

Establishing Agricultural Extension or Consulting Services in CEE Countries

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1. Introduction

For establishing agricultural extension or consulting services in CEE countries one can take the following steps:

1. Analysing what are the problems in agricultural development in the country, that are the problems in increasing the production per ha, per man or per 100 Euro invested in a sustainable way and in meeting the market demand for agricultural products better.
2. Analysing what the roles of agricultural extension and consulting services can be in reducing these problems. Clearly these services can not solve alone all agricultural development problems; also contributions are needed from input and credit supply, marketing and processing services, land tenure laws, price and environmental policies, agricultural research, etc.
3. Deciding on how agricultural extension and consulting services can perform these roles: extension programme planning, organisation structure, leadership pattern, staff selection and training, co-operation with other organisations, etc. In many countries a pluralistic extension system is developing in which there are different extension and consulting organisations which each perform some of the roles which are needed for development. Also different groups of farmers may be supported by different organisations.

I will not discuss which decisions should be made in each of these steps. Firstly this requires a lot of information about the situation in your country, which I do not have, but you have or can acquire. There are also large differences between CEE countries in their situation, e.g. in farm size both in communist times and at present. Secondly this situation is changing. A major task of the managers of extension and consulting services is to adjust their organisation timely to these changes. Discussing how to decide on these changes may be the major contribution I can make to increasing the effectiveness of your agricultural extension and consulting services.

2. Agricultural development problems

Most countries are facing the following problems in developing their agriculture in a way, which makes it possible for their farmers to compete with farmers in other countries and to earn a decent level of income:

1. The level of knowledge and of capabilities of the farmers is of great importance to compete successfully. The knowledge and capabilities which are required, are changing rapidly. A farmer, who farms now as a good farmer did 10 years ago, will probably no longer be able to compete with up-to-date farmers.
2. Farmers need support from an effective system of input and credit supply and of marketing and processing their products. The structure of these markets is changing rapidly and therefore the institutions providing this support have to change as well.
3. In countries where the average income is increasing, the proportion of the labour force which can make a living from farming decreases. Not always other employment opportunities are available for people who have to leave agriculture.
4. It is necessary to adjust farming systems to changes in the market such as
 - an increased demand for animal and horticultural products with a high value,
 - increasing international competition,
 - increased power of multi-national companies in the market,
 - changing government policies, e.g. price and environmental policies.
5. Many of the present farming systems are not sustainable, because they cause erosion or pollution or decrease the ground water table.

There are also agricultural development problems, which are more specific for CEE countries in their process of change from a planned to a market economy, such as:

6. Farmers have to learn how to make entrepreneurial decisions themselves and how to gain some control over the system of input and credit supply and marketing. Some of these decisions can be taken by individual farmers, other only together with their colleagues.
7. Helping people, who were in the past specialised workers on large farms or who worked outside agriculture to gain the knowledge and skills needed to manage a farm as a whole.
8. Changing the land tenure system and helping farmers to gain access to the capital needed to manage a modern farm.

3. Roles of extension and consulting services in supporting agricultural development

Extension and consulting services can play important roles in reducing these agricultural development problems, such as:

1. Helping farmers to choose the most profitable production technologies and to implement these technologies successfully.
2. Helping farmers to make decisions on investments and the choice of farming systems.
3. Helping farmers to decide when and how to market which products.
4. Helping farmers to make collective decisions e.g. on:
 - management of land, water and other resources,
 - marketing
 - influencing government policies.
5. Predicting changes in governmental price, environmental and other policies and taking these policies into account in decisions on their way of farming.
6. Helping farm families to decide to what extent they will try to earn their income from farming or from other sectors of the economy.

For extension and consulting services it is important to decide which of these roles they will try to perform. It will be difficult to find an extension agent or a consultant, who is really competent to give advice on all these decisions. This choice of the extension organisation influences the capabilities which are required in their organisation, their relationship with farmers and the way their organisation can be financed. Important questions in this regard are:

- a. Who does have the knowledge and information needed to make a good decision: the farmer, the extension agent or do both of them have a part of this knowledge?
- b. If this knowledge and information is not yet available, how can it be developed?
- c. Who has the right to make this decision. If values play a role in choosing the right decision, it will usually be the farm family and not the extension agent, who has this right.

If only the extension agent knows how to solve the problem and there is no disagreement about the goals of the farmer, he can tell the farmer what he should do. However, also in this situation it is possible and often desirable to use this opportunity to teach the farmer, how to solve in the future similar problems himself, e.g. how to recognise a plant disease. Especially in CEE countries it is important to teach farmers processes of decision making and the best teaching method is usually to take a real problem of a farmer or preferable a group of farmers as an example. For this purpose it can also be quite useful to teach farmers to learn from their own experiments and experiences. This is quite important in diverse situations, e.g. in

mountain areas, where it is impossible for research institutes to do research in each situation. Also new farming systems can only be developed and labour management problems be solved in the actual farm situation and not in a research institute.

It is necessary to analyse the weaknesses in the present Agricultural Knowledge and Information System, which the extension service should overcome. If for instance input supply companies give good advice on the use of their products and farmers are willing to pay for this advice in the price of these products, there is no reason why an extension service should do the same at the expense of the tax payers. There may be a need for a competent group in the extension service to which farmers can turn in case they fear that a company tries to cheat them.

One should distinguish situations where knowledge is a private good and where it is a public good. Knowledge about technologies is often a public good, because the same knowledge is valuable to all farmers and if one farmer demonstrates how it works other farmers can also learn from this demonstration. On the other hand knowledge about an investment decision is usually a private good, because this decision has to take into account the resources, the situation and the goals of an individual farmer. However, knowledge about the methodology to take an investment decision becomes much more a public good from which a large number of farmers can profit.

When knowledge is a private good a consulting firm paid by fees from its farmer-clients is usually the most effective way to provide this knowledge. This firm is forced to provide the knowledge for which farmers feel a need, otherwise they are not willing to pay the fee or turn to a competing consulting firm. It is also difficult to defend that taxpayers pay for knowledge through which one farmer can increase its income, although this may be seen as a social service for pensioners with a low income. When knowledge is a public good it is usually in the interest of the economic growth of the country that this knowledge is spread as widely and rapidly as possible. This often results in a decrease in the costs of food consumption for the consumers cum taxpayers. Charging a consulting firm with this task may not work, because this firm tries to make this knowledge only available to those who pay for it and therefore the firm will e.g. not use a demonstration from which all farmers can learn.

Increasingly governments try to implement environmental policies, which may not be in the (short term) interest of individual farmers but in the interest of the society as a whole, e.g. because they prevent pollution of the drinking water. These policies will only be effective if the majority of the farmers follow them voluntarily. In that case it is possible to fine those farmers who refuse to follow these government rules. For that purpose it is important that

rules are formulated which help to realise the goals of the government at the lowest possible costs for farmers. In order to design such rules bureaucrats need the help of farmers or representatives of farmers unions, who understand what are the implications of various alternatives for farmers.

It is sometimes assumed that consultants can work with all farmers on an individual basis. This may be possible when still most of the agricultural production comes from large scale farms of over 1000 ha. However, also in this situation often a large proportion from the horticultural and livestock production comes from the small pieces of land the workers on these large farms manage on their own account. It is not possible to reach all farmers individually in situations where most of the farm work is done by the farmer and his family members. In the Netherlands e.g. when we had one field level extension agent for about 500 of these farms, this agent was only able to visit about half of them regularly. The others learned how to adjust their farm to the changing opportunities offered by the markets and by innovative technologies by observing how progressive farmers, who co-operated with the extension agent changed their farm, by talking with these farmers, reading farm papers, observing demonstrations and exhibitions, and learning from the input dealers and the buyers of their products.

In many of the CEE countries the majority of the farms is that small that they can not provide a living for a farm family. Farmers need also non-agricultural sources of income to survive, perhaps a pension, as a shopkeeper, an artisan or an employee. This makes it more difficult to reach them by agricultural extension, because they should not only learn about changes in agriculture, but also in their other sources of income. In addition they may not be at home during the official working hours of the extension agent or consultant. Perhaps only the wife, who does most of the farm work, is at home or can come to a meeting or demonstration organised by extension. An important policy decision is how much support these part-time farmers should get from the extension or consulting service. One can claim that the government should promote economic growth by making the most profitable investments. Teaching a pensioner modern farming, who will always have a low level of production and who anyway will stop farming in a few years time, because he gets too old, may not be the most effective way to stimulate economic growth. One may also say that it should be the role of the government to help its citizens to decrease their poverty and these part-time farmers do whatever they can to supplement their meagre income from other sources by small scale farming. If one decides to support these part-time farmers by increasing their knowledge and skills through extension the goal should be to increase their family income and not their farm

income only. An important decision for them is: How can I earn most, by investing this man hour or this 100 Euro in my farm or somewhere else? The difficulty is that you can not expect from an agricultural extension agent that he has good knowledge from the returns which can be expected from investments outside agriculture.

The development of the Internet and other Information and Communication technologies changes the roles extension agents should perform. It becomes less to provide farmers with information, because this can be done cheaper and more timely with these technologies. It becomes more important to help them to find the most relevant information, to evaluate this information and to integrate information from different information sources for their decision making. A difficulty is the excess in information which is available and the lack of reliability of some of this information. It will take time until most farmers in CEE countries have themselves access to the Internet, but there are now Indian villages with an Internet Booth, where farmers can get help to find the information which is useful for them. To find the best ways to use these technologies for communication within the extension organisation and with other actors in the Agricultural Knowledge and Information System is another challenge.

4. How to implement the roles which extension or consulting services are expected to perform

Crucial for a successful implementation of extension roles is the trust of the farmers that their extension agent is capable and motivated to help them to realise their goals. Role conflicts between realising the goals of the farmers and those of the extension organisation should be avoided. Such conflicts can be expected when the government has goals which cause a decrease in farm income, e.g. decreasing surpluses in agricultural production or by reducing environmental problems. Clearly the government should serve the interest of the whole population and not only those of the farmers or of certain groups of farmers. Therefore the government may have to take decisions which are against the interests of (some) farmers, but if the extension organisation is asked to implement these decisions it may loose the trust of their farmers and hence the ability to influence other changes in farming which are in the interest of farmers as well as in the interest of the society as a whole. The government extension organisation may say to the farmers: "These are rules, which are accepted by parliament and if you do not follow these rules you may be fined. I am willing to discuss with you how you can change your farm in such a way that you get the highest possible income without breaking these rules".

This can also be a problem, if extension is provided by a commercial company selling inputs or marketing farm products. This company invests in extension in order to increase its profits. It is possible that in doing so it will at the same time increase the profit of the farmers. For instance if a feed company teaches its customers how they can prevent diseases in their poultry this will increase their own profit as well as that of the farmers, because a chicken which dies no longer eats feed nor lays eggs. However, there can also be a conflict of interests. It is e.g. not in the interest of the pesticide company to teach farmers that in some situations they can increase their profit by replacing most pesticides by knowledge about insect ecology (=Integrated Pest Management) without reducing their yields.

Also a commercial consulting firm~~s~~ paid by fees from the farmers does not necessarily work in the interest of the farmers, because it tries to make a profit. It may e.g. not teach them how to get the information they need to solve their problems in a cheaper way than by asking advice from the consultant by reading a publication or finding information on the Internet.

Avoiding these conflicts of interests is one of the reasons for a movement towards a pluralistic extension system in which each extension organisation provides information which is in the interests of the farmers as well in the interest of this organisation. In the Netherlands e.g. farmers unions and not the government advise farmers how they can avoid paying more taxes than is really necessary, but the government tries to inform farmers about new rules and regulations, which they are supposed to follow.

In some countries a government extension service tries to raise money for their work by selling seeds and agro-chemicals. Commercial companies may not consider it profitable to sell these products in remote villages to small farmers. It is also a way to get into contact with farmers, who do not yet recognise the value knowledge has for them, but who realise that they need these inputs. However, the result can also be that farmers loose the confidence in their extension agents, if the products they sell are not of a really good quality or if as a result of an inefficient bureaucracy these products do not arrive in time.

It is also important that the extension agents are competent to give good advice. This requires in the first place that they understand what the goals of this farmer are, in which situation he is farming and which resources he has. The ability of the extension agent to listen to his farmers and to learn from their experience is at least as important as the ability to speak clearly. As there are large differences between farmers it is seldom desirable to give blanket recommendations which are the same for all farmers, but the advice should be adjusted to the specific situation of a farmer or a group of farmers.

In the second place this requires knowledge on production technologies, which can come both from research and from farmers' experience. Therefore a good linkage between research and extension is necessarily not only to inform the extension agent about the most up-to-date and most relevant research findings, but also to stimulate researchers to develop the knowledge which is needed to find solutions for important problems of farmers. In the past research institutes in CEE countries had to solve problems of large state and co-operative farms. These problems may be quite different from the problems of the present small private farmers. An important role of the extension service can be to teach researchers for which problems of these small farmers a solution has to be discovered. Perhaps this is how to manage a small farm profitably with a very limited amount of capital.

The international experience is that a successful extension agent has to invest about 15% of his time to keep well informed about new developments in production technologies and management strategies. One good way to do so can be to participate in on-farm testing of these technologies in the situation where (s)he works.

In the third place the extension agent should be able to discuss with his farmers which changes can be expected in market prices and in government policies. For a farmer it is quite important to adjust his way of farming in time at these changes, but they are often difficult to predict. This prediction should be the responsibility of the farmer, who bears the risk when the wrong prediction is made, but he may expect from his extension agent help to make a well informed prediction. In a wine production area the extension agent should e.g. know that The Economist has recently predicted that wine production in the world will increase so much in the coming years that wine prices will drop and he should be able to discuss with farmers how likely it is that this prediction is correct. One can not expect that each extension agent gathers this information him- or herself, but the farmers will profit if for this purpose he is well supported by his headquarters.

Farmers are free to listen or not to listen to their extension agent. They will only listen, if they consider it important for themselves what he tells. This makes it important to start with problems farmers consider important and not with problems researchers or high ranking government officers consider important. If the extension agent helps farmers to find a solution for the problems they consider important, he will gain their confidence. As a result they will also listen to problems the extension agents considers important. If the extension agent has e.g. shown the farmer that it possible to prevent that his crop is lost by a plant disease, most will get convinced that it is important to listen to what this man has to say. He may e.g. become able to discuss with them whether a change in their farming system is desirable in

order to profit from new opportunities in the market. This is not possible if farm management advice is given by a different organisation than advice on plant protection.

In communist times many instructions were issued from the national and provincial level about the desirable developments in agriculture. In a market economy it is the task of farmers to make these decisions and the task of extension agents to ^{support} this as ^{well} good as possible. The task of the extension manager is no longer to order his staff members what they should do, but to enable them to make themselves decisions what is most needed in their situation. A good extension agent has received from his farmers a lot of knowledge about this situation, which people at the provincial and national level cannot have. The change from an organisation in which the specialists are expected to follow the orders of their boss to an organisation where the managers facilitate the decision-making by their field agents is perhaps the change which is most difficult to realise in the CEE countries. A similar change has been realised in many commercial companies in the West, but that took about a generation.

A reason why this change towards a more participatory style of leadership in extension organisations is necessary, is the importance of locally relevant knowledge for agricultural development. To make this development a success all available knowledge should be used, not only the knowledge of the managers of the extension organisation or the researchers, but also the knowledge from the field level extension agents and the farmers. One should try to select the most intelligent people for managerial or research positions, but the field level extension agents and the farmers have more brains than they have, because they are much larger in number. It is no exception that these brains are the most under-utilised resource for agricultural development.

There are three reasons why extension agents should stimulate the exchange of ideas and experiences among farmers. Firstly this is an important way to develop location specific knowledge. There are large differences in agro-ecological situation between farmers fields and in socio-economic situation between farmers. Experiments and experiences by farmers contribute a lot to developing information which is needed in each of these situations. Secondly farmers will be much more inclined to implement changes which they or their colleagues have partly developed than changes which are handed down to them by extension agents from researchers. Farmers have learned by experience that this theory does not always work in their situation. Thirdly increasingly farmers have to make collective decisions on resource use, e.g. on erosion control, and on influencing other actors in the marketing chain, e.g. through co-operatives. In order to make a good decision, which is widely accepted a lot of discussion among all stakeholders is necessary.