, though greater adoption and ROI of projects.
- their role in growing and **supporting human capacity** in regional WA.
- the **value to the community**, in terms of productive business, social support and structure.

Grower Groups contribution

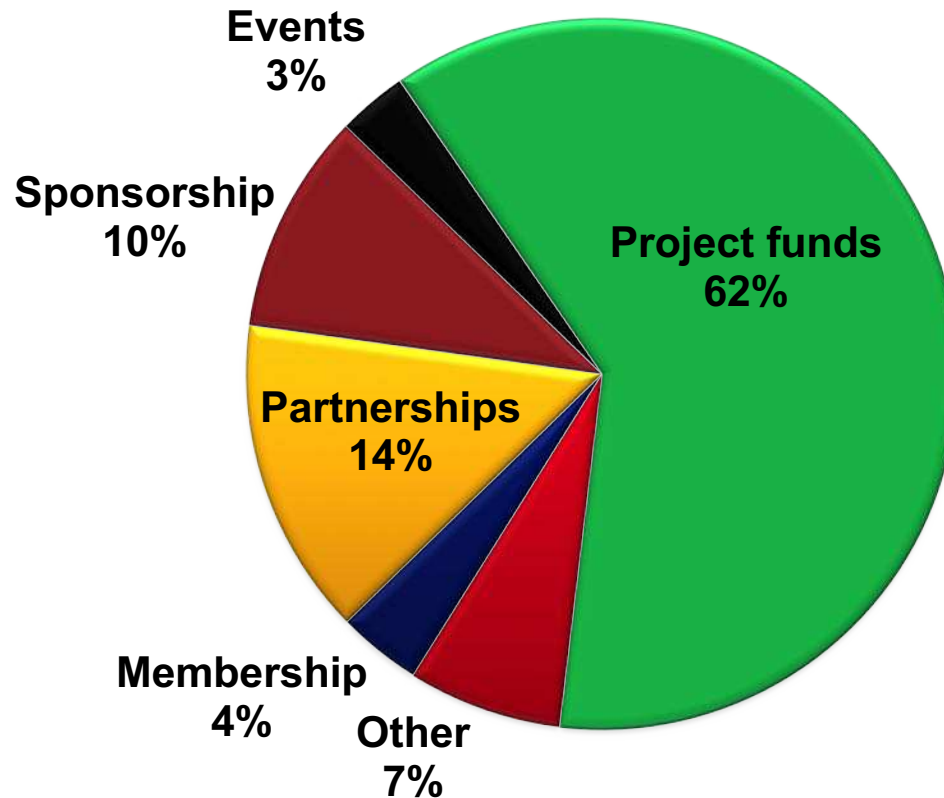


The Network



Understanding the Grower Groups

Average grower group income
2014-2016 \$440,000/year



Grower Group P&L 3 year av	
Income	
Membership	17,000
Partnerships	64,333
Sponsorship	44,667
Events	14,000
Project funds	273,333
Other	31,000
Total	444,333
Expenditure	
Permanent Staff	138,333
Administration	28,667
Marketing	12,000
Events	20,000
Project expenses	207,667
Total	406,667

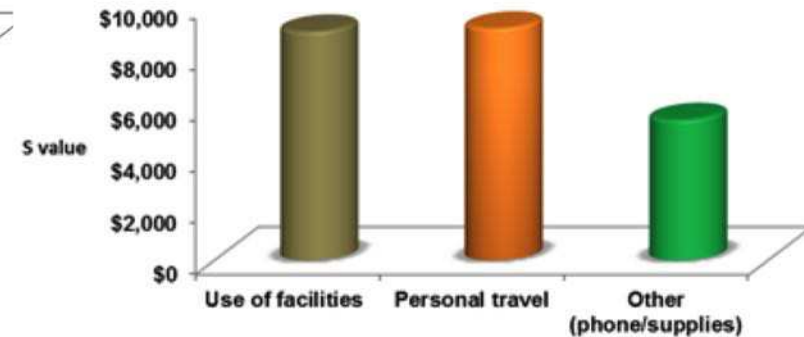
Total funds for WA Grower Groups - \$10 million pa

Volunteer contribution

In-kind time as an average of the past 3 years
Total 111 days/yr/group



In-kind out of pocket contribution
Est total \$23,515 per group



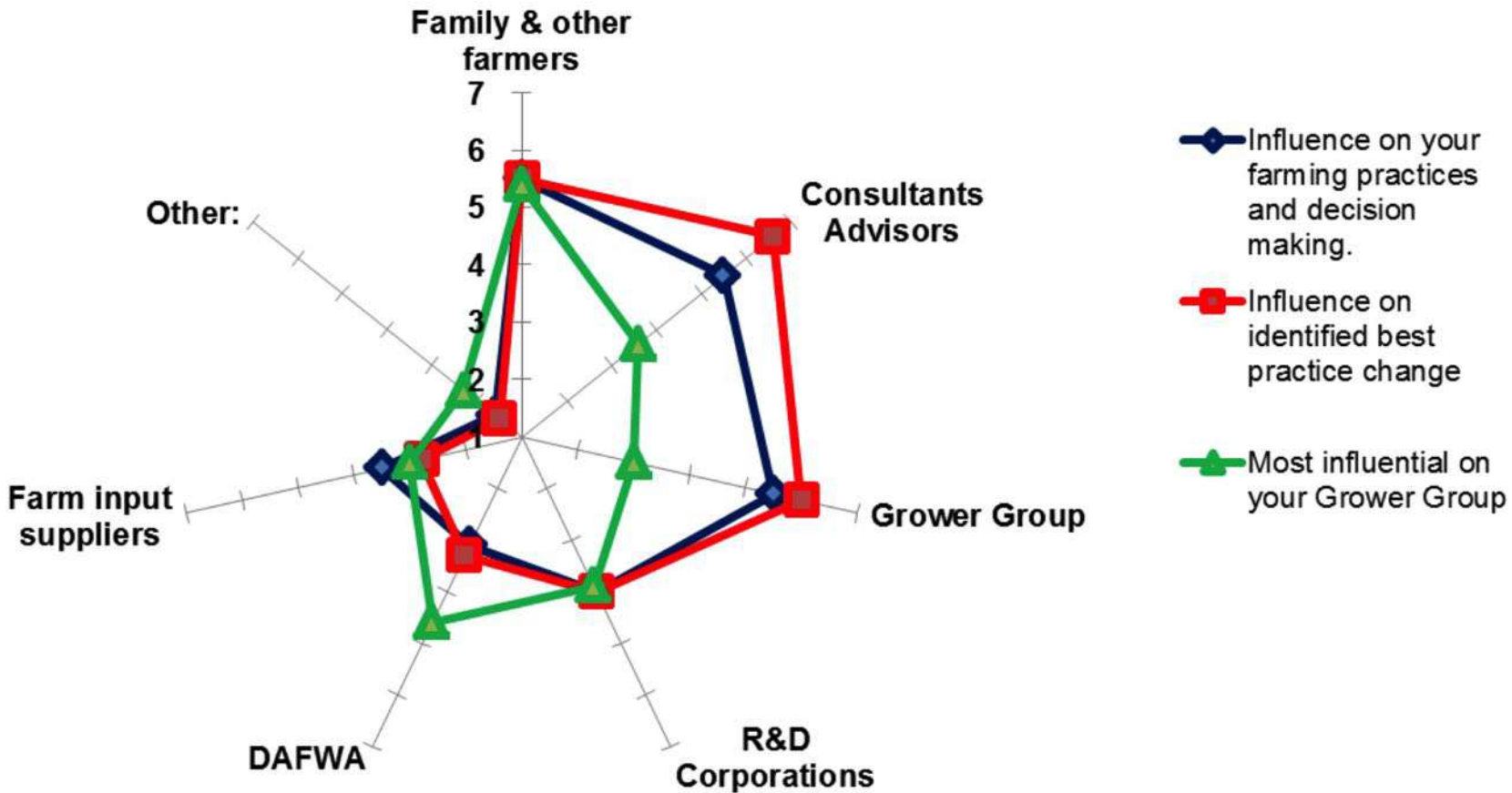
	Executive	Sub-committee	Events	Trials	Other*	Total
Total hours/month	155	15	10	13.5	28	223
# farmers actively volunteering						19
Ave hr/mth/volunteer member						11.7

Est Total Volunteer contribution to WA Grower Groups - \$2 million pa

The value of grower groups to farm decision making

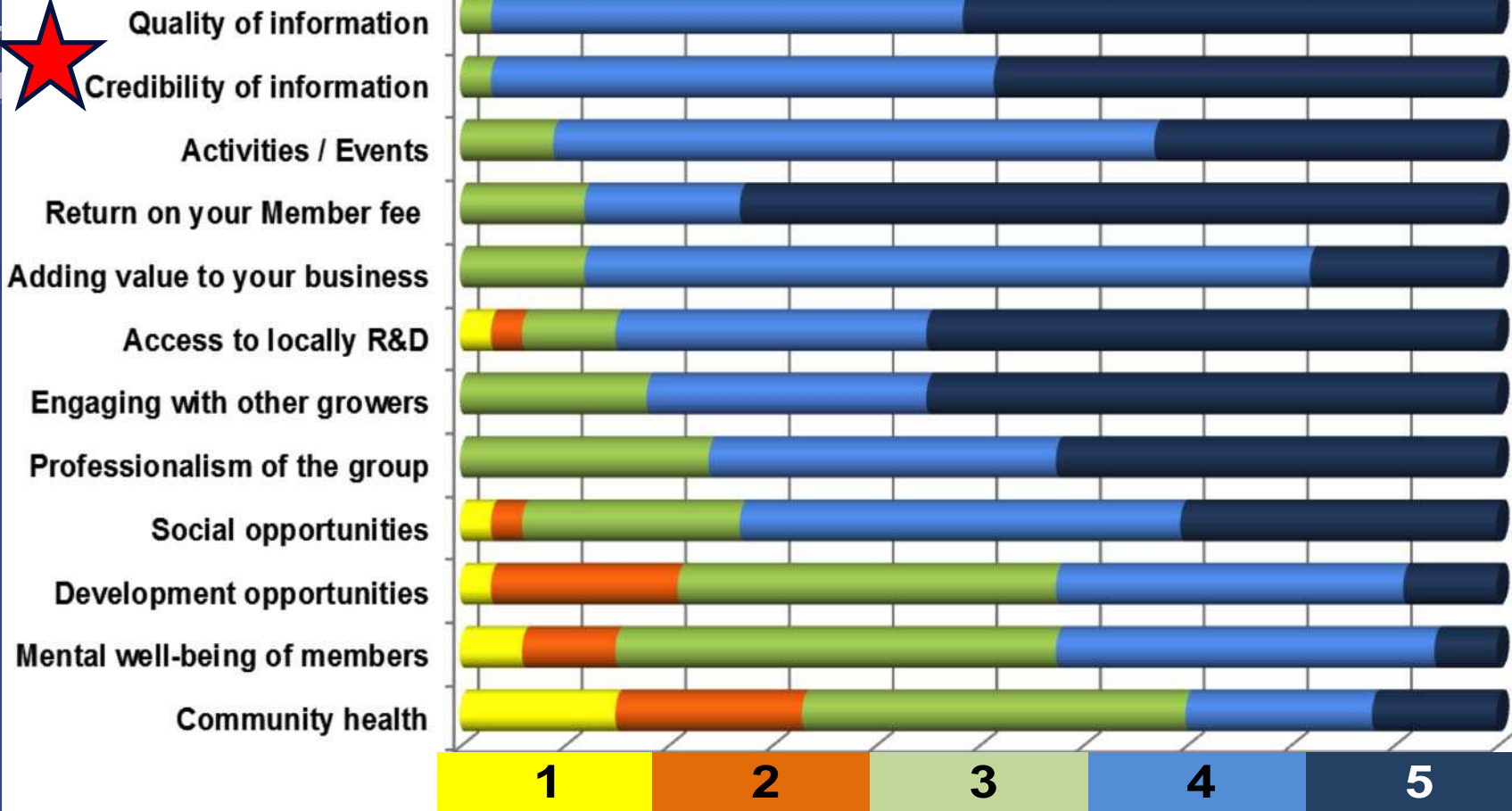
1. **The core value** of grower groups is that they are **driven by farmers, for farmers.**
2. Farmers draw on a range of information sources for decision making, grower groups are recognised as an **important source** of information.
3. Grower groups have greater influence from their ability to demonstrate the benefits of a practice on ground, locally, and in similar conditions to a grower's own farm.
Grower group information is accessible, affordable, applicable, adaptable.
4. Farmers look to a 'trusted advisor' – local **grower groups are a trusted, credible source.**

Key Influencers on decision making



Rated in descending order with 7 being most influential

Rating the value and benefits of your grower group



Rate your views 1 = little value,

5 = highly effective

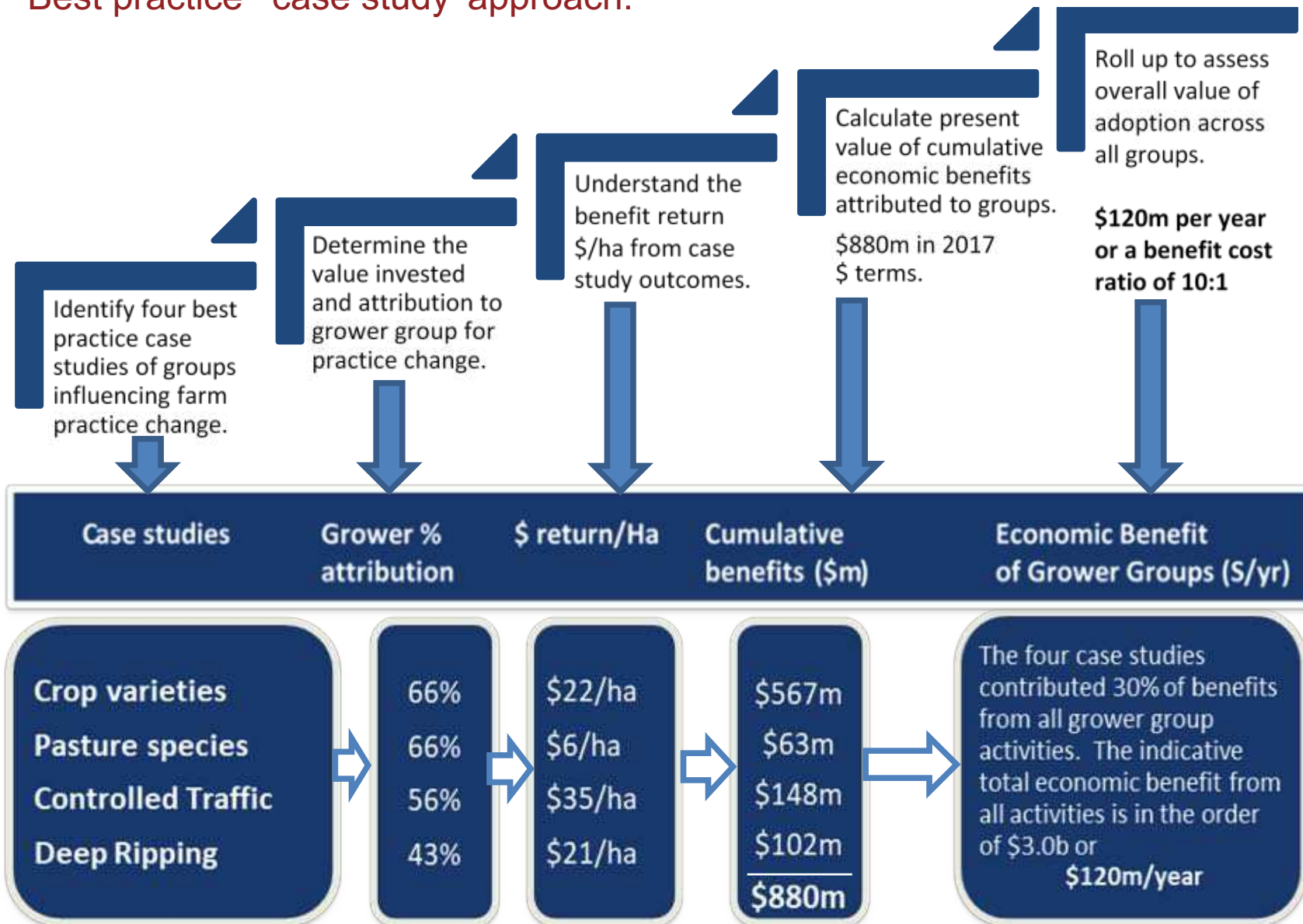
The economic value of grower groups

1. **Improved Decision making:**
....depending on the individual 'fit' to business.
2. **Improved productivity** through influencing adoption of practice change and driving continuous improvement through demonstrations / trials of new technologies and practices at field walks, events, newsletters.
3. **Multiplier economic benefit** of improved productivity and profitability flowing through to accumulators/marketers, input suppliers, transport/handling, services, and regional spend.
4. **Local economic stimulus** through employment, events, community spend and support.

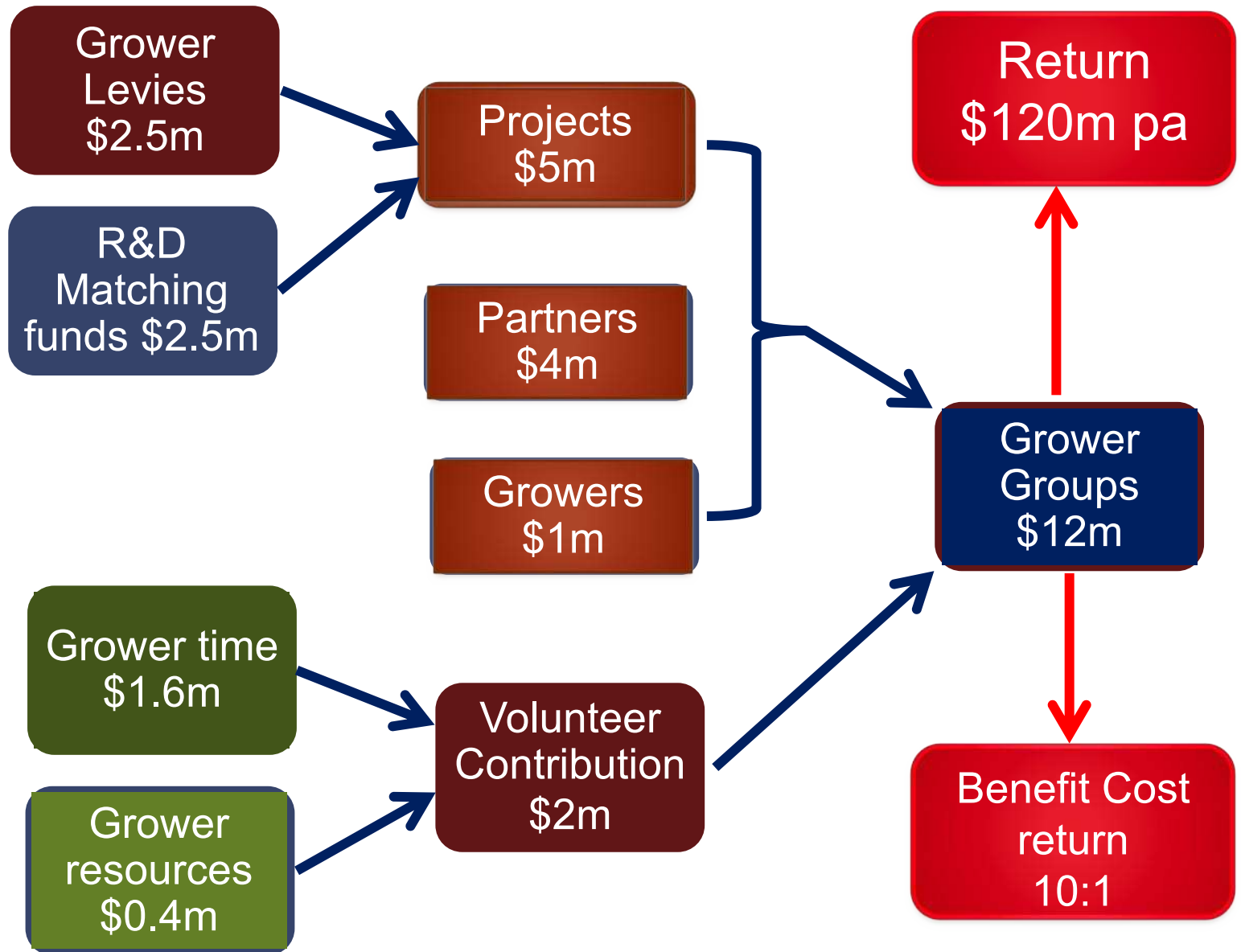
“Grower groups provide grass roots research, development, extension and capacity building to growers and they provide a strong social network for growers and regional communities. They also help build the industry leaders of tomorrow.” Industry comment

Calculating the economic value of grower groups

Best practice 'case study' approach.



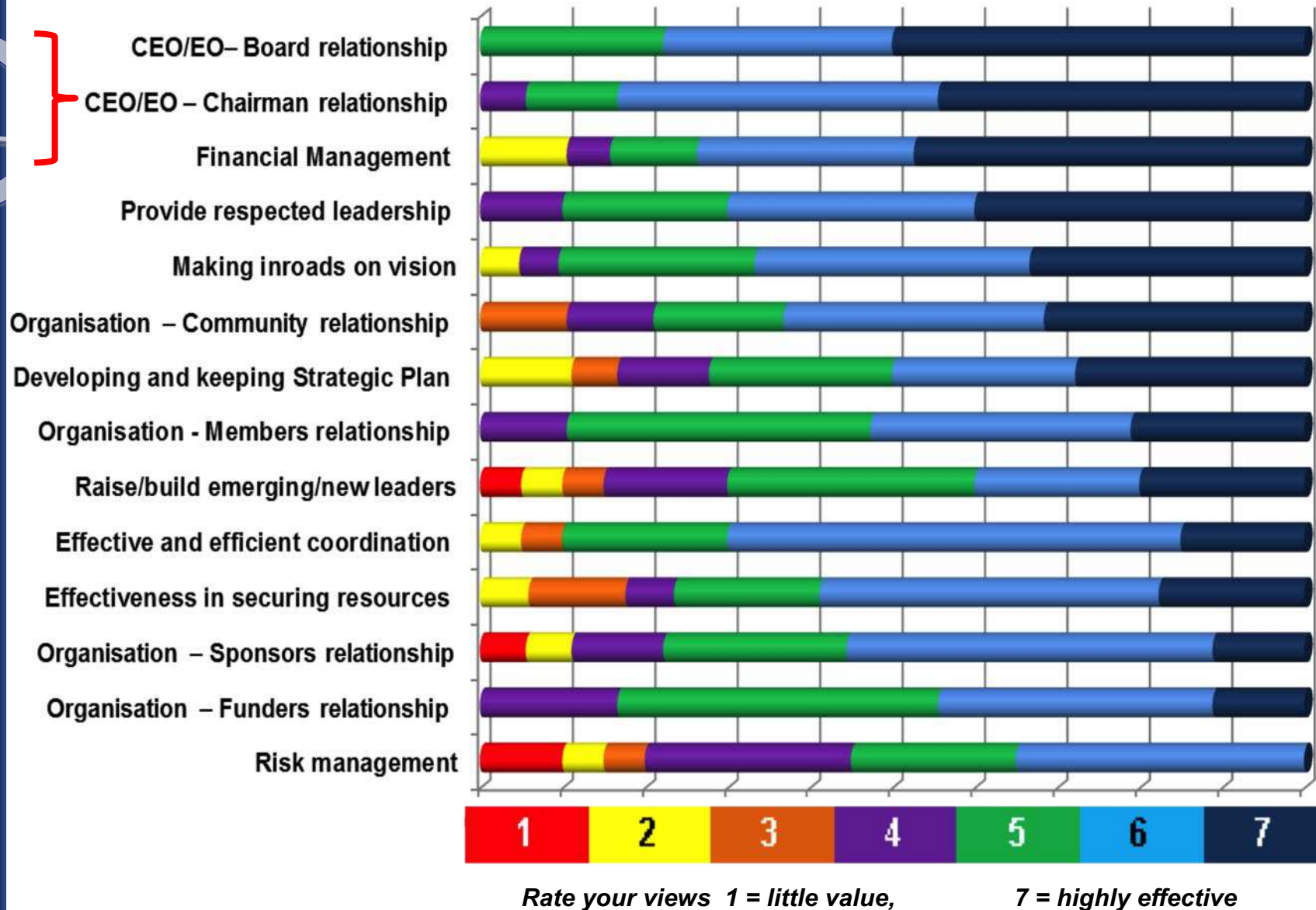
The Grower Group Investment



The value of grower groups to ag RD&E

- **Filled a void in ag extension** services regionally (Dept of Agriculture withdrawal, public policy change).
- **Attracted expertise and developed capacity** in the regions to deliver productivity improvements.
- Research priorities are **driven by farmers** / levy payers.
- Farmers have '**ownership**' of the **outcomes**.
- **Research is relevant** and timely to real time challenges farmers are observing in their systems.
- **Farmers contribute time**, resources, land, machinery, management to local research initiatives with an average member contributing 11 hours per month voluntarily to their group.
- Locally relevant research outcomes are **promoted directly to growers** to support adoption.
- **Driven local research initiatives** to address local production constraints.

Rating the Grower Group leadership



The value of grower groups in regional capacity building.

- **Direct learning support** for the group through access to visiting researchers / practitioners.
- **Peer to peer learning opportunities** by bringing farmers together to share information.
- **Networks developed** to access and share information beyond the local area.
- **Mentoring and skills development** through grower group roles on committees and boards.
- **Social interaction** and events support good community and mental health.
- **Employment, mentoring and career support** for young agricultural professionals on staff.

The value of grower groups to their community

- **Employment** of staff, contractors, consultants, researchers.
- **Social support** in times of adversity, to local schools and clubs, to extended family of members.
- **Capacity development** of volunteers on committees which they can take to other roles / groups.
- The total of in-kind time and other in-kind contributions is approximately of \$60,000/year per grower group, or **approximately \$2m/year for all grower groups.**

Grower group member volunteer contribution:

	Executive	Sub-committee	Events	Trials	Other*	Total
Total hours/month	155	15	10	13.5	28	223
# farmers actively volunteering						19
Ave hr/mth/volunteer member						11.7
	Sporting club	Community group	School committee	Industry	Total	
Total hours/month	83	58	13	169	323	
# farmers actively volunteering						25
Ave hr/mth/volunteer member						12.9

VISION

WA Citrus will be a progressive industry which is profitable and sustainable because its consumers prefer and appreciate the taste of fresh WA grown citrus fruit.

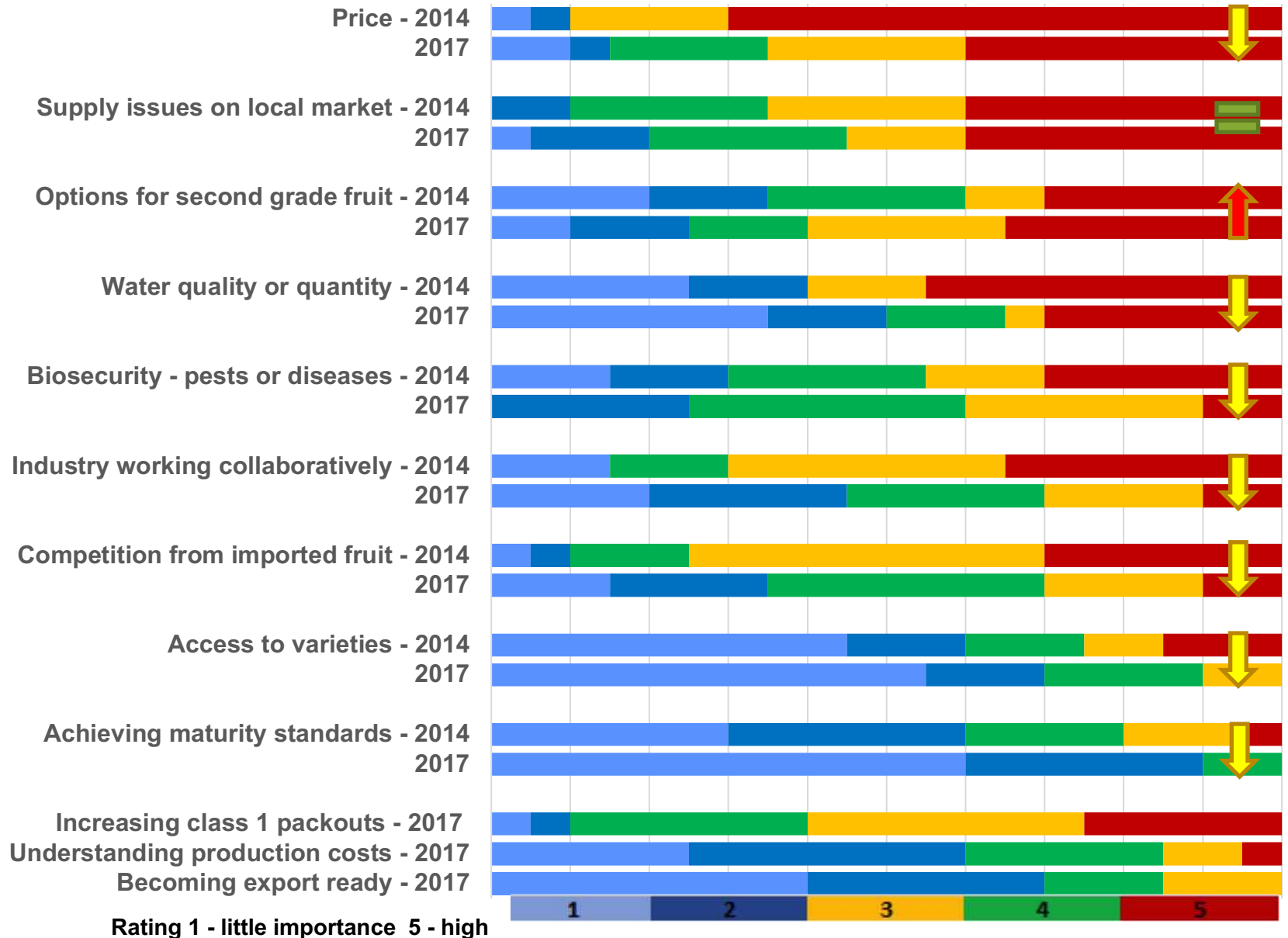
OBJECTIVES

- 1. Increase consumption of WA citrus by 10% per person.**
(2014 - 11.24kg/person (orange and mandarin))
- 2. Achieve price premiums for WA citrus in the domestic market.**
(cv orange/mandarin/lemon 15kg to\$/kg monthly av - WA/ES/International)
- 3. Export 25% of citrus fruit produced in WA**
- 4. Achieve first grade pack out rates of at least 65%**
- 5. Improve profitability with best practice adoption across the industry.**
- 6. Maintain ultra-low losses of fruit from biosecurity issues.**







STRATEGIES

- ✓ **Grow consumption of WA citrus fruit.**
- ✓ **Identify and implement production efficiencies for profitability growth.**
- ✓ **Invest in quality improvements and product development.**
- ✓ **Investigate collaborative marketing to achieve scale and market presence.**
- ✓ **Lead a responsive and innovative industry that rewards members.**







Identifying the main challenges for your own future citrus production?



WA Grower Group Value Report (1)

	Value	Trend	Assessment
Support grower decision making	A		Highly regarded by Group members. Relative to lifecycle stage, and operations are 'fit for purpose'.
Valued source of information	A		Recognised by all sectors. Imperative to retain the individual Group's integrity.
Driver of economic value	A		Generating a BCA of 10:1. Investment of \$12m pa for members of GGA returning \$120m pa.
Efficient and effective R&D partners	B+		Depending on the quality of leadership, staff and business systems. Under threat from funders driving costs.
Value to R&D partners (DAFWA, unis)	A-		Increasingly recognised as a partnership for students and R&D projects.
Delivery of extension	A		Groups are integral, but cost not adequately accounted for. Regional funding shift will impact.

WA Grower Group Value Report (2)

	Value	Trend	Assessment
Capacity of groups	B		Dependent on leadership. Issues of continuation of funding a significant challenge.
Collaboration vs competition	C		Competitiveness between groups is a challenge. Driven by culture, funding mechanisms and GVAP.
Value to investors / sponsors	B+		Highly valued conduit but requires ongoing relationship build. Complacency is a concern.
Regional development and employment	B+		Attractor for regional employment and activity. Building regional and human capacity.
Contribution to rural communities	A		Important to the fabric of the community. Social support.
Grower Group Alliance network	B+		Providing a 'front door' for the network as well as support smaller/newer groups. Challenge to define future role.

Collaboration Case Studies



- 3 Collaboration is the key to a more sustainable industry. Nobody wins in market failure, everyone throughout the supply chain is affected.
- 3 Collaborate at an industry level and act at a business level.
- 3 Support each other in order to open more doors.
- 3 We can achieve more by working together to create a stronger industry and everyone benefits.
- 3 Build your own capacity to further strengthen the industry.
- 3 Don't view your neighbour as your competitor, we need to work together to have a real impact otherwise we risk losing markets.
- 3 Be positive and optimistic, don't let the negativity drag you down.
- 3 The new generation more open to change and want to be involved.
- 3 A collaborative group of people working in the same direction can achieve more than an individual.

The Average WA Grower Group



Grower groups in WA



Average number of members



% of farm businesses are members of grower groups



Average grower group membership fee \$



Ranked in top 3 for influencing practice change



\$million is invested by grower groups in RD&E each year



Days per group per year in volunteer time = valued at \$2million



Thank you

“Grower groups have evolved into a new animal across the State.

They all start for a reason and to sustain themselves they have to have a purpose and remain relevant to their members.

You can easily argue the value of having strong grower engagement in determining better outcomes; the grower groups have demonstrated capacity to drive productivity.”

Project report:

<http://gga.org.au/project-activities/value-of-wa-grower-groups/>