

Application of Farm Management Systems in Germany – policy intentions and current practices

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Abstract - Farm management systems (FMS) are considered as useful supporting bodies for farmers who want to improve effectiveness, efficiency and/or quality of the production. In 2007, a national scheme was introduced in Germany which promoted the introduction and application of farm management systems in the frame of advisory services with the objective to make farmers fit for the Cross Compliance regulation. The development of such systems and its dissemination among farmers differed widely between the German *laender*. While in several cases, farm management systems were developed with public support and their promotion sponsored by public means, in others the initiative came from farmers' professional organisations or from private advisory services. With this paper, empirical findings are presented which provide a German-wide overview on FMS's introduction. In-depth information is given on the situation in Brandenburg, where the agricultural advisory system is completely privatised. Conclusions are drawn with regard to (i) the divergence between policy intentions and practical implementation of FMS within a federal system and (ii) the specific challenges that hereby arise in a privatised advisory system.

FARM MANAGEMENT SYSTEMS (FMS) AS A MEANS FOR ENHANCED AGRICULTURAL PRODUCTION

The introduction of farm management systems (specifically environmental and/or quality management systems) in Germany can be dated back to the 1990s (Knierim 2007). However, FMS gained broader public attention only when a national policy scheme designed to enhance them by combining with advisory services (BMELV 2009). The political background for this change was the EU Cross compliance (CC) regulation (EC 2003) which made the availability of advisory services on the required standards for CC binding for all EU member states. Within the German policy frame, the use of FSM was meant to

- increase quality of products and processes,
- ascertain the retraceability of products,
- improve animal welfare and protection,
- contribute to an environmentally friendly production, and
- to warrant an efficient implementation of the new standards from the EU regulation.

These objectives are well in line with generally expected benefits of management systems viz. financial (cost saving or improved market position), legal

(a decrease in legal risks) and organisational (structural improvements) benefits (Enneking et al. 2007).

Moreover, a societal value addition is attributed to management systems too as their application ideally leads to self-directed regulation processes through reflection and learning (Knierim 2007:344).

Although this scheme exists since 2007, no empirical studies that reveal the state of implementation of FMS and reflect on their impacts are available until now. With this short paper, a first step is made to fill the gap and to bring in empirical evidence.

METHODS

The data source of the study belongs to a survey conducted for the Ministry of Agriculture in Brandenburg (Knierim et al., 2011). Within this survey, 12 semi-structured interviews were conducted with experts on agricultural advisory services from national and *laender* level. A standardised online-survey was sent out to 121 agricultural advisors in Brandenburg which 39 of them returned. In addition, telephonic interviews were conducted with a representative sample of 71 farm managers. To all members of the three groups, a set of questions on FMS were asked, which was one among several topics.

FINDINGS

A desk study and the expert interviews reveal a considerable diversity of how the FMS have been introduced in the German *laender*. Although there was a certain pressure from the national level to harmonise the approach to CC-related advisory services and to create a common understanding of terms and procedures ("*our objective was the systematic provision of advice*"), the heterogeneity of approaches and instruments at the federal state level is striking (cf. table 1).

Diversity in the institutional setup for the provision of CC-related advice in the *laender* is evident as it was carried out by official agencies (e.g. Baden-Württemberg, Hessen, Saxony) or in collaboration of official agencies with farmers' organisations (Bavaria) or by the agricultural chambers (Lower Saxony, Rhineland-Palatinate, Schleswig-Holstein) or by private advisory enterprises (Brandenburg, Saxony-Anhalt, Thuringia). In all *laender* at least one FMS is available. While some public agencies engaged in the development (e.g. Baden-Württemberg), in other cases, a version of the national farmers' association was disseminated (Bavaria, Lower Saxony). Subsidies for advice related to the introduction of FMS were available in 5 out of 16 *laender*.

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The FMS adoption figures (relying on sales and/or estimated by the experts) showed the poor uptake of the service (mostly less than 20% of the farmers) which was below the expectations of the experts. This was evident especially in private systems where adoption figures were declining through the years. For the actors involved in the FMS development, this is disappointing, and pessimistic views on the systems' future are predominant.

Table 1. Overview on FMS in selected *laender*.

Federal state	main advisory system	Widely spread FMS	FMS advice subsidized?	Uptake in % of all farmers/land
BB	private	CroCos	no	-
M-V	private	CroCos-KKL	no	5
S-T	private	BQM	yes	8
		CroCosST	no	2,5
Saxonia	mixed	GQS SN	no	11
THU	private	USL-CC;	yes	7
		CCM-IAK		
B-W	mixed	GQS _{BW}	yes	5
BAY	mixed	KKL _{BY}	no	15
		GQS BY		
Lower Saxony	semi-public (Chambers)	BMS/KKL	yes	20
S-H	semi-public	LABSCAUS	no	-

^aSource: own survey (2009) and Thomas 2007

Within the institutional setups of the *laender* the Brandenburg setting represents an extreme case, as the agricultural advisory system is completely privatised since 2002. Here, a large consultancy has co-developed the FMS, *CroCos LAB*, which was then – among others – recommended by the ministry. Nevertheless, the survey revealed that 18 out of 39 advisors in Brandenburg use one or several FMS when giving farmers advice on CC issues that includes even sole checklists and 'self-made' solutions (table 2). Obviously, no clear preference for one system has been developed so far.

Table 2. FMS utilised by advisors (n=22 advisors).

FMS	number of advisors using it*
CroCos LAB	11
CroCos KKL	5
CCM AHB	3
different QS	2
checklist/other	3
self-developed	4

*multiple answers allowed

From the 71 farmers interviewed, nearly two third declared using an FMS – among them 23 without having contracted advisors (see figure 1). Looking closer, it is surprising that mostly 'Quality Management Systems' were meant (18) and secondly, 'self-made' systems (11). FMS in the proper sense (CroCos LAB) were only used by 5 farmers.

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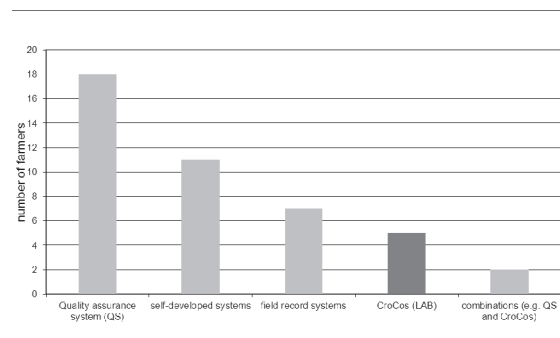


Figure 1. Overview of applied FMS acc. to farmers (n=42)

DISCUSSION AND CONCLUSIONS

The findings show that FMS in Germany differ widely in their objectives and its adoption was low in almost all *laender*. A change of this trend seems unlikely. An exception is Lower Saxony where a tailor-made system is promoted.

The diversity of the systems makes it impossible to comparatively assess them and conclude on their appropriateness. Hence, it is literally impossible for farmers to get a reliable overview on the FMS' pro's and con's. As we can derive from the uptake figures, in the *laender* with a pro-active advisory service, farmers relied on the recommended systems. In the privatised setting of Brandenburg, with an inconclusive recommendation from the ministry, advisors were competing and couldn't agree on one FMS. And, this diversity of systems on the market is not to the advantage of the demand as evident from the low adoption rate and the 'do-it-yourself' attitudes of the farmers reveal.

It can be concluded that although the farm-level objectives of the FMS might be attained by the adopters, it seems unlikely that the FMS substantially contribute to an efficient implementation of the new EU standards given their low adoption. Policy makers, public authorities, private enterprises and farmers' organisations obviously failed to coordinate essential features so that the resulting impact of all efforts is seemingly of little importance for farmers.

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